



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

# 2016 INTERIM REPORT



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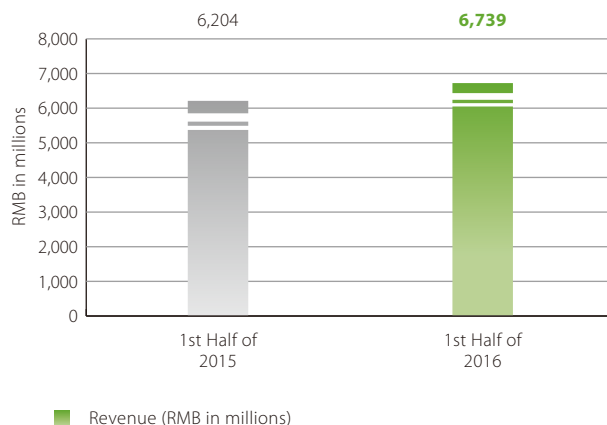
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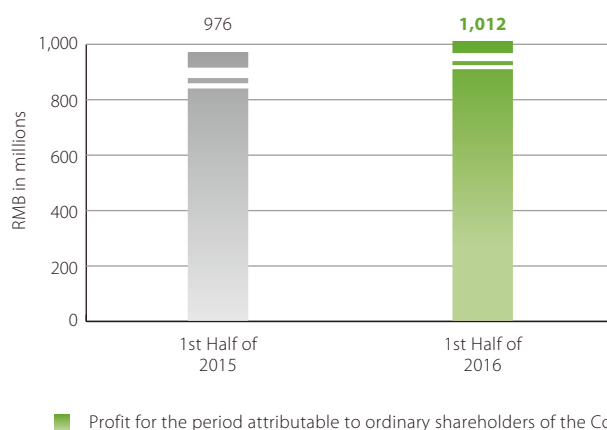
# FINANCIAL HIGHLIGHTS

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

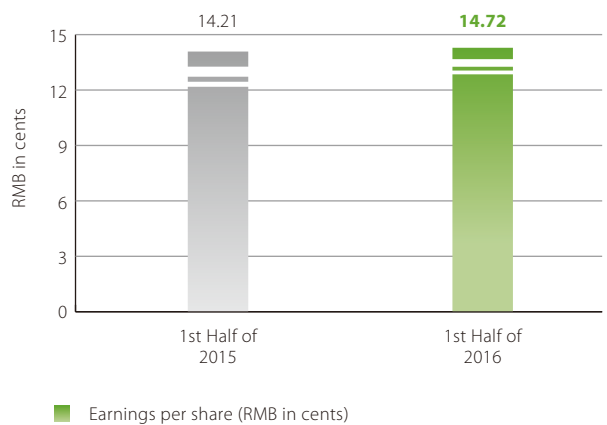
## REVENUE



## PROFIT FOR THE PERIOD ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY



## EARNINGS PER SHARE

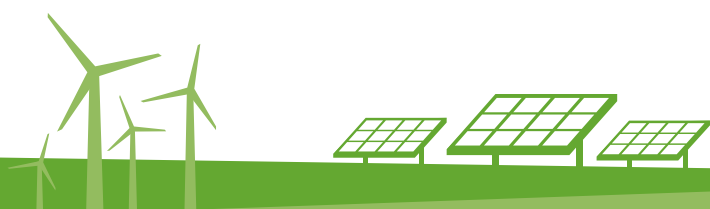


## FINANCIAL HIGHLIGHTS

	For the six months ended	
	June 30	
	2016	2015
	RMB'000	RMB'000
Revenue	<b>6,738,867</b>	6,204,052
Profit before taxation	<b>1,400,106</b>	1,308,618
Income tax	<b>(303,022)</b>	(274,549)
Profit for the period	<b>1,097,084</b>	1,034,069
Profit for the period attributable to:		
Ordinary shareholders of the Company	<b>1,011,538</b>	976,331
Holders of perpetual notes	<b>38,301</b>	–
Non-controlling interests	<b>47,245</b>	57,738
Basic and diluted earnings per share (RMB cents)	<b>14.72</b>	14.21

	As at	
	June 30, 2016	
	2016	As at December 31, 2015
	RMB'000	RMB'000
Total non-current assets	<b>40,875,857</b>	39,349,821
Total current assets	<b>7,241,771</b>	7,051,786
Total assets	<b>48,117,628</b>	46,401,607
Total current liabilities	<b>16,233,091</b>	14,189,234
Total non-current liabilities	<b>15,277,634</b>	16,105,129
Total liabilities	<b>31,510,725</b>	30,294,363
Net assets	<b>16,606,903</b>	16,107,244
Total equity attributable to the ordinary shareholders of the Company	<b>14,645,759</b>	14,096,903
Holders of perpetual notes	<b>1,489,033</b>	1,527,982
Non-controlling interests	<b>472,111</b>	482,359
Total equity	<b>16,606,903</b>	16,107,244



## CORPORATE PROFILE

### REGISTERED NAME

Beijing Jingneng Clean Energy Co., Limited

### DIRECTORS

#### Non-executive Directors

Mr. ZHU Yan (*Chairman*)  
Mr. GUO Mingxing  
Mr. LI Dawei  
Mr. ZHU Baocheng  
Mr. YU Zhongfu  
Mr. JIN Yudan

#### Executive Director

Mr. CHEN Ruijin

#### Independent Non-executive Directors

Mr. LIU Chaoan  
Mr. ZHANG Fusheng  
Ms. LAU Miu Man  
Mr. HAN Xiaoping

### STRATEGY COMMITTEE

Mr. ZHU Yan (*Chairman*)  
Mr. GUO Mingxing  
Mr. LI Dawei  
Mr. ZHU Baocheng  
Mr. CHEN Ruijun

### REMUNERATION AND NOMINATION COMMITTEE

Mr. LIU Chaoan (*Chairman*)  
Mr. ZHU Yan  
Mr. GUO Mingxing  
Mr. ZHANG Fusheng  
Mr. HAN Xiaoping

### AUDIT COMMITTEE

Ms. LAU Miu Man (*Chairman*)  
Mr. ZHU Baocheng  
Mr. LIU Chaoan

### SUPERVISORS

Mr. LI Xun  
Mr. LIU Jiakai  
Ms. HUANG Linwei

### COMPANY SECRETARY

Mr. KANG Jian

### AUTHORIZED REPRESENTATIVES

Mr. CHEN Ruijun  
Mr. KANG Jian

### REGISTERED OFFICE

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

### PRINCIPAL PLACE OF BUSINESS IN PRC

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

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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



### PRINCIPAL BANKERS

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

China Merchants Bank Co., Ltd.(Dongzhimen Branch)  
Floor 2, Tianheng Mansion, No.46, Dongzhimen Waidajie,  
Dongcheng District, Beijing, PRC

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

### INTERNATIONAL AUDITORS

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

### DOMESTIC AUDITORS

Ruihua Certified Public Accountants  
5-11F, West Tower, China Overseas Property Plaza,  
Xidianhe Road, Yongdingmen,  
Dongcheng District, Beijing, the PRC

### HONG KONG LEGAL ADVISORS

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

### PRC LEGAL ADVISORS

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

### H SHARE REGISTRAR

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

### STOCK CODE

579

### COMPANY'S WEBSITE

[www.jncec.com](http://www.jncec.com)

### LISTING PLACE

The Stock Exchange of Hong Kong Limited



## MANAGEMENT DISCUSSION AND ANALYSIS

The first half of 2016 witnessed a critical stage of structural adjustment and transformation and upgrading in China's economy. The trend of the replacement of fossil energy by non-fossil energy continued to accelerate. Nation-wide, power generation by solar energy and wind energy in enterprises above designated size increased by 55.6% and 24.4%, respectively, year-on-year. Power generation by hydropower and nuclear power increased by 13.4% and 24.9%, respectively, year-on-year, while power generation by thermal power decreased by 3.1% year-on-year.

According to the statistics from the China Electricity Council, as at the end of June 2016, national electricity consumption reached 2.78 trillion KWH, representing an increase of 2.7% year-on-year; power generation by power plants above designated size across the country reached 2.76 trillion KWH, representing an increase of 1.0% year-on-year, and the operating hours of power generation facilities reached 1,797 hours, representing a decrease of 138 hours year-on-year; of which, thermal power was 2,057.9 billion KWH with operating hours of 1,964 hours, representing a decrease of 194 hours year-on-year; hydropower was 481.1 billion KWH with operating hours of 1,658 hours, representing an increase of 146 hours year-on-year; nuclear power was 96.5 billion KWH with operating hours of 3,347 hours, representing a decrease of 109 hours year-on-year; wind power was 123.2 billion KWH with operating hours of 917 hours, representing a decrease of 85 hours year-on-year; and photovoltaic power was 27.1 billion KWH with operating hours of 591 hours, representing a decrease of 55 hours year-on-year.

For the first half of the year, China continuously advanced its supply-side structural reform and further optimized its economic structure. As a result, the growth impetus for national electricity consumption was transforming from the secondary industry to the first and the tertiary industries. The constant adjustment in electricity consumption structure indicated the positive outcomes of China's structural adjustment and upgrading. The growth in electricity consumption remained at a low rate, the percentage of clean power generation continued to grow and the operating hours of facilities for thermal power further declined.

