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 2023

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the year ended 31 December 2023 was RMB20,446.0 million, increased by 2.08% as compared with the previous year.
- Profit attributable to equity holders of the Company for the year ended 31 December 2023 was RMB3,057.6 million, increased by 7.60% as compared with the previous year.
- Basic and diluted earnings per share of the Company for the year ended 31 December 2023 was RMB37.09 cents.

FINAL DIVIDEND

- The Board recommended a final dividend of RMB13.98 cents per ordinary share (tax inclusive) for the year ended 31 December 2023, representing a total distribution of RMB1,152.6 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 2023 (the "**Reporting Period**"), prepared under International Financial Reporting Standards ("**IFRSs**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Notes	Year ended 31 December 2023 RMB'000	2022 RMB'000 (Restated)
Revenue	4	**20,446,028**	20,030,281
Other income	6	**1,126,679**	1,055,415
Gas consumption		**(9,365,354)**	(9,186,941)
Depreciation and amortisation expense	11	**(3,847,886)**	(3,680,958)
Personnel costs	11	**(1,353,435)**	(1,227,118)
Repairs and maintenance		**(321,725)**	(560,496)
Other expenses	7	**(1,204,940)**	(1,054,716)
Other gains and losses	8	**(283,539)**	(201,274)
Impairment losses recognised under expected credit loss model, net		**(7,947)**	(3,270)
Profit from operations		**5,187,881**	5,170,923
Interest income	9	**68,077**	58,014
Finance costs	9	**(1,243,402)**	(1,500,967)
Share of results of associates		**116,673**	146,951
Share of result of a joint venture		**14,566**	(31,421)
Profit before taxation		**4,143,795**	3,843,500
Income tax expense	10	**(908,592)**	(820,086)
Profit for the year	11	**3,235,203**	3,023,414
Profit for the year attributable to:			
– Equity holders of the Company		**3,057,641**	2,841,680
– Holders of perpetual notes		**92,240**	100,750
– Non-controlling interests		**85,322**	80,984
		3,235,203	3,023,414
Earnings per share			
Basic and diluted (RMB cents)	13	**37.09**	34.47

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Profit for the year	**3,235,203**	3,023,414
Other comprehensive income (expense)		
Items that will not be reclassified to profit or loss:		
Fair value loss on equity instruments at fair value through other comprehensive income	**(136)**	(17,000)
Income tax relating to items that will not be reclassified to profit or loss	**34**	4,250
	(102)	(12,750)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	**44,562**	(53,127)
Cash flow hedges:		
Fair value (loss) gain during the year	**(31,228)**	46,143
Reclassification of reserves in relation with power purchase agreement	**9,952**	8,887
Income tax relating to items that may be reclassified subsequently to profit or loss	**6,383**	(16,509)
	29,669	(14,606)
Other comprehensive income (expense) for the year, net of income tax	**29,567**	(27,356)
Total comprehensive income for the year	**3,264,770**	2,996,058
Total comprehensive income for the year attributable to:		
– Equity holders of the Company	**3,087,208**	2,814,324
– Holders of Perpetual notes	**92,240**	100,750
– Non-controlling interests	**85,322**	80,984
	3,264,770	2,996,058

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Note	At 31 December 2023 RMB'000	At 31 December 2022 RMB'000 (Restated)
Non-current Assets			
Property, plant and equipment		**60,399,920**	55,938,722
Right-of-use assets		**2,010,652**	1,455,903
Intangible assets		**4,581,135**	4,657,861
Goodwill		**65,855**	114,134
Finance lease receivables		**511,325**	1,191,746
Investments in associates		**1,551,361**	1,569,542
Loans to an associate		**40,000**	105,000
Investment in a joint venture		**76,255**	61,689
Loans to a joint venture		**70,000**	70,000
Loan receivables		**–**	45,852
Deferred tax assets		**254,107**	262,870
Equity instrument at fair value through other comprehensive income		**92,500**	92,637
Value-added tax recoverable		**1,567,739**	1,143,492
Deposit paid for acquisition of property, plant and equipment		**1,682,818**	1,731,928
Restricted bank deposits		**69,274**	89,878
Derivative financial assets		**15,836**	57,059
Other non-current assets		**793,855**	836,054
		73,782,632	69,424,367
Current Assets			
Inventories		**87,774**	97,280
Finance lease receivables		**434,920**	378,120
Loan receivables		**–**	45,853
Trade and bills receivables	*14*	**10,921,894**	11,027,087
Other receivables, deposits and prepayments		**677,078**	526,636
Current tax assets		**8,424**	9,308
Amounts due from related parties		**197,682**	153,687
Value-added tax recoverable		**606,726**	639,350
Financial asset at fair value through profit or loss		**257,853**	231,742
Derivative financial asset		**10,591**	–
Restricted bank deposits		**3,781**	419
Cash and cash equivalents		**6,605,086**	5,466,388
		19,811,809	18,575,870

	Note	At 31 December 2023 RMB'000	At 31 December 2022 RMB'000 (Restated)
Current Liabilities			
Trade and other payables	*15*	**6,691,856**	6,974,153
Amounts due to related parties		**183,698**	205,669
Bank and other borrowings – due within one year		**9,743,969**	12,074,562
Short-term debentures		**4,828,929**	5,538,424
Medium-term notes		**93,162**	1,605,153
Corporate bonds		**13,762**	421,169
Contract liabilities		**114,182**	139,148
Lease liabilities		**35,304**	60,831
Derivative financial liability		**65,350**	–
Income tax payable		**335,182**	304,349
Deferred income		**105,817**	38,271
		22,211,211	27,361,729
Net Current Liabilities		**(2,399,402)**	(8,785,859)
Total Assets less Current Liabilities		**71,383,230**	60,638,508
Non-current Liabilities			
Derivative financial liability		**–**	105,836
Bank and other borrowings – due after one year		**28,148,846**	21,653,219
Medium-term notes		**6,492,406**	4,494,291
Corporate bonds		**599,785**	599,785
Contract liabilities		**–**	5,777
Deferred tax liabilities		**388,905**	338,780
Deferred income		**279,645**	331,215
Lease liabilities		**792,106**	679,706
Other non-current liability		**160,859**	7,678
		36,862,552	28,216,287
Net Assets		**34,520,678**	32,422,221

	At 31 December 2023 *RMB'000*	At 31 December 2022 *RMB'000* (Restated)
Capital and Reserves		
Share capital	**8,244,508**	8,244,508
Reserves	**22,433,538**	20,345,423
Equity attributable to equity holders of the Company	**30,678,046**	28,589,931
Perpetual notes	**3,023,455**	3,027,962
Non-controlling interests	**819,177**	804,328
Total Equity	**34,520,678**	32,422,221

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. GENERAL INFORMATION

The Company is a joint stock company established in 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 Room 118, No. 1 Ziguang East Road, Badaling Economic Development Zone, Yanqing County, Beijing, the PRC. The principal place of business of the Company is No. 6 Xibahe Road, Chaoyang District, Beijing, the PRC.

In the opinion of the directors of the Company (the "**Directors**"), 北京能源集團有限責任公司 (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 北京國有資本運營管理有限公司 (Beijing State-owned Capital Operation Management Co., Ltd.) ("**BSCOMC**") which is established 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).

The principal businesses of the Group are gas-fired power and heat energy generation, wind power generation, photovoltaic power generation, hydropower generation and other businesses related to clean energy.

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

2. APPLICATION OF AMENDMENTS TO IFRSs

New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (the "**IASB**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to IFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.1 Impacts on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IFRS 12 *Income Taxes* so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

(i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;

(ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The details of the impacts on each financial statement line item and earning per share arising from the application of the amendments are set out under Note 3.1. Comparative figures have been restated.

Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to IAS 1	Non-current Liabilities with Covenants[2]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangement[2]
Amendments to IAS 21	Lack of Exchangeability[3]

Notes:

(1) Effective for annual periods beginning on or after a date to be determined.

(2) Effective for annual periods beginning on or after 1 January 2024.

(3) Effective for annual periods beginning on or after 1 January 2025.

The Directors anticipate that the application of all the amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Restatements

The effects of the changes in accounting policy as a result of application of the amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction on the consolidated statement of profit or loss and earnings per share, are as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Impact on profit for the year		
Increase in income tax expense	**8,281**	5,210
Net decrease in profit for the year	**(8,281)**	(5,210)
Decrease in profit for the year attributable to owners of the Company	**(8,281)**	(5,210)
Impact on basic and diluted earnings per share		
Basic earning per share before adjustments	**37.19**	34.53
Net adjustments arising from change in accounting policy in relation to:		
– Deferred tax impact on leasing transactions	**(8,281)**	(5,210)
Reported basic and diluted earning per share	**37.09**	34.47

The effects of the changes in accounting policy as a result of application of amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction on the consolidated statement of financial position as at the end of the immediately preceding financial year, i.e.31 December 2022 and the beginning of the comparative period, i.e.1 January 2022, are as follows:

	31/12/2022 Originally stated *RMB'000*	Adjustments *RMB'000*	31/12/2022 Restated *RMB'000*
Deferred tax assets	257,199	5,671	262,870
Deferred tax liabilities	321,651	17,129	338,780
Total effects on net assets	32,433,679	(11,458)	32,422,221
Reserves	20,356,881	(11,458)	20,345,423
Total effects on equity	32,433,679	(11,458)	32,422,221

	1/1/2022 Originally stated ***RMB'000***	**Adjustments** ***RMB'000***	**1/1/2022 Restated** ***RMB'000***
Deferred tax assets	**189,488**	**3,877**	**193,365**
Deferred tax liabilities	**281,912**	**10,125**	**292,037**
Total effects on net assets	**31,171,750**	**(6,248)**	**31,165,502**
Reserves	**19,106,113**	**(6,248)**	**19,099,865**
Total effects on equity	**31,171,750**	**(6,248)**	**31,165,502**

3.2 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB.

