

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



Beijing Jingneng Clean Energy Co., Limited

北京京能清潔能源電力股份有限公司

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

(Stock Code: 00579)

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

**FINANCIAL HIGHLIGHTS**

- Total assets of the Company as at 30 June 2021 were B9,339.8 million, representing an increase of 12.81% over the total assets of B8,277.0 million as at 30 June 2020.
- Total liabilities of the Company as at 30 June 2021 were B1,884.3 million, representing an increase of 13.90% over the total liabilities of B1,655.0 million as at 30 June 2020.
- Total comprehensive income of the Company for the six months ended 30 June 2021 was B1,488.2 million, representing an increase of 14.90% over the total comprehensive income of B1,294.0 million for the six months ended 30 June 2020.
- Basic earnings per share of the Company for the six months ended 30 June 2021 was B18.05 cents.

**RESULTS HIGHLIGHTS**

The results of the Board of Beijing Jingneng Clean Energy Co., Limited (the Company) are approved by the Board of Directors of the Company. The results of the Company for the six months ended 30 June 2021 (the Reporting Period), as reported in the Interim Financial Statements of the Company (IFRSs).

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the six-month period ended 30 June 2021

		For the six-month period ended 30 June	
		2021 RMB'000 (Unaudited)	2020 B'000 (Unaudited)
Revenue	3	9,339,794	8,278,996
Cost of sales	4	453,502	357,646
Gross profit		(4,653,477)	(4,249,576)
Depreciation and amortisation	8	(1,510,952)	(1,325,439)
Impairment losses		(412,971)	(338,735)
Finance income		(283,027)	(271,259)
Finance costs		(434,928)	(331,179)
Share of profit of associates	5	(6,206)	(3,694)
Profit before income tax		2,491,735	2,116,760
Income tax	6	16,479	22,857
Finance income	6	(637,882)	(574,537)
Finance costs		25,725	89,202
Share of profit of associates		(11,802)	-
Profit after income tax		1,884,255	1,654,282
Income tax	7	(327,831)	(318,373)
Profit after income tax	8	1,556,424	1,335,909
Profit after income tax		1,488,178	1,295,215
Extraordinary profit		25,588	6,079
Non-current asset impairment		42,658	34,615
Profit after income tax		1,556,424	1,335,909
Extraordinary profit			
Basic earnings per share (Basic)	10	18.05	15.71

