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

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

(Stock Code: 00579)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL HIGHLIGHTS

- Revenue for the year ended December 31, 2013 was RMB6,254.8 million, increased by 50.66% as compared with the previous year.
- Profit before taxation for the year ended December 31, 2013 was RMB1,449.8 million, increased by 30.39% as compared with the previous year.
- Profit and total comprehensive income attributable to equity owners of the Company for the year ended December 31, 2013 was RMB1,145.5 million, increased by 25.87% as compared with the previous year.

FINAL DIVIDEND

- The Board recommends a final dividend of RMB4.34 cents per share (tax inclusive) for the year ended December 31, 2013, which represent a total distribution of RMB281.1 million.

RESULTS HIGHLIGHTS

The board of directors (the "**Board**") of Beijing Jingneng Clean Energy Co., Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**" or "**we**" or "**us**") for the year ended December 31, 2013 (the "**Reporting Period**"), prepared under International Financial Reporting Standards ("**IFRSs**").

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2013

	Notes	Year ended December 31, 2013 RMB'000	2012 RMB'000
Revenue	5	**6,254,824**	4,151,630
Other income	6	**1,462,121**	733,211
Gas consumption		**(3,659,648)**	(1,841,308)
Depreciation and amortization		**(1,102,715)**	(854,438)
Personnel costs		**(347,436)**	(249,147)
Repairs and maintenance		**(248,961)**	(151,208)
Other expenses		**(427,864)**	(291,320)
Other gains and losses	7	**107,237**	51,387
Profit from operations		**2,037,558**	1,548,807
Interest income	8	**29,636**	27,890
Finance costs	8	**(905,371)**	(708,468)
Share of results of associates		**287,939**	243,541
Share of results of joint ventures		**73**	169
Profit before taxation		**1,449,835**	1,111,939
Income tax expense	9	**(222,352)**	(123,533)
Profit for the year	10	**1,227,483**	988,406
Profit and total comprehensive income for the year attributable to:			
– Equity owners of the Company		**1,145,534**	910,101
– Non-controlling interests		**81,949**	78,305
		1,227,483	988,406

	Notes	Year ended December 31, 2013 RMB cents	2012 RMB cents
Earnings per share			
Basic and diluted	12	**18.44**	14.81

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2013

		At December 31,	
		2013	2012
	Notes	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment		**23,935,069**	17,405,497
Intangible assets		**4,494,646**	4,656,091
Goodwill		**124,194**	124,194
Prepaid lease payments		**131,905**	133,297
Investments in associates		**1,650,903**	1,455,219
Loans to associates		**149,440**	149,440
Investments in a joint venture		**80,463**	80,390
Deferred tax assets		**100,140**	108,356
Available-for-sale financial assets		**98,528**	98,028
Trade receivable	*13*	**–**	354,259
Value-added tax recoverable		**561,830**	513,977
Deposit paid for acquisition of property, plant and equipment		**763,646**	1,168,222
		32,090,764	26,246,970
Current assets			
Inventories		**84,613**	69,858
Trade and bill receivables	*13*	**1,858,614**	1,475,193
Other receivables, deposits and prepayments		**1,040,249**	317,590
Current tax assets		**9,125**	11,473
Amounts due from related parties		**117,696**	138,478
Prepaid lease payments		**2,269**	2,116
Value-added tax recoverable		**548,531**	426,825
Restricted bank deposits		**421,787**	207,576
Cash and cash equivalents		**2,319,504**	2,178,030
		6,402,388	4,827,139
Assets classified as held for sale		**–**	34,969
		6,402,388	4,862,108

		At December 31,	
		2013	2012
	Notes	***RMB'000***	*RMB'000*
Current liabilities			
Trade and other payables	*14*	**4,797,551**	1,915,092
Amounts due to related parties		**304,700**	1,339,284
Bank and other borrowings-due within one year		**3,617,543**	4,266,759
Short-term debentures		**1,800,000**	–
Income tax payable		**126,102**	49,548
Deferred income-current portion		**–**	32,916
		10,645,896	7,603,599
Liabilities associated with assets classified as held for sale		**–**	1,169
		10,645,896	7,604,768
Net current liabilities		**(4,243,508)**	(2,742,660)
Total assets less current liabilities		**27,847,256**	23,504,310
Non-current liabilities			
Bank and other borrowings-due after one year		**12,077,830**	9,305,903
Medium-term notes		**1,000,000**	1,000,000
Corporate bonds		**3,588,434**	3,582,903
Deferred tax liabilities		**26,092**	24,894
Deferred income		**190,742**	268,285
		16,883,098	14,181,985
Net assets		**10,964,158**	9,322,325
Capital and reserves			
Share capital		**6,477,413**	6,149,905
Reserves		**4,199,672**	2,896,880
Equity attributable to equity owners of the Company		**10,677,085**	9,046,785
Non-controlling interests		**287,073**	275,540
Total equity		**10,964,158**	9,322,325

NOTES:

1. GENERAL INFORMATION

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

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

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

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

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

2. BASIS OF PREPARATION

(a) In preparing the consolidated financial statements, the Directors have given careful consideration that at December 31, 2013, the Group has net current liabilities of RMB4,243,508,000. Taking into consideration of the unutilized banking and other borrowing facilities available to Group of RMB14,129,630,000 at December 31, 2013, and the Group's cash inflows generated from operating activities, the Directors are satisfied that the Group will be able to meet in full its financial obligations as they fall due for the foreseeable future. Accordingly the consolidated financial statements have been prepared on a going concern basis.

(b) The consolidated financial statements have been prepared on the historical cost basis, except that certain properties, plant and equipment which are recorded as deemed cost, and in accordance with IFRSs.

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

IFRS 9 Financial Instruments

IFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9 are described as follows:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

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

IFRS 9 is available for application, however the mandatory effective date will be determined when the outstanding phases of IFRS 9 are finalised.

The Directors anticipate that the adoption of IFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets, particularly the available-for-sale equity investments currently measured at cost less impairment. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that impact until a detailed review has been completed.

4. SEGMENT INFORMATION

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

– Wind power: constructs, manages and operates wind power plants and generates electric power for sale to external customers.

– Gas-fired power and heat energy generation: manages and operates natural gas-fired power plants and generates electric power and heat energy for sale to external customers.

– Hydropower: manages and operates hydropower plants and sales of electricity generated to external customers.

Business activities other than "Wind power", "Gas-fired Power and Heat Energy Generation" and "Hydropower", are grouped and presented as "Others".