In preparing the consolidated financial statements, the Directors have given careful consideration that at 31 December 2023, the Group has net current liabilities of RMB2,399,402,000. The Group meets its working capital requirements with cash generated from its operating activities and available financing facilities from banks. At 31 December 2023, the Group has committed unutilised financing facilities granted to the Group amounting to approximately RMB26.05 billion of which approximately RMB22.00 billion are subject to renewal during the next 12 months from the date of the consolidated statement of financial position. The Directors are confident that sufficient financing facilities will continue to be available to the Group for the foreseeable period not less than 12 months from the date of the consolidated statement of financial position. Based on the assessment, 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.

4. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers	**20,364,969**	19,897,598
Leases	**81,059**	132,683
	20,446,028	20,030,281

(i) Disaggregation of revenue from contracts with customers

	For the year ended 31 December 2023					
	Gas-fired power and heat energy generation *RMB'000*	**Wind power** *RMB'000*	**Photovoltaic power** *RMB'000*	**Hydropower** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
Types of goods and services						
Sales of electricity	**10,462,089**	**4,511,859**	**2,957,812**	**322,670**	**–**	**18,254,430**
Sales of heat energy	**2,106,132**	**–**	**–**	**–**	**–**	**2,106,132**
Repairs and maintenance and other services	**–**	**–**	**–**	**–**	**4,407**	**4,407**
Timing of revenue recognitions						
A point in time	**12,568,221**	**4,511,859**	**2,957,812**	**322,670**	**–**	**20,360,562**
Over time	**–**	**–**	**–**	**–**	**4,407**	**4,407**
Geographical markets						
Mainland China	**12,568,221**	**4,284,951**	**2,953,369**	**322,670**	**4,407**	**20,133,618**
Overseas	**–**	**226,908**	**4,443**	**–**	**–**	**231,351**
Revenue from contracts with customers	**12,568,221**	**4,511,859**	**2,957,812**	**322,670**	**4,407**	**20,364,969**

	For the year ended 31 December 2022					
	Gas-fired power and heat energy generation *RMB'000*	Wind power *RMB'000*	Photovoltaic power *RMB'000*	Hydropower *RMB'000*	Others *RMB'000*	Total *RMB'000*
Types of goods and services						
Sales of electricity	10,311,704	4,317,645	2,720,029	368,360	–	17,717,738
Sales of heat energy	2,154,126	–	–	–	–	2,154,126
Repairs and maintenance and other services	–	–	–	–	25,734	25,734
Timing of revenue recognitions						
A point in time	12,465,830	4,317,645	2,720,029	368,360	–	19,871,864
Over time	–	–	–	–	25,734	25,734
Geographical markets						
Mainland China	12,465,830	3,900,144	2,712,600	368,360	25,734	19,472,668
Overseas	–	417,501	7,429	–	–	424,930
Revenue from contracts with customers	12,465,830	4,317,645	2,720,029	368,360	25,734	19,897,598

(ii) Performance obligations for contracts with customers

Majority of the sales of electricity to provincial power grid companies are pursuant to the power purchase agreements entered into between the Group and the respective provincial power grid companies. The Group's sales of electricity are made to these power grid companies at the tariff rates agreed with the respective provincial power grid companies as approved by the relevant government authorities.

Sales of heat energy to customers are pursuant to the heat energy purchase agreements entered into between the Group and the customers. The Group's sales of heat energy are made to the customers at the tariff rates approved by the Beijing Municipal Commission of Development and Reform.

For sales of electricity and heat energy, revenue is recognised when control of electricity and heat has been transferred, being when electricity and heat is supplied to the power grid companies and the customers. The normal credit term is 60 days upon electricity and heat is supplied. There is no significant financing component among the payment terms of sales of electricity and heat.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The expected timing of recognising revenue regarding the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2023 and 2022 are within one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. SEGMENT INFORMATION

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

– Gas-fired power and heat energy generation: constructing, managing and operating natural gas-fired power plants and generating electric power and heat energy for sale to external customers.

– Wind power: constructing, managing and operating wind power plants and generating electric power for sale to external customers.

– Photovoltaic power: constructing, managing and operating photovoltaic power plants and sales of electricity generated to external customers.

– Hydropower: managing and operating hydropower plants and sales of electricity generated to external customers.

Operating segments of business activities other than "Gas-fired power and heat energy generation", "Wind power", "Photovoltaic power" and "Hydropower" did not meet the quantitative thresholds for reportable segments in both current and prior year. Accordingly, these are grouped and presented as "Others" in the segment information.

(a) Segment revenue, results, assets and liabilities

An analysis of the Group's reportable segment revenue, results, assets and liabilities for the years ended 31 December 2023 and 2022 by operating and reportable 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 year ended 31 December 2023						
Reportable segment revenue from external customers/ consolidated revenue	**12,568,221**	**4,511,859**	**2,957,812**	**322,670**	**85,466**	**20,446,028**
Reportable segment results (note (i))	**1,878,569**	**2,502,921**	**1,342,396**	**(12,828)**	**(538,098)**	**5,172,960**
Reportable segment assets	**14,490,302**	**41,571,113**	**27,465,771**	**3,270,954**	**35,885,919**	**122,684,059**
Reportable segment liabilities	**(6,714,731)**	**(28,979,057)**	**(18,303,681)**	**(1,697,292)**	**(33,791,898)**	**(89,486,659)**
Additional segment information:						
Depreciation	**775,225**	**1,576,148**	**1,073,501**	**96,910**	**16,467**	**3,538,251**
Amortisation	**10,508**	**207,164**	**60,727**	**24,475**	**6,761**	**309,635**
Finance costs (note (ii))	**37,594**	**525,293**	**374,679**	**34,940**	**270,896**	**1,243,402**
Other income	**717,470**	**368,060**	**26,251**	**652**	**14,246**	**1,126,679**
Including:						
– Government subsidies related to clean energy production	**568,806**	**21,029**	**–**	**–**	**–**	**589,835**
– Government grants related to construction of assets	**33,101**	**2,632**	**6,718**	**199**	**–**	**42,650**
– Income from carbon credits	**28,198**	**210,330**	**–**	**139**	**–**	**238,667**
– Others	**87,365**	**134,069**	**19,533**	**314**	**14,246**	**255,527**
Expenditures for reportable segment non-current assets	**220,562**	**4,309,381**	**3,922,800**	**13,096**	**13,665**	**8,479,504**

	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 year ended 31 December 2022						
Reportable segment revenue from external customers/ consolidated revenue	12,465,830	4,317,645	2,720,029	368,360	158,417	20,030,281
Reportable segment results (note (i))	1,854,165	2,170,952	1,479,320	142,564	(438,643)	5,208,358
Reportable segment assets	14,260,925	37,843,482	25,627,858	3,561,754	35,297,029	116,591,048
Reportable segment liabilities	(6,906,363)	(27,121,430)	(18,070,051)	(1,848,581)	(31,689,235)	(85,635,660)
Additional segment information:						
Depreciation	830,267	1,553,236	885,616	100,563	8,411	3,378,093
Amortisation	12,352	210,846	53,341	25,488	838	302,865
Finance costs (note (ii))	67,183	648,491	427,820	42,717	314,756	1,500,967
Other income	655,863	360,135	14,558	2,994	21,865	1,055,415
Including:						
– Government subsidies related to clean energy production	554,891	21,629	–	–	–	576,520
– Government grants related to construction of assets	33,101	2,632	6,707	199	–	42,639
– Income from carbon credits	1,648	214,443	3,935	472	–	220,498
– Others	66,223	121,431	3,916	2,323	21,865	215,758
Expenditures for reportable segment non-current assets	586,271	3,602,240	4,914,881	8,567	74,622	9,186,581

Notes:

(i) The segment results are arrived at after the deduction from revenue of gas consumption, depreciation and amortisation expense, personnel costs, repairs and maintenance, other expenses, other gains and losses and impairment losses and including other income before inter-segment elimination.

(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 results. It represents amounts regularly provided to the CODM but not included in the measurement of segment profit or loss. However, the relevant borrowings have been allocated to arrive at the segment liabilities.

