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)

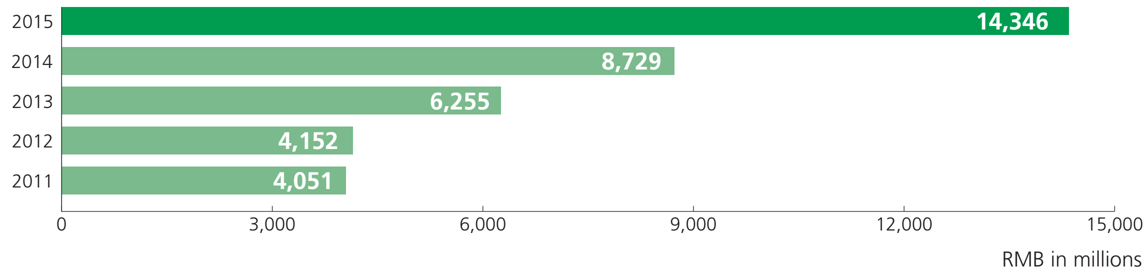
Stock Code: 00579

2015 Annual Report

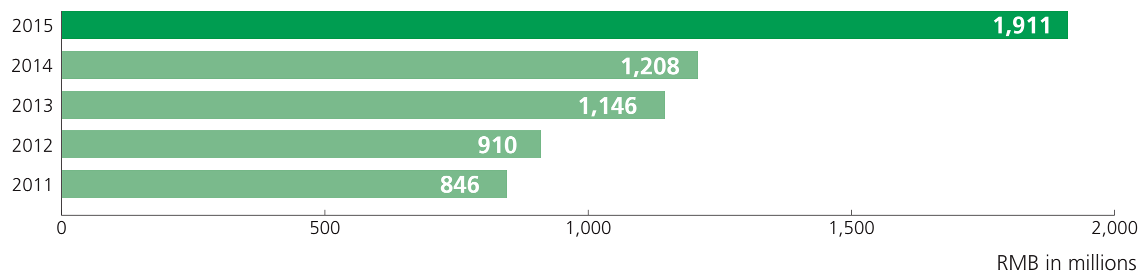
Contents

Financial Highlights

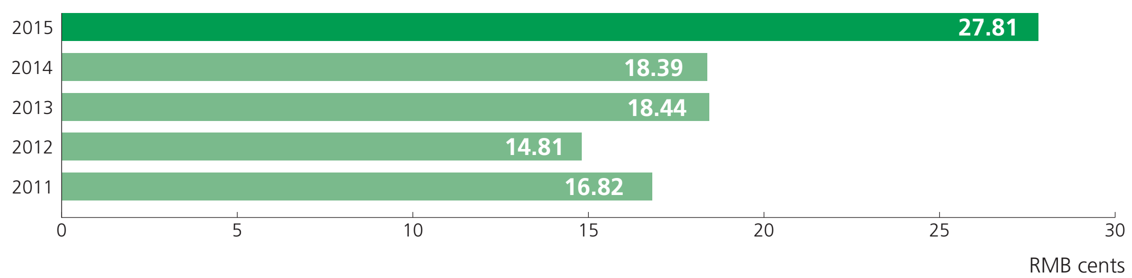
REVENUE



PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY



EARNINGS PER SHARE



Financial Summary

	Year ended December 31				
	2015	2014	2013	2012	2011
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (restated)
Revenue	**14,346,034**	8,728,687	6,254,824	4,151,630	4,050,738
Other income	**3,248,431**	1,425,623	1,462,121	733,211	963,121
Profit from operations	**3,372,923**	2,330,090	2,037,558	1,548,807	1,562,258
Profit before taxation	**2,561,228**	1,571,614	1,449,835	1,111,939	1,134,193
Income tax expense	**(528,478)**	(284,321)	(222,352)	(123,533)	(196,822)
Profit for the year	**2,032,750**	1,287,293	1,227,483	988,406	937,371
Total comprehensive income	**2,002,859**	1,186,701	1,227,483	988,406	937,371
Profit for the year attributable to:					
– Ordinary shareholders of the Company	**1,910,643**	1,208,330	1,145,534	910,101	845,841
– Holders of perpetual notes	**41,482**	—	—	—	—
– Non-controlling interests	**80,625**	78,963	81,949	78,305	91,530
	2,032,750	1,287,293	1,227,483	988,406	937,371
Total comprehensive income for the year attributable to:					
– Ordinary shareholders of the Company	**1,886,311**	1,132,147	1,145,534	910,101	845,841
– Holders of perpetual notes	**41,482**	—	—	—	—
– Non-controlling interests	**75,066**	54,554	81,949	78,305	91,530
	2,002,859	1,186,701	1,227,483	988,406	937,371
Earnings per share *(RMB cents)*					
Basic and diluted	**27.81**	18.39	18.44	14.81	16.82

Financial Summary

	As at December 31				
	2015	2014	2013	2012	2011
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(restated)			(restated)
Total assets	**46,401,607**	48,137,748	38,493,152	31,109,078	28,087,245
Non-current assets	**39,349,821**	37,696,064	32,090,764	26,246,970	23,106,005
Current assets	**7,051,786**	10,441,684	6,402,388	4,862,108	4,981,240
Total liabilities	**30,294,363**	35,195,978	27,528,994	21,786,753	16,638,944
Current liabilities	**14,189,234**	16,487,571	10,645,896	7,604,768	8,205,898
Non-current liabilities	**16,105,129**	18,708,407	16,883,098	14,181,985	8,433,046
Net assets	**16,107,244**	12,941,770	10,964,158	9,322,325	11,448,301
Capital and reserves					
Share capital	**6,870,423**	6,870,423	6,477,413	6,149,905	6,032,200
Reserves	**7,226,480**	5,629,414	4,199,672	2,896,880	5,038,286
Equity attributable to ordinary shareholders of the Company	**14,096,903**	12,499,837	10,677,085	9,046,785	11,070,486
Perpetual notes	**1,527,982**	—	—	—	—
Non-controlling interests	**482,359**	441,933	287,073	275,540	377,815
Total equity	**16,107,244**	12,941,770	10,964,158	9,322,325	11,448,301

Corporate Profile

Founded in August 2010, Beijing Jingneng Clean Energy Co., Limited (the "**Company**") is a subsidiary of Beijing Energy Holding Co., Ltd ("**BEH**"). The Company was listed on the main board of the Hong Kong Stock Exchange on 22 December 2011. The Company operates its business in a number of provinces and autonomous regions, such as Beijing, Inner Mongolia Autonomous Region, Ningxia Hui Autonomous Region and Sichuan Province, and involves gas-fired power and heat energy generation, wind power, small to medium hydropower, photovoltaic power and other clean energy generation businesses, which helps claim the Company the title of the largest gas-fired power supplier in Beijing and the leading wind power operator in China.

As at 31 December 2015, total consolidated installed capacity of the Company reached 7,240 megawatt. Gas-fired power generation and heat energy generation is the core business segment of the Company. Currently, the Company operates six gas-fired cogeneration plants with 4,436 megawatt of consolidated installed capacity in Beijing. The consolidated installed capacity of wind power generation reached 1,915 megawatt with major distribution in Inner Mongolia regions in China where wind resources are abundant and New South Wales of Australia. Lumingshan Guanting Wind Farm, which served for the Beijing Olympic Games, is the only wind power project located in Beijing. In addition, the Company also operates small to medium hydropower, photovoltaic power and other clean energy generation businesses. The consolidated installed capacity of small to medium hydropower reached 449 megawatt, with major distribution in Southwest China where water resources are abundant. The installed capacity of photovoltaic power reached 440 megawatt, with major distribution in northwest and northern China where solar resources are rich.

Standing firmly to the development strategy of "expanding gas-fired power, strengthening wind power, optimizing hydropower and increasing photovoltaic power", the Company focuses on economic benefits and continuously enhances its production safety management and streamline management, and thus improves the capability of power generation. With strict risk control, scientific planning, optimised composition, steady promotion of project development, the Company is set to witness improvement in the capability to achieve sustainable development.

General Manager's Statement

In 2015, China's economy has entered into a "new normal state". The economic growth slowed down and the economic structure was upgraded. The electricity demand of the whole society increased slowly and the power supply structure optimized continuously. Under the macro background of energy structure adjustment and the support of the "13th Five-year Plan" and many other essential policies, the prospects for the development of clean energy industry is fairly bright and both of the investment and new installed capacity presented an increasing tendency.

Over the past year, under the support of investors, the correct leadership of the board of directors, the management team of the Company led all employees to tightly focus on the investment and management policy of "standardizing the procedures, strengthening the implementation, combining production and financing, and developing with innovation". We gave full play to the advantages of scale and achieved great increase in company profits; we made great efforts to expand the financing channels and the financial costs have been significantly cut down; we also explored the development direction deeply, and the strategy that highlights the main business and seeks for coordinated development has worked out remarkably.

As at the end of 2015, the Company recorded consolidated total assets of RMB46.402 billion, annual revenue of RMB14.346 billion, and profit before taxation of RMB2.561 billion. At the end of 2015, the consolidated installed capacity reached 7,240 MW, including gas-fired power installed capacity of 4,436 MW, wind power installed capacity of 1,915 MW, hydropower installed capacity of 449 MW, and photovoltaic power installed capacity of 440 MW.

General Manager's Statement

The Company actively carried out a variety of financing channels in both China and overseas countries, took great efforts to cut down the costs of fundraising. The projects under construction have been put into operation successively, which laid a solid foundation for the Company's sustainable development. Power generation corporations and the projects under construction enhanced the basic safety management, improved the ability of risk supervision and prevention, and conducted safety inspection regularly, all of which effectively guaranteed the safety of infrastructure and production, improved the equipment reliability, ensured the stable operation of generating units and maintained the safety production at a steady level.

The Company will continue to expand the market, seize the opportunity for collaborative development of Beijing, Tianjin and Hebei region. We will deeply penetrate into the Beijing market and promote domestic high-quality projects. We will expand the international market orderly and explore the overseas market actively; we will learn the successful experience of the Australian wind power project merger and endeavor to explore the method of combining development and merger in the economically developed and politically stable regions to develop a number of high-quality projects reliably and orderly.

2016 is the beginning year of the "13th Five-year Plan" period. In the new year, against the economic new normal state, the clean energy industry confronts huge challenges as well as chances. The Company will be firmly confident, and stick to diversified development. We will unceasingly make innovation, formulate practical and feasible work plans, and adhere to the development objective that produces profits from the stock, and generate development from the increment. We will endeavor to promote the profitability and sustainable development capability. And we will comprehensively maximize the value of the Company and spare no effort to bring shareholders greater return on investment.

Management Discussion and Analysis

I. INDUSTRY REVIEW

In 2015, growth rate of world economy slowed down while recovery of the global economy remained rough and hard. Under the context of unprecedentedly complicated internal and external environment and increasing economic downturn, China's economy achieved new progress in institutional reform, structural optimization, and element upgrading. The year 2015 marked the end of the "12th Five-year Plan", and the overall economy of the country showed the new normal state of stable but gentle, stable but evolving development.

In 2015, national electricity consumption was 5.55 trillion KWH, with year-on-year growth rate of 0.5%. Net increased installed generating capacity was 140 million KWH all over the country, marking new historical high for annual operation scale. However, being affected by slump in electrical demand growth, average operating hours of the generating equipment continued to decrease. The proportions of installed generating capacity for non-fossil energy and generating capacity increased by 8.1% and 8.3%, respectively comparing with 2010, and electricity supplying structure continued to optimize year by year. In 2015, newly increased installed generating capacity for gas-fired power was 9.4 million KW, with year-on-year growth rate of 16.5%. The generating capacity was 165.8 billion KWH, with year-on-year growth rate of 24.4%; newly increased installed generating capacity for wind power was 31.44 million KW, with year-on-year growth rate of 31.5% while the generating capacity was 185.1 billion KWH with year-on-year growth rate of 15.8%; newly increased installed generating capacity for photovoltaic power was 16.72 million KW, with year-on-year growth rate of 67.3% while the generating capacity was 38.3 billion KWH with year-on-year growth rate of 64.4%.

In 2015, the central and local governments expressed their great support for clean energy from various aspects, and launched relevant supportive policies to advocate acceleration in the development of clean energy, enhancement of stored energy and intelligent power grids construction, development of distributed energy, promotion of energy-saving low carbon electricity dispatching, and structure reforms within the energy market to form effective market competition mechanism.

During the Reporting Period, while facing complicated economic situation, the Group, through standing by its investment and operation policy of "standardizing procedures, strengthening implementation, integrating production and financing integration, innovating development" and by overcoming difficulties at all levels to realize stable growth, development promotion, structure adjustment, maintenance of electric capacity, made a leap into growth of operation benefit.

Management Discussion and Analysis

II. BUSINESS REVIEW FOR THE YEAR OF 2015

1. Further expanded installed capacity of clean energy and largely increased power generating capacity

In 2015, all business segments of the Group showed different development tendencies, but in general maintained a sound momentum of development. As each project was smoothly put into operation, clean energy installed capacity further expanded. As of 31 December 2015, the consolidated installed capacity of the Group was 7,240 MW, of which, the installed capacity based on gas-fired power generation was 4,436 MW, accounting for 61.27% of total installed capacity; the installed capacity based on wind power generation was 1,915 MW, accounting for 26.45% of total installed capacity; the installed capacity of hydropower generation was 449 MW, accounting for 6.20% of total installed capacity; the installed capacity based on photovoltaic power generation was 440 MW, accounting for 6.08% of total installed capacity. More efforts were put into the air pollution control in Beijing, supporting policies became further stabilized. At the same time, the Group strengthened its internal management, properly arranged the production plan and took full use of productivity, and achieved rapid growth in gas-fired power and heat energy generation business, of which the generating capacity increased by 81.02% as compared to the same period last year, accounting for 76.13% of total generating capacity of all business segments of the Group, which highlighted its advantages of gas-fired power and heat energy generation business in Beijing. The Group seized the opportunity in the photovoltaic segment to expand its photovoltaic power generation business. Along with large increase in installed photovoltaic power capacity in 2015, photovoltaic generating capacity markedly increased with a year-on-year growth rate of 39.62%. As of 31 December 2015, the aggregate consolidated power generation of the Group was 25,905 million KWH, representing an increase of 58.43% as compared to 16,350 million KWH for the same period of last year.

Management Discussion and Analysis

As of 31 December 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 of 31 December 2015 *(MW)*	Percentage *(%)*
Gas-fired power and heat energy generation	**4,436**	61.27%
Wind power generation	**1,915**	26.45%
Hydropower generation	**449**	6.20%
Photovoltaic power generation	**440**	6.08%
Total	**7,240**	100.00%

As of 31 December 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 as of 31 December 2015 *(MWH)*	Aggregate consolidated power generation as of 31 December 2014 *(MWH)*	Aggregate consolidated power generation increase year-on-year *(%)*
Gas-fired power and heat energy generation	**19,722,392**	10,895,277	81.02
Wind power generation	**3,689,824**	3,448,426	7.00
Hydropower generation	**1,862,841**	1,555,983	19.72
Photovoltaic power generation	**630,044**	451,243	39.62
Total	**25,905,101**	16,350,929	58.43

Management Discussion and Analysis

2. Rapid increase of profit, continuous improvement of financial position

In 2015, the Group strictly controlled the management of production and operation while balancing the development of various business segments. By ensuring professional, refined, regulated, standardized and informatized management, and attaching importance to the stock foundation and incremental benefit, the Group managed to achieve total assets of RMB46,401.6 million, and total equity reached RMB16,107.2 million, of which equity attributable to ordinary shareholders was RMB14,096.9 million, profit for the year was RMB2,032.8 million, representing an increase of 57.91% from RMB1,287.3 million for the same period last year, and profit attributable to ordinary shareholders was RMB1,910.6 million, representing an increase of 58.12% from RMB1,208.3 million for the same period last year. Earnings per share was RMB27.81 cents, representing an increase of 51.22% as compared to RMB18.39 cents for the same period last year. At the time of expanding the operation business, the Company has been always maintaining a sound and safety financial structure. The Company further optimized its financial structure, through which its net debts ratio decreased to 58.84% in 2015 from 65.40% in 2014.

3. Actively playing the exemplary role in Beijing and surrounding areas and accelerating the energy cooperation of the Beijing-Tianjin-Hebei Integration

In 2015, following the commencement of operation of the Northeast Thermal Power Center and the Northwest Thermal Power Center, all of the four thermal power centers commissioned by the Group came into operation successfully and safely. The Company had secured a market share of approximately 60% in Beijing's gas-fired power market in terms of installed capacity, 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, both of the two regional energy projects approved by the Beijing government were owned by the Group. The Future Hightech City Project in Changping District commenced operation on 3 July 2014 as scheduled, becoming the only regional energy project in operation in 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 officially commenced construction in 2015. The construction progress of the project went sound and steady, positioning itself to becoming a state-of-the-art project.

Management Discussion and Analysis

During the Reporting Period, the Group actively participated in the demonstration project of renewable energy and clean heat energy generation in Beijing, implemented the guidance of "Notice on relevant requirement of carrying out demonstration of heat generation with renewable energy in Beijing" issued by the National Energy Administration of the PRC, and fully exerted the demonstration of full utilization of wind power and photovoltaic power in Beijing and surrounding areas. It spared no effort to advance other key projects such as the Badaling Solar Energy Composite Pilot Project, Qianxi Photovoltaic Project, etc. In the meantime, in order to follow the "Pilot Development Plan of Renewable Energy Zone in Zhangjiakou, Hebei Province" approved by the State Council, to further improve the environment and air quality in Beijing and Zhangjiakou, to increase the proportion of clean energy in Beijing and to realize the goal of alternative coal-fired heating in Yanqing county in 2020, the Group planned to develop wind and solar energy resources with capacity of 1,000 MW in Zhangjiakou City and construct transmission lines to transmit new-energy-generated power to Beijing. The Group, by utilizing certain kinds of new energy for power and heat generation to achieve clean energy cogeneration, made tremendous contributions to energy transformation, easing of haze and the acceleration of synergistic development and regional integration of Beijing-Tianjin-Hebei while providing clean and efficient energy sources to the Winter Olympics.

4. Balanced development of all business segments and sufficient subsequent resource reserve

The Group owned diversified business structure, which helped it to reduce the volatility and risk arising from single power generation. Meanwhile, the Group seized the opportunity to develop all business segments, explored alternately the potential of each clean energy generation business, and further brought sustainable benefits to the Group. All business segments were under balanced development and business structure became increasingly optimized.

Management Discussion and Analysis

In 2015, the Group actively explored the sustainable development path by cooperating with China Southern Power Grid and Shenzhen Gas for the purpose of developing the Shenzhen International Low Carbon City Project, and seeking new breakthrough in power grid pattern and business pattern. The Group's wind power business continued to grow at a stable speed, and currently the total installed capacity reached 1,915 MW. During the Reporting Period, the Company focused on construction of quality and efficient wind power fields with abundant wind resources in the West Inner Mongolia, Ningxia and other regions, and actively proceeded the work in preliminary project stage in regions with abundant wind resources, such as Xinjiang, Gansu and Shaanxi, providing strong impetus for the sustainable development of the Group. In addition, the Group completed the acquisition of the GR wind power project in Australia and achieved grid-connection and power generation 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 the Group's core competitiveness was enhanced with an increased market share.

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 strengthened expansion and development. Photovoltaic power generation business grew rapidly. Our consolidated installed capacity by photovoltaic power generation amounted to 440 MW, representing a year-on-year increase of 62.96%, and our consolidated photovoltaic power generation amounted to 630 million KWH, representing a year-on-year increase of 39.62%. The Group has been identified as one of the seven pacemakers in national 1,000 MW solar model projects, reflecting the Company's position in the photovoltaic power generation industry.

In addition, Beijing Huayuan Huizhong Environmental Protection Technology Co., Ltd., a joint venture of the Group, obtained the approval from the Commission of Development and Reform of Beijing 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 tons per day, decomposed waste screening capacity of 3,000 tons per day, residue treatment capacity of 1,200 tons per day, and leakage treatment capacity of 850 tons per day. The project encompasses four sets of machinery grate incinerators, each with a capacity of 750 tons per day and two sets of 30 MW extraction condensing steam turbine power generators. Major construction facilities include municipal solid waste incineration power generation facilities, decomposed waste screening facilities, residue landfills, leakage treatment facilities, integrated management area and relevant ancillary facilities. Construction of the project has already commenced.

Management Discussion and Analysis

5. Continuous innovation in project development and starting a new energy-internet mode

According to the 2015 Report on the Work of the Government, Premier Li Keqiang proposed the action plan of "Internet+", aiming to deeply combine the energy and Internet technology, and improve energy utilization efficiency. Building the energy Internet is significantly beneficial to the economy and environmental protection. The Group, corresponding with the demands of the times, has speeded up the Internet-based clean energy project. The Group plans to establish an energy Internet demonstration base in the northern part of Haidian District, Beijing, which, by making effective and comprehensive use of cold energy, thermal energy and electric energy, could greatly facilitate the utilization of renewable energy. Meanwhile, the project could help to create multilateral open and flexible electricity trading, achieving deep interconnection between information and energy. The project includes a generation unit of cold, thermal and electric combined energy under construction, with installed capacity of 240 MW; 7 newly built distributed generation units of cold, thermal and electric combined energy, with installed capacity of 66.5 MW; roof photovoltaic power generation construction area of 1.61 square kilometers; maximum power generation capacity of 124.94 MW; phase transition storage capacity of 343 MW; and electricity storage capacity of 80 MWH.

In addition, the Group follows through the national principle of low carbon and sustainable development with efforts to push forward the development of the Shenzhen International Low Carbon Energy Project, which is a 50 MW-graded integrated system, reflecting a genuine distributed energy resource system. The system works on the basis of a distributed energy resource combining thermal energy, electric energy and cold energy with smart power grid being the core and renewable energy as supplement, and it coordinates and solves the demand for electric energy, thermal energy and cold energy in the launching zone, helping to attain the goal of energy on-site supplies and consumption. The project intends to adopt the most advanced equipment and facilities in the world and make some innovations in solutions to energy systems by achieving direct regional power-supply model through smart power grid. At the same time, we explored energy operating models different from the traditional ones, which provided new thoughts for structural reforms of the electric power system. Meanwhile, this project will strengthen the leading position of the Group in the domestic distributed energy sector.

Management Discussion and Analysis

6. Diversifying financing channels and significantly reducing financing cost

As domestic monetary policy was eased, the People's Bank of China continuously reduced the interest and deposit reserve ratio, and bond issuance interest continued to be reduced. The Group took the chance to register the bond limit up to RMB9,900.0 million, with RMB3,000.0 million for short term financing bond, RMB4,000.0 million for ultra short-term financing bond, and RMB2,900.0 million for the perpetual bond. The Group also successively issued short-term financing bond of RMB3,000.0 million and perpetual bonds of RMB1,500.0 million, and circularly issued ultra short-term financing bond of RMB4,500.0 million. The short-term bond issuance interest rate was around 3.5%, with minimum rate being 3.25%. Meanwhile, as overseas financing cost declined, the Group actively coordinated interest reduction of overseas loans and loan replacement, which greatly reduced the financing cost.

7. Fully promoting the project under construction and actively coping with the tariff adjustment

To cope with the long-term influence as a result of tariff adjustment, the Group further strengthened management on the project under construction and project approved to be commenced so as to complete the project as scheduled with quality and quantity assured and to implement higher on-grid electricity price. During the Reporting Period, Ningxia Taiyangshan Project Stage III, Zhongning, Beitashan and Huhe Horse Ranch Wind Power Project Stage II successfully obtained the higher policy electricity price. To cope with the situation where the reduction in electricity price for wind power generation and photovoltaic power generation may become normal state, the Group strictly controlled the investment in new project and selected proper project. The Group spared no effort to ensure its profit by controlling pre-stage development cost, further optimizing the design, strengthening cost control of the construction over the whole process, strengthening foundation management and reducing operation cost of completed projects.

Management Discussion and Analysis

III. OPERATING RESULTS AND ANALYSIS

1. Overview

In 2015, the Company's profitability improved significantly. Profit for the whole year amounted to RMB2,032.8 million, representing an increase of 57.91% as compared to RMB1,287.3 million for 2014. Profit attributable to the ordinary shareholders of the Company amounted to RMB1,910.6 million, representing an increase of 58.12% as compared to RMB1,208.3 million for 2014.

2. Operating Income

Total revenue increased 64.35% from RMB8,728.7 million for 2014 to RMB14,346.0 million for 2015. Adjusted total operating income increased 73.04% from RMB10,047.3 million in 2014 to RMB17,386.1 million in 2015, due to the increase in sales volume of electricity as a result of the inauguration of installed capacity in gas-fired power and heat energy generation segment and photovoltaic segment in 2015.

Gas-fired Power and Heat Energy Generation Segment

The revenue from the gas-fired power and heat energy generation segment increased by 84.60% from RMB6,398.7 million for 2014 to RMB11,812.2 million for 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 81.84% from RMB5,787.9 million for 2014 to RMB10,525.0 million for 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 110.66% from RMB610.7 million for 2014 to RMB1,286.5 million for 2015, due to hike of the heat tariffs and the increase in sales volume of heat energy as a result of an increase in the installed capacity.

Management Discussion and Analysis

Wind Power Segment

The revenue from wind power segment increased by 0.40% from RMB1,567.4 million for 2014 to RMB1,573.7 million for 2015.

Photovoltaic Power Segment

The revenue from photovoltaic power segment increased by 36.06% from RMB390.5 million for 2014 to RMB531.3 million for 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 14.87% from RMB370.5 million for 2014 to RMB425.6 million for 2015, due to the increase in sales volume of electricity as a result of an increase in rainfall in this segment.

Others

Other revenue increased by 120.00% from RMB1.5 million for 2014 to RMB3.3 million for 2015, due to the increase in revenue from providing external maintenance service.

3. Other Income

Other income increased by 127.86% from RMB1,425.6 million for 2014 to RMB3,248.4 million for 2015, due to an increase in gas prices in the 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 sales volume of electricity.

Management Discussion and Analysis

4. Operating Expenses

Operating expenses increased by 81.76% from RMB7,824.2 million for 2014 to RMB14,221.5 million for 2015, due to an increase in gas cost as a result of rising in gas prices and sales volume in the gas-fired power and heat energy generation segment 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 95.23% from RMB5,401.5 million for 2014 to RMB10,545.3 million for 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 sales volume of electricity.

Depreciation and Amortization

Depreciation and amortization increased by 43.49% from RMB1,304.1 million for 2014 to RMB1,871.2 million for 2015, due to an increase in installed capacity in each segment.

Personnel Cost

Personnel cost increased by 31.98% from RMB417.4 million for 2014 to RMB550.9 million for 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 70.43% from RMB308.8 million for 2014 to RMB526.3 million for 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.

Management Discussion and Analysis

Other Expenses

Other expenses increased by 37.54% from RMB488.8 million for 2014 to RMB672.3 million for 2015, due to an increase in other expenses as a result of the inauguration of new projects.

Other Gains and Losses

Other gains decreased from RMB96.3 million for 2014 to losses of RMB55.5 million for 2015. Gains in 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 as well as changes in the fair value of H shares of CGN Power Co., Ltd. held by the Company during the holding period. Loss in 2015 mainly resulted from changes in the fair value of H shares held by the Company during the holding period.

5. Operating Profit

As a result of the above, our operating profit increased by 44.75% from RMB2,330.1 million for 2014 to RMB3,372.9 million for 2015.

6. Adjusted Segment Operating Profit

The total adjusted segment operating profit increased by 42.36% from RMB2,220.8 million for 2014 to RMB3,161.5 million for 2015, due to an increase in sales volume in electricity as a result of the increase in the inauguration of installed capacity in the gas-fired power and heat energy generation segment as well as the photovoltaic segment.

Gas-fired Power and Heat Energy Generation Segment

The adjusted segment operating profit of our gas-fired power and heat energy generation segment increased by 106.87% from RMB1,108.8 million for 2014 to RMB2,293.8 million for 2015, as a result of the increase in electricity sales and heat supply due to the newly installed capacity in this segment.

Management Discussion and Analysis

Wind Power Segment

Adjusted segment operating profit of our wind power segment decreased by 33.06% from RMB815.3 million for 2014 to RMB545.8 million for 2015 due to a decrease in sales of electricity as a result of regional power restriction in this segment.

Photovoltaic Power Segment

The adjusted segment operating profit of our photovoltaic power segment increased by 97.25% from RMB163.7 million for 2014 to RMB322.9 million for 2015, due to the increase in electricity sales as a result of the newly installed capacity in this segment.

Hydropower Segment

The adjusted segment operating profit of our hydropower segment increased by 2.91% from RMB158.0 million for 2014 to RMB162.6 million for 2015, due to the increase in electricity sales as a result of an increase in rainfall in this segment.

Others

Other adjusted operating profit increased from loss of RMB25.0 million for 2014 to loss of RMB163.6 million for 2015, due to gains in 2014 mainly resulted from changes in the fair value of H shares of CGN Power Co., Ltd. held by the Company transferred into loss from changes in the fair value in 2015.

7. Finance Costs

Our finance costs increased by 8.93% from RMB1,099.6 million for 2014 to RMB1,197.8 million for 2015 due to the interest payments expensed following the commencement of production of new projects.

8. Share of Results of Associates and a Joint Venture

Share of results of associates and a joint venture increased by 3.60% from RMB319.7 million for 2014 to RMB331.2 million for 2015, due to an increase in profit for the year driven by the equity earnings from holding interests in a subsidiary of Beijing Jingneng International Power Co., Ltd., an associate of the Company.

Management Discussion and Analysis

9. Profit before Taxation

As a result of the above, profit before taxation increased by 62.97% from RMB1,571.6 million for 2014 to RMB2,561.2 million for 2015.