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

An analysis of the Group's reportable segment revenue, result, assets and liabilities for the year ended December 31, 2013 by operating segment is as follows:

	Wind power *RMB'000*	**Gas-fired power and heat energy generation** *RMB'000*	**Hydropower** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
For the year ended December 31, 2013					
Revenue from external customers					
Sales of electricity	**1,657,641**	**3,739,211**	**368,131**	**65,748**	**5,830,731**
Sales of heat energy	**–**	**414,185**	**–**	**1,320**	**415,505**
Others	**–**	**77**	**–**	**8,511**	**8,588**
Reportable segment revenue/ consolidated revenue	**1,657,641**	**4,153,473**	**368,131**	**75,579**	**6,254,824**
Reportable segment profit *(Note (i))*	**877,391**	**937,075**	**156,143**	**65,551**	**2,036,160**
Reportable segment assets	**13,082,147**	**14,645,407**	**4,332,514**	**10,900,553**	**42,960,621**
Reportable segment liabilities	**(9,606,342)**	**(10,108,552)**	**(1,695,917)**	**(12,512,932)**	**(33,923,743)**
Additional segment information:					
Depreciation	**444,880**	**379,110**	**78,904**	**15,240**	**918,134**
Amortization	**157,450**	**633**	**25,624**	**874**	**184,581**
Finance costs *(Note (ii))*	**626,749**	**196,385**	**54,434**	**27,803**	**905,371**
Other income	**70,806**	**1,382,730**	**7,187**	**1,398**	**1,462,121**
Including:					
– Government grant related to clean energy production	**22,239**	**1,360,338**	**–**	**–**	**1,382,577**
– Income from CERs and VERs	**17,089**	**14,169**	**–**	**–**	**31,258**
– Others	**31,478**	**8,223**	**7,187**	**1,398**	**48,286**
Expenditures for reportable segment non-current assets	**1,056,131**	**5,674,070**	**388,748**	**1,121,683**	**8,240,632**

An analysis of the Group's reportable segment revenue, result, assets, and liabilities for the year ended December 31, 2012 by operating segment is as follows:

	Wind power *RMB'000*	Gas-fired power and heat energy generation *RMB'000*	Hydropower *RMB'000*	Others *RMB'000*	Total *RMB'000*
For the year ended December 31, 2012					
Revenue from external customers					
Sales of electricity	1,318,383	2,147,802	283,735	–	3,749,920
Sales of heat energy	–	387,442	–	1,324	388,766
Others	–	3,635	–	9,309	12,944
Reportable segment revenue/ consolidated revenue	1,318,383	2,538,879	283,735	10,633	4,151,630
Reportable segment profit *(Note (i))*	714,415	644,001	181,221	6,702	1,546,339
Reportable segment assets	14,182,212	8,631,265	4,135,527	5,559,093	32,508,097
Reportable segment liabilities	10,404,658	5,321,497	1,596,018	7,680,590	25,002,763
Additional segment information:					
Depreciation	369,186	261,873	38,982	2,551	672,592
Amortization	167,656	62	12,410	1,718	181,846
Finance costs *(Note (ii))*	524,341	116,167	17,639	50,321	708,468
Other income	59,523	639,156	23,550	10,982	733,211
Including:					
– Government grant related to clean energy production	22,239	428,147	–	–	450,386
– Income from CERs and VERs	24,833	203,035	20,588	–	248,456
– Others	12,451	7,974	2,962	10,982	34,369
Expenditures for reportable segment non-current assets	1,620,835	2,491,687	596,236	284,493	4,993,251

Notes:

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

(ii) Finance costs have been allocated among the segments for the additional information to the CODM, but are not considered to arrive at the segment profit. It represents amounts regularly provided to the CODM but not included in the measure of segment profit or loss. However, the relevant borrowings have been allocated into the segment liabilities.

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

	Year ended December 31,	
	2013	2012
	RMB'000	*RMB'000*
Results		
Reportable segment profit	**2,036,160**	1,546,339
Unallocated		
Dividend income from available-for sale financial assets	**1,398**	2,468
Profit from operations	**2,037,558**	1,548,807
Interest income	**29,636**	27,890
Finance costs	**(905,371)**	(708,468)
Share of results of associates	**287,939**	243,541
Share of results of joint ventures	**73**	169
Consolidated profit before taxation	**1,449,835**	1,111,939

	Year ended December 31,	
	2013	2012
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**42,960,621**	32,508,097
Inter-segment elimination	**(7,657,304)**	(4,231,254)
Unallocated assets:		
– Investments in associates	**1,650,903**	1,455,219
– Loans to associates	**149,440**	149,440
– Investments in a joint venture	**80,463**	80,390
– Deferred tax assets	**100,140**	108,356
– Available-for-sales financial assets	**98,528**	98,028
Different presentation on:		
– Value-added tax recoverable *(Note (i))*	**1,110,361**	940,802
Consolidated total assets	**38,493,152**	31,109,078

	At December 31,	
	2013	2012
	RMB'000	*RMB'000*
Liabilities		
Reportable segment liabilities	**33,923,743**	25,002,763
Inter-segment elimination	**(7,657,304)**	(4,231,254)
Unallocated liabilities:		
– Income tax payable	**126,102**	49,548
– Deferred tax liabilities	**26,092**	24,894
Different presentation on:		
– Value-added tax recoverable *(Note (i))*	**1,110,361**	940,802
Consolidated total liabilities	**27,528,994**	21,786,753

Note:

(i) Value-added tax recoverable was net-off with value-added tax payables under segment information, but reclassified and presented as assets on the consolidated statement of financial position.

All assets are allocated to reportable segments, other than available-for-sale financial assets, investments in associates and joint venture, loans to associates and deferred tax assets; all liabilities are allocated to reportable segments other than income tax payable and deferred tax liabilities.

(c) Geographical information

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

(d) Information of major customers

Revenue from the PRC government controlled power grid companies for the year ended December 31, 2013 amounted to RMB5,747,752,000 (2012: RMB3,723,844,000). Sales of electricity to the major customers for the year ended December 31, 2013 by segment were as follows:

	Year ended December 31,	
	2013	2012
	RMB'000	*RMB'000*
Wind Power	**1,657,641**	1,318,383
Gas-fired Power and Heat Energy Generation	**3,739,211**	2,147,802
Hydropower	**350,900**	257,659
Total	**5,747,752**	3,723,844

5. REVENUE

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

	Year ended December 31,	
	2013	2012
	RMB'000	*RMB'000*
Sales of goods:		
– Electricity	**5,830,731**	3,749,920
– Heat energy	**415,505**	388,766
Service income from:		
– Associate *(Note)*	**554**	–
– Third parties *(Note)*	**8,034**	12,944
	6,254,824	4,151,630

Note: The service income for the year ended December 31, 2013 and December 31, 2012 represented repair and maintenance service provided to an associate and third parties.

6. OTHER INCOME

	Year ended December 31,	
	2013	2012
	RMB'000	*RMB'000*
Government grants and subsidies related to:		
– Clean energy production	**1,382,577**	450,386
– Construction of assets	**2,632**	2,632
Income from CERs and VERs	**31,258**	248,456
Value-added tax refunds *(Note)*	**36,705**	13,570
Dividend from available-for-sale financial assets, unlisted	**1,398**	2,468
Others	**7,551**	15,699
	1,462,121	733,211

Note: The Group entitles to a 50% refund of value-added tax for its revenue from the sale of electricity generated from the wind farms and a full refund of value-added tax for its revenue from the sale of heat energy generated to residential customers. A receivable and the corresponding income of the value-added tax refund are recognised when relevant value-added tax refund application is approved by the relevant PRC tax authorities.