The year 2016 is the debut year of the "13th Five-year Plan", and also a critical year for its supply-side structural reform. Based in Beijing while developing across the whole country, the Group vigorously promoted the synergetic development in Beijing-Tianjin-Hebei Region. Adhering to the working guidelines of seeking progress in stability and seizing opportunities for more benefits, the Group maintained its steady and sound business development momentum by giving priority to integration and reform, quality and efficiency improvement, risk prevention and optimization and adjustment, as well as capturing the opportunities brought by the "One Belt and One Road", thereby achieving all goals and completing the tasks for the debut year of the "13th Five-year Plan" in an all-around way.



## I. BUSINESS REVIEW FOR THE FIRST HALF OF THE YEAR

### 1. Productivity increased steadily while power generating capacity improved continuously

Along with the constant changes in demand for energy, the global energy structure undergoes significant adjustments featuring low-carbon and renewable energy, while the importance of clean energy is further heightened. The Group's business in the gas-fired heating, wind power, photovoltaic and hydroelectric power sectors will continue to benefit from the key development plan for clean energy in the country.

As at 30 June 2016, the consolidated installed capacity of the Group was 7,278 MW, of which, the installed capacity of gas-fired power and heat energy generation was 4,436 MW, accounting for 60.95% of the total installed capacity; the installed capacity of wind power generation was 1,915 MW, accounting for 26.31% of the total installed capacity; the installed capacity of hydropower generation was 449 MW, accounting for 6.17% of the total installed capacity; the installed capacity of photovoltaic power generation was 478 MW, accounting for 6.57% of the total installed capacity. While the "13th Five-year Plan" specified the substantial support for clean energy, the Group, by strengthening its production planning, rationalizing and adjusting business strategies, and accurately setting its operating objectives, achieved steady growth in productivity with the total consolidated power generation of 11,650,981 MWH, representing an increase of 5.97% as compared to the power generation for the same period of last year.

As at 30 June 2016, the consolidated installed capacity of the Group, classified by types of power generation, was as follows:

Types of power generation	Consolidated installed capacity as at 30 June 2016 (MW)	Percentage (%)
Gas-fired power and heat energy generation	4,436	60.95
Wind power generation	1,915	26.31
Hydropower generation	449	6.17
Photovoltaic power generation	478	6.57
Total	7,278	100.00





## MANAGEMENT DISCUSSION AND ANALYSIS

### 2. Gas-fired power generation storing up energy, photovoltaic power and hydropower taking the lead

As at 30 June 2016, the Group held three out of the four major gas thermal power centers in Beijing, all of which have been put into operation. Power generation in the gas-fired power and heat energy generation segment reached 8.58 billion KWH, representing an increase of 6.45% year-on-year, with the average operating hours of facilities reaching 1,934 hours; power generation in the wind power generation segment reached 2.03 billion KWH, representing a decrease of 0.13% year-on-year, with the average operating hours of facilities reaching 1,059 hours, or 142 hours more than the national average operating hours of facilities of 917 hours; power generation in the hydropower segment reached 690 million KWH, representing an increase of 15.88% year-on-year, with the average operating hours of facilities reaching 1,545 hours; power generation in the photovoltaic power generation segment reached 350 million KWH, representing an increase of 14.44% year-on-year, with the average operating hours of facilities reaching 764 hours, or 173 hours more than the national average operating hours of facilities of 591 hours.

As at 30 June 2016, the aggregate consolidated power generation of the Group, classified by types of power generation, was as follows:

Types of power generation	Aggregate consolidated power generation for the six months ended 30 June 2016 MWH	Aggregate consolidated power generation for the six months ended 30 June 2015 MWH	Year-on-year increase in aggregate consolidated power generation (%)
Gas-fired power and heat energy generation	<b>8,578,946</b>	8,058,935	6.45
Wind power generation	<b>2,027,294</b>	2,029,999	-0.13
Hydropower generation	<b>693,929</b>	598,851	15.88
Photovoltaic power generation	<b>350,812</b>	306,534	14.44
Total	<b>11,650,981</b>	10,994,319	5.97



### 3. Actively reserving high-quality projects while further expanding overseas resources

The State Council officially approved the “Pilot Development Plan of Renewable Energy Zone in Zhangjiakou, Hebei Province”, which will provide opportunities for the strategic development of the Group’s objective of “going global with a foothold in Beijing”. The Group entered into an agreement on developing wind power and photovoltaic power with the Zhangjiakou government, and planned to develop the wind and solar energy resources with a capacity of 1,600 MW in Zhangjiakou City and to construct transmission lines to transmit the power generated from new-energy sources to Beijing. Meanwhile, the Group planned to utilize certain kinds of new energy for power and heat generation to achieve clean energy co-generation, thereby providing clean and efficient energy sources for the Winter Olympics in 2022.

The Shenzhen International Low Carbon City Distributed Energy Project, a 50 MW-graded integrated system, constitutes a comprehensive integrated energy utilization project to supply cooling, heating and power in the start-up zone of the 97-hectare Shenzhen International Low Carbon City Project which mainly includes distributed energy station module, smart power grid module with centralized control and biogas processing center module. The project has completed all preliminary supporting documents and approvals of Shenzhen Development and Reform Commission has been obtained.

In the first half of this year, relying on Gullen Range Wind Farm in Australia, the Group continued to expand the market in Australia. The Gullen Range Photovoltaic Project under development is Australia’s first wind and solar energy complementary project, with an installed capacity of 13.15 MW.

### 4. Taking the policy advantage and quickly adapting to the demand of “Power Reform”

According to the requirements of the “13th Five-year Plan”, the Group continued to optimize the energy structure, enhance energy utilization efficiency and build a clean, low-carbon, safe and efficient modernized energy system. After the issuance of Document No.9 “Power Reform” in March 2015, the power system reform has accelerated and the building of an integrated power market in Beijing-Tianjin-Hebei Region has entered into a substantial phase. By the end of 2016, the direct electricity transaction in Beijing-Tianjin-Hebei Region is expected to account for 20% of the national electricity consumption. The Group is thoroughly investigating the market, coordinating its resources, vigorously participating the “Power Reform” project, strengthening its communication with the local government and grid company, making cautious judgment on market situation, seizing the opportunities in new circumstances and pinpointing the key sectors so as to adapt itself to the objectives of the market-oriented power system reform in a shorter time.



## MANAGEMENT DISCUSSION AND ANALYSIS

### 5. Reinforcing refined business management and improving safe production and operation

The Group took various measures to enhance refined management and improved rules, regulations, working standards and assessment systems for safe production and to reinforce employees' training on safe production. As a result, no incidents occurred in all power plants during the reporting period. The Group, on the one hand, taking into consideration features of all business segments, made full use of available resources, optimized and refined production management process, aiming to reduce cost and increase efficiency; on the other hand, further specified position statements, implemented safety responsibilities and norms, deepened the refining of basic management work, enhanced technical supervision and process control to increasingly consolidate safety foundation.

### 6. Sparring no efforts in reducing financial costs and effectively improving fund utilization rate

As at 30 June 2016, the Group made full use of its financing advantages, further strengthened fund supervision and control, enhanced capital utilisation efficiency and issued four tranches of super-short-term financing bonds, raising RMB4 billion in total, with the issuance interest rate ranging from 2.7% to 3.02%, which greatly reduced the capital cost.

## II. OPERATING RESULTS AND ANALYSIS

### 1. Overview

In the first half of 2016, the Company's profitability recorded continuous improvement. Net profit for the period amounted to RMB1,097.08 million, representing an increase of 6.09% as compared to RMB1,034.07 million for the corresponding period in 2015. Net profit attributable to the ordinary shareholders of the Company amounted to RMB1,011.54 million, representing an increase of 3.61% as compared to RMB976.33 million for the corresponding period in 2015.

### 2. Operating Income

In the first half of 2016, the total revenue of the Company amounted to RMB6,738.87 million, representing an increase of 8.62% as compared to RMB6,204.05 million for the corresponding period in 2015, due to the increase in sales volume of electricity and heat as a result of the increasing operating hours of gas-fired power and heat energy generation segment. In the first half of 2016, adjusted total operating income was RMB7,255.00 million, representing a decrease of 4.82% as compared to RMB7,622.06 million for the corresponding period in 2015, due to a decrease in government grants and subsidies related to clean energy production as a result of a decrease in gas prices in the gas-fired power and heat energy generation segment.

#### Gas-fired Power and Heat Energy Generation Segment

The revenue from the gas-fired power and heat energy generation segment increased by 12.27% from RMB4,845.18 million for the first half of 2015 to RMB5,439.62 million for the first half of 2016, of which, revenue from sales of electricity increased by 9.90% from RMB4,216.29 million for the first half of 2015 to RMB4,633.86 million for the first half of 2016. Revenue from sales of heat energy increased by 28.12% from RMB628.89 million for the first half of 2015 to RMB805.76 million for the first half of 2016, due to an increase in sales volume of electricity and heat as a result of an increase in the operating hours in this segment.



### Wind Power Segment

The revenue from wind power segment decreased by 10.07% from RMB945.33 million for the first half of 2015 to RMB850.17 million for the first half of 2016, due to a decrease in sales volume of electricity as a result of wind power curtailment in this segment.

### Photovoltaic Power Segment

The revenue from photovoltaic power segment increased by 9.75% from RMB260.51 million for the first half of 2015 to RMB285.92 million for the first half of 2016, due to an 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 6.48% from RMB151.54 million for the first half of 2015 to RMB161.36 million for the first half of 2016, due to the increase in sales volume of electricity as a result of an increase in water inflow in this segment.