10. Income Tax Expense

Income tax expense increased by 85.90% from RMB284.3 million for 2014 to RMB528.5 million for 2015. Effective tax rate increased from 18.09% for 2014 to 20.63% for 2015, primarily due to an increase in income tax expense on the newly operated gas-fired power projects.

11. Profit for the Year

As a result of the above, profit for the year increased by 57.91% from RMB1,287.3 million for 2014 to RMB2,032.8 million for 2015.

12. Profit for the Year Attributable to Ordinary Shareholders of the Company

Profit for the year attributable to ordinary shareholders of the Company increased 58.12% from RMB1,208.3 million in 2014 to RMB1,910.6 million in 2015.

IV. FINANCIAL POSITION

1. Overview

As of 31 December 2015, total assets of the Group amounted to RMB46,401.6 million, total liabilities were RMB30,294.4 million and shareholders' equity reached RMB16,107.2 million, among which equity attributable to the ordinary shareholders amounted to RMB14,096.9 million.

Management Discussion and Analysis

2. Particulars of Assets and Liabilities

Total assets decreased by 3.61% from RMB48,137.7 million as at 31 December 2014 to RMB46,401.6 million as at 31 December 2015, due to the recycling of electricity tariffs and remittance of placing funds for H share. Total liabilities decreased by 13.93% from RMB35,196.0 million as at 31 December 2014 to RMB30,294.4 million as at 31 December 2015, due to the repayment of borrowings. Total equity of shareholders increased by 24.46% from RMB12,941.8 million as at 31 December 2014 to RMB16,107.2 million as at 31 December 2015. Equity attributable to ordinary shareholders of the Company increased by 12.78% from RMB12,499.8 million as at 31 December 2014 to RMB14,096.9 million as at 31 December 2015, due to the operating accretion from business.

3. Liquidity

As of 31 December 2015, current assets amounted to RMB7,051.8 million, including monetary capital of RMB2,114.7 million; bills and trade receivables of RMB2,994.1 million (mainly comprising receivables from sales of electricity and heat energy); and prepayment and other current assets of RMB1,943.0 million (mainly comprising deductible value added tax and other account receivables). Current liabilities amounted to RMB14,189.2 million, including short-term borrowings of RMB3,557.5 million, short-term debentures of RMB6,000.0 million and bills and trade payables of RMB3,807.2 million (mainly comprising payables for gas, payables for engineering and purchase of equipment); other current liabilities amounted to RMB824.5 million, mainly including income tax payable and amounts due to related parties.

Net current liabilities increased by 18.05% from RMB6,045.9 million as at 31 December 2014 to RMB7,137.4 million as at 31 December 2015, due to the issuance of short-term debentures.

Current ratio decreased by 13.63% from 63.33% as at 31 December 2014 to 49.70% as at 31 December 2015, due to the recycling of electricity tariffs and remittance of placing funds for H share.

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 6.56% from 65.40% as at 31 December 2014 to 58.84% as at 31 December 2015 due to the repayment of borrowings.

The Group's long-term and short-term borrowings decreased by 12.29% from RMB28,665.7 million as at 31 December 2014 to RMB25,143.9 million as at 31 December 2015, including short-term borrowings of RMB3,557.5 million, long-term borrowings of RMB13,396.5 million, corporate bonds of RMB2,189.9 million and short-term debentures of RMB6,000.0 million.

Bank deposits and cash held by the Group decreased by 49.73% from RMB4,206.8 million as at 31 December 2014 to RMB2,114.7 million as at 31 December 2015, due to a partial utilization of the proceeds from the placing of H shares and the receipt of government grants and subsidies related to clean energy production for 2014 at the end of the year.

V. OTHER SIGNIFICANT EVENTS

1. Financing

On 15 May 2015, the Group issued the first tranche ultra short-term debentures of 270 days, proceeds from which amounting to RMB1,000.0 million with an interest rate of 3.50%. On 26 May 2015, the Group issued the second tranche ultra short-term debentures of 270 days, proceeds from which amounting to RMB1,000.0 million with an interest rate of 3.45%. On 11 June 2015, the Group issued the third tranche ultra short-term debentures of 60 days, proceeds from which amounting to RMB1,500.0 million with an interest rate of 3.25%. On 18 August 2015, the Group completed the issuance of the fourth tranche ultra short-term debentures of 270 days, amounting to RMB1,000.0 million with an interest rate of 3.30%.

On 27 May 2015, the Group issued the first tranche short-term debentures, proceeds from which amounting to RMB1,000.0 million with an interest rate of 3.70%. On 22 July 2015, the Group issued the second tranche short-term debentures, proceeds from which amounting to RMB2,000.0 million with an interest rate of 3.30%.

On 18 June 2015, the Group completed the issuance of the first tranche perpetual notes in the PRC, proceeds from which amounting to RMB1,500.0 million with an interest rate of 5.15% and the term of 3+N.

Management Discussion and Analysis

2. Capital Expenditure

In 2015, the Group's capital expenditure amounted to RMB4,122.7 million, including RMB903.7 million incurred for construction projects in the gas-fired power and heat energy generation segment, RMB1,485.1 million incurred for construction projects in the wind power segment, RMB1,512.4 million incurred for construction projects in the photovoltaic power segment, RMB171.2 million incurred for construction projects in the hydropower segment, and RMB50.3 million incurred for construction projects in other segments.

3. 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) and Jingyuan Jingneng New Energy Co., Limited (靖遠京能新能源有限公司) as wholly-owned subsidiaries in 2015 to carry out construction in wind power projects and established Gonghe Jingneng Clean Energy Co., Limited (共和京能清潔能源有限公司), Ningxia Haiyuan Jingneng New Energy Co., Limited (寧夏海原京能新能源有限公司) and Datong Jingneng New Energy Co., Limited (大同京能新能源有限公司) as wholly-owned subsidiaries to carry out the construction of photovoltaic power projects.

4. Contingent Liabilities

As of 31 December 2015, the Group had no external guarantees.

5. Mortgage of Assets

As of 31 December 2015, the Group's bank borrowings were secured by trade receivables of RMB87.0 million and fixed assets of RMB1,471.8 million.

VI. RISK FACTORS AND RISK MANAGEMENT

Currently, the operation and development of the Group are not exposed to any material risk factors, but they will be impacted to a certain extent by several factors in the short run:

1. Interest rate risk

The Group is principally engaged in electricity investment, which requires relatively high capital requirements, thus the uncertainties of interest rate will affect the financing cost of the Group. The Group's results enhance steadily. It has good credit condition and diversified financing channel. A large amount of low cost capital was obtained by the Group through many ways, such as the issue of ultra short-term financing bonds, short-term financing bonds, corporate bonds and perpetual bonds. In addition, the Group effectively prevented the interest risk by participating in the overseas financing market and using financial derivative instruments with long-term and fixed interest rate.

The Group tracked closely the change of economic environment, made judgments on the trend of the market interest rate, enhanced the management of the debt structure and made adjustment to it in a timely manner, to evade from the effect of the interest risk to the greatest extend.

2. Exchange rate risk

Most of the transactions of the Group are carried out in mainland China, from which most of the income and expenses are denominated in Renminbi. The Group has a small portion of overseas investments and loans in foreign currencies (including deposits denominated in AUD, HK dollars, as well as borrowings in US dollars, AUD). Movement in the Renminbi exchange rate may cause exchange loss or gain to the Group's foreign currency-denominated business.

The Group will continue to keep an eye on the exchange rate so as to cope with changes in the foreign exchange market and enhance the risk management on exchange rate by various means.

Management Discussion and Analysis

VII. 2016 BUSINESS OUTLOOK

As China's economic development has entered into a new normal state and rate of growth in demand for electric power is being slackened, it is expected that during the early and medium stage of "the 13th Five-year Plan" period, the power supply will continue to present the pattern of "surplus in general and overcapacity in partial areas" and the power sector will face an array of challenges in its development. Under this situation, the commodity property of power energy is increasingly recognized and regarded by the whole society, which helps to build the market structure and market system under effective competition, as well as establish and improve the mechanism in which the on-grid price and retail price are determined by the market while the transmission and distribution price is determined by the government. The implementation of the five major development concepts of innovation, coordination, green, openness and sharing is required, to speed up the transformation of the electric development pattern, to optimize the increment, and to transform the industrial development basis from denotative expansion to innovation and deepened reform. According to the Guidance Opinions on Establishing Renewable Energy Development and Utilization Target Leading System issued by the National Energy Administration on 3 March 2016, by 2020, all power generation enterprises (excluding those special non-fossil energy production enterprises) are required to comply such that the energy generating capacity from renewable resources other than hydropower accounts for 9% of the total generating capacity. This is the first time that the National Energy Administration issues mandatory provisions on the renewable energy quota system.

In 2016, the Group will strive to realize various business objectives by accomplishing the following tasks:

1. Strengthening fine management and improving stock assets efficiency

The Group will spare no efforts in professional and refined management, while focusing on lowering costs, improving efficiency, exploring internal potential and trying to achieve an increase in business efficiency by taking all effective measures. The Group shall continue to optimize the production management mode, strictly implement the management system, improve comprehensive control and operation management of equipment, focus on cost control, and improve equipment efficiency; additionally, the Group shall make use of the full consumption policy for clean energy and renewable energy, actively increase the generating capacity and heat amount to ensure that our profit increases to a higher level.

Management Discussion and Analysis

2. The Group will master three orientations and actively develop high-quality projects, focus on improving the quality and efficiency of development and make layout for the "13th Five-Year" development plan

Firstly, the Group will grasp the coordinated and sustainable development orientation of each business segment and firmly adhere to the strategic concept of "expanding gas-fired power", "strengthening wind power", "optimizing photovoltaic power", and developing hydropower and waste-to-power in a safe and orderly way.

With regard to gas-fired power business development, the Group will focus on the development of regional energy projects combining distributed gas-fired and energy Internet in Beijing, Shanghai, Guangzhou, Shenzhen and other first tier major cities based on local planning and endeavor to push the "Shenzhen Low-carbon City" project being approved and start of construction in 2016. The Group will choose quality projects for development in other regions subject to the price formation mechanism of gas-fired power generation and power generation utilization hours, and actively promote preparations for projects in Anhui, Jiangsu, Hubei, etc. With regard to wind power business development, the Group will focus on pushing the development and construction of cost-effective UHV supporting project and base power project. The Group will endeavor to capture the development of UHV supporting project in Ximeng and power project in Zhangjiakou Alternative Energy Base. With regard to photovoltaic power business, while continuing to seek quality projects in the traditional areas of Qinghai, Inner Mongolia, Xinjiang, and Ningxia, the Group will shift the development range to areas with favorable on-grid conditions such as Shanxi, Shandong, Jiangsu, and Hebei and develop the centralized and distributed photovoltaic projects such as "agricultural-photovoltaic power projects", "fishing-photovoltaic power projects", "animal-photovoltaic power projects" and BMPV according to local conditions. In the meantime, the Group will pay close attention to industry dynamics and propel the solar thermal power projects in areas with favorable light conditions in due time.

Secondly, the Group will grasp the regional dimension of project development and develop domestic projects with steady overseas market layout.

Management Discussion and Analysis

The Group will adapt to the domestic economic new normal and actively explore overseas project to expand the international opportunities. For projects in the developed economies, the Group will carry out in-depth study of local national policies, regional capacity, grid balancing and other conditions and make key layout and project development properly when the market conditions are mature and higher rate of return is promised. The Group's international business team will positively keep an eye on the key project opportunities in areas along "One Belt and One Road" such as Australia and Southeast Asia to push forward international layout steadily.

Thirdly, the Group will grasp the timing dimension of project development, construction and reserve to ensure coordination between the development pace and size and quality efficiency.

The Group will strictly follow the principle of coordination between the development pace and size and quality efficiency based on the specific characteristics of different power projects in different areas. The Group will give high priority to the development and construction of projects with high tariffs and favorable on-grid conditions; we will actively reserve the projects requiring further improvement in external investment environment and policy supporting measures and then make investment decisions at the right time when conditions are mature to constantly expand the Group's business and create maximum benefits for shareholders.

3. Seizing the new opportunity of the structural reform of the electric system and actively coping with the market changes

Along with deep development of electric system reform, clean energy faces an unprecedented development opportunity. Due to overcapacity in power industry, the structure of the power generation system has to be adjusted urgently. Under the policy of the structural reform of the electric system, the Company will actively explore the application of energy Internet technology, expand new development ideas, overcome various local and industrial obstacles and take actions where conditions permit. The Group will expand local high-quality and high-efficiency project, starting from ultra-high voltage and based on external power transmission around areas such as Zhangjiakou and West Inner Mongolia, and actively explore power sales business to broaden the road for the Company's future development.

Human Resources

The Company upholds the management philosophy of "people-orientation and pursuit of excellence", strives to create a harmonious working environment, and strengthens efforts in building of talents team. While focusing on the development of the Company, it attaches importance to staff training and employees' benefits. The overall human resources situation of the Company in 2015 is summarized as follows:

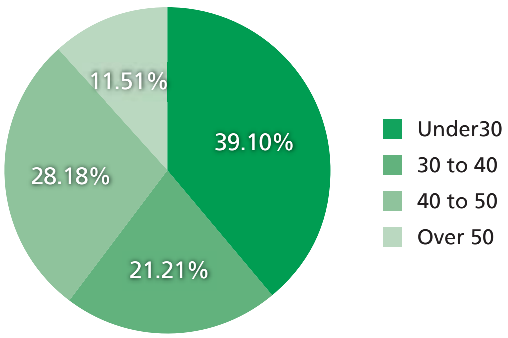
I. SUMMARY OF HUMAN RESOURCES

The Group had a total of 2,353 employees as at 31 December 2015. The age of staff tended to young, with the proportion of employees under the age of 30 accounting for nearly 40%; employees were generally highly educated, with the proportion of undergraduate and above degree holders accounting for nearly 55% of the total staff. Please refer to the following tables for details of the age and degree structure of employees:

1. Age Structure:

Age distribution	Number of employees	Percentage	Cumulative percentage
Under 30	**920**	**39.10%**	**39.10%**
30 to 40	**499**	**21.21%**	**60.31%**
40 to 50	**663**	**28.18%**	**88.49%**
Over 50	**271**	**11.51%**	**100.00%**
Total	**2,353**	**100.00%**	**—**

Age Structure



Human Resources

2. Degree Structure:

Educational background	Number of employees	Percentage	Cumulative percentage
Doctorate degree	4	0.17%	0.17%
Master degree	165	7.01%	7.18%
Undergraduate	1,121	47.64%	54.82%
College or below	1,063	45.18%	100.00%
Total	2,353	100.00%	—

II. EMPLOYEES INCENTIVES

With an aim to cope with its development, the Company, on the basis of position-oriented accountability system, has established and optimized a comprehensive accountability management system, a performance appraisal system for all employees and a multi-level incentive mechanism. Through clearly defining position-oriented performance targets and formulating performance standards, the Company is able to assess employees' performance in an objective manner. By materializing reward and penalty in the performance-based portion of the employees' remuneration, the Company is able to fully boost the potential and the morale of employees, thus achieving the coexistence of incentives and restraints.

III. EMPLOYEES' REMUNERATION

The employees' remuneration comprises basic salary and performance-based salary. The total salary is determined by reference to the performance appraisal of all the employees of the Group. Individual performance is associated with personal annual appraisal results.

Human Resources

IV. STAFF TRAINING

Talent is the source for the Company's development. The Company emphasized the probe into training needs, in a view to actively motivating all departments' initiatives. The Company designed and organized various vocational training for the employees that are geared to the characteristics of profession and position requirements. The Company offered a variety of training courses for employees in different ways, and also encouraged employees to actively participate in external training to provide more opportunities for employees to conduct foreign exchange and study and broaden their horizons, while training more talents for the Company.

The training provided by the Company in 2015 can be divided into four categories: daily management training, specialized position-related training, orientation training for new employees and technical skills training for frontline employees. During the year 2015, approximately three training courses that took approximately 22 training hours on average were received by each employee.

V. EMPLOYEES' BENEFITS

The Company has made contributions to the social security fund and housing fund for its employees in strict compliance with the Labor Law, Labor Contract Law and Social Insurance Law. Meanwhile, the Group has also established related systems such as the Management Standards for Social Security Fund and Housing Fund, Management Standards for Supplementary Healthcare and Management Standards for Occupational Health to increase the benefits of the Company and enhance employees' sense of belonging and happiness.

Profiles of Directors, Supervisors and Senior Management

NON-EXECUTIVE DIRECTORS

Mr. ZHU Yan (朱炎), aged 53. Mr. Zhu has been nominated as a non-executive director of the Company on 29 March 2016, subject to the consideration and approval by the Shareholders at the annual general meeting of the Company. The Board also resolved to appoint Mr. Zhu as the Chairman of the Board upon his approval as a non-executive director of the Company by the Shareholders at the annual general meeting of the Company. Mr. Zhu worked as an officer of the Department of Science and Technology and International Business and Commerce of Beijing Municipal Bureau of Grain from August 1985 to April 1987. He worked consecutively as an officer, a deputy section chief and section chief of the Department of Industry of Beijing Municipal Science & Technology Commission from April 1987 to September 1992. He worked as a general manager of Beijing Ketai Co., Ltd. (北京市科泰公司) from September 1992 to August 1994, an assistant director and deputy director of Beijing Municipal Science & Technology Commission from August 1994 to January 2000, a deputy secretary of the party committee and deputy director of Beijing Municipal Science & Technology Commission from January 2000 to March 2002. He was a secretary of the party committee and director of Beijing Information Technology Office from March 2002 to February 2009, and concurrently worked as a director of the Ticket Service Centre of Beijing Organizing Committee for the Games of the XXIX Olympiad from November 2007 to November 2008. He worked as a deputy secretary of the party committee and a director of Beijing Municipal Commission of Economy and Information Technology and a director of Beijing Municipal Science and Technology and Industry for National Defense Office from February 2009 to July 2011. He was a deputy secretary general of the People's Government of Beijing Municipality from July 2011 to February 2016. He has been working as a secretary of the party committee and chairman of Beijing Energy Group Co., Ltd. since February 2016. Mr. Zhu graduated from School of Economics and Management of Tsinghua University in April 1999 with an MBA degree, majoring in business administration.

Mr. GUO Mingxing (郭明星), aged 48, is a non-executive Director and is responsible for our business strategy and overall development. Mr. Guo has more than 25 years of experience in production, construction, business management and capital management in the power industry. In January 2005, Mr. Guo joined BEH as an assistant general manager. There he was promoted to deputy general manager in December 2005 and then general manager and director in December 2008. Also, since January 2007, he has been the president of Beijing Jingneng International. From June 2003 to December 2005, he was the general manager at Inner Mongolia Daihai Electric Power Generation Co., Ltd. Between September 2000 and December 2004, he worked with Beijing International Power Development and Investment Corporation as the deputy manager and then the manager of the electric investment management

Profiles of Directors, Supervisors and Senior Management

division and was then promoted to the assistant general manager in June 2003. From November 1999 to September 2000, he was an assistant director of the People's Government of Shenhe District in Shenyang. Between September 1990 and March 1993, Mr. Guo worked as an electrical technician and a secretary of the factory office at Shenyang Shenhai Power Plant, then as the manager of fuel division from September 1995 to November 1999. Between October 1997 and April 1998, he attended a training program at Tokyo Electric Power. Mr. Guo obtained a bachelor's degree in electric power engineering from Chengdu University of Science and Technology in July 1990 and a master's degree from Wuhan University of Hydraulic and Electrical Engineering in March 1995. Between 2003 and 2006, he studied quantitative economics in Jilin University and obtained a doctoral degree. Between 2007 and 2008, he was a part-time student at the center for post-doctoral studies of the management school of Beijing University of Technology.

Mr. XU Jingfu (徐京付), aged 60, is a non-executive Director and is responsible for our business strategy and overall development. Mr. Xu has over 16 years of experience in management and investment in the power industry. He has been a deputy general manager in BEH since November 2004, and has also been the chairman of BEH-Property Co., Ltd. (BEH-Property Co., Ltd, a company listed on the Shanghai Stock Exchange) since November 2005. From February 2000 to November 2004, Mr. Xu was the deputy general manager of Beijing Comprehensive Investment Company, the predecessor of BEH. From March 1980 to January 2000, he worked at Beijing Bureau of Technical Supervision for almost twenty years, as deputy section head, department head and deputy director, in that respective order. Mr. Xu graduated from the School of Mechanical Engineering at Beijing University of Technology in January 1980, major in optical instruments, and he obtained an MBA degree from Asia International Open University (Macau) in April 2003.

Mr. LIU Guochen (劉國忱), aged 59, is a non-executive Director and is responsible for our business strategy and overall development. Mr. Liu has more than 11 years of experience in the management of finance, property and accounting of large power companies. Mr. Liu joined BEH in November 2004 and has held the position of deputy general manager to this present day. Between September 2004 and November 2004, he worked with Beijing International Power Development and Investment Corporation as the deputy general manager. From August 1996 to March 1998, Mr. Liu worked as the vice director of Dalian Golden Pebble Beach Resort Management Commission. Between March 1998 and September 2004, he was the deputy director of Dalian Economic and Technology Development Area Administration Commission. Mr. Liu studied financial management at Liaoning Institute of Finance and Economics from September 1978 to October 1982 and was awarded a bachelor's degree. He was awarded a master's degree in investment economics in June 1986, and studied industrial economics in Dongbei University of Finance and Economics and obtained a doctoral degree.

Profiles of Directors, Supervisors and Senior Management

Mr. YU Zhongfu (于仲福), aged 45, is a non-executive Director of our Company. Mr. Yu has been the deputy general manager of Beijing State-owned Assets Operation and Management Center since May 2009, and the director of Beijing Rural Commercial Bank Co., Ltd., and China Securities Co., Ltd. since December 2009. From November 2003 to May 2009, he worked with Beijing State-owned Assets Supervision and Administration Commission, as deputy director of Department of Reform and Development, deputy director then director of Department of Enterprise Reform, in that respective order. From September 1996 to November 2003, he worked with Beijing Economic and Trade Commission, where he was a senior staff, principal staff, then deputy director of Department of Small and Medium Enterprises, then deputy director of the Department of Enterprise Reform, in that respective order. From January 1996 to September 1996, Mr. Yu worked with Shijingshan District Economic Planning Commission in Beijing as a staff then deputy section chief of Industry Section. Mr. Yu started his career as a staff at Shijingshan District Committee of the Chinese People's Political Consultative Conference in Beijing, where he worked from July 1992 to January 1996. Mr. Yu studied at North China University of Technology from September 1988 to July 1992, where he obtained a bachelor's degree of engineering. From September 2000 to July 2002, he studied in a post-graduate course at Central University of Finance and Economics, major in finance. He obtained a master's degree in public administration from Peking University in July 2011.

Mr. JIN Yudan (金玉丹), aged 59, is a non-executive Director of our Company. Mr. Jin now serves as a member of the board of trustees of Dulwich College Beijing, a British international school, and has been a partner of SAIF Partners RMB Fund since January 2010. From August 2008 to December 2009, he was an investment partner of SAIF Partners. From September 2005 to August 2008, he worked as the chief executive officer of Beijing Topsec Network Security Technology Co., Ltd. From July 2003 to September 2005, he worked as the president of Luminous Networks, Inc., a start-up company in Silicon Valley, USA. He studied in the Advanced Management Program of Kellogg School of Management, Northwestern University from April 2002 to June 2002. From May 1997 to December 2001, he was the president of Asia Pacific region for Marconi Plc, a British telecommunications company. He was the chief representative in China of the 3Com, a company in Silicon Valley, USA, from April 1994 to April 1997, and previously worked as a software R&D engineer from April 1988 to March 1994 for the company. From 1985 to 1987, he studied in the Postgraduate School of the Computer Science Department, Rochester Institute of Technology. He was an engineer in China HP from 1982 to 1985. He studied in the Department of Computer Engineering and Science, Tsinghua University from 1978 to 1981.

Profiles of Directors, Supervisors and Senior Management

EXECUTIVE DIRECTOR

Mr. CHEN Ruijun (陳瑞軍), aged 53, is an executive Director and general manager of our Company. Mr. Chen is a senior engineer and served as the general secretary of Inner Mongolia Jingtai Power Limited ("Jingtai Power")'s committee of Communist Party of China ("CPC") and Jingtai Power's general manager since October 2007. From August 2003 to October 2007, he successively served as a deputy general secretary of Inner Mongolia Daihai Electric Power Generation Co., Ltd. ("Daihai Power")'s CPC committee, the general secretary of the CPC discipline inspection commission of Daihai Power, and then concurrently as an executive deputy general manager and a deputy general secretary of the CPC committee of Daihai Power. From January 1994 to August 2003, Mr. Chen successively served as a deputy governor and a deputy general secretary of the CPC committee of Liangcheng County of Inner Mongolia (during this period, he concurrently served as the chairman and the general manager of Hongmao Group Corporation from February 1997 to June 2001). From August 1982 to December 1993, Mr. Chen served as a technician, sales representative, section chief, deputy manager and the general manager of Inner Mongolia Liangcheng County Chemical Plant. Between April 2007 and September 2009, Mr. Chen studied electrical engineering at the School of Electrical and Automation Engineering of Tianjin University for master of engineering. He attended the undergraduate law courses provided by the Correspondence School of Inner Mongolia Party School between September 2003 and December 2005. He also studied secondary specialized inorganic chemical courses in Inner Mongolia Petrochemical School between September 1979 and July 1982.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LIU Chaoan (劉朝安), aged 60, is an independent non-executive Director. Mr. Liu is currently an independent non-executive director of China Datang Corporation Renewable Power Co., Limited (stock code: 1798) and was an independent non-executive director of Datang International Power Generation Co., Ltd. (stock code: 991) from 2007 to 2010. Mr. Liu has 35 years of experience in the field of electric power design, and has been the chairman of the board of China Power Engineering Consulting Group Corporation North China Electric Power Design Institute Engineering Co., Ltd. since 2010. Between 2005 and 2010, he was the chairman of the board of Beijing Guodian North China Electric Engineering Co., Ltd. From 1999 to 2005, he worked as a deputy general manager at Guodian North China Electric Engineering Co., Ltd. Between 1984 and 1999, he worked at North China Electric Power Design Institute as section chief, deputy department chief and then assistant president. He worked as a technician and an assistant engineer at Beijing Electric Power Design Institute between 1980 to 1984. Mr. Liu obtained a bachelor's degree in engineering from Changchun College of Geology (which has been merged into Jilin University) in 1980 and a double-bachelor's degree in management engineering from North China Electric Power University in 2001. Mr. Liu is a professor-grade senior engineer.

Profiles of Directors, Supervisors and Senior Management

Mr. ZHANG Fusheng (張福生), aged 60, is an independent non-executive Director. Mr. Zhang worked as a technician and chief of the comprehensive mechanical mining team at Shenhua Wuda Mining Administration and the vice president of Inner Mongolia University of Mining for Professional Workers (now known as Wuhai College of Inner Mongolia University of Technology) from June 1990 to June 1994, deputy director of Shenhua Wuda Mining Administration from 1994, director of Huangbaici Mine of Shenhua Wuda Mining Administration from July 1994 to April 1997, deputy general manager of electrical and mechanical and chief engineer of Shenhua Shendong Power Company Limited from April 1997 to January 2001, member of the Communist Party Committee and chairman of the labor union of Inner Mongolia Power Co., Ltd. from January 2001 to September 2004, member of the Communist Party Committee and deputy general manager of Inner Mongolia Power Co., Ltd. from September 2004 to September 2006, deputy general manager and deputy secretary of the Communist Party Committee from September 2006 to September 2008, and general manager and deputy secretary of the Communist Party Committee from September 2008 to May 2013. Mr. Zhang graduated from Inner Mongolia University of Mining for Professional Workers (now known as Wuhai College of Inner Mongolia University of Technology) in August 1983, majoring in Electric Mechanics, and graduated from Tianjin University in June 2006 with an MBA degree.

Ms. LAU Miu Man (樓妙敏), aged 44, is an independent non-executive Director. Ms. Lau now serves as the Chief Financial Officer of Sunnywafer Holdings Limited. Before then, Ms. Lau served as the Chief Financial Officer of the China Renji Medical Group Ltd. (a company listed on the Stock Exchange, stock code: 648) from December 2007 to March 2011. She was a Practising Director of Shinewing (HK) CPA Limited from September 2005 to December 2007. Between January 1994 and August 2005, she worked with Ho and Ho & Company, Certified Public Accountants, holding positions including Audit Manager and Partner, in that respective order. Ms. Lau has more than 18 years of professional experience in finance, accounting and auditing, and she provided auditing, business advisory, due diligence review, mergers and acquisition transactions and internal controls review for listed companies, state-owned enterprises and foreign investment enterprises. Ms. Lau graduated from Monash University in Australia in 1994 and obtained a bachelor's degree of economics, major in accounting. She has been a senior fellow member of Hong Kong Institute of Certified Public Accountants and Certified Practising Accountants Australia since 1997.

Profiles of Directors, Supervisors and Senior Management

Mr. HAN Xiaoping (韓曉平), aged 59, is an independent non-executive Director of our Company. Mr. Han worked as an editor and reporter at CAAC Journal and CAAC Inflight Magazine for the General Administration of Civil Aviation of China (CAAC) from 1986 to 1988. He has been a committee member of the new technology committee under the Cogeneration Professional Committee of the Chinese Society for Electrical Engineering since 1988. He established China Energy Net in 2000 and served as its managing director and chief information officer since then. Mr. Han currently serves as the chief writer of Energy Review, chief researcher of China Energy Net Research Center, senior expert of China City Gas Association Distributed Energy Professional Committee, Sinopec social supervisor, expert at the Policies & Regulations Department of National Energy Administration, deputy director of China Energy Research Society Distributed Energy Professional Committee, executive committee member of the Chinese Enterprises Investment Association and deputy director of Financial Enterprises Investment Committee, and deputy governor of China's Natural Gas Industry Association.

