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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 2014

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2014 was RMB8,728.7 million, increased by 39.55% as compared with the previous year.

- Profit before taxation for the year ended 31 December 2014 was RMB1,571.6 million, increased by 8.40% as compared with the previous year.

- Profit for the year attributable to equity owners of the Company for the year ended 31 December 2014 was RMB1,208.3 million, increased by 5.48% as compared with the previous year.

FINAL DIVIDEND

- The Board recommends a final dividend of RMB4.21 cents per share (tax inclusive) for the year ended 31 December 2014, which represent a total distribution of approximately RMB289.2 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 31 December 2014 (the "**Reporting Period**"), prepared under International Financial Reporting Standards ("**IFRSs**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2014

	Notes	**Year ended December 31, 2014 RMB'000**	Year ended December 31, 2013 *RMB'000*
Revenue	*5*	**8,728,687**	6,254,824
Other income	*6*	**1,425,623**	1,462,121
Gas consumption		**(5,401,450)**	(3,659,648)
Depreciation and amortization	*10*	**(1,304,095)**	(1,102,715)
Personnel costs	*10*	**(417,394)**	(347,436)
Repairs and maintenance		**(308,804)**	(248,961)
Other expenses		**(488,804)**	(427,864)
Other gains and losses	*7*	**96,327**	107,237
Profit from operations		**2,330,090**	2,037,558
Interest income	*8*	**21,421**	29,636
Finance costs	*8*	**(1,099,556)**	(905,371)
Share of results of associates		**319,656**	287,939
Share of results of a joint venture		**3**	73
Profit before taxation		**1,571,614**	1,449,835
Income tax expense	*9*	**(284,321)**	(222,352)
Profit for the year	*10*	**1,287,293**	1,227,483
Profit for the year attributable to:			
– Equity owners of the Company		**1,208,330**	1,145,534
– Non-controlling interests		**78,963**	81,949
		1,287,293	1,227,483

		Year ended December 31, 2014 RMB cents	Year ended December 31, 2013 *RMB cents*
Earnings per share			
Basic and diluted	*12*	**18.39**	18.44

	Notes	Year ended December 31, **2014** *RMB'000*	2013 *RMB'000*
Profit for the year	*10*	**1,287,293**	1,227,483
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations:			
Exchange differences arising during the year		**(92,734)**	–
Cash flow hedges			
Loss during the year		**(11,226)**	–
Income tax relating to items that may be reclassified subsequently to profit or loss		**3,368**	–
Other comprehensive expense for the year, net of income tax		**(100,592)**	–
Total comprehensive income for the year		**1,186,701**	1,227,483
Total comprehensive income for the year attributable to:			
– Equity owners of the Company		**1,132,147**	1,145,534
– Non-controlling interests		**54,554**	81,949
		1,186,701	1,227,483

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2014

	Notes	At December 31, 2014 RMB'000	2013 RMB'000
Non-current assets			
Property, plant and equipment		**29,448,034**	23,935,069
Intangible assets		**4,353,754**	4,494,646
Goodwill		**190,049**	124,194
Prepaid lease payments		**136,334**	131,905
Investments in associates		**1,853,829**	1,650,903
Loans to associates		**150,000**	149,440
Investments in a joint venture		**80,466**	80,463
Deferred tax assets		**222,183**	100,140
Available-for-sale financial assets		**128,528**	98,528
Value-added tax recoverable		**414,170**	561,830
Deposit paid for acquisition of property, plant and equipment		**663,448**	763,646
		37,640,795	32,090,764
Current assets			
Inventories		**116,687**	84,613
Trade and bill receivables	*13*	**4,020,647**	1,858,614
Other receivables, deposits and prepayments		**395,355**	1,040,249
Derivative financial assets		**18,163**	–
Current tax assets		**10,472**	9,125
Amounts due from related parties		**266,347**	117,696
Prepaid lease payments		**3,983**	2,269
Value-added tax recoverable		**875,052**	548,531
Held for trading financial asset		**370,803**	–
Restricted bank deposits		**157,348**	421,787
Cash and cash equivalents		**4,206,827**	2,319,504
		10,441,684	6,402,388

		At December 31,	
		2014	2013
	Notes	***RMB'000***	*RMB'000*
Current liabilities			
Trade and other payables	*14*	**5,188,552**	4,797,551
Amounts due to related parties		**290,356**	304,700
Bank and other borrowings-due within one year		**5,286,789**	3,617,543
Short-term debentures		**1,800,000**	1,800,000
Medium-term notes-due within one year		**1,000,000**	–
Corporate bonds-due within one year		**2,397,701**	–
Income tax payable		**192,570**	126,102
Deferred income-current portion		**331,603**	–
		16,487,571	10,645,896
Net current liabilities		**(6,045,887)**	(4,243,508)
Total assets less current liabilities		**31,594,908**	27,847,256
Non-current liabilities			
Derivative financial liabilities		**30,998**	–
Bank and other borrowings-due after one year		**15,996,513**	12,077,830
Medium-term notes-due after one year		**–**	1,000,000
Corporate bonds-due after one year		**2,184,649**	3,588,434
Deferred tax liabilities		**106,236**	26,092
Deferred income		**334,742**	190,742
		18,653,138	16,883,098
Net assets		**12,941,770**	10,964,158
Capital and reserves			
Share capital		**6,870,423**	6,477,413
Reserves		**5,629,414**	4,199,672
Equity attributable to equity owners of the Company		**12,499,837**	10,677,085
Non-controlling interests		**441,933**	287,073
Total equity		**12,941,770**	10,964,158

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

1. GENERAL INFORMATION

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

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

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

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

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

2. BASIS OF PREPARATION

(a) In preparing the consolidated financial statements, the Directors have given careful consideration that at December 31, 2014, the Group has net current liabilities of RMB6,045,887,000. Taking into consideration of the unutilized banking and other borrowing facilities available to Group of approximately RMB16,239,000,000 at December 31, 2014, 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) In accordance with the equity transfer agreements entered into between the Company and 青海京能建設投資有限公司 (Qinghai Jingneng Construction and Investment Co., Ltd., English name for identification purpose) ("Qinghai Jingneng"), a wholly owned subsidiary of BEH, on December 29, 2014, the Company acquired 100% equity interest of 格爾木京能新能源有限公司 (Golmud Jingneng New Energy Co., Ltd., English name for identification purpose) ("Golmud New Energy") from Qinghai Jingneng for a cash consideration of RMB138,763,200. The Group's acquisition of Golmud New Energy was completed by December 29, 2014 and has been accounted for as a combination of businesses under common control in a manner similar to pooling-of-interests since January 9, 2014, the date of incorporation of Golmud New Energy. Golmud New Energy is mainly engaged in the development and operation of photovoltaic power projects in Qinghai, the PRC. Golmud New Energy was acquired so as to the expansion of the Group's photovoltaic power operations.