7. OTHER GAINS AND LOSSES

	Year ended December 31,	
	2013	2012
	RMB'000	*RMB'000*
Other gains (losses) comprise:		
Gain on deemed disposal of an associate *(Note (a))*	**87,747**	–
Gain on disposal of a subsidiaries *(Note (b))*	**45,900**	42,815
Gain on disposal of a joint venture *(Note (c))*	**–**	32,988
Impairment loss on doubtful receivables	**(683)**	(172)
Loss on disposal of property, plant and equipment	**(15,797)**	(30,551)
Net exchange (loss) gain	**(11,209)**	6,078
Others	**1,279**	229
	107,237	51,387

Notes:

(a) This item represents the increase in the share of capital reserve of 北京京能國際能源股份有限公司 (Beijing Jingneng International Power Co., Ltd., English name for identification purpose) ("Jingneng International") as a result of issuance of shares at the market price by a listed subsidiary of Jingneng International to certain non-controlling shareholders by way of placement.

(b) The Group disposed its controlling interests in 內蒙古京能巴音風力發電有限公司 (Inner Mongolia Jingneng Bayin Wind Power Co., Ltd., English name for identification purpose) and 京能昌圖新能源有限公司 (Jingneng Changtu New Energy Co., Ltd., English name for identification purpose) to third party buyers during the year ended December 31, 2013 and 2012, respectively.

(c) During the year ended December 31, 2012, the Company entered into sales agreement to dispose of 50% equity interest in a joint venture 北京華源熱力管網有限公司 (Beijing Huayuan Heating Pipeline Co., Ltd., English name for identification purpose) ("Huayuan Heating") to BEIH, the consideration received was RMB153,196,000. The consideration over the carrying amount of the investment in Huayuan Heating was charged to other gains and losses.

8. INTEREST INCOME/FINANCE COSTS

	Year ended December 31,	
	2013	2012
	RMB'000	*RMB'000*
Interest income from:		
– Loans to associates	**8,861**	9,224
– A related non-bank financial institution *(Note)*	**4,690**	1,604
– Bank balances	**16,085**	17,062
Total interest income	**29,636**	27,890
Interest on bank and other borrowings, short-term debentures, medium-term notes, and corporate bonds wholly repayable:		
– Within five years	**955,841**	804,162
– Over five years	**143,115**	176,827
Total interest expense	**1,098,956**	980,989
Less: Amounts capitalized in property, plant and equipment	**(193,585)**	(272,521)
Total finance costs	**905,371**	708,468
Net finance costs	**875,735**	680,578

	Year ended December 31,	
	2013	2012
Capitalization rate of borrowing costs to expenditure on qualifying assets	**6.08%**	7.00%

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

9. INCOME TAX EXPENSE

	Year ended December 31, 2013 RMB'000	2012 RMB'000
Current tax:		
PRC enterprise income tax ("EIT")	**212,938**	140,371
Tax refund	**–**	(17,450)
Deferred tax		
Current year	**9,414**	612
Income tax expense	**222,352**	123,533

PRC enterprise income tax has been generally provided at the applicable enterprise income tax rate of 25% (2012: 25%) on the estimated assessable profits of the group companies established in the PRC for the year ended December 31, 2013.

Pursuant to the joint circular (2008) No. 46 of the Ministry of Finance and the State Administration of Taxation of the PRC, a PRC enterprise engaging in public infrastructure projects is entitled to a three-year tax exemption and a three-year 50% deduction on the PRC enterprise income tax for taxable income generated by qualified public infrastructure projects which are approved after January 1, 2008 commencing from the first year when relevant projects generate revenue. The Group's certain subsidiaries and wind farm projects enjoy this tax concession.

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

Besides above tax concessions, the Group's wind farm project of Huitengxile wind farm Phase I and Huolinguole Power phase I, was entitled to a tax refund pursuant to a joint circular (2012) No.10 of the Ministry of Finance and the State Administration of Taxation of the PRC, which retrospectively applied the above beneficial tax policy on the qualified public infrastructure projects which were approved before January 1, 2008. Accordingly, the Group was entitled to tax refund amounting to RMB17,450,000 for the year ended December 31, 2012.

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

	Year ended December 31,	
	2013	2012
	RMB'000	*RMB'000*
Profit before taxation	**1,449,835**	1,111,939
PRC enterprise income tax at 25% (2012: 25%)	**362,459**	277,985
Tax effect on:		
– Expenses not deductible for tax purposes	**5,209**	17,533
– Tax effect of share of result of associates and joint ventures	**(72,003)**	(60,927)
– Tax losses and temporary differences not recognised as deferred tax assets	**30,943**	13,575
– Utilization of tax losses not recognised previously	**–**	(10,997)
– PRC enterprise income tax exemption and concessions	**(104,256)**	(96,186)
– Tax refund	**–**	(17,450)
	222,352	123,533

10. PROFIT FOR THE YEAR

	Year ended December 31,	
	2013	2012
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**4,573**	6,031
Prepaid lease payments released to profit or loss	**3,723**	2,297
Operating lease payments in respect of land and building	**12,108**	11,973
Depreciation and amortization:		
Depreciation of property, plant and equipment	**918,134**	672,592
Amortization of intangible assets	**184,581**	181,846
Total depreciation and amortization	**1,102,715**	854,438
Personnel costs:		
Directors' emoluments	**1,415**	1,206
Other personnel costs	**346,021**	247,941
Total personnel costs	**347,436**	249,147

11. DIVIDENDS

(a) Subsequent to the end of the reporting period, a final dividend of RMB4.34 cents per share (tax inclusive) in respect of the year ended December 31, 2013 amounting to RMB281,120,000 has been proposed by the Directors and is subject to the approval by the shareholders in the forthcoming annual general meeting.

(b) On March 27, 2013, a final dividend of RMB3.75 cents per share (tax inclusive) in respect of the year ended December 31, 2012 amounting to RMB230,621,000 was declared by the Directors and subsequently paid in August 2013.

(c) On April 26, 2013, a dividend in the total amount of RMB270,831,000 was declared by 北京太陽宮燃氣熱電有限公司 (Beijing Taiyanggong Gas-fired Power Company, English name for identification purpose)("Taiyanggong Power") to its shareholders, including RMB70,416,000 attributable to its non-controlling shareholder.

(d) On November 16, 2010, the Company made a special resolution to make a special distribution to the then shareholders of the Company (the "Special Distribution") in an amount equal to the Group's profit attributable to the equity owners of the Company derived from April 30, 2010 to September 30, 2011. April 30, 2010 is the date on which the Group's assets are valued for establishment as a joint stock limited company, and September 30, 2011 is the end of the quarter immediately prior to the listing in December 2011. The Special Distribution amounting to RMB565,857,000 was determined based on the lower of the profit as determined under IFRSs or under PRC GAAP after the relevant 10% statutory surplus reserve was provided according to a special audit of the consolidated financial statements of the Group for the period from April 30, 2010 to September 30, 2011. The Company made an announcement on the outcome of the special audit and the amount of Special Distribution on March 28, 2012, and the Special Distribution was paid in December 2012.