### Others

Other revenue increased by 20.81% from RMB1.49 million for the first half of 2015 to RMB1.80 million for the first half of 2016, due to an increase in revenue from providing external maintenance service.

## 3. Other Income

Other income decreased by 58.51% from RMB1,467.21 million for the first half of 2015 to RMB608.78 million for the first half of 2016, due to a decrease in government grants and subsidies related to clean energy production as a result of a decrease in gas prices in gas-fired power and heat energy generation segment.

## 4. Operating Expenses

Operating expenses decreased by 5.69% from RMB5,890.86 million for the first half of 2015 to RMB5,555.76 million for the first half of 2016, due to a decrease in gas cost in the gas-fired power and heat energy generation segment as a result of falling gas prices.

### Gas Consumption

Gas consumption decreased by 11.78% from RMB4,439.81 million for the first half of 2015 to RMB3,916.96 million for the first half of 2016, due to a decrease in gas cost in the gas-fired power and heat energy generation segment as a result of falling gas prices.

### Depreciation and Amortization

Depreciation and amortization increased by 4.03% from RMB883.22 million for the first half of 2015 to RMB918.83 million for the first half of 2016, due to an increase in installed capacity in wind power segment and photovoltaic power segment.

### Personnel Cost

Personnel cost increased by 10.69% from RMB207.79 million for the first half of 2015 to RMB229.99 million for the first half of 2016, 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 decreased by 5.25% from RMB181.09 million for the first half of 2015 to RMB171.58 million for the first half of 2016, due to a decrease in maintenance expenses as a result of good operating condition of generating units in the gas-fired power and heat energy generation segment.

### Other Expenses

Other expenses decreased by 9.67% from RMB261.27 million for the first half of 2015 to RMB236.01 million for the first half of 2016, due to an decrease in other expenses as a result of the enhancement of expenses management of each segment.

### Other Gains and Losses

Other gains and losses decreased from a gain of RMB82.31 million for the first half of 2015 to a loss of RMB82.39 million for the first half of 2016, due to a decrease in the gains and losses from changes in the fair value of H shares of CGN Power Co., Ltd. held by the Company during the holding period from a gain of RMB72.09 million for the first half of 2015 to a loss of RMB88.01 million for the first half of 2016.

## 5. Operating Profit

As a result of the above, operating profit increased by 0.65% from RMB1,780.40 million for the first half of 2015 to RMB1,791.89 million for the first half of 2016.

## 6. Adjusted Segment Operating Profit

Total adjusted segment operating profit decreased by 1.85% from RMB1,731.20 million for the first half of 2015 to RMB1,699.24 million for the first half of 2016.

### Gas-fired Power and Heat Energy Generation Segment

Adjusted segment operating profit of gas-fired power and heat energy generation segment increased by 22.84% from RMB1,040.34 million for the first half of 2015 to RMB1,277.92 million for the first half of 2016, due to an increase in sales volume of electricity as a result of the increased operating hours in this segment.

### Wind Power Segment

Adjusted segment operating profit of wind power segment decreased by 23.50% from RMB450.64 million for the first half of 2015 to RMB344.75 million for the first half of 2016, due to the decrease in sales volume of electricity as a result of wind power curtailment in this segment.

### Photovoltaic Power Segment

Adjusted segment operating profit of photovoltaic power segment decreased by 6.34% from RMB173.71 million for the first half of 2015 to RMB162.69 million for the first half of 2016, due to an increase in the cost of power generation per unit as a result of photovoltaic power curtailment in this segment.



### Hydropower Segment

Adjusted segment operating profit of hydropower segment increased by 7.44% from RMB53.20 million for the first half of 2015 to RMB57.16 million for the first half of 2016, due to the increase in sales volume of electricity as a result of an increase in water inflow in this segment.

### Others

Adjusted operating profit of others decreased from a profit of RMB13.31 million for the first half of 2015 to a loss of RMB143.28 million for the first half of 2016, due to a decrease in the gains and losses from changes in the fair value of H shares of CGN Power Co., Ltd. held by the Company during the holding period from a gain of RMB72.09 million for the first half of 2015 to a loss of RMB88.01 million for the first half of 2016.

## 7. Finance Costs

Finance costs decreased by 27.21% from RMB668.18 million for the first half of 2015 to RMB486.34 million for the first half of 2016, due to a decrease of capital cost.

## 8. Share of Results of Associates and a Joint Venture

Share of results of associates and a joint venture decreased by 47.14% from RMB158.97 million for the first half of 2015 to RMB84.03 million for the first half of 2016, due to a decrease in net profit as a result of reduced power generation generated from a subsidiary of Beijing Jingneng International Power Co., Ltd., an associate of the Company and a decrease of on-grid tariffs.

## 9. Profit before Taxation

As a result of the foregoing, profit before taxation increased by 6.99% from RMB1,308.62 million for the first half of 2015 to RMB1,400.11 million for the first half of 2016.

## 10. Income Tax Expense

Income tax expense increased by 10.37% from RMB274.55 million for the first half of 2015 to RMB303.02 million for the first half of 2016. Effective tax rate increased from 20.98% for the first half of 2015 to 21.64% for the first half of 2016 primarily due to an increase in income tax on gas-fired power and heat energy generation segment.

## 11. Profit for the Period

As a result of the foregoing, profit for the period increased by 6.09% from RMB1,034.07 million for the first half of 2015 to RMB1,097.08 million for the first half of 2016.

## 12. Profit for the Period Attributable to Ordinary Shareholders of the Company

Profit for the period attributable to ordinary shareholders of the Company increased by 3.61% from RMB976.33 million for the first half of 2015 to RMB1,011.54 million for the first half of 2016.



## III. FINANCIAL POSITION

### 1. Overview

As at 30 June 2016, total assets of the Group slightly increased and amounted to RMB48,117.63 million, total liabilities were RMB31,510.73 million and shareholders' equity reached RMB16,606.90 million, among which equity attributable to the ordinary shareholders amounted to RMB14,645.76 million.

### 2. Particulars of Assets and Liabilities

Total assets increased by 3.70% from RMB46,401.61 million as at 31 December 2015 to RMB48,117.63 million as at 30 June 2016, due to the increases in investment in construction of new projects. Total liabilities increased by 4.02% from RMB30,294.37 million as at 31 December 2015 to RMB31,510.73 million as at 30 June 2016, due to the increases in construction loan of projects and payables for equipment and engineering. Total equity increased by 3.10% from RMB16,107.24 million as at 31 December 2015 to RMB16,606.90 million as at 30 June 2016. Equity attributable to ordinary shareholders of the Company increased by 3.89% from RMB14,096.90 million as at 31 December 2015 to RMB14,645.76 million as at 30 June 2016, due to the accretion from business results in the first half year of 2016.

### 3. Liquidity

As at 30 June 2016, current assets amounted to RMB7,241.77 million, including cash of RMB3,291.32 million, bills and account receivables of RMB2,652.77 million (mainly comprising receivables from sales of electricity), and prepayment and other current assets of RMB1,297.68 million (mainly comprising deductible value-added tax and other account receivables). Current liabilities amounted to RMB16,233.09 million, including short-term borrowings of RMB4,619.78 million, short-term debentures of RMB6,000.00 million and bills and account payables of RMB4,363.42 million (mainly comprising payables for gas, payables for construction projects and purchase of equipment). Other current liabilities amounted to RMB1,249.89 million, mainly including income tax payable and amounts due to related parties.

Net current liabilities increased by 25.97% from RMB7,137.45 million as at 31 December 2015 to RMB8,991.32 million as at 30 June 2016. Current ratio decreased by 5.09% from 49.70% as at 31 December 2015 to 44.61% as at 30 June 2016, due to an increase in payables for equipment and engineering and short-term borrowings.

### 4. Net Gearing Ratio

Net gearing ratio, calculated by dividing net debts (total borrowings minus cash and cash equivalents) by the sum of net debts and total equity, decreased by 1.83% from 58.84% as at 31 December 2015 to 57.01% as at 30 June 2016, due to an increase in monetary capital.

The Group's long-term and short-term borrowings increased by 0.69% from RMB25,143.90 million as at 31 December 2015 to RMB25,317.31 million as at 30 June 2016, including short-term borrowings of RMB4,619.78 million, short-term debentures of RMB6,000.00 million, long-term borrowings of RMB12,505.01 million and corporate bonds of RMB2,192.52 million.



Bank balances and cash held by the Group increased by 55.64% from RMB2,114.67 million as at 31 December 2015 to RMB3,291.32 million as at 30 June 2016, due to an increase in funds for construction and receipt of government grants and subsidies related to clean energy production.

### IV. OTHER SIGNIFICANT EVENTS

#### 1. Financing

On 26 January 2016, the Group completed the issuance of the first tranche of super-short-term debentures of 270 days, amounting to RMB1 billion with an interest rate of 2.97%. On 23 February 2016, the Group completed the issuance of the second tranche of super-short-term debentures of 270 days, amounting to RMB1 billion with an interest rate of 2.70%. On 9 May 2016, the Group completed the issuance of the third tranche of super-short-term debentures of 270 days, amounting to RMB1 billion with an interest rate of 3.02%. On 16 June 2016, the Group completed the issuance of the fourth tranche of super short-term debentures of 270 days, amounting to RMB1 billion with an interest rate of 3.08%.