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

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Results		
Reportable segment profit	**5,172,960**	5,208,358
Inter-segment elimination	**14,921**	(37,435)
Profit from operation	**5,187,881**	5,170,923
Interest income	**68,077**	58,014
Finance costs	**(1,243,402)**	(1,500,967)
Share of results of associates	**116,673**	146,951
Share of result of a joint venture	**14,566**	(31,421)
Consolidated profit before taxation	**4,143,795**	3,843,500

	At 31 December	
	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Assets		
Reportable segment assets	**122,684,059**	116,591,048
Inter-segment elimination	**(33,348,306)**	(32,535,391)
Unallocated assets:		
– Investments in associates	**1,551,361**	1,569,542
– Loans to an associate	**40,000**	105,000
– Investment in a joint venture	**76,255**	61,689
– Loans to a joint venture	**70,000**	70,000
– Deferred tax assets	**254,107**	262,870
– Equity instruments at FVTOCI	**92,500**	92,637
Different presentation on:		
– Value-added tax recoverable (note)	**2,174,465**	1,782,842
Consolidated total assets	**93,594,441**	88,000,237

	At 31 December	
	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Liabilities		
Reportable segment liabilities	**89,486,659**	85,635,660
Inter-segment elimination	**(33,311,448)**	(32,483,615)
Unallocated liabilities:		
– Income tax payable	**335,182**	304,349
– Deferred tax liabilities	**388,905**	338,780
Different presentation on:		
– Value-added tax recoverable (note)	**2,174,465**	1,782,842
Consolidated total liabilities	**59,073,763**	55,578,016

Note: Value-added tax recoverable was net-off with value-added tax payables and included in reportable segment liabilities for reporting to CODM, and they are reclassified and presented as assets in the consolidated statement of financial position.

All assets are allocated to reportable segments, other than equity instruments at FVTOCI, investments in associates and a joint venture, loans to an associate and a joint venture, value-added tax recoverable 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 is generated from customers in the PRC for both years, and over 90% of the Group's non-current assets (not including deferred tax assets and financial assets) are located in the PRC as at 31 December 2023 and 2022. Therefore no geographical segment information is presented.

(d) Information about major customers

Revenue of approximately RMB16,403,657,000 for the year ended 31 December 2023 (2022: RMB15,689,479,000) were derived from an external party, the State Grid Corporation of China, which contributed 80% (2022: 78%) to the total revenue.

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
State Grid Corporation of China[1]	**16,403,657**	15,689,479

[1] Revenue from Gas-fired power and heat energy generation, Wind power, Photovoltaic power and Hydropower segments

6. OTHER INCOME

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Government grants and subsidies related to:		
– Clean energy production (note (a))	**589,835**	576,520
– Construction of assets	**42,650**	42,639
Income from carbon credits (note (b))	**238,667**	220,498
Value-added tax refunds or exemptions (note (c))	**150,589**	128,778
Others	**104,938**	86,980
	1,126,679	1,055,415

Notes:

(a) Pursuant to the relevant government policy, the Beijing Government compensates the Group based on a pre-determined rate and quantities approved from time to time for the sale of electricity generated by those facilities. The Group recognises other income based on the actual volume of electricity sold by the Group's related facilities and at the pre-determined subsidising rate.

(b) Income from carbon credits was mainly derived from the sales of carbon credits registered under relevant regulated exchange system in Australia and the PRC.

(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 exemption of value-added tax for its revenue from the sale of heat energy to residential customers. The income of the value-added tax refund is recognised when relevant value-added tax refund or exemption application is registered with the relevant PRC tax authorities.

7. OTHER EXPENSES

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Other expenses comprise:		
Property management fees, operation, maintenance and other service fee	**626,103**	574,861
Utilities, insurance, office, travelling and transportation expenses	**256,979**	203,223
Expenses relating to short-term leases and other leases with terms expiring within 12 months	**62,375**	74,470
Others	**259,483**	202,162
	1,204,940	1,054,716

8. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Other gains and losses comprise:		
Loss on disposal of property, plant and equipment	**(1,918)**	(2,075)
Net exchange (loss) gain	**(19,708)**	80,441
Gain (loss) arising on change in fair value of financial asset at FVTPL	**22,603**	(61,097)
Fair value gain (loss) of fixed forward commodity contract recognised in profit or loss	**42,138**	(146,600)
Bargain purchase gain	**13,924**	6,332
Impairment losses recognised on:		
– Goodwill	**(48,279)**	–
– Property, plant and equipment	**(227,596)**	–
– Intangible assets	**(85,193)**	–
Loss on derecognition of financial assets measured at amortised cost	**(148,877)**	(84,788)
Gain on disposal of investments in an associate	**23,947**	2,686
Others	**145,420**	3,827
	(283,539)	(201,274)

9. INTEREST INCOME/FINANCE COSTS

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Interest income from:		
– Loans to an associate	**2,438**	4,059
– Loans to a joint venture	**2,901**	2,914
– Deposits with a related non-bank financial institution (note)	**28,690**	34,028
– Bank balances and deposits	**34,048**	17,013
Total interest income	**68,077**	58,014
Interest on bank and other borrowings, short-term debentures, corporate bonds and medium-term notes	**1,344,191**	1,594,850
Interest on lease liabilities	**32,479**	34,675
Less: Amount capitalised in property, plant and equipment	**(133,268)**	(128,558)
Total finance costs	**1,243,402**	1,500,967

	Year ended 31 December	
	2023	2022
Capitalisation rate of borrowing costs to expenditure on qualifying assets	**2.74%**	3.52%

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) ("**BEH Finance**") which is a subsidiary of BEH and an associate of the Group, under the supervision of the China Banking Regulatory Commission.

10. INCOME TAX EXPENSE

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Current tax:		
PRC Enterprise Income Tax	**813,535**	757,835
Other jurisdictions	**55,029**	110,721
	868,564	868,556
Deferred tax:		
Current year	**40,028**	(48,470)
Income tax expense	**908,592**	820,086

PRC Enterprise Income Tax has been generally provided at the applicable Enterprise Income Tax rate of 25% (2022: 25%) on the estimated assessable profits of the group entities established in the PRC for the year ended 31 December 2023.

Under the PRC Enterprise Income Tax law, the preferential tax treatment for encouraged enterprises located in the western PRC and certain industry-oriented tax incentives remain available up to 31 December 2030 when the original preferential tax period expired. Under the enterprise income tax law, the enterprises in encouraged industries in Western China are eligible for a preferential enterprise income tax rate for the period from 1 January 2022 to 31 December 2030. A PRC enterprise which enjoys this tax treatment is entitled to a preferential tax rate of 15% with a three-year tax exemption and a three-year 50% deduction on the PRC Enterprise Income Tax for taxable income commencing from the first year, when relevant projects start to generate revenue. Certain of the Group's wind farm projects, photovoltaic projects and hydropower power projects were entitled to this tax concession for the years ended 31 December 2023 and 2022.

No provision for Hong Kong Profit Tax has been made as the Group has no assessable profit derived in Hong Kong for both years.

Australian income tax is calculated at 30% (2022: 30%) on the estimated assessable profit.

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

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Profit before taxation	**4,143,795**	3,843,500
PRC Enterprise Income Tax at 25% (2022: 25%)	**1,035,949**	960,875
Tax effect on:		
– Expenses not deductible for tax purposes	**36,963**	41,618
– Share of results of associates and a joint venture	**(32,810)**	(28,883)
– Tax losses not recognised	**145,281**	112,072
– Temporary differences not recognised	**54,008**	–
– Utilisation of tax losses not recognised previously	**(4,005)**	(3,776)
– PRC Enterprise Income Tax exemption and concessions	**(337,371)**	(273,112)
Effect of different tax rates of group entities operating in jurisdictions other than PRC	**10,577**	11,292
	908,592	820,086

11. PROFIT FOR THE YEAR

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**9,051**	8,268
Expense relating to short-term leases	**62,375**	74,470
Depreciation and amortisation:		
Depreciation of property, plant and equipment	**3,460,524**	3,306,626
Depreciation of right-of-use assets	**82,536**	71,920
Amortisation of intangible assets	**309,635**	308,395
Less: Amount capitalised to construction in progress	**(4,809)**	(5,983)
Total depreciation and amortisation	**3,847,886**	3,680,958
Personnel costs:		
Directors' emoluments	**7,261**	5,393
Other personnel costs	**1,346,174**	1,221,725
Total personnel costs	**1,353,435**	1,227,118

12. DIVIDENDS

(a) A final dividend of RMB12.02 cents per ordinary share (tax inclusive) in respect of the year ended 31 December 2022 amounting to RMB990,990,000 was approved in the Company's annual general meeting held on 29 June 2023 and subsequently paid on 4 August 2023.

(b) A final dividend of RMB7.037 cents per ordinary share (tax inclusive) in respect of the year ended 31 December 2021 amounting to RMB580,167,000 was approved in the Company's annual general meeting held on 29 June 2022 and subsequently paid on 4 August 2022 and 5 August 2022.

(c) Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2023 of RMB13.98 cents per ordinary share (tax inclusive), totaling RMB1,152,582,000 has been proposed by the board of directors and is subject to approval by shareholders of the Company at the forthcoming annual general meeting.

13. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to ordinary shareholders of the Company is based on the following data:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Earnings		
Profit for the year attributable to ordinary shareholders of the Company for the purpose of earnings per share	**3,057,641**	2,841,680

	Year ended 31 December	
	2023	2022
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**8,244,508**	8,244,508

Diluted earnings per share are presented as the same as the basic earnings per share as there were no potential ordinary shares in issue during both years.

14. TRADE AND BILLS RECEIVABLES

	At 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade receivables		
– goods and services	**1,075,919**	718,716
– clean energy power price premium	**9,872,594**	10,229,044
Bills receivable	**5,954**	98,953
	10,954,467	11,046,713
Less: Allowance for credit losses	**(32,573)**	(19,626)
	10,921,894	11,027,087

The Group allows an credit period of 60 days to its customers of electricity and heat sales from the end of the month in which the sales are made except for clean energy power price premium. The aged analysis of the Group's trade and bills receivables, net of allowance for credit losses, presented based on the invoice dates are as follows:

	At 31 December	
	2023	2022
	RMB'000	*RMB'000*
Within 60 days	**1,196,757**	1,813,793
61 to 365 days	**2,989,674**	3,193,129
1 to 2 years	**2,667,131**	2,809,173
2 to 3 years	**1,972,028**	2,038,408
Over 3 years	**2,096,304**	1,172,584
	10,921,894	11,027,087

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

The clean energy power price premium is included as a component of the government-approved on-grid tariff of wind power and photovoltaic power. As at 31 December 2023, most of the operating projects have been approved for the tariff premium and certain projects are in the process of applying for the approval. The Directors are of the opinion that the approvals will be obtained in due course and the tariff premium receivables are fully recoverable considering that there are no bad debt experiences with the power grid companies in the past and the tariff premium is funded by the PRC government.

The Group applies the simplified approach to the provision for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for trade receivables. To measure the expected credit loss of trade receivables excluding tariff premium receivables, trade receivables have been grouped based on shared credit risk characteristics and the ageing.

15. TRADE AND OTHER PAYABLES

	At 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade payables	**2,643,206**	2,721,711
Payables for acquisition of property, plant and equipment	**2,703,750**	3,041,853
Retention payables	**290,049**	380,316
Bills payable	**40,000**	86,000
Salary and staff welfares	**110,339**	111,154
Non-income tax payables	**308,641**	314,923
Others	**595,871**	318,196
	6,691,856	6,974,153

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The Group normally settles the trade payable related to gas purchase within 30 days, settles the payable related to equipment purchase and construction cost according to related contractual arrangements which normally require 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 and bills payables by invoice dates as at the reporting date:

	At 31 December	
	2023	2022
	RMB'000	*RMB'000*
Within 30 days	**1,487,310**	1,560,221
31 to 365 days	**989,698**	1,099,866
1 to 2 years	**106,638**	54,174
2 to 3 years	**37,116**	10,165
Over 3 years	**62,444**	83,285
	2,683,206	2,807,711

MANAGEMENT DISCUSSION AND ANALYSIS

I. Review of the Electric Power Industry

In 2023, China had witnessed safe and reliable electricity supply, and recorded positive growth in electricity consumption, achieving a supply-demand balance as a whole and continuous advancement in the green and low-carbon transition. In 2023, the national electricity consumption reached 9.22 trillion kWh, representing a year-on-year increase of 6.7%, up by 3.1 percentage points over 2022. Driven by the rebound and growth in the national economy, the electricity consumption recorded greater growth over the previous year.

The electric power industry continued to push forward the green and low-carbon transition. According to the statistics from China Electricity Council and the National Energy Administration, the national electricity installed capacity in total was 2.92 billion kW as at the end of 2023, representing a year-on-year increase of 13.9%, among which, the installed capacity of non-fossil fuel was 1.57 billion kW, representing a year-on-year increase of 23.6% with its proportion to the total installed capacity exceeding 50% for the first time and overtaking the installed capacity of thermal power generation for the first time. The installed capacity of wind power generation was 440 million kW, representing a year-on-year increase of 20.7%, and the installed capacity of photovoltaic power generation was 610 million kW, representing a year-on-year increase of 55.2%. The national installed capacity of on-grid wind and photovoltaic power generation increased from 760 million kW as at the end of 2022 to 1.05 billion kW as at the end of 2023 after breaking the thresholds of 800 million kW, 900 million kW and 1 billion kW in a row, representing a year-on-year increase of 38.2% with its proportion to the total installed capacity increasing to 36.0%, up by 6.4 percentage points as compared to the previous year.

In 2023, the power generation of power plants above the national scale was 8.9 trillion kWh, representing a year-on-year increase of 5.2%. The on-grid wind power and solar power generation recorded a year-on-year increase of 16.2% and 36.7% respectively. The electricity trading centers across the country managed to organise electricity transaction of 5.7 trillion kWh in the market, representing a year-on-year increase of 7.9%, accounting for 61.4% of the national electricity consumption, up by 0.6 percentage points over the previous year.

In 2023, the utilisation hour of power generation equipment of power plants with a capacity of 6,000 kW or above in China was 3,592 hours, representing a year-on-year decrease of 101 hours. Among which, the utilisation hour of on-grid wind power generation was 2,225 hours, representing a year-on-year increase of 7 hours; the utilisation hour of on-grid solar power generation was 1,286 hours, representing a year-on-year decrease of 54 hours; the utilisation hour of hydropower generation was 3,133 hours, representing a year-on-year decrease of 285 hours; the utilisation hour of thermal power generation was 4,466 hours, representing a year-on-year increase of 76 hours, of which the utilisation hour of gas power generation was 2,436 hours, representing a year-on-year decrease of 4 hours.

II. Business Review for the Year of 2023

The year 2023 served as the opening chapter to fully implement the guiding principles of the 20th CPC National Congress. The Group maintained a positive development momentum with steady and good progress. With remarkable progress in its economies of scale, corporate governance and comprehensive strength, the Group opened a new chapter in production safety, green development and industrial upgrading, bringing a new development pattern and new prospects to the Company.

1. Focusing on high-quality development with revenue and profit hitting a new high

In 2023, the Group recorded an operating income of RMB20.446 billion and a profit before taxation of RMB4.144 billion, reaching a new historic high. Among which, profit before taxation from the gas-fired power generation segment was RMB1.865 billion, representing a year-on-year increase of 3.50%; profit before taxation from the renewable energy power generation was RMB2.909 billion, representing a year-on-year increase of 11.72%. In 2023, the return on net assets of the Group attributable to equity holders of the Company was 10.32%, representing a year-on-year increase of 0.16 percentage points, keeping at a relatively high level for several years in a row.

In 2023, in order to effectively respond to the power market reform and enhance the core competitiveness of its subsidiaries in the power market, the Group made great efforts to explore the spot market by complementing with spot trading and improving the power marketing system while maintaining the stability of medium to long-term trades, and invited a number of experts specialising in power sales and marketing to deliver trainings on trading rules, trading strategies and spot trading practice with a focus on Guangdong, Shanxi, western Inner Mongolia, Ningxia and other representative areas.

In 2023, the Group ramped up efforts to deepen the reform of state-owned enterprises and further advanced the Double Hundred Action for SOE Reform. Focusing on economic benefits and upholding the people-oriented philosophy, the Group actively promoted the equity incentive plan to forge a community with shared interests by deeply aligning the long-term interests of employees with the long-term growth of the Company. The implementation of this plan will fully motivate the enthusiasm, initiatives and creativity of talents and key employees, which will help to improve the operating performance and core competitiveness of the Company and promote high-quality development of the Company.

2. *Focusing on Carbon Peaking and Carbon Neutrality strategy with developed capacity of renewable energy tripled from the previous year*

In 2023, the Group took proactive measures to cope with the intensified market competition with a focus on the Carbon Peaking and Carbon Neutrality strategy. The Group completed developed capacity of renewable energy of 5.33 million kW for the year, which tripled from the previous year, of which the capacity of independently-developed projects was 4.8 million kW, and the capacity of acquired projects was 0.53 million kW.

In 2023, new progress had been made for the development of the Group's key projects. The Group successfully obtained development indicators for several projects including the project in Lingshou, Shijiazhuang and the project of hydrogen production with green power in Hinggan League. The pumped storage project in Mentougou District has been filed with the National Energy Administration as the recommended station of Beijing City.

In 2023, the Group scored new achievements in the development of its new energy business. The Group was included in the shortlist of the "final round" for the bidding and allocation of the offshore wind power project in Shantou; obtained approval for the "flywheel + iron-zinc self-stratified liquid flow energy storage" project of Jingneng Yichang Thermal Power from Energy Administration of Hubei Province; completed the filing for hydrogen production station for the wind power hydrogen production project in Hinggan League, and filed the application for the first batch of "demonstration projects featuring advanced green and low-carbon technologies" to Inner Mongolia Autonomous Region.

In 2023, the Group achieved new breakthroughs in the development of the renewable energy projects in Beijing. The Group successfully completed filing for the distributed photovoltaic project operated by Comprehensive Energy Starmusic (綜合能源星海琴行) with a capacity of 18,000 kW, and completed the development of the project planning and implementation proposal for the comprehensive energy center of Jingfeng Gas.