(e) Besides of the Special Distribution, on March 28, 2011, a final dividend of RMB0.874 cents per share (tax inclusive) in respect of the year ended December 31, 2011 amounting to RMB53,720,000 was declared by the Directors and subsequently paid in July and August 2012.

(f) On May 8, 2012, a dividend in the total amount of RMB315,774,000 was declared by Taiyanggong Power to its shareholders, including RMB82,101,000 attributable to its non-controlling shareholder.

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Year ended December 31,	
	2013	2012
	RMB'000	*RMB'000*
Earnings		
Profit for the year attributable to equity owners of the Company for the purpose of basic and diluted earnings per share	**1,145,534**	910,101

	Year ended December 31,	
	2013	2012
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**6,211,818**	6,144,745

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

13. TRADE AND BILL RECEIVABLES

	At December 31,	
	2013	2012
	RMB'000	*RMB'000*
Trade receivables	**1,815,299**	1,797,045
Bill receivables	**44,895**	33,282
	1,860,194	1,830,327
Less: allowance for doubtful receivables	**1,580**	875
	1,858,614	1,829,452
Trade and bill receivables, classified as:		
– Current	**1,858,614**	1,475,193
– Non-current	**–**	354,259
	1,858,614	1,829,452

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

	At December 31,	
	2013	2012
	RMB'000	*RMB'000*
Within 60 days	**1,051,620**	838,116
61 to 365 days	**402,133**	343,622
1 to 2 years	**66,914**	514,228
2 to 3 years	**329,766**	133,486
Over 3 years	**8,181**	–
	1,858,614	1,829,452

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

The common credit terms granted to the PRC state-owned grid companies on the sale of electricity and heat energy are 30 to 60 days, except for the wind power price premium to be collected from the PRC state-owned grid companies which will depend on the relevant PRC government bureaus' policies on the subsidies of renewable energies.

The wind power price premium is included as a component of the government-approved on-grid tariff of wind power. The financial resource for the wind power price premium is the national renewable energy fund that accumulated through a special levy at RMB1.5 cents per kilowatts on the consumption of electricity. The government in the PRC is responsible to collect and allocate the fund and make settlement through state-owned grid companies to the wind farm project companies.

During the year ended December 31, 2012, the government in the PRC issued a number of pronouncements that confirmed the entitlement of wind power price premium for the Group's wind farm projects and amended the settlement process procedures. The wind power price premium attributed to the period between May 2011 and December 2011 is subject to further action of the government for the settlement, however the entitlement of such premium will not be reduced.

As of December 31, 2013, the Group's total outstanding balance of wind power price premium was RMB891,263,000 (2012: RMB1,026,266,000), comprise RMB501,499,000 incurred in the year ended December 31, 2013, RMB53,453,000 incurred in the year ended December 31, 2012 and RMB329,766,000 incurred in the period between May 2011 and December 2011.

Sale of other goods not having a specific credit terms will normally be recovered within one year.

The trade receivables past due but not impaired mainly represented the wind power price premium. The Directors consider that there is no impairment in view of the creditability of the debtors and the continuing repayment from these debtors.

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

	At December 31,	
	2013	2012
	RMB'000	*RMB'000*
1 to 2 years	**54,914**	514,228
2 to 3 years	**329,766**	133,486

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

At December 31, 2013, trade receivables amounting to RMB95,390,000 (2012: RMB80,312,000) are pledged for bank borrowings.

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

	Year ended December 31,	
	2013	2012
	RMB'000	*RMB'000*
At the beginning of the year	**875**	710
Provided during the year	**705**	165
At the end of the year	**1,580**	875

14. TRADE AND OTHER PAYABLES

	At December 31, 2013 RMB'000	2012 RMB'000
Trade payables	**3,192,253**	1,344,907
Bills payable	**1,201,155**	232,576
Advance received from customers	**17,004**	10,605
Salary and staff welfares	**53,697**	65,118
Non-income tax related tax payables	**72,827**	38,969
Accrued interests payable	**213,029**	143,281
Payable for costs of new share issuance	**–**	21,202
Other payables	**47,586**	58,434
	4,797,551	1,915,092

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs, as well as payable for property, plant and equipment and relevant retention payables. At December 31, 2013, there was RMB294,738,000 (2012: RMB287,966,000) retention payables to be settled after one year at the end of the reporting period. The Group normally settles the trade payable related to gas purchase within 30 days, settles the trade payable related to equipment purchase and construction cost, according to related contractual arrangements which normally requires progress payments during the construction period and a final payment after construction cost verified by independent valuer.

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

	At December 31, 2013 RMB'000	2012 RMB'000
Within 30 days	**1,414,727**	520,318
31 to 365 days	**1,393,880**	519,998
1 to 2 years	**235,503**	84,090
2 to 3 years	**37,070**	48,318
Over 3 years	**111,073**	172,183
	3,192,253	1,344,907

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY REVIEW

In 2013, the global economy witnessed the coexistence of differentiation and growth while the macro economy in China was experiencing a transition to a new era with further transformation in development model. Despite the moderate slowdown in economic growth, China saw steady growth in efficiency in economic activities and constant improvement in the market system.

With such a healthy and stable momentum of economic growth, China's total social power consumption reached 5.32 trillion KWH, with a year-on-year increase of 7.5%. By the end of 2013, the national installed capacity amounted to 1.247 billion KWH, with a year-on-year increase of 9.3%, leaping to the first place in the world, among which the renewable energy segment recorded a surge in installed capacity. In particular, in 2013, the installed capacity of hydropower was 280 million KWH, with a year-on-year increase of 12.3%; the installed capacity of on-grid wind power was 75.48 million KWH, with a year-on-year increase of 24.5%; the installed capacity of on-grid solar power was 14.79 million KWH, 3.4 times higher than the corresponding period of last year.

During the reporting period, the Group was gravely challenged by the complex operating conditions. However, with our effective implementation of the operating guidelines of "seeking progress while maintaining stability, refining strategy, optimizing structure, enhancing management and boosting efficiency", we have achieved steady growth in each production and operating indicator. As a result, the Group further strengthened its profitability, competitiveness and sustainability, recording unprecedented level of operating results and staying on the course of a fast, coordinated and healthy development.

II. BUSINESS REVIEW FOR 2013

1. Gradually unleashing production capacity and steadily increasing profitability

With the increasingly clearer policies for clean energy industry, the Group pushed forward project development in a proactive and prudent manner, by sticking to the efficiency-oriented principle, achieving a coordinated and sustainable development in each segment. The Group continuously enhanced the management of production safety in gas-fired and heat energy generation business and firmly promoted the standardized and regulated process of production and construction, resulting in soared production capacity and significant boost in production and operation efficiency. The operation standards of wind farms continued to improve with enhanced capability for emergency management. Meanwhile, the Group further strengthened the management on production technologies, and endeavored to enhance the healthiness and profitability of the remnant assets. During the reporting period, the Group's power generation reached 13,740,156 MWH, with a year-on-year increase of 69.38% as compared to 2012; income and profit grew steadily, recording revenue of RMB6,254.8 million, with a year-on-year increase of 50.66% as compared to 2012, and profit of RMB1,145.5 million, with a year-on-year increase of 25.87% as compared to 2012.