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

IFRS 9 Financial Instruments

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

Key requirements of IFRS 9 are described as follows:

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

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

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

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

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

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. During the year ended 31 December 2014, after careful considerations, the Group's CODM decided to add photovoltaic power as one more operating segment. Comparative information has been represented accordingly. 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.

– Photovoltaic power: manages and operates photovoltaic power plants and sales of electricity generated to external customers.

– Others: business activities other than "Wind power", "Gas-fired Power and Heat Energy Generation", "Hydropower" and "Photovoltaic power".

(a) Segment revenue, results, assets and liabilities

An analysis of the Group's reportable segment revenue, result, assets, and liabilities for the year ended December 31, 2014 by operating segment is as follows:

	Wind power *RMB'000*	Gas-fired power and heat energy generation *RMB'000*	Hydropower *RMB'000*	Photovoltaic power *RMB'000*	Others *RMB'000*	Total *RMB'000*
For the year ended December 31, 2014						
Revenue from external customers						
Sales of electricity	**1,567,424**	**5,787,854**	**370,504**	**390,492**	**–**	**8,116,274**
Sales of heat energy	**–**	**610,689**	**–**	**–**	**–**	**610,689**
Others	**–**	**197**	**–**	**–**	**1,527**	**1,724**
Reportable segment revenue/ consolidated revenue	**1,567,424**	**6,398,740**	**370,504**	**390,492**	**1,527**	**8,728,687**
Reportable segment profit *(Note (i))*	**855,149**	**1,170,352**	**161,199**	**163,811**	**(22,711)**	**2,327,800**
Reportable segment assets	**16,403,421**	**16,892,396**	**4,822,620**	**3,921,342**	**10,839,072**	**52,878,851**
Reportable segment liabilities	**(11,757,358)**	**(11,570,694)**	**(2,233,050)**	**(2,373,125)**	**(14,139,054)**	**(42,073,281)**
Additional segment information:						
Depreciation	**367,681**	**471,754**	**78,603**	**194,634**	**2,370**	**1,115,042**
Amortization	**158,031**	**4,439**	**26,071**	**25**	**487**	**189,053**
Finance costs *(Note (ii))*	**544,422**	**247,426**	**67,154**	**66,654**	**173,900**	**1,099,556**
Other income	**62,104**	**1,357,955**	**3,174**	**100**	**2,290**	**1,425,623**
Including:						
– Government grant related to clean energy production	**22,240**	**1,296,354**	**–**	**–**	**–**	**1,318,594**
– Grants related to construction of assets	**2,632**	**3,775**	**–**	**–**	**–**	**6,407**
– Income from CERs and VERs	**–**	**127**	**447**	**–**	**–**	**574**
– Others	**37,232**	**57,699**	**2,727**	**100**	**2,290**	**100,048**
Expenditures for reportable segment non-current assets	**1,384,298**	**2,122,883**	**305,684**	**1,275,049**	**81,589**	**5,169,503**

	Wind power *RMB'000*	Gas-fired power and heat energy generation *RMB'000*	Hydropower *RMB'000*	Photovoltaic power *RMB'000*	Others *RMB'000*	Total *RMB'000*
For the 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	65,748	9,831	6,254,824
Reportable segment profit *(Note (i))*	877,391	937,075	156,143	40,281	25,270	2,036,160
Reportable segment assets	13,082,147	14,645,407	4,332,514	1,569,298	9,331,255	42,960,621
Reportable segment liabilities	(9,606,342)	(10,108,552)	(1,695,917)	(770,620)	(11,742,312)	(33,923,743)
Additional segment information:						
Depreciation	444,880	379,110	78,904	12,903	2,337	918,134
Amortization	157,450	633	25,624	–	874	184,581
Finance costs *(Note (ii))*	626,749	196,385	54,434	13,289	14,514	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	681,936	439,747	8,240,632

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 ("AFS") financial assets).

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

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

	Year ended December 31,	
	2014	2013
	RMB'000	*RMB'000*
Results		
Reportable segment profit	**2,327,800**	2,036,160
Unallocated		
Dividend income from available-for-sale financial asset	**2,290**	1,398
Profit from operations	**2,330,090**	2,037,558
Interest income	**21,421**	29,636
Finance costs	**(1,099,556)**	(905,371)
Share of results of associates	**319,656**	287,939
Share of results of a joint venture	**3**	73
Consolidated profit before taxation	**1,571,614**	1,449,835

	At December 31,	
	2014	2013
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**52,878,851**	42,960,621
Inter-segment elimination	**(8,520,600)**	(7,657,304)
Unallocated assets:		
– Investments in associates	**1,853,829**	1,650,903
– Loans to associates	**150,000**	149,440
– Investments in a joint venture	**80,466**	80,463
– Deferred tax assets	**222,183**	100,140
– Available-for-sale financial asset	**128,528**	98,528
Different presentation on:		
– Value-added tax recoverable *(Note (i))*	**1,289,222**	1,110,361
Consolidated total assets	**48,082,479**	38,493,152

	At December 31, 2014 RMB'000	2013 RMB'000
Liabilities		
Reportable segment liabilities	**42,073,281**	33,923,743
Inter-segment elimination	**(8,520,600)**	(7,657,304)
Unallocated liabilities:		
– Income tax payable	**192,570**	126,102
– Deferred tax liabilities	**106,236**	26,092
Different presentation on:		
– Value-added tax recoverable *(Note (i))*	**1,289,222**	1,110,361
Consolidated total liabilities	**35,140,709**	27,528,994

Note:

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

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

(c) Geographical information

Over 90% of the Group's revenue and non-current assets (non-current assets excluded deferred tax assets and financial assets) are located in the PRC, therefore no 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/out of the PRC and the sales activities are made in the/out of PRC.

(d) Information of major customers

Revenue from the PRC government controlled power grid companies for the year ended December 31, 2014 amounted to RMB8,067,253,000 (2013: RMB5,813,500,000). Sales of electricity to the major customers for the year ended December 31, 2014 by segment were as follows:

	Year ended December 31, 2014 RMB'000	2013 RMB'000
Wind Power	**1,562,333**	1,657,641
Gas-fired Power and Heat Energy Generation	**5,787,854**	3,739,211
Hydropower	**326,574**	350,900
Photovoltaic Power	**390,492**	65,748
Total	**8,067,253**	5,813,500

5. REVENUE

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

	Year ended December 31, 2014 RMB'000	2013 RMB'000
Sales of goods:		
– Electricity	**8,116,274**	5,830,731
– Heat energy	**610,689**	415,505
Service income from:		
– Associate *(Note)*	**–**	554
– Third parties *(Note)*	**1,724**	8,034
	8,728,687	6,254,824

Note: The service income for the year ended December 31, 2014 and December 31, 2013 represented repair and maintenance service provided.