#### 2. Capital Expenditure

In the first half of 2016, the Group's capital expenditure amounted to RMB1,975.23 million, including RMB186.89 million incurred for construction projects in the gas-fired power and heat energy generation segment, RMB667.22 million incurred for construction projects in the wind power segment and RMB1,121.12 million incurred for construction projects in the photovoltaic power segment.

#### 3. Material Acquisition and Disposal

In the first half of 2016, the Company did not have material acquisition or disposal.

#### 4. Significant Investment

According to the development plan of the Group, the Group established Xuwen Jingneng New Energy Co., Limited (徐聞京能新能源有限公司) as a wholly-owned subsidiary in 2016 to carry out the construction of photovoltaic power projects.

#### 5. Contingent Liabilities

As of 30 June 2016, the Group had no external guarantees.

#### 6. Mortgage of Assets

As of 30 June 2016, the Group's bank borrowings were secured by trade receivables of RMB123.47 million and fixed assets of RMB1,236.46 million.





### V. BUSINESS PROSPECT FOR THE SECOND HALF OF THE YEAR

The Group will make the most of the state's supporting policies for clean energy and expand its principle businesses by firmly adhering to the principle of "expanding gas-fired power, strengthening wind power, optimizing photovoltaic power, integrating hydropower and achieving breakthrough in waste-to-power", and make proper planning and arrangement for the "13th Five-year Plan".

#### 1. Adhering to "focusing on Beijing market" and "constructing refined projects" and accurately grasping the strategic positioning as a state-owned enterprise in the capital

The Group will take full advantage of being a local state-owned enterprise, strive to acquire development projects in Beijing and efficiently operate proposed development projects. It will actively file the 198 MW project of Guanting Wind Farm Phase V to VIII for approval and vigorously promote the preliminary work of Yizhuang South Expansion Zone 120MW and Changping Technological Business District (TBD) 180 MW regional energy projects.

#### 2. Consolidating the advantages in existing project and continuing to expand domestic and overseas markets

The Group will "expand gas-fired power" in spatial layout by centering on key cities such as Beijing, moderately developing centralized power generation by natural gas, and developing distributed generation in accordance with specific local conditions; the Group will optimize photovoltaic power focusing on areas like Qinghai, Inner Mongolia, Hebei, Xinjiang, Ningxia and Gansu by formulating the project layout in advance in light of the construction of UHV delivery passage and making full use of relevant national incentive policy and opportunities in UHV power transmission; the Group will duly develop solar-thermal projects and implement preliminary work relating to solar-thermal projects in Delingha City of Qinghai Province, Ili City of Xinjiang Province, Zhangjiakou City of Hebei Province and Zhongning City of Ningxia Province, so as to prepare for filling of the phase II for national demonstration. The Group will make good use of the existing resources in Australia and actively expand the Australian energy market. The planned aggregate installed capacity for the peak sharing gas project planned to develop in Queensland is 360 MW.

#### 3. Enhancing infrastructure construction of enterprise and improving standardized management

The Group will continue to improve all-around benchmark management, further implement the requirements for standardized management and strengthen the editing, revision, promotion and implementation of the management standard. The Group will intensify training to improve the management of safe production involving all staff, earnestly carry out the safe production responsibility system at all levels, strengthen the implementation of the administrative regulations, give play to the safeguarding role of the system and strive to reduce risks of management and control. The Group will strictly implement defect management system, investigate and check potential hazards in a timely manner, strengthen supervision, improve comprehensive governance, operation and management of equipment and improve the sound operation of equipment. The Group will operate by law and standardize contract management so as to effectively prevent and avoid legal risks, and effective measures will be taken to strictly control costs and expenses.



### COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company, being listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), consistently commits to retain high level of corporate governance, and complied throughout the six months ended 30 June 2016 with all the code provisions stated in the Corporate Governance Code as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

### COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS

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

### 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 six months ended 30 June 2016.

### LOAN AGREEMENTS OR FINANCIAL ASSISTANCE OF THE COMPANY

The Company did not provide any financial assistance nor guarantee to its affiliated companies for the six months ended 30 June 2016, 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 six months ended 30 June 2016.

### AUDIT COMMITTEE

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

The Audit Committee of the Company has reviewed the Group's 2016 interim results announcement, interim report and the unaudited financial statements for the six months ended 30 June 2016 prepared in accordance with the IFRSs.



## CORPORATE GOVERNANCE AND OTHER INFORMATION

### SHARE CAPITAL

As of 30 June 2016, the total share capital of the Company was RMB6,870,423,454, divided into 6,870,423,454 shares of RMB1.00 each. Details of movements in the share capital of the Company during the six months ended 30 June 2016 are set out in note 21 to the Financial Statements.

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

As at 30 June 2016, no director, supervisor or member of the senior management of the Company had any interest or short position in the shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2016, to the knowledge of the directors of the Company, the persons (other than a director, supervisor or member of the senior management of the Company) who have an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of shareholders	Types of Shares	Capacity	Number of shares/ underlying shares held (share)	Percentage of relevant class of share capital (%)	Percentage of total share capital (%)
BEH (note 1)	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



## CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of shareholders	Types of Shares	Capacity	Number of shares/ underlying shares held (share)	Percentage of relevant class of share capital (%)	Percentage of total share capital (%)
Beijing Enterprises 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
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	140,070,000 (L)	5.94	2.04
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	137,008,923 (L)	5.81	1.99
Chen Li	H share	Interest of a controlled corporation	137,008,923 (L)	5.81	1.99
Norges Banks	H share	Beneficial interest	185,561,308 (L)	7.87	2.70
Central Huijun Investment Ltd.	H share	Interest of a controlled corporation	237,482,000 (L)	10.07	3.46
China Reinsurance (Group) Corporation	H share	Beneficial interest and interest of a controlled corporation	237,482,000 (L)	10.07	3.46
Citigroup Inc.	H share	Security interest in shares, interest of a controlled corporation and custodian corporation / approved lending agent	152,006,070 (L) 142,152,073 (P)	6.44 6.02	2.21 2.06

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

(1) Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司) (“BEH”), the Company’s controlling shareholder, changed its name from Beijing Energy Investment Holding Co., Ltd. (北京能源投資(集團)有限公司) on 11 March 2016 due to merger and acquisition.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2016.

### INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2016.

### CHANGE IN DIRECTORS' INFORMATION

On 14 January 2016, the Board received Lu Haijun's resignation letter and Lu Haijun has ceased to be a Director, chairman of the Board and member and chairman of Strategy Committee of the Board. For further details, please refer to the announcement of the Company dated 15 January 2016.

On 23 June 2016, following the approval by the Shareholders at the annual general meeting, Mr. Zhu Yan has been appointed as a non-executive Director, the chairman of the Board, chairman of the Strategy Committee and a member of the Remuneration and Nomination Committee of the Board; Mr. Li Dawei was appointed as a non-executive Director and a member of Strategy Committee of the Board; Mr. Zhu Baocheng was appointed as a non-executive Director, a member of the Audit Committee and a member of the Strategy Committee of the Board; and Mr. Han Xiaoping was appointed as a member of the Remuneration and Nomination Committee of the Board. On 23 June 2016, due to other work commitment, Mr. Liu Guochen resigned as a non-executive Director, a member of the Audit Committee and a member of the Strategy Committee of the Board; Mr. Xu Jingfu resigned as a non-executive Director and a member of Strategy Committee of the Board. For further details, please refer to the announcements of the Company dated 29 March 2016, 6 May 2016 and 23 June 2016.

Save as disclosed herein, as of 30 June 2016, there has been no change in the directors' information of the Company.

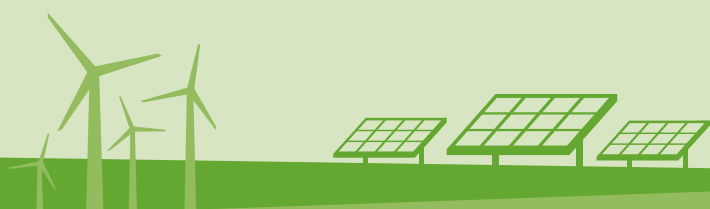


# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016  
(Amount expressed in thousands of RMB unless otherwise stated)

	Notes	For the six months ended 30 June (Unaudited)	
		2016 RMB'000	2015 RMB'000
Revenue	3	<b>6,738,867</b>	6,204,052
Other income	4	<b>608,777</b>	1,467,208
Gas consumption		<b>(3,916,960)</b>	(4,439,810)
Depreciation and amortization	8	<b>(918,832)</b>	(883,217)
Personnel costs		<b>(229,985)</b>	(207,785)
Repairs and maintenance		<b>(171,580)</b>	(181,088)
Other expenses		<b>(236,012)</b>	(261,268)
Other gains and losses	5	<b>(82,387)</b>	82,308
Profit from operations		<b>1,791,888</b>	1,780,400
Interest income	6	<b>10,528</b>	37,428
Finance costs	6	<b>(486,335)</b>	(668,181)
Share of results of associates		<b>84,025</b>	159,371
Share of results of a joint venture		<b>-</b>	(400)
Profit before taxation		<b>1,400,106</b>	1,308,618
Income tax expense	7	<b>(303,022)</b>	(274,549)
Profit for the period	8	<b>1,097,084</b>	1,034,069
Profit for the period attributable to:			
– Ordinary shareholders of the Company		<b>1,011,538</b>	976,331
– Holders of perpetual notes		<b>38,301</b>	-
– Non-controlling interests		<b>47,245</b>	57,738
		<b>1,097,084</b>	1,034,069