In 2023, while striving to mitigate the negative impact of the pandemic on the first two years for the implementation of the "14th Five-Year Plan", the Group continued to adhere to the "two-wheel drive" strategy, and achieved a new record high in development scale by strenuously promoting the large-scale and diversified development of renewable energy, laying a solid foundation for the high-quality development during the later stage of the "14th Five-Year Plan".

3. *Focusing on high-quality growth with power generation reaching a record high*

In 2023, the Group firmly seized the strategic initiative to realize the important transition from "quantitative accumulation" to "qualitative leap", and continued to promote the "wind power and photovoltaic power integration strategy" to lead the development. As of 31 December 2023, the installed capacity of renewable energy power generation of the Group reached 9.78 million kW, more than doubling the installed capacity of gas-fired power generation. In recent years, the installed capacity structure of Group has gradually shifted from "gas-fired power generation in dominance" to "expediting the renewable energy power generation to catch up" and finally to "renewable energy taking the lead". This transition in energy mix has achieved a "qualitative leap".

As of 31 December 2023, newly-added on-grid installed capacity of the wind power generation segment was 500,000 kW, representing a year-on-year increase of 9.9%, with the installed capacity of this segment ranking top among our principal businesses; and newly-added on-grid installed capacity of the photovoltaic power generation segment was 286,000 kW, representing a year-on-year increase of 8.1%. In addition, the Group had projects under trial operation with a capacity of approximately 1.693 million kW, all being renewable energy projects; in-progress projects with a capacity of approximately 1.582 million kW, of which the in-progress renewable energy projects had a capacity of approximately 1.432 million kW. The capacity of reserve projects amounted to over 28 million kW, of which the capacity of renewable energy reserve projects was over 25.60 million kW.

In 2023, the total power generation of the Group for the year was 38.89 billion kWh, representing a year-on-year increase of 6.2%. Among which, the power generation of the renewable energy reached 19.47 billion kWh, representing an increase of 1.88 billion kWh as compared to the previous year or a year-on-year increase of 10.7%, which exceeded the power generation of the gas-fired power generation segment. The power generation of the Group's wind power generation segment reached 12.6 billion kWh, representing an increase of 1.73 billion kWh as compared to the previous year or a year-on-year increase of 15.9%, and the equipment utilisation hour of this segment was 2,304 hours, representing an increase of 82 hours as compared to the previous year, 79 hours longer than the national average level; the power generation of the photovoltaic power generation segment reached 5.29 billion kWh, representing an increase of 280 million kWh as compared to the previous year or a year-on-year increase of 5.4%, and the equipment utilisation hour of this segment was 1,387 hours, 101 hours longer than the national average level.

The Group achieved remarkable progress in the transition to renewable energy, which started to show positive results in the large-scale and high-efficient development, with quality renewable energy projects becoming the robust drivers for the high-quality development of the Group.

4. ***Focusing on cost reduction and potential tapping in an effort to improve quality and enhance efficiency***

In 2023, with a focus on cost reduction and potential tapping, the Group leveraged on its advantage in economies of scale and implemented centralised procurement, cutting operation costs by over RMB30 million. The Group gave full play to the digital operation advantage of the centralised control centers to reduce onsite repetitive tasks by approximately 70%, thus increasing the operation management capacity per capita by approximately 35%, leading to a reduction of approximately 400 operation and maintenance staff. The Group fixed work posts and defined personnel quota in a scientific manner to keep the total headcount at a reasonable level, with the staffing of the gas-fired power generation segment being 2% lower than the standard level and the staffing of the regional branch companies being 10.8% lower than the standard level. The Group explored diversified financing channels, with the average capital costs being only 2.85%, down by 58 percentage points from the previous year and representing a year-on-year decrease of 17%.

In 2023, the Group made strenuous efforts to improve quality and enhance efficiency, and has implemented a radial solution to the power curtailment issue confronted by the wind and photovoltaic power projects, resulting an increase in power generation of approximately 400 million kWh for the year. The Group carried out carbon quota trading for approximately 0.5 million tons, recording a revenue from carbon assets of approximately RMB30 million.

5. ***Focusing on innovation and development with initial success in digital transformation***

In 2023, the Group was committed to enhancing the top-level design of digital transformation and pursuing the deepened integration of digitalization and main business, and further optimized and improved three-tier intelligent supervision system, initially achieving the production and operation model of "unattended or few people on duty, centralised monitoring, and intelligent operation and maintenance". Through digital transformation, we integrated business processes, explored data value, and achieved the digital application of unified storage platform for materials, safety management platform and intelligent "two-ticket" system, serving the continuous improvement of work safety supervision efficiency.

In 2023, the Group made overall progress in technological innovation through digital transformation, systematically implemented technological innovation projects, and improved the innovation work system. Throughout the year, 48 technological projects were approved with a total investment of RMB720 million. Over ten subsidiaries of the Group have obtained high-tech enterprise certification. We won one Science and Technology Progress Award of provincial/ministerial level, and obtained 119 science and technology awards and patent authorizations.

Focusing on the main business of clean energy and innovative development, we strived to build the Group into a modern enterprise featured with "high-efficient governance, innovation-driven and integrated development".

6. ***Focusing on social responsibilities and fulfilling responsibilities of state-owned enterprises***

The Group has always insisted on preventing and resolving material risks from the root cause, establishing a system-wide risk prevention and control system with comprehensive coverage of all levels of the hierarchy and all business segments. We have built a safety accountability system with grid management and linear communication to promote the solid implementation of safety management duty performance checklists; we focused on safety evaluation and safety patrol and inspections to put in place a potential hazard identification and rectification system that combines self-inspection by the subsidiaries and supervision by the Company; we adhered to the guidance of safety culture and further built consensus on safety by raising safety awareness among all employees. Six subsidiaries of the Group were awarded "National Demonstration Enterprise of Safety Culture Construction", and Beijing Jingneng Jingxi Gas-fired Power Co., Ltd. won the first place among the National Model Units for Power Generation Reliability.

Bearing in mind the missions and responsibilities of state-owned enterprises in the capital, the Group focused on building intrinsic safety enterprise, made all-out efforts to ensure the two important things of safety and supply guarantee, and firmly held the "fundamentals" for safe development. We refined and improved work measures, overcame adverse impacts such as bad weather, and completed important power and heat supply missions including the "Two Sessions" (NPC and CPPCC) and "China International Fair for Trade in Services" with high quality. Faced with the extreme cold weather in Beijing at the end of 2023, the Group effectively organised the gas-fired power plants in Beijing to get prepared for demands for heavy-loading heat supply and higher heat energy temperature during the cold wave and blizzard period, so as to ensure proper heat energy temperature for the municipal heat supply network. We demonstrated the key role of a state-owned enterprise in the capital at critical moments, with simultaneous progresses made in fulfilling political, economic and social responsibilities of the Company.

As one of the "Double Olympics enterprise", the Group has completed the construction of Beijing-Zhangjiakou Olympics wind power project with high quality, which was awarded with the "Gold Award for National Quality Project" for onshore wind power project, being the sole recipient nationwide, and continues to "light up the lights in Beijing via the wind from Zhangbei". While vigorously developing its main business, the Group has not forgotten to actively fulfill its social responsibilities and consolidated the achievements made in poverty alleviation in coordination with the extensive drive for rural vitalization. It has implemented a total of over 20 assistance projects to strengthen local industries and donated over RMB30 million to society. The Group was awarded the highest ESG star rating among the listed companies under the Municipal State-owned Assets Supervision and Administration Commission, demonstrating the positive image of a "responsible SOE" in clean energy.

III. Business Outlook for 2024

2024 marks the 75th anniversary of the founding of the People's Republic of China, it's a crucial year to fully implement the 14th Five-year Plan. The Group is always committed to the priority of high-quality development, focusing on the growth of the clean energy main business, ensuring the energy supply security, and serving the realization of carbon neutrality in the capital. We make solid efforts to accomplish various tasks such as increasing efficiency, promoting reform, and preventing risks, strive to seek rapid and optimal progress while maintaining steady development, and take the initiative to reach new heights. In doing do, we hope to build the Group into a world-class "smarter, more carbon-efficient, more flexible, and more resilient" clean energy service provider for the capital.

1. Stepping up efforts to expedite the realization of 12.50 million kW target for installed capacity of non-fossil fuel and striving to surpass the development target of a total installed capacity of 17.35 million kW

In 2024, the Group will focus the implementation of Carbon Peaking and Carbon Neutrality Goals, continue to consolidate and uphold the "wind power and photovoltaic power integration strategy", and improve the overall acquisition and development capabilities for high-quality resources, with an aim to develop "more low-carbon" clean energy. In terms of the layout of conventional projects, we will deepen the development in regions with existing advantages to build a number of handpicked high-quality projects with scale effects, stable power consumption, and high yields, and devote great energy to facilitate the approval and implementation of offshore wind power project in Shantou; in terms of breakthroughs in base projects, we will make all-out efforts to advance the preliminary work of large base projects such as Chengde and Xilingol League by leveraging on the advantages of "Green-Power-to-Beijing", and actively take part in the desertification control project with wind and photovoltaic power generation projects; in terms of emerging business development, we will make every effort to plan the layout of pumped storage projects, push forward the earlier inclusion of Mentougou project into the national special plan.