6. OTHER INCOME

	Year ended December 31, 2014 RMB'000	2013 RMB'000
Government grants and subsidies related to:		
– Clean energy production	**1,318,594**	1,382,577
– Construction of assets	**6,407**	2,632
Income from CERs and VERs	**574**	31,258
Value-added tax refunds *(Note (a))*	**42,377**	36,705
Dividend from available-for-sale financial assets, unlisted	**2,290**	1,398
Income from grid compensation *(Note (b))*	**41,422**	–
Others	**13,959**	7,551
	1,425,623	1,462,121

Notes:

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

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

7. OTHER GAINS AND LOSSES

	Year ended December 31,	
	2014	2013
	RMB'000	*RMB'000*
Other gains (losses) comprise:		
Gain on dilution of interest in a subsidiary of an associate *(Note (a))*	**–**	87,747
Gain on disposal of a subsidiary	**–**	45,900
Impairment loss on doubtful receivables	**(2,964)**	(705)
Reversal of impairment loss on doubtful receivables *(Note (b))*	**50,551**	22
Loss on disposal of property, plant and equipment	**(1,481)**	(15,797)
Net exchange loss	**(16,231)**	(11,209)
Gain arising on change in fair value of financial asset classified as held for trading	**64,751**	–
Others	**1,701**	1,279
	96,327	107,237

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) This item includes RMB50,400,000 to reverse the provision on doubtful receivable as of December 31, 2013 on the outstanding consideration in disposal of a subsidiary. During the year ended December 31, 2014, the Group settled the disputation with the Buyer and ensured the recoverability of the balance is reliable. The Group had collected RMB20,160,000, in the year ended December 31, 2014 and the rest was mutually agreed to be settled within one year after December 31, 2014.

8. INTEREST INCOME/FINANCE COSTS

	Year ended December 31, **2014** *RMB'000*	2013 *RMB'000*
Interest income from:		
– Loans to associates	**9,243**	8,861
– Deposits with a related non-bank financial institution *(Note)*	**3,001**	4,690
– Bank balances	**9,177**	16,085
Total interest income	**21,421**	29,636
Interest on bank and other borrowings, short-term debentures, medium-term notes, and corporate bonds wholly repayable:		
– Within five years	**1,265,681**	955,841
– Over five years	**242,723**	143,115
Total interest expense	**1,508,404**	1,098,956
Less: Amounts capitalized in property, plant and equipment	**(408,848)**	(193,585)
Total finance costs	**1,099,556**	905,371
Net finance costs	**1,078,135**	875,735

	Year ended December 31, **2014**	2013
Capitalization rate of borrowing costs to expenditure on qualifying assets	5.92%	6.08%

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

9. INCOME TAX EXPENSE

	Year ended December 31, **2014** *RMB'000*	2013 *RMB'000*
Current tax:		
PRC enterprise income tax ("EIT")	**322,408**	212,938
Other jurisdictions	**444**	–
	322,852	212,938
Deferred tax:		
Current year	**(38,531)**	9,414
Income tax expense	**284,321**	222,352

PRC enterprise income tax has been generally provided at the applicable enterprise income tax rate of 25% (2013: 25%) on the estimated assessable profits of the group companies established in the PRC for the year ended December 31, 2014.

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, hydropower projects and photovoltaic power projects were entitled to this tax concession.

Hong Kong Profit Tax and Australia Profit Tax are calculated at 16.5% and 30%, respectively, of the estimated assessable profit. During the year ended December 31, 2014 taxation arising in other jurisdictions is calculated at the rate prevailing in Australia. No provision for Hong Kong profit tax has been made as the Group has no assessable profit.

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

	Year ended December 31,	
	2014	2013
	RMB'000	*RMB'000*
Profit before taxation	**1,571,614**	1,449,835
PRC enterprise income tax at 25% (2013: 25%)	**392,904**	362,459
Tax effect on:		
– Expenses not deductible for tax purposes	**5,537**	5,209
– Tax effect of share of result of associates and a joint venture	**(79,915)**	(72,003)
– Tax losses not recognized as deferred tax assets	**72,864**	30,943
– Utilization of tax losses not recognized previously	**(4,803)**	–
– PRC enterprise income tax exemption and concessions	**(97,743)**	(104,256)
– Effect of different tax rates of group entities operating in jurisdictions other than PRC	**(4,523)**	–
	284,321	222,352

10. PROFIT FOR THE YEAR

	Year ended December 31,	
	2014	2013
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**5,606**	4,573
Prepaid lease payments released to profit or loss	**3,410**	3,723
Operating lease payments in respect of land and building	**14,342**	12,108
Depreciation and amortization:		
Depreciation of property, plant and equipment	**1,115,042**	918,134
Amortization of intangible assets	**189,513**	184,581
Less: Amount capitalized to construction in progress	**460**	–
Total depreciation and amortization	**1,304,095**	1,102,715
Personnel costs:		
Directors' emoluments	**1,466**	1,415
Other personnel costs	**415,928**	346,021
Total personnel costs	**417,394**	347,436

11. DIVIDENDS

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

(b) On May 26, 2014, a dividend in the total amount of RMB286,335,000 in respect of the year ended December 31, 2013 was declared by 北京太陽宮燃氣熱電有限公司 (Beijing Taiyanggong Gas-fired Power Co., Ltd., English name for identification purpose) ("Taiyanggong Power") to its shareholders, including RMB74,447,000 attributable to its non-controlling shareholder.

(c) 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.

(d) On April 26, 2013, a dividend in the total amount of RMB270,831,000 in respect of the year ended December 31, 2012 was declared by Taiyanggong Power to its shareholders, including RMB70,416,000 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,	
	2014	2013
	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	**1,208,330**	1,145,534

	Year ended December 31,	
	2014	2013
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**6,570,013**	6,211,818

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,	
	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**3,969,927**	1,815,299
Bill receivables	**52,343**	44,895
	4,022,270	1,860,194
Less: allowance for doubtful receivables	**1,623**	1,580
	4,020,647	1,858,614

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,	
	2014	2013
	RMB'000	*RMB'000*
Within 60 days	**2,934,813**	1,051,620
61 to 365 days	**552,741**	402,133
1 to 2 years	**155,960**	66,914
2 to 3 years	**40,258**	329,766
Over 3 years	**336,875**	8,181
	4,020,647	1,858,614

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 kilowatt on the consumption of electricity. The government in the PRC is responsible to collect and allocate the fund and make settlement through state-owned grid companies to the wind farm project companies.