		For the six months ended 30 June (Unaudited)	
		2016 RMB (cents)	2015 RMB (cents)
Earnings per share			
Basic and diluted	10	<b>14.72</b>	14.21



## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016

(Amount expressed in thousands of RMB unless otherwise stated)

	Notes	For the six months ended 30 June (Unaudited)	
		2016 RMB'000	2015 RMB'000
Profit for the period	8	<b>1,097,084</b>	1,034,069
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations:			
Exchange differences arising during the period		<b>24,914</b>	(27,770)
Cash flow hedges:			
(Loss) gain during the period		<b>(19,963)</b>	2,736
Income tax relating to projects that may be reclassified subsequently to profit or loss		<b>5,989</b>	(821)
Other comprehensive expense for the period (net of income tax)		<b>10,940</b>	(25,855)
Profit and total comprehensive income for the period		<b>1,108,024</b>	1,008,214
Profit and total comprehensive income for the period attributable to:			
– Ordinary shareholders of the Company		<b>1,018,106</b>	957,736
– Holders of perpetual notes		<b>38,301</b>	–
– Non-controlling interests		<b>51,617</b>	50,478
		<b>1,108,024</b>	1,008,214

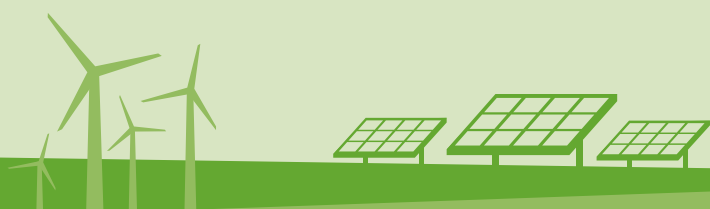


# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2016

(Amount expressed in thousands of RMB unless otherwise stated)

	Notes	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	11	32,274,379	30,858,075
Intangible assets	12	4,065,547	4,153,766
Goodwill		190,049	190,049
Prepaid lease payments		188,110	159,832
Investments in associates		2,164,578	2,080,553
Loans to associates		148,000	150,000
Investments in a joint venture		80,471	80,471
Deferred tax assets	13	271,080	185,011
Derivative financial assets		86,423	85,049
Available-for-sale financial assets		128,028	128,028
Value-added tax recoverable		562,498	486,427
Deposit paid for acquisition of property, plant and equipment		716,694	792,560
		<b>40,875,857</b>	39,349,821
<b>Current assets</b>			
Inventories		137,513	134,170
Trade and bill receivables	14	2,652,773	2,994,101
Other receivables, deposits and prepayments		375,784	422,638
Current tax assets		13,179	18,491
Amounts due from related parties	24(b)	11,798	393,599
Prepaid lease payments		5,006	4,383
Value-added tax recoverable		414,078	525,647
Financial assets held for trading		256,298	338,873
Restricted bank deposits		84,020	105,215
Cash and cash equivalents	15	3,291,322	2,114,669
		<b>7,241,771</b>	7,051,786





# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2016

(Amount expressed in thousands of RMB unless otherwise stated)

	Notes	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
<b>Current liabilities</b>			
Trade and other payables	16	4,363,415	3,807,239
Amounts due to related parties	24(c)	433,723	224,398
Bank and other borrowings			
– due within one year	17	4,619,780	3,557,535
Short-term debentures	18	6,000,000	6,000,000
Income tax payable		106,942	205,547
Deferred income – current portion		709,231	394,515
		<b>16,233,091</b>	14,189,234
<b>Net current liabilities</b>			
		<b>(8,991,320)</b>	(7,137,448)
<b>Total assets less current liabilities</b>			
		<b>31,884,537</b>	32,212,373
<b>Non-current liabilities</b>			
Derivative financial liabilities		22,443	3,542
Bank and other borrowings			
– due after one year	17	12,505,013	13,396,508
Corporate bonds	19	2,192,516	2,189,854
Deferred tax liabilities	13	95,020	98,418
Deferred income		419,063	372,541
Other non-current liabilities		43,579	44,266
		<b>15,277,634</b>	16,105,129
<b>Net assets</b>			
		<b>16,606,903</b>	16,107,244
<b>Capital and reserves</b>			
Share capital	21	6,870,423	6,870,423
Reserves		7,775,336	7,226,480
<b>Equity attributable to ordinary shareholders of the Company</b>			
		<b>14,645,759</b>	14,096,903
Perpetual notes	20	1,489,033	1,527,982
Non-controlling interests		472,111	482,359
<b>Total equity</b>			
		<b>16,606,903</b>	16,107,244



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

For the six months ended 30 June 2016

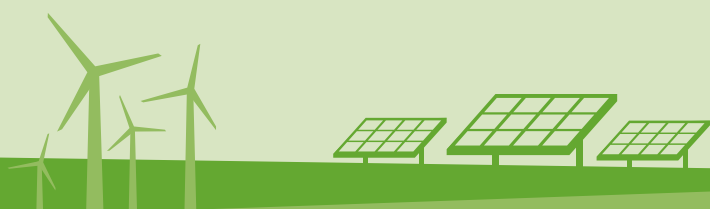
(Amount expressed in thousands of RMB unless otherwise stated)

	Attributable to equity owners of the Company							Attributable to non-controlling interests		Total equity RMB'000	
	Share capital RMB'000 (Note 21)	Capital reserve RMB'000	Statutory surplus reserve RMB'000 (Note a)	Other reserves RMB'000	Cash flow hedging reserve RMB'000	Currency translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000	Perpetual bonds RMB'000 (Note 20)		
Unaudited											
At 1 January 2016	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
Capital contribution in a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	-	8,132	8,132
Dividend declared (Note 9)	-	-	-	-	-	-	(469,250)	(469,250)	(77,250)	(69,997)	(616,497)
Profit for the period	6,870,423	2,303,646	1,127,298	3,914	(1,858)	(98,657)	3,422,887	13,627,653	1,450,732	420,494	15,498,879
Total comprehensive income for the period	-	-	-	-	-	-	1,011,538	1,011,538	38,301	47,245	1,097,084
	-	-	-	-	(10,480)	17,048	-	6,568	-	4,372	10,940
As at 30 June 2016	6,870,423	2,303,646	1,127,298	3,914	(12,338)	(81,609)	4,434,425	14,645,759	1,489,033	472,111	16,606,903

	Attributable to equity owners of the Company							Attributable to non-controlling interests		Total equity RMB'000	
	Share capital RMB'000 (Note 21)	Capital reserve RMB'000	Statutory surplus reserve RMB'000 (Note a)	Other reserves RMB'000	Cash flow hedging reserve RMB'000	Currency translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000	Perpetual bonds RMB'000 (Note 20)		
Unaudited											
At 1 January 2015	6,870,423	2,303,646	814,162	3,914	(5,893)	(70,290)	2,583,875	12,499,837	-	441,933	12,941,770
Issue of perpetual bonds, net of issuance costs	-	-	-	-	-	-	-	-	1,486,500	-	1,486,500
Capital contribution in a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	-	4,000	4,000
Dividend declared (Note 9)	-	-	-	-	-	-	(289,245)	(289,245)	-	(69,537)	(358,782)
Profit for the period	6,870,423	2,303,646	814,162	3,914	(5,893)	(70,290)	2,294,630	12,210,592	1,486,500	376,396	14,073,488
Total comprehensive income for the period	-	-	-	-	-	-	976,331	976,331	-	57,738	1,034,069
	-	-	-	-	1,436	(20,031)	-	(18,595)	-	(7,260)	(25,855)
As at 30 June 2015	6,870,423	2,303,646	814,162	3,914	(4,457)	(90,321)	3,270,961	13,168,328	1,486,500	426,874	15,081,702

Note:

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



## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2016

(Amount expressed in thousands of RMB unless otherwise stated)

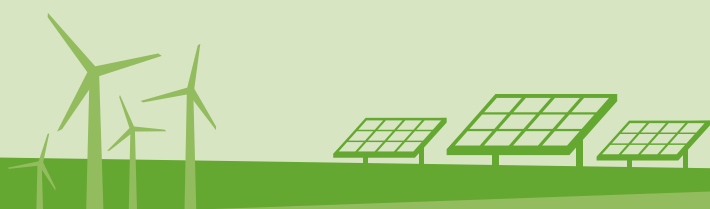
	Notes	Six months ended 30 June (Unaudited)	
		2016 RMB'000	2015 RMB'000
<b>Operating activities</b>			
Profit before taxation		<b>1,400,106</b>	1,308,618
Adjustments for:			
Depreciation and amortization	8	<b>918,832</b>	883,217
Loss (gain) arising on change in fair value of held for trading financial asset	5	<b>88,009</b>	(72,094)
Loss on change in fair value of derivative financial assets	5	<b>2,541</b>	–
Impairment (gains) losses on doubtful debt receivables	5	<b>(391)</b>	754
Loss on disposal of property, plant and equipment	5	<b>579</b>	592
Share of results of associates		<b>(84,025)</b>	(159,371)
Share of results of a joint venture		<b>–</b>	400
Interest income	6	<b>(10,528)</b>	(37,428)
Finance costs	6	<b>486,335</b>	668,181
Prepaid lease payments released to profit or loss		<b>1,911</b>	2,089
Deferred income released to profit or loss		<b>(519,949)</b>	(3,816)
<b>Operating cash flows before movements in working capital</b>		<b>2,283,420</b>	2,591,142
Movements in working capital			
Increase in inventories		<b>(3,343)</b>	(6,135)
Decrease in trade and bill receivables		<b>340,937</b>	1,325,896
Decrease in amounts due from related parties		<b>385,028</b>	254,896
Decrease in other receivables, deposits and prepayments		<b>46,821</b>	18,541
(Decrease)increase in trade and other payables		<b>(36,773)</b>	996,172
Decrease in amounts due to related parties		<b>(92,116)</b>	(23,144)
Increase in deferred income		<b>826,226</b>	534,846
<b>Cash generated from operation</b>		<b>3,750,200</b>	5,692,214
Income tax paid		<b>(479,793)</b>	(331,133)
<b>Net cash generated from operating activities</b>		<b>3,270,407</b>	5,361,081