As at December 31, 2013, the aggregate consolidated power generation of the Group was classified by types of power generation as follows:

Types of power generation	**The aggregate consolidated power generation for the year ended December 31, 2013** *(MWH)*	**The aggregate consolidated power generation for the year ended December 31, 2012** *(MWH)*	**The year-on-year growth of the aggregate consolidated power generation for 2013** (%)
Gas-fired and heat energy generation	**8,535,644**	4,549,792	**87.6**
Wind power generation	**3,587,107**	2,817,488	**27.3**
Hydropower generation	**1,540,933**	1,126,216	**36.8**
Photovoltaic power generation	**76,472**	15,359	**397.9**
Total	**13,740,156**	8,508,856	**61.5**

2. Continuously consolidating the leading position in Beijing and highlighting the value of operation strategies

In 2013, smog blanketed half of the country starting from North China. To address the issue, the State Council, the Ministry of Environmental Protection and other competent authorities successively issued Action Plan on Prevention and Control of Air Pollution (or the "Ten Measures to Improve Air Quality") and Detailed Rules for the Implementation of the Action Plan on Prevention and Control of Air Pollution of Beijing-Tianjin-Hebei and the Surrounding Areas, in which adopting comprehensive measures to alleviate the air pollution in major regions in North China, such as Beijing-Tianjin-Hebei region, was proposed. The relevant measures include "stepping up the supply of clean energies, such as natural gas", gradually replacing coal-fired boilers by clean energies. In the second half of 2013, Ministry of Finance set up a specific fund of RMB5 billion, all of which will be spent on the air pollution treatment in Beijing-Tianjin-Hebei and the surrounding areas. At the end of 2013, Mr. Xi Jinping, the General Secretary of Central Committee of the Communist Party of China and President of China, visited Jingqiao Power, recognizing the Group's achievements in respect of the utilization of clean energy, energy conservation and emission reduction.

Leveraging on the favorable conditions created by aforementioned policies, the Group endeavored to reinforce and enhance the core value of its corporate development strategy and vigorously made contribution to the economic and social development as well as environment treatment in Beijing, so as to further strengthen the strategic value of its leading position in the capital in terms of clean energy. In 2013, upholding the concept of contributing to Beijing and refining its operations, the Group urged its gas-fired power plants to adopt robust measures to effectively improve the production capacity of equipment and the level of refined management; achieving safe, stable and efficient operation of facilities. In the first quarter, the Southwest Thermal Power Center – Jingqiao Project Phase II came into commercial operation, and fully unleashed its production capacity. During the year, the power generation from the gas-fired and heat energy generation business increased by 87.6% year-on-year, bringing a surge in revenue from the power generation segment. Based on this, the Group strengthened the all-round process management of projects, so as to secure enhancement in the efficiency after subsequent projects commence operation. The target of each phase for the construction of the Northwest Thermal Power Center – Jingxi Project, the Northeast Thermal Power Center – Gaoantun Project and the Demonstration Regional Energy Projects – Future Hightech City was fulfilled, which provided strong guarantee for the timely commencement of operation and future profitability. Meanwhile, in view of the construction plan for natural gas development in Beijing during the Twelfth Five-Year Plan period, the Group, tapping into its own strengths, proactively developed regional energy projects, advanced the preparation for the projects of Capital Airport No 2, Beijing Yizhuang Southern Extension and Changping Technology Business District. Among those projects, Shangzhuang Gas-fired Power Project made great progress and was listed in the government-supported preparation program for key projects of 2013 in Beijing, providing powerful momentum for the Group's long-term development. In respect of wind power generation, as the only wind power operator in Beijing, the Group continued to consolidate its regional strengths and boosted subsequent wind power reserves. In addition to obtaining the approval for Guanting Project Phase III, phase IV to VIII Guanting Project were short listed in the approval plans of the National Energy Commission for the third batch wind power projects under the "Twelfth Five-Year Plan", the aggregate capacity of which totaled 247 MW. In respect of photovoltaic power generation, the "Jingneng Badaling Solar Power Pilot Project", the sole ground solar power project in Beijing, is undergoing full construction with civil and structural engineering basically completed. The project expected to commence operation in 2014.

3. Highly efficient management of safe production and outstanding progress in wind power operation and development

In 2013, China accelerated the transformation in terms of its management role in wind power industry with significantly enhanced access to power grids, reducing the down time of wind turbines. The utilization of wind power reached 2074 hours, with a year-on-year increase of 184 hours.

Under such robust development environment for the wind power industry, the Group seized every chance to carry forward its development strategy of "strengthening wind power", consolidated the production and operating results of the wind power segment, and constantly improved the refined production management and the technical capability of on-site operation and maintenance staff. With solid and meticulous fundamental management and constant innovation and supported by the ease of restrictions on wind power generation and the rising of average wind speed, some of the wind farms under operated by the Group overcame technical difficulties, achieving, for the first time, long-cycle on-grid operation for all power generation units. During the reporting period, the Group's annual utilization of wind power generation averaged 2174 hours, a year-on-year increase of 358 hours, 100 hours higher than the national average. At the same time, the Group proactively responded to the policy adjustment in the wind power industry, revised its operating planning, optimized layout, controlled risks by perfecting strategies and systems, so as to guarantee investment returns. In the regions with high quality wind resources, the Group was granted the approvals for several projects including the projects in the horse racing track of Huhhot and in Ningxiang County, Hunan Province, with an installed capacity of 498,000 KW in total. Moreover, another 200,000 KW in our capacity was short listed in the approval plans of the National Energy Administration for the fourth batch wind power generators under the "Twelfth Five-Year Plan", further expanding the capacity of the Group's wind power reserves.

4. Striving to create high quality projects and forging ahead with the construction of key projects in a solid and effective manner

During the reporting period, aiming at creating first-class projects, the Group continued to perfect the safety system, enhanced the management of project-in-operation, further improved the infrastructure management level, formed a closed loop of control in each link of project construction and ensured the completion of project construction as scheduled with high quality. In 2013, the Group's Wenggenshan Wind Power Project won the "National Quality Project Award".

During the reporting period, the developing progress of the Group's key projects was smooth and effective. The Group further improved construction standards while sticking to project schedules, comprehensively strengthened the management of projects under construction, strived to create high quality projects, and accomplished the phased goals of projects under efficient infrastructure management. The framework of the main plant and the boiler room in the Northeast Thermal Power Center – Gaoantun Project were completed, and power generation units have been fully in place. During the construction, the engineering works of the production area and the front area of the plant were awarded the "Structure Great Wall Cup" in Beijing. To ensure high-quality operation and secure the Quality Power Engineering Award, the Northwest Thermal Power Center – Jingxi Project strengthened management during infrastructure construction and steadily pushed forward the project schedule with key phases completed such as the closing of walls surrounding the main plant, the availability of power generation units and installation of auxiliary equipments. Our Demonstrative Regional Energy Project – Future Hightech City completed the construction of its main plant for gas-fired heat and power cogeneration projects, with the main equipment installed and entered commissioning in phases.

