



Beijing Jingneng Clean Energy Co., Limited

Stock Code: 00579



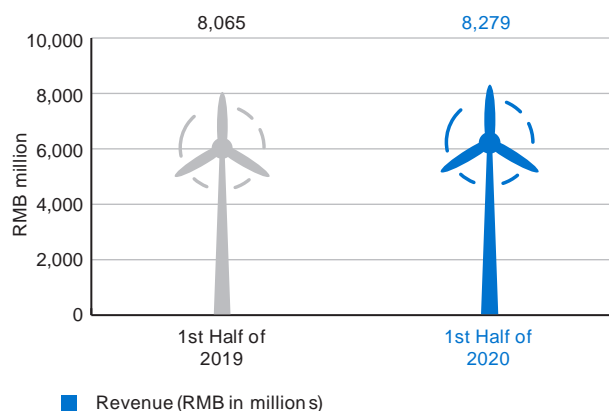
CONTENTS

Page

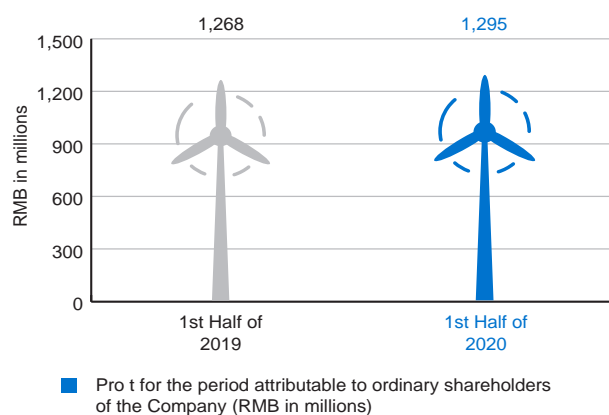
2	Financial Highlights
4	Corporate Profile
6	Management Discussion and Analysis
20	Corporate Governance and Other Information
25	Unaudited Condensed Consolidated Statement of Profit or Loss
26	Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
27	Unaudited Condensed Consolidated Statement of Financial Position
29	Unaudited Condensed Consolidated Statement of Changes in Equity
30	Unaudited Condensed Consolidated Statement of Cash Flows
32	Notes to the Condensed Consolidated Financial Statements

FINANCIAL HIGHLIGHTS

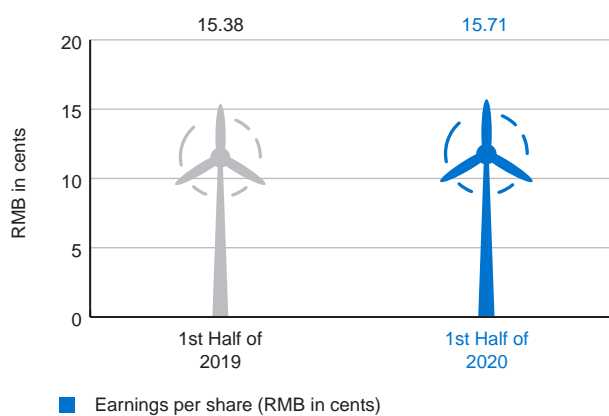
REVENUE



PROFIT FOR THE PERIOD ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY



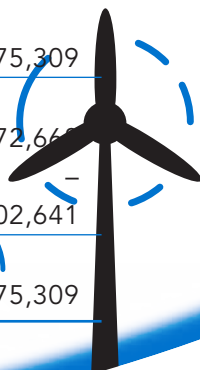
EARNINGS PER SHARE



FINANCIAL HIGHLIGHTS

	For the six months ended	
	30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	8,278,996	8,064,971
Profit before taxation	1,654,282	1,700,856
Income tax expense	(318,373)	(380,520)
Profit for the period	1,335,909	1,320,336
Profit for the period attributable to:		
Ordinary shareholders of the Company	1,295,215	1,268,270
Holders of perpetual notes	6,079	–
Non-controlling interests	34,615	52,066
Basic and diluted earnings per share (RMB cents)	15.71	15.38

	As of	As of
	30 June	31 December
	2020	2019
	RMB'000	RMB'000
Total non-current assets	51,651,147	49,542,293
Total current assets	13,977,438	10,180,866
Total assets	65,628,585	59,723,159
Total current liabilities	23,270,046	19,437,526
Total non-current liabilities	17,110,587	17,210,324
Total liabilities	40,380,633	36,647,850
Net assets	25,247,952	23,075,309
Equity attributable to equity holders of the Company	23,360,663	22,672,669
Perpetual bond	1,499,711	–
Non-controlling interests	387,578	402,641
Total Equity	25,247,952	23,075,309



CORPORATE PROFILE

REGISTERED NAME

Beijing Jingneng Clean Energy Co., Limited

DIRECTORS

Non-executive Directors

Mr. LIU Haixia (*Chairman*)
Mr. REN Qigui
Ms. LI Juan
Mr. WANG Bangyi

Executive Directors

Mr. ZHANG Fengyang (*General Manager*)
Mr. CAO Mansheng

Independent Non-executive Directors

Mr. HUANG Xiang
Mr. ZHANG Fusheng
Mr. CHAN Yin Tsung
Mr. HAN Xiaoping

STRATEGY COMMITTEE

Mr. LIU Haixia (*Chairman*)
Ms. LI Juan
Mr. WANG Bangyi
Mr. ZHANG Fengyang
Mr. CAO Mansheng

REMUNERATION AND NOMINATION COMMITTEE

Mr. HUANG Xiang (*Chairman*)
Mr. ZHANG Fusheng
Mr. HAN Xiaoping

AUDIT COMMITTEE

Mr. CHAN Yin Tsung (*Chairman*)
Ms. LI Juan
Mr. HUANG Xiang

SUPERVISORS

Mr. WANG Xiangneng
Mr. HUANG Hui
Mr. YANG Huixian

COMPANY SECRETARY

Mr. KANG Jian

AUTHORIZED REPRESENTATIVES

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

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

REGISTERED OFFICE

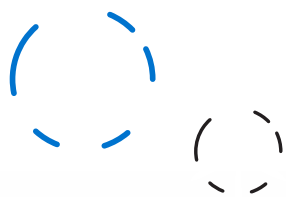
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Badaling Economic Development Zone,
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PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Chaoyang District, Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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183 Queen's Road East, Hong Kong



PRINCIPAL BANKERS

China Merchants Bank Co., Ltd (Dongzhimen Branch)
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No.46 Dongzhimen Waidajie,
Dongcheng District, Beijing, the PRC

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

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

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

INTERNATIONAL AUDITORS

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

DOMESTIC AUDITORS

Grant Thornton LLP (Special General Partnership)
5th Floor, Scitech Place,
22 Jianguomen Wai Avenue,
Chaoyang District, Beijing, the PRC

HONG KONG LEGAL ADVISORS

Freshfields Bruckhaus Deringer
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Quarry Bay, Hong Kong

PRC LEGAL ADVISORS

Tian Yuan Law Firm
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Xicheng District, Beijing, the PRC

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STOCK CODE

579

COMPANY'S WEBSITE

www.jncec.com

LISTING PLACE

The Stock Exchange of Hong Kong Limited



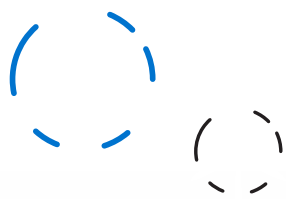
MANAGEMENT DISCUSSION AND ANALYSIS

I. REVIEW OF THE POWER INDUSTRY

In the first half of 2020, facing the difficult challenges brought by the COVID-19 epidemic and the complicated domestic and overseas environment, the economy of China improved after suffering from downturn, the economic growth rate in the second quarter changed from negative to positive, the main indicators showed restorative growth, and the economic operation recovered steadily. As affected by the epidemic and the economic recovery, the energy industry in China during the period of epidemic provided indispensable anti-epidemic contribution by guaranteeing the supply. The production continued to grow at a stable rate and the energy construction continued to move forward. According to the statistics from China Electricity Council, as of 30 June 2020, the newly-added national installed capacity was 36.95 million kW, representing a year-on-year decrease of 3.79 million kW. Among which, the capacity of thermal power generation was 16.32 million kW (of which, the capacity of coal power generation was 10.25 million kW, the capacity of gas-fired power generation was 3.46 million kW), representing a year-on-year decrease of 0.61 million kW; the capacity of wind power generation was 6.32 million kW, representing a year-on-year decrease of 2.77 million kW; the capacity of solar power generation was 10.15 million kW, representing a year-on-year decrease of 1.49 million kW; and the capacity of hydropower generation was 4.12 million kW, representing a year-on-year increase of 2.30 million kW.

In the first half of 2020, the power generation of power plants above the national scale was 3,364.5 billion kWh, representing a year-on-year decrease of 1.4%. Among which, the capacity of thermal power generation was 2,434.3 billion kWh, representing a year-on-year decrease of 1.6%; the capacity of wind power generation was 237.9 billion kWh, representing a year-on-year increase of 10.9%; the capacity of photovoltaic power generation was 127.8 billion kWh, representing a year-on-year increase of 20%; the capacity of hydropower generation was 476.9 billion kWh, representing a year-on-year decrease of 7.3%.