As of December 31, 2014, the Group's total outstanding balance of wind power price premium was RMB1,215,603,000 (2013: RMB891,263,000), comprise RMB692,318,000 incurred in the year ended December 31, 2014, RMB146,716,000 incurred in the year ended December 31, 2013, RMB40,258,000 incurred in the year ended December 31, 2012, RMB329,766,000 incurred in the year ended December 31, 2011 and RMB6,545,000 incurred in the year ended December 31, 2010.

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,	
	2014	2013
	RMB'000	*RMB'000*
1 to 2 years	**146,924**	54,914
2 to 3 years	**40,258**	329,766
Over 3 years	**336,311**	6,545

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

At December 31, 2014, trade receivables amounting to RMB119,009,000 (2013: RMB95,390,000) are pledged for bank borrowings.

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

	Year ended December 31,	
	2014	2013
	RMB'000	*RMB'000*
At the beginning of the year	**1,580**	875
Provided during the year	**194**	705
Reversed during the year	**(151)**	–
At the end of the year	**1,623**	1,580

14. TRADE AND OTHER PAYABLES

	At December 31, 2014 RMB'000	2013 RMB'000
Trade payables	**4,154,237**	3,192,253
Bills payable	**438,438**	1,201,155
Advance received from customers	**34,139**	17,004
Salary and staff welfares	**58,644**	53,697
Non-income tax payable	**50,703**	72,827
Accrued interests payable	**228,600**	213,029
Dividend payables to a non-controlling equity owner of subsidiary	**39,312**	–
Promissory notes payable	**95,913**	–
Other payables	**88,566**	47,586
	5,188,552	4,797,551

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, 2014, there was RMB287,638,000 (2013: RMB294,738,000) 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 that 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, 2014 RMB'000	2013 RMB'000
Within 30 days	**833,209**	1,414,727
31 to 365 days	**2,576,215**	1,393,880
1 to 2 years	**562,831**	235,503
2 to 3 years	**112,706**	37,070
Over 3 years	**69,276**	111,073
	4,154,237	3,192,253

The Group's trade, accrued interests and promissory notes payables denominated in a currency other than the functional currency of the relevant group entities are set out below:

	Year ended December 31, 2014 RMB'000	2013 RMB'000
EUR	**22,247**	20,877

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY REVIEW

In 2014, the world economy remained in the stage of profound post-crisis correction; China witnessed an overall stable economy and made steady progress in restructuring amid the complicated and changing international environment.

In 2014, China saw a slower growth in power consumption. Society-wide power consumption reached 5,520.0 billion KWH, an increase of 3.8% year-on-year, which was 3.8% lower than last year in terms of increase percentage. Power generation for the year reached 5,550.0 billion KWH, an increase of 3.6% year-on-year which was 4.1% lower than last year in terms of increase percentage, among which hydropower, thermal power, nuclear power, grid-connected wind power and grid-connected solar power recorded year-on-year growths of 19.7%, -0.7%, 13.2%, 12.2% and 171% respectively. As at the end of 2014, the installed electricity generation capacity across the country was 1,360.0 million KW, an increase of 8.7% year-on-year, among which, hydropower accounted for 22.2%, thermal power accounted for 67.4%, installed capacity of nuclear power was 19.88 million KW, installed capacity of grid-connected wind power was 95.81 million KW, and installed capacity of grid-connected solar power was 26.52 million KW. In 2014, new power generating capacity reached 103.50 million KW, among which, hydropower accounted for 21.85 million KW, thermal power accounted for 47.29 million KW, nuclear power accounted for 5.47 million KW, grid-connected wind power accounted for 20.72 million KW, and grid-connected solar power accounted for 8.17 million KW. Power generated by renewable resources saw an accelerated growth and energy mix witnessed further optimization.

Benefited from support for the clean energy industry by the country in the course of economic transition, the Group adhered to the proposition of "Year of advancing reforms" during the reporting period, highlighting the awareness of transformation and strengthening internal management. Under the investment and operation principle of "seeking progress while maintaining stability, deepening reforms, optimizing structure, enhancing management and innovating on growth model" and the philosophy of "focusing on Beijing market, constructing refined project, being down-to-earth, and growing stronger", the Group stuck to the optimization of development strategies, put emphasis on economic benefits, and advanced the development of all business segments, making remarkable achievements in respect with operational management and achieving better capacity and outcomes. The sound development across business segments led to steadily improving competitiveness, profitability and sustainability of the Group with a healthy uptrend.

II. BUSINESS REVIEW OVER 2014

1. Significantly increasing installed capacity and continuously achieving growth in both business scale and economic benefits

Positive progresses were made across the Group's business segments. The Group took an active participation into the clean air campaign initiated by Beijing and the four thermal power centers, among which, the Group has participated in construction of certain power plants, had their construction work finished and started to be put in use. The Group captured the opportunities brought by governmental policies and significantly improved the installed capacity of photovoltaic segment. In 2014, the Group arranged its production plan on a reasonable level and made use of its production capacity efficiently. Facing the circumstance that wind speeds in various areas across China stood below the required levels, the Group accelerated the construction of gas-fired infrastructure, optimized the mix between wind power and photovoltaic power, capitalized on the characteristics of different seasons in a year to generate synergy from various segments and achieved substantial improvement in power generation. The total power generation of all business segments for the year reached 16.351 billion KWH, representing an increase of 19% over last year. Both income and profit grew steadily, recording revenue of RMB8,727.0 million, with a year-on-year increase of 39.55% as compared with that of 2013, and profit for the year attributable to equity holders of RMB1,208.3 million for 2014, with a year-on-year increase of 5.48% as compared with that of 2013.