5. **Coordinated development of other types of renewable energy and constantly enhanced corporate sustainability**

In 2013, the Group continued to follow the operating approach of "expanding gas-fired power projects, strengthening power projects, increasing hydropower projects and optimizing solar power projects", strategically devised its plan and structurally rolled out its blueprint. Apart from the gas-fired power and heat energy generation business and wind power generation business, the Group energetically expanded projects in relation to solar and other renewable energy. As the introduction of the Several Opinions of the State Council on Promoting the Healthy Development of the Photovoltaic Industry (Guo Fa No. 2013 (24)), the PRC government made great efforts in promoting the development of photovoltaic industry with stronger financial support. The Group took advantage of the favorable policy, grasped the best timing to advance production, striving for more profit potential. With our constant efforts, the Group gained the approval for a project of 240,000 KW in 2013, and has actively conducted preparation for the projects in Beijing, Inner Mongolia, Heilongjiang, Liaoning, Xinjiang, Ningxia, Gansu, Shaanxi, Shanxi, Shandong, Jiangsu and Hunan, reserving abundant high quality photovoltaic power generation projects and lifting the preparation works to the new heights. In respect of hydropower, the Group not only guaranteed the operation commencement schedule of the hydropower projects under construction, and also actively identified and developed medium-to-small hydropower projects in the southwest region with abundant water resources. At the same time, the Group put emphasis on waste-to-electricity projects due to the promising prospect. In general, the synergetic advantage of the Group's each segment is increasingly apparent, leading to continuous enhancement in its corporate sustainability.

6. **Diversified financing channels and debt financing to comprehensively enhance the financing capabilities**

In 2013, the Group scientifically deployed its capital operations, effectively controlled capital costs, expanded a range of financing channels domestically and internationally, and guaranteed the satisfaction of capital needs of the Group's infrastructure projects. The Group also grasped a short-term opportunity of H share placing and realized our first capital refinancing after listing, with additional 327.5 million newly issued shares and raised fund amounted to approximately HK$907 million, which effectively satisfied the capital needs of the Company during the year. During the reporting period, the Group successfully issued the short-term debentures with an aggregate principal amount of RMB1,800 million, which effectively reduced the Company's financing cost. The Group fully played the function of capital management platform, strengthened our centralized capital management, kept optimizing our finance structure and effectively saved our capital cost, facilitating the smooth progress of the Group's key project constructions.

7. **Endeavoring to establish a system of intrinsic safety to improve the comprehensive management level on all fronts**

The year 2013 marked the Group's "year of management enhancement". The Group formulated a series of implementation proposals and attentively carried out each system and measure. The Group worked in great length to seek approaches to improve power plants and efficiency. The Group also strived to guarantee the safety, stability and efficiency of power generation, established a full range of standards, further consolidated fundamental management, and conducted control over the assets of core projects in all aspects and during the whole process. This enabled the Group to bring production and operation under control in a comprehensive manner by applying innovative information technologies. With an integrated information management platform, the Group standardized the comprehensive management of the Group and realized the function of risk prevention.

III. OPERATING RESULTS AND ANALYSIS

1. Overview

In 2013, the Company's profitability improved gradually. Net profit for the year amounted to RMB1,227.5 million, representing an increase of 24.19% as compared to RMB988.4 million for 2012. Profit and total comprehensive income for the year attributable to equity owners of the Company amounted to RMB1,145.5 million, representing an increase of 25.87% as compared to RMB910.1 million for 2012.

2. Operating Income

In 2013, the total revenue amounted to RMB6,254.8 million, representing an increase of 50.66% as compared to RMB4,151.6 million for 2012. In 2013, our adjusted total operating income was RMB7,637.4 million, representing an increase of 65.96% as compared to RMB4,602.0 million for 2012, due to the increase in electricity sales resulting from the increase in operating capacity in each segment in 2013.

Gas-fired Power and Heat Energy Generation Segment

The revenue from the gas-fired power and heat energy generation segment increased by 63.59% from RMB2,538.9 million for 2012 to RMB4,153.5 million for 2013, as a result of the increase in electricity sales due to the increase in operating capacity in this segment. Revenue from electricity sales increased by 74.09% from RMB2,147.8 million for 2012 to RMB3,739.2 million for 2013, as a result of an increase in sales volume of electricity due to the increase in operating capacity in this segment. Revenue from sales of heat energy increased by 6.90% from RMB387.4 million for 2012 to RMB414.2 million for 2013, as a result of the increased sales volume of heat energy due to the increase in operating capacity in this segment.

Wind Power Segment

The revenue from our wind power segment increased by 25.73% from RMB1,318.4 million for 2012 to RMB1,657.6 million for 2013, as a result of the increase in electricity sales due to the commencement of production of new projects in this segment and less wind grid curtailment.

Hydropower Segment

The revenue from our hydropower segment increased by 29.74% from RMB283.7 million for 2012 to RMB368.1 million for 2013, as a result of an increase in sales volume of electricity due to the increase of installed capacity in this segment.

Others

The revenue from other businesses increased by 610.80% from RMB10.6 million for 2012 to RMB75.6 million for 2013, which was attributable to an increase in sales volume of electricity due to the increase in operating capacity of our photovoltaic power projects.

3. Other Income

Other income increased by 99.41% from RMB733.2 million for 2012 to RMB1,462.1 million for 2013, which was attributable to an increase in government grants and subsidies related to clean energy production due to the projects in operation in gas-fired power and heat energy generation segment and the increase in gas prices.

4. Operating Expenses

Operating expenses increased by 70.24% from RMB3,336.0 million for 2012 to RMB5,679.4 million for 2013, which was attributable to an increase in gas consumption due to the increase in gas prices for the gas-fired power and heat energy generation segment as well as the increase in production costs and corresponding expenses following the commencement of production of projects in each segment.

(1) Gas Consumption

Gas consumption increased by 98.75% from RMB1,841.3 million for 2012 to RMB3,659.6 million for 2013, due to the increase in gas prices and an increase in operating capacity in the gas-fired power and heat energy generation segment.

(2) Depreciation and Amortization

Depreciation and amortization increased by 29.06% from RMB854.4 million for 2012 to RMB1,102.7 million for 2013, due to the increase in operating capacity in each segment.

(3) Personnel Cost

Personnel cost increased by 39.45% from RMB249.1 million for 2012 to RMB347.4 million for 2013, as a result of the increased number of employees due to the business development of the Group and additional personnel costs incurred following the commencement of production of new projects.

(4) Repairs and Maintenance

Repairs and maintenance increased by 64.65% from RMB151.2 million for 2012 to RMB249.0 million for 2013, as a result of an increase in repair expenses due to the increase in operating capacity in the gas-fired power and heat energy generation segment.

(5) Other Expenses

Other expenses increased by 46.87% from RMB291.3 million for 2012 to RMB427.9 million for 2013, which was attributable to the commencement of production of new projects.

(6) Other Gains and Losses

Other gains increased by 108.69% from RMB51.4 million for 2012 to RMB107.2 million for 2013, primarily due to the deemed disposal gain resulting from a placement of shares to certain non-controlling shareholders by a subsidiary of Beijing Jingneng International Power Co., Ltd., an associate of the Company.