In the first half of 2020, the national accumulated average utilization hour of power generation equipment was 1,727 hours, representing a year-on-year decrease of 107 hours. Among which, the utilization hour of thermal power generation was 1,947 hours, representing a year-on-year decrease of 119 hours (of which, the utilization hour of coal power generation was 1,994 hours, representing a year-on-year decrease of 133 hours, and the utilization hour of gas-fired power generation was 1,196 hours, representing a year-on-year decrease of 16 hours); the utilization hour of on-grid wind power generation was 1,123 hours, representing a year-on-year decrease of 10 hours; the utilization hour of solar power generation was 663 hours, representing a year-on-year increase of 13 hours; the utilization hour of hydropower generation was 1,528 hours, representing a year-on-year decrease of 146 hours. The national discard rate of wind power generation was 3.9%, representing a year-on-year decrease of 0.8 percentage point; the discard rate of photovoltaic power generation was 2.1%, representing a year-on-year decrease of 0.3 percentage point.



II. BUSINESS REVIEW FOR THE FIRST HALF OF 2020



MANAGEMENT DISCUSSION AND ANALYSIS

3. Pushing forward project development steadily

In the first half of 2020, the Group continued to adhere to the “two-wheel drive” of independent development and project merger and acquisition, and head on the path of “intensification, regionalization, scale-up, specialization and high efficiency”. In the first half of the year, the self-developed wind power and photovoltaic projects that achieved construction indicators had a total capacity of 450 MW; the wind power and photovoltaic projects that had been carried out by various regional companies had a total capacity of more than 5 GW; there were 17 wind power and photovoltaic projects in the process of due diligence; the photovoltaic projects acquired in the first half of the year had a total capacity of 61 MW.

In the first half of the year, Zhangjiakou-Beijing renewable clean energy heat supply demonstration project, the integrated energy utilization project of the Winter Olympic Village in Yanqing Division and the Mountain Media Center and other key projects commenced construction on schedule. The Company actively promoted Ulanqab wind power base project, which has been included in the “14th Five-Year” new energy plan of Beijing. We continued to promote the preliminary work of various projects, such as Datong Green-Power-to-Beijing, the green ecological management of Xilinguole League Hunshandake Sand Land, Green-Power-to-Beijing of Huailai Pumped Storage Power Station; accelerated the progress of strategic projects of “three-energy, two-heat and one-network”; put more effort into the preliminary work of comprehensive energy service, offshore wind power, hydrogen energy, energy storage, city gas and other projects; and actively promoted the joint development of Jiangsu Yancheng 600 MW offshore wind power project with SDIC Power Holding Co., Ltd., with a view to achieving a breakthrough of developing an offshore wind power project for the Group.

4. Reducing capital costs

The Group obtained multiple funds with low interest rate in the direct financing market by taking advantage of the downward-interest-rate market conditions in the first half of 2020 and leveraging its financing strength of being a state-owned enterprise, thereby reducing overall financing costs of the Company. The Group rationally arranged the issuance time of debentures according to its overall capital requirement and the interest rate trends of bond market. The Company completed the issuance of RMB5.5 billion ultra-short-term financing debentures, RMB1.0 billion medium-term notes, RMB1.0 billion corporate bonds and RMB1.5 billion green medium-term notes. The debentures issued during the year remained at a relatively low level among similar debentures in the same period. The average interest rate of direct financing of the Group during the year reduced by approximately 61BP compared with the same period of last year. On the premise of ensuring the safety of funds, the Company made efforts to reduce financing costs.

III. OPERATING RESULTS AND ANALYSIS

1. Overview

In the first half of 2020, the Company's profitability recorded continuous improvement. Profit for the period amounted to RMB1,335.9 million, representing an increase of 1.18% as compared with RMB1,320.3 million for the first half of 2019. Profit attributable to the ordinary shareholders of the Company amounted to RMB1,295.2 million, representing an increase of 2.12% as compared with RMB1,268.3 million for the first half of 2019.

2. Operating Income

In the first half of 2020, the total operating income increased by 2.65% from RMB8,065.0 million for the first half of 2019 to RMB8,279.0 million. Adjusted total operating income decreased by 0.53% from RMB8,524.2 million for the first half of 2019 to RMB8,478.9 million for the first half of 2020, due to a decrease in value-added tax rate of the gas-fired power and heat energy generation segment, and the downward adjustment of the power price in relation to a decrease in price of gas due to the COVID-19 epidemic during the season of heat energy generation, resulting in the decrease in government grants and subsidies on clean energy production.

Gas-fired Power and Heat Energy Generation Segment

The revenue from the gas-fired power and heat energy generation segment decreased by 3.28% from RMB6,199.7 million for the first half of 2019 to RMB5,996.1 million for the first half of 2020, of which, revenue from sales of electricity decreased by 5.42% from RMB5,147.5 million for the first half of 2019 to RMB4,868.7 million for the first half of 2020, due to the decrease in sales volume of electricity of this segment. Revenue from sales of heat energy increased by 7.16% from RMB1,052.1 million for the first half of 2019 to RMB1,127.4 million for the first half of 2020, due to the increase in sales volume as a result of the extension of heating supply period.

Wind Power Segment

The revenue from wind power segment increased by 7.83% from RMB1,028.9 million for the first half of 2019 to RMB1,109.5 million for the first half of 2020, due to the increase in sales volume of electricity as a result of an increase in the average wind speed and an increase in the installed capacity in this segment.



MANAGEMENT DISCUSSION AND ANALYSIS

Photovoltaic Power Segment

The revenue from photovoltaic power segment increased by 50.01% from RMB685.7 million for the first half of 2019 to RMB1,028.6 million for the first half of 2020, due to an increase in sales volume of electricity as a result of increased installed capacity in this segment.

Hydropower Segment

The revenue from hydropower segment decreased by 4.47% from RMB149.9 million for the first half of 2019 to RMB143.2 million for the first half of 2020, due to a decrease in sales volume of electricity in this segment.

Others

Other revenue increased by 66.67% from RMB0.9 million for the first half of 2019 to RMB1.5 million for the first half of 2020.

3. Other Income

Other income decreased by 42.28% from RMB619.5 million for the first half of 2019 to RMB357.6 million for the first half of 2020 due to a decrease in value-added tax rate of the gas-fired power and heat energy generation segment, and the downward adjustment of the power price in relation to a decrease in price of gas due to the COVID-19 epidemic during the season of heat energy generation, resulting in the decrease in government grants and subsidies on clean energy production.

4. Operating Expenses

Operating expenses increased by 0.45% from RMB6,490.5 million for the first half of 2019 to RMB6,519.9 million for the first half of 2020, due to the expenditure of expenses as a result of the new projects in the wind power and photovoltaic power segment which were put into production.

Gas Consumption

Gas consumption decreased by 6.44% from RMB4,542.1 million for the first half of 2019 to RMB4,249.6 million for the first half of 2020, due to the decrease in gas consumption in gas-fired power and heat energy generation segment as a result of the downward adjustment of the gas price during the heat supply season due to the COVID-19 epidemic and the decrease in power generation volume.

Depreciation and Amortization

Depreciation and amortization increased by 11.80% from RMB1,185.5 million for the first half of 2019 to RMB1,325.4 million for the first half of 2020, due to an increase in installed capacity in the wind power segment and the photovoltaic power segment.

MANAGEMENT DISCUSSION AND ANALYSIS

Personnel Cost

Personnel cost increased by 7.12% from RMB316.2 million for the first half of 2019 to RMB338.7 million for the first half of 2020, due to the increase in the number of employees as a result of the business development of the Group and additional personnel costs expensed after the new projects which were put into production.

Repairs and Maintenance

Repairs and maintenance increased by 19.62% from RMB226.8 million for the first half of 2019 to RMB271.3 million for the first half of 2020, mainly due to an increase in maintenance costs as a result of the maintenance of certain generator units in the gas-fired power and heat energy generation segment going into overhaul period.

Other Expenses

Other Expenses principally comprise (1) external purchase of power, water and materials etc.; (2) property management, greening and fire protection fees; (3) rental expenses; (4) underwriting fees, bank commissions; (5) intermediary service fees; (6) property insurance premium; (7) other miscellaneous operating expenses.

Other expenses increased by 20.57% from RMB274.7 million for the first half of 2019 to RMB331.2 million for the first half of 2020, due to an increase in operating and management expenses as a result of the new projects which were put into production.

Other Gains and Losses

Other gains and losses decreased from a gain of RMB54.8 million for the first half of 2019 to a loss of RMB3.69 million for the first half of 2020, due to an increase in the loss on fair value change of H shares of CGN Power Co., Ltd. held by the Company.

5. Operating Profit

As a result of the above, operating profit decreased by 3.52% from RMB2,194.0 million for the first half of 2019 to RMB2,116.8 million for the first half of 2020.



8. Share of Results of Associates

Share of results of associates and joint ventures increased by 50.17% from RMB59.4 million for the first half of 2019 to RMB89.2 million for the first half of 2020, due to an increase in net profit as a result of increased sales volume of electricity from a subsidiary of Beijing Jingneng International Power Co., Ltd., an associate of the Company and increased revenue from BEH Finance Co., Ltd.

9. Profit before Taxation

As a result of the foregoing, profit before taxation decreased by 2.74% from RMB1,700.9 million for the first half of 2019 to RMB1,654.3 million for the first half of 2020.

10. Income Tax Expense

Income tax expense decreased by 16.32% from RMB380.5 million for the first half of 2019 to RMB318.4 million for the first half of 2020. Effective tax rate decreased from 22.37% for the first half of 2019 to 19.25% for the first half of 2020.

11. Profit for the Period

As a result of the foregoing, profit for the period increased by 1.18% from RMB1,320.3 million for the first half of 2019 to RMB1,335.9 million for the first half of 2020.

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 2.12% from RMB1,268.3 million for the first half of 2019 to RMB1,295.2 million for the first half of 2020.

IV. FINANCIAL POSITION

1. Overview

As of 30 June 2020, total assets of the Group amounted to RMB65,628.6 million, total liabilities amounted to RMB40,380.6 million and shareholders' equity amounted to RMB25,248.0 million, among which equity attributable to the equity holders amounted to RMB23,360.7 million.