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

For the six-month period ended 30 June 2021

		For the six-month period ended 30 June	
		2021 RMB'000 (Unaudited)	2020 B'000 (Unaudited)
Profit before income tax	8	<u>1,556,424</u>	<u>1,335,909</u>
<b>Items that will not be reclassified to profit or loss:</b>			
Gain on disposal of subsidiaries (FUTCI)		-	3,428
Gain on disposal of subsidiaries		-	5,250
		<u>-</u>	<u>8,678</u>
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of financial statements		(30,276)	(16,736)
<b>Cost of financial instruments:</b>			
Gain/(loss) on disposal of financial instruments		14,999	(7,075)
Gain on disposal of financial instruments		6,003	4,769
Loss on disposal of financial instruments		(4,518)	(1,001)
		<u>(13,792)</u>	<u>(20,043)</u>
		<u>(13,792)</u>	<u>(11,365)</u>
<b>Total</b>		<b><u>1,542,632</u></b>	<b><u>1,324,544</u></b>
<b>Total</b>			
Exchange differences on translation of financial statements		1,474,386	1,283,850
Gain on disposal of financial instruments		25,588	6,079
Gain on disposal of financial instruments		42,658	34,615
		<u>1,542,632</u>	<u>1,324,544</u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>B'000</i> (Audited)
<b>Non-current Assets</b>		
Property, plant and equipment	44,274,832	43,187,213
Intangible assets	1,406,351	1,431,342
Investment properties	4,301,875	4,410,754
Goodwill	190,049	190,049
Investment in subsidiaries	3,413,806	3,518,508
Long-term receivables	108,000	117,000
Investment in associates	119,102	130,904
Long-term debt	70,000	70,000
Deferred tax assets	231,289	296,104
Equity investments in F T CI	66,911	66,911
Other non-current assets	1,245,504	1,114,305
Derivative financial instruments, net	1,779,300	1,072,426
Prepaid expenses	46,211	50,787
Derivative financial instruments	4,340	-
	<b>57,257,570</b>	<b>55,656,303</b>
<b>Current Assets</b>		
Inventory	121,310	104,416
Trade receivables	9,178,645	9,159,317
Prepaid expenses and other receivables	540,683	463,778
Contract assets	17,168	16,565
Accounts payable and other payables	87,830	170,193
Other current assets	433,688	469,666
Financial assets (F T L)	200,780	196,043
Derivative financial instruments	4,533	4,577
Contract liabilities	6,592,508	4,297,450
	<b>17,177,145</b>	<b>14,882,005</b>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>B'000</i> (Audited)
<b>Current Liabilities</b>			
Trade payables	12	5,186,954	5,058,989
Accounts payable		475,927	189,539
Bank borrowings		9,269,260	12,318,322
Other financial liabilities		9,068,797	7,060,658
Contract liabilities		95,249	96,656
Contract liabilities		26,281	26,128
Contract liabilities		56,571	56,380
Lease liabilities		42,110	64,659
Deferred income		-	19,576
Income tax payable		24,662	125,381
Deferred income		107,887	228,336
		<u>24,353,698</u>	<u>25,244,624</u>
<b>Net Current Liabilities</b>		<u>(7,176,553)</u>	<u>(10,362,619)</u>
<b>Total Assets less Current Liabilities</b>		<u>50,081,017</u>	<u>45,293,684</u>
<b>Non-current Liabilities</b>			
Deferred income		41,908	45,002
Bank borrowings		14,785,426	10,896,268
Contract liabilities		4,488,679	4,488,679
Contract liabilities		1,999,284	1,999,284
Contract liabilities		5,100	12,440
Deferred income		188,235	193,615
Deferred income		437,138	435,811
Lease liabilities		827,378	836,336
Contract liabilities		16,037	19,402
		<u>22,789,185</u>	<u>18,926,837</u>
<b>Net Assets</b>		<u>27,291,832</u>	<u>26,366,847</u>
<b>Capital and Reserves</b>			
Share capital		8,244,508	8,244,508
Reserves		17,156,306	16,249,142
<b>Equity attributable to owners of the parent</b>		<u>25,400,814</u>	<u>24,493,650</u>
Minority interest		391,448	347,615
<b>Non-current financial liabilities</b>		<u>1,499,570</u>	<u>1,525,582</u>
		<u>27,291,832</u>	<u>26,366,847</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2021 (continued)

## 1. GENERAL AND BASIS OF PRESENTATION

The consolidated financial statements of the Company (the "Company" or "Directors") are prepared in accordance with the accounting policies of the Group. The Group's total assets as at 30 June 2021 are RMB7,176,553,000. The Group's total liabilities as at 30 June 2021 are RMB1,111,111,111. The Group's total equity as at 30 June 2021 is RMB6,065,441,889. The Group's total revenue for the period ended 30 June 2021 is RMB1,111,111,111. The Group's total profit for the period ended 30 June 2021 is RMB111,111,111. The Group's total comprehensive income for the period ended 30 June 2021 is RMB111,111,111. The Group's total cash and cash equivalents as at 30 June 2021 are RMB111,111,111. The Group's total debt as at 30 June 2021 is RMB111,111,111. The Group's total capital as at 30 June 2021 is RMB111,111,111. The Group's total assets as at 30 June 2021 are RMB7,176,553,000. The Group's total liabilities as at 30 June 2021 are RMB1,111,111,111. The Group's total equity as at 30 June 2021 is RMB6,065,441,889. The Group's total revenue for the period ended 30 June 2021 is RMB1,111,111,111. The Group's total profit for the period ended 30 June 2021 is RMB111,111,111. The Group's total comprehensive income for the period ended 30 June 2021 is RMB111,111,111. The Group's total cash and cash equivalents as at 30 June 2021 are RMB111,111,111. The Group's total debt as at 30 June 2021 is RMB111,111,111. The Group's total capital as at 30 June 2021 is RMB111,111,111.

The consolidated financial statements are prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting, International Accounting Standards (IAS) 1 Presentation of Financial Statements, and the Accounting Standards for Business Enterprises (ASBE) 16 Presentation of Financial Statements, issued by the Ministry of Finance of the People's Republic of China (the "Ministry of Finance") and the Shanghai Stock Exchange (the "Stock Exchange").

The consolidated financial statements are prepared in Renminbi Yuan (RMB).