In 2024, the Group will keep to the 12.50 million kW target for installed capacity of non-fossil fuel, further expedite the construction of in-progress projects, and strictly control project quality and cost, making best efforts to promote on-grid power generation of high-quality projects; further solidify the preparation work for the construction of new projects, and seek to push forward the early start for construction and production, striving to surpass the development target of a total installed capacity of 17.35 million kW.

2. ***Taking multiple measures to eliminate the tariff adjustment impact of gas-fired power plants in Beijing and striving to surpass the profit target of RMB4.1 billion***

In January 2024, the Group received the Notice on Relevant Issues Concerning the On-grid Tariff of Gas-fired Power Plants in Beijing issued by the Beijing Municipal Commission of Development and Reform, and the adjustment in tariff will have an impact on the total profit of the gas-fired power generation segment of the Group ranging from RMB600 million to RMB700 million in 2024.

In the backdrop of tariff adjustment of gas-fired power plants in Beijing, in 2024, the Group will continue to ensure people's livelihoods by providing stable electricity and heat supply, make overall planning in advance on heating supply plan and unit operation method of gas-fired power generation segment, step up efforts to enhance equipment reliability, so as to create favorable conditions for stable heating supply and power generation increase. We will optimize power generation schedule and maintenance plan to seize the heavy load period; explore hydrogen-blended combustion technology for gas turbines and strive to reduce gas consumption; proactively seek and meet customer needs by leveraging geographical advantages and accelerate the transformation into regional comprehensive energy center; pursue heating supply and power generation synergies and tap into heat and cold markets; continuously increase the market share of heating supply for the capital to hedge against the adverse impact of tariff adjustments in the gas-fired power generation segment, and strive to develop "more flexible" clean energy.

In addition, in terms of renewable energy business, the Group will accelerate the construction of in-progress projects to expand on-grid capacity at a speedy pace. The Group will solidify the preparation work to promote the early commencement and commissioning of projects. In addition, the Group will step up efforts in project development and comprehensively enhance the capability to acquire and develop high-quality resources. Meanwhile, the Group will strengthen research on regional power policies and power market trading rules, improve power marketing for wind power and photovoltaic power generation projects, coordinate medium to long-term trade and spot trading ratios, and monitor local volume and price structures and inter-grid and trans-provincial spot trading. We will formulate the best trading strategies to further increase project utilisation hours, actively participate in green power and green (renewable energy) certificate trading to increase the value per kWh, and strive to further improve the development quality of the Company with market-oriented marketing methods.

In 2024, the Group will ensure the coordinated development of "quality enhancement of existing projects" and "handpicking incremental projects", cultivate the dual advantages in operational cost and operation model, strengthen the core competitiveness, and develop "more resilient" clean energy. The Group will actively implement energy conservation and consumption reduction, improve cost control; strengthen regional high-efficient operation, give full play to the management efficiency of the "unattended or few people on duty, centralised monitoring, and intelligent operation and maintenance" operation model of centralised control center, further reduce operational cost and keep enhancing the risk resilience of existing projects; continue to expand financing channels and optimize financial structure, and make efforts to realize the goals of cost-reduction, stabilizing leverage, and reducing accounts receivables and inventory.

In general, the Group will take various measures such as increasing the incremental scale of wind power and photovoltaic power projects, improving the efficiency of the existing wind power and photovoltaic power projects and unleashing the internal potentials of gas-fired power plants, striving to surpass the profit target of RMB4.1 billion and eliminate the impact of tariff adjustments in gas-fired power plants in Beijing.

3. Taking multiple measures to realize leapfrog development in digital transformation and actively build the new quality productive forces of the Group

In 2024, the Group will give full play to the leading role of technological innovation, focus on industry digitalisation and governance modernisation, and promote the in-depth integration of "digital + energy", with an aim to develop "smarter" clean energy. We will try our best to complete overall planning for digital transformation with unified structures, standards and platforms; continue to implement the functional improvement and iterative upgrading of smart monitoring center, enhance management efficiency by reengineering digital management process, and further explore data value; strive to build a digital intelligent company with "scenario-based experience, intelligent production, smart management and integrated development".

In 2024, the Group will continue to increase investment in sci-tech research and development, promote the construction of a digital operation platform that integrates production, operations and finance, gradually realize the shift of functions from real-time supervision to decision-making assistance. The Group will promote the transition to new operation and management model by driving digital transformation, and effectively transform digital empowerment into competitive advantages and operational efficiency. Focusing on the innovation drive as the key to underpin the "new" and enhancing "quality" with high-quality development, we will continue the industry upgrading with higher development efficiency and effectiveness, and actively build the new quality productive forces of the Group.

4. Exerting our utmost efforts to strictly implement work safety management to ensure safety and facilitate the stability and new development of the Group

In 2024, the Group will adhere to the positive balance of high-quality development and high-level safety. We will comprehensively implement work safety checklist management and continue to put in place a professional inspection and operation checklist system; strengthen the allocation of professional technical talent and personnel training to ensure the effective implementation of the work safety accountability system; adopt scientific production control and operation scheduling, strengthen equipment and power generation unit inspection and maintenance; expedite the informatization of safety management, gradually realize the shift from "offline" safety management to "online"; strictly implement the latest version of

"Twenty-Five Countermeasures", strengthen the analysis of "accident chain, management chain, responsibility chain" to accurately hold those accountable; intensify the building of dual prevention mechanisms, improve the two checklists of safety risk management and control and work safety accident hazard rectification, and promote the implementation of work safety management systems for new businesses to achieve results.

Safety paves the way for the future, and safety also paves the way to growth. In 2024, the Group will further fulfill its responsibilities for safety, strengthen the identification and rectification of potential risk hazards, resolutely prevent and curb major risks, and ensure confidentiality, cybersecurity and other tasks to facilitate the Group in making progress and writing new chapters on the journey to high-quality development.

IV. Operating Results and Analysis

1. Overview

In 2023, the Company achieved profit for the year amounted to RMB3,235.2 million, representing an increase of 7.01% as compared with RMB3,023.4 million for 2022. Profit attributable to the equity holders amounted to RMB3,057.6 million, representing an increase of 7.60% as compared with RMB2,841.7 million for 2022.

2. Operating Income

The total operating income increased by 2.08% from RMB20,030.3 million for 2022 to RMB20,446.0 million for 2023, due to an increase in sales volume of electricity of the gas-fired power and heat energy generation segment and an increase in installed capacity of wind power and photovoltaic power segments, resulting in an increase in revenue from sales of electricity.

Gas-fired Power and Heat Energy Generation Segment

The operating income from the gas-fired power and heat energy generation segment increased by 0.82% from RMB12,465.8 million for 2022 to RMB12,568.2 million for 2023, of which, revenue from sales of electricity increased by 1.46% from RMB10,311.7 million for 2022 to RMB10,462.1 million for 2023, due to the increase in sales volume of electricity of this segment. Revenue from sales of heat energy decreased by 2.23% from RMB2,154.1 million for 2022 to RMB2,106.1 million for 2023, due to the extension of heating supply period during the previous year.

Wind Power Segment

The operating income from wind power segment increased by 4.50% from RMB4,317.6 million for 2022 to RMB4,511.9 million for 2023, due to the increase in sales volume of electricity as a result of an increase in the installed capacity which has been put into production in this segment.

Photovoltaic Power Segment

The operating income from photovoltaic power segment increased by 8.74% from RMB2,720.0 million for 2022 to RMB2,957.8 million for 2023, due to an increase in sales volume of electricity as a result of the increased installed capacity which has been put into production in this segment during the year.

Hydropower Segment

The operating income from hydropower segment decreased by 12.40% from RMB368.4 million for 2022 to RMB322.7 million for 2023, due to the decrease in sales volume of electricity in this segment.

Other Segment

Other operating income principally comprises revenue from finance lease business and equipment repairs and maintenance. Other operating income decreased by 46.05% from RMB158.5 million for 2022 to RMB85.4 million for 2023, due to a decrease in revenue from external finance lease.

3. Other Income

Other income increased by 6.76% from RMB1,055.4 million for 2022 to RMB1,126.7 million for 2023, due to the increase in 50% refund of value-added tax for the increase in revenue from sales of electricity in wind power segment and the increase in income from carbon credits.

4. Operating Expenses

Operating expenses increased by 2.95% from RMB15,914.8 million for 2022 to RMB16,384.8 million for 2023, due to the cost expensed following the increase in the installed capacity which has been put into production in the wind power segment and the photovoltaic power segment.

Gas Consumption

Gas consumption increased by 1.94% from RMB9,186.9 million for 2022 to RMB9,365.4 million for 2023, due to an increase in gas consumption as a result of the increase in sales volume of electricity of the gas-fired power and heat energy generation segment.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 4.53% from RMB3,681.0 million for 2022 to RMB3,847.9 million for 2023, due to an increase in installed capacity which has been put into production in the wind power segment and the photovoltaic power segment.

