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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2016 was RMB6,738.87 million, increased by 8.62% as compared with the corresponding period of 2015.
- Profit before taxation for the six months ended 30 June 2016 was RMB1,400.11 million, increased by 6.99% as compared with the corresponding period of 2015.
- Profit and total comprehensive income attributable to ordinary shareholders of the Company for the six months ended 30 June 2016 was RMB1,018.11 million, increased by 6.30% as compared with the corresponding period of 2015.
- Basic and diluted earnings per share for the six months ended 30 June 2016 was RMB14.72 cents.

RESULTS HIGHLIGHTS

The board of directors (the "**Board**") of Beijing Jingneng Clean Energy Co., Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**" or "**we**" or "**us**") for the six months ended 30 June 2016 (the "**Reporting Period**"), prepared under International Financial Reporting Standards (the "**IFRSs**").

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

For the six months ended 30 June 2016

(Amount expressed in thousands of RMB unless otherwise stated)

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

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

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2016

(Amount expressed in thousands of RMB unless otherwise stated)

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (Unaudited)

1. GENERAL AND BASIS OF PRESENTATION

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The application of the new and revised IFRSs in the current year has no material effect on the financial performance and conditions of the Group during the year and previous years and/or the disclosures set out in these consolidated financial statements.

3. REVENUE

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

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

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

4. OTHER INCOME

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

Notes:

(a) The Group's gas and wind power facilities located in Beijing, the PRC, were entitled to a subsidy policy promulgated by the Beijing Government. The Beijing Government compensated the Group based on a pre-determined subsidized rate and quantities approved from time to time for the sale of electricity generated by those facilities. The grants will be released to profit or loss based on the actual volume of electricity generated from and sold by the Group's related gas and wind power facilities and at the pre-determined subsidized rate.

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

(c) The Group is entitled to a 50% refund of value-added tax for its revenue from the sale of electricity generated from the wind farms and a full refund of value-added tax for its revenue from the sale of heat energy to residential customers.

5. OTHER GAINS AND LOSSES

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

6. INTEREST INCOME/FINANCE COSTS

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

7. INCOME TAX EXPENSE

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

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

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

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 30 June 2016, taxation arising in other jurisdictions is calculated at the rate prevailing in Australia. No provision for Hong Kong profit tax has been made as the Group has no assessable profit arising in Hong Kong.

8. PROFIT FOR THE PERIOD

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

9. DIVIDENDS

(a) On 23 June 2016, a dividend in the total amount of approximately RMB469,250,000 was declared by the Company.

(b) The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: nil).

10. EARNINGS PER SHARE

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

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

11. TRADE AND BILL RECEIVABLES

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

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

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

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

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

12. TRADE AND OTHER PAYABLES

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

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

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

Trade payables over one year are mainly retention payables.

13. SEGMENT INFORMATION

The Group manages its businesses by divisions. The Group has presented the following reportable segments.

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

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

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

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

– Others: business activities other than "Gas-fired power and heat energy generation", "Wind power", "Hydropower" and "Photovoltaic power".

(a) Segment revenue, results, assets and liabilities

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

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

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

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

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

(b) Geographical information

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

I. BUSINESS REVIEW FOR THE FIRST HALF OF THE YEAR

1. Productivity increased steadily while power generating capacity improved continuously

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

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

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

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

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

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

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

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

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

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

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

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

4. Taking the policy advantage and quickly adapting to the demand of "Power Reform"

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

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

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

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

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

II. OPERATING RESULTS AND ANALYSIS

1. Overview

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

2. Operating Income

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

Gas-fired Power and Heat Energy Generation Segment

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

Wind Power Segment

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

Photovoltaic Power Segment

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

Hydropower Segment

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

Others

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

3. Other Income

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

4. Operating Expenses

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

Gas Consumption

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

Depreciation and Amortization

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

Personnel Cost

Personnel cost increased by 10.69% from RMB207.79 million for the first half of 2015 to RMB229.99 million for the first half of 2016, due to the increased number of employees as a result of the business development of the Group and additional personnel costs expensed following the commencement of production of new projects.

Repairs and Maintenance

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

Other Expenses

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

Other Gains and Losses

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

5. Operating Profit

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

6. Adjusted Segment Operating Profit

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

Gas-fired Power and Heat Energy Generation Segment

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

Wind Power Segment

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

Photovoltaic Power Segment

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

Hydropower Segment

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

Others

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

7. Finance Costs

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

8. Share of Results of Associates and a Joint Venture

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

9. Profit before Taxation

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

10. Income Tax Expense

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

11. Profit for the Period

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

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

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

III. FINANCIAL POSITION

1. Overview

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

2. Particulars of Assets and Liabilities

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

3. Liquidity

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

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

4. Net Gearing Ratio

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

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

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

IV. OTHER SIGNIFICANT EVENTS

1. Financing

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

2. Capital Expenditure

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

3. Material Acquisition and Disposal

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

4. Significant Investment

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

5. Contingent Liabilities

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

6. Mortgage of Assets

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

V. BUSINESS PROSPECT FOR THE SECOND HALF OF THE YEAR

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

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

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

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

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

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

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

INTERIM DIVIDEND

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

As a company listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the Company always strives to maintain a high level of corporate governance and complied with all code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the six months ended 30 June 2016.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions of the Company by the directors and supervisors of the Company. Upon making specific enquiries to all of the directors and supervisors of the Company, all directors and supervisors of the Company confirmed that throughout 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.

AUDIT COMMITTEE

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

PUBLICATION OF INTERIM RESULTS AND INTERIM 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 2016 interim 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
Company Secretary

Beijing, the PRC

23 August 2016

As at the date of this announcement, the non-executive directors of the Company are Mr. Zhu Yan, Mr. Guo Mingxing, Mr. Yu Zhongfu, Mr. Li Dawei, Mr. Zhu Baocheng 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. Zhang Fusheng, Ms. Lau Miu Man and Mr. Han Xiaoping.