MANAGEMENT DISCUSSION AND ANALYSIS

2. Particulars of Assets and Liabilities

Total assets increased by 9.89% from RMB59,723.2 million as at 31 December 2019 to RMB65,628.6 million as at 30 June 2020, due to an increase in investment in new projects. Total liabilities increased by 10.19% from RMB36,647.9 million as at 31 December 2019 to RMB40,380.6 million as at 30 June 2020, due to increased debt as a result of capital demand for construction of projects. Total equity of shareholders increased by 9.42% from RMB23,075.3 million as at 31 December 2019 to RMB25,248.0 million as at 30 June 2020. Equity attributable to equity holders of the Company increased by 3.03% from RMB22,672.7 million as at 31 December 2019 to RMB23,360.7 million as at 30 June 2020, due to the accretion from business results and the issuance of green medium-term notes in the first half of 2020.

3. Liquidity

As of 30 June 2020, current assets amounted to RMB13,977.4 million, including monetary capital of RMB4,741.4 million, bills and account receivables of RMB7,773.9 million (mainly comprising receivables from sales of electricity and sales of heat), and prepayment and other current assets of RMB1,462.1 million (mainly comprising deductible value-added tax and other account receivables). Current liabilities amounted to RMB23,270.0 million, including short-term borrowings of RMB9,414.6 million, short-term financing debentures of RMB7,572.6 million, medium-term notes of RMB99.3 million, corporate bonds of RMB29.5 million, bills and account payables of RMB5,008.3 million (mainly comprising payables for gas, payables for construction projects and purchase of equipment). Other current liabilities amounted to RMB1,145.7 million, mainly comprising income tax payable and amounts due to related parties.

Net current liabilities increased by 0.39% from RMB9,256.7 million as at 31 December 2019 to RMB9,292.6 million as at 30 June 2020. Current ratio increased by 7.69% from 52.38% as at 31 December 2019 to 60.07% as at 30 June 2020, due to an increase in account receivables.

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 0.06% from 52.84% as at 31 December 2019 to 52.78% as at 30 June 2020.

The Group's long-term and short-term borrowings increased by 10.19% from RMB29,915.1 million as at 31 December 2019 to RMB32,963.1 million as at 30 June 2020, including short-term borrowings of RMB9,414.6 million, short-term financing debentures of RMB7,572.6 million, medium-term notes of RMB4,588.0 million, long-term borrowings of RMB9,359.2 million and corporate bonds of RMB2,028.8 million. For details of maturity profile and interest rate of bank and other borrowings, please refer to Note 17 to the Condensed Consolidated Financial Statements.

Bank balances and cash held by the Group increased by 16.90% from RMB4,056.1 million as at 31 December 2019 to RMB4,741.4 million as at 30 June 2020.



V. HUMAN RESOURCES

The Company upholds the management philosophy of “people-oriented and pursuit of excellence”, strives to create a harmonious working environment, and strengthens efforts in building of talents team. While focusing on the development of the Company, we attach importance to staff training and employees’ benefits. The overall human resources condition of the Company in first half of 2020 is summarized as follows:

I. SUMMARY OF HUMAN RESOURCES

The Company had a total of 2,777 employees as at 30 June 2020. The age of staff tended to be young, with the proportion of employees under the age of 35 accounting for over 45%; employees are generally well educated, with the proportion of holders of Bachelor’s degrees and above degrees accounting for nearly 60% of the total staff. Please refer to the following



MANAGEMENT DISCUSSION AND ANALYSIS

II. EMPLOYEES INCENTIVES

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

III. EMPLOYEES' REMUNERATION

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

IV. EMPLOYEES' TRAINING

Talents are the source for the Company's development. The Company utilized training programs as an important tool of upgrading the level of corporate management and of enhancing the overall quality of employees. In terms of the design of training courses, the Company emphasized the probe into training needs, in a view to actively motivating all employees' initiatives, and arranged various vocational training for employees that are geared to the characteristics of requirements of each profession and position. The Company formed a set of complete system to strictly check and examine the training results in respect of training management. The Company offered a variety of training forms, and also encouraged employees to actively participate in external training to provide more opportunities for employees to communicate with and study from the outside and broaden their horizons, thus cultivating more talents for the Company.

Based on corporate characteristics and actual situations, the Company rolled out the management training program in 2020, which was designed to enhance professional efficiency and cultural literacy, showing commitment to raise the comprehensive capabilities of young and middle-aged key employees. The training program comprises post-specific professional training, new employee training and frontline technical skill training that focused on actual needs of the production business and professional skills characteristics, and improve the professional skills of technical skilled employees. The content-rich and diversified courses were attended by 100% of the staff.

V. EMPLOYEES' BENEFITS

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



VI. OTHER SIGNIFICANT EVENTS

1. Financing

On 8 January 2020, the Group completed the issuance of the first tranche RMB2,000.0 million 270-day ultra-short-term financing debentures of 2020 at an interest rate of 2.95%.

On 13 April 2020, the Group completed the issuance of the second tranche RMB2,000.0 million 270-day ultra-short-term financing debentures of 2020 at an interest rate of 1.96%.



MANAGEMENT DISCUSSION AND ANALYSIS

6. Significant Events after the Reporting Period

The Board received a letter from Beijing Energy Holding Co., Ltd. (the “**Potential Offeror**”), the controlling shareholder of the Company, on 2 July 2020 (after trading hours), indicating its intention to make a conditional voluntary cash general offer for all the H shares (the “**H Shares**”) (other than those H shares owned or agreed to be acquired by the Potential Offeror or parties acting in concert with it) in the Company (the “**Possible Offer**”), which if proceeded with, could result in a privatization and delisting of the Company from The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Please refer to the announcements of the Company dated 6 July 2020, 6 August 2020 and 4 September 2020 for further details. The Company will pay close attention to the development of the above-mentioned matters and perform its obligation on information disclosure in accordance with the relevant laws and regulations.

7. Share Option Scheme

As of 30 June 2020, the Company did not implement any share option scheme.

8. Foreign Exchange and Exchange Rate Risk

The businesses of the Group are mainly located in Mainland China, where most of its income and expenses are denominated in Renminbi. The Group has a small portion of overseas investments and loans in foreign currencies (including deposits denominated in AUD, HK dollars, US dollars, Euro, as well as borrowings in HK dollars and AUD). Changes in Renminbi exchange rates may cause exchange losses or gains to the Group’s foreign currency-denominated business.

The Group will continue to monitor exchange rates so as to cope with changes in the foreign exchange market and enhance the risk management on exchange rates by various management measures.

VII. BUSINESS PROSPECT FOR THE SECOND HALF OF 2020

In the context of the resumption of operation, production, market and business, all departments in various regions across the country earnestly implemented a series of policies and measures adopted by the central government to guarantee supply and stabilize price. At present, the power industry of China is in a crucial period of transforming its development mode and growth drivers. In the face of five new development trends of the energy industry of “low-carbon, diversification, market orientation, intelligentization and internationalization”, the Group will continue to maintain its strategic determination, strengthen confidence in development, adhere to the concept of green development, innovate development modes, focus on development priorities, optimize development paths, and persistently promote the high-quality development of clean energy business.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Guaranteeing production with multi-measures

In the second half of 2020, the Group will strictly control production and operation costs, focus on energy conservation and consumption reduction, organize and sort out the use of annual production expenses, adopt various control and cost management measures, in order to lay a solid foundation for improving profitability. We will pay consistent attention to maintain safe and stable production, meticulously maintain and enhance the reliability of equipment, commit to the mission of guaranteeing supply during the peak season in summer and the National Holiday, and make efforts to increase power supply, thereby accomplishing the mission of annual power and heat generation.

2. Focusing on promoting key projects

With the objectives of “first-class international position, Olympic characteristics, the window of Jingneng”, we will continue to focus on future development of Zhangjiakou-Beijing renewable clean energy heating demonstration project and strive to become a benchmark project of new energy in the second half of the year. Besides, an engineering system of integrated energy utilization project will be built for the Winter Olympic Village in Yanqing Division and the Mountain Media Center, to precisely fulfill our responsibility of service assurance as a green power supplier of the Olympic Games.

The Group will capture the significant strategic opportunities of constructing “Three Cities and One District” in Beijing, synergetic development in the Beijing-Tianjin-Hebei Region, Yangtze River Delta integrated development, Guangdong-Hong Kong-Macau Greater Bay Area development and rural revitalization. The Group will seek new breakthrough in development, merger and acquisition of projects and the implementation of major projects, and seek new opportunities in innovation regarding commercial mode and development mode. The Group will closely monitor the progress of market-oriented reform in natural gas, and seek the possibilities of extension towards upstream industry chains such as LNG. The Group will continue to develop Jiangsu Yancheng offshore wind power project, with a view to bringing it to implementation stage as soon as practical.

3. Improving the interior loop of the Company

In the second half of 2020, all staff of the Group will continue to learn knowledge on various aspects conscientiously, enhance management capabilities, strengthen innovation awareness, improve the level of business constantly, focus on enhancing their ability in practice, accelerate knowledge update, optimize knowledge structure, and broaden their horizons and vision, thereby building up and leverage on their strengths to promote the advantages in professional management, striving to improve the profitability of existing projects, and ensuring projects under construction are put into production on time and with high quality. Our staff will steadfastly promote the development of incremental projects and the implementation of strategic projects, adhere to new development concepts, unremittingly drive the Company to make substantial progress in the reform of state-owned enterprises, technological innovation and new business development, so as to form a positive interior loop, and consistently achieve the ultimate goal of maximizing values for shareholders.