SUPERVISORS

Mr. LI Xun (李迅), aged 56, has served as the chairman of the Board of Supervisors of our Company since October 2014. Mr. Li had served as secretary of the Communist Youth League of Beijing Chemical Experimental Plant and Beijing Chemical Industry Group Co., Ltd. from January 1988 to June 1991 and from June 1991 to November 1993, respectively. He joined Beijing No. 2 Rubber Factory in November 1993 where he was secretary of the Communist Party Committee and Director until February 2001. He then served as secretary of the Communist Party Committee of Beijing Jingneng Thermal Power Co., Ltd. from February 2001 to April 2004, and chief officer of the Community Union Working Department of Beijing International Power Development and Investment Company from April to December 2004. From December 2004 to May 2014, Mr. Li served consecutively as chief officer of the Community Union Working Department, director, chairman of the labor union, and employee representative director and the head of the Community Union Working Department of Beijing Energy Investment Holding Co., Ltd. He is currently a deputy secretary of the Communist Party Committee, employee representative director, chairman of the labor union and the head of the Community Union Working Department of Beijing Energy Holding Co., Ltd.

Mr. LIU Jiakai (劉嘉凱), aged 48, has served as a Supervisor of our Company since January 2010. Mr. Liu has over 24 years of experience in construction and accounting in the power industry. Mr. Liu joined BEH in December 2009 and has been the director of the department of finance and property management. Also, he was the chief accountant of Beijing Jingneng Thermal Power Co., Ltd. (a company listed on the Shanghai Stock Exchange) between April 2006 and April 2007 and has been a supervisor of the same company since June 2007. From July 2006 to December 2009, he held the position of the chief financial officer at Beijing Jingneng International. Between July 2003 and April 2006, he was the chief accountant at Inner Mongolia Daihai Electric Power Generation Co., Ltd. Mr. Liu worked as the director of the finance department and the vice director of the audit department of Inner Mongolia Power Control Bureau for eleven years from March 1992 to July 2003. Mr. Liu obtained a bachelor's degree in economics from Central University of Finance and Economics of China in June 1989.

Profiles of Directors, Supervisors and Senior Management

Ms. HUANG Linwei (黃林偉), aged 48, has served as a Supervisor of our Company since January 2010. Ms. Huang has more than 22 years of experience in accounting and auditing in power companies. She joined Beijing Jingneng Technology in December 1993, where she has held various positions successively, including cashier, accountant, supervisory accountant and deputy manager of the finance department, and deputy manager of the department of audit and internal control. Ms. Huang took an on-job post-graduate course in the Party School of Beijing Municipal Committee in July 2009. Ms. Huang is an intermediate accountant.

SENIOR MANAGEMENT

Mr. CHEN Ruijun (陳瑞軍), aged 53, is an executive Director and general manager of our Company. His biographical details are set out above under the paragraph headed "— Executive Director".

Mr. KANG Jian (康健), aged 52, has been a deputy general manager of our Company since March 2010 and the secretary of the Board since December 2009. Mr. Kang has over 20 years of experience in strategic management, sales management and investor relationship management in large state-owned enterprises and transnational corporations. Mr. Kang has been the deputy general manager of our Company since March 2010, and the secretary of the Board since December 2009. Between August 2009 and December 2009, Mr. Kang worked for BEH as the deputy director of the office of strategic investment. Mr. Kang worked at several transnational corporations, including as a senior manager of the department of automation system of Automation & Drives Group and the director of strategic development and customer relations of the company's Strategic Marketing Department at Siemens Ltd., China from January 2004 to July 2009, as a regional manager of the Greater China area of Canadian Tucows Inc. from April 2000 to March 2003, and as the assistant manager of the Marketing Division of the U.S. Albany International Company from July 1999 to February 2000. Mr. Kang obtained a bachelor's degree in international trade from Beijing University of Technology in July 1988, and an MBA degree from Rensselaer Polytechnic Institute in the United States in May 1999.

Profiles of Directors, Supervisors and Senior Management

Mr. LI Zhijian (李志堅), aged 45, has been a deputy manager of our Company since March 2010. Mr. Li has over 19 years of experience in production and management in the power industry. Mr. Li has been a deputy general manager of our Company since March 2010. He worked as the deputy general manager of New Energy from July 2009 to March 2010, as the deputy general manager of Wulanyiligeng Power from August 2008 to July 2009, the project manager of the Chayouzhong Project of Inner Mongolia Wind Power Division of Beijing Jingneng International from September 2007 to August 2008. Between November 2001 and September 2007, he worked for Jingfeng Thermal Power, where he served successively as the vice director (and later the director) of the boiler maintenance branch, the leader of the division of project extension, and the deputy head of the department of maintenance. From July 1995 to November 2001, he worked at Beijing No. 3 Thermal Power Plant and held various positions successively. These included being a boiler forge engineer and the vice director of the ash plant. Mr. Li obtained a bachelor's degree in power plant thermal energy and power engineering from Northeast China Institute of Electric Power Engineering in July 1995.

Mr. HUANG Hui (黃慧), aged 43, served as the secretary to the board of directors of Beijing Jingneng Thermal Power Co., Ltd. from June 2010 to April 2013 and also the chief accountant of Beijing Jingneng Thermal Power Co., Ltd. from March 2010 to June 2013. He worked in Beijing Jingneng International Energy Co. Ltd. from August 2007 to March 2010 and served as its vice manager in charge of daily management at financial department since June 2009. During his tenure with Inner Mongolia Power (Group) Co. Ltd., Mr. Huang served as a division chief at price control division of financial department from January 2007 to July 2007, deputy chief at budget office of financial department from January 2004 to December 2006, a specialist in electricity pricing at management office of financial department from October 2000 to December 2003 and an audit personnel at fund procurement center of financial department from January 1998 to October 2000. He was the financial officer of Inner Mongolia Dianye Art Troupe from August 1995 to January 1998. Mr. Huang received his bachelor's degree from finance department of Inner Mongolia College of Finance and Economics (currently known as Inner Mongolia University of Finance and Economics) in July 1995. From September 2004 to June 2007, he studied in business management at North China Electric Power University and was granted master's degree in business administration.

Profiles of Directors, Supervisors and Senior Management

Mr. ZHANG Jurui (張巨瑞), aged 48, has been a chief engineer of our Company since March 2010. Mr. Zhang has over 10 years of experience in project management in the power industry. He joined our Company and has been the chief engineer since March 2010. Between January 2008 and April 2010, he worked at the department of planning and development of Beijing Jingneng International. From February 2004 to January 2008, Mr. Zhang worked at the Inner Mongolia Daihai Electric Power Generation Co., Ltd., starting as assistant manager of the maintenance department and director of the electrics office, and then the chief engineer of the power generation subsidiary and was later appointed as the deputy director of the department of safe production. He worked at the Second Power Plant in Datong of GD Power Development from July 1989 to February 2004, holding various positions including senior engineer. Mr. Zhang obtained a bachelor's degree in power system and its automation from School of Electric Power of Taiyuan University of Industry in July 1989. He is a senior engineer.

Mr. JIA Geng (賈耕), aged 42, has been a deputy general manager of our Company since June 2012. Mr. Jia has been the assistant to general manager and the director of the general planning department of our Company since August 2010. He worked in Beijing Jingneng Thermal Power Co., Ltd. and served as the deputy chief economist from April 2010 to July 2010, as the manager of the operating and planning department from January 2005 to April 2010, and as assistant to manager of human resources department from June 2003 to January 2005, and was responsible for personnel management from May 2000 to June 2003. Before that, Mr. Jia joined Shijingshan General Power Plant, and was a technological transformation engineer of the production technical department from January 1999 to May 2000, a managing secretary of the office of CPC committee from March 1997 to January 1999, and a repairman and technician of the ash removal and program control team from July 1995 to March 1997. Mr. Jia obtained a master's degree in project management from North China Electric Power University in June 2008. Mr. Jia is a senior engineer.

COMPANY SECRETARY

Mr. KANG Jian (康健), serves as secretary to the Board and the company secretary. Please refer to his biography under the paragraph headed "— Senior Management."

Report of the Directors

The Board of Directors of the Company now presents the annual report of the year 2015 (the "**Annual Report**") and the audited financial statements of the Group (the "**Financial Statements**") for the year ended 31 December 2015 to Shareholders.

SHARE CAPITAL

As of 31 December 2015, the total share capital of the Company was RMB6,870,423,454, divided into 6,870,423,454 shares of RMB1.00 each, including 4,512,359,454 domestic legal person shares and 2,358,064,000 H shares. Details of movements in the share capital of the Company during the year are set out in note 39 to the Financial Statements.

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 year ended 31 December 2015.

DEBENTURES IN ISSUE

Details of debentures in issue of the Company for the year ended 31 December 2015 are set out in notes 33, 34 and 35 to the Financial Statements.

EQUITY-LINKED AGREEMENT

For the year ended 31 December 2015, the Company did not enter into any equity-linked agreement, nor did any equity-linked agreement exist.

PERMITTED INDEMNITY PROVISION

The Company has maintained appropriate liability insurance for its Directors, Supervisors and senior management. The permitted indemnity provisions are set out in such liability insurance. Save for the above, no permitted indemnity provision was made by the Company for the year ended 31 December 2015 and no permitted indemnity provision was in force as at the Latest Practicable Date.

PLEDGING OF SHARES BY THE CONTROLLING SHAREHOLDER

The controlling shareholder of the Company did not pledge any of its shares in the Company to secure the Company's debts or to secure guarantees or other support of the Company's obligations for the year ended 31 December 2015.

Report of the Directors

LOAN AGREEMENTS OR FINANCIAL ASSISTANCE OF THE COMPANY

The Company did not provide any financial assistance nor guarantee to its affiliated companies for the year ended 31 December 2015, which gives rise to a disclosure under Rule 13.16 of the Listing Rules. The Company did not enter into any loan agreement with covenants relating to specific performance of its controlling shareholder nor breach the terms of any loan agreements for the year ended 31 December 2015.

SHARE OPTION SCHEME

The Company did not implement any share option scheme for the year ended 31 December 2015.

PRE-EMPTIVE RIGHTS

Pursuant to the Articles of Association and the laws of the PRC, the Company is not subject to any pre-emptive rights requiring it to propose new issues to its existing shareholders in proportion to their shareholdings.

PRINCIPLE BUSINESS

The Company is the largest gas-fired power provider in Beijing and a leading wind power operator in the PRC, with a diversified clean energy portfolio including gas-fired power and heat energy, wind power, small to medium hydropower, photovoltaic power and other clean energy projects. All electricity generated is sold to local grid companies. Details of the major associates and subsidiaries of the Company are set out in notes 20 and 51 to the Financial Statements.

Report of the Directors

RESULTS

The audited results of operations of the Company and its subsidiaries for the year ended 31 December 2015 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on pages 77 to 78. The financial condition of the Company and its subsidiaries for the year ended 31 December 2015 is set out in the Consolidated Statement of Financial Position on pages 79 to 80. The consolidated cash flow of the Company and its subsidiaries for the year ended 31 December 2015 is set out in the Consolidated Statement of Cash Flows on pages 83 to 84.

Discussion and analysis about the operating performance and significant elements affecting the results of operations and financial condition of the Company during the year are set out in Management Discussion and Analysis of the Annual Report on pages 8 to 23.

BUSINESS REVIEW

A review of the business of the Company during the year and a discussion on the Company's future business development are provided on pages 8 to 15 and pages 26 to 28 of this annual report. Description of possible risks and uncertainties that the Company may be facing can be found on page 25 of this annual report. An analysis of the Company's performance during the year using financial key performance indicators is provided on pages 16 to 23 of this annual report. To the knowledge of the Directors, there has not been any important event affecting the Company since the end of the financial year.

ENVIRONMENTAL POLICIES AND PERFORMANCE

A discussion on the Company's environmental policies and performance are provided on page 73 of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company recognizes the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements could lead to the termination of operating licenses. The Company has been allocating system and staff resources to ensure ongoing compliance with rules and regulations and to maintain cordial working relationships with regulators effectively through effective communications. During the year under review, the Company has complied, to the best of the knowledge of Directors, with all relevant rules and regulations that have a significant impact on the Company.

Report of the Directors

FINAL DIVIDEND

The Board resolved to propose to the shareholders of the Company at the 2015 Annual General Meeting (the "**AGM**") to be held on 23 June 2016, for the payment of a final dividend of RMB6.83 cents per share (tax inclusive) for the year ended 31 December 2015 (the "**2015 Final Dividends**") payable to the shareholders of the Company whose names are listed in the register of members of the Company on 4 July 2016, in an aggregate amount of approximately RMB469.2 million. The 2015 Final Dividends will be denominated and declared in RMB. Dividends on domestic shares will be paid in RMB and dividends on H Shares will be paid in Hong Kong dollars. Subject to the passing of the relevant resolution at the AGM, the 2015 Final Dividends is expected to be paid on or around 5 August 2016.

Pursuant to the Enterprise Income Tax Law of the PRC and its implementation regulations, which came into force since 1 January 2008 and other relevant rules, where the Company distributes the proposed 2015 Final Dividends to non-resident enterprise shareholders whose names appear on the register of members for H shares of the Company, it is required to withhold enterprise income tax at a rate of 10%. Any H shares registered in the name of non-individual registered shareholders, including HKSCC Nominees Limited, other nominees or trustees, or other organizations or groups, will be treated as shares being held by non-resident enterprise shareholders, and consequently will be subject to the withholding of the enterprise income tax.

Pursuant to the PRC Individual Income Tax Law, the Implementation Regulations of the Individual Income Tax Law, the Tentative Measures on Withholding and Payment of Individual Income Tax and other relevant laws and regulations, the foreign individuals who are the holders of H shares shall pay individual income tax at a tax rate of 20% upon their receipt of distribution of dividend from domestic enterprises which issued such H shares, which shall be withheld and paid by such domestic enterprises on behalf of the such individual H shareholders. However, the Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax effective from 13 May 1994 (the "**1994 Notice**") grants exemption to foreign individuals from PRC individual income tax on dividend from foreign-invested enterprises. Since the Company has become a "foreign-invested enterprise" since August 2010 as approved by the relevant PRC authorities, the individual shareholders who hold the Company's H shares and whose names appear on the register of members of H shares of the Company (the "**Individual H Shareholders**") are not required to pay PRC individual income tax when the Company distributes the 2015 Final Dividends based on the 1994 Notice. Therefore, the Company will not withhold any amount of the 2015 Final Dividends to be distributed to the Individual H Shareholders to pay PRC individual income tax.

Shareholders are recommended to consult their taxation advisors for advice on the PRC, Hong Kong and other tax effects with respect to the holding and disposing of H Shares of the Company.

Report of the Directors

According to the Articles of Association, unless otherwise provided by the relevant laws and regulations, for the payment of cash dividends and other payments in foreign currency, the applicable exchange rates shall be the average selling price announced by the People's Bank of China for the one calendar week before the declaration date of such cash dividends and other payments.

Other than the above, the Board of Directors does not recommend any distribution of dividend for the year ended 31 December 2015.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain shareholders' entitlement to attend and vote at the AGM and to the proposed 2015 Final Dividends, the H Share register of members of the Company will be closed from 24 May 2016 to 23 June 2016 (both days inclusive) and from 29 June 2016 to 4 July 2016 (both days inclusive), respectively, during which periods no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming AGM, holders of H Shares of the Company shall lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before 4:30 p.m. on 23 May 2016. In order to qualify for receiving the proposed 2015 Final Dividends (subject to the approval by Shareholders at the forthcoming AGM), holders of H Shares of the Company shall lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at the above mentioned address for registration before 4:30 p.m. on 28 June 2016.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Company and its subsidiaries during the year are set out in note 15 to the Financial Statements.

RESERVES

Details of movements in the reserves of the Company during the year are set out in Consolidated Statement of Changes in Equity, of which details of reserves available for distribution to Shareholders are set out in Consolidated Statement of Changes in Equity. The Company's reserves available for distribution to ordinary shareholders as at 31 December 2015 represents the retained profits of approximately RMB3,892 million (2014: RMB2,584 million).

Report of the Directors

DONATIONS

During the reporting period, the Company and its subsidiaries made external donations of approximately RMB0.1 million (excluding personal donations of employees).

BANK BORROWINGS AND OTHER BORROWINGS

Details of bank borrowings and other borrowings of the Company and its subsidiaries as at 31 December 2015 are set out in note 32 to the Financial Statements.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Part of the information of the Directors, Supervisors and Senior Management of the Company for the year ended 31 December 2015 is illustrated below.

Name	Title in the Company	Date of Appointment/Re-election
LU Haijun(1)	Chairman and non-executive Director	17 December 2013
GUO Mingxing	Non-executive Director	17 December 2013
XU Jingfu	Non-executive Director	17 December 2013
LIU Guochen	Non-executive Director	17 December 2013
YU Zhongfu	Non-executive Director	17 December 2013
JIN Yudan	Non-executive Director	17 December 2013
CHEN Ruijun	Executive Director and general manager	17 December 2013/5 September 2012
LIU Chaoan	Independent non-executive Director	17 December 2013
LI Fuqiang(2)	Independent non-executive Director	10 June 2014
ZHANG Fusheng	Independent non-executive Director	25 June 2015
LAU Miu Man	Independent non-executive Director	17 December 2013
HAN Xiaoping	Independent non-executive Director	28 October 2014
LI Xun	Chairman of the Board of Supervisors	28 October 2014
LIU Jiakai	Supervisor	17 December 2013
HUANG Linwei	Supervisor	23 October 2013
KANG Jian	Deputy general manager and secretary of the Board	11 March 2010/14 December 2009
LI Zhijian	Deputy general manager	11 March 2010
HUANG Hui	Chief accountant	28 June 2013
ZHANG Jurui	Chief engineer	11 March 2010
JIA Geng	Deputy general manager	8 June 2012

Report of the Directors

Notes:

(1) The resignation of Lu Haijun as chairman and non-executive Director for personal reasons took effect on 14 January 2016.

(2) The resignation of Mr. Li Fuqiang as independent non-executive Director for other work commitment took effect on 25 June 2015.

The Company has received an annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules, and considers all the independent non-executive Directors to be independent.

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The biographical details of Directors, Supervisors and senior management of the Company are set out on pages 32 to 40 of the Annual Report.

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

The Company has entered into service contracts with the Directors, major terms of which include that (1) the tenure of each Director shall continue till the expiration of the term of the current session of the Board of Directors; and (2) the tenure may be terminated in accordance with respective terms of the contract. The service contracts may be renewed under the Articles of Association and applicable rules.

The Company has entered into contracts with the Supervisors in respect of, among others, compliance with relevant laws and regulations, the Articles of Association and provisions of arbitration.

Save as disclosed above, none of the Directors or Supervisors has entered into a contract of service with the Company which is not determinable by the Company within one year without payment of compensation, other than statuary compensation.

EMOLUMENTS OF DIRECTORS AND SUPERVISORS

Details of the emoluments of the Directors and Supervisors of the Company are set out in note 12 to the financial statements. The emoluments of the Directors and Supervisors are determined by the Remuneration and Nomination Committee based on the experience and duties of the Directors and Supervisors.

Report of the Directors

Details of the emoluments of each senior management of the Company (excluding Directors who also hold executive positions) in 2015 are set out below:

Name	Basic salaries and allowances *RMB'000*	Retirement benefit contribution *RMB'000*	Total *RMB'000*
KANG Jian	586	44	630
LI Zhijian	586	44	630
HUANG Hui	596	44	640
ZHANG Jurui	591	44	635
JIA Geng	595	44	639

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS

At the end of the year of 2015 or at any time during the year, there were no transaction, arrangement or contracts of significance subsisting in relation to the Group's business to which the Company or any of its subsidiaries was a party, directly or indirectly, and in which any Director or Supervisor or any entity connected with the Director or Supervisor had a material interest.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company, any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year 2015, save as disclosed below, none of the Directors or their associates had any competing interests in any business that constitutes or may constitute direct or indirect competition with the Company's businesses:

Name	Positions in the Company	Other interests
GUO Mingxing	Non-executive Director	Director and general manager of BEH
XU Jingfu	Non-executive Director	Deputy general manager of BEH
LIU Guochen	Non-executive Director	Deputy general manager of BEH

Report of the Directors

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

As at 31 December 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 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 for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 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 Sections 2 and 3 of the SFO and as recorded in the register required to be kept under section 336 of the SFO were as follows:

Notes: (L) — Long position

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 (%)
BEH	Domestic share	Beneficial interest and interest of a controlled corporation	4,288,011,163 (L)	95.03	62.41
BSAMAC	Domestic share	Beneficial interest and interest of a controlled corporation	4,512,359,454 (L)	100.00	65.68
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

Report of the Directors

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. Limited	H share	Interest of a controlled corporation	196,964,000 (L)	8.35	2.87
Keywise Capital Management (HK) Limited	H share	Investment manager	164,010,000 (L)	6.96	2.39
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
Norges Banks	H share	Beneficial interest	166,061,600 (L)	7.04	2.42
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

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 Huijun 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

MANAGEMENT CONTRACT

No contract concerning the management and administration of all or any substantial part of our business was entered into by the Company or existed in 2015.

CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, at no time during the year had the Company or any of its subsidiaries entered into any contract of significance with the Controlling Shareholder (as defined in the Listing Rules) or any of its subsidiaries, nor had any contract of significance been entered into for the services provided by the Controlling Shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

CONNECTED TRANSACTIONS

The Group did not conduct any non-exempt one-off connected transaction during the year ended 31 December 2015.

CONTINUING CONNECTED TRANSACTIONS

The Group has conducted certain non-exempt continuing connected transactions during the year.

Pursuant to the announcement of the Company dated 19 March 2014, the Company obtained approval from the Board on the annual caps of the transactions under item 1 to item 4.

Report of the Directors

Pursuant to the announcement of the Company dated 19 March 2014, the Company obtained approval from the Board on the annual caps of the transaction under item 8 for the year 2014, 2015 and 2016.

Pursuant to the announcement of the Company dated 19 March 2014, the Company obtained approval from the Board on amendment to the continuing connected transactions under item 6 and item 7 for the year 2014, 2015 and 2016.

Pursuant to the announcement of the Company dated 10 June 2014, the Company obtained approval from the annual general meeting of the Company dated 10 June 2014 on the transaction and annual caps under item 5.

(RMB million)

	Connected transactions under	Connected persons	Annual caps for 2015	Actual transaction value in 2015
1.	Framework Equipment Maintenance Agreement	BEH	120.00	118.13
2.	Framework Service Agreement	BEH	110.24	23.57
	— landscaping services		7.88	1.92
	— property management services		20.46	19.07
	— consultancy and technical support regarding operational safety		20.35	—
	— conference services		2.55	1.38
	— project management services		59.00	1.2
3.	Framework Operating Agreement	BEH	58.43	30.12
4.	EPC Framework Agreement	BEH	16.00	—
5.	Framework Heat Sale and Purchase Agreement	BDHG	2,464.93	1,159.26
6.	Equipment Purchase Framework Agreement	BEH	200.00	144.44
7.	Financial Services Framework Agreement	BEH		
	— deposit services		1,000.00	975.00
	— loan services (Note)		—	—
	— other financial services		30.00	8.20
8.	Property Lease Framework Agreement	BEH	20.50	9.40

Note: In view of the fact that the loan services provided by BEH Finance to the Group are on normal commercial terms which are similar to or more favorable than those offered by independent third parties for comparable services in the PRC, and that no security over the assets of the Group will be granted in respect of such loan services, the loan services are exempted from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.90 of the Listing Rules. As such, no cap has been set for such services.

Report of the Directors

Continuing Connected Transactions between the Group and BEH and its Associates

Pursuant to the Listing Rules, BEH is the Company's substantial shareholder, while BEH and its subsidiaries are connected persons of the Company.

BEH, a controlling shareholder of the Company, directly held 62.41% of the total issued share capital of the Company as at 31 December 2015. As such, BEH and its associates are connected persons of the Company pursuant to the Listing Rules.

BDHG, is a wholly owned subsidiary of BEH and therefore a connected person of the Company pursuant to the Listing Rules.

The Company and BEH and its associates entered into several framework agreements in respect of the continuing connected transactions between them, so as to regulate the continuing business relationship. The connected transactions with BEH and its associates are as follows:

- The Group leasing properties from BEH and/or its associates, in respect of which BEH and the Company entered into the Framework Property Lease Agreement on 19 March 2014. The term of such agreement is twenty years commencing on the listing date of the Company;

- BEH and/or its associates providing equipment maintenance services to the Group, in respect of which BEH and the Company entered into the Framework Equipment Maintenance Agreement on 19 March 2014. The term of such agreement is three years The term of such agreement is three years expiring on 18 March 2017;

- BEH and/or its associates providing various services to the Group from time to time, including (i) landscaping services; (ii) property management services, including cleaning, security and catering services; (iii) consultancy and technical support regarding operational safety; (iv) conference services; and (v) project management services, in respect of which BEH and the Company entered into the Framework Service Agreement on 19 March 2014. The term of such agreement is three years expiring on 18 March 2017;

- BEH and/or its associates operating the power and/or heating equipment for the Group, in respect of BEH and the Company entered into the Framework Operating Agreement on 19 March 2014. The term of such agreement is three years expiring on 18 March 2017;

- BEH and/or its associates provide energy performance contracting services to the Company, in respect of which BEH and the Company entered into the EPC Framework Agreement on 19 March 2014. The term of such agreement is three years expiring on 18 March 2017;

Report of the Directors

- BDHG and/or its associates purchasing heat generated by the Group from time to time, in respect of which BEH and the Company entered into the Framework Heat Sale and Purchase Agreement on 19 March 2014. The term of such agreement is three years expiring on 18 March 2017.

Equipment Purchase Framework Agreement between BEH and the Group

The Group and BEH entered into the Original Equipment Purchase Framework Agreement on 28 March 2012. Due to the Company's increasing demand for purchasing more equipment, the Company entered into the Equipment Purchase Framework Agreement with BEH on 19 March 2014 to supersede the Original Equipment Purchase Framework Agreement. Such Equipment Purchase Framework Agreement is of a term of three years expiring on 18 March 2017.

Fees payable to BEH for the equipment purchase include equipment fees and service charges, the fees shall be agreed following arm's length negotiation between the parties with reference to prevailing market prices and rates.

Financial Services Provided by BEH Finance to the Group

The Group and BEH Finance entered into the Original Financial Service Agreements on 23 May 2011 and 28 March 2012 and as amended thereafter. Due to the Company's increasing demand for financial services, the Company entered into the Financial Services Framework Agreement with BEH Finance on 19 March 2014 to supersede the Original Financial Services Agreements. Such Financial Services Framework Agreement is of a term of three years expiring on 18 March 2017.

In respect of the deposit services under the Financial Service Framework Agreements, the interest rate to be paid by BEH Finance for the Group's deposits with BEH Finance shall not be lower than the same level deposit interest rate as published by the PBOC for the same periods.

In respect of the loan services under the Financial Service Framework Agreements, the interest rate for loans granted to the Group by BEH Finance shall not be higher than the benchmark interest rates as published by the PBOC from time to time or should not be higher than the interest rates granted by independent commercial banks which provide similar service on the same conditions.

In respect of the other financial services under the Financial Service Framework Agreements, the other financial services to be provided by BEH Finance to the Group shall be made on normal commercial terms and on terms similar to or more favorable than those offered by independent third parties for comparable services in the PRC.

Report of the Directors

Save as disclosed above, none of the transactions disclosed as related party transactions in note 46 to the Financial Statement is a connected transaction or a continuing connected transaction for the Company as defined under the Listing Rules nor are they connected transactions or continuing connected transactions for the Company exempt from the reporting requirements under the Listing Rules. The Company has complied with the disclosure requirements governing connected transactions under the Listing Rules.

Review by and Confirmation of Independent Non-executive Directors of the Company

The independent non-executive Directors of the Company have reviewed the above continuing connected transactions, and confirmed that such transactions were:

(1) carried out in the ordinary course of business of the Group;

(2) made on normal commercial terms; and

(3) carried out according to the terms in the relevant transaction agreements, which are fair and reasonable, and in the interests of our Company's shareholders as a whole.

Confirmation of the Auditors

The auditors of the Company have performed the relevant agreed-upon procedures regarding the above continuing connected transactions, and confirmed by way of a letter to the Board of Directors that for the year ended 31 December 2015 these transactions:

(1) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Company's Board of Directors;

(2) for transactions involving the provision of good or services by the Group, nothing has come to their attention that causes them believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;

(3) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(4) with respect to the aggregate amount of each of the continuing connected transactions set out in the above, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the maximum aggregate annual value as set by the Company.

Report of the Directors

Save as disclosed above, the Directors confirmed that the Company has complied with the requirements under Chapter 14A of the Listing Rules with regard to the abovementioned connected transactions.

COMPLIANCE WITH THE NON-COMPETITION AGREEMENT

The Company and BEH entered into a Non-Competition Agreement and a Supplemental Non-Competition Agreement on 13 June 2011 and 2 December 2011 respectively, under which, BEH agrees that it will not (and it will procure that its subsidiaries (other than listed subsidiaries) will not) compete with the Company in the gas-fired power and heat energy generation business, wind power business, hydropower business and other clean energy generation business (the "core business" of the Company) that and will grant the Company options for new business opportunities and acquisitions, as well as pre-emptive rights. The Non-executive Directors of the Company are responsible for approving, considering and deciding on the acceptance of new business opportunities introduced by BEH and/or its subsidiaries.

During the year, the Company's non-executive Directors have reviewed the implementation of the Non-Competition Agreement and confirmed that BEH has fully observed the Agreement without any case of violation.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2015, the total volume of purchases from the five largest suppliers of the Company accounted for 77.49% of the total purchase volume of the year. The purchase from the largest supplier accounted for 71.32% of the total volume of purchased during the year.