Personnel Cost

Personnel cost increased by 10.29% from RMB1,227.1 million for 2022 to RMB1,353.4 million for 2023, due to the increase in the number of employees as a result of the business development of the Group, and personnel costs expensed following the commencement of production of new projects.

Repairs and Maintenance

Repairs and maintenance decreased by 42.60% from RMB560.5 million for 2022 to RMB321.7 million for 2023, due to the overhaul carried out on certain generator units of the gas-fired power and heat energy generation segment in last year and the reduction of cost during the year.

Other Expenses

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

Other expenses increased by 14.24% from RMB1,054.7 million for 2022 to RMB1,204.9 million for 2023, due to an increase in operating expenses as a result of the commencement of production of new projects of the wind power segment and the photovoltaic power segment.

Other Gains and Losses

Other gains and losses increased by 40.83% from a loss of RMB201.3 million for 2022 to a loss of RMB283.5 million for 2023. Losses for the year was attributable to the provisions for impairment on the assets of certain power stations.

5. Operating Profit

As a result of the above, operating profit increased by 0.33% from RMB5,170.9 million for 2022 to RMB5,187.9 million for 2023.

Gas-fired Power and Heat Energy Generation Segment

The operating profit of gas-fired power and heat energy generation segment increased by 1.32% from RMB1,854.2 million for 2022 to RMB1,878.6 million for 2023, due to a decrease in maintenance costs in this segment and the increase in sales volume of electricity.

Wind Power Segment

The operating profit of wind power segment increased by 15.29% from RMB2,171.0 million for 2022 to RMB2,502.9 million for 2023, due to an increase in the installed capacity of this segment which has been put into production.

Photovoltaic Power Segment

The operating profit of photovoltaic power segment decreased by 9.25% from RMB1,479.3 million for 2022 to RMB1,342.4 million for 2023, due to the provision for impairment losses of certain assets of this segment.

Hydropower Segment

The operating profit of hydropower segment decreased by 108.98% from RMB142.6 million for 2022 to a loss of RMB12.8 million for 2023, due to the impairment losses of certain assets in this segment in the year.

Other Segment

Losses incurred by other segment increased from a loss of RMB438.6 million for 2022 to a loss of RMB538.1 million for 2023, due to an increase in the amount of issue discounts as a result of an increase in issuance size of asset-backed securities backed by accounts receivables.

6. Finance Costs

Finance costs decreased by 17.16% from RMB1,501.0 million for 2022 to RMB1,243.4 million for 2023, due to the decrease in financing costs of the Company, with the average interest rate decreasing by 0.58 percentage points from 3.43% for 2022 to 2.85% for 2023.

7. Share of Results of Associates and a Joint Venture

Share of results of associates and a joint venture increased from a profit of RMB115.5 million for 2022 to a profit of RMB131.2 million for 2023, due to the increase in results of Beijing Huayuan Huizhong Environmental Protection Technology Co., Ltd. attributable to the Group.

8. Profit before Taxation

As a result of the foregoing, profit before taxation increased by 7.81% from RMB3,843.5 million for 2022 to RMB4,143.8 million for 2023.

9. Income Tax Expense

Income tax expense increased by 10.79% from RMB820.1 million for 2022 to RMB908.6 million for 2023. Effective tax rate was 21.93% for 2023.

10. Profit for the year

As a result of the foregoing, profit for the year increased by 7.01% from RMB3,023.4 million for 2022 to RMB3,235.2 million for 2023.

11. Profit for the year Attributable to Equity Holders of the Company

Profit for the year attributable to equity holders of the Company increased by 7.60% from RMB2,841.7 million for 2022 to RMB3,057.6 million for 2023.

V. Financial Position

1. Overview

As of 31 December 2023, total assets of the Group amounted to RMB93,594.4 million, total liabilities amounted to RMB59,073.7 million and total equity amounted to RMB34,520.7 million, among which equity attributable to the equity holders amounted to RMB30,678.0 million.

2. Particulars of Assets and Liabilities

Total assets increased by 6.36% from RMB88,000.2 million as at 31 December 2022 to RMB93,594.4 million as at 31 December 2023, due to the increase in investment in new projects and merger and acquisition projects. Total liabilities increased by 6.29% from RMB55,578.0 million as at 31 December 2022 to RMB59,073.7 million as at 31 December 2023, which was attributable to the increase in liabilities due to the increasing number of projects. Total equity increased by 6.47% from RMB32,422.2 million as at 31 December 2022 to RMB34,520.7 million as at 31 December 2023, which is attributable to the increase in accumulated business results. Equity attributable to equity holders of the Company increased by 7.30% from RMB28,589.9 million as at 31 December 2022 to RMB30,678.0 million as at 31 December 2023, which was attributable to the increase in accumulated business results in 2023.

3. Liquidity

As of 31 December 2023, current assets amounted to RMB19,811.8 million, including monetary capital of RMB6,605.1 million, bills and accounts receivables of RMB10,921.9 million (mainly comprising receivables from sales of electricity and sales of heat), finance receivables of RMB434.9 million, and prepayment and other current assets of RMB1,849.9 million (mainly comprising deductible value-added tax and other accounts receivables).

Current liabilities amounted to RMB22,211.2 million, including short-term borrowings of RMB9,744.0 million, short-term financing debentures of RMB4,828.9 million, medium-term notes due within one year of RMB93.2 million, corporate bonds of RMB13.8 million, bills payables and accounts payables of RMB6,691.9 million (mainly comprising payables for gas, payables for construction projects and purchase of equipment). Other current liabilities amounted to RMB839.4 million, mainly comprising income tax payable and amounts due to related parties, etc.

Net current liabilities decreased by 72.69% from RMB8,785.9 million as at 31 December 2022 to RMB2,399.4 million as at 31 December 2023, mainly due to the change in finance structure and the issue of asset-backed securities backed by the accounts receivables for the repayment of due liabilities.

4. Net Gearing Ratio

Net gearing ratio, calculated by dividing net debts (total borrowings minus cash and cash equivalents) by the sum of net debts and total equity, decreased by 0.14 percentage points from 55.79% as at 31 December 2022 to 55.65% as at 31 December 2023.

The Group's long-term and short-term borrowings increased by 7.62% from RMB46,386.6 million as at 31 December 2022 to RMB49,920.8 million as at 31 December 2023, including short-term borrowings of RMB9,744.0 million, long-term borrowings of RMB28,148.8 million, medium-term notes of RMB6,585.6 million, short-term financing debentures of RMB4,828.9 million and corporate bonds of RMB613.5 million.

Bank deposits and cash held by the Group increased by 20.83% from RMB5,466.4 million as at 31 December 2022 to RMB6,605.1 million as at 31 December 2023.

VI. Other Significant Events

1. Financing

On 13 February 2023, the Group completed the issuance of the first tranche RMB1,500 million 269-day ultra-short-term financing debentures of 2023 at an interest rate of 2.36%;

On 17 April 2023, the Group completed the issuance of the second tranche RMB2,000 million 178-day ultra-short-term financing debentures of 2023 at an interest rate of 2.29%;

On 14 June 2023, the Group completed the issuance of the third tranche RMB1,500 million 176-day ultra-short-term financing debentures of 2023 at an interest rate of 1.92%;

On 17 August 2023, the Group completed the issuance of the fourth tranche RMB1,000 million 245-day ultra-short-term financing debentures of 2023 at an interest rate of 2.12%;

On 21 August 2023, the Group completed the issuance of the fifth tranche RMB1,000 million 241-day ultra-short-term financing debentures of 2023 at an interest rate of 2.12%;

On 9 October 2023, the Group completed the issuance of the sixth tranche RMB1,700 million 269-day ultra-short-term financing debentures of 2023 at an interest rate of 2.40%;

On 7 November 2023, the Group completed the issuance of the seventh tranche RMB1,100 million 268-day ultra-short-term financing debentures of 2023 at an interest rate of 2.51%;

On 11 April 2023, the Group completed the issuance of the first tranche RMB1,000 million medium-term notes of 2023, with a period of 2+N years and at an interest rate of 3.20%;

On 4 May 2023, the Group completed the issuance of the second tranche RMB2,000 million medium-term notes of 2023, with a period of 5 years and at an interest rate of 3.22%.

On 10 July 2023, the Group completed the issuance of the third tranche RMB500 million medium-term notes of 2023, with a period of 3+N years and at an interest rate of 3.19%;

On 21 December 2023, the Group completed the issuance of the fourth tranche RMB500 million medium-term notes of 2023, with a period of 3+N years and at an interest rate of 3.09%.

2. Capital Expenditure

In 2023, the Group's capital expenditure amounted to RMB8,479.6 million, including RMB220.6 million incurred for construction projects in the gas-fired power and heat energy generation segment, RMB4,309.4 million incurred for construction projects in the wind power segment, RMB3,922.8 million incurred for construction projects in the photovoltaic power segment, RMB13.1 million incurred for construction projects in the hydropower segment, and RMB13.7 million incurred for construction projects in other segment.