In face of the COVID-19 epidemic outbreak since early 2020, the Group will continue to closely monitor the impact of the epidemic on the industry and will take all necessary actions to minimize the negative impact of the epidemic on the Group.



CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

As a company listed on the Stock Exchange, the Company always strives to maintain a high level of corporate governance and complied with all code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules for the six months ended 30 June 2020.

COMPLIANCE WITH MODEL CODE

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 2020.

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 2020, 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 2020.

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, Mr. CHAN Yin Tsung (independent non-executive director), Ms. LI Juan (non-executive director) and Mr. HUANG Xiang (independent non-executive director). Mr. CHAN Yin Tsung currently serves as the chairman of the Audit Committee.

The Audit Committee of the Company has reviewed the Group’s 2020 interim results and the unaudited financial statements for the six months ended 30 June 2020 prepared in accordance with the IFRSs.



CORPORATE GOVERNANCE AND OTHER INFORMATION

REGISTERED SHARE CAPITAL

As of 30 June 2020, the total registered share capital of the Company was RMB8,244,508,144, divided into 8,244,508,144 shares of RMB1.00 each, including 5,414,831,344 domestic shares and 2,829,676,800 H Shares.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2020, no director, supervisor or chief executive of the Company had any interest or short position in the shares, underlying 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 AND SHORT POSITIONS IN SHARES

As at 30 June 2020, to the knowledge of the directors of the Company, the persons (other than a director, supervisor or chief executive of the Company) who have an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO were as follows:

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

Name of shareholders	Types of Shares	Capacity	Number of shares/ underlying shares held (share)	Percentage of relevant class of share capital (%)	Percentage of total share capital (%)
BEH <i>(Note 1 and Note 2)</i>	Domestic share	Beneficial interest and interest of a controlled corporation	5,190,483,053 (L)	95.86	62.96
	H share	Interest of a controlled corporation	471,612,800 (L)	16.67	5.72
BSCOMC <i>(Note 1 and Note 2)</i>	Domestic share	Beneficial interest and interest of a controlled corporation	5,414,831,344 (L)	100.00	65.68
	H share	Interest of a controlled corporation	471,612,800 (L)	16.67	5.72
Beijing Energy Investment <i>(Note 2)</i>	H share	Beneficial interest	471,612,800 (L)	16.67	5.72
SAIF IV GP Capital Ltd. <i>(Note 3)</i>	H share	Interest of a controlled corporation	173,532,000 (L)	6.13	2.10
SAIF IV GP LP <i>(Note 3)</i>	H share	Interest of a controlled corporation	173,532,000 (L)	6.13	2.10
SAIF Partners IV L.P. <i>(Note 3)</i>	H share	Beneficial interest	173,532,000 (L)	6.13	2.10



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 (%)
Yan Andrew Y. <i>(Note 3)</i>	H share	Interest of a controlled corporation	173,532,000 (L)	6.13	2.10
Beijing Enterprises Holdings Limited <i>(Note 4)</i>	H share	Interest of a controlled corporation	196,964,000 (L)	6.96	2.39
Beijing Enterprises Energy Technology Investment Co., Limited <i>(Note 4)</i>	H share	Beneficial interest	196,964,000 (L)	6.96	2.39
Beijing Enterprises Energy Technology (Hong Kong) Co., Limited <i>(Note 4)</i>	H share	Interest of a controlled corporation	196,964,000 (L)	6.96	2.39
Central Huijin Investment Ltd. <i>(Note 5)</i>	H share	Interest of a controlled corporation	653,136,000 (L)	23.08	7.92
China Reinsurance (Group) Corporation <i>(Note 5)</i>	H share	Beneficial interest and interest of a controlled corporation	653,136,000 (L)	23.08	7.92
China Property & Casualty Reinsurance Company Ltd. <i>(Note 5)</i>	H share	Beneficial interest	196,704,000 (L)	6.95	2.39

Notes:

1. Beijing International Electric Engineering Co., Ltd. directly held 92,654,249 domestic shares of the Company. As far as the Company is aware, Beijing International Electric Engineering Co., Ltd was wholly-owned by BEH. In accordance with the SFO, BEH was deemed to be interested in 92,654,249 domestic shares held by Beijing International Electric Engineering Co., Ltd..

Beijing District Heating (Group) Co., Ltd. directly held 16,035,322 domestic shares of the Company. As far as the Company is aware, Beijing District Heating (Group) Co., Ltd. was wholly-owned by BEH. In accordance with the SFO, BEH was deemed to be interested in 16,035,322 domestic shares held by Beijing District Heating (Group) Co., Ltd..

BEH directly held 5,081,793,482 domestic shares of the Company. In accordance with the SFO, BEH had/was deemed to be interested in an aggregate of 5,190,483,053 domestic shares of the Company.

BSCOMC directly held 224,348,291 domestic shares of the Company. As far as the Company is aware, BEH was wholly-owned by BSCOMC. In accordance with the SFO, BSCOMC had/was deemed to be interested in an aggregate of 5,414,831,344 domestic shares of the Company.

2. Beijing Energy Investment directly held 471,612,800 H shares of the Company. As far as the Company is aware, Beijing Energy Investment was wholly-owned by BEH, while BEH was wholly-owned by BSCOMC. In accordance with the SFO, BEH and BSCOMC were deemed to be interested in 471,612,800 H shares held by Beijing Energy Investment.

3. SAIF Partners IV L.P. held direct interests in 173,532,000 H shares of the Company. As far as the Company is aware, SAIF Partners IV L.P. was wholly-owned by SAIF IV GP LP, while SAIF IV GP LP was wholly-owned by SAIF IV GP Capital Ltd. and SAIF IV GP Capital Ltd. was wholly-owned by Yan Andrew Y. In accordance with the SFO, SAIF IV GP LP, SAIF IV GP Capital Ltd. and Yan Andrew Y. were deemed to be interested in 173,532,000 H shares held by SAIF Partners IV L.P.

4. Beijing Enterprises Energy Technology Investment Co., Limited directly held 196,964,000 H shares of the Company. As far as the Company is aware, Beijing Enterprises Energy Technology Investment Co., Limited was wholly-owned by Beijing Enterprises Energy Technology (Hong Kong) Co., Ltd., while Beijing Enterprises Energy Technology (Hong Kong) Co., Ltd. was wholly-owned by Beijing Enterprises Holdings Limited. In accordance with the SFO, Beijing Enterprises Energy Technology (Hong Kong) Co., Ltd. and Beijing Enterprises Holdings Limited were deemed to be interested in 196,964,000 H shares held by Beijing Enterprises Energy Technology Investment Co., Limited.



CORPORATE GOVERNANCE AND OTHER INFORMATION

5. China Property & Casualty Reinsurance Company Ltd. directly held interests in 196,704,000 H shares of the Company. China Reinsurance (Group) Corporation held direct interests in 456,432,000 H shares of the Company. As far as the Company is aware, China Property & Casualty Reinsurance Company Ltd. was wholly-owned by China Reinsurance (Group) Corporation, while 71.56% interests of China Reinsurance (Group) Corporation was owned by Central Huijin Investment Ltd.. In accordance with the SFO, China Reinsurance (Group) Corporation and Central Huijin Investment Ltd. were deemed to have interests in 653,136,000 H shares of the Company.

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 2020.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2020.

CHANGE IN DIRECTORS' INFORMATION

On 31 March 2020, in order to meet the relevant requirements of the State-owned Assets Supervision and Administration Commission of the State Council on conditions precedent to implementation of equity incentives (i.e., external directors (including independent non-executive directors) must account for majority of the members of the board of directors and all the members of the remuneration committee must be external directors), Mr. LIU Haixia and Mr. ZHU Jun have resigned as members of the Remuneration and Nomination Committee.

For further details, please refer to the announcement of the Company dated 31 March 2020.

On 28 May 2020, upon approval by the shareholders at the annual general meeting, Mr. LIU Haixia, Mr. REN Qigui, Ms. LI Juan, Mr. WANG Bangyi, Mr. ZHANG Fengyang, Mr. CAO Mansheng, Mr. HUANG Xiang, Mr. ZHANG Fusheng, Mr. CHAN Yin Tsung and Mr. HAN Xiaoping, who are members of the Board in the third session, have been re-elected as members of the Board in the fourth session.

On 28 May 2020, Mr. LIU Haixia was appointed as the chairman of the Board of the Company and the chairman of the Strategy Committee of the Board; Ms. LI Juan was appointed as a member of the Audit Committee and Strategy Committee of the Board of the Company; Mr. WANG Bangyi was appointed as a member of the Strategy Committee of the Board of the Company; Mr. ZHANG Fengyang was



CORPORATE GOVERNANCE AND OTHER INFORMATION

On 28 May 2020, upon the approval by the shareholders at the annual general meeting, Mr. WANG Xiangneng and Mr. HUANG Hui, who are the Shareholder Representative Supervisors, have been re-elected as Shareholder Representative Supervisors in the fourth session of the Board of Supervisors, and Mr. WANG Xiangneng has been appointed as the chairman of the fourth session of the Board of Supervisors. The terms of office of Mr. YANG Huixian as the Employee Representative Supervisor in the fourth session of the Board of Supervisors, of the Company has also commenced from 28 May 2020.

On 28 May 2020, Ms. HUANG Linwei has resigned as an Employee Representative Supervisor due to change of work arrangement.

On 14 July 2020, the Board resolved to nominate Mr. AN Zhenyuan as an executive director of the Company. His appointment as an executive director of the Company in the fourth session of the Board is subject to approval by the shareholders of the Company at the first extraordinary general meeting of 2020.