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2016  
(Amount expressed in thousands of RMB unless otherwise stated)

	Notes	Six months ended 30 June (Unaudited)	
		2016 RMB'000	2015 RMB'000
<b>Investing activities</b>			
Interest received		10,562	29,533
Repayment of loans by associates		150,000	–
Cash advanced to associates		(148,000)	–
Cash inflow on disposal of subsidiary		–	11,200
Payment to acquisition of:			
– Property, plant and equipment		(1,637,408)	(2,080,792)
– Intangible assets		(939)	(3,198)
Prepaid lease payments on land use rights		(30,812)	(23,307)
Proceeds on disposals of:			
– Property, plant and equipment		19	206
Deposit of restricted bank deposits		21,195	78,152
<b>Net cash used in investing activities</b>		<b>(1,635,383)</b>	<b>(1,988,206)</b>
<b>Financing activities</b>			
Interest paid		(617,103)	(860,989)
Issue of perpetual bonds		–	1,486,500
Capital contribution made by minority shareholders of subsidiary		8,132	4,000
New bank and other borrowings raised		4,461,859	4,471,469
Repayments of bank and other borrowing		(4,311,947)	(7,920,948)
Proceeds from issuance of short-term debentures		4,000,000	4,500,000
Issuance cost for short-term debenture		(6,750)	(9,000)
Repayment of short-term debentures		(4,000,000)	(1,800,000)
Repayment of medium-term notes		–	(1,000,000)
Repayment of corporate bond		–	(2,400,000)
Dividends paid to:			
– Non-controlling shareholders of subsidiaries		–	(39,312)
<b>Net cash generated from financing activities</b>		<b>(465,809)</b>	<b>(3,568,280)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>1,169,215</b>	<b>(195,405)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>2,114,669</b>	<b>4,206,827</b>
<b>Effect of foreign exchange rate changes</b>		<b>7,438</b>	<b>(12,981)</b>
<b>Cash and cash equivalents at the end of the period</b>	15	<b>3,291,322</b>	<b>3,998,441</b>



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

## 1. GENERAL AND BASIS OF PRESENTATION

In preparing the consolidated financial statements, the directors have given careful consideration of the Group's net current liabilities of RMB8,991,320,000 as at 30 June 2016. Taking into consideration of the unutilized banking facilities available to the Group and the Group's cash inflows generated from operating activities, the directors are satisfied that the Group will be able to meet in full its financial obligations as they fall due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

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

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

## 2. PRINCIPAL ACCOUNTING POLICIES

Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to IAS 1	Disclosure Initiative
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle
Amendments to IAS 27	Equity Method in Separate Financial Statements

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.

## 3. REVENUE

An analysis of the Group's revenue is as follows

	Six months ended 30 June (Unaudited)	
	2016 RMB'000	2015 RMB'000
Sales of goods:		
– Electricity	5,931,312	5,573,671
– Heat energy	805,757	628,887
Service income (Note)	1,798	1,494
	<b>6,738,867</b>	6,204,052

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



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

## 4. OTHER INCOME

	Six months ended 30 June (Unaudited)	
	2016 RMB'000	2015 RMB'000
Government grants and subsidies related to		
– Clean energy production (Note (a))	516,133	1,418,009
– Construction of assets (Note (b))	3,816	1,316
Income from CERs and VERs	59,005	15,611
Value-added tax refunds (Note (c))	26,815	15,206
Others	3,008	14,566
	<b>608,777</b>	1,467,208

Notes:

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

## 5. OTHER GAINS AND LOSSES

	Six months ended 30 June (Unaudited)	
	2016 RMB'000	2015 RMB'000
Other gains (losses) comprise:		
Impairment gains (loss) on doubtful debt receivables	391	(754)
Loss on disposal of property, plant and equipment	(579)	(592)
Net exchange gain (loss)	1,882	(2,141)
(Loss) gain arising on change in fair value of financial asset classified as held for trading	(88,009)	72,094
Loss arising from change in fair value of derivative financial assets	(2,541)	–
Gain on disposal of available-for-sale investments	–	10,700
Others	6,469	3,001
	<b>(82,387)</b>	82,308



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

### 6. INTEREST INCOME/FINANCE COSTS

	Six months ended 30 June (Unaudited)	
	2016 RMB'000	2015 RMB'000
Interest income	10,528	37,428
Interest expense	536,379	720,355
Less: Amounts capitalized in property, plant and equipment	(50,044)	(52,174)
Total finance costs	486,335	668,181
Net finance costs	475,807	630,753

### 7. INCOME TAX EXPENSE

	Six months ended 30 June (Unaudited)	
	2016 RMB'000	2015 RMB'000
Current tax:		
PRC enterprise income tax ("EIT")	386,500	388,800
Other jurisdictions	–	–
	386,500	388,800
Deferred tax (Note 13):		
Current year	(83,478)	(114,251)
Income tax expense	303,022	274,549

PRC enterprise income tax has been generally provided at the applicable enterprise income tax rate of 25% on the estimated assessable profits of the companies in the Group during the six months ended 30 June 2016.

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



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

## 7. INCOME TAX EXPENSE (Continued)

Hong Kong Profit Tax and Australia Profit Tax are calculated at 16.5% and 30%, respectively, of the estimated assessable profit. During the six months ended 30 June 2016 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.

## 8. PROFIT FOR THE PERIOD

	Six months ended 30 June (Unaudited)	
	2016 RMB'000	2015 RMB'000
Profit for the period has been arrived at after charging:		
Auditors' remuneration	684	942
Prepaid lease payments released to profit or loss	1,911	2,089
Operating lease payments in respect of land and building	6,466	6,337
Depreciation and amortization:		
Depreciation of property, plant and equipment	818,191	780,915
Amortization of intangible assets	100,641	102,302
Total depreciation and amortization	918,832	883,217

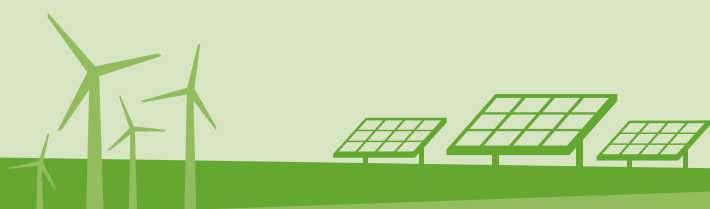
## 9. DIVIDENDS

- (a) On 23 June 2016, a dividend in the total amount of approximately RMB469,250,000 was declared by the Company.
- (b) The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: nil).

## 10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders of the Company for the six months ended 30 June 2016 of RMB1,011,538,000 (six months ended 30 June 2015: RMB976,331,000) and the weighted average number of shares in issue during the six months ended 30 June 2016 of 6,870,423,000 (six months ended 30 June 2015: 6,870,423,000).

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





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

## 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, the Group acquired items of property, plant and equipment of approximately RMB2,235,426,000 (six months ended 30 June 2015: approximately RMB959,987,000). Items of property, plant and equipment with a net book value of approximately RMB931,000 (six months ended 30 June 2015: approximately RMB947,000) were disposed of during the six months ended 30 June 2016, resulting in a loss on disposal of approximately RMB579,000 (six months ended 30 June 2015: loss on disposal of approximately RMB592,000).

## 12. INTANGIBLE ASSETS

Intangible assets mainly represent concession right of approximately RMB2,762,139,000 (as at 31 December 2015: approximately RMB2,844,767,000), project operation right of RMB1,195,162,000 (as at 31 December 2015: approximately RMB1,208,563,000), and software of approximately RMB108,246,000 (as at 31 December 2015: approximately RMB100,436,000).