As at 31 December 2014, the consolidated installed capacity of the Group, classified by types of power generation, was as follows:

Types of power generation	**Consolidated installed capacity as at 31 December 2014** *(MWH)*	**Percentage**
Gas-fired power and heat energy generation	**4,436**	**63.97%**
Wind power generation	**1,815**	**26.18%**
Hydropower generation	**413**	**5.96%**
Photovoltaic power generation	**270**	**3.89%**
Total	**6,934**	**100.00%**

For the year ended 31 December 2014, the aggregate consolidated power generation of the Group, classified by types of power generation, was as follows:

Types of power generation	**Aggregate consolidated power generation for the year ended 31 December 2014** *(MWH)*	Aggregate consolidated power generation for the year ended 31 December 2013 *(MWH)*	Aggregate consolidated power generation increase year-on-year in 2014 **(%)**
Gas-fired power and heat energy generation	**10,895,277**	8,535,644	27.64
Wind power generation	**3,448,426**	3,587,107	(3.87)
Hydropower generation	**1,555,983**	1,540,933	0.98
Photovoltaic power generation	**451,243**	76,472	490.08
Total	**16,350,929**	13,740,156	19.00

2. Taking a leading position in capturing opportunities and advancing project construction in compliance with high standards

Positioning itself as "center for politics, culture, international trade, and technology innovation", Beijing, the capital of the Country, continued to intensify its efforts in ecological and environmental protection and combating pollution. The Regulations on Prevention and Control of Air Pollution in Beijing, coming into effect in 2014, demonstrated the municipal government's determination in combating environment pollution and promoting clean energy industry, and also set the tone for future development. As an energy supplier in Beijing, the Group took a leading position in capturing opportunities and remained on the top in Beijing market.

In terms of gas-fired power, Northeast Thermal Power Center and Northwest Thermal Power Centre commenced operation, marking the commencement of operation of all four thermal power centres, among which, the Group has participated in construction of certain power plants. Among them, Southwest Thermal Power Centre was laurelled the Gold Medal of National Premium Project Award in 2014, which is the blue ribbon for recognizing the quality of project construction nationwide. Future Hightech City, the Regional Energy Project having been put into operation as expected, is the only regional energy project operated in Beijing and also a demonstration project at national level. Shangzhuang Thermal Project, a regional energy project, obtained approvals for groundbreaking in 2014. The construction reported steady progress, aiming to build a premium project.

In terms of wind power, the Group's traditional geographical advantages extend positive influence and preliminary work in Ningxia and Inner Mongolia brew remarkable outcomes. A capacity of 150 MW for the whole year of 2014 was approved and a designed capacity of about 450 MW was granted approval, which maintained a positive momentum for the development of projects in Ningxia and Inna Mongolia regions. Outside the regions where the Group had traditional advantages, as it was granted approvals for new markets in Jiangsu, Shanxi and Shaanxi, the Group built new pillars for its sustainable development by optimizing structure, keeping abreast with national policies, making breakthrough in the work models of preliminary work. In the meantime, the Group took the initiative to seek development in overseas markets and carried out research on the feasibility of acquiring overseas energy projects. The Group completed the acquisition of Australian Gullen Range wind power project in 2014 and the achieved combined on-grid generation at the year end, signaling the first success in accordance with the "go global" strategy.

In terms of hydropower, with the lean management applied to every stage of the project construction, well-planned adjustment in construction process and equipment resources allocation, the Group managed to put hydropower projects in Sichuan and Yunnan into operation after it went through setbacks and difficulties.

In terms of photovoltaic power, riding on the policy support from central and local government, the policies related to photovoltaic power tariffs and various preferential policies, the Group continuously enhanced the development and construction, explored new development models and sought cooperation in agricultural, livestock and fishery industries in addition to ground solar power. In 2014, the Group completed the construction and filing of photovoltaic projects of 250 MW, laying a sound foundation for subsequent photovoltaic project development.

3. Diversifying financing channels and effectively controlling capital cost

In 2014, in face with changes in monetary markets domestic and abroad, the Group, by leveraging on its edges in communication and coordination as well as diversification of financing channels, seized market opportunities and tapped on various financing resources to seek equity and debt financing sources. The Group successfully issued 393,010,000 new H shares and raised net proceeds of HK$1,247.0 million. To reduce finance cost, the Group actively employed short-term debentures and other onshore and offshore debt instruments, issuing RMB1,800.0 million of short-term debentures and RMB1,000.0 million of bonds in two respective tranches, of which the interest rates stood at low levels in the prevailing market. The measures above ensured that there would be sufficient funds for business expansion, and the swap of financing instruments and structure optimisation brought down the financing cost and further enhanced the core competitiveness of capital management.

4. Intensifying efforts in energy conservation and commission reduction and technology innovation and making endeavors to promote technology upgrading

In 2014, the Group intensified its efforts in technology innovation and made endeavors to realise cost reduction, efficiency improvement, and energy conservation and commission reduction. In-depth utilization of waste gas heat, circulating water system, and other optimized designs for improving the cascading utilization of energy were applied to all gas-fired power and heat energy generation projects, so as to further improve the energy conversion efficiency and realise energy conservation and commission reduction. The research titled "Development and Pilot of Key Technology in Respect with Treating Circulating Cooling Water of Power Plant (電廠循環冷卻排污水深度處理關鍵技術開發和示範)" was initiated by Northwest Thermal Power Centre, and its feasibility was evaluated by the panel of experts from Beijing Municipal Science & Technology Commission. Funds have been embarked on the research, and the research established a benchmark for similar power plants in Beijing and across the whole Country. Building itself as a digitalized power plant, Northeast Thermal Power Centre took the lead in applying 3D modelling in the infrastructure construction, which significantly reduced the reworking and signaling a breakthrough in the lean construction and lean purchase of power plant. The construction project of Beijing municipal power plant (北京市電廠) was the first of its kind honored "Environment-friendly Construction Site of Beijing (北京市綠色安全樣板工地)". In the meantime, as the first power plant in the Country that have comprehensively applied field bus technology, Northeast Thermal Power Centre incorporated the cutting-edge field bus technology and "start/stop" technology into the combined cycle generating unit. The adoption of "start/stop" technology enabled the power plant to run automatically and ensured the safety and reliability.

5. Striving for a safety mechanism and all-round improvement in comprehensive management

In 2014, having taken a diversity of measures to ensure production safety, improved rules and regulations on production safety, operational instructions, and standard work order, the Group achieved safely operation and accident free in all power plants throughout the whole year. The Group kept consolidating its foundation for production safety by intensifying efforts in production management, implementing in-depth benchmarking management and conducting all-round assessment on benchmarking construction. With reference to the characteristics of each business segment, the Group made full use of various resources to achieve complementary synergy. Measures, including resource-efficient maintenance, equipment recycling, and equipment upgrade, helped cut down materials costs and maintenance fees, improve the performance of generating unit and the utilization factor. The Group executed every rule and regulation conscientiously for the purpose of cultivating more potentials and improving economic benefits. Through an integrated information management platform, the Group realized all-round and thorough control over the processes from procurement bidding and tendering to production and personnel, standardised the management and further strengthened its risk control capability.