On 14 July 2020, the Board of Supervisors resolved to nominate Mr. SUN Li as a Shareholder Representative Supervisor of the Company. His appointment as a Shareholder Representative Supervisor of the Company in the fourth session of the Board of Supervisors is subject to approval by the shareholders of the Company at the first extraordinary general meeting of 2020.

On 14 July 2020, due to other work commitment, Mr. HUANG Hui has resigned as a Shareholder Representative Supervisor of the Company. His resignation will become effective on the date of approval of the proposed appointment of the new supervisor of the Company by the shareholders of the Company at the first extraordinary general meeting of 2020.

Besides, according to the information on the website of CPC Inner Mongolia Autonomous Region Commission for Discipline Inspection (••«† 7 Ĩ è _ % p 6) and the Inner Mongolia Autonomous Region Supervisory Committee («† 7 9 À % p 6), M r. ZHANG Fusheng, an independent non-executive director of the Company, is currently under disciplinary inspection and supervisory investigation for suspected serious disciplinary violations.

For further details, please refer to the announcements of the Company dated 22 April 2020, 28 April 2020, 28 May 2020, 14 July 2020 and 27 August 2020.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2020
(Unless otherwise specified, all amounts are stated in RMB'000)

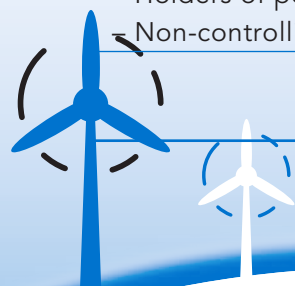
	Notes	For the six months ended 30 June	
		2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Revenue	3	8,278,996	8,064,971
Other income	4	357,646	619,504
Gas consumption		(4,249,576)	(4,542,057)
Depreciation and amortization expenses	8	(1,325,439)	(1,185,483)
Personnel costs		(338,735)	(316,183)
Repairs and maintenance		(271,259)	(226,821)
Other expenses		(331,179)	(274,688)
Other gains and losses	5	(3,694)	54,757
Profit from operations		2,116,760	2,194,000
Interest income	6	22,857	27,422
Finance cost	6	(574,537)	(579,971)
Share of results of associates		89,202	59,405
Profit before taxation		1,654,282	1,700,856
Income tax expense	7	(318,373)	(380,520)
Profit for the period	8	1,335,909	1,320,336
Profit for the period attributable to:			
– Ordinary shareholders of the Company		1,295,215	1,268,270
– Holders of perpetual notes		6,079	–
– Non-controlling interests		34,615	52,066
		1,335,909	1,320,336
Earnings per share			
Basic (RMB cents)	10	15.71	15.38

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

For the six months ended 30 June 2020

(Unless otherwise specified, all amounts are stated in RMB'000)

		For the six months ended 30 June	
		2020	2019
		RMB'000	RMB'000
	Notes	(Unaudited)	(Unaudited)
Profit for the period	8	1,335,909	1,320,336
Items that will not be reclassified to profit or loss:			
Fair value gain on equity instruments at fair value through other comprehensive income (FVTOCI)		3,428	–
Reversal of income tax relating to items that will not be reclassified to profit or loss		5,250	–
		8,678	–
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations:			
Exchange differences during the period		(16,736)	(6,663)
Cash flow hedges:			
Loss during the period		(7,075)	(10,397)
Reclassification to reserves in relation with power purchase agreement		4,769	–
Income tax effect		(1,001)	1,843
		(20,043)	(15,217)
Other comprehensive expense for the period, net of income tax		(11,365)	(15,217)
Total comprehensive income for the period		1,324,544	1,305,119
Total comprehensive income attributable to:			
– Ordinary shareholders of the Company		1,283,850	1,253,053
– Holders of perpetual notes		6,079	–
– Non-controlling interests		34,615	52,066
		1,324,544	1,305,119

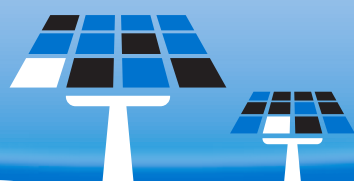


UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

(Unless otherwise specified, all amounts are stated in RMB'000)

		As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Non-current Assets			
Property, plant and equipment	11	40,071,665	39,783,191
Right-of-use assets		1,045,467	1,060,884
Intangible assets	12	3,979,251	4,048,675
Goodwill		190,049	190,049
Investments in associates		3,453,287	2,025,210
Loans to associates		129,000	134,000
Investment in a joint venture		152,967	152,967
Loans to a joint venture		–	15,000
Deferred tax assets	13	337,598	326,603
Equity investments at fair value through other comprehensive income (FVTOCI)		61,313	142,313
Value-added tax recoverable		952,365	910,507
Deposit paid for acquisition of property, plant and equipment		1,235,888	689,652
Restricted bank deposits		37,301	55,645
Derivative financial instruments		4,996	7,597
		51,651,147	49,542,293
Current Assets			
Inventories		123,394	106,485
Trade and bills receivable	14	7,773,852	4,897,922
Other receivables, deposits and prepayments		498,108	344,809
Current tax assets		37,719	10,639
Loans to joint ventures – current		95,000	60,000
Amounts due from related parties		24,020	60,371
Value-added tax recoverable		478,492	383,058
Financial assets at fair value through profit or loss (FVTPL)		203,849	259,880
Restricted bank deposits		1,623	1,592
Cash and cash equivalents		4,741,381	4,056,110
		13,977,438	10,180,866



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

(Unless otherwise specified, all amounts are stated in RMB'000)

	<i>Notes</i>	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Current Liabilities			
Trade and other payables	16	5,008,268	4,737,422
Amounts due to related parties		486,310	



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

(Unless otherwise specified, all amounts are stated in RMB'000)

	Attributable to equity holders of the Company											Total equity RMB'000
	Share capital RMB'000 (Note 21)	Capital reserves RMB'000	Statutory surplus reserves RMB'000 (Note)	Other reserves RMB'000	Fair value through other comprehensive income reserve RMB'000	Cash flow hedging reserve RMB'000	Currency translation differences RMB'000	Retained profits RMB'000	Total RMB'000	Perpetual notes RMB'000	Non-controlling interests RMB'000	
As at 31 December 2019 (audited)	8,244,508	3,934,473	2,286,420	(67,138)	10,714	(64,678)	(185,417)	8,513,786	22,672,668	-	402,641	23,075,309
Profit for the period	-	-	-	-	-	-	-	1,295,215	1,295,215	6,079	34,615	1,335,909
Other comprehensive expense for the period	-	-	-	-	8,678	(3,307)	(16,736)	-	(11,365)	-	-	(11,365)
Issue of perpetual interim notes	-	-	-	-	-	-	-	-	-	1,500,000	-	1,500,000
Issuance cost	-	-	-	-	-	-	-	-	-	(6,368)	-	(6,368)
Acquisition of minority interests	-	(600)	-	-	-	-	-	-	(600)	-	(49,680)	(50,280)
Dividend declared (Note 9)	-	-	-	-	-	-	-	(595,253)	(595,253)	-	-	(595,253)
Transfer of fair value reserve upon changing from equity investments at FVTOCI to long-term equity investments	-	-	-	-	(24,428)	-	-	24,428	-	-	-	-
As at 30 June 2020 (unaudited)	8,244,508	3,933,873	2,286,420	(67,138)	(5,036)	(67,985)	(202,153)	9,238,176	23,360,665	1,499,711	387,576	25,247,952

	Attributable to equity holders of the Company											Total equity RMB'000
	Share capital RMB'000 (Note 21)	Capital reserves RMB'000	Statutory surplus reserves RMB'000 (Note)	Other reserves RMB'000	Fair value through other comprehensive income reserve RMB'000	Cash flow hedging reserve RMB'000	Currency translation differences RMB'000	Retained profits RMB'000	Total RMB'000	Perpetual notes RMB'000	Non-controlling interests RMB'000	
As at 31 December 2018 (audited)	8,244,508	3,934,473	2,116,621	(67,138)	6,160	(84,171)	(178,799)	7,142,724	21,114,378	397,222	21,511,600	
Profit for the period	-	-	-	-	-	-	-	1,268,270	1,268,270	52,066	1,320,336	
Other comprehensive expense for the period	-	-	-	-	-	(8,554)	(6,663)	-	(15,217)	-	(15,217)	
Dividend declared (Note 9)	-	-	-	-	-	-	-	(549,909)	(549,909)	-	(549,909)	
As at 30 June 2019 (unaudited)	8,244,508	3,934,473	2,116,621	(67,138)	6,160	(92,725)	(185,462)	7,861,085	21,817,522	449,288	22,266,810	

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

(Unless otherwise specified, all amounts are stated in RMB'000)

	For the six months ended 30 June (Unaudited)	
	2020 RMB'000	2019 RMB'000
	<i>Notes</i>	
Net cash generated from operating activities	172,304	2,131,089
Investing activities		
Interest received	23,328	26,699
Dividends received	1,746	9,150
Cash received from government grants	–	1,710
Cash received of loans by associates	5,000	–
Cash received of loans by joint ventures	50,000	–
Loan injection into joint ventures	(70,000)	(50,000)
Capital injection into associates	(1,222,000)	–
Purchases of:		
– Property, plant and equipment	(2,151,310)	(1,714,208)
– Intangible assets	(49,639)	(448)
– Right-of-use assets	(8,915)	(47,185)
Proceeds on disposal of property, plant and equipment	29,677	15,080
Placement of restricted bank deposits	–	29,237
Net cash outflow on acquisition of subsidiaries	–	(25,954)
Net cash used in investing activities	(3,392,113)	(1,755,919)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020
(Unless otherwise specified, all amounts are stated in RMB'000)

	For the six months ended	
	30 June	
	(Unaudited)	
	2020	2019
Notes	RMB'000	RMB'000
Financing activities		
Interest paid	(511,588)	(599,045)
New bank and other borrowings raised	5,256,274	4,937,500
Repayments of bank and other borrowings	(5,755,844)	(6,091,776)
Proceeds from issuance of short-term financing debentures	5,500,000	3,500,000
Issuance cost for short-term financing debentures	(6,143)	(3,750)
Repayment of short-term financing debentures	(4,000,000)	(3,500,000)
Proceeds from issuance of corporate bond	1,000,000	–
Issuance cost for corporate bond	(380)	–
Proceeds from issuance of perpetual notes	1,500,000	–
Issuance cost for perpetual notes	(2,250)	–
Proceeds from issuance of medium-term notes	1,000,000	–
Issuance cost for medium-term notes	(1,500)	–
Placement of restricted bank deposits		

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of amendments to IFRSs (Continued)

The application of the amendments to IFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2.1 Impacts of application on Amendments to IAS 1 and IAS 8 "Definition of Material"

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either assessed individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements.