3. Acquisition and Establishment of Subsidiaries

According to the development plan of the Company, in 2023, the Company acquired seven project companies including Guangdong Ansheng New Energy Co., Ltd.(廣東安晟新能源有限公司) and Xiamen Yangwanzhang Clean Energy Co., Ltd.(廈門陽萬丈清潔能源有限公司) which are engaged in the construction of photovoltaic power generation projects; acquired Ningxia Zehua New Energy Co., Ltd.(寧夏澤華新能源有限公司), which is engaged in the construction of wind power projects; acquired all equity interests of Hengfeng County Jingneng Power Co., Ltd.(橫峰縣晶能電力有限公司), a minority shareholder of Shouyang Jingshou Photovoltaic Power Generation Co., Ltd. (壽陽京壽光伏發電有限公司) ("**Shouyang Jingshou**"), turning Shouyang Jingshou into a wholly-owned subsidiary of the Company, and acquired all equity interests of Hengfeng County Jingtai Power Co., Ltd. (橫峰縣晶泰電力有限公司), a minority shareholder of Haixing Jingxing New Energy Co., Ltd. (海興京興新能源有限公司) ("**Haixing Jingxing**"), turning Haixing Jingxing into a wholly-owned subsidiary of the Company.

In 2023, the Company established Shantou Jingneng Clean Energy Co., Ltd.(汕頭京能清潔能源有限公司), which is engaged in offshore wind power generation; established Jingneng Laiyuan Clean Energy Co., Ltd.(京能淶源清潔能源有限公司), Jingneng Luanping Clean Energy Co., Ltd.(京能灤平清潔能源有限公司), Zhangbei Jingneng Haolong Clean Energy Co., Ltd.(張北京能昊龍清潔能源有限公司) and Guilin Jingneng Clean Energy Co., Ltd.(桂林京能清潔能源有限公司), which are engaged in energy storage business; established nine companies including Nanning Jingneng Clean Energy Co., Ltd.(南寧京能清潔能源有限公司), Beijing Jingneng Comprehensive Energy Co., Ltd.(北京京能綜合能源有限公司), Huazhou Jingzhi New Energy Co., Ltd. (化州京智新能源有限公司) and Heilongjiang Jingwang New Energy Co., Ltd.(黑龍江京望新能源有限公司), which are engaged in the construction of photovoltaic power generation projects.

In 2023, the Company completed the deregistration of Shenzhen Jingneng Clean Energy Finance Lease Co., Ltd.(深圳京能清潔能源融資租賃有限公司) and Chaoyang County Jingneng New Energy Co., Ltd.(朝陽縣京能新能源有限公司); and completed the disposal of the 50% equity interests in Beijing Tian Yin Di Re Development Co., Ltd.(北京市天銀地熱開發有限責任公司) in November. Tengchong County Hou Qiao Yong Xing River HydroPower Generation Development Co., Ltd. (騰沖縣猴橋永興河水電開發有限公司) has turned into a branch company of Sichuan Dachuan Power Co., Ltd., a subsidiary of the Company, from a subsidiary of the Company.

4. Contingent Liabilities

As of 31 December 2023, the Group had no contingent liabilities.

5. Mortgage of Assets

As of 31 December 2023, the Group's bank borrowings were secured by bank deposits of RMB46.90 million, accounts receivables of RMB2,512.04 million and finance lease receivables of RMB309.70 million; fixed assets of RMB2,489.80 million; the entire equity in New Gullen Range Wind Farm Pty Ltd. and Gullen Solar Pty Ltd., which were pledged to National Australia Bank, and the entire equity in Ningxia Boyang New Energy Co., Ltd. and Ningxia Kaiyang New Energy Co., Ltd., which were pledged to National Development Bank in China.

6. Subsequent Events

The Group had no other material events subsequent to the Reporting Period.

VII. Risk Factors and Risk Management

Macro-environmental Risk

Amid sluggish global economic growth, intensified international economic and trade frictions, and more pressure on downward domestic economy, the Group's business development suffered significant impact. A tendency of clean, low-carbon, electrified, and digital development has emerged in the supply and demand structure of energy. Whether the Group can grasp the structural reforms on the power supply side, fully mobilise demand-side to response resources, and promote the development trend of green transformation and upgrading of the power industry are also related to the future development of the Group.

Changes in the macro environment present challenges but more opportunities for the development of the Group. In order to accommodate the changes in the macro environment by closely monitoring fluctuations in economic situation and development situation of new energy, the Group turns crises into opportunities by vigorously developing new energy business, making efforts in power marketing, exploring the development of hydrogen energy and energy storage business and offshore wind power business.

Policy and Regulatory Risks

The Group primarily invests in and operates clean energy generation projects, which are encouraged by the country. The implement of the renewable energy quota policy brings out the benefits of the policy for further mitigating the power consumption problem of renewable energy; with the drop in power price of new energy resulting from the promotion of market-oriented reform of electric power, policy subsidies continued to decrease or were cancelled, and the volume of electric power traded kept increasing, the operation and development of new energy industry faced serious challenges.

The Group follows up major policy changes, properly keeps abreast of information changes, put more effort into research related to policy and technology, actively collects and studies policy information related to clean energy, pays close attention to the development and application of related new technologies, and actively carries out work in terms of technology reserves to prevent and resolve policy risk.

H SHARE APPRECIATION RIGHTS SCHEME

In order to (i) enhance corporate competitiveness, create common interests, fully utilize the positiveness, proactivity and creativity of outstanding talents and core staff, improve the operational results and core competitiveness of the Company and facilitate the long-term and stable development of the Company; (ii) create favorable news to the capital market, bolster the confidence in the capital market and maintain the market value of the Company; and (iii) effectively build and continue to improve the management structure with clear distinction between powers and responsibilities and efficient decision-making, further optimize the performance-based compensation incentive mechanism, establish a market-based assessment system in line with the developmental needs of the Company, and effectively retain and attract the core staff necessary for the development of the Company, the shareholders of the Company have considered and approved the adoption of the H share appreciation rights scheme (the "**Scheme**") and the grant under the Scheme (the "**Grant**") at the extraordinary general meeting held on 2 February 2024. The Scheme was approved by the State-owned Assets Supervision and Administration Commission of People Government of Beijing Municipality on 22 January 2024. On 2 February 2024, the Board announced the satisfaction of the conditions for the Scheme and the Grant, and the first Grant under the Scheme to 113 incentive recipients with a total of 103,062,511 appreciation rights shares. For details on the major terms, conditions and grants of the Scheme, please refer to the announcement dated 12 December 2023, the circular dated 17 January 2024, the poll results announcement dated 2 February 2024 and the inside information announcement dated 2 February 2024 of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

FINAL DIVIDEND

The Board resolved to propose to the shareholders of the Company at the annual general meeting for the year ended 31 December 2023 (the "**AGM**") to be held on 26 June 2024, for their consideration and approval of the payment of a final dividend of RMB13.98 cents per share (tax inclusive) for the year ended 31 December 2023 (the "**2023 Final Dividends**") to the shareholders of the Company, whose names are listed in the register of members of the Company on 8 July 2024, in an aggregate amount of approximately RMB1,152.6 million. The 2023 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 2023 Final Dividends are expected to be paid on or around 31 July 2024.

Pursuant to the Enterprise Income Tax Law of the PRC and its implementation rules, which came into force since 1 January 2008 and other relevant rules, where the Company distributes the proposed 2023 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 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 13 May 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 2023 Final Dividends based on the 1994 Notice. Therefore, the Company will not withhold any amount of the 2023 Final Dividends to be distributed to the Individual H Shareholders to pay the PRC individual income tax.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain shareholders' entitlement to attend and vote at the AGM and to the proposed 2023 Final Dividends, the H share register of members of the Company will be closed from 21 June 2024 to 26 June 2024 (both days inclusive) and from 3 July 2024 to 8 July 2024 (both days inclusive), respectively, during which periods no transfer of shares will be registered.

In order to qualify for attending and voting at the forthcoming AGM, holders of H shares of the Company shall lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before 4:30 p.m. on 20 June 2024.

In order to qualify for receiving the proposed 2023 Final Dividends (subject to the approval by shareholders of the Company at the forthcoming AGM), holders of H shares of the Company shall lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at the above mentioned address for registration before 4:30 p.m. on 2 July 2024.

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 C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the year ended 31 December 2023.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 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.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2023, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year then ended as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in audited consolidated financial statements of the Group for the year of 2023 as approved by the Board on 26 March 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the Group's 2023 annual results and the financial statements for the year ended 31 December 2023 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 2023 annual report containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange in due course.

By order of the Board
Beijing Jingneng Clean Energy Co., Limited
ZHANG Fengyang
Chairman

Beijing, the PRC
26 March 2024

As at the date of this announcement, the executive Directors of the Company are Mr. Zhang Fengyang, Mr. Chen Dayu, Mr. Zhang Wei and Mr. Li Minghui; the non-executive Directors are Mr. Zhou Jianyu, Mr. Song Zhiyong and Ms. Zhang Yi; the independent non-executive Directors are Ms. Zhao Jie, Mr. Wang Hongxin, Mr. Qin Haiyan and Ms. Hu Zhiying.