For the year ended 31 December 2015, the total revenue generated from the five largest customers of the Company accounted for 91.98% of the total revenue of the year. The revenue generated from the largest customers accounted for 72.85% of the total revenue of the year.

During the year, to the knowledge of the Directors, none of the Directors, their associates, or shareholders of the Company (which, to the knowledge of the Directors, owned more than 5% of the Company's share capital) had interests in the five largest suppliers or customers of the Company.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Please refer to the note 45 to the Financial Statements for detailed information on the retirement and employee benefits scheme.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

As a company listed on the Stock Exchange, the Company always strives to maintain a high level of corporate governance and complied with all code provisions as set out in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of Listing Rules for the year ended 31 December 2015.

Report of the Directors

RELATIONSHIP WITH STAKEHOLDERS

The Company recognizes that our employees, customers and business associates are keys to our sustainability journey. We strive to achieve corporate sustainability through engaging our employees, providing quality services for our customers, collaborating with business partners and supporting our community.

The Company places significant emphasis on human capital. The Company provides a fair workplace, promoting non-discrimination and diversity to our staff, together with competitive remuneration and benefits, as well as a range of opportunities for career advancement based on employees' merits and performance. The Company administers its employee health and safety management system and ensures the adoption of the principles across the Group. The Company provides regular trainings for staff to keep them abreast of the latest developments in the market and industry, in the form of both internal trainings and trainings provided by experts from external organizations.

The Company values the feedback from customers by daily communication and other means. The Company has also established the mechanism about customer service and support. The Company treats providing customer support as an opportunity to improve our relationship with the customer, addressing customer's concern in a timely manner and in accordance with international standards.

We believe that our suppliers are equally important in driving quality delivery of our project developments. Therefore, we proactively collaborate with our business partners (including suppliers and contractors) to deliver quality sustainable services.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained a public float of no less than 25% of the issued shares as at the Latest Practicable Date prior to the issue of this annual report, which was in line with the requirement under the Listing Rules.

USE OF PROCEEDS

Reference is made the announcements of the Company dated 26 September 2014 and 7 October 2014. In order to raise capital and broaden shareholder base, on 7 October 2014, the Company completed the placing of 393,010,000 new H Shares at the price of HK$3.23 per H Share, representing a discount of approximately 5.6% to the closing price of HK$3.42 per H Share as quoted on the Stock Exchange on 25 September 2014, being the date on which the terms of the placing were fixed. The aggregated nominal value of the placing shares under the placing was RMB393,010,000. The net price (after deducting all applicable costs and expenses, including commission and legal fees) raised per H Share upon completion of the placing was approximately HK$3.16. The placing shares were placed to professional, institutional or other investor, whose ultimate beneficiary owner is independent and not a connected person of the Company. As of 31 December 2015, all proceeds have been used.

Report of the Directors

SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 December 2015, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the Group's 2015 annual results and the financial statements for the year ended 31 December 2015 prepared in accordance with the IFRSs.

AUDITORS

Deloitte Touche Tohmatsu was appointed as auditor for the financial statements prepared in accordance with IFRSs for the year ended 31 December 2015. The Company's financial statements for the year 2015 prepared in accordance with IFRSs have been audited by Deloitte Touche Tohmatsu. Deloitte Touche Tohmatsu has been the auditor of the Company for the past three years.

FINANCIAL HIGHLIGHTS

Summary of results of operation and the assets and liabilities of the Group for the last five financial years is set out on pages 3 to 4 in the Annual Report.

By order of the board
Beijing Jingneng Clean Energy Co., Limited
GUO Mingxing
Director of the Board

Beijing, the PRC
29 March 2016

Report of the Supervisory Committee

In 2015, all members of the Board of Supervisors of Beijing Jingneng Clean Energy Co., Limited (the "Company") had, in accordance with the Company Law of the PRC, Articles of Association, Rules of Procedure for the Board of Supervisors, the Listing Rules and other regulations and requirements of laws, cautiously and carefully performed their duties and exercised their powers independently by law, so as to ensure the regulated operation of the Company and safeguard the benefits of the Company and the legitimate interests of all the Shareholders. The Board of Supervisors had reviewed the investment management plans, capital operation condition, production and operating activities, financial position, and the performance of the Directors and senior management, in order to promote the regulated operation and sound development of the Company. Report on the principal work performed during the reporting period is presented as follows:

I. MEETINGS OF THE BOARD OF SUPERVISORS

During the reporting period, the Board of Supervisors of the Company convened the 1st meeting of the 2nd session of the Board of Supervisors in 2015 on 25 March 2015, at which the 2014 Report of the Board of Supervisors was reviewed and passed. The execution of the resolutions and the exercise of the right of Supervisors were in compliance with the relevant requirements of the Company Law, Articles of Association and Rules of Procedure for the Board of Supervisors.

II. WORKS PERFORMED BY THE BOARD OF SUPERVISORS

The Board of Supervisors mainly performed the following works:

1. Review on the Lawful Operation of the Company

Through presenting at the Board meetings and general meetings of the Company, reviewing resolutions proposed at the Board meetings and general meetings for consideration and approval, and the financial statements of the Company, the Board of Supervisors reviewed and monitored the decision making process, the internal control system and the conducts of the members of the Board, general manager and senior management. The Board of Supervisors held the opinion that: during the reporting period, the decisions and authorized executions at the Board meetings and general meetings all complied with relevant laws and regulations; the major decisions were made in compliance with laws and regulations; the Company further improved the internal control system and enhanced its implementation and monitoring of internal control, and thus further improved the corporate governance; all Directors and senior management fulfilled their duties with due diligence, scrupulously implemented the resolutions passed at the general meetings, and sustained lawful operation; no violations of laws, regulations or Articles of Association,

Report of the Supervisory Committee

and no detriment of the interest of Shareholders were found as the Board of Supervisors was performing its duties. During the reporting period, the management and administration works were conducted according to the objectives proposed at the annual general meeting, and the 2015 economic responsibility indicators set by the Board and operation teams were achieved in an all-round manner with the leadership of the Board and the dedication of all staff.

2. Review on Financial Position of the Company

The members of the Board of Supervisors effectively supervised and inspected the financial management systems and the financial position of the Company during the reporting period. After review and inspection, the Board of Supervisors held that the financial account and the accounting process were complied with the Accounting Law of the PRC, the accounting standard promulgated by the Ministry of Finance of the PRC and the requirements of International Financial Reporting Standards and that the Company had a comprehensive financial management system with effective execution, a sound internal control system for financial and accounting matters, regulated financial operation and sound financial position. The Board of Supervisors carefully reviewed the audit report issued by Deloitte Touche Tohmatsu with unqualified opinion for our consolidated financial statements for the year of 2015 in accordance with International Financial Reporting Standards, and was in the opinion that the report truly and objectively reflected the financial position and operational results of the Company. The Board of Supervisors agreed to submit the report to the 2015 annual general meeting of the Company for approval.

3. Review on Major Acquisitions and Disposals of Assets of the Company

After review, there were no major acquisitions and disposals of assets of the Company during the reporting period.

4. Review on Connected Transactions of the Company

The Board of Supervisors monitored the connected transactions of the Company. The Board of Supervisors was of the opinion that these connected transactions all complied with the relevant requirements of the Stock Exchange, and the pricing policies for the connected transactions were reasonable, public and fair and there was no event detrimental to the interests of the Shareholders and the Company.

Report of the Supervisory Committee

5. Review on Information Disclosure of the Company

The Board of Supervisors reviewed the relevant disclosed documents prepared by the Company, and held the view that the Company had fully disclosed relevant information in a lawful, timely and comprehensive manner as required by the Stock Exchange and no false information was identified.

6. Review on Internal Control Self-assessment Report of the Company

The Board of Supervisors has audited the internal control self-assessment report of the Company for the year of 2015, and the building and operation of internal control system of the Company, and was of the opinion that the Company had established a relatively sound internal control system and effectively implemented the same. The internal control self-assessment report of the Company had truly and objectively reflected the building and operation of internal control system of the Company.

7. Review on Implementation of Resolutions Passed at the General Meeting

The Board of Supervisors held no dissenting opinion on any of the reports and resolutions proposed to be considered and approved at the general meeting during the reporting period, and was of the opinion that the Board had duly implemented each of the resolutions passed at the general meeting.

In 2016, the Board of Supervisors will continue to perform their duties faithfully and diligently, and strictly comply with relevant requirements of the Company Law of the PRC, Articles of Association, Rules of Procedure for the Board of Supervisors and the Listing Rules, uphold the principle of integrity and effectively supervise the Company and its Directors and senior management. It will closely monitor the production, operation and management of the Company, pay attention to major initiatives of the Company, further improve the corporate governance structure and the regulated operation of management of the Company, establish a good and credible corporate image and boost the economic benefits of the Company, and faithfully safeguard the interests of all the Shareholders and the Company.

Chairman of the Board of Supervisors
LI Xun

Beijing, the PRC
29 March 2016

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Board of the Company has committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders and to enhance corporate value and accountability.

The Company has applied the principles as set out in the CG Code contained in Appendix 14 to the Listing Rules.

In the opinion of the Directors, throughout the year ended 31 December 2015, the Company has complied with all the code provisions as set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the Directors and Supervisors of the Company. All the Directors and Supervisors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2015.

The Company has also established written guidelines no less exacting than the Model Code (the "**Employees Written Guidelines**") for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

Corporate Governance Report

BOARD OF DIRECTORS

The Board currently comprises 10 members, consisting of 1 executive Director, 5 non-executive Directors, and 4 independent non-executive Directors.

The Board of the Company comprises the following Directors:

Non-executive Directors:
GUO Mingxing
XU Jingfu
LIU Guochen
YU Zhongfu
JIN Yudan

Executive Director:
CHEN Ruijun *(General Manager)*

Independent non-executive Directors:
LIU Chaoan
ZHANG Fusheng
LAU Miu Man
HAN Xiaoping

The biographical information of the Directors is set out in the section headed "Profiles of Directors, Supervisors and Senior Management" on pages 32 to 40 of this annual report.

None of the members of the Board is related to one another.

Chairman and General Manager

LU Haijun resigned as a Director and Chairman of the Board with effect from 14 January 2016. Mr. GUO Mingxing, a Director of the Company, was elected by a majority of Directors to assume the duties of Chairman of the Board temporarily in accordance with the Company Law of the PRC and the Articles of Association of the Company until the date of new Chairman being elected by the Board.

As at the date of this report, Mr. Zhu Yan has been nominated by the Board as a non-executive Director of the Company. His appointment is subject to consideration and approval by the Shareholders at the forthcoming AGM. The Board has also resolved to appoint Mr. Zhu as the Chairman of the Board, the Chairman of the Strategy Committee and a member of the Remuneration and Nomination Committee of the Board upon his approval as a non-executive Director of the Company by the Shareholders at the AGM.

Mr. CHEN Ruijun is the General Manager of the Company.

Corporate Governance Report

The positions of Chairman and General Manager are held by separate persons in order to preserve independence and a balance of views and judgement. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board in accordance with good governance practice. The General Manager focuses on implementing objectives, policies and strategies approved and delegated by the Board.

Independent non-executive Directors

During the year ended 31 December 2015, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with at least one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors are independent.

Non-executive Directors and Directors' Re-election

Code provision A.4.1 of the CG Code stipulates that non-executive directors shall be appointed for a specific term, subject to re-election, whereas code provision A.4.2 states that all directors appointed to fill a casual vacancy shall be subject to election by Shareholders at the first general meeting after appointment and that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Each of the Directors of the Company is appointed for a specific term of three years and is renewable upon re-election by Shareholders.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Company has formalized and adopted the written terms on the division of functions reserved to the Board and delegated to the management.

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board take decisions objectively in the interests of the Company.

Corporate Governance Report

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the Company Secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

Continuous Professional Development of Directors

Directors keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

Every newly appointed Director will receive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for Directors will be arranged and reading material on relevant topics will be issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year 2015, there were four trainings conducted by Freshfields Bruckhaus Deringer to all Directors of the Company covering the topics of connected transactions, corporate social responsibility, updates on corporate risk management and rules of procedure of audit committee, and rules of annual financial reporting.

Corporate Governance Report

BOARD COMMITTEES

The Board has established 3 committees, namely, the Audit Committee, Remuneration and Nomination Committee and the Strategy Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Audit Committee and the Remuneration and Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Members of each Board committee comprise independent non-executive Directors and the list of the chairman and members of each Board committee is set out under "Corporate Information" on page 210.

Audit Committee

The Audit Committee comprises 3 non-executive Directors, namely Ms. LAU Miu Man (Chairman), Mr. LIU Guochen and Mr. LIU Chaoan, with independent non-executive Directors in majority (including one independent non-executive Director with the accounting expertise). None of the members of the Audit Committee is a former partner of the Company's existing auditors.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors, and evaluating arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the year ended 31 December 2015, the Audit Committee held two meetings to review interim and annual financial results and reports and significant issues on the financial reporting and compliance procedures, internal control and risk management systems, scope of work and appointment of external auditors, and arrangements for employees to raise concerns about possible improprieties.

The Audit Committee also met the external auditors twice without the presence of the executive Directors.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee comprise 3 members, namely Mr. LIU Chaoan (Chairman), Mr. GUO Mingxing and Mr. ZHANG Fusheng, the majority of which are independent non-executive Directors.

Corporate Governance Report

The primary functions of the Remuneration and Nomination Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration and Nomination Committee is also responsible for reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Remuneration and Nomination Committee would take into account various aspects set out in the Board Diversity Policy as adopted by the Board on 27 August 2013, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Remuneration and Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

The Remuneration and Nomination Committee has adopted a set of nomination procedures for selection of candidates for directorship of the Company. It would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

The Remuneration and Nomination Committee reviewed and determined and made recommendation to the Board on the remuneration policy and structure of the Company, and the remuneration packages of the executive Directors and senior management and other related matters. It also reviewed the structure, size and composition of the Board and the independence of the independent non-executive Directors, and to consider the qualifications of the retiring Directors standing for election at the general meetings.

The Remuneration and Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

There were no Remuneration and Nomination Committee meetings held during the year.

Corporate Governance Report

Strategy Committee

The current members of the Strategy Committee are Mr. GUO Mingxing, Mr. XU Jingfu, Mr. LIU Guochen and Mr. CHEN Ruijun.

The primary function of the Strategy Committee is to make recommendations to the Board on the long-term development strategies of the Company.

There were no Strategy Committee meetings held during the year.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Corporate Governance Report

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the Board and Board Committee meetings and the general meeting of the Company held during the year ended 31 December 2015 is set out in the table below:

	Attendance/Number of Meetings during the term of office		
Name of Director	Board	Audit Committee	Annual General Meeting
LU Haijun(Note 1)	0/4		0/1
GUO Mingxing	4/4		1/1
XU Jingfu	4/4		1/1
LIU Guochen	2/4	0/2	0/1
YU Zhongfu	2/4		0/1
JIN Yudan	3/4		1/1
CHEN Ruijun	4/4		1/1
LIU Chaoan	3/4	1/2	1/1
LI Fuqiang(Note 2)	3/4		0/1
ZHANG Fusheng(Note 3)	1/4		0/1
LAU Miu Man	4/4	2/2	1/1
HAN Xiaoping	4/4		0/1

Note 1: The Director was being investigated by the competent authorities and unable to perform the duties as the Director and Chairman of the Board during the year 2015. He resigned on 14 January 2016.

Note 2: The Director resigned on 25 June 2015.

Note 3: The Director was only appointed on 25 June 2015.

Apart from regular Board meetings, the Chairman also held meetings with the non-executive Directors (including independent non-executive Directors) without the presence of executive Directors during the year.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2015.

Corporate Governance Report

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 75 to 76.

Where appropriate, a statement will be submitted by the Audit Committee explaining its recommendation regarding the selection, appointment, resignation or dismissal of external auditors and the reasons why the Board has taken a different view from that of the Audit Committee.

AUDITORS' REMUNERATION

The remuneration paid to the Company's external auditors of the Company in respect of audit services and non-audit services for the year ended 31 December 2015 amounted to RMB5,953,000 and RMB0 respectively.

INTERNAL CONTROLS

The Board is responsible for our Company's system of internal control and its effectiveness. The Board conducted a review of the effectiveness of the internal control system of the Company for the year under review, including the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at Shareholders' meetings, including the election of individual Directors.

All resolutions put forward at Shareholders' meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange after each Shareholders' meeting.

Convening an Extraordinary General Meeting by Shareholders

Shareholders holding more than 10% of Shares (individually or together with others) shall be entitled to request for an extraordinary general meeting or class meeting.

Upon signing one or several written requests with the same content and format, and stating the subject of the meeting, the aforesaid Shareholders may request the Board to convene an extraordinary general meeting or class meeting. Shares held by the above Shareholders shall be calculated as at the date of submitting the written request.

Corporate Governance Report

Putting Forward Proposals at General Meetings

When a general meeting is held by the Company, the Board, Board of Supervisors or Shareholders who individually or together holding more than 3% of the Shares of the Company may propose resolutions to the Company. Shareholders who individually or together holding more than 3% of the Shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the holding of the general meeting.

The contents of the proposals to be raised shall be within the scope of duties of the general meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations and the Company's Articles of Association.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 7/8 Floor, No. 6 Xibahe Road
Chaoyang District, Beijing, the PRC
(For the attention of the Company Secretary)

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full names, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. The Chairman of the Board, non-executive Directors, independent non-executive Directors, and the chairman of all Board committees (or their delegates) will make themselves available at general meetings to meet Shareholders and answer their enquiries.

During the year under review, the Company has not made any changes to its Articles of Association.

Corporate Social Responsibility Report

SOCIAL RESPONSIBILITY STRATEGY

As an important clean energy supplier in Beijing and even in China, the Group has long been committed to fully optimizing the impact of the enterprise on the environment and the society, and promoting the realization of sustainable development of the Company and the society.

The Company is engaged in investment and construction of renewable energy projects including gas-fired power and heat energy generation, wind power generation, photovoltaic power generation and hydropower generation. The Company is committed to promoting the adjustment of energy structure in the whole society and the development of energy conservation and emission reduction. Shouldering the responsibility of "Giving back Beijing the blue sky" (還北京一片藍天) and aiming at improving the environment quality for sustainable development, the Company transmits green energy, clean energy and renewable energy sources to Beijing and even in China.

ENVIRONMENTAL RESPONSIBILITY

In 2015, as a clean energy company, the Group conscientiously fulfilled the responsibility for energy conservation and emission reduction, and transmitted 25.905 billion KWH green power throughout the year, bringing a reduction of 13,042,500 tons of CO_2 emission as compared with the traditional energy. A total of 13 voluntary emission reduction projects had filed successfully at the National Development and Reform Commission within the year with an annual emission reduction of approximately 940,000 tons, and 6 projects had obtained the certification to operate with certified amount of approximately 540,000 tons, among which 520,000 tons was completed in transactions. The Group has also carried on active explorations and trials in carbon finance.

SAFETY RESPONSIBILITY

In 2015, the Group has steadily enhanced its safety production and management, strictly implemented the safety production policy of "Safety First, Prevention Dominance, Comprehensive Governance", highlighted the establishment of regulated, standardized and systematized safety production guarantee system and safety supervision system, created the unremitting safety concepts, and strengthened the awareness to be prepared for the unexpected, and strived for the combination of emergency measures and prevention plans, and the preparations of resource reserves under normal condition, team construction, equipment improvement and plan drill.

Corporate Social Responsibility Report

The Group has fulfilled the function of emergency management of safety issues in the power industry, and further completed and revised the contingency plans and on-site solutions of its subsidiaries. Each subsidiary has organized variously-targeted emergency drills pursuant to the specific safety issues in safety production, and has revised the contingency plans according to the drill results. The Group has also taken rectification measures for problems discovered in the drill, so as to further improve the level of emergency handling.

As majority of the subsidiaries of the Group are gas power generation enterprises, special inspection and governance had been organized for the storage of hazardous chemicals and the management of dangerous areas, and safety control had been strengthened for gas pressure regulating stations, operation sites and other key areas, so as to regulate the operation behaviors, strengthen the risk pre-control and strictly implement punishment on the chronic violations.

In 2015, no production safety accidents occurred within the Group.

SOCIAL WELFARE

In 2015, the Group was committed to the harmonious development between enterprises and society by actively participating in social welfare activities, taking the initiative to assume the social responsibilities as a state-owned enterprise and a listed company, taking an active part in the clean air campaign, vigorously supporting local economic and social cultural development, and extensively carrying out various public welfare activities including student sponsorship and scholarship, poverty alleviation and disaster relief. The Company has always been dedicated to providing clean energy, fulfilling its social responsibilities throughout the whole process of enterprise operation and management, attaching great importance to the well being of civilians and environmental improvement, and making efforts to maintain and develop a good social image.

Independent Auditors' Report

Deloitte.
德勤

TO THE SHAREHOLDERS OF BEIJING JINGNENG CLEAN ENERGY CO., LIMITED
(incorporated in the People's Republic of China with limited liability)

We have audited the consolidated financial statements of Beijing Jingneng Clean Energy Co., Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 77 to 206, which comprise the consolidated statement of financial position as at December 31, 2015, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

Independent Auditors' Report

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
March 29, 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED DECEMBER 31, 2015

	Notes	Year ended December 31, 2015 RMB'000	2014 RMB'000
Revenue	6	**14,346,034**	8,728,687
Other income	7	**3,248,431**	1,425,623
Gas consumption		**(10,545,320)**	(5,401,450)
Depreciation and amortization	11	**(1,871,192)**	(1,304,095)
Personnel costs	11	**(550,911)**	(417,394)
Repairs and maintenance		**(526,266)**	(308,804)
Other expenses		**(672,308)**	(488,804)
Other gains and losses	8	**(55,545)**	96,327
Profit from operations		**3,372,923**	2,330,090
Interest income	9	**54,963**	21,421
Finance costs	9	**(1,197,841)**	(1,099,556)
Share of results of associates		**331,178**	319,656
Share of results of a joint venture		**5**	3
Profit before taxation		**2,561,228**	1,571,614
Income tax expense	10	**(528,478)**	(284,321)
Profit for the year	11	**2,032,750**	1,287,293
Profit for the year attributable to:			
— Ordinary shareholders of the Company		**1,910,643**	1,208,330
— Holders of perpetual notes		**41,482**	—
— Non-controlling interests		**80,625**	78,963
		2,032,750	1,287,293
Earnings per share			
Basic *(RMB cents)*	14	**27.81**	18.39

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED DECEMBER 31, 2015

	Notes	Year ended December 31, 2015 RMB'000	2014 RMB'000
Profit for the year	11	**2,032,750**	1,287,293
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations:			
Exchange differences arising during the year		**(35,270)**	(92,734)
Cash flow hedges:			
Loss during the year		**(5,717)**	(11,226)
Income tax effect		**1,715**	3,368
Reclassification adjustments for cash flow hedges recognized in profit or loss, net of income tax		**9,381**	—
Other comprehensive expense for the year, net of income tax		**(29,891)**	(100,592)
Total comprehensive income for the year		**2,002,859**	1,186,701
Total comprehensive income for the year attributable to:			
— Ordinary shareholders of the Company		**1,886,311**	1,132,147
— Holders of perpetual notes		**41,482**	—
— Non-controlling interests		**75,066**	54,554
		2,002,859	1,186,701

Consolidated Statement of Financial Position

AT DECEMBER 31, 2015

	Notes	At December 31, 2015 RMB'000	2014 RMB'000 (Restated)
Non-current assets			
Property, plant and equipment	15	**30,858,075**	29,448,034
Intangible assets	16	**4,153,766**	4,317,071
Goodwill	17	**190,049**	190,049
Prepaid lease payments	19	**159,832**	136,334
Investments in associates	20(a)	**2,080,553**	1,853,829
Loans to associates	20(b)	**150,000**	150,000
Investments in a joint venture	21	**80,471**	80,466
Deferred tax assets	22	**185,011**	222,183
Derivative financial assets	36	**85,049**	91,952
Available-for-sale financial assets	23	**128,028**	128,528
Value-added tax recoverable	27	**486,427**	414,170
Deposit paid for acquisition of property, plant and equipment		**792,560**	663,448
		39,349,821	37,696,064
Current assets			
Inventories	24	**134,170**	116,687
Trade and bill receivables	25	**2,994,101**	4,020,647
Other receivables, deposits and prepayments	26	**422,638**	395,355
Derivative financial assets	36	**—**	18,163
Current tax assets		**18,491**	10,472
Amounts due from related parties	46(b)	**393,599**	266,347
Prepaid lease payments	19	**4,383**	3,983
Value-added tax recoverable	27	**525,647**	875,052
Held for trading financial asset	28	**338,873**	370,803
Restricted bank deposits	29	**105,215**	157,348
Cash and cash equivalents	30	**2,114,669**	4,206,827
		7,051,786	10,441,684

Consolidated Statement of Financial Position

AT DECEMBER 31, 2015

	Notes	At December 31, 2015 RMB'000	2014 RMB'000 (Restated)
Current liabilities			
Trade and other payables	31	**3,807,239**	5,188,552
Amounts due to related parties	46(c)	**224,398**	290,356
Bank and other borrowings – due within one year	32	**3,557,535**	5,286,789
Short-term debentures	33	**6,000,000**	1,800,000
Medium-term notes – due within one year	34	**—**	1,000,000
Corporate bonds – due within one year	35	**—**	2,397,701
Income tax payable		**205,547**	192,570
Deferred income – current portion	37	**394,515**	331,603
		14,189,234	16,487,571
Net current liabilities		**(7,137,448)**	(6,045,887)
Total assets less current liabilities		**32,212,373**	31,650,177
Non-current liabilities			
Derivative financial liabilities	36	**3,542**	30,998
Bank and other borrowings – due after one year	32	**13,396,508**	15,996,513
Corporate bonds – due after one year	35	**2,189,854**	2,184,649
Deferred tax liabilities	22	**98,418**	106,236
Deferred income	37	**372,541**	334,742
Other non – current liability	38	**44,266**	55,269
		16,105,129	18,708,407
Net assets		**16,107,244**	12,941,770
Capital and reserves			
Share capital	39	**6,870,423**	6,870,423
Reserves		**7,226,480**	5,629,414
Equity attributable to ordinary shareholders of the Company		**14,096,903**	12,499,837
Perpetual notes	41	**1,527,982**	—
Non-controlling interests		**482,359**	441,933
Total equity		**16,107,244**	12,941,770

The consolidated financial statements on pages 77 to 206 were approved and authorized for issue by the Board of Directors on March 29, 2016 and are signed on its behalf by:

Guo Mingxing
Director

Chen Ruijun
Director

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED DECEMBER 31, 2015

	Attributable to ordinary shareholders of the Company										
	Share capital	Capital reserve	Statutory surplus reserve	Other reserves	Cash flow hedging reserve	Currency translation differences	Accumulated profits	Total	Perpetual notes	Attributable to non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 39)	(Note 40)	(Note (a))	(Note (b))					(Note 41)		
As at January 1, 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
Appropriation to surplus reserve	–	–	313,136	–	–	–	(313,136)	–	–	–	–
Capital contribution in a subsidiary from non-controlling interest	–	–	–	–	–	–	–	–	–	34,898	34,898
Dividend declared (Note 13(a) and (b))	–	–	–	–	–	–	(289,245)	(289,245)	–	(69,538)	(358,783)
	6,870,423	2,303,646	1,127,298	3,914	(5,893)	(70,290)	1,981,494	12,210,592	–	407,293	12,617,885
Profit for the year	–	–	–	–	–	–	1,910,643	1,910,643	41,482	80,625	2,032,750
Other comprehensive income (expense) for the year	–	–	–	–	4,035	(28,367)	–	(24,332)	–	(5,559)	(29,891)
Total comprehensive income (expense) for the year	–	–	–	–	4,035	(28,367)	1,910,643	1,886,311	41,482	75,066	2,002,859
Issuance of perpetual notes	–	–	–	–	–	–	–	–	1,500,000	–	1,500,000
Issuance cost	–	–	–	–	–	–	–	–	(13,500)	–	(13,500)
At December 31, 2015	6,870,423	2,303,646	1,127,298	3,914	(1,858)	(98,657)	3,892,137	14,096,903	1,527,982	482,359	16,107,244

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED DECEMBER 31, 2015

	Attributable to ordinary shareholders of the Company									
	Share capital *RMB'000* (Note 39)	Capital reserve *RMB'000* (Note 40)	Statutory surplus reserve *RMB'000* (Note (a))	Other reserves *RMB'000* (Note (b))	Cash flow hedging reserve *RMB'000*	Currency translation differences *RMB'000*	Accumulated profits *RMB'000*	Total *RMB'000*	Attributable to non-controlling interests *RMB'000*	Total equity *RMB'000*
As at January 1, 2014	6,477,413	1,724,931	559,061	3,914	–	–	1,911,766	10,677,085	287,073	10,964,158
Issue of shares (Note 39(a))	393,010	613,007	–	–	–	–	–	1,006,017	–	1,006,017
Issuance costs	–	(18,529)	–	–	–	–	–	(18,529)	–	(18,529)
Appropriation to surplus reserve	–	–	255,101	–	–	–	(255,101)	–	–	–
Capital contribution in a subsidiary from holding company	–	123,000	–	–	–	–	–	123,000	–	123,000
Acquisition of a subsidiary from holding company	–	(138,763)	–	–	–	–	–	(138,763)	–	(138,763)
Capital contribution in a subsidiary from non-controlling interest	–	–	–	–	–	–	–	–	174,753	174,753
Dividend declared (Note 13(c) and (d))	–	–	–	–	–	–	(281,120)	(281,120)	(74,447)	(355,567)
	6,870,423	2,303,646	814,162	3,914	–	–	1,375,545	11,367,690	387,379	11,755,069
Profit for the year	–	–	–	–	–	–	1,208,330	1,208,330	78,963	1,287,293
Other comprehensive expense for the year	–	–	–	–	(5,893)	(70,290)	–	(76,183)	(24,409)	(100,592)
Total comprehensive (expense) income for the year	–	–	–	–	(5,893)	(70,290)	1,208,330	1,132,147	54,554	1,186,701
At December 31, 2014	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

Notes:

(a) According to the relevant requirement in the memorandum of Beijing Jingneng Clean Energy Co., Limited (the "Company") and its subsidiaries (collectively referred to as "the Group"), 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 ordinary shareholders. Such statutory surplus reserve can be used to offset the previous years' losses, if any, or increase capital. The statutory surplus reserve is non-distributable other than upon liquidation.