III. OPERATING RESULTS AND ANALYSIS

1. Overview

In 2014, the Company's profitability witnessed a gradual improvement. Net profit for the whole year amounted to RMB1,287.3 million, representing an increase of 4.87% as compared to RMB1,227.5 million for 2013. Net profit attributable to the equity owners of the Company amounted to RMB1,208.3 million, representing an increase of 5.48% as compared to RMB1,145.5 million for 2013.

2. Operating Income

Total revenue increased 39.55% from RMB6,254.8 million in 2013 to RMB8,728.7 million in 2014. Adjusted total operating income increased 31.55% from RMB7,637.4 million in 2013 to RMB10,047.3 million in 2014, due to the increase in sales volume of electricity resulting from the inauguration of installed capacity in gas-fired power and heat energy generation segment and photovoltaic segment in 2014.

Gas-fired Power and Heat Energy Generation Segment

The revenue from the gas-fired power and heat energy generation segment increased by 54.06% from RMB4,153.5 million in 2013 to RMB6,398.7 million in 2014, due to the increase in sales volume of electricity resulting from the inauguration of installed capacity in this segment. Revenue from sales of electricity increased by 54.79% from RMB3,739.2 million in 2013 to RMB5,787.9 million in 2014, due to the hike of on-grid tariff in January 2014 and the increase in sales volume of electricity resulting from the inauguration of installed capacity. Revenue from sales of heat energy increased by 47.44% from RMB414.2 million in 2013 to RMB610.7 million in 2014, due to the hike of heat tariffs and the increase in sales volume of heat energy resulting from the inauguration of installed capacity.

Wind Power Segment

The revenue from wind power segment decreased by 5.44% from RMB1,657.6 million in 2013 to RMB1,567.4 million in 2014, which was attributable to a decrease in sales volume of electricity as a result of the lower average wind speed.

Photovoltaic Power Segment

Revenue from photovoltaic power segment increased by 493.92% from RMB65.7 million in 2013 to RMB390.5 million in 2014, due to the increase in sales volume of electricity resulting from the inauguration of installed capacity.

Hydropower Segment

The revenue from our hydropower segment increased by 0.64% from RMB368.1 million in 2013 to RMB370.5 million in 2014, due to the increase in sales volume of electricity resulting from the inauguration of installed capacity.

Others

Other revenue decreased by 84.47% from RMB9.8 million in 2013 to RMB1.5 million in 2014, due to the decrease in revenue from providing external maintenance service.

3. Other Income

Other income decreased by 2.50% from RMB1,462.1 million in 2013 to RMB1,425.6 million in 2014, which was attributable to decrease in government grants and subsidies related to clean energy production dragged by the hike of on-grid tariff for gas in January 2014 and the decline of income from CERs and VERs.

4. Operation expenses

Operating expenses increased by 37.77% from RMB5,679.4 million for 2013 to RMB7,824.2 million for 2014, which was attributable to an increase in gas cost 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 47.59% from RMB3,659.6 million for 2013 to RMB5,401.5 million for 2014, which was attributable to an increase in gas cost due to the increase in gas prices for the gas-fired power and heat energy generation segment as well as an increase in gas consumption due to an increase in the inauguration of installed capacity.

(2) Depreciation and Amortization

Depreciation and amortization increased by 18.26% from RMB1,102.7 million for 2013 to RMB1,304.1 million for 2014, due to the increase in the inauguration of installed capacity in each segment.

(3) Personnel Cost

Personnel cost increased by 20.14% from RMB347.4 million for 2013 to RMB417.4 million for 2014, as a result of the increased number of employees due to the business development of the Group and additional personnel costs expensed following the commencement of production of new projects.

(4) Repairs and Maintenance

Repairs and maintenance increased by 24.04% from RMB249.0 million for 2013 to RMB308.8 million for 2014, as a result of an increase in repair expenses due to the increase in installed capacity in the gas-fired power and heat energy generation segment.

(5) Other expenses

Other expenses increased by 14.24% from RMB427.9 million in 2013 to RMB488.8 million in 2014, due to the increase in preparation expenses upon the operation of gas-fired power and heat energy generation segment and the increase in other expenses incurred by the projects that had been put into operation.

(6) Other gains and losses

Other gains decreased by 10.17% from RMB107.2 million in 2013 to RMB96.3 million in 2014. Gains in 2013 mainly resulted from the increase of capital reserve due to non-public offering of shares to certain non-controlling shareholders by a subsidiary of an associate, Beijing Jingneng International Power Co., Ltd.. Gains in 2014 mainly resulted from subsequent receipt of payments from the equity transfer in Inner Mongolia Jingneng Bayin Wind Power Co., Ltd., write back of provision on transfer payment receivable previously made and incomes from the changes in the fair value of H shares of CGN Power Co., Ltd. held by the Company.

5. Operating profit

As a result of the above, our operating profit increased by 14.36% from RMB2,037.6 million for 2013 to RMB2,330.1 million for 2014.

6. Adjusted segment operating profit

The total adjusted segment operating profit increased by 13.50% from RMB1,956.6 million for 2013 to RMB2,220.8 million for 2014, as a result of an increase in electricity sales due to the increase in the inauguration of installed capacity in the gas-fired power and heat energy generation segment as well as the photovoltaic segment.

Gas-fired Power and Heat Energy Generation Segment

The adjusted segment operating profit of our gas-fired power and heat energy generation segment increased by 21.22% from RMB914.7 million for 2013 to RMB1,108.8 million for 2014, as a result of the increase in electricity sales due to the newly installed capacity in this segment.

Wind Power Segment

Adjusted segment operating profit of our wind power segment decreased by 1.63% from RMB828.8 million for 2013 to RMB815.3 million for 2014 due to a decrease in sales of electricity as a result of the lower average wind speed in this segment.

Photovoltaic Power Segment

The adjusted segment operating profit of our photovoltaic power segment increased by 306.42% from RMB40.3 million for 2013 to RMB163.7 million for 2014, as a result of the increase in electricity sales due to the installed capacity in this segment.

Hydropower Segment

The adjusted segment operating profit of our hydropower segment increased by 6.09% from RMB149.0 million for 2013 to RMB158.0 million for 2014, as a result of the increase in electricity sales due to the newly installed capacity and the decrease in cost of power generation per unit in this segment.

Others

Other adjusted operating profit decreased from RMB23.9 million for 2013 to loss of RMB25.0 million for 2014, as a result of the capital reserve caused by the decrease of non-public offer shares by an subsidiary of Jingneng International to certain non-controlling shareholders.