## 2. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with the accounting policies of the Group.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standards Board (IASB), and the Accounting Standards for Business Enterprises (ASBE) issued by the Ministry of Finance of the People's Republic of China, as amended up to 30 June 2021, and the accounting policies of the Group as at 31 December 2020.

### Application of amendments to IFRSs

The Group has applied the amendments to IFRSs issued by the IASB, which are effective for the period ended 30 June 2021, as follows:

Amendment to IFRS 16	COVID-19-Related Rent Concessions
Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform

The Group has also applied the amendments to IFRSs issued by the IASB, which are effective for the period ended 30 June 2021, as follows:

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

(i) Disaggregation of revenue from contracts with customers:

For the six months ended 30 June 2021 (Unaudited)

	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
<b>Total revenue from contracts with customers</b>						
Revenue from contracts with customers	5,296,968	1,541,058	1,255,347	146,616	-	8,239,989
Revenue from contracts with customers	1,097,710	-	-	-	-	1,097,710
Revenue from contracts with customers	-	-	-	-	2,095	2,095
<b>Total revenue from contracts with customers</b>	<b>6,394,678</b>	<b>1,541,058</b>	<b>1,255,347</b>	<b>146,616</b>	<b>-</b>	<b>9,337,699</b>
Revenue from contracts with customers	-	-	-	-	2,095	2,095
<b>Revenue from contracts with customers</b>	<b>6,394,678</b>	<b>1,484,196</b>	<b>1,253,563</b>	<b>146,616</b>	<b>2,095</b>	<b>9,281,148</b>
Revenue from contracts with customers	-	56,862	1,784	-	-	58,646
<b>Total revenue from contracts with customers</b>	<b>6,394,678</b>	<b>1,541,058</b>	<b>1,255,347</b>	<b>146,616</b>	<b>2,095</b>	<b>9,339,794</b>

For the six months ended 30 June 2020 (Unaudited)

	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
<b>Total revenue from contracts with customers</b>						
Revenue from contracts with customers	4,868,711	1,109,536	1,028,642	143,215	-	7,150,104
Revenue from contracts with customers	1,127,393	-	-	-	-	1,127,393
Revenue from contracts with customers	-	-	-	-	1,499	1,499
<b>Total revenue from contracts with customers</b>	<b>5,996,104</b>	<b>1,109,536</b>	<b>1,028,642</b>	<b>143,215</b>	<b>-</b>	<b>8,277,497</b>
Revenue from contracts with customers	-	-	-	-	1,499	1,499
<b>Revenue from contracts with customers</b>	<b>5,996,104</b>	<b>1,057,468</b>	<b>1,026,435</b>	<b>143,215</b>	<b>1,499</b>	<b>8,224,721</b>
Revenue from contracts with customers	-	52,068	2,207	-	-	54,275
<b>Total revenue from contracts with customers</b>	<b>5,996,104</b>	<b>1,109,536</b>	<b>1,028,642</b>	<b>143,215</b>	<b>1,499</b>	<b>8,278,996</b>

(ii) **Geographical information**

The following table sets forth the geographical information for the Company's operations for the periods indicated. All amounts are in RMB'000.

**3B. SEGMENT INFORMATION**

(a) **Segment revenue and results**

The following table sets forth the segment revenue and results for the periods indicated. All amounts are in RMB'000. The Company's operations are organized into three segments: Gas-fired power and heat energy generation, Photovoltaic power generation and Hydropower generation. The Company's operations are also organized into three geographical areas: Asia, Europe and America.

Gas-fired power and heat energy generation includes the operations of the Company's subsidiaries, including but not limited to the following: China Energy Investment Corporation, China Energy Investment Group Limited, China Energy Investment Group (USA) Limited, China Energy Investment Group (UK) Limited, China Energy Investment Group (Canada) Limited, China Energy Investment Group (Australia) Limited, China Energy Investment Group (New Zealand) Limited, China Energy Investment Group (South Africa) Limited, China Energy Investment Group (Brazil) Limited, China Energy Investment Group (India) Limited, China Energy Investment Group (Japan) Limited, China Energy Investment Group (Korea) Limited, China Energy Investment Group (Singapore) Limited, China Energy Investment Group (Thailand) Limited, China Energy Investment Group (Vietnam) Limited, China Energy Investment Group (Philippines) Limited, China Energy Investment Group (Indonesia) Limited, China Energy Investment Group (Malaysia) Limited, China Energy Investment Group (Australia) Limited, China Energy Investment Group (New Zealand) Limited, China Energy Investment Group (South Africa) Limited, China Energy Investment Group (Brazil) Limited, China Energy Investment Group (India) Limited, China Energy Investment Group (Japan) Limited, China Energy Investment Group (Korea) Limited, China Energy Investment Group (Singapore) Limited, China Energy Investment Group (Thailand) Limited, China Energy Investment Group (Vietnam) Limited, China Energy Investment Group (Philippines) Limited, China Energy Investment Group (Indonesia) Limited, China Energy Investment Group (Malaysia) Limited.