(b) Other reserves represent the share of other comprehensive income of associates and joint ventures.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2015

	Year ended December 31, 2015 RMB'000	2014 RMB'000
Operating activities		
Profit before taxation	**2,561,228**	1,571,614
Adjustments for:		
Depreciation and amortization	**1,871,192**	1,304,095
Loss (gain) arising on change in fair value of held for trading financial asset	**52,623**	(64,751)
Impairment (reversal of) losses on doubtful receivables	**1,288**	(47,587)
Dividend from available-for-sale financial asset	**(3,058)**	(2,290)
Loss on settlement of hedged derivative	**13,401**	—
Loss on change in fair value of other derivative financial assets	**1,578**	—
Loss (gain) on disposal of:		
— Property, plant and equipment	**1,056**	1,481
— Available-for-sale financial asset	**(10,700)**	—
Share of results of associates	**(331,178)**	(319,656)
Share of results of a joint venture	**(5)**	(3)
Interest income	**(54,963)**	(21,421)
Finance costs	**1,197,841**	1,099,556
Prepaid lease payments released to profit or loss	**4,459**	3,410
Release of contractual obligation	**(7,742)**	—
Deferred income released to profit or loss	**(3,047,767)**	(6,407)
Operating cash flows before movements in working capital	**2,249,253**	3,518,041
Movements in working capital		
Increase in inventories	**(17,483)**	(32,074)
Decrease (increase) in trade and bill receivables	**1,025,592**	(2,164,997)
Increase in amounts due from related parties	**(129,435)**	(149,158)
Decrease in other receivables, deposits and prepayments	**535,834**	1,146,658
(Decrease) increase in trade and other payables	**(279,251)**	103,372
Increase in amounts due to related parties	**8,527**	79,511
Increase in deferred income	**3,110,132**	324,470
Cash generated from operations	**6,503,169**	2,825,823
Income tax paid	**(493,103)**	(257,731)
Net cash generated from operating activities	**6,010,066**	2,568,092
Investing activities		
Interest received	**57,146**	23,469
Dividends received	**107,512**	119,020
Cash advanced to associates	**—**	(560)
Cash received from related parties	**—**	245
Acquisition of:		
— Property, plant and equipment	**(4,548,932)**	(5,697,681)
— Intangible assets	**(36,285)**	(11,938)
— Investments	**—**	(336,052)
Addition of prepaid lease payments on land use rights	**(28,357)**	(9,553)

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2015

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
Proceeds on disposals of		
— Property, plant and equipment	**499**	23,648
— Available-for-sale financial asset	**11,200**	—
Withdrawal of restricted bank deposits	**52,133**	264,439
Cash received from government grants	**6,765**	157,540
Net cash outflow on acquisition of a subsidiary (Note 50)	**(95,913)**	(568,524)
Cash inflow on prior year disposal of a subsidiary	**30,240**	20,160
Net cash used in investing activities	**(4,443,992)**	(6,015,787)
Financing activities		
Interest paid	**(1,253,168)**	(1,066,816)
Cash received from capital contribution of non-controlling interest	**34,898**	118,490
Deemed capital contribution in a subsidiary acquired from holding company	**—**	123,000
New bank and other borrowings raised	**7,105,569**	11,563,434
Repayments of bank and other borrowings	**(11,350,481)**	(6,874,693)
Payment of settlement of derivative liability	**(36,540)**	—
Proceeds from issuance of short-term debentures	**6,000,000**	1,800,000
Proceeds from issuance of perpetual notes	**1,500,000**	—
Issuance cost for perpetual notes	**(13,500)**	—
Issuance cost for short-term debentures	**—**	(7,200)
Repayment of short-term debentures	**(1,800,000)**	(1,800,000)
Repayment of corporate bond	**(2,400,000)**	—
Repayment of medium-term notes	**(1,000,000)**	—
Proceeds from issue of corporate bond	**—**	1,000,000
Issuance cost for corporate bond	**—**	(11,868)
H shares issued for placement	**—**	1,006,017
Payment of transaction costs attributable to placement	**—**	(18,529)
Cash paid for acquisition of a subsidiary under common control	**—**	(138,763)
Dividends paid to:		
— Ordinary shareholders of the Company	**(289,245)**	(281,120)
— Non-controlling shareholders of subsidiaries	**(74,081)**	(35,135)
Distribution to holding company of payable for past business combination	**(75,650)**	(20,000)
Net cash (used in) generated from financing activities	**(3,652,198)**	5,356,817
Net (decrease) increase in cash and cash equivalents	**(2,086,124)**	1,909,122
Cash and cash equivalents at the beginning of the year	**4,206,827**	2,319,504
Effect of foreign exchange rate changes	**(6,034)**	(21,799)
Cash and cash equivalents at the end of the year	**2,114,669**	4,206,827
Represented by:		
— Cash and cash equivalents at the end of the year	**2,114,669**	4,206,827

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

1. GENERAL INFORMATION

The Company was a joint stock company established in the People's Republic of China (the "PRC") with limited liability and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The address of the Company's registered office is at Room 118, No.1 Ziguang East Road, Badaling Economic Development Zone, Yanqing County, Beijing, the PRC.

In the opinion of the directors of the Company (the "Directors"), 北京能源集團有限責任公司 (Beijing Energy Holding Co., Ltd., English name for identification purpose) ("BEH") is the Company's ultimate holding company (also the immediate parent company). BEH is a state-owned enterprise established in the PRC with limited liability and is wholly-owned by 北京市人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality, English name for identification purpose).

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are gas-fired power and heat energy generation, wind power generation, hydropower generation, photovoltaic power generation and other business.

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

2. BASIS OF PREPARATION

In preparing the consolidated financial statements, the Directors have given careful consideration that at December 31, 2015, the Group has net current liabilities of RMB7,137,448,000. The Group meets its working capital requirements from cash generated from its operating activities and available financing facilities from banks. At December 31, 2015, the Group has committed unutilized financing facilities amounting to approximately RMB19,772,502,000, of which approximately RMB16,070,602,000 are subject to renewal during the next 12 months from balance sheet date of these consolidated financial statements. The Directors are confident that these financing facilities will continue to be available to the Group for the foreseeable period not less than 12 months from the balance sheet date of the consolidated financial statements. Based on the assessment, the Directors are satisfied that the Group will be able to meet in full its financial obligations as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current year, the Group has applied the following amendments to IFRSs:

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 new and revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments[1]
IFRS 14	Regulatory Deferral Accounts[2]
IFRS 15	Revenue from Contracts with Customers[1]
IFRS 16	Leases[3]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[4]
Amendments to IAS 1	Disclosure Initiative[4]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2012–2014 Cycle[4]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[4]
Amendments to IAS 27	Equity Method in Separate Financial Statements[4]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[4]
Amendments to IAS 7	Disclosure Initiative[6]
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[6]

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(continued)*

Notes:

(1) Effective for annual periods beginning on or after January 1, 2018
(2) Effective for first annual IFRS financial statements beginning on or after January 1, 2016
(3) Effective for annual periods beginning on or after January 1, 2019
(4) Effective for annual periods beginning on or after January 1, 2016
(5) Effective for annual periods beginning on or after a date to be determined
(6) Effective for annual periods beginning on or after January 1, 2017

Except as described below, the Directors anticipate that the application of the amendments will have no impact on the Group.

IFRS 9 Financial Instruments

IFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9 are described as follows:

- all recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss;

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(continued)*

IFRS 9 Financial Instruments *(continued)*

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss;

- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized; and

- the new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors anticipate that the adoption of IFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that impact until a detailed review has been completed.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(continued)*

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The directors are in the process of assessing the impact of IFRS15 in the future on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(continued)*

IFRS 16 Leases

IFRS 16, which upon the effective date will supersede IAS 17 Leases, introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under IFRS 16, a lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognize depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, IAS 17.

In respect of the lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Directors of the Company will assess the impact of the application of IFRS 16. For the moment, it is not practicable to provide a reasonable estimate of the effect of the application of IFRS 16 until the Group performs a detailed review.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The provisions of the new CO (Cap 622) regarding preparation of accounts and directors' reports and audits became effective for the Company for the financial year ended December 31, 2015. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended December 31, 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended December 31, 2014 are presented or disclosed in the consolidated financial statements based on the new requirement. Information previously required to be disclosed under predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date,
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly, and
- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of consolidation *(continued)*

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Business combinations

(i) Business combination under common control

For combination of businesses under common control, merger accounting is adopted. In applying merger accounting, financial statement items of the combining entities or businesses for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flow of the combined entity as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties. The assets and liabilities obtained are measured at the carrying amounts as recorded by the enterprises being combined at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of consideration paid for the combination (or the total face value of shares issued) is adjusted to capital reserve. The combination date is the date on which one combining enterprise effectively obtains control of the other combining enterprises.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of consolidation *(continued)*

(ii) Business combination other than under common control

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

At the acquisition date, the acquiree's identifiable assets and liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another IFRS.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

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

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments in associates and joint ventures *(continued)*

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statement of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments in associates and joint ventures *(continued)*

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When a group entity transacts with an associate or a joint venture of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue recognition

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

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition *(continued)*

The Group sells several carbon credits including:

(i) Certified Emission Reductions ("CERs") generated from wind farms or other clean energy facilities which have been registered under the United Nation's Clean Development Mechanism ("CDM").

(ii) Voluntary Emission Reductions ("VERs") generated from CDM projects but generated before the registration with CDM.

(iii) Chinese Certified Emission Reductions ("CCERs") generated from wind farms or other clean energy facilities which have been registered under the National Development and Reform Commission ("NDRC").

(iv) Beijing Emission Allowances ("BEAs"), which transact on the Beijing Environment Exchange.

(v) Large Generator Credits ("LGCs"), which are the carbon credits registered under Australian clean energy framework.

The revenue in relation to carbon credits are recognized when there is a persuasive arrangement between the Group and a buyer, the selling price is fixed or determinable, the relevant electricity has been generated, and the consideration is payable.

Service income is recognized when services are provided.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Leasing

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

The Group as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis.

Leasehold land

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including and lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortized over the lease term on a straight-line basis.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; or

- exchange differences on transactions entered into in order to hedge certain foreign currency exchange risks (see the accounting policies below).

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of currency translation differences (attributed to non-controlling interests as appropriate). Such exchanges differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Borrowing costs *(continued)*

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

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

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognize as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets. Other government grants are recognized as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Retirement benefit costs

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Taxation

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

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

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

Deferred tax liabilities are recognized for taxable temporary differences arising with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate and tax laws that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Where current tax or deferred tax arise from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

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

Depreciation is provided to write off the cost or deemed cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives after taking into account of their estimated residual values, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment *(continued)*

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

Intangible assets

The Group recognize an intangible asset arising from the wind farm concession arrangement when it has a right to receive the income for the usage of the concession infrastructure. Intangible assets received as a consideration for providing construction services in a concession arrangement are measured at fair value upon initial recognition. Subsequent to initial recognition, the intangible asset is measured at cost less accumulated amortization and accumulated impairment losses.

Intangible assets acquired separately and with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimated future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Inventories

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

The Group's financial assets are classified into financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale ("AFS") financial assets.

Effective interest method

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading, or (ii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

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

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 48.

AFS financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

Dividends on AFS equity investments are recognized in profit or loss when the Group's right to receive the dividends is established.

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Loans and receivables

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

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of security below its cost is considered to be objective evidence of impairment.

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Impairment of financial assets (continued)

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

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

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

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issuance costs.

Financial liabilities

Financial liabilities of the Group (including trade and other payables, amounts due to related parties, bank and other borrowings, short-term debentures, medium-term notes and corporate bonds) are subsequently measured at amortized cost using effective interest method.

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

Interest expense is recognized on an effective interest basis.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Derivative financial instruments

Derivatives are initially recognized at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge accounting

The Group designates certain derivatives as hedging instruments for fair value hedges, or cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit or loss from that date.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Hedge accounting *(continued)*

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in the cash flow hedging reserve are transferred from the cash flow hedging reserve and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

Derecognition

The Group derecognized a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control of the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Allowance on doubtful receivables

The Group estimates the impairment on trade and bill receivables and other receivables by assessing their recoverability based on credit history and prevailing market conditions. This requires the use of estimates and judgments. Impairments are applied to trade and bill receivables and other receivables when events or changes in circumstances indicate that the balances may not be recoverable. Where the expectation is different from the original estimate, such difference will affect the carrying amount of trade and bill receivables and other receivables and thus the impairment loss in the period in which such estimate is changed. The Group reassesses the impairment on trade and bill receivables and other receivables at the end of each reporting period. At December 31, 2015, the carrying amount of trade and bill receivables and other receivables net of allowance on doubtful receivables is RMB2,994,101,000 and RMB314,388,000 (2014:RMB4,020,647,000 and RMB347,225,000).

Useful lives of property, plant and equipment

The Group's management determines the useful lives and related depreciation expenses for its property, plant and equipment, after taking into account of the estimated residual value. This estimate is based on historical experience on the projected wear and tear incurred during power generation. It could change significantly as a result of technical innovations. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates. At December 31, 2015, the carrying amount of property, plant and equipment is set out in Note 15.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

5. KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Useful lives of concession rights and operation rights

The Group's management determines the useful lives and related amortization expenses for its wind farm concession rights and wind or hydropower operation rights. This estimate is based on corresponding legal or contractual arrangements, projected profitability, and current legal and economic environment. It might be significantly affected by factors include but not limit to the changes in the legal and regulatory framework, economic environment, or the technical innovation, etc. The amortization expense for future periods would be adjusted if there are significant changes from previous estimates. At December 31, 2015, the carrying amounts of wind farm concession rights and wind or hydropower operation rights are set out in Note 16.

Impairment losses of non-current assets other than goodwill

In considering the impairment losses that may be required for certain of the Group's assets which mainly include property, plant and equipment, lease prepayments and intangible assets, recoverable amount of the asset needs to be determined. The recoverable amount is the higher of the fair value less costs of disposal and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flow generated by the asset are discounted to their present value, which requires significant judgment relating to items such as level of sale volume, selling price and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as sale volume, selling price and amount of operating costs. At December 31, 2015, the carrying amounts of property, plant and equipment, lease prepayments and intangible assets are set out in Notes 15, 19 and 16 respectively.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual cash flows are less than expected, a material impairment loss may arise. At December 31, 2015, the carrying amount of goodwill is set out in Note 17.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

6. REVENUE

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

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
Sales of goods:		
— Electricity	**13,055,616**	8,116,274
— Heat energy	**1,286,549**	610,689
Service income from:		
— Third parties (Note)	**3,869**	1,724
	14,346,034	8,728,687

Note: The service income for the year ended December 31, 2015 and December 31, 2014 represented repair and maintenance service provided.

7. OTHER INCOME

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
Government grants and subsidies related to:		
— Clean energy production (Note 37(a))	**3,040,087**	1,318,594
— Construction of assets (Note 37(b))	**7,680**	6,407
Income from carbon credits (Note (a))	**137,175**	574
Value-added tax refunds (Note (b))	**42,423**	42,377
Dividend from available-for-sale financial asset	**3,058**	2,290
Income from grid compensation (Note (c))	**—**	41,422
Others	**18,008**	13,959
	3,248,431	1,425,623

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

7. OTHER INCOME *(continued)*

Notes:

(a) During the year ended December 31, 2015, income from carbon credits were mainly derived from the sales of carbon credits registered under relevant mechanisms in Australia and PRC. For the year ended December 31, 2014, the income from carbon credits were derived from the United Nation's Clean Development Mechanism.

(b) The Group entitles to a 50% refund of value-added tax for its revenue from the sale of electricity generated from the wind farms and a full refund of value-added tax for its revenue from the sale of heat energy generated to residential customers. A receivable and the corresponding income of the value-added tax refund are recognized when relevant value-added tax refund application is registered with the relevant PRC tax authorities.

(c) During the year ended December 31, 2014, the State Grid provided corresponding compensation for unaccomplished planned on-grid hours due to a temporary adjustment on electricity dispatching.

8. OTHER GAINS AND LOSSES

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
Other gains (losses) comprise:		
Impairment loss on doubtful receivables	**(3,996)**	(2,964)
Reversal of impairment loss on doubtful receivables	**2,708**	50,551
Loss on disposal of property, plant and equipment	**(1,056)**	(1,481)
Gain on disposal of an available-for-sale investment	**10,700**	—
Net exchange loss	**(12,016)**	(16,231)
(Loss) gain arising on change in fair value of financial asset classified as held for trading (Note 28)	**(52,623)**	64,751
Loss on settlement of hedged derivatives	**(13,401)**	—
Loss on change in fair value of financial asset classified as other derivatives	**(1,578)**	—
Others	**15,717**	1,701
	(55,545)	96,327

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

9. INTEREST INCOME/FINANCE COSTS

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
Interest income from:		
— Loans to associates	**7,968**	9,243
— Deposits with a related non-bank financial institution (Note)	**17,392**	3,001
— Bank balances	**29,603**	9,177
Total interest income	**54,963**	21,421
Interest on bank and other borrowings, short-term debentures, medium-term notes, and corporate bonds wholly repayable:	**1,281,767**	1,508,404
Less: Amounts capitalized in property, plant and equipment	**(83,926)**	(408,848)
Total finance costs	**1,197,841**	1,099,556
Net finance costs	**1,142,878**	1,078,135

	Year ended December 31,	
	2015	2014
Capitalization rate of borrowing costs to expenditure on qualifying assets	**5.21%**	5.92%

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

10. INCOME TAX EXPENSE

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
Current tax:		
PRC enterprise income tax	**501,448**	322,408
Other jurisdictions	**—**	444
	501,448	322,852
Deferred tax (Note 22):		
Current year	**27,030**	(38,531)
Income tax expense	**528,478**	284,321

PRC enterprise income tax has been generally provided at the applicable enterprise income tax rate of 25% (2014: 25%) on the estimated assessable profits of the group companies established in the PRC for the year ended December 31, 2015.

Under the PRC enterprise income tax Law, the preferential tax treatment for encouraged enterprises located in western PRC and certain industry-oriented tax incentives remains available up to December 31, 2020 when the original preferential tax period was expired. 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, hydropower projects and photovoltaic power projects were entitled to this tax concession for years ended December 31, 2015 and 2014.

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 December 31, 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 derived in Hong Kong.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

10. INCOME TAX EXPENSE *(continued)*

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

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
Profit before taxation	**2,561,228**	1,571,614
PRC enterprise income tax at 25% (2014: 25%)	**640,307**	392,904
Tax effect on:		
— Expenses not deductible for tax purposes	**2,332**	5,537
— Tax effect of share of result of associates and a joint venture	**(82,796)**	(79,915)
— Tax losses not recognized as deferred tax assets	**101,479**	72,864
— Utilization of tax losses not recognized previously	**(876)**	(4,803)
— PRC enterprise income tax exemption and concessions	**(120,189)**	(97,743)
— Effect of different tax rates of group entities operating in jurisdictions other than PRC	**(11,779)**	(4,523)
	528,478	284,321

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

11. PROFIT FOR THE YEAR

	Year ended December 31, 2015 RMB'000	2014 RMB'000
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**5,953**	5,606
Prepaid lease payments released to profit or loss	**4,459**	3,410
Operating lease payments in respect of land and building	**25,092**	14,342
Depreciation and amortization:		
Depreciation of property, plant and equipment (Note 15)	**1,671,652**	1,115,042
Amortization of intangible assets (Note 16)	**199,590**	189,513
Less: Amount capitalized to construction in progress	**50**	460
Total depreciation and amortization	**1,871,192**	1,304,095
Personnel costs:		
Directors' emoluments (Note 12)	**1,561**	1,466
Other personnel costs	**549,350**	415,928
Total personnel costs	**550,911**	417,394

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

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

The emoluments paid or payable to each of the existing Directors, chief executive and the existing Supervisors by the Group were as follows:

	Director fees *RMB'000*	Basic salaries and allowances *RMB'000*	Bonus *RMB'000* (Note)	Retirement benefit contribution *RMB'000*	Total *RMB'000*
Year ended December 31, 2015					
Executive Director:					
Mr. Ruijun Chen	—	717	—	44	761
	—	717	—	44	761

The executive director's emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

Non-executive Directors:					
Mr. Mingxing Guo (elected as chairman at February 2, 2015)	—	—	—	—	—
Mr. Jingfu Xu	—	—	—	—	—
Mr. Guochen Liu	—	—	—	—	—
Mr. Zhongfu Yu	—	—	—	—	—
Mr. Yudan Jin	—	—	—	—	—
Mr. Haijun Lu (ceased as chairman at February 2, 2015)	—	—	—	—	—
	—	—	—	—	—

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

12. DIRECTORS, CHIEF EXECUTIVE, SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS *(continued)*

	Director fees *RMB'000*	Basic salaries and allowances *RMB'000*	Bonus *RMB'000* (Note)	Retirement benefit contribution *RMB'000*	Total *RMB'000*
Independent Non-executive Directors:					
Mr. Chaoan Liu	250	—	—	—	250
Mr. Fuqiang Li (retired at June 25, 2015)	75	—	—	—	75
Mr. Fusheng Zhang (elected at June 25, 2015)	75	—	—	—	75
Ms. Miu Man Lau	250	—	—	—	250
Mr. Xiaoping Han	150	—	—	—	150
	800	—	—	—	800

The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

Supervisors:					
Mr. Xun Li	—	—	—	—	—
Mr. Jiakai Liu	—	—	—	—	—
Ms. Linwei Huang	—	303	202	44	549
	—	303	202	44	549
	800	1,020	202	88	2,110

The Supervisors' emoluments shown above were mainly for their services as supervisor of the Company.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

12. DIRECTORS, CHIEF EXECUTIVE, SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS *(continued)*

	Director fees *RMB'000*	Basic salaries and allowances *RMB'000*	Bonus *RMB'000* (Note)	Retirement benefit contribution *RMB'000*	Total *RMB'000*
Year ended December 31, 2014					
Executive Director:					
Mr. Ruijun Chen	—	626	—	40	666
	—	626	—	40	666

The executive director's emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

Non-executive Directors:					
Mr. Mingxing Guo (elected as chairman at February 2, 2015)	—	—	—	—	—
Mr. Jingfu Xu	—	—	—	—	—
Mr. Guochen Liu	—	—	—	—	—
Mr. Zhongfu Yu	—	—	—	—	—
Mr. Yudan Jin	—	—	—	—	—
Mr. Haijun Lu	—	—	—	—	—
	—	—	—	—	—

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

12. DIRECTORS, CHIEF EXECUTIVE, SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS *(continued)*

	Director fees *RMB'000*	Basic salaries and allowances *RMB'000*	Bonus *RMB'000* (Note)	Retirement benefit contribution *RMB'000*	Total *RMB'000*
Independent Non-executive Directors:					
Mr. Chaoan Liu	250	—	—	—	250
Mr. Xiaomin Shi (retired at June 10, 2014)	75	—	—	—	75
Mr. Fuqiang Li (elected at June 10, 2014)	75	—	—	—	75
Ms. Miu Man Lau	250	—	—	—	250
Mr. Yuan Wei (retired at October 28, 2014)	125	—	—	—	125
Mr. Xiaoping Han (elected at October 28, 2014)	25	—	—	—	25
	800	—	—	—	800

The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

	Director fees *RMB'000*	Basic salaries and allowances *RMB'000*	Bonus *RMB'000* (Note)	Retirement benefit contribution *RMB'000*	Total *RMB'000*
Supervisors:					
Mr. Yanshan Chen (retired at October 28, 2014)	—	—	—	—	—
Mr. Xun Li (elected at October 28, 2014)	—	—	—	—	—
Mr. Jiakai Liu	—	—	—	—	—
Ms. Linwei Huang	—	191	186	40	417
	—	191	186	40	417
	800	817	186	80	1,883

The Supervisors' emoluments shown above were mainly for their services as supervisor of the Company.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

12. DIRECTORS, CHIEF EXECUTIVE, SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS *(continued)*

Mr. Ruijun Chen is the Chief Executive of the Company starting from October 30, 2012 till now. His emoluments disclosed above include those for services rendered by him as the Chief Executive.

During the year, Directors' emoluments were RMB1,561,000 (2014: RMB1,466,000) (Note 11). Also, Mr. Mingxing Guo, Mr. Jingfu Xu, Mr. Guochen Liu, Mr. Zhongfu Yu, Mr. Yudan Jin and Mr. Haijun Lu did not receive any remuneration from the Group for their services provided to the Group. They were also management of BEH and their remunerations were paid by BEH over the respective years. Given the amounts of emoluments paid by BEH to them are considered not to be material compared with the revenue and profits of the Group, BEH did not allocate any of their remuneration to the Group.

Five highest paid individuals

For the year ended December 31, 2015, the five highest paid individuals do not include any Directors or Supervisors (2014: none). The emoluments of the five highest paid individuals for the year ended December 31, 2015 are as follows:

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
Salaries and allowances	**1,672**	2,113
Discretionary bonus (Note)	**1,568**	963
Retirement benefit contributions	**283**	198
	3,523	3,274

12. DIRECTORS, CHIEF EXECUTIVE, SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS *(continued)*

Five highest paid individuals *(continued)*

Each of the five highest paid individuals in the Group for the year ended December 31, 2015 was below Hong Kong Dollar ("HK$") 1,000,000.

During the year, no emoluments were paid by the Group to the Directors, Chief Executive or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of offices. None of the Directors waived any emoluments during the year.

Note: The discretionary bonus is determined by the Remuneration Committee in accordance with the relevant human resources policies.

13. DIVIDENDS

(a) On June 25, 2015, a final dividend of RMB4.21 cents per share (tax inclusive) in respect of the year ended December 31, 2014 amounting to RMB289,245,000 was declared by the Directors and subsequently paid by July 30, 2015.

(b) On June 9, 2014, a final dividend of RMB4.34 cents per share (tax inclusive) in respect of the year ended December 31, 2013 amounting to RMB281,120,000 was declared by the Directors and subsequently paid by September 30, 2014.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

14. EARNINGS PER SHARE

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

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
Earnings		
Profit for the year attributable to ordinary shareholders of the Company for the purpose of earnings per share	**1,910,643**	1,208,330

	Year ended December 31,	
	2015	2014
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**6,870,423**	6,570,013

No diluted earnings per share are presented as there were no potential ordinary shares in issue during both years.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Generators and related equipment	Motor vehicles	Office equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST OR DEEMED COST						
At January 1, 2014	4,061,730	14,930,576	100,850	49,949	8,171,477	27,314,582
Additions	87,201	552,284	11,416	7,078	4,427,449	5,085,428
Effect of acquisition of New Gullen Range Wind Farm (Holding) Pty Ltd. ("New GRWF") (Note 50)	—	—	—	—	1,803,191	1,803,191
Adjustment (Note (b))	—	(173)	—	—	—	(173)
Transfer	2,219,677	8,311,913	374	10,843	(10,542,807)	—
Capitalization of depreciation for construction in progress	—	—	—	—	2,467	2,467
Disposals	(22,209)	(5,751)	(542)	(904)	—	(29,406)
Effect of foreign currency exchange differences	—	11,598	2	—	(246,910)	(235,310)
At December 31, 2014	6,346,399	23,800,447	112,100	66,966	3,614,867	33,940,779
Additions	20	8,744	7,079	6,187	3,243,519	3,265,549
Adjustment (Note (b))	36,991	(112,112)	—	(563)	—	(75,684)
Transfer	649,411	2,014,386	1,114	3,715	(2,668,626)	—
Capitalization of depreciation for construction in progress	—	—	—	—	2,628	2,628
Disposals	(585)	(7,517)	(3,175)	(1,640)	—	(12,917)
Effect of foreign currency exchange differences	—	(106,053)	(20)	1	—	(106,072)
At December 31, 2015	7,032,236	25,597,895	117,098	74,666	4,192,388	37,014,283

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

15. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Buildings RMB'000	Generators and related equipment RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Construction in progress RMB'000	Total RMB'000
DEPRECIATION AND IMPAIRMENT						
At January 1, 2014	377,789	2,924,469	49,792	27,463	—	3,379,513
Depreciation provided for the year (Note 11)	137,375	958,890	12,104	6,673	—	1,115,042
Capitalization of depreciation for construction in progress	48	1,164	919	336	—	2,467
Eliminated on disposals	(1,520)	(1,593)	(369)	(795)	—	(4,277)
At December 31, 2014	513,692	3,882,930	62,446	33,677	—	4,492,745
Depreciation provided for the year (Note 11)	220,893	1,432,080	11,077	7,602	—	1,671,652
Capitalization of depreciation for construction in progress	121	1,731	674	102	—	2,628
Eliminated on disposals	(233)	(6,767)	(2,984)	(1,378)	—	(11,362)
Effect of foreign currency exchange differences	—	545	—	—	—	545
At December 31, 2015	734,473	5,310,519	71,213	40,003	—	6,156,208
NET BOOK VALUE						
At December 31, 2015	6,297,763	20,287,376	45,885	34,663	4,192,388	30,858,075
At December 31, 2014	5,832,707	19,917,517	49,654	33,289	3,614,867	29,448,034

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

15. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Notes:

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

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

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

(c) The Group was in the process of applying for the title certificates of certain buildings with the aggregate net book value of approximately RMB1,391,350,000 as at December 31, 2015(2014: RMB1,099,578,000). The Directors are of the view that the Group is entitled to lawfully and validly occupy and use the above-mentioned buildings. The Directors are also of the opinion that the aforesaid matter did not have any significant impact on the Group's financial position as at December 31, 2015.