2.2 Impacts and accounting policies on application of Amendments to IFRS 3 "Definition of a Business"

2.2.1 Accounting policies

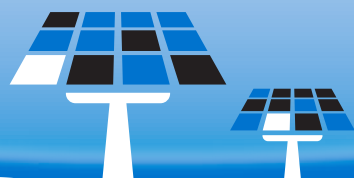
Business combinations or asset acquisitions

Optional concentration test

Effective from 1 January 2020, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

2.2.2 Transition and summary of effects

The amendments had no impact on the condensed consolidated financial statements of the Group.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of amendments to IFRSs (Continued)

2.3 Impacts and accounting policies on application of Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"

2.3.1 Accounting policies

Hedge accounting

For the purpose of determining whether a forecast transaction (or a component thereof) in a cash flow hedge is highly probable, the Group assumes that the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.

Assessment of hedging relationship and effectiveness

In assessing the economic relationship between the hedged item and the hedging instrument, the Group assumes that the interest rate benchmark on which the hedged cash flows and/or the hedged risk (contractually or non-contractually specified) are based, or the interest rate benchmark on which the cash flows of the hedging instrument are based, is not altered as a result of interest rate benchmark reform.

Cash flow hedges

For the purpose of reclassifying the amount of accumulated in the cash flow hedge reserve in order to determine whether the hedged future cash flows are expected to occur, the Group assumes the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.

2.3.2 Transition and summary of effects

The amendments had no impact on the condensed consolidated financial statements of the Group as the Group's designated hedged items is not affected by the interest rate benchmark reform.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

(i) Disaggregation of revenue from contracts with customers:

	For the six months ended 30 June 2020					
	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
Types of goods and services						
Sales of electricity	4,868,711	1,109,536	1,028,642	143,215	-	7,150,104
Sales of heat energy	1,127,393	-	-	-	-	1,127,393
Repairs and maintenance and other services	-	-	-	-	1,499	1,499
Timing of revenue recognition						
A point in time	5,996,104	1,109,536	1,028,642	143,215	-	8,277,497
Over time	-	-	-	-	1,499	1,499
Geographical market						
Mainland China	5,996,104	1,057,468	1,026,435	143,215	1,499	8,224,721
Overseas	-	52,068	2,207	-	-	54,275
Revenue from contracts with customers	5,996,104	1,109,536	1,028,642	143,215	1,499	8,278,996

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

(i) Disaggregation of revenue from contracts with customers: (Continued)

	For the six months ended 30 June 2019					
	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
Types of goods and services						
Sales of electricity	5,147,508	1,028,875	685,668	149,896	-	7,011,947
Sales of heat energy	1,052,148	-	-	-	-	1,052,148
Repairs and maintenance and other services	-	-	-	-	876	876
Timing of revenue recognition						
A point in time	6,199,656	1,028,875	685,668	149,896	-	8,064,095
Over time	-	-	-	-	876	876
Geographical market						
Mainland China	6,199,656	977,473	681,463	149,896	876	8,009,364
Overseas	-	51,402	4,205	-	-	55,607
Revenue from contracts with customers	6,199,656	1,028,875	685,668	149,896	876	8,064,971

(ii) Geographical information

The basis for attributing the revenue is based on the location of customers from which the revenue is generated, which are located in/out of the PRC and the sales activities are made in/out of the PRC.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

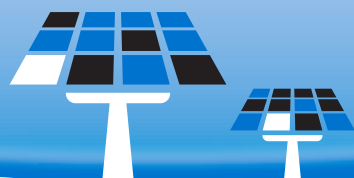
3B. SEGMENT INFORMATION

(a) Segment revenue, results

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

- Gas-fired power and heat energy generation: managing and operating natural gas-fired power plants and generating electric power and heat energy for sale to external customers.
- Wind power: constructing, managing and operating wind power plants and generating electric power for sale to external customers.
- Photovoltaic power: constructing, managing and operating photovoltaic power plants and generating electric power for sale to external customers.
- Hydropower: managing and operating hydropower plants and sales of electricity generated to external customers.

Business activities other than "Gas-fired power and heat energy generation", "Wind power", "Photovoltaic power" and "Hydropower" are presented as "Others" in the segment information.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

3B. SEGMENT INFORMATION (Continued)

(a) Segment revenue, results (Continued)

An analysis of the Group's reportable segment revenue and results for the six months ended 30 June 2020 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
For the six months ended 30 June 2020 (unaudited)						
Revenue from external customers	5,996,104	1,109,536	1,028,642	143,215	1,499	8,278,996
Reportable segment revenue/ consolidated revenue	5,996,104	1,109,536	1,028,642	143,215	1,499	8,278,996
Reportable segment results before depreciation and amortization	1,425,653	1,048,704	967,842	106,931	(106,931)	3,442,199
Depreciation	432,280	358,656	358,011	54,994	2,435	1,206,376
Amortization	5,129	84,341	16,730	12,322	541	119,063
Reportable segment results (Note (i))	988,244	605,707	593,101	39,615	(109,907)	2,116,760



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

3B. SEGMENT INFORMATION (Continued)

(a) Segment revenue, results (Continued)

An analysis of the Group's reportable segment revenue and results for the six months ended 30 June 2019 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
For the six months ended 30 June 2019 (unaudited)						
Revenue from external customers	6,199,656	1,028,875	685,668	149,896	876	8,064,971
Reportable segment revenue/ consolidated revenue	6,199,656	1,028,875	685,668	149,896	876	8,064,971
Reportable segment results before depreciation and amortization	1,684,270	923,870	675,728	102,370	(6,755)	3,379,483
Depreciation	436,165	350,489	242,472	53,898	499	1,083,523
Amortization	4,883	84,260	200	12,372	245	101,960
Reportable segment results (Note (i))	1,243,222	489,121	433,056	36,100	(7,499)	2,194,000

Note:

- (i) The segment results are arrived at after the deduction from revenue of gas consumption, depreciation and amortization expense, personnel costs, repairs and maintenance and other expenses, including other expenses, other gains and losses and other income (excluding dividend from equity instruments at FVTOCI).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

4. OTHER INCOME

	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Government grants and subsidies related to:		
– Clean energy production (Note (a))	199,907	459,203
– Construction of assets (Note (b))	10,377	10,004
Income from CERs and VERs	60,007	52,038
Value-added tax refunds (Note (c))	48,650	61,476
Others	38,705	36,783
	357,646	619,504

Notes:

- (a) The Group's gas-fired 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 at the pre-determined subsidized rate.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

6. INTEREST INCOME/FINANCE COSTS

	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Interest income	22,857	27,422
Interest expense	587,058	607,365
Less: Amounts capitalized: – property, plant and equipment	(12,521)	(27,394)
Total finance costs	574,537	579,971
Net finance costs	551,680	552,549

7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Current tax:		
PRC enterprise income tax	328,727	332,648
Deferred tax:		
Current period	(10,354)	47,872
Income tax expense	318,373	380,520

PRC enterprise income tax has been generally calculated at the applicable enterprise income tax rate of 25% on the estimated assessable profits of the Group companies established in the PRC for the six months ended 30 June 2020.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

7. INCOME TAX EXPENSE (Continued)

Under the Enterprise Income Tax Law, the preferential tax treatment for encouraged enterprises located in the western China and certain industry-oriented tax incentives remain available up to 31 December 2020 when the original preferential tax period expired. Under the enterprise income tax law, the enterprises in encouraged industries in Western China are eligible for a preferential enterprise income tax rate of 15% for the period from 1 January 2021 to 31 December 2030. The enterprises in encouraged industries stated in this provision refer to those whose main business belongs to the industries and projects as set out in the Catalogue of Encouraged Industries in Western Regions and whose main business income accounts for more than 60% of the total income of the enterprise. A PRC enterprise which enjoys this tax treatment is entitled to a preferential tax rate of 15% with a three-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 start to generate revenue. Certain of the Group's wind farm projects, photovoltaic projects and hydropower projects were entitled to this tax concession.

Beijing Jingneng Weilai Gas-fired Power Co., Ltd.* (北京京能 Weilai 燃气发电有限公司) ("Weilai Gas") was qualified as High and New Technology Enterprises since 2015 and is currently entitled to a preferential income tax rate of 15%. The qualification of High and New Technology Enterprises is subject to review once every three years, and this subsidiary continued to be recognized as a High and New Technology Enterprises for the period ended 30 June 2020.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits in excess of HK\$2 million will be taxed at 16.5%. The profits of the group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong income tax has been made as the Group has no assessable profit derived in Hong Kong.