## 13. DEFERRED TAXATION

The following is the Group's major deferred tax assets (liabilities) recognized and movements thereon during the six months ended 30 June 2016:

	Tax loss	Impairment on doubtful receivables	Temporary differences on fair value adjustments in acquisition of subsidiaries	Trial run profit	Deferred Income related to clean energy production	Acceleration depreciation	Trial run loss	Held for sale financial asset	Derivative financial liabilities	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Note a)	(Note b)		(Note a)				
As at 1 January 2016	49,120	2,906	(17,110)	49,873	93,547	(32,482)	(67,124)	(2,794)	1,063	9,594	86,593
(Charge) credit to profit or loss (Note 7)	2,055	(59)	433	6,881	74,721	(8,390)	2,354	15,186	-	(9,703)	83,478
(Charge) credit comprehensive income	-	-	-	-	-	-	-	-	5,989	-	5,989
As at 30 June 2016	51,175	2,847	(16,677)	56,754	168,268	(40,872)	(64,770)	12,392	7,052	(109)	176,060



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

## 13. DEFERRED TAXATION (Continued)

Note:

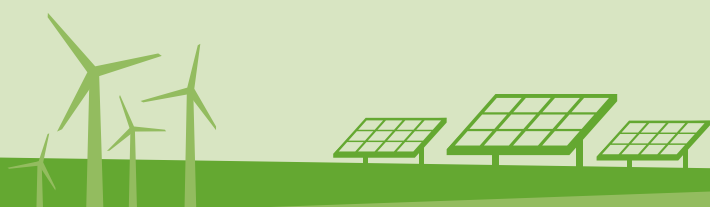
- (a) The revenue and cost generated from trial run of property, plant and equipment were credited or charged respectively to property, plant and equipment but the trial run profit is subject to PRC enterprise income tax and resulted in a temporary difference. The trial run profit/(loss) resulted in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

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

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Deferred tax assets	<b>271,080</b>	185,011
Deferred tax liabilities	<b>(95,020)</b>	(98,418)
	<b>176,060</b>	86,593

## 14. TRADE AND BILL RECEIVABLES

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Trade receivables	<b>2,550,023</b>	2,914,815
Bill receivables	<b>104,936</b>	81,863
	<b>2,654,959</b>	2,996,678
Less: allowance for doubtful receivables	<b>2,186</b>	2,577
	<b>2,652,773</b>	2,994,101



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

### 14. TRADE AND BILL RECEIVABLES (Continued)

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

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Within 60 days	1,098,124	1,729,396
61 to 365 days	709,922	717,475
1 to 2 years	461,158	363,584
2 to 3 years	263,948	145,996
Over 3 years	119,621	37,650
	<b>2,652,773</b>	2,994,101

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

	For the six months ended 30 June 2016 RMB'000 (Unaudited)	For the year ended 31 December 2015 RMB'000 (Audited)
At the beginning of the year/period	2,577	1,623
Provision during the year/period	-	1,027
Reversed during the year/period	(391)	(73)
At the end of the year/period	<b>2,186</b>	2,577



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

### 15. CASH AND CASH EQUIVALENTS

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

The Group had deposits of approximately RMB865,000,000 placed with 京能集團財務有限公司 (BEH Finance Co., Ltd., English name for identification purpose) ("**BEH Finance**"), a non-bank financial institution approved by China Banking Regulatory Commission as at 30 June 2016 (as at 31 December 2015: approximately RMB247,955,000). Such deposits were short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, accordingly, the balances as at 30 June 2016 have been regarded as cash and cash equivalents.

### 16. TRADE AND OTHER PAYABLES

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Trade payables	3,354,729	3,221,896
Bills payable	384,783	112,773
Advance received from customers	60,290	59,747
Salary and staff welfares	51,964	66,912
Non-income tax related tax payables	32,337	73,527
Accrued interests payable	115,875	168,828
Dividends payables	281,145	34,769
Other payables	82,292	68,787
	<b>4,363,415</b>	3,807,239

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

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Within 30 days	546,839	1,308,615
31 to 365 days	1,364,121	675,731
1 to 2 years	1,060,251	757,846
2 to 3 years	276,229	383,749
Over 3 years	107,289	95,955
	<b>3,354,729</b>	3,221,896

Trade payables over one year are mainly retention payables.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

## 17. BANK AND OTHER BORROWINGS

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Bank loans	<b>10,754,793</b>	10,704,224
Other borrowings from		
– a related non-bank financial institution (Note (a))	<b>1,601,000</b>	1,199,000
– a fellow subsidiary (Note (b))	<b>100,000</b>	100,000
– other non-related entities	<b>4,166,000</b>	4,388,419
– BEH	<b>503,000</b>	562,400
	<b>17,124,793</b>	16,954,043
Represented by:		
– Unsecured borrowings	<b>14,694,075</b>	14,516,600
– Secured borrowings	<b>2,430,718</b>	2,437,443
	<b>17,124,793</b>	16,954,043
Bank and other borrowings repayable:		
– Within one year	<b>4,619,780</b>	3,557,535
– More than one year but not exceeding two years	<b>4,393,284</b>	5,447,089
– More than two years but not exceeding three years	<b>1,387,169</b>	1,375,217
– More than three years but not exceeding five years	<b>3,348,983</b>	2,303,200
– More than five years	<b>3,375,577</b>	4,271,002
	<b>17,124,793</b>	16,954,043
Less: Amount due within one year shown under current liabilities	<b>4,619,780</b>	3,557,535
Amount due after one year	<b>12,505,013</b>	13,396,508

### Notes:

- (a) Other borrowings from a related non-bank financial institution represented loans from BEH Finance and 深圳京能融資租賃有限公司 (Shenzhen Jingneng Finance Lease Limited, English name for identification purpose) ("Jingneng Lease"), a subsidiary of BEH.
- (i) As at 30 June 2016, the loans from BEH Finance amounting to RMB1,206,000,000 were unsecured, carried interest at rates which are no higher than 10% of the prevailing interest rates promulgated by the People's Bank of China ("PBOC") and variable by reference to the interest rates promulgated by PBOC. The interest expenses attributed to the above loans from BEH Finance were RMB26,362,000 for the six months ended 30 June 2016 (six months ended 30 June 2015: RMB41,267,000).
- (ii) The loan from Jingneng Lease, amounting to RMB395,000,000 were secured, carried fixed interest rates at 5.84% and 2.95% per annum, and should be fully repaid in 2017 and 2018. For six months ended 30 June 2016, interest expenses on lease loans from Jingneng Lease was RMB10,240,000 (six months ended 30 June 2015 : RMB8,777,000).



## 17. BANK AND OTHER BORROWINGS (Continued)

- (b) The amount represented the borrowings from 北京京豐熱電有限責任公司(Beijing Jingfeng Thermal Power Co., Ltd., English name for identification purpose) ("**Jingfeng Thermal**"), and 北京京西發電有限責任公司(Beijing Jingxi Power Generation Co., Ltd., English name for identification purpose) ("**Jingxi Power**"), fellow subsidiaries of the Company. As at 30 June 2016, the borrowing from Jingfeng Thermal was an entrusted loan, carried at fixed interest rate at 4.35% and repayable within one year. As at 30 June 2016, the borrowing from Jingxi Power was an entrusted loan, carried at fixed interest rate at 4.35% and repayable within one year. The interest expenses attributed to above loans were RMB2,143,000 for the six months ended 30 June 2016 (six months ended 30 June 2015: RMB4,048,000).

During the six months ended 30 June 2016, the Group's borrowings increased RMB4,461,859,000 (six months ended 30 June 2015: RMB4,471,469,000), and repayments of borrowings of the Group were RMB4,311,947,000 (six months ended 30 June 2015: RMB7,920,948,000).

The borrowings carried at annual interest rate ranging from 1.20% to 6.14% (31 December 2015: 1.20% to 6.77%).

## 18. SHORT-TERM DEBENTURES

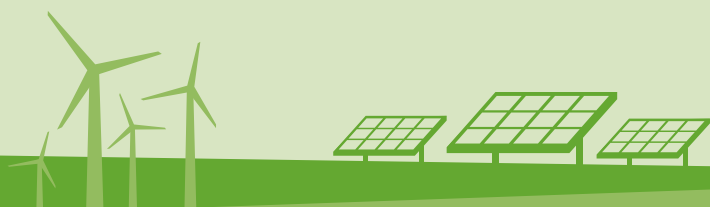
On January 26, 2016, the Company issued a short term commercial paper of RMB1,000,000,000 at par value, bearing an interest rate of 2.97% and expiring on October 23, 2016. On February 23, 2016, the Company issued RMB1,000,000,000 short term commercial paper at par value with interest rate of 2.70% and expiring on November 21, 2016. On May 9, 2016, the Company issued RMB1,000,000,000 short term commercial paper at par value with interest rate of 3.02% and expiring on February 5, 2017. On June 16, 2016, the Company issued RMB1,000,000,000 short term commercial paper at par value with interest rate of 3.08% and expiring on March 14, 2017. 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.

On July 22, 2015, the Company issued one-year unsecured short-term debentures of RMB2,000,000,000 at par value, bearing an interest rate of 3.30% and is settled on July 22, 2016.

## 19. CORPORATE BONDS

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

On 3 July 2012, the Company issued corporate bond with par value of RMB100. The corporate bonds were 5-Year product amounting to RMB1,200 million, which are repayable in July 2017, applicable interest rate are 4.60% per annum. BEH provided irrevocable guarantee with joint liability to the bonds. These bonds have been traded on Shanghai Stock Exchange since 20 July 2012. As at 30 June 2016, the fair value of the 5-Year product was RMB1,225,200,000.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

## 20. 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 are RMB1,486,500,000.

The coupon rate for the first three years up to June 8, 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) have 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.

For the six months ended 30 June 2016, the profit attributable to holders of the Perpetual Notes, based on the applicable coupon rate, was approximately RMB38,301,000.