7. Finance costs

Our finance costs increased by 21.45% from RMB905.4 million for 2013 to RMB1,099.6 million for 2014 due to the interest payments expensed following the commencement of production of new projects.

8. Share of Results of Associates and a Joint Venture

Share of results of associates and a joint venture increased by 10.99% from RMB288.0 million in 2013 to RMB319.7 million in 2014 due to an increase in net profit driven by the equity earnings from holding interests in a subsidiary of Beijing Jingneng International Power Co., Ltd., an associate of the Company.

9. Profit before Taxation

As a result of the foregoing, profit before taxation increased by 8.40% from RMB1,449.8 million in 2013 to RMB1,571.6 million in 2014.

10. Income Tax Expense

Income tax expense increased by 27.87% from RMB222.4 million in 2013 to RMB284.3 million in 2014. Effective tax rate increased from 15.34% in 2013 to 18.09% in 2014 primarily due to an increase in income tax expense on the newly operated gas-fired power projects.

11. Profit for the Year

As a result of the foregoing, profit for the year increased by 4.87% from RMB1,227.5 million in 2013 to RMB1,287.3 million in 2014.

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 5.48% from RMB1,145.5 million in 2013 to RMB1,208.3 million in 2014.

IV. FINANCIAL POSITION

1. Overview

As at 31 December 2014, total assets of the Group increased significantly to RMB48,082.5 million, total liabilities were RMB35,140.7 million and shareholders' equity reached RMB12,941.8 million, among which equity attributable to the parent company amounted to RMB12,499.8 million.

2. Particulars of assets and liabilities

Our total assets increased by 24.91% from RMB38,493.2 million as at 31 December 2013 to RMB48,082.5 million as at 31 December, 2014 due to increased investments in newly-built project. The total liabilities increased by 27.65% from RMB27,529.0 million as at 31 December 2013 to RMB35,140.7 million as at 31 December 2014 due to the increase in construction loans incurred by newly-built projects. Total shareholders' equity increased by 18.04% from RMB10,964.2 million as at 31 December 2013 to RMB12,941.8 million as at 31 December 2014. Equity attributable to equity holders of the Company increased by 17.07% from RMB10,677.1 million as at 31 December 2013 to RMB12,499.8 million as at 31 December 2014, due to the placing of new H shares in 2014 and the accretion from business results.

3. Liquidity

As at 31 December 2014, current assets amounted to RMB10,441.7 million, including cash of RMB4,206.8 million, bills and trade receivables of RMB4,020.7 million (mainly comprising receivables from sales of electricity and heat energy), and prepayment and other current assets of RMB2,214.2 million (mainly comprising deductible value-added tax and other trade receivables). Current liabilities amounted to RMB16,487.6 million, including short-term borrowings of RMB5,286.8 million, short-term debentures of RMB1,800.0 million, medium-term notes due within a year of RMB1,000.0 million, corporate bonds due within a year of RMB2,397.7 million, bills and account payables of RMB5,188.6 million (mainly comprising payables for gas, construction and purchase of equipment). Other current liabilities amounted to RMB814.5 million, mainly including income tax payable and amounts due to related parties.

Net current liabilities increased by 42.47% from RMB4,243.5 million as at 31 December 2013 to RMB6,045.9 million as at 31 December 2014 due to the reclassification of corporate bonds of RMB2,400.0 million and medium-term notes of RMB1,000.0 million into current liabilities.

Current ratio increased by 3.19% from 60.14% as at 31 December 2013 to 63.33% as at 31 December 2014, due to the increase in gas and heat tariffs receivable at the end of the period driven by the expansion of installed capacity.

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 1.08% from 64.32% as at 31 December 2013 to 65.40% as at 31 December 2014 due to the increase in construction loans incurred by the newly-built projects.

The Group's long-term and short-term borrowings increased by 29.80% from RMB22,083.8 million as at 31 December 2013 to RMB28,665.7 million as at 31 December 2014, including short-term borrowings of RMB5,286.8 million, long-term borrowings of RMB15,996.5 million, medium-term notes of RMB1,000.0 million, corporate bonds of RMB4,582.4 million and short-term debentures of RMB1,800.0 million.

Bank deposits and cash held by the Group increased by 81.37% from RMB2,319.5 million as at 31 December 2013 to RMB4,206.8 million as at 31 December 2014, due to a partial utilization of the proceeds from the placing of new shares and the receipt of government grants and subsidies related to clean energy production for 2014 at the end of the period.

5. Financing

On 20 March 2014, the Group successfully issued the first tranche short-term debentures of RMB900.0 million, bearing an interest rate of 5.70%. On 16 May 2014, the Group successfully issued the second tranche short-term debentures of RMB900.0 million, bearing an interest rate of 5.20%.

On 7 October 2014, the Group successfully placed a total of 393,010,000 new H Shares in Hong Kong, at the placing price of HK$3.23, raising HK$1,247.0 million.

The Group successfully issued the Senior Guaranteed Bonds of RMB1,000.0 million with interest rate of 4.30% and maturity of three years on 23 December 2014.

6. Capital Expenditure

In 2014, the Group's capital expenditure amounted to RMB5,169.5 million, including RMB2,122.9 million incurred for construction projects in the gas-fired power and heat energy generation segment, RMB1,384.3 million incurred for construction projects in the wind power segment, RMB1,275.0 million incurred for construction projects in the photovoltaic segment, RMB305.7 million incurred for construction projects in the hydropower segment, and RMB81.6 million incurred for construction projects in other segments.

7. Material Acquisition and Disposal

On 9 July 2014, New Gullen Range Wind Farm Pty Ltd. ("New GRWF"), a wholly-owned subsidiary of New GRWF Holdco, entered into the Nomination and Asset Sale Agreement with GRWF, pursuant to which, New GRWF agreed to purchase the Target Asset from GRWF at a consideration of approximately AUD319.5 million. Beijing Jingneng Clean Energy (Hong Kong) Co., Limited held 75% of equity interest in New GRWF Holdco and Goldwind Capital (Australia) Pty Ltd. held 25% of equity interest in New GRWF Holdco.

The Company completed the acquisition of 100% equity interest of Golmud Jingneng New Energy Co., Ltd. in December 2014, at a consideration of RMB138.8 million.