(d) Certain property, plant and equipment with an aggregate carrying amount of approximately RMB1,471,815,000 as at December 31, 2015 (2014: RMB978,429,000) are pledged to secure bank borrowings of the Group.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

16. INTANGIBLE ASSETS

	Concession rights *RMB'000* (Note (b))	Operation rights *RMB'000* (Note (c))	Software *RMB'000*	Total *RMB'000*
COST				
At January 1, 2014	4,022,154	1,320,275	71,133	5,413,562
Additions	—	—	11,938	11,938
At December 31, 2014 (restated)	4,022,154	1,320,275	83,071	5,425,500
Additions	—	—	36,285	36,285
At December 31, 2015	4,022,154	1,320,275	119,356	5,461,785
AMORTIZATION				
At January 1, 2014	858,118	57,830	2,968	918,916
Provided for the year (Note 11)	155,030	27,079	7,404	189,513
At December 31, 2014 (restated)	1,013,148	84,909	10,372	1,108,429
Provided for the year (Note 11)	164,239	26,803	8,548	199,590
At December 31, 2015	1,177,387	111,712	18,920	1,308,019
CARRYING VALUES				
At December 31, 2015	2,844,767	1,208,563	100,436	4,153,766
At December 31, 2014 (restated)	3,009,006	1,235,366	72,699	4,317,071

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

16. INTANGIBLE ASSETS *(continued)*

Notes:

(a) Intangible assets have finite useful lives and are amortized on a straight-line basis over the following rates per annum:

Concession rights	4% to 5%
Operation rights	2% to 10%
Software	10% to 50%

(b) The Group provides construction services to build up the wind power facilities and generates electricity under the concession rights. The Group recognizes the concession rights as intangible assets according to the fair value of the construction services on related assets. These concession rights are amortized according to the respective beneficial periods.

(c) Operation rights with finite useful lives represent governmental permits or contractual arrangements which grant the operators to construct and operate power facilities. Those operation rights are amortized on straight-line basis according to the estimated beneficial period of such facilities.

17. GOODWILL

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Cost and carrying amount		
Hydropower operation in Sichuan province of the PRC	**124,194**	124,194
Wind power operation in Australia (Note 50)	**65,855**	65,855
	190,049	190,049

Goodwill of the Group arises from the acquisition of 四川大川電力有限公司 (Sichuan Dachuan Power Co., Ltd., English name for identification purpose) ("Sichuan Dachuan"), 四川眾能電力有限公司 (Sichuan Zhongneng Power Co., Ltd., English name for identification purpose) ("Sichuan Zhongneng") and New GRWF.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

18. IMPAIRMENT TESTING ON GOODWILL

For the purposes of impairment testing, goodwill set out in Note 17 has been allocated to two cash-generating units ("CGUs"), one comprising two subsidiaries in the hydropower segment, namely, Sichuan Dachuan and Sichuan Zhongneng and the other one including one subsidiary in wind segment (New GRWF).

During the year ended December 31, 2015 and 2014, management of the Group determines that there are no impairment of any of its CGUs containing goodwill.

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarized below:

The recoverable amounts of these units have been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and discount rate of 9.87% for hydropower CGU and 9% for wind power CGU (2014: 9.78% for hydropower segment and 9.1% for wind power CGU). The CGUs' cash flows beyond the five-year period are extrapolated using a 3% growth rate for hydropower CGU and a 2.5% growth rate for wind power CGU. These growth rates are based on the relevant industry growth forecasts and do not exceed the average long-term growth rates for the relevant industries. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the units' past performance and management's expectations for the market development.

Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of these units to exceed the aggregate recoverable amount of these units.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

19. PREPAID LEASE PAYMENTS

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Land in the PRC held under medium-term shown in the consolidated financial statements:		
Non-current	**159,832**	136,334
Current	**4,383**	3,983
	164,215	140,317

20. INVESTMENTS IN ASSOCIATES/LOANS TO ASSOCIATES

(a) Investments in associates

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Unlisted equity investments, at cost	**947,681**	947,681
Share of post-acquisition profits net of dividend declared	**1,132,872**	906,148
	2,080,553	1,853,829

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

20. INVESTMENTS IN ASSOCIATES/LOANS TO ASSOCIATES *(continued)*

(a) Investments in associates *(continued)*

The associates of the Group were established and operate in the PRC. The details of associates of the Group as at December 31, 2015 and 2014 are set out below:

Name of associate	Issued and fully paid up registered capital	Equity interest attributable to the Group At December 31, 2015	2014	Proportion of voting rights held by the Group 2015	2014	Principal activities
北京京能國際能源股份有限公司 (Beijing Jingneng International Power Co., Ltd., English name for identification purpose) ("Jingneng International")	RMB4,000,000,000	**20%**	20%	**20%**	20%	Electric power and energy construction, investment management
全州柳鋪水電有限公司 (Quanzhou Liupu Hydropower Co., Ltd., English name for identification purpose) ("Quanzhou Liupu")	RMB25,000,000	**40%**	40%	**40%**	40%	Water power project development and investment
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")	RMB60,000,000	**50%**	50%	**50%**	50%	Geothermal power development and heating

(b) Loans to associates

	At December 31, 2015 RMB'000	2014 RMB'000
Loans to associates	**150,000**	150,000

The loans to associates of the Group are unsecured and bear interest at the rate promulgated by the People's Bank of China ("PBOC"). The Directors did not expect the repayments would be made within one year at the end of December 31, 2015, and accordingly, the amounts were classified as non-current.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

20. INVESTMENTS IN ASSOCIATES/LOANS TO ASSOCIATES *(continued)*

(c) Summarized financial information of a material associate

Summarized financial information in respect of the Group's material associate is set out below. The summarized financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs. The associate is accounted for using the equity method in the consolidated financial statement.

	At December 31,	
	2015	2014
Jingneng International	***RMB'000***	*RMB'000*
Non-current assets	**33,299,195**	33,520,161
Current assets	**5,440,808**	6,013,708
Non-current liabilities	**11,125,540**	13,687,786
Current liabilities	**7,746,746**	8,003,570
Non-controlling interest	**9,929,441**	9,024,442

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
Revenue	**10,873,218**	12,963,858
Profit and total comprehensive income for the year	**3,211,062**	3,195,298
Dividends received from the associate during the year	**104,454**	115,379

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

20. INVESTMENTS IN ASSOCIATES/LOANS TO ASSOCIATES *(continued)*

(c) Summarized financial information of a material associate *(continued)*

Reconciliation of the above summarized financial information to the carrying amount of the interest in the associate recognized in the consolidated financial statements:

	2015 **RMB'000**	2014 RMB'000
Net assets of Jingneng International	**9,938,276**	8,818,071
Proportion of the Group's ownership interest in Jingneng International (2015: 20%; 2014: 20%)	**1,987,655**	1,763,614
Goodwill	**35,270**	35,270
Carrying amount of the Group's interest in Jingneng International	**2,022,925**	1,798,884

Aggregate information of associates that are not individually material:

	Year ended December 31,	
	2015 **RMB'000**	2014 RMB'000
The Group's share of profit and total comprehensive income	**2,683**	2,385
Aggregate carrying amount of the Group's interests in these associates	**57,628**	54,945

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

21. INVESTMENTS IN A JOINT VENTURE

	At December 31, 2015 RMB'000	2014 RMB'000
Unlisted equity investment, at cost	**80,000**	80,000
Share of post-acquisition profits	**471**	466
	80,471	80,466

The joint venture of the Group was established and operates in the PRC. The details of the joint venture as at December 31, 2015 and 2014 are set out below:

Name of joint venture	Issued and fully paid up registered capital	Equity interest attributable to the Group At December 31, 2015	2014	Proportion of voting rights held by the Group 2015	2014	Principal activities
北京華源惠眾環保科技有限公司 (Beijing Huayuan Huizhong Environmental Protection Technology Co., Ltd., English name for identification purpose) ("Huayuan Huizhong")	RMB160,000,000	**50%**	50%	**50%**	50%	Environment protection

Notes to the Consolidated Financial Statements

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22. DEFERRED TAXATION

The following are the Group's major deferred tax assets (liabilities) recognized and movements thereon during the years ended December 31, 2015 and 2014:

	Tax loss *RMB'000*	Impairment on doubtful receivables *RMB'000*	Temporary differences on fair value adjustments in acquisition of subsidiaries *RMB'000* (Note (c))	Trial run profit *RMB'000* (Note (a))	Deferred income related to clean energy production *RMB'000* (Note (b))	Different depreciation rate *RMB'000*	Trial run loss *RMB'000* (Note (a))	Held for trading financial asset *RMB'000*	Derivative financial liabilities *RMB'000*	Others *RMB'000*	Total *RMB'000*
At January 1, 2014	11,228	2,703	(21,238)	51,522	29,249	–	(7,971)	–	–	8,555	74,048
Charge (credit) to profit or loss (Note 10)	36,713	153	1,792	(6,909)	84,868	–	(63,859)	(10,684)	–	(3,543)	38,531
Charge other comprehensive income	–	–	–	–	–	–	–	–	3,368	–	3,368
At December 31, 2014	47,941	2,856	(19,446)	44,613	114,117	–	(71,830)	(10,684)	3,368	5,012	115,947
(Credit) charge to profit or loss (Note 10)	813	50	2,336	5,260	(20,570)	(28,380)	4,706	8,193	(4,020)	4,582	(27,030)
Credit other comprehensive income	–	–	–	–	–	–	–	–	1,715	–	1,715
Exchange adjustments	366	–	–	–	–	(4,102)	–	(303)	–	–	(4,039)
At December 31, 2015	49,120	2,906	(17,110)	49,873	93,547	(32,482)	(67,124)	(2,794)	1,063	9,594	86,593

Notes:

(a) The revenue and cost generated from trial run of property, plant and equipment were credited and debited respectively in the property, plant and equipment but the profit margin is subject to PRC enterprise income tax and results in a temporary difference. The trial run profit/(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.

(c) The carrying amounts of some property, plant and equipment and intangible assets were different from their tax basis as a result of the fair value exceeding the book value in connection with the business acquisitions.

22. DEFERRED TAXATION *(continued)*

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

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Deferred tax assets	**185,011**	222,183
Deferred tax liabilities	**(98,418)**	(106,236)
	86,593	115,947

Details of tax losses not recognized are set out below:

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Tax losses	**825,421**	425,783

The Group has not recognized deferred tax assets on above tax losses because it is not probable that the future taxable profits will be available in relevant subsidiaries to offset the tax losses.

As at December 31, 2015, the Group had unrecognized tax losses in Hong Kong of approximately RMB125,765,000 (2014: Nil), which can be carried forward against future taxable income and have no expiry date.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

22. DEFERRED TAXATION *(continued)*

The unrecognized tax losses will expire as the following:

	At December 31, 2015 RMB'000	2014 RMB'000
2016	—	5,255
2017	7,407	8,431
2018	120,640	120,640
2019	291,457	291,457
2020	280,152	—
	699,656	425,783

23. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	At December 31, 2015 RMB'000	2014 RMB'000
Unlisted equity investments, at cost (Note)	128,028	128,528
	128,028	128,528

Note:

The above unlisted equity investments represent investments in unlisted equity securities issued by state-owned entities incorporated in the PRC. They are measured at cost less impairment at the end of the reporting period because the range of the reasonable fair value estimates is so significant that the Directors are of the opinion that their fair values cannot be measured reliably.

24. INVENTORIES

Inventories as at December 31, 2015 mainly represent consumable spare parts used for maintenance, and the cost of inventories recognized as expense was RMB149,725,000 (2014: RMB133,589,000) during the year ended December 31, 2015.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

25. TRADE AND BILL RECEIVABLES

	At December 31, 2015 RMB'000	2014 RMB'000
Trade receivables	**2,914,815**	3,969,927
Bill receivables	**81,863**	52,343
	2,996,678	4,022,270
Less: allowance for doubtful receivables	**2,577**	1,623
	2,994,101	4,020,647

The following is an aged analysis of the Group's trade and bill receivables net of allowance for doubtful receivables based on the invoices dates which approximated the respective dates on which revenue was recognized as at the end of reporting period:

	At December 31, 2015 RMB'000	2014 RMB'000
Within 60 days	**1,729,396**	2,934,813
61 to 365 days	**717,475**	552,741
1 to 2 years	**363,584**	155,960
2 to 3 years	**145,996**	40,258
Over 3 years	**37,650**	336,875
	2,994,101	4,020,647

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

25. TRADE AND BILL RECEIVABLES *(continued)*

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

The wind power price premium is included as a component of the government-approved on-grid tariff of wind power. The financial resource for the wind power price premium is the national renewable energy fund that accumulated through a special levy on the consumption of electricity. The government in the PRC is responsible to collect and allocate the fund and make settlement through state-owned grid companies to the wind farm project companies.

As of December 31, 2015, the Group's total outstanding balance of wind power price premium was RMB1,086,917,000 (2014: RMB1,215,603,000), comprise RMB553,353,000 incurred in the year ended December 31, 2015, RMB350,476,000 incurred in the year ended December 31, 2014, RMB145,996,000 incurred in the year ended December 31, 2013 and RMB37,092,000 incurred in and before the year ended December 31, 2012.

The trade receivables that were past due but not impaired mainly represented the wind power price premium. The Director considers that there has not been a significant change in credit quality and is no impairment in view of the creditability of the debtors and the continuing repayment from these debtors.

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

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
1 to 2 years	**350,476**	146,924
2 to 3 years	**145,996**	40,258
Over 3 years	**37,092**	336,311
	533,564	523,493

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

25. TRADE AND BILL RECEIVABLES *(continued)*

Bill receivables are mainly bank's acceptance bills endorsed by the PRC state-owned grid companies.

The Director considers the debts that are neither past due nor impaired are of good credit quality.

At December 31, 2015, trade receivables amounting to RMB87,023,000 (2014: RMB119,009,000) are pledged for bank borrowings set out in Note 32(f)(i).

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

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
At the beginning of the year	**1,623**	1,580
Provided during the year	**1,027**	194
Reversed during the year	**(73)**	(151)
At the end of the year	**2,577**	1,623

Notes to the Consolidated Financial Statements

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26. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Other receivables from carbon credits income	**1,898**	4,584
Consideration from disposal of a subsidiary	**—**	30,240
Other receivables from government subsidies (Note)	**6,629**	138,595
Other miscellaneous receivables	**48,214**	83,865
Security deposits	**267,194**	99,154
Advances to supplier	**108,250**	48,130
	432,185	404,568
Less: allowance for doubtful receivables	**9,547**	9,213
	422,638	395,355

Note:

This balance represented the unpaid subsidies provided by the municipal government of Beijing to encourage the gas power generation Note 37(a).

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FOR THE YEAR ENDED DECEMBER 31, 2015

26. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(continued)*

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

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
At the beginning of the year	**9,213**	56,843
Provided during the year	**2,969**	2,770
Reversed during the year	**(2,635)**	(50,400)
At the end of the year	**9,547**	9,213

The Group's other receivables and deposits denominated in a currency other than the functional currency of the relevant group entity are set out below:

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
Euro Dollar ("EUR")	**1,898**	1,949

27. VALUE-ADDED TAX RECOVERABLE

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Value-added tax recoverable, classified as:		
— Current	**525,647**	875,052
— Non-current	**486,427**	414,170
	1,012,074	1,289,222

Notes to the Consolidated Financial Statements

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27. VALUE-ADDED TAX RECOVERABLE *(continued)*

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

28. HELD FOR TRADING FINANCIAL ASSET

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Listed equity investment		
Listed in Hong Kong (Note)	**338,873**	**370,803**

Note:

The Group holds 0.32% (2014: 0.32%) of the ordinary share capital of CGN Power Co., Ltd, a company listed on the Stock Exchange and involved in the nuclear power generation.

The fair value of listed equity investment is based on the quoted price.

29. RESTRICTED BANK DEPOSITS

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Restricted bank deposits pledged as collateral presented in the consolidated financial statements as current	**105,215**	157,348

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

29. RESTRICTED BANK DEPOSITS *(continued)*

Restricted cash as at December 31, 2015 represented collaterals for bills payable and letter of credit used for equipment purchase and ensured that there are sufficient funds available for debt and interest payments for the next 6 months as required by the loan agreement. Restricted money above carried variable interest rate promulgated by PBOC as of same term deposits in bank and variable interest rate promulgated by National Australia Bank Limited ("NAB") as of other general saving amount respectively.

30. CASH AND CASH EQUIVALENTS

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

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Bank deposits denominated in:		
— RMB	**1,749,900**	2,931,216
— HK$	**853**	689,932
— EUR	**2,128**	9
— Australia Dollar ("AU$")	**86,473**	153,569
— United States dollars ("US$")	**27,270**	45,903
Deposits in a related non-bank financial institution denominated in RMB	**247,955**	386,082
Cash on hand	**90**	116
	2,114,669	4,206,827

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

30. CASH AND CASH EQUIVALENTS *(continued)*

The Group had certain amount of deposit placed with BEH Finance, a non-bank financial institution approved by China Banking Regulatory Commission as at December 31, 2015. Such deposits were short-term and are subject to an insignificant risk of changes in value, accordingly, the balances as at December 31, 2015 have been regarded as cash and cash equivalents.

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

	At December 31,	
	2015	2014
Range of interest rates per annum	**0.005% to 1.70%**	0.005% to 1.55%

31. TRADE AND OTHER PAYABLES

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Trade payables	**1,807,212**	2,405,988
Payables for acquisition of property, plant and equipment	**597,289**	1,158,738
Retention payables	**817,395**	589,511
Bills payable	**112,773**	438,438
Advance received from customers	**59,747**	34,139
Salary and staff welfares	**66,912**	58,644
Non-income tax payables	**73,527**	50,703
Accrued interests payable	**168,828**	228,600
Dividend payables to a non-controlling equity owner of subsidiary	**34,769**	39,312
Payable for acquisition of a subsidiary (Note 50)	**—**	95,913
Other payables	**68,787**	88,566
	3,807,239	5,188,552

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

31. TRADE AND OTHER PAYABLES *(continued)*

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. At December 31, 2015, there was RMB231,737,000 (2014: RMB287,638,000) retention payables to be settled after one year at the end of the reporting period. The Group normally settles the trade payable related to gas purchase within 30 days, settles the payable related to equipment purchase and construction cost, according to related contractual arrangements which normally requires progress payments during the construction period and a final payment after construction cost verified by independent valuer.

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

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Within 30 days	**1,219,643**	561,986
31 to 365 days	**238,069**	1,803,496
1 to 2 years	**315,887**	32,352
2 to 3 years	**27,540**	3,250
Over 3 years	**6,073**	4,904
	1,807,212	2,405,988

The Group's trade payables denominated in a currency other than the functional currency of the relevant group entities are set out below:

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
EUR	**15,833**	22,247

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

32. BANK AND OTHER BORROWINGS

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Bank loans	**10,704,224**	14,249,802
Other borrowings from		
— related non-bank financial institutions (Note (a))	**1,199,000**	2,246,500
— fellow subsidiaries (Note (b))	**100,000**	150,000
— other non-related entities (Note (c))	**4,388,419**	4,165,000
— BEH (Note (d))	**562,400**	472,000
	16,954,043	21,283,302
Represented by:		
— Unsecured borrowings (Note (e))	**14,516,600**	19,003,921
— Secured borrowings (Note (f))	**2,437,443**	2,279,381
	16,954,043	21,283,302
Bank and other borrowings repayable:		
— Within one year	**3,557,535**	5,286,789
— More than one year but not exceeding two years	**5,447,089**	2,216,844
— More than two years but not exceeding three years	**1,375,217**	6,472,963
— More than three years but not exceeding five years	**2,303,200**	1,768,089
— More than five years	**4,271,002**	5,538,617
	16,954,043	21,283,302
Less: Amount due within one year shown under current liabilities	**3,557,535**	5,286,789
Amount due after one year	**13,396,508**	15,996,513

32. BANK AND OTHER BORROWINGS *(continued)*

Notes:

(a) Other borrowings from related non-bank financial institutions included 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) The loans from BEH Finance were unsecured, carried interest at rates which are the prevailing interest rates promulgated by PBOC, with a maximum premium or discount of 10% and variable by reference to the interest rates promulgated by PBOC. The balance amounting to RMB420,000,000 are repayable in 2016, and the remaining RMB382,000,000 are repayable in 2020. The interest expenses attributed to above loans from BEH Finance were RMB42,996,000 for the year ended December 31, 2015 (2014: RMB130,398,000).

(ii) The loans from Jingneng Lease, including two tranches amounting to RMB397,000,000 in total were secured, carried fixed annual interest rates at 5.84% and 2.95% per annum, and will be fully repaid in 2017. The interest expenses attributed to above loans from Jingneng Lease were RMB18,691,000 for the year ended December 31, 2015 (2014: RMB7,782,000).

(b) At December 31, 2015, the amount included the borrowings from 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"), a subsidiary of BEH. The loan amounting to RMB70,000,000 was unsecured and repayable in 2016, carrying interest at rate which is 90% of the prevailing interest rates promulgated by PBOC and variable by reference to the interest rates promulgated by PBOC.

At December 31, 2015, the amount included 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"), a subsidiary of BEH. The loan amounting to RMB30,000,000 was unsecured and repayable in 2016, carrying fixed interest rate at 4.35% per annum.

The borrowings from Jingxi Power and Jingfeng Thermal unsettled as at December 31, 2014 were fully repaid during the year ended December 31, 2015.

The interest expense attributed to above loans was RMB6,659,000 for the year ended December 31, 2015 (2014: RMB6,996,000).

(c) The amount included borrowings from 北京市財政局 (Beijing Municipal Bureau of Finance, English name for identification purpose), and certain independent financial institutions. As at December 31, 2015, the borrowings were:

(i) The loans granted by Beijing Municipal Bureau of Finance for clean development amounting to RMB665,000,000 (2014: RMB665,000,000), which was unsecured, carried a fixed interest rate at 5.23% per annum and repayable in 2017;

(ii) The entrusted loan from 中國人壽資產管理有限公司 (China Life Insurance Asset Management Company Limited, English name for identification purpose) amounting to RMB3,000,000,000 (2014: RMB3,000,000,000) which was unsecured, carried at variable interest rate by reference to the interest rate promulgated by the PBOC and repayable in December 2017.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

32. BANK AND OTHER BORROWINGS *(continued)*

Notes: *(continued)*

(c) *(continued)*

(iii) The secured loan granted by 光大金融租賃股份有限公司 (Ever Bright Financial Leasing Co., Ltd., English name for identification purpose) amounting to RMB645,000,000 (2014: RMB500,000,000), which was guaranteed by the Company, carried at variable interest rate with a discount of 20% and variable by reference to the interest rates promulgated by PBOC and repayable in 2020;

(iv) On November 15, 2015, 北京上莊燃氣電有限公司 (Beijing Shangzhuang Gas-fired Power Co., Ltd., English name for identification purpose) ("Shangzhuang Power"), a subsidiary of the Group; 中國農發重點建設基金有限公司 (China Agricultural Development Fund Co., Ltd., English name for identification purpose) ("CAD Fund") and the Company entered into an investment agreement to make Shangzhuang Power received RMB110,000,000 from CAD Fund in exchange for issuance of new shares of Shangzhuang Power to CAD Fund ("Designated Capital Loan"). Upon the issuance of the new shares, the Group and CAD Fund held 78.76% and 21.24% equity interests in Shangzhuang Power, respectively. In the opinion of the Directors, the Designated Capital Loan is designated by certain government institutions to finance the construction of the gas-fired plant owned by Shangzhuang Power; and the relevant investment agreement required: (i) the Company is obliged to repurchased all shares of Shangzhuang Power issued to CAD Fund with a cash consideration of RMB110,000,000 on November 19, 2025; (ii) CAD Fund does not have any participating right in Shangzhuang Power or undertake any risk of investment, but only entitled to a fixed interest rate at 1.2% per annum which should be paid quarterly during the ten years of investment period. In the opinion of the Directors, the arrangement is in substance a financing arrangement from the government. The Group classified the above Designated Capital Loan as a financial liability, and continue to consolidate all results as if Shangzhuang power is a wholly-owned subsidiary of the Group.

The Designated Capital Loan is initially measured at its fair value of RMB78,419,000, at an effective interest rate of 4.9% per annum. The benefit derived from such loan of RMB31,581,000 (Note 37), that represents the difference between the proceeds of RMB110,000,000 and the fair value of the loan on initial recognition, is recognized as deferred income and will be recognized in profit or loss on the same basis as depreciation for the related plant. At December 31, 2015, the Designated Capital Loan is measured at amortized cost using the effective interest method.

(d) The loans were unsecured, carried at fixed interest rate at 6.10%, 5.48% and 4.98% per annum and repayable in 2016 and 2018. The interest expenses attributed to the loans were RMB27,594,000 for the year ended December 31, 2015 (2014: RMB3,401,000).

(e) Included in unsecured borrowings were the balances amounting to RMB3,544,640,000 as at December 31, 2015 (2014: RMB3,763,880,000) which were guaranteed by the Company and the total guarantee provided by the Company including the unutilized facilities is RMB5,532,500,000 (2014: RMB4,910,567,000).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

32. BANK AND OTHER BORROWINGS *(continued)*

Notes: *(continued)*

(f) Except for certain property, plant and equipment pledged to secure bank borrowings as set out in Note 15, the Group's secured borrowings also include borrowings with right to receive electricity sale proceeds and secured borrowing in Australia as follows:

(i) The Group's secured borrowings were pledged by a right to receive the wind power electricity sale proceeds in two subsidiaries of the Company, and guaranteed by 北京京能新能源有限公司 (Beijing Jingneng New Energy Co., Ltd., English name for identification purpose) ("New Energy"), a subsidiary of the Company, and the Company as at December 31, 2015. The relevant account receivable balances were RMB87,023,000 (Note 25) as at December 31, 2015 (2014: RMB119,009,000).

(ii) The New GRWF's syndicated loan, amounting to AU$242,183,000 (equivalent to approximately RMB1,144,943,000) is secured by the beneficial interest of the properties and pledged by the shares of New GRWF. The syndicated loan carried a floating interest rate at Bank Bill Bid Rate prevailing in Australia plus 1.7% and repayable between 2015 and 2020. The Group enters into interest rate swaps to exchange variable rate interest for fixed rate interest in order to hedge against the cash flow interest rate risk (Note 36).

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

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Variable interest rate	**14,851,224**	18,121,802
Fixed interest rate	**2,102,819**	3,161,500
	16,954,043	21,283,302

	Year ended December 31,	
	2015	2014
Range of interest rates per annum:		
— Variable-interest borrowings	**3.30% to 6.77%**	2.53% to 6.88%
— Fixed-interest borrowings	**1.20% to 6.10%**	5.04% to 6.60%

The fair values of fixed interest rate borrowings are approximately RMB2,118,005,000 and RMB3,156,335,000 at December 31, 2015 and 2014 respectively.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

32. BANK AND OTHER BORROWINGS *(continued)*

The Group's bank and other borrowings denominated in a currency other than the functional currency of the relevant group entities are set out below:

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
US$	**649,543**	611,623

33. SHORT-TERM DEBENTURES

On May 15, 2015, the Company issued a short term commercial paper of RMB1,000,000,000 at par value, bearing an interest rate of 3.50% and is settled on February 9, 2016. On May 26, 2015, the Company issued RMB1,000,000,000 short term commercial paper at par value with interest rate of 3.45% and settled on February 20, 2016. On August 18, 2015, the Company issued RMB1,000,000,000 short term commercial paper at par value with interest rate of 3.30% and expiring on May 14, 2016. These commercial papers are traded on the National Association of Financial Market Institutional Investors (銀行間市場交易商協會) in the PRC.

In 2015, the Company issued 2 types of one-year unsecured short-term commercial papers on May 27 and July 22 with par value of RMB1,000,000,000 and RMB2,000,000,000 respectively. The commercial papers issued on May 27 bears interest rate of 3.70%. The latter one bears interest rate of 3.30%. These commercial papers will be expired on May 27 and July 22 in 2016 respectively and these commercial papers are traded on the National Association of Financial Market Institutional Investors in the PRC.

34. MEDIUM-TERM NOTES

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

The fair value of medium-term notes is approximately RMB1,006,190,000 at December 31, 2014.

35. CORPORATE BONDS

On December 23, 2014, Jingneng Clean Energy Investment Holdings ("JCEIH") ("The Issuer"), a subsidiary of the Group, issued senior guaranteed bonds with total value of RMB1,000,000,000, which are repayable on December 23, 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 December 23, 2014.

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

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35. CORPORATE BONDS *(continued)*

The corporate bonds were recognized in the consolidated statement of financial position as below:

	3-Year Corporate Bond issued in 2012 *RMB'000*	5-Year Corporate Bond issued in 2012 *RMB'000*	3-Year Senior Guaranteed Bonds issued in 2014 *RMB'000*	Total *RMB'000*
Nominal value	2,400,000	1,200,000	1,000,000	4,600,000
Issuance cost	(13,200)	(6,600)	(11,868)	(31,668)
Net proceeds from issuance	2,386,800	1,193,400	988,132	4,568,332
Effective interest recognized	271,901	141,117	—	413,018
Interest payable	(261,000)	(138,000)	—	(399,000)
Carrying amount at December 31, 2014	2,397,701	1,196,517	988,132	4,582,350
Effective interest recognized	54,499	56,549	46,856	157,904
Interest payable	(52,200)	(55,200)	(43,000)	(150,400)
Repayment	(2,400,000)	—	—	(2,400,000)
Carrying amount at December 31, 2015	—	1,197,866	991,988	2,189,854
Corporate bonds repayable				
— within one year	—	—	—	—
— one to two years	—	1,197,866	991,988	2,189,854
Fair values of the corporate bonds*	—	1,227,600	949,321	2,176,921

* The fair values of the corporate bonds are determined directly by references to the price quotations published by the relevant stock exchanges on December 31, 2015.