For the six months ended 30 June 2020, Australian income tax is calculated at 30% of the estimated assessable profit.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

8. PROFIT FOR THE PERIOD

	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Profit for the period has been arrived at after charging:		
Auditors' remuneration	1,710	1,226
Lease payments in respect of land and building	26,630	30,157
Depreciation and amortization:		
Depreciation of property, plant and equipment	1,182,044	1,078,769
Depreciation of right-of-use assets	24,332	4,754
Amortization of intangible assets	119,063	101,960
Total depreciation and amortization	1,325,439	1,185,483

9. DIVIDENDS

- (a) On 28 May 2020, a dividend in the total amount of approximately RMB595,253,000 was declared by the Company.
- (b) The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: 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 2020 of RMB1,295,215,000 (six months ended 30 June 2019: RMB1,268,270,000) and the number of shares in issue for the six months ended 30 June 2020 of 8,244,508,000 (six months ended 30 June 2019: 8,244,508,000 shares).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired items of property, plant and equipment of RMB1,516,945,000 (six months ended 30 June 2019: RMB1,465,132,000). Items of property, plant and equipment with a net book value of approximately RMB39,260,000, which decreased by RMB7,167,000 due to the impact of exchange rate (six months ended 30 June 2019: RMB3,260,000), were disposed of during the six months ended 30 June 2020, resulting in a loss on disposal of approximately RMB9,583,000 (six months ended 30 June 2019: loss on disposal of RMB2,308,000).

12. INTANGIBLE ASSETS

Intangible assets mainly represented concession right of RMB2,104,918,000 (as at 31 December 2019: RMB2,187,123,000), project operation right of RMB1,669,045,000 (as at 31 December 2019: RMB1,695,021,000), and software of RMB205,288,000 (as at 31 December 2019: RMB166,531,000).

13. DEFERRED TAXATION

Set out below were the Group's major deferred tax assets (liabilities) recognized and movements thereon from 31 December 2019 to the six months ended 30 June 2020:

	Tax loss	Impairment on financial assets	Temporary differences on fair value adjustments in acquisition of subsidiaries	Changes in fair value of equity instruments at FVTOCI	Trial run profit	Deferred income related to clean energy production	Different depreciation rates	Trial run loss	Financial assets at FVTPL	Derivative financial instruments	Others	Total
	RMB'000	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)				
At 1 January 2020	41,642	5,628	(24,306)	(3,571)	113,767	78,258	(96,376)	(48,428)	14,432	28,323	21,124	130,493
(Credit to) charge from profit or loss												





NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

14. TRADE AND BILLS RECEIVABLE (Continued)

The Group allows an average credit period of 60 days to its electricity and heat energy customers from the end of the month in which the sales are made other than clean energy power premium. The aging analysis of the Group's trade and bills receivables net of allowance for credit losses is as follows:

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Within 60 days	1,838,612	1,011,049
61 to 365 days	2,418,477	1,570,957
1 to 2 years	2,138,704	1,474,339
2 to 3 years	1,040,796	496,747
Over 3 years	337,263	344,830
	7,773,852	4,897,922

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

The clean energy power price premium is included as a component of the government-approved on-grid tariff of wind power and photovoltaic power. The financial resource for the clean energy power price premium is the national renewable energy fund that accumulated through a special levy on the consumption of electricity. The government of the PRC is responsible to collect and allocate the fund and make settlement through state-owned power grid companies to the wind and photovoltaic farm project companies. Because of such arrangement, the Directors consider that the trade receivables of clean energy power price premium are neither past due nor impaired.

As at 30 June 2020, included in the Group's trade receivables balance for goods and services were debtors with aggregate carrying amount of RMB174,189,000 which were past due as at the reporting date. Those amounts have been assessed by reference to the historical information about counterparty default rates. The existing counterparties did not have significant default in the past.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

15. CASH AND CASH EQUIVALENTS

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

The Group had deposits of approximately RMB1,417,000,000 (as at 31 December 2019: RMB738,366,000) placed with 北京银行 (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 2020. Such deposits were short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, accordingly, the balances as at 30 June 2020 have been regarded as cash and cash equivalents.

16. TRADE AND OTHER PAYABLES

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Trade payables	2,072,401	2,327,602
Payables for acquisition of property, plant and equipment	1,589,273	1,389,957
Retention payables	270,264	173,470
Bills payable	100,000	–
Salary and staff welfare	98,086	105,526
Non-income tax payables	133,047	180,709
Dividend payables	186,519	71,142
Other payables	558,678	489,016
	5,008,268	4,737,422



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

17. BANK AND OTHER BORROWINGS (Continued)

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Bank and other borrowings repayable:		
– Within one year	9,414,555	7,863,793
– More than one year but not exceeding two years	3,177,024	5,077,599
– More than two years but not exceeding five years	1,871,829	4,792,595
– More than five years	4,310,329	1,539,320
	18,773,737	19,273,307
Less: Amount due within one year shown under current liabilities	(9,414,555)	(7,863,793)
Amount due after one year	9,359,182	11,409,514

Notes:

- (a) Other borrowings from a related non-bank financial institution represented loans from BEH Finance.
- (i) As at 30 June 2020, the loans from BEH Finance amounting to RMB973,500,000 were unsecured, carried interest at rates which are the prevailing interest rates promulgated by the PBOC, with a maximum premium or discount of 5% and variable by reference to the interest rates promulgated by PBOC. The interest expenses attributed to the above loans from BEH Finance were RMB17,863,000 for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB16,718,000).
- (b) The amount represented the borrowings from 北京京风热电有限公司 (Beijing Jingfeng Thermal Power Co., Ltd., English name for identification purpose) ("Jingfeng Thermal"), and 北京京西发电有限公司 (Beijing Jingxi Power Generation Co., Ltd., English name for identification purpose) ("Jingxi Power", a fellow subsidiary of the Company). As at 30 June 2020, the borrowings from Jingfeng Thermal were unsecured loans, bearing interest at a fixed rate of 3.915% and repayable within one year. As at 30 June 2020, the borrowings from Jingxi Power were unsecured loans, bearing interest at a fixed rate of 4.25% and repayable within one year. The interest expenses attributed to above loans were RMB5,463,000 for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB3,156,000).

During the six months ended 30 June 2020, the Group's borrowings increased by RMB5,256,274,000 (six months ended 30 June 2019: RMB4,937,500,000), and RMB5,755,844,000 (six months ended 30 June 2019: RMB6,091,776,000) of borrowings of the Group were repaid.

The borrowings bear interest at annual interest rates ranging from fixed interest rate of 1.20%/variable interest rate of 3.28% to fixed interest rate of 10.00%/variable interest rate of 4.95% (31 December 2019: fixed interest rate of 1.20%/variable interest rate of 3.27% to fixed interest rate of 10.00%/variable interest rate of 6.41%).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

18. SHORT-TERM FINANCING DEBENTURES

On 22 March 2019, the Company issued short-term commercial paper of RMB2,000,000,000 at par value, bearing an interest rate of 3.15% and was repaid on 18 September 2019.

On 19 April 2019, the Company issued short-term commercial paper of RMB1,500,000,000 at par value, bearing an interest rate of 3.39% and was repaid on 17 January 2020.

On 24 July 2019, the Company issued ultra-short-term commercial paper of RMB2,500,000,000 at par value, bearing an interest rate of 3.15% and was repaid on 21 April 2020.

On 13 November 2019, the Company issued ultra-short-term commercial paper of RMB2,000,000,000 at par value, bearing an interest rate of 2.80% and expiring on 10 August 2020.

On 8 January 2020, the Company issued ultra-short-term commercial paper of RMB2,000,000,000 at par value, bearing an interest rate of 2.95% and expiring on 6 October 2020.

On 13 April 2020, the Company issued ultra-short-term commercial paper of RMB2,000,000,000 at par value, bearing an interest rate of 1.96% and expiring on 10 January 2021.

On 12 June 2020, the Company issued ultra-short-term commercial paper of RMB1,500,000,000 at par value, bearing an interest rate of 1.90% and expiring on 11 December 2020.

These commercial papers are traded on the National Association of Financial Market Institutional Investors (•7 Ō œ 9 t ø X 6) in the PRC.

19. MEDIUM-TERM NOTES/CORPORATE BOND

On 1 December 2017, the Company issued 5-year medium-term note with total value of RMB2,000,000,000. The coupon rate is 5.50% per annum. Total proceeds received, net of issuance costs, amounted to RMB1,994,340,000. The medium-term note will be fully repaid on 1 December 2022.

On 3 April 2018, the Company issued 5-year medium-term note with total value of RMB1,500,000,000. The coupon rate is 5.19% per annum. Total proceeds received, net of issuance costs, amounted to RMB1,495,754,000. The medium-term note will be fully repaid on 3 April 2023.

On 9 April 2020, the Company issued 5-year medium-term note with total value of RMB1,000,000,000. The coupon rate is 3.25% per annum. Total proceeds received, net of issuance costs, amounted to RMB998,500,000. The medium-term note will be fully repaid on 13 April 2025.

On 13 November 2019, the Company issued 3-year corporate bond with total value of RMB1,000,000,000. The coupon rate is 3.64% per annum. Total proceeds received, net of issuance costs, amounted to RMB999,642,000. The corporate bond will be fully repaid on 13 November 2022.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

19. MEDIUM-TERM NOTES/CORPORATE BOND (Continued)

On 16 April 2020, the Company issued corporate bond with total value of RMB1,000,000,000. Of which, RMB600,000,000 was 5-year corporate bond, with coupon rate of 3.22% per annum; RMB400,000,000 was 3-year corporate bond, with coupon rate of 2.65% per annum. Total proceeds received, net of issuance costs, amounted to RMB999,620,000. The corporate bond will be repaid on 16 April 2023 and 16 April 2025 respectively.