## 21. SHARE CAPITAL

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
<b>Issued and fully paid:</b>		
Domestic ordinary shares of RMB1.00 each	4,512,359	4,512,359
H shares of RMB1.00 each	2,358,064	2,358,064
	<b>6,870,423</b>	6,870,423



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

### 22. LEASE ARRANGEMENTS

#### The Group as a lessee

As at 30 June 2016, the Group had future minimum lease payments under non-cancellable operating leases in respect of leased properties as follows:

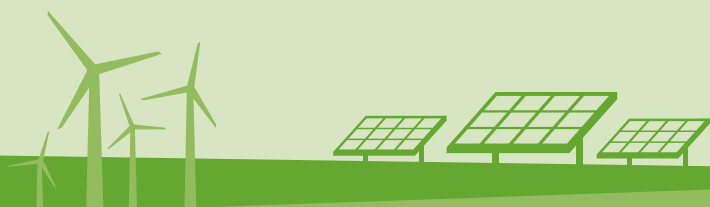
	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Within one year	40,446	17,816
In the second to fifth year inclusive	59,190	39,811
Over five years	236,973	62,427
	<b>336,609</b>	120,054

Operating lease payments represent rentals payable by the Group for certain of its operating and office premises and lands. Leases are negotiated for the term between one and twenty-two years and rentals are fixed at the date of signing of lease.

### 23. CAPITAL COMMITMENTS

The Group had the following capital commitments:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Contracted but not provided for acquisition or construction of property, plant and equipment:	<b>2,060,603</b>	2,827,552





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

## 24. RELATED PARTY BALANCES AND TRANSACTIONS

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

Name of related party	Relationship
BEH	Ultimate holding company
北京國際電氣工程有限責任公司 (Beijing International Electric Engineering Co., Ltd., English name for identification purpose) (" <b>BIEE</b> ")	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 (Jing Neng Electricity Logistic Services Co., Ltd., English name for identification purpose) (" <b>Jingneng Logistic</b> ")	Fellow subsidiary
北京市熱力集團有限責任公司 (Beijing District Heating (Group) Co., Ltd., English name for identification purpose) (" <b>BDHG</b> ")	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) (" <b>Sky-Line Resort</b> ")	Fellow subsidiary
內蒙古岱海旅遊學校 (Daihai LvYou Vocational Education Co., Ltd., English name for identification purpose) (" <b>Daihai LvYou</b> ")	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) (" <b>Yuanshen Energy</b> ")	Fellow subsidiary
北京京能源深融資租賃有限公司 (Beijing Jingneng YuanShen Financial Leasing Co., Ltd., English name for identification purpose) (" <b>YuanShen Financial Leasing</b> ")	Fellow subsidiary
北京京能電力股份有限公司 (Beijing Jingneng Power Co., Ltd., English name for identification purpose) (" <b>Jingneng Power</b> ")	Fellow subsidiary
全州柳鋪水電有限公司 (Quanzhou Liupu Hydropower Co., Ltd., English name for identification purpose)	Associate
北京市天銀地熱開發有限責任公司 (Beijing Tian Yin Di Re Development Co., Ltd., English name for identification purpose)	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
Jingneng Lease	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) (" <b>Jingneng Construction</b> ")	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
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
新疆京能哈密煤業有限公司 (Xinjiang Jingneng Hami Coal Mining Co., Ltd., English name for identification purpose)	Fellow subsidiary
內蒙古京能盛東熱電有限公司 (Inner Mongolia Jingneng Shengdong Gas-fired Power Co., Ltd., English name for identification purpose)	Fellow subsidiary
新疆京能建設投資有限公司 (Xinjiang Jingneng Construction and Investment Co., Ltd., English name for identification purpose)	Fellow subsidiary
青海京能建設投資有限公司 (Qinghai Jingneng Construction and Investment Co., Ltd., English name for identification purpose)	Fellow subsidiary



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

### 24. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (b) As at 30 June 2016, other than loans to associates and the deposit in a related non-bank financial institution as set out in Note 15, the Group has amounts receivable from the following related parties and the details are set out below:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Amounts due from:		
Associates	3,661	2,246
Fellow subsidiaries	8,137	391,353
	<b>11,798</b>	393,599
Represented by:		
Trade receivables	6,273	391,301
Non-trade receivables*	5,525	2,298
	<b>11,798</b>	393,599

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

- (c) As at 30 June 2016, except for the balances in borrowings from related non-bank financial institutions, fellow subsidiaries and BEH as set out in Note 17, the Group has amounts payable to the following related parties and the details are set out below:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Amounts due to:		
BEH	376,251	90,460
Fellow subsidiaries	57,472	133,938
	<b>433,723</b>	224,398
Represented by:		
Trade payables aged within one year by invoice date	36,446	128,562
Non-trade payables*	397,277	95,836
	<b>433,723</b>	224,398

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



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

### 24. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (d) During the six months ended 30 June 2016, the Group entered into the following significant transactions with its related parties:

Continuing transactions:

- (i) Management services from related parties

Name of related party	Six months ended 30 June (Unaudited)	
	2016	2015
	RMB'000	RMB'000
Jingxi Power	473	426
BIEE	450	9,210

- (ii) Equipment maintenance services from related parties

Name of related party	Six months ended 30 June (Unaudited)	
	2016	2015
	RMB'000	RMB'000
Jingfeng Thermal	5,846	–
BIEE	16,147	19,333
Jingneng Power	19,344	28,256
Jingneng Construction	228	–

- (iii) Conference services from related parties

Name of related party	Six months ended 30 June (Unaudited)	
	2016	2015
	RMB'000	RMB'000
Daihai LvYou	1,074	896
Sky-Line Resort	15	33



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

### 24. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(d) During the six months ended 30 June 2016, the Group entered into the following significant transactions with its related parties: (Continued)

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

Name of related party	Six months ended 30 June (Unaudited)	
	2016 RMB'000	2015 RMB'000
Jingfeng Thermal	<b>2,680</b>	2,010
YuanShen Financial Leasing	<b>138</b>	138

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

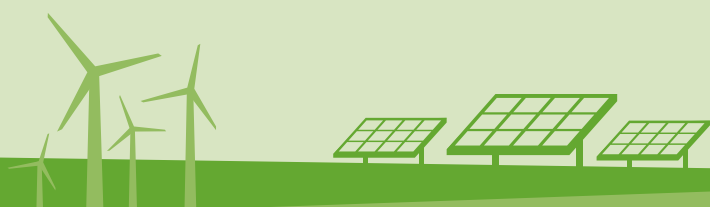
Name of related party	Six months ended 30 June (Unaudited)	
	2016 RMB'000	2015 RMB'000
BEH Finance	<b>4,968</b>	4,216

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

Name of related party	Six months ended 30 June (Unaudited)	
	2016 RMB'000	2015 RMB'000
BEH Finance	<b>7,224</b>	8,562

(vii) Property management fee charged by a related party

Name of related party	Six months ended 30 June (Unaudited)	
	2016 RMB'000	2015 RMB'000
Jingneng Logistic	<b>8,626</b>	5,235



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

### 24. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (d) During the six months ended 30 June 2016, the Group entered into the following significant transactions with its related parties: (Continued)

- (viii) Heat energy sold to a connected person

Name of related party	Six months ended 30 June (Unaudited)	
	2016 RMB'000	2015 RMB'000
BDHG	<b>757,695</b>	554,652

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

- (ix) Equipment purchase framework agreement

Name of related party	Six months ended 30 June (Unaudited)	
	2016 RMB'000	2015 RMB'000
BIEE	<b>35,303</b>	23,203
Yuanshen Energy	<b>2,660</b>	–

- (x) Framework Operating Agreement

Name of related party	Six months ended 30 June (Unaudited)	
	2016 RMB'000	2015 RMB'000
Jingxi Power	<b>7,311</b>	–

- (e) During the six months ended 30 June 2016, interest income from loans to associates of the Group amounted to approximately RMB3,453,000 (for the six months ended 30 June 2015: approximately RMB4,262,000).

- (f) During the six months ended 30 June 2016, there was no guarantee provided to related parties.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

## 25. SEGMENT INFORMATION

The Group manages its businesses by divisions. The Group has presented the following 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.
- Photovoltaic power: constructs, manages and operates photovoltaic power plants and sales of electricity generated to external customers.
- Hydropower: manages and operates hydropower 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” are shown under “Others”.

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

An analysis of the Group’s reportable segment revenue, results for the six months ended 30 June 2016, by operating segment is as follows:

	Gas-fired power and heat energy generation RMB'000	Wind power RMB'000	Photovoltaic power RMB'000	Hydropower RMB'000	Others RMB'000	Total RMB'000
<b>For the six months ended 30 June 2016 (Unaudited)</b>						
Revenue from external customers						
Sales of electricity	4,633,864	850,171	285,916	161,361	–	5,931,312
Sales of heat energy	805,757	–	–	–	–	805,757
Others	–	–	–	–	1,798	1,798
Reportable segment revenue/consolidated revenue	5,439,621	850,171	285,916	161,361	1,798	6,738,867
Reportable segment profit before depreciation and amortization (Note(i))	1,669,743	795,595	261,249	123,230	(139,097)	2,710,720
Depreciation	383,859	280,135	98,306	53,767	2,124	818,191
Amortization	2,573	83,740	88	12,194	2,046	100,641
Reportable segment profit	1,283,311	431,720	162,855	57,269	(143,267)	1,791,888



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

### 25. SEGMENT INFORMATION (Continued)

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

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

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

(i) The segment profit is arrived at after the deduction of gas consumption, depreciation and amortization, personnel costs, repair and maintenance, other expenses from revenue, and other gains and losses and other income (excluding dividend from available-for-sale financial assets).

#### (b) Geographical information

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

### 26. THE FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF THE COMPANY ON 23 AUGUST 2016.