Photovoltaic power generation includes the operations of the Company's subsidiaries, including but not limited to the following: China Energy Investment Corporation, China Energy Investment Group Limited, China Energy Investment Group (USA) Limited, China Energy Investment Group (UK) Limited, China Energy Investment Group (Canada) Limited, China Energy Investment Group (Australia) Limited, China Energy Investment Group (New Zealand) Limited, China Energy Investment Group (South Africa) Limited, China Energy Investment Group (Brazil) Limited, China Energy Investment Group (India) Limited, China Energy Investment Group (Japan) Limited, China Energy Investment Group (Korea) Limited, China Energy Investment Group (Singapore) Limited, China Energy Investment Group (Thailand) Limited, China Energy Investment Group (Vietnam) Limited, China Energy Investment Group (Philippines) Limited, China Energy Investment Group (Indonesia) Limited, China Energy Investment Group (Malaysia) Limited.

Hydropower generation includes the operations of the Company's subsidiaries, including but not limited to the following: China Energy Investment Corporation, China Energy Investment Group Limited, China Energy Investment Group (USA) Limited, China Energy Investment Group (UK) Limited, China Energy Investment Group (Canada) Limited, China Energy Investment Group (Australia) Limited, China Energy Investment Group (New Zealand) Limited, China Energy Investment Group (South Africa) Limited, China Energy Investment Group (Brazil) Limited, China Energy Investment Group (India) Limited, China Energy Investment Group (Japan) Limited, China Energy Investment Group (Korea) Limited, China Energy Investment Group (Singapore) Limited, China Energy Investment Group (Thailand) Limited, China Energy Investment Group (Vietnam) Limited, China Energy Investment Group (Philippines) Limited, China Energy Investment Group (Indonesia) Limited, China Energy Investment Group (Malaysia) Limited.

The following table sets forth the segment revenue and results for the periods indicated. All amounts are in RMB'000.

The following table sets forth the segment revenue and results for the periods indicated. All amounts are in RMB'000. The Company's operations are organized into three segments: Gas-fired power and heat energy generation, Photovoltaic power generation and Hydropower generation. The Company's operations are also organized into three geographical areas: Asia, Europe and America.

All amounts are in RMB'000. The following table sets forth the segment revenue and results for the periods indicated. All amounts are in RMB'000.

	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 period ended 30 June 2021 (continued)						
Revenue	6,394,678	1,541,058	1,255,347	146,616	2,095	9,339,794
Cost of sales	1,484,959	1,418,492	1,121,089	105,257	(127,110)	4,002,687
Depreciation	447,710	426,477	443,452	52,406	7,390	1,377,435
Administrative expenses	7,532	84,728	27,704	12,992	561	133,517
For the period ended 30 June 2021 (continued)	<u>1,029,717</u>	<u>907,287</u>	<u>649,933</u>	<u>39,859</u>	<u>(135,061)</u>	<u>2,491,735</u>



Analysis of the Group's results for the six-month period ended 30 June 2020 is set out in the following table:

	Group					
	Revenue	Cost of sales	Other income	Other expenses	Finance income	Finance expenses
	B'000	B'000	B'000	B'000	B'000	B'000
For the six-month period ended 30 June 2020						
(continued)						
Revenue	5,996,104	1,109,536	1,028,642	143,215	1,499	8,278,996
Cost of sales	1,425,653	1,048,704	967,842	106,931	(106,931)	3,442,199
Other income	432,280	358,656	358,011	54,994	2,435	1,206,376
Other expenses	5,129	84,341	16,730	12,322	541	119,063
Finance income	988,244	605,707	593,101	39,615	(109,907)	2,116,760
Finance expenses						

(continued)

(c) The Group's results for the six-month period ended 30 June 2020 are unaudited. The Group's results