20. PERPETUAL BOND

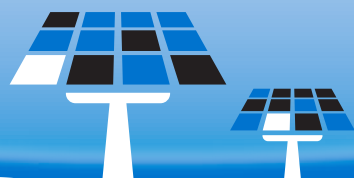
On 15 May 2020, the Company issued green medium-term notes with total value of RMB1,500,000,000. Total proceeds received, net of issuance costs, amounted to RMB1,493,250,000.

The coupon rate for the first three years up to 19 May 2023 is 3.44% per annum, which is paid annually in arrears on May 19 in each year. Unless compulsory coupon payment events have occurred, the Company may defer any interest at its own discretion to the next coupon payment date, with no restrictions on the number of times any interest to be deferred. Each of the deferred interest is interest bearing at the current coupon rate during the interest deferral period.

The green medium-term notes have no fixed maturity. The current green medium-term notes are callable at the Company's option, on 19 May 2023 or on each coupon interest reset date afterwards, at their par value together with any accrued interest (including all deferred interest and its dividend).

After 19 May 2023, 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. If any coupon interest payments are deferred, the Company cannot pay dividends to ordinary shareholders or reduce its registered capital until all the deferred interest payments and the related dividends have been repaid.

Pursuant to the terms of these green medium-term 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 green medium-term notes are classified as equity and subsequent coupon payment will be recorded as equity distribution to the owners of the Company.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

21. SHARE CAPITAL

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Issued and fully paid:		
Domestic ordinary shares of RMB1.00 each	5,414,831	5,414,831
H shares of RMB1.00 each	2,829,677	2,829,677
	8,244,508	8,244,508



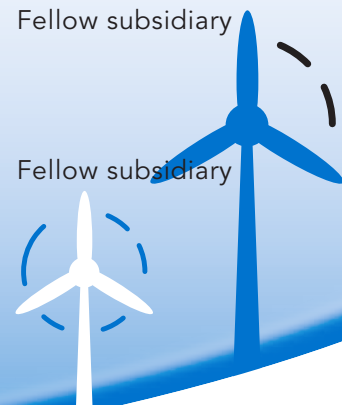
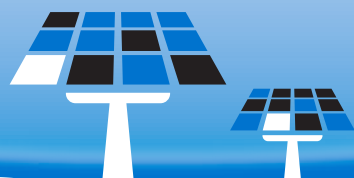
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

23. RELATED PARTY BALANCES AND TRANSACTIONS

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

Name of related party	Relationship
/ • U ³ («) Ɔ " ® ! (Beijing Energy Investment Holding Co., Ltd., English name for identification purpose) (" BEH Holding ")	Ultimate holding company
/ 7 ç e ^ û Ɔ " a , ® ! (Beijing International Electric Engineering Co., Ltd., English name for identification purpose) (" BIEE ")	Fellow subsidiary
// . e Ɔ " a , ® ! (Beijing Jingfeng Thermal Power Co., Ltd., English name for identification purpose) (" Jingfeng Thermal ")	Fellow subsidiary
// i e Ɔ " a , ® ! (Beijing Jingxi Power Generation Co., Ltd., English name for identification purpose) (" Jingxi Power ")	Fellow subsidiary
/ • e b i Ɔ " ® ! (Jing Neng Electricity Logistic Services Co., Ltd., English name for identification purpose) (" Jingneng Logistic ")	Fellow subsidiary
/ 9 b « Ɔ " a , ® ! (Beijing District Heating (Group) Co., Ltd., English name for identification purpose) (" BDHG ")	Fellow subsidiary
/ U . • ! " Ɔ " a , ® ! (Beijing Yuanshen Energy-saving Technology Co., Ltd., English name for identification purpose) (" Yuanshen Energy ")	Fellow subsidiary
// • U D a # Ɔ " ® ! (Beijing Jingneng YuanShen Financial Leasing Co., Ltd., English name for identification purpose) (" YuanShen Financial Leasing ")	Fellow subsidiary
/ Å ; U e Ɔ " ® ! (Beijing Keliyuan Thermal Power Co., Ltd., English name for identification purpose) (" Keliyuan ")	Fellow subsidiary
// • e b p ... Ɔ " ® ! i { † e @ (Shijingshan Thermal Power Plant of Beijing Jingneng Power Co., Ltd., English name for identification purpose) (" Shijingshan Thermal Power Plant ")	Fellow subsidiary
// • 7 ç • U ! " Ɔ " ® ! (Beijing Jingneng International Energy Technology Co., Ltd., English name for identification purpose) (" International Energy Technology ")	Fellow subsidiary



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

23. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

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

Name of related party	Relationship
« † / • Ä ^ û Þ " ® ! (Inner Mongolia Jingneng Construction and Installation Engineering Co., Ltd., English name for identification purpose) (" Inner Mongolia Jingneng Construction ")	Fellow subsidiary
/ – 6ì 8 7 ç Ú 7 Þ " ® ! (Beijing Jintai Hengye International Travelling Co., Ltd., English name for identification purpose) (" Jintai Hengye ")	Fellow subsidiary
/ õ Å ! Þ " ® ! (Beijing Inbasis Technology Co., Ltd., English name for identification purpose) (" Inbasis ")	Fellow subsidiary
// • Ý z « ® • Ð Þ " ^a , ® ! (Beijing Jingneng Tender Collection Center Co., Ltd., English name for identification purpose) (" Tender Collection Center ")	Fellow subsidiary
BEH Finance	Associate
œ È c W å e Þ " ® ! (Quanzhou Liupu Hydropower Co., Ltd., English name for identification purpose)	Associate
/ 9 Â Õ ® š ĩ Þ " ^a , ® ! (Beijing Tian Yin Di Re Development Co., Ltd., English name for identification purpose)	Associate
/ 6 U I : - Å ! Þ " ® ! (Beijing Huayuan Huizhong Environmental Protection Technology Co., Ltd., English name for identification purpose)	Joint venture



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

23. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (b) As at 30 June 2020, 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 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Amounts due from:		
BEH	1,953	1,950
Associates	5,736	118
Joint venture	–	173
Fellow subsidiaries	16,331	58,130
	24,020	60,371
Represented by:		
Trade*	19,829	53,314
Non-trade	4,191	7,057
	24,020	60,371

* The balances are interest-free, unsecured, repayable on demand and aged within one year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

23. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (c) As at 30 June 2020, 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 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Amounts due to:		
BEH	366,906	1
Fellow subsidiaries	118,371	136,619
Associates	1,033	1,623
	486,310	138,243
Represented by:		
Trade*	28,195	132,363
Payables for acquisition of property, plant and equipment	882	1,768
Non-trade	457,233	4,112
	486,310	138,243

* The balances are interest-free, unsecured, repayable on demand and aged within one year.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

23. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (d) During the six months ended 30 June 2020, the Group entered into the following significant transactions with its related parties:

Continuing transactions:

- (i) Equipment maintenance services from related parties

Name of related party	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
International Electric	4,956	16,225
Shijingshan Thermal Power Plant	42,741	18,603
International Energy Technology	60,728	4,219
Inner Mongolia Jingneng Construction	1,113	–

- (ii) Integrated service from related parties

Name of related party	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Jingneng Logistic	9,528	93
Inbasis	5,043	–
YuanShen Financial Leasing	849	–
Jintai Hengye	216	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

23. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (d) During the six months ended 30 June 2020, the Group entered into the following significant transactions with its related parties: (Continued)

Continuing transactions: (Continued)

- (iii) Rental expense as a lessee charged by related parties

Name of related party	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Jingfeng Thermal	4,487	4,487
YuanShen Financial Leasing	48	133
Jingxi Power	19,067	19,067

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

Name of related party	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
BEH Finance	9,108	7,361

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

Name of related party	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
BEH Finance	9,132	8,681



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

23. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (d) During the six months ended 30 June 2020, the Group entered into the following significant transactions with its related parties: (Continued)

Continuing transactions: (Continued)

- (vi) Property management fee charged by a related party

Name of related party	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Jingneng Logistic	13,095	6,903

- (vii) Heat energy sold to related parties *

Name of related party	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Heating Group	1,053,923	977,942
Keliyuan	–	18,113

* The amount of the revenue from such related parties excludes the value-added tax.

- (viii) Equipment purchase framework agreement

Name of related party	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
International Electric	3,461	55,748
Tender Collection Center	20,399	–

- (e) During the six months ended 30 June 2020, interest income from loans to associates of the Group amounted to RMB2,926,000 (six months ended 30 June 2019: RMB3,403,000), and interest income from loans to joint ventures amounted to RMB2,110,000 (six months ended 30 June 2019: RMB1,015,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020 (Unaudited)
(Unless otherwise specified, all amounts are stated in RMB'000)

24. EVENTS AFTER THE REPORTING PERIOD

The Board received a letter from Beijing Energy Holding Co., Ltd. (the “**Potential Offeror**”), the controlling shareholder of the Company, on 2 July 2020 (after trading hours), indicating its intention to make a conditional voluntary cash general offer for all the H shares (the “**H Shares**”) (other than those H shares owned or agreed to be acquired by the Potential Offeror or parties acting in concert with it) in the Company (the “**Possible Offer**”), which if proceeded with, could result in a privatization and delisting of the Company from the Stock Exchange. Please refer to the announcements of the Company dated 6 July 2020, 6 August 2020 and 4 September 2020 for further details. The Company will pay close attention to the development of the above-mentioned matters and perform its obligation on information disclosure in accordance with the relevant laws and regulations.

25. THE FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF THE COMPANY ON 27 AUGUST 2020.