8. Significant Investment

According to the development plan of the Group, the Group established "Jianhu Jingneng New Energy Co., Ltd. (建湖京能新能源有限公司)", "Ningxia Helan Jingneng New Energy Co., Ltd. (寧夏賀蘭京能新能源有限公司)", "Ningxia Zhongning County Jingneng New Energy Co., Ltd. (寧夏中寧縣京能新能源有限公司)" and Jingneng (Qianxi) Power Generation Co., Ltd. "(京能(遷西)發電有限公司)" in 2014, foraying into the construction of photovoltaic power projects.

9. Contingent Liabilities

As of 31 December 2014, the Group had no external guarantees.

10. Mortgage of assets

As of 31 December 2014, the Group's certain bank borrowings were secured by trade receivables of RMB119.0 million, property, plant and equipment of RMB978.4 million and 100% equity interest of New GRWF.

V. RISK FACTORS AND RISK MANAGEMENT

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

1. Interest Rate Risk

The uncertainty of interest rate will create an impact on the financing costs of the Group to a certain extent. The Group's good credit standing and sufficient credit facility from banks can ensure our capital is safe, stable and smooth. Also, for the purpose of minimizing financing costs, the Group has secured a large sum of stable, low-cost funding through a variety of financing means, such as the issue of additional H shares and bonds as well as the use of medium-term notes and short-term debentures and other low-cost funding, to ensure the funding of projects.

The Group will closely monitor changes in the economic environment, determine the direction of movement in bank interest rate and improve the management of debt structure with timely adjustment, so as to minimize interest rate risk exposure.

2. Exchange Rate Risk

The businesses of the Group are mainly located in mainland China, from which most of the income and expenses are denominated in Renminbi. The Group has a small portion of overseas investments and loans in foreign currencies (including deposits denominated in AUD and US dollars, as well as loans in US dollars). The proceeds raised from follow-on offering of H shares are denominated in Hong Kong dollars. Movement in the Renminbi exchange rate may cause exchange loss or gain to the Group's foreign currency-denominated business.

The Group is closely monitoring and studying changes in exchange rates, so as to cope with changes in the foreign exchange market and improve the management of exchange rate risk through various management measures.

VI. BUSINESS OUTLOOK FOR 2015

Year 2015 will be a crucial year for the Group to optimize its layout, tap into markets outside Beijing while still focusing on Beijing market, and realise healthy development. In a bid to make itself capable of adapting to the new normal of economic growth and ready for capturing the opportunities arising from the adjustment of energy mix, the Group will expand its installed capacity of clean energy, keep abreast with industry trends and policy changes, and further optimize investment portfolio. It will also make rational plans for carrying out project construction, keep intensifying efforts in safety management, take an aggressive measure in terms of power generation, and keep improving and enhancing its standardised management, aiming to lay a solid foundation for future development during "Thirteenth-Five Plan" period.

The Group will endeavor to accomplish the following tasks for the purpose of achieving the business targets:

1. Enhancing management of remnant assets to improve profitability

The Group will make the utmost efforts to better professionalize and refine its management while focusing on cost reduction and efficiency improvement, and improve operational efficiency with various measures. On one hand, the Group will keep optimizing production management model, strengthening the implementation and execution of the management system, improving the comprehensive management of equipment and corporate operation, stepping up cost control and improving performance of the equipment. On the other hand, the Group will step up communication and coordination with the relevant government departments, accomplish tasks stably and take an aggressive measure in terms of power generation, sparing no efforts to pursue more benefits.

2. Enhancing innovation concept to improve capabilities for sustainable development

On the context of economic restructuring in PRC and developing trend of energy industry, the Group will make plans for resource allocation in advance, thus ensuring there will be sufficient reserves for subsequent projects. In carrying out new projects, the Group should focus on key areas and key industries, make more use of market forces, fully respect the objective laws and implement quality projects specifically. The Group will ride on the opportunities arising from policies rolled out by the Country to develop photovoltaic power and its own advantages to further optimize its plans for photovoltaic projects in preliminary stage and deploy more efforts to the development of photovoltaic projects. The Group will continue to focus on nationwide quality wind power projects and strengthen the exploration of regional energy system research, maintain its leading position in terms of gas-fired regional energy projects and strive to achieve a breakthrough in waste-to-electricity projects. The Group will proactively expand overseas projects to consolidate its advantage of scale under the condition that its revenue can be maintained.

3. **Optimising funds allocation to increase efficiency in the use of funds**

As the Chinese economy takes a new, normal face, the Group needs to make full use of a variety of financing methods to meet substantial capital requirements. In order to minimize financial risk and optimize capital structure, the Group will leverage the gradually relaxing policy environment, explore and utilize more financing methods as well as expand more effective investments, and capitalize on the crucial role of investment and financing to further reduce financing cost and improve the efficiency of capital utilization.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2014.

FINAL DIVIDEND

The Board resolved to propose to the shareholders of the Company on the 2014 Annual General Meeting (the "**AGM**"), for the payment of a final dividend of RMB4.21 cents per share (tax inclusive) for the year ended 31 December 2014 (the "**2014 Final Dividends**") payable to the shareholders of the Company whose names are listed in the register of members of the Company on relevant date, in an aggregate amount of approximately RMB289.2 million. The 2014 Final Dividends will be denominated and declared in RMB. Dividends on domestic shares will be paid in RMB and dividends on H Shares will be paid in Hong Kong dollars. Subject to the passing of the relevant resolution at the AGM, the 2014 Final Dividends will be payable on or around 5 August 2015.

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 2014 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 2014 Final Dividends based on the 1994 Notice. Therefore, the Company will not withhold any amount of the 2014 Final Dividends to be distributed to the Individual H Shareholders to pay the PRC individual income tax.

The last date of registration and the book closure period for shareholders who are qualified to attend the AGM convened by the Company in 2015 and shareholders who are qualified to receive 2014 Final Dividends, and the date of declaring dividends is pending further announcement by the Company after the date of AGM has been set.

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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") for the year ended 31 December 2014.

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.

AUDITOR

Deloitte Touche Tohmatsu was appointed as the auditor of the Company for the year ended 31 December 2014. The figures in this preliminary results announcement have been reviewed by Deloitte Touche Tohmatsu and the Company's financial statements for the year 2014 prepared in accordance with IFRSs have been audited by Deloitte Touche Tohmatsu. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

A resolution on re-appointing Deloitte Touche Tohmatsu as the auditor for the financial statements prepared in accordance with IFRSs of the Company in the year of 2015 will be proposed at the Company's forthcoming AGM.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's 2014 annual results and the financial statements for the year ended 31 December 2014 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 2014 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
KANG Jian
Joint Company Secretary

Beijing, the PRC
25 March 2015

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. Li Fuqiang, Ms. Lau Miu Man and Mr. Han Xiaoping.