Notes to the Consolidated Financial Statements

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36. OTHER FINANCIAL ASSETS/LIABILITIES

	Current		Non-current	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000* (Restated)
Other financial assets				
Derivatives under hedge accounting				
Fair value hedges — Foreign currency forward contracts	**—**	18,163	**—**	—
Other derivatives (not under hedge accounting)				
Fixed forward commodity contract	**—**	—	**85,049**	91,952
	—	18,163	**85,049**	91,952
Other financial liabilities				
Derivatives under hedge accounting				
Cash flow hedges — Interest rate swaps	**—**	—	**(3,542)**	(30,998)
	—	—	**(3,542)**	(30,998)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

36. OTHER FINANCIAL ASSETS/LIABILITIES *(continued)*

Cash flow hedges:

At the end of reporting period, the Group had the following interest rate swaps contracts designated as highly effective hedging instruments in order to managing the Group's interest rate risk exposure in relation to the New GRWF's syndicated loan (Note 32(f)(ii)).

The terms of the interest rate swaps contracts have been negotiated to match the terms of the respective designated hedged items.

Major terms of these contracts are as follows:

December 31, 2015

Notional amount	Maturity	Swaps
AU$181,637,000 (equivalent to approximately RMB858,707,000)	September 21, 2020	Bank Bill Bid Rate prevailing in Australia +1.7% for 2.56%

December 31, 2014

Notional amount	Maturity	Swaps
AU$181,828,000 (equivalent to approximately RMB912,304,000)	June 7, 2018 (Note)	Bank Bill Bid Rate prevailing in Australia +2.7% or 2.8% for 3.562%

Note: On September 18, 2015, the above interest swap contract has been early settled, and the loss recognized in the profit or loss for the year ended December 31, 2015 was approximately RMB13,401,000 (Note 8).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

36. OTHER FINANCIAL ASSETS/LIABILITIES *(continued)*

Fair value hedges:

The group uses foreign exchange forward contracts to minimize its exposure to fair value changes of foreign exchange in relation to foreign currency of certain construction payables.

Notional amount	Maturity	Swaps
Buy US$1,500,000	January 21, 2015	AU$1:US$0.9249
Sell RMB135,034,000	January 21, 2015	AU$1:RMB5.8338

Other derivatives (not under hedge accounting):

Through the business combination of New GRWF (Note 50), the Group entered into a power purchase contract (the "Australian PPA Contract") with a counterparty (an electricity retailer in Australia). Under the Australian PPA Contract, New GRWF will sell its electricity product on the spot price in Australian national energy market, but both parties agreed that the difference between the actual price realized in the market and a fixed price determined in the Australian PPA Contract will be net settled in cash. The Australian PPA Contract results in New GRWF convert its floating price electricity sales revenue will earn during the contract period (ten years effective from the wind farms of New GRWF starting to operate) to fixed price revenue, with the fixed price being escalated at 2.5% per annum over the contract period.

The Group separately recognized the above embedded fixed forward commodity contract as a derivative financial instrument, and initially recognized at fair value of approximately RMB105,868,000 on the date of acquisition in New GRWF, and will measure at fair value on each subsequent reporting period. The fair value loss of the fixed forward commodity contract incurred for the year ended December 31, 2015 was RMB1,578,000 (2014: nil).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

37. DEFERRED INCOME

	Government grants and subsidies for		
	Clean energy production	Construction of assets	Total
	RMB'000	*RMB'000*	*RMB'000*
	(Note (a))	(Note (b)(c))	
At January 1, 2014	—	190,742	190,742
Additions	1,643,064	157,540	1,800,604
Released to profit or loss (Note 7)	(1,318,594)	(6,407)	(1,325,001)
At December 31, 2014	324,470	341,875	666,345
Additions	3,110,132	38,346	3,148,478
Released to profit or loss (Note 7)	(3,040,087)	(7,680)	(3,047,767)
At December 31, 2015	394,515	372,541	767,056

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 rate and quantities approved from time to time for the sale of electricity generated by those facilities. The Group recognize receivable and deferred income when the Group obtains the relevant government approvals to allocate the subsidies. The deferred income will be released to profit or loss based on the actual volume of electricity generated from and sold by the Group's related gas and wind power facilities and at the pre-determined subsidized rate. The amounts released to profit or loss are set out in Note 7.

(b) Grants related to construction of assets are provided by several local governments in the PRC to encourage the construction of clean energy facilities. The Group records these grants as deferred income upon receipt of the grants and will release to profit or loss to match with the depreciation of related assets. The amounts released to profit or loss are set out in Note 7.

(c) For the year ended December 31, 2015, the amount of additions in government grants and subsidies for construction of assets include RMB31,581,000 as a benefit derived from a government designated capital loan (Note 32(c)(iv)).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

37. DEFERRED INCOME *(continued)*

	At December 31, 2015 RMB'000	2014 RMB'000
Presented in the consolidated financial statements as:		
Current	**394,515**	331,603
Non-current	**372,541**	334,742
	767,056	666,345

38. OTHER NON-CURRENT LIABILITY

	Year ended December 31, 2015 RMB'000	2014 RMB'000 (Restated)
At the beginning of the year	**55,269**	—
Recognized in a business combination (Note 50)	**—**	63,634
Released to profit or loss	**(7,742)**	—
Effect of foreign currency exchange difference	**(3,261)**	(8,365)
At the end of the year	**44,266**	55,269

Note:

The other non-current liability represented a contractual obligation under the Australian PPA Contract. The obligation is to require New GRWF to deliver certain quantity of carbon credits to the counterparty at a fixed price but escalating 2.5% per annum during the contract period.

At the date of acquisition for New GRWF, the Group recognized the contractual obligation as a liability pursuant to IFRS 3 Business Combination. The liability was initially recognized at fair value which represented the discounted cash flow related to the difference between the contracted fixed prices and the estimated future market prices. At the end of each reporting period, the liability will be measured at the amount initially recognized less cumulative amortization recognized in the profit of loss at a straight-line basis during the contract period.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

39. SHARE CAPITAL

	Year ended December 31,			
	Number of shares		Share capital	
	2015	2014	**2015**	2014
	'000	*'000*	***RMB'000***	*RMB'000*
At beginning of the year	**6,870,423**	6,477,413	**6,870,423**	6,477,413
Issuance of shares upon placing on October 7, 2014 (Note (a))	**—**	393,010	**—**	393,010
At end of the year	**6,870,423**	6,870,423	**6,870,423**	6,870,423

As at December 31, 2015, the share capital comprised the domestic legal person shares of 4,512,359,000 (2014: 4,512,359,000) and H shares of 2,358,064,000 (2014: 2,358,064,000).

Notes:

(a) On October 7, 2014, the Company issued 393,010,000 ordinary shares with a par value of RMB1 each at the placing price of HK$3.23 per share. The new shares ranked pari passu in all aspects of the then existing shares of the Company. The proceeds of the issuances will be used as general working capital to fund the business development of the Group.

40. CAPITAL RESERVE

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Share premium on share issuance	**1,245,930**	1,245,930
Effects on acquisition of additional interest in a subsidiary	**(19,043)**	(19,043)
Effects on equity transactions with holding company	**1,076,759**	1,076,759
	2,303,646	2,303,646

41. PERPETUAL NOTES

The Company issued perpetual medium-term notes at par value on June 18, 2015, with a total principal amount of RMB1.5 billion ("Perpetual Notes"). The proceeds from the issuance of the Perpetual Notes after netting off the issuance cost is RMB1,486,500,000.

The coupon rate for the first three years up to June 18, 2018 is 5.15% per annum, which is paid annually in arrears on June 19 in each year ("Coupon Payment Date"). The Company may defer any interest at its own discretion unless compulsory coupon payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) has occurred. The deferred interest is interest bearing at the current coupon rate during the interest deferral period.

The Perpetual Notes have no fixed maturity and are callable at the Company's option, on June 18, 2018 or on any Coupon Payment Date afterwards, at their principal amounts together with any accrued, unpaid or deferred coupon interest payments.

After June 18, 2018, the coupon rate will be reset every three years to a percentage per annum equal to the sum (i) of the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (ii) current period benchmark interest rate, and (iii) a margin of 300 base points per annum. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends or reduce its registered capital.

Pursuant to the terms of these Perpetual Notes, the Company has no contractual obligation to repay its principal or to pay any coupon and deferred interest unless compulsory coupon payment event has occurred. Accordingly, the Perpetual Notes are classified as equity and subsequent coupon payment will be recorded as equity distribution to the owners of the Company.

During the year ended December 31, 2015, the profit attributable to holders of the Perpetual Notes, based on the applicable coupon rate, was approximately RMB41,482,000.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

42. LEASE ARRANGEMENTS

The Group as a lessee

At December 31, 2015, the Group had commitment for future minimum lease payments under non-cancelable operating leases in respect of leased properties as follows:

	At December 31, 2015 RMB'000	2014 RMB'000
Within one year	**17,816**	14,235
In the second to fifth year inclusive	**39,811**	11,733
Over five years	**62,427**	25,412
	120,054	51,380

Operating lease payments represent rentals payable by the Group for land. Leases are negotiated for the term between 1 year and 22 years, and rentals are fixed at the date of signing of lease.

43. COMMITMENTS

The Group had the following commitments:

	At December 31, 2015 RMB'000	2014 RMB'000
Acquisition or construction of property, plant and equipment contracted but not provided for:	**2,827,552**	1,382,626

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

44. PLEDGE OF ASSETS

(a) The following assets were pledged to secure certain bank borrowing granted to the Group at the end of December 31, 2015 and 2014.

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Property, plant and equipment (Note 15(d))	**1,471,815**	978,429
Trade receivables (Note 32(f))	**87,023**	119,009
	1,558,838	1,097,438

(b) Shares pledged

As at December 31, 2015 and 2014, the Group pledged 100% equity interest of New GRWF to NAB in connection with the loan facility amounting to AU$242,183,000 (equivalent to approximate RMB1,144,943,000) granted by NAB to New GRWF.

45. RETIREMENT BENEFIT SCHEME CONTRIBUTIONS

During the year ended December 31, 2015, total cost of RMB52,452,000 (2014: RMB50,484,000) including the amount of RMB44,000 (2014: RMB40,000) of retirement benefit of a director were charged to the profit or loss as retirement benefit scheme contributions.

The Group participates in retirement benefit schemes organized by the local government authority in the PRC. The local government authority in the PRC is responsible for managing the pension liabilities to these retired employees. For the pension liabilities to these retired employees, the Group's obligation is only to make monthly contributions at 20% of salary for the years ended December 31, 2015 and 2014.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

46. 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
BEH	Ultimate holding company
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
京能電力後勤服務有限公司 (Jingneng Electricity Logistic Services Co., Ltd., English name for identification purpose) ("Jingneng Logistic")	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 Resort")	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
內蒙古京能建築安裝工程有限公司 (Inner Mongolia Jingneng Construction and Installation Engineering Co., Ltd., English name for identification purpose)	Fellow subsidiary
北京源深節能技術有限責任公司 (Beijing Yuanshen Energy-saving technology Co., Ltd., English name for identification purpose) ("Yuanshen Energy")	Fellow subsidiary
北京京能源深融資租賃有限公司 (Beijing 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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

46. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

(a) *(continued)*

Name of related party	Relationship
Quanzhou Liupu	Associate
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
內蒙古岱海發電有限責任公司 (Inner Mongolia Daihai Electricity Generation Co., Ltd., English name for identification Beijing Purpose)	Fellow subsidiary
內蒙古京隆發電有限責任公司 (Inner Mongolia Jinglong Power Co., Ltd., English name for identification purpose)	Fellow subsidiary
Jingneng Lease	Fellow subsidiary
北京京能恒星能源科技有限公司 (Beijing Jingneng Hengxing Energy Technology Co., Ltd., English name for identification purpose)	Fellow subsidiary

(b) At December 31, 2015, other than loans to associates as set out in Note 20, the deposit in related non-bank financial institutions as set out in Note 30, the Group has amounts receivable from the following related parties and the details are set out below:

	At December 31, 2015 RMB'000	2014 RMB'000
Amounts due from:		
Associates	2,246	4,456
Fellow subsidiaries	391,353	261,891
	393,599	266,347
Represented by:		
Trade receivables aged within 90 days by invoice date	391,301	261,866
Non-trade receivables*	2,298	4,481
	393,599	266,347

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

46. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

(c) Except for the balances in borrowings from related non-bank financial institutions, fellow subsidiaries and BEH as set out in Note 32, the Group has amounts payable to the following related parties and the details are set out below:

	At December 31, 2015 RMB'000	2014 RMB'000
Amounts due to:		
BEH	90,460	166,156
Fellow subsidiaries	133,938	124,200
	224,398	290,356
Represented by:		
Trade payables aged within one year by invoice date	68,891	62,623
Payables for acquisition of property, plant and equipment	59,671	57,412
Non-trade payables*	95,836	170,321
	224,398	290,356

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

(d) The Group operates in an economic environment predominated by enterprises directly or indirectly owned or controlled by the PRC government through its numerous authorities, affiliates or organizations (collectively "State-owned Enterprises"). During the year ended December 31, 2015, the Group had transactions with State-owned Enterprises including, but not limited to, sales of goods, purchases of property, plant and equipment, and borrowings. The Directors consider that the transactions with these State-owned Enterprises are activities in the ordinary course of the Group's business and that the dealings of the Group have not been significantly or unduly affected by the fact the Group and these State-owned Enterprises are ultimately controlled or owned by the PRC government. Having due regard to the substance of the relationship, the Directors are of the opinion that none of these transactions are material related party transactions that require separate disclosure.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

46. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

(e) During the year ended December 31, 2015, other than interest income paid by associates as set out in Note 9, interest expense charged by related parties and guarantee provided by a related party as set out in Note 32(a), Note 32(b), Note 32(d), Note 32(e) and Note 32(f), respectively the Group entered into the following significant transactions with its related parties:

Continuing transactions:

(i) Management services from related parties

Name of related party	Year ended December 31, 2015 RMB'000	2014 RMB'000
Jingxi Power	**1,923**	1,678
BIEE	**1,200**	15,706

(ii) Equipment maintenance services from related parties

Name of related party	Year ended December 31, 2015 RMB'000	2014 RMB'000
Jingfeng Thermal	**11,163**	11,564
BIEE	**42,285**	29,517
Jingneng Power	**64,680**	6,146

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

46. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

(e) *(continued)*

(iii) Conference service from related parties

Name of related party	Year ended December 31, 2015 RMB'000	2014 RMB'000
Sky-Line Resort	180	192
DaiHai LvYou	1,199	962

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

Name of related party	Year ended December 31, 2015 RMB'000	2014 RMB'000
Jingfeng Thermal	9,167	9,167
YuanShen Financial Leasing	236	184

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

Name of related party	Year ended December 31, 2015 RMB'000	2014 RMB'000
BEH Finance	8,200	5,150

46. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

(e) *(continued)*

(vi) Interest income from a related non-bank financial institution

Name of related party	Year ended December 31, 2015 RMB'000	2014 RMB'000
BEH Finance	**17,392**	3,001

(vii) Property management fee charged by a related party

Name of related party	Year ended December 31, 2015 RMB'000	2014 RMB'000
Jingneng Logistic	**19,068**	18,725

(viii) Heat energy sold to a related party

Name of related party	Year ended December 31, 2015 RMB'000	2014 RMB'000
BDHG	**1,159,260**	522,044

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

46. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

(e) *(continued)*

(ix) Equipment purchase framework agreement

Name of related party	Year ended December 31, 2015 RMB'000	2014 RMB'000
BIEE	144,435	93,921

(x) Framework Operating Agreement

Name of related party	Year ended December 31, 2015 RMB'000	2014 RMB'000
Jingxi Power	30,116	—

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

46. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

(f) Compensation of key management personnel

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
Director fee	**800**	800
Basic salaries and allowances	**3,671**	3,226
Bonus	**—**	—
Retirement benefit contribution	**264**	240
	4,735	4,266

Key management represents the Directors and other senior management personnel disclosed in the annual report. The remuneration of key management is determined by the remuneration committed having regard to the performance of individuals and market trends.

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

47. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts, which includes the bank and other borrowings, short-term debentures, medium-term notes, corporate bonds, amounts due to related parties, net of cash and cash equivalents, restricted bank deposits and equity attributable to owners of the Company, comprising issued share capital, accumulated profits and other reserves.

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

48. FINANCIAL INSTRUMENTS

Categories of financial instruments

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Financial assets		
Available-for-sale financial assets	**128,028**	128,528
Held for trading financial asset	**338,873**	370,803
Loans and receivables (including cash and cash equivalents)	**6,071,972**	9,148,394
Derivative financial assets	**85,049**	110,115
Financial liabilities		
Financial liabilities at amortized cost	**28,838,663**	33,791,738
Derivative financial liabilities	**3,542**	30,998

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

Market risk

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

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk during the year ended December 31, 2015.

48. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk management

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on loans to associates, cash and cash equivalent, restricted bank deposits, bank and other borrowings. The Group's cash flow interest rate concentrated on prevailing market interest based on the interest rates quoted by the PBOC plus a premium or less a discount. The Group enters into interest rate swaps to hedge against its exposure to changes in cash flow of certain borrowings. These interest rate swaps are designated as effective hedging instruments and hedge accounting is applied (see Note 36 for details).

The Group's fair value interest rate risk mainly included bank borrowings carried at fixed interest rate, short-term debentures, medium-term notes, and corporate bonds.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity

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

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended December 31, 2015 would decrease by RMB22,836,000 (2014: RMB17,807,000).

In management's opinion, the sensitivity analysis is unrepresentative of inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

48. FINANCIAL INSTRUMENTS *(continued)*

Foreign currency risk management

Currency risk

The Group has certain assets and liabilities, including available-for-sale financial assets (Note 23) other receivables and deposits (Note 26), bank balances and cash (Note 30), bank loans (Note 32), derivative financial assets and liabilities (Note 36) and trade payables (Note 31) denominated in foreign currencies, hence risk exposure to exchange rate fluctuation arise.

Currency sensitivity

The Group is mainly exposed to exchange rate fluctuation on EUR, HK$, US$ and AU$, because trade payables caused by repairs and maintenance services were mainly denominated in EUR, and the bank balances raised through share issuance was denominated in HK$, and bank loans in Hong Kong were denominated in US$, and bank balances in Hong Kong were denominated in AU$. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	31/12/2015	31/12/2014	**31/12/2015**	31/12/2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
EUR	**15,833**	22,247	**4,026**	1,958
HK$	**—**	—	**634**	689,932
US$	**649,543**	611,623	**27,270**	45,903
AU$	**—**	—	**31,267**	117,893

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

48. FINANCIAL INSTRUMENTS *(continued)*

Foreign currency risk management *(continued)*

Currency sensitivity *(continued)*

The following table details the Group's sensitivity to a 5% strengthening of RMB against EUR, HK$, US$ and AU$. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in the exchange rate of RMB against EUR, HK$, US$ and AU$. For a 5% weakening of RMB against EUR, HK$, US$ and AU$, there would be an equal and opposite impact on the profit after taxation for the year:

	At December 31,	
	2015	2014
	RMB'000	*RMB'000*
Profit (EUR)	**469**	831
Loss (HK$)	**(25)**	(28,256)
Profit (US$)	**24,705**	23,169
Loss (AU$)	**(1,241)**	(4,828)

In management's opinion, the sensitivity analysis is unrepresentative of inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

48. FINANCIAL INSTRUMENTS *(continued)*

Other price risks

The Group is exposed to equity price risk mainly through its investment in equity securities. The management manages this exposure by maintaining a portfolio of investments with different risk and return profiles. The Group's equity price risk over investment in listed equity securities is mainly concentrated on an equity security operating in nuclear power industry sector quoted in the Stock Exchange. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices had been 15% higher/lower:

Profit for the year ended December 31, 2015 would increase/decrease by RMB42,444,000 (2014: RMB46,445,000) as a result of the changes in fair value of held for trading financial asset.

Credit risk management

The Group's credit risk is primarily attributable to its trade and bill receivables, other receivables and deposits, loans to associates, amounts due from related parties, bank balances and restricted bank deposits. As at December 31, 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statement of financial position.

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

48. FINANCIAL INSTRUMENTS *(continued)*

Credit risk management *(continued)*

Credit risk on trade receivables is concentrated on a limited number of power grids companies. However, the management, having considered the strong financial background and good creditability of the power grids companies, believes there is no significant credit risk. As at December 31, 2015, the Group has concentration of credit risk as 46% (2014: 62%) of the total trade receivables (including trade receivable due from related parties) is due from the Group's largest customer, and 90% (2014: 97%) were due from the five largest customers. The Group has also concentration of credit risk in relation to the loans to associates as loans are mainly made to one associate. This associate is engaged in managing and operating of hydropower plants in the PRC.

Liquid funds are deposited with several banks in the PRC and Hong Kong. However, the credit risk on liquid funds is limited because the counterparties are authorized financial institutions in the PRC and Hong Kong.

The credit risk in relation to the Group's restricted bank deposits is not significant as the corresponding banks are reputable bank institutions.

Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group has net current liabilities as at December 31, 2015 and 2014, which exposed the Group to liquidity risk. In order to mitigate the liquidity risk, the management regularly monitors the operating cash flow of the Group as well as the unused bank facilities to meet its liquidity requirements in the short and long term.

The Group relies on bank borrowings as a significant source of liquidity. As on December 31, 2015, the Group has available unutilized banking and other borrowing facilities of RMB19,772,502,000 (2014:RMB16,239,000,000).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

48. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

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

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

	Weighted average effective interest rate %	Within 1 year RMB'000	1 year to 2 years RMB'000	2 years to 3 years RMB'000	3 years to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flow RMB'000	Carrying amount RMB'000
At December 31, 2015								
Trade and other payables	—	3,238,631	211,547	20,190	—	—	3,470,368	3,470,368
Bank and other borrowings — variable interest rate	5.49	3,534,713	5,315,076	1,437,558	2,580,906	4,998,188	17,866,441	14,851,224
Bank and other borrowings — fixed interest rate	5.42	802,681	698,419	324,172	308,886	115,964	2,250,122	2,102,819
Short-term debentures	3.48	6,107,189	—	—	—	—	6,107,189	6,000,000
Corporate bonds	4.46	98,200	2,298,200	—	—	—	2,396,400	2,189,854
Amounts due to related parties	—	224,398	—	—	—	—	224,398	224,398
		14,005,812	8,523,242	1,781,920	2,889,792	5,114,152	32,314,918	28,838,663
At December 31, 2014								
Trade and other payables	—	4,547,554	287,804	372	—	—	4,835,730	4,835,730
Bank and other borrowings — variable interest rate	6.00	4,542,242	2,568,040	6,664,415	2,214,548	6,339,331	22,328,576	18,121,802
Bank and other borrowings — fixed interest rate	5.17	1,814,125	494,283	415,408	286,053	314,974	3,324,843	3,161,500
Short-term debentures	5.45	1,898,100	—	—	—	—	1,898,100	1,800,000
Medium-term notes	5.86	1,058,600	—	—	—	—	1,058,600	1,000,000
Corporate Bonds	4.43	2,602,600	98,200	2,298,200	—	—	4,999,000	4,582,350
Amounts due to related parties	—	290,356	—	—	—	—	290,356	290,356
		16,753,577	3,448,327	9,378,395	2,500,601	6,654,305	38,735,205	33,791,738

Notes to the Consolidated Financial Statements

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48. FINANCIAL INSTRUMENTS *(continued)*

Fair value

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Financial assets/ financial liabilities	Fair value as at 31/12/2015	Fair value as at 31/12/2014	Fair value hierarchy	Valuation technique and key input
1) Foreign currency forward contracts classified as derivatives on the statement of financial position (see note 36)	N/A	Assets — RMB18,163,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
2) Interest rate swaps classified as derivatives on the statement of financial position (see note 36)	Liabilities — RMB3,542,000	Liabilities — RMB30,998,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

48. FINANCIAL INSTRUMENTS *(continued)*

Fair value *(continued)*

Financial assets/ financial liabilities	Fair value as at 31/12/2015	31/12/2014	Fair value hierarchy	Valuation technique and key input
3) Listed held for trading financial asset (see note 28)	Listed equity securities in Hong Kong: Electric power industry — RMB338,873,000	Listed equity securities in Hong Kong: Electric power industry — RMB370,803,000	Level 1	Quoted bid prices in an active market.
4) Fixed forward commodity contract classified as a derivative on the statement of financial position (see note 36)	Assets — RMB85,049,000	Assets — RMB91,952,000	Level 3 (Note)	Discounted cash flow. Future cash flows are estimated based on spot electricity price, contract forward price and generators' utilization hours, discounted at a rate that reflects the credit risk of a counterparty. Discount rates are 14.88% and 14.81% for December 31, 2015 and 2014 respectively.

Note: The significant unobservable input is spot electricity price. A slight increase in the spot electricity price used in isolation would result in a significant decrease in the fair value measurement of the derivative financial asset on fixed forward commodity contract and vice versa. A 5% increase in the spot electricity price holding all other variables constant would decrease the carrying amount of the derivative financial asset by RMB27,298,000 (December 31, 2014: RMB30,802,000).

In estimating the fair value of an asset, where Level 1 inputs are not available, the management of the Group works closely with external valuers to establish the appropriate valuation techniques and inputs to the model.

Except for the above financial assets and financial liabilities, included in AFS financial assets at December 31, 2015 are unlisted equity investments amounting to RMB128,028,000 (2014: RMB128,528,000) which are stated at cost less impairment. As the ranges of reasonable fair value estimates are significant, the Directors are of the opinion that their fair values cannot be measured reliably.

48. FINANCIAL INSTRUMENTS *(continued)*

Fair value *(continued)*

Some of the Group's financial assets and financial liabilities are measured at amortized cost at the end of the reporting period. Their fair values are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Except for the fixed rate bank and other borrowings (Note 32), medium-term notes (Note 34) and corporate bonds (Note 35), the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the consolidated statement of financial position approximate their respective fair values at the end of each reporting period.

Reconciliation of level 3 fair value measurement is as follow:

Fixed forward commodity contract	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
At January 1	**91,952**	—
Initial recognition on a business combination (Note 50)	**—**	105,868
Total gains (losses) recognized in profit or loss	**(1,578)**	—
Exchange realignment	**(5,325)**	(13,916)
At December 31	**85,049**	91,952

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

49. SEGMENT INFORMATION

The Group manages its businesses by divisions, such as performs the monthly revenue analysis by segments which are organized by types of business. Information is reported internally to the Group's chief operating decision maker ("CODM"), including general manager, deputy general managers and financial controller, for the purposes of resource allocation and performance assessment. The Group has presented the following operating and reportable segments.

– 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.

– Wind power: constructs, manages and operates wind power plants and generates electric power for sale to external customers.

– Hydropower: manages and operates hydropower plants and sales of electricity generated to external customers.

– Photovoltaic power: manages and operates photovoltaic power plants and sales of electricity generated to external customers.

– Business activities other than "Gas-fired power and heat energy generation", "Wind power", "Hydropower" and "Photovoltaic power".

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

49. SEGMENT INFORMATION *(continued)*

(a) Segment revenue, results, assets and liabilities

An analysis of the Group's reportable segment revenue, results, assets, and liabilities for the year ended December 31, 2015 by reportable segment is as follows:

	Gas-fired power and heat energy generation *RMB'000*	Wind power *RMB'000*	Hydropower *RMB'000*	Photovoltaic power *RMB'000*	Others *RMB'000*	Total *RMB'000*
For the year ended December 31, 2015						
Revenue from external customers						
Sales of electricity	10,525,045	1,573,670	425,599	531,302	—	13,055,616
Sales of heat energy	1,286,549	—	—	—	—	1,286,549
Others	609	—	—	—	3,260	3,869
Reportable segment revenue/ consolidated revenue	11,812,203	1,573,670	425,599	531,302	3,260	14,346,034
Reportable segment results (Note (i))	2,326,869	717,655	162,902	322,914	(160,475)	3,369,865
Reportable segment assets	16,061,175	16,023,535	3,341,435	5,695,716	12,506,701	53,628,562
Reportable segment liabilities	(9,620,504)	(11,240,575)	(2,154,639)	(3,387,584)	(13,438,114)	(39,841,416)
Additional segment information:						
Depreciation	854,460	552,198	102,609	159,972	2,363	1,671,602
Amortization	5,171	167,606	26,161	132	520	199,590
Finance costs (Note (ii))	292,390	549,408	80,674	88,838	186,531	1,197,841
Other income	3,053,308	191,736	263	—	3,124	3,248,431
Including:						
— Government grant related to clean energy production	3,020,252	19,835	—	—	—	3,040,087
— Grants related to construction of assets	5,000	2,632	48	—	—	7,680
— Income from carbon credits	7,863	129,312	—	—	—	137,175
— Others	20,193	39,957	215	—	3,124	63,489
Expenditures for reportable segment non-current assets	903,688	1,485,135	171,236	1,512,382	50,310	4,122,751

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

49. SEGMENT INFORMATION *(continued)*

(a) Segment revenue, results, assets and liabilities *(continued)*

	Gas-fired power and heat energy generation *RMB'000*	Wind power *RMB'000*	Hydropower *RMB'000*	Photovoltaic power *RMB'000*	Others *RMB'000*	Total *RMB'000*
For the year ended December 31, 2014						
Revenue from external customers						
Sales of electricity	5,787,854	1,567,424	370,504	390,492	—	8,116,274
Sales of heat energy	610,689	—	—	—	—	610,689
Others	197	—	—	—	1,527	1,724
Reportable segment revenue/ consolidated revenue	6,398,740	1,567,424	370,504	390,492	1,527	8,728,687
Reportable segment results (Note (i))	1,170,352	855,149	161,199	163,811	(22,711)	2,327,800
Reportable segment assets	16,892,396	16,403,421	4,822,620	3,921,342	10,839,072	52,878,851
Reportable segment liabilities	(11,570,694)	(11,757,358)	(2,233,050)	(2,373,125)	(14,139,054)	(42,073,281)
Additional segment information:						
Depreciation	471,754	367,681	78,603	194,634	2,370	1,115,042
Amortization	4,439	158,031	26,071	25	487	189,053
Finance costs (Note (ii))	247,426	544,422	67,154	66,654	173,900	1,099,556
Other income	1,357,955	62,104	3,174	100	2,290	1,425,623
Including:						
— Government grant related to clean energy production	1,296,354	22,240	—	—	—	1,318,594
— Grants related to construction of assets	3,775	2,632	—	—	—	6,407
— Income from carbon credits	127	—	447	—	—	574
— Others	57,699	37,232	2,727	100	2,290	100,048
Expenditures for reportable segment non-current assets	2,122,883	1,384,298	305,684	1,275,049	81,589	5,169,503

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

49. SEGMENT INFORMATION *(continued)*

(a) Segment revenue, results, assets and liabilities *(continued)*

Notes:

(i) The segment results are arrived at after the deduction from revenue of gas consumption, depreciation and amortization, personnel costs, repair and maintenance, other expenses, and including other gains and losses and other income (excluding dividend from AFS financial assets).