5. Operating Profit

As a result of the above, our operating profit increased by 31.56% from RMB1,548.8 million for 2012 to RMB2,037.6 million for 2013.

6. Adjusted Segment Operating Profit

The total adjusted segment operating profit increased by 54.86% from RMB1,263.5 million for 2012 to RMB1,956.6 million for 2013 due to the increased electricity sales in all segments.

Gas-fired Power and Heat Energy Generation Segment

The total adjusted segment operating profit of our gas-fired power and heat energy generation segment increased by 111.25% from RMB433.0 million for 2012 to RMB914.7 million for 2013, as a result of the increase in electricity sales due to the newly operated capacity in this segment.

Wind Power Segment

Adjusted segment operating profit of our wind power segment increased by 22.40% from RMB677.1 million for 2012 to RMB828.8 million for 2013, as a result of the increase in electricity sales due to the commencement of production of new projects in this segment and less wind grid curtailment.

Hydropower Segment

Adjusted segment operating profit of our hydropower segment decreased by 5.53% from RMB157.7 million for 2012 to RMB149.0 million for 2013 due to the increase in cost of power generation per unit.

7. Finance Costs

Our finance costs increased by 27.79% from RMB708.5 million for 2012 to RMB905.4 million for 2013 due to the increase in interest payments expensed following the commencement of production of new projects.

8. Share of Results of Associates and Joint Ventures

Share of results of associates and joint ventures increased by 18.18% from RMB243.7 million for 2012 to RMB288.0 million for 2013, as a result of the increase in the net profit of Beijing Jingneng International Power Co., Ltd., an associate of the Company, due to the decline of fuel prices.

9. Profit before Taxation

As a result of the above, our profit before taxation increased by 30.39% from RMB1,111.9 million for 2012 to RMB1,449.8 million for 2013.

10. Income Tax Expenses

Our income tax expenses increased by 79.99% from RMB123.5 million for 2012 to RMB222.4 million for 2013. Our effective tax rate increased from 11.11% for 2012 to 15.34% for 2013 primarily due to the increase in income tax on our newly operated gas-fired power projects.

11. Profits for the Year

As a result of the above, profit for the year increased by 24.19% from RMB988.4 million for 2012 to RMB1,227.5 million for 2013.

12. Profit for the Year Attributable to Equity holders of the Company

Profit for the year attributable to equity holders of the Company increased by 25.87% from RMB910.1 million for 2012 to RMB1,145.5 million for 2013.

IV. FINANCIAL POSITION

1. Overview

As at December 31, 2013, total assets of the Group increased significantly to RMB38,493.2 million, total liabilities were RMB27,529.0 million and shareholders' equity reached RMB10,964.2 million, among which equity attributable to the parent company amounted to RMB10,677.1 million.

2. Particulars of Assets and Liabilities

Our total assets increased by 23.74% from RMB31,109.1 million as at December 31, 2012 to RMB38,493.2 million as at December 31, 2013 due to increased investment in project construction. The total liabilities increased by 26.36% from RMB21,786.8 million as at December 31, 2012 to RMB27,529.0 million as at December 31, 2013 due to the increase in payables for project construction. Total shareholders' equity increased by 17.61% from RMB9,322.3 million as at December 31, 2012 to RMB10,964.2 million as at December 31, 2013. Equity attributable to equity holders of the Company increased by 18.02% from RMB9,046.8 million as at December 31, 2012 to RMB10,677.1 million as at December 31, 2013, due to the placing of new shares completed in 2013 and the accretion from business results.

3. Liquidity

As at December 31, 2013, our current assets amounted to RMB6,402.4 million, including cash of RMB2,319.5 million, bills and trade receivables of RMB1,858.6 million (mainly comprising receivables from sales of electricity and heat energy), and prepayment and other current assets of RMB2,224.3 million (mainly comprising deductible value-added tax and other trade receivables). Current liabilities amounted to RMB10,645.9 million, including short-term borrowings of RMB3,617.5 million, short-term debentures of RMB1.8 billion and bills and trade payables of RMB4,797.6 million (mainly comprising payables for gas, construction and purchase of equipment). Other current liabilities amounted to RMB430.8 million, mainly including income tax payable and amounts due to related parties.

Net current liabilities increased by 54.72% from RMB2,742.7 million as at December 31, 2012 to RMB4,243.5 million as at December 31, 2013 due to the increase in trade and other payables.

Current ratio decreased by 3.80% from 63.94% as at December 31, 2012 to 60.14% as at December 31, 2013, due to an increase current liabilities.

4. Net Gearing Ratio

Net gearing ratio, calculated by dividing net debts (total borrowings minus cash and cash equivalents) by the sum of net debts and total equity, increased by 1.17% from 63.15% as at December 31, 2012 to 64.32% as at December 31, 2013 due to the increase in borrowings.

The Group's long-term and short-term borrowings increased by 21.64% from RMB18,155.6 million as at December 31, 2012 to RMB22,083.8 million as at December 31, 2013, including short-term borrowings of RMB3,617.5 million, long-term borrowings of RMB12,077.8 million, medium-term notes of RMB1.0 billion, corporate bonds of RMB3,588.4 million and short-term debentures of RMB1.8 billion.

Bank balances and cash held by the Group increased by 6.50% from RMB2,178.0 million as at December 31, 2012 to RMB2,319.5 million as at December 31, 2013, due to a partial utilization of the proceeds from the placing of new shares.

5. Financing

On January 23, 2013, the Group successfully issued the first tranche of short-term debentures and raised proceeds of RMB900.0 million at an interest rate of 4.24%. On March 12, 2013, the Group successfully issued the second tranche of short-term debentures and raised proceeds of RMB900.0 million at an interest rate of 4.02%.

On October 23, 2013, the Company successfully completed the placing of 327,508,000 H shares in Hong Kong, at placing price of HK$2.82 each, and raised proceeds of HK$907.0 million.

6. Capital Expenditure

In 2013, the Group's capital expenditure amounted to RMB8,240.6 million, including RMB5,674.1 million incurred for construction projects in the gas-fired power and heat energy generation segment, RMB1,056.1 million incurred for construction projects in the wind power segment, RMB388.7 million incurred for construction projects in the hydropower segment, and RMB1,121.7 million incurred for other construction projects.

7. Material Acquisition and Disposal

Pursuant to the Approval on the Proposed Disposal of Equity Interest in Inner Mongolia Jingneng Bayin Wind Power Co., Ltd. by Beijing Jingneng Clean Energy Co., Limited (Jing Guo Zi Chan Quan [2012] No. 273), the Company completed the disposal of 90% equity interest in Inner Mongolia Jingneng Bayin Wind Power Co., Ltd. at a consideration of RMB100.8 million in 2013.

8. Significant Investment

According to the development plan of the Group, the Company established Ningxia Jingneng Zhongwei New Energy Co., Ltd. (寧夏京能中衛新能源有限公司) and Beijing Jingneng Future Gas-fired Power Co., Ltd. (北京京能未來燃氣熱電有限公司) in 2013 as two wholly-owned subsidiaries to respectively carry out the construction of photovoltaic power projects and the construction of gas-fired power and heat energy generation projects.