(ii) Finance costs have been allocated among the segments for the additional information to the CODM, but are not considered to arrive at the segment profit. It represents amounts regularly provided to the CODM but not included in the measure of segment profit or loss. However, the relevant borrowings have been allocated into the segment liabilities.

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

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
Results		
Reportable segment profit	**3,369,865**	2,327,800
Unallocated		
Dividend income from available-for-sale financial asset	**3,058**	2,290
Profit from operations	**3,372,923**	2,330,090
Interest income	**54,963**	21,421
Finance costs	**(1,197,841)**	(1,099,556)
Share of results of associates	**331,178**	319,656
Share of results of a joint venture	**5**	3
Consolidated profit before taxation	**2,561,228**	1,571,614

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

49. SEGMENT INFORMATION *(continued)*

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

	At December 31, 2015 RMB'000	2014 RMB'000
Assets		
Reportable segment assets	53,628,562	52,878,851
Inter-segment elimination	(10,863,092)	(8,520,600)
Unallocated assets:		
— Investments in associates	2,080,553	1,853,829
— Loans to associates	150,000	150,000
— Investments in a joint venture	80,471	80,466
— Deferred tax assets	185,011	222,183
— Available-for-sale financial assets	128,028	128,528
Different presentation on:		
— Value-added tax recoverable (Note (i))	1,012,074	1,289,222
Consolidated total assets	46,401,607	48,082,479

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

49. SEGMENT INFORMATION *(continued)*

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

	At December 31, 2015 RMB'000	2014 RMB'000
Liabilities		
Reportable segment liabilities	**39,841,416**	42,073,281
Inter-segment elimination	**(10,863,092)**	(8,520,600)
Unallocated liabilities:		
— Income tax payable	**205,547**	192,570
— Deferred tax liabilities	**98,418**	106,236
Different presentation on:		
— Value-added tax recoverable (Note (i))	**1,012,074**	1,289,222
Consolidated total liabilities	**30,294,363**	35,140,709

Note:

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

All assets are allocated to reportable segments, other than AFS financial assets, investments in associates and joint venture, loans to associates and deferred tax assets; all liabilities are allocated to reportable segments other than income tax payable and deferred tax liabilities.

(c) Geographical information

Over 90% of the Group's revenue and non-current assets (non-current assets excluded deferred tax assets and financial assets) are located in the PRC, therefore no geographical segment information was presented. The basis for attributing the revenue is based on the location of customers from which the revenue is earned, which are located in/out of the PRC and the sales activities are made in/out of the PRC. Information about the Group's non-current assets is presented based on the geographical location of the assets.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

49. SEGMENT INFORMATION *(continued)*

(d) Information of major customers

Revenue from the PRC government controlled power grid companies for the year ended December 31, 2015 amounted to RMB12,937,340,000 (2014: RMB8,067,253,000). Sales of electricity to the major customers for the year ended December 31, 2015 by segment were as follows:

	Year ended December 31,	
	2015	2014
	RMB'000	*RMB'000*
Gas-fired power and heat energy generation	**10,525,045**	5,787,854
Wind power	**1,469,375**	1,562,333
Hydropower	**411,618**	326,574
Photovoltaic power	**531,302**	390,492
Total	**12,937,340**	8,067,253

50. ACQUISITION OF SUBSIDIARY

On July 11, 2014 ("the date of acquisition"), the Group acquired 75% equity interest in New GRWF, an Australian company, at a cash consideration of approximately AU$115,000,000 (equivalent to approximately RMB664,437,000). Upon completion of the acquisition, New GRWF acquired all assets and liabilities related to the construction and operation of Gullen Range Wind Farm (the" Wind Farm"), a wind power project located in Australia. New GRWF is engaged in the wind power generation. New GRWF was acquired so as to continue the expansion of the Group's wind power generation operations.

50. ACQUISITION OF SUBSIDIARY *(continued)*

The Wind Farm was put into operation in the second half in 2014. The Group accounted for the transaction as a business combination and IFRS 3 was applied.

Consideration transferred by The Group

	Wind Farm *RMB'000*
Cash consideration	664,437

Among the above cash consideration approximately AU$98,397,000 (equivalent to approximately RMB568,524,000) was paid in 2014 and the rest approximately AU$16,603,000 (equivalent to approximately RMB95,913,000) was paid in 2015.

Acquisition-related costs amounting to RMB4,521,000 have been excluded from the consideration transferred and have been recognized as an expense in the year ended December 31, 2014, within the other expenses line item in the statement of profit or loss and other comprehensive income.

Assets acquired and liabilities recognized at the date of acquisition:

As at December 31, 2014, the initial accounting for the business combination of New GRWF was incomplete on the recognition of certain contractual assets and liabilities in relation to the Australian PPA Contract. Accordingly, the amounts recognized for the business combination thus were determined only on a provisional basis.

At December 31, 2014, the Group recognized the fair value of contractual benefits related to the Australian PPA Contract as an intangible asset amounted to RMB42,234,000 under the provisional basis. During the measurement period within 12 months after the date of acquisition, the Group further identified two contractual arrangements from the Australian PPA Contract including: (i) an embedded derivative financial asset of electricity price swap amounted to RMB105,868,000; (ii) a contractual obligation to deliver LGCs amounted to RMB63,634,000. Details of such contractual arrangements are set out in Notes 36 and 38 respectively. The following retrospective adjustments have been made as of the date of acquisition.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

50. ACQUISITION OF SUBSIDIARY *(continued)*

Assets acquired and liabilities recognized at the date of acquisition: *(continued)*

	Amounts at provisional basis *RMB'000*	Adjustments *RMB'000*	Adjusted amounts *RMB'000*
Property, plant and equipment (Note 15)	1,803,191	—	1,803,191
Intangible assets	42,234	(42,234)	—
Derivative-PPA	—	105,868	105,868
Other receivables, deposits and prepayments	22,524	—	22,524
Derivative financial assets	239	—	239
Derivative financial liabilities	(22,763)	—	(22,763)
Bank and other borrowings — due after one year	(1,047,316)	—	(1,047,316)
Other payable	(28,774)	—	(28,774)
Contractual obligation	—	(63,634)	(63,634)
Net asset acquired	769,335	—	769,335

Goodwill arising on acquisition

	RMB'000
Cash consideration paid	664,437
Plus: Non-controlling interests on the proportional share of net assets acquired (25% in New GRWF)	170,753
Less: fair value of net assets acquired	769,335
Goodwill arising on acquisition	65,855

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

50. ACQUISITION OF SUBSIDIARY *(continued)*

Net cash outflow arising on acquisition:

	For the year ended December 31, 2015	2014
	RMB'000	*RMB'000*
Cash and cash equivalents paid	**95,913**	568,524

Impact of acquisition on the results of the Group

	Since the acquisition day to December 31, 2014
	RMB'000
Revenue	5,091
Profit for the year	1,036

The above revenue and profit for the year have been included in the Group's revenue and results for the year ended December 31, 2014. Had the acquisition been completed on January 1, 2014, total group revenue for 2014 would have been approximately RMB8,728,687,000, and profit for the year would have been approximately RMB1,287,293,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operation of the Group that actually would have been achieved had the acquisition been completed on January 1, 2014, nor is it intended to be a projection of future results.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

51. SUBSIDIARIES

Details of the Company's subsidiaries at December 31, 2015 and 2014 are set out below:

Name of subsidiary	Place of registration	Issued and fully paid up registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect				
			2015	2014	**2015**	2014	**2015**	2014	
北京太陽宮燃氣熱電有限公司 (Beijing Taiyanggong Gas-fired Power Co., Ltd., English name for identification purpose)	PRC	RMB700,000,000	**74%**	74%	**—**	—	**74%**	74%	Gas-fired power and heat energy generation
北京京橋熱電有限責任公司 (Beijing Jingqiao Thermal Power Co., Ltd., English name for identification purpose)	PRC	RMB876,280,000	**100%**	100%	**—**	—	**100%**	100%	Gas-fired power and heat energy generation
北京京豐燃氣發電有限責任公司 (Beijing Jingfeng Natural Gas-fired Power Co., Ltd., English name for identification purpose)	PRC	RMB325,770,000	**100%**	100%	**—**	—	**100%**	100%	Gas-fired power and heat energy generation
北京京能高安屯燃氣熱電有限責任公司 (Beijing Jingneng Gaoantun Gas-fired Power Co., Ltd., English name for identification purpose)	PRC	RMB760,012,000	**100%**	100%	**—**	—	**100%**	100%	Gas-fired power and heat energy generation
北京京西燃氣熱電有限公司 (Beijing Jingxi Gas-fired Power Co., Ltd., English name for identification purpose)	PRC	RMB1,010,000,000	**100%**	100%	**—**	—	**100%**	100%	Gas-fired power and heat energy generation
Shangzhuang Power (Note 32(c)(iv))	PRC	RMB518,000,000	**100%**	100%	**—**	—	**100%**	100%	Gas-fired power and heat energy generation
黑水縣三聯水電開發有限責任公司 (Heishui County Sanlian HydroPower Development Qiang Autonomous Prefecture Co., Ltd., English name for identification purpose)	PRC	RMB231,770,000	**100%**	100%	**—**	—	**100%**	100%	Water power generation
盈江華富水電開發有限公司 (Yingjiang Hua Fu HydroPower Development Co., Prefecture of Dehong Ltd., English name for identification purpose)	PRC	RMB413,600,000	**100%**	100%	**—**	—	**100%**	100%	Water power generation
騰沖縣猴橋永興河水電開發有限公司 (Tengchong County Hou Qiao Yong Xing River HydroPower Development Co., Ltd., English name for identification purpose)	PRC	RMB74,876,000	**100%**	100%	**—**	—	**100%**	100%	Water power generation

Notes to the Consolidated Financial Statements

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51. SUBSIDIARIES *(continued)*

Name of subsidiary	Place of registration	Issued and fully paid up registered capital	Equity interest attributable to the Company Direct 2015	Direct 2014	Indirect 2015	Indirect 2014	Proportion of voting rights held by the Group 2015	2014	Principal activities
Sichuan Dachuan	PRC	RMB130,000,000	100%	100%	–	–	100%	100%	Water power generation
Sichuan Zhongneng	PRC	RMB90,000,000	100%	100%	–	–	100%	100%	Water power generation
成都金華能電力實業有限責任公司 (Chengdu Jinhuaneng Power Co., Ltd., English name for identification purpose)	PRC	RMB20,000,000	–	–	100%	100%	100%	100%	Repair and maintenance
內蒙古京能商都風力發電有限責任公司 (Inner Mongolia Jingneng Shangdu Wind Power Co., Ltd., English name for identification purpose)	PRC	RMB207,520,000	100%	100%	–	–	100%	100%	Wind power generation
New Energy	PRC	RMB2,688,390,000	100%	100%	–	–	100%	100%	Investment management, wind power generation
內蒙古京能察右中風力發電有限責任公司 (Inner Mongolia Jingneng Chayouzhong Energy Co., Ltd., English name for identification purpose)	PRC	RMB313,641,000	100%	100%	–	–	100%	100%	Wind power generation
錫林郭勒吉相華亞風力發電有限責任公司 (Xilinguole Jixianghuaya Wind Power Co., Ltd., English name for identification purpose)	PRC	RMB324,468,000	100%	100%	–	–	100%	100%	Wind power generation
內蒙古京能烏蘭伊利更風力發電有限責任公司 (Inner Mongolia Jingneng Wulanyiligeng Wind Power Co., Ltd., English name for identification purpose)	PRC	RMB792,350,000	100%	100%	–	–	100%	100%	Wind power and photovoltaic power generation
左雲京能風力發電有限責任公司 (Zuoyun Jingneng Wind Power Co., Ltd., English name for identification purpose)	PRC	RMB85,790,000	100%	100%	–	–	100%	100%	Wind power generation
內蒙古京能文貢烏拉風力發電有限公司 (Inner Mongolia Jingneng Wengongwula Wind Power Co., Ltd., English name for identification purpose)	PRC	RMB118,890,000	100%	100%	–	–	100%	100%	Wind power and photovoltaic power generation

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51. SUBSIDIARIES *(continued)*

Name of subsidiary	Place of registration	Issued and fully paid up registered capital	Equity interest attributable to the Company Direct 2015	Direct 2014	Indirect 2015	Indirect 2014	Proportion of voting rights held by the Group 2015	2014	Principal activities
內蒙古霍林郭勒風力發電有限責任公司 (Inner Mongolia Huolinguole Wind Power Co., Ltd., English name for identification purpose)	PRC	RMB129,220,000	**100%**	100%	**—**	—	**100%**	100%	Wind power generation
內蒙古京能巴林右風力發電有限責任公司 (Inner Mongolia Jingneng Balinyou Wind Power Co., Ltd., English name for identification purpose)	PRC	RMB79,000,000	**100%**	100%	**—**	—	**100%**	100%	Wind power generation
內蒙古京能科右中風力發電有限責任公司 (Inner Mongolia Jingneng Keyouzhong Wind Power Co., Ltd., English name for identification purpose)	PRC	RMB78,000,000	**100%**	100%	**—**	—	**100%**	100%	Wind power generation
內蒙古京能旗杆風力發電有限公司 (Inner Mongolia Jingneng Qigan Wind Power Co., Ltd., English name for identification Purpose)	PRC	RMB73,000,000	**100%**	100%	**—**	—	**100%**	100%	Wind power generation
內蒙古京能烏蘭風力發電有限公司 (Inner Mongolia Jingneng Wulan Wind Power Co., Ltd., English name for identification purpose)	PRC	RMB285,140,000	**100%**	100%	**—**	—	**100%**	100%	Wind power generation
寧夏京能新能源有限公司 (Ningxia Jingneng New Energy Co., Ltd., English name for identification purpose)	PRC	RMB259,248,000	**100%**	100%	**—**	—	**100%**	100%	Wind power and photovoltaic power generation
寧夏京能靈武風電有限公司 (Ningxia Jingneng Lingwu Wind Power Co., Ltd., English name for identification purpose)	PRC	RMB338,528,000	**100%**	100%	**—**	—	**100%**	100%	Wind power and photovoltaic power generation
五家渠京能新能源有限責任公司 (Wujiaqu Jingneng New Energy Co., Ltd., English name for identification purpose)	PRC	RMB308,264,000	**100%**	100%	**—**	—	**100%**	100%	Photovoltaic power generation
寧夏京能中衛有限公司 (Ningxia Jingneng Zhongwei Co., Ltd., English name for identification purpose)	PRC	RMB56,000,000	**100%**	100%	**—**	—	**100%**	100%	Photovoltaic power generation

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

51. SUBSIDIARIES *(continued)*

Name of subsidiary	Place of registration	Issued and fully paid up registered capital	Equity interest attributable to the Company Direct 2015	Direct 2014	Indirect 2015	Indirect 2014	Proportion of voting rights held by the Group 2015	2014	Principal activities
北京京能未來燃氣熱電有限公司 (Beijing Jingneng Weilai Gas-fired Power Co., Ltd., English name for identification purpose)	PRC	RMB281,398,600	100%	100%	—	—	100%	100%	Gas-fired power and heat energy generation
建湖京能新能源有限公司 (Jianhu Jingneng New Energy Co., Ltd., English name for identification purpose)	PRC	RMB54,760,000	100%	100%	—	—	100%	100%	Photovoltaic power generation
寧夏賀蘭京能新能源有限公司 (Ningxia Helan Jingneng New Energy Co., Ltd. English name for identification purpose)	PRC	RMB56,760,000	100%	100%	—	—	100%	100%	Photovoltaic power generation
寧夏中寧縣京能新能源有限公司 (Ningxia Zhongning County New Energy Co., Ltd. English name for identification purpose)	PRC	RMB260,050,000	100%	100%	—	—	100%	100%	Photovoltaic power generation
格爾木京能新能源有限公司 (Golmud Jingneng New Energy Co., Ltd., English name for identification purpose)	PRC	RMB183,000,000	100%	100%	—	—	100%	100%	Photovoltaic power generation
京能(遷西)發電有限公司 (Jingneng Qianxi Power Co., Ltd. English name for identification purpose) ("Qianxi Power")	PRC	RMB40,000,000	60%	60%	—	—	60%	60%	Photovoltaic power generation
北京京能清潔能源電力股份(香港)有限公司 (Beijing Jingneng Clean Energy (Hongkong) Co., Ltd. English name for identification purpose)	Hong Kong	HK$77,657,000	100%	100%	—	—	100%	100%	Investment holding Wind power generation
New GRWF	Australia	AU$138,960,000	75%	75%	—	—	75%	75%	Investment holding
New Gullen Range Wind Farm Pty., Ltd.	Australia	AU$138,960,000	75%	75%	—	—	75%	75%	Wind power generation
京能清潔能源投資控股有限公司 (Jingneng Clean Energy Investment Holdings Limited English name for identification purpose)	The British Virgin Islands	US$50,000	100%	100%	—	—	100%	100%	Wind power generation
府谷縣京能新能源有限公司 (Note a) (Fugu Jingneng New Energy Co., Limited. English name for identification purpose)	PRC	RMB72,770,000	100%	—	—	—	100%	—	Wind power generation

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

51. SUBSIDIARIES *(continued)*

Name of subsidiary	Place of registration	Issued and fully paid up registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect				
			2015	2014	2015	2014	2015	2014	
共和京能清潔能源有限公司 (Note a) (Gonghe Jingneng Clean Energy Co., Limited. English name for identification purpose)	PRC	RMB18,900,000	100%	—	—	—	100%	—	Photovoltaic power generation
寧夏海原京能新能源有限公司 (Note a) (Ningxia Haiyuan Jingneng New Energy Co. Ltd. English name for identification purpose)	PRC	RMB19,000,000	100%	—	—	—	100%	—	Photovoltaic power generation
大同京能新能源有限公司 (Note a) (Datong Jingneng New Energy Co. Ltd. English name for identification purpose)	PRC	RMB170,000,000	100%	—	—	—	100%	—	Photovoltaic power generation
靖遠京能新能源有限公司 (Note a) (Jingyuan Jingneng New Energy Co., Ltd. English name for identification purpose)	PRC	RMB3,000,000	100%	—	—	—	100%	—	Wind power generation

Notes:

a) The subsidiaries were newly established during the year ended December 31, 2015.

b) None of the subsidiaries had issued any debt securities at December 31, 2015.

c) The subsidiaries registered in the PRC are all in the legal form of limited liability company.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Incorporation/ establishment/ registration and operation	Proportion ownership interest held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2015	2014	2015	2014	2015	2014
		%	%	RMB'000	RMB'000	RMB'000	RMB'000
Taiyanggong Power	PRC	26	26	77,768	78,704	299,560	291,329
New GRWF	Australia	25	25	2,857	259	166,799	175,378
Qianxi Power	PRC	40	40	—	—	16,000	4,000

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

51. SUBSIDIARIES *(continued)*

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

Taiyanggong Power	2015 RMB'000	2014 RMB'000
Current assets	**490,138**	512,964
Non-current assets	**1,663,547**	1,852,802
Current liabilities	**964,093**	1,242,489
Non-current liabilities	**37,438**	2,778
Revenue	**2,205,449**	2,115,671
Profit and other comprehensive income for the year	**299,109**	302,708
Dividends paid to non-controlling interests	**69,538**	74,477
Net cash inflow from operating activities	**670,053**	410,220
Net cash outflow from investing activities	**(15,740)**	(27,064)
Net cash outflow from financing activities	**(610,618)**	(368,924)
Net cash inflow	**43,695**	14,232

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

51. SUBSIDIARIES *(continued)*

New GRWF	2015 *RMB'000*	2014 *RMB'000*
Current assets	**223,587**	166,099
Non-current assets	**1,653,400**	1,876,121
Current liabilities	**67,661**	512,197
Non-current liabilities	**1,142,130**	943,607
Revenue	**104,295**	5,091
Profit for the year	**(11,426)**	1,036
Other comprehensive expense for the year	**(22,234)**	(97,635)
Total comprehensive expense for the year	**(10,808)**	(96,599)
Dividends paid to non-controlling interests	**—**	—
Net cash inflow from operating activities	**90,826**	7,782
Net cash outflow from investing activities	**(275,929)**	(710,913)
Net cash inflow from financing activities	**206,502**	741,677
Net cash inflow	**21,399**	38,546

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

51. SUBSIDIARIES *(continued)*

Qianxi Power	**2015** **RMB'000**	2014 RMB'000
Current assets	**48,294**	22,776
Non-current assets	**163,741**	31,516
Current liabilities	**27,735**	4,292
Non-current liabilities	**144,300**	40,000
Revenue	**—**	—
Profit and other comprehensive income for the year	**—**	—
Dividends paid to non-controlling interests	**—**	—
Net cash inflow from operating activities	**—**	—
Net cash outflow from investing activities	**(127,712)**	(27,108)
Net cash inflow from financing activities	**137,284**	49,884
Net cash inflow	**9,572**	22,776

52. COMPARATIVE FIGURES

Certain comparative figures on the consolidated statements of financial position as at December 31, 2014 were restated to reflect the retrospective adjustments on the provisional amounts of the business combination in 2014 (Note 50).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

53. INFORMATION ABOUT THE FINANCIAL POSITION OF THE COMPANY

	Notes	At December 31, 2015 RMB'000	At December 31, 2014 RMB'000
Non-current assets			
Property, plant and equipment		1,680,265	1,896,295
Intangible assets		4,274	4,152
Investments in subsidiaries		12,851,834	11,867,605
Prepaid lease payments		1,290	1,319
Investments in associates		947,681	947,681
Loans to associates		150,000	150,000
Loans to subsidiaries		2,841,000	3,960,000
Investments in a joint venture		80,000	80,000
Deferred tax assets		19,632	49,481
Available-for-sale financial asset		60,000	60,000
Value-add tax recoverable — Non-current portion		26,947	15,995
Deposit paid for acquisition of property, plant and equipment		8,523	129,433
		18,671,446	19,161,961
Current assets			
Trade and bill receivables		23,008	70,174
Other receivables, deposits and prepayments		133,453	15,601
Amounts due from related parties		2,246	4,671
Amounts due from subsidiaries		5,397,970	2,018,528
Loans to subsidiaries — current portion		16,113	880,000
Prepaid lease payments		29	29
Value-added tax recoverable — current portion		4,854	55,817
Cash and cash equivalents		191,437	1,018,194
		5,769,110	4,063,014

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

53. INFORMATION ABOUT THE FINANCIAL POSITION OF THE COMPANY *(continued)*

	Notes	At December 31, 2015 RMB'000	2014 RMB'000
Current liabilities			
Trade and other payables		**214,133**	381,945
Amounts due to related parties		**996**	1,010
Amounts due to a subsidiary		**750**	750
Bank and other borrowings — due within one year		**400,000**	1,852,811
Short-term debentures		**6,000,000**	1,800,000
Medium-term notes — due within one year		**—**	1,000,000
Corporate bonds — due within one year		**—**	2,397,701
Income tax payable		**—**	20,035
Deferred income — current portion		**2,403**	—
		6,618,282	7,454,252
Net current liabilities		**(849,172)**	(3,391,238)
Total assets less current liabilities		**17,822,274**	15,770,723
Non-current liabilities			
Bank and other borrowings — due after one year		**3,568,000**	3,559,388
Medium-term notes		**—**	—
Corporate bonds — due after one year		**1,198,691**	1,199,182
Deferred income		**98,771**	217,253
		4,865,462	4,975,823
Net assets		**12,956,812**	10,794,900

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2015

53. INFORMATION ABOUT THE FINANCIAL POSITION OF THE COMPANY *(continued)*

	Notes	At December 31, 2015 RMB'000	2014 RMB'000
Capital and reserves			
Share capital	38	**6,870,423**	6,870,423
Reserves		**4,558,407**	3,924,477
Perpetual notes	41	**1,527,982**	—
Total equity		**12,956,812**	10,794,900

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Accumulated (loss)/ profits RMB'000	Total RMB'000
At January 1, 2014	2,062,096	228,873	608,903	2,899,872
Issue of shares (Note 39(a))	613,007	—	—	613,007
Issuance costs	(18,529)	—	—	(18,529)
Appropriation to statutory surplus reserve	—	92,208	(92,208)	—
Dividend declared	—	—	(281,120)	(281,120)
	2,656,574	321,081	235,575	3,213,230
Profit and total comprehensive income for the year	—	—	711,247	711,247
At December 31, 2014	2,656,574	321,081	946,822	3,924,477
Appropriation to statutory surplus reserve	—	117,137	(117,137)	—
Dividend declared	—	—	(289,245)	(289,245)
Profit and total comprehensive income for the year	—	—	923,175	923,175
At December 31, 2015	2,656,574	438,218	1,463,615	4,558,407

Definitions

"Articles of Association"	Articles of association of the Company
"BDHG"	北京市熱力集團有限責任公司 (Beijing District Heating (Group) Co., Ltd)
"BEH"	北京能源集團有限責任公司 (Beijing Energy Holding Co., Ltd)
"BEH Finance"	京能集團財務有限公司 (BEH Finance Co., Ltd)
"Board of Directors" or "Board"	board of directors of the Company
"Board of Supervisors"	board of supervisors of the Company
"BSAMAC"	北京國有資本經營管理中心 (Beijing State Assets Management and Administration Centre)
"China" or "PRC"	the People's Republic of China, but for the purposes of this annual report and for geographical reference only (unless otherwise indicated), excluding Taiwan, Macau and Hong Kong
"Company", "our Company," "we" or "us"	北京京能清潔能源電力股份有限公司 (Beijing Jingneng Clean Energy Co., Limited)
"CSRC"	中國證券監督管理委員會 (China Securities Regulatory Commission)
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"HK GAAP"	Hong Kong Financial Reporting Standards and other generally accepted accounting principles in Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited

Definitions

"HK$" or "Hong Kong dollars" or "HK dollars" or "HKD"	Hong Kong dollars, the lawful currency for the time being of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"H Shares"	overseas listed foreign invested ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
"IFRSs"	the International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board (IASB), and the International Accounting Standards (IAS) and interpretation issued by the International Accounting Standards Committee (IASC)
"Latest Practicable Date"	11 April, 2016, being the latest practicable date for the inclusion of certain information in this annual report prior to its publication
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"NSSF"	全國社會保障基金理事會 (National Council for Social Security Fund of the PRC)
"PBOC"	中國人民銀行 (People's Bank of China)
"PRC GAAP"	generally accepted accounting principles in the PRC
"Renminbi" or "RMB"	the lawful currency of the PRC
"SASAC"	國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the State Council)
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

Definitions

"SERC"	國家電力監管委員會 (State Electricity Regulatory Commission of the PRC)
"SFC"	the Securities and Futures Commission of Hong Kong
"Shareholder(s)"	holder(s) of our Shares, including holders of H shares and holders of domestic shares of the Company
"Shares"	shares in the share capital of the Company, with a nominal value of RMB1.00 each
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	the supervisor(s) of the Company

Corporate Information

Registered Name	Beijing Jingneng Clean Energy Co., Limited
Directors	
Non-executive Directors	Mr. GUO Mingxing Mr. XU Jingfu Mr. LIU Guochen Mr. YU Zhongfu Mr. JIN Yudan
Executive Director	Mr. CHEN Ruijun
Independent Non-executive Directors	Mr. LIU Chaoan Mr. ZHANG Fusheng Ms. LAU Miu Man Mr. Han Xiaoping
Strategy Committee	Mr. GUO Mingxing Mr. XU Jingfu Mr. LIU Guochen Mr. CHEN Ruijun
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

Corporate Information

Authorized Representatives

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

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

Registered Office

Room 118, No. 1 Ziguang East Road,
Badaling Economic Development Zone,
Yanqing County, Beijing, the PRC

Principal Place of Business in the 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

Corporate Information

International Auditors	Deloitte Touche Tohmatsu Certified Public Accountants 35/F, One Pacific Place, 88 Queensway, Hong Kong
Domestic Auditors	Ruihua Certified Public Accountants 5-11/F, West Tower, China Overseas Property Plaza, Xibinhe 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