9. Contingent Liabilities

As of December 31, 2013, the Group had no external guarantees.

10. Mortgage of Assets

As of December 31, 2013, the Group's bank borrowings were secured by trade receivables of RMB95.4 million.

V. RISK FACTORS AND RISK MANAGEMENT

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

1. Interest Rate Risk

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

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

2. Exchange Rate Risk

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

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

VI. BUSINESS OUTLOOK IN 2014

In 2014, the Group will endeavor to achieve the following targets:

1. Constructing high quality projects and ensuring the quality of growth

The Group will continue to reinforce the existing sound momentum, fully advance the construction progress of key projects, guarantee the timely commencement of operation of the key large-scale projects, such as the Northeast Thermal Power Center, the Northwest Thermal Power Center and the Future Hightech City Project in Changping, reaping profit from quantity and seeking efficiency from scale. These initiatives will ensure the fulfillment of the Multiplied Capacity Plan in the gas-fired and heat energy generation segment, continuously create profit generators and secure the corporate core competitiveness.

2. Optimizing production indicators and striving to increase the efficiency of the idle assets

In 2014, the Group will continue to consolidate its intrinsic safety system, conduct in-depth optimization on the management modes of production safety, enhance refined management, constantly upgrade the comprehensive management level in production and operation, effectively implement each and every management measure, make greater efforts in market expansion, intensify the communication and coordination with government authorities and power grid companies, seek efficiency from management, establish an organic growth mode, and continue to strengthen the capability of creating revenue and boosting efficiency.

3. Ensuring effective development with scientific layout

The Group will proactively respond to the industrial policies in the clean energy industry, follow the development trend of the industry, take the initiative to seize development opportunity, analyze and study the profit generators of each segment, conduct in-depth specialized research, actively optimize and upgrade strategic layout, adjust and innovate operating planning, and secure the leading advantage in energy supply sector in the capital. In addition, the Group will continue to expand its resources, boost project reserves, improve the quality and the depth of the economic assessment on project technologies, and bring the synergy of each segment into constant play.

4. Enhancing technological innovation and pushing forward the systematic construction of technological innovation

The Group will further advance the construction of innovation-driven enterprise, facilitating the smooth progress with the driving force from technological innovations in key projects. The Group will vigorously build the high-tech demonstrative projects, which will reduce the cost and boost efficiency while bolstering the Group's social influence in respect of high-tech energy conservation.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended December 31, 2013.

FINAL DIVIDEND

The Board resolved to propose to the shareholders of the Company on the forthcoming Annual General Meeting (the "**AGM**") to be held on June 10, 2014, for the payment of a final dividend of RMB4.34 cents per share (tax inclusive) for the year ended December 31, 2013 (the "**2013 Final Dividends**") payable to the shareholders of the Company whose names are listed in the register of members of the Company on June 19, 2014, in an aggregate amount of approximately RMB281.1 million. The 2013 Final Dividends will be denominated and declared in RMB. Dividends on domestic shares will be paid in RMB and dividends on H Shares will be paid in Hong Kong dollars. The proposal for the payment of the 2013 Final Dividends above is subject to the consideration and approval of the shareholders at the AGM of the Company.

Pursuant to the Enterprise Income Tax Law of the PRC and its implementation rules, which came into force since January 1, 2008 and other relevant rules, where the Company distributes the proposed 2013 Final Dividends to non-resident enterprise shareholders whose names appear on the register of members for H shares of the Company, it is required to withhold enterprise income tax at a rate of 10%. Any H shares registered in the name of non-individual registered shareholders, including HKSCC Nominees Limited, other nominees or trustees, or other organizations or groups, will be treated as shares being held by non-resident enterprise shareholders, and consequently will be subject to the withholding of the enterprise income tax.

Pursuant to the PRC Individual Income Tax Law, the Implementation Regulations of the Individual Income Tax Law, the Tentative Measures on Withholding and Payment of Individual Income Tax and other relevant laws and regulations, the foreign individuals who are the holders of H shares shall pay individual income tax at a tax rate of 20% upon their receipt of distribution of dividend from domestic enterprises which issued such H shares, which shall be withheld and paid by such domestic enterprises on behalf of the such individual H shareholders. However, the Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax effective from May 13, 1994 (the "**1994 Notice**") grants exemption to foreign individuals from PRC individual income tax on dividend from foreign-invested enterprises. Since the Company has become a "foreign-invested enterprise" since August 2010 as approved by the relevant PRC authorities, the individual shareholders who hold the Company's H shares and whose names appear on the register of members of H shares of the Company (the "**Individual H Shareholders**") are not required to pay PRC individual income tax when the Company distributes the 2013 Final Dividends based on the 1994 Notice. Therefore, the Company will not withhold any amount of the 2013 Final Dividends to be distributed to the Individual H Shareholders to pay the PRC individual income tax.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertaining shareholders' entitlement to attend and vote at the AGM and to the proposed 2013 Final Dividends, the H share register of members of the Company will be closed from May 11, 2014 to June 10, 2014 (both days inclusive) and from June 14, 2014 to June 19, 2014 (both days inclusive), respectively, during which periods no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming AGM, holders of H shares of the Company shall lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before 4:30 p.m. on May 9, 2014. In order to qualify for receiving the proposed 2013 Final Dividends (subject to the approval by shareholders at the forthcoming AGM), holders of H shares of the Company shall lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at the above mentioned address for registration before 4:30 p.m. on June 13, 2014.

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 as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") for the year ended 31 December 2013.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers 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 for Securities Transactions by Directors of Listed Issuers.

AUDITORS

Deloitte Touche Tohmatsu and Crowe Horwath China Certified Public Accountants were appointed as auditors for the financial statements prepared in accordance with IFRSs and Accounting Standards for Business Enterprises of PRC, respectively, for the year ended 31 December 2013. The Company's financial statements for the year 2013 prepared in accordance with IFRSs have been audited by Deloitte Touche Tohmatsu.

A resolution on re-appointing Deloitte Touche Tohmatsu as the international auditor of the Company in the year 2014 will be proposed at the Company's forthcoming AGM.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's 2013 annual results and the financial statements for the year ended December 31, 2013 prepared in accordance with the IFRSs.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the HKExnews website of the Stock Exchange at http://www.hkexnews.hk and on the website of the Company at http://www.jncec.com/. The 2013 annual report containing all the information required by the Listing Rules will be dispatched to the shareholders in due course and will be published on the websites of the Company and the Stock Exchange.

By order of the Board
Beijing Jingneng Clean Energy Co., Limited
LU Haijun
Chairman

Beijing, the PRC
March 19, 2014

As at the date of this announcement, the non-executive directors of the Company are Mr. Lu Haijun, Mr. Guo Mingxing, Mr. Xu Jingfu, Mr. Liu Guochen, Mr. Yu Zhongfu and Mr. Jin Yudan; the executive director of the Company is Mr. Chen Ruijun; and the independent non-executive directors of the Company are Mr. Liu Chaoan, Mr. Shi Xiaomin, Ms. Lau Miu Man and Mr. Wei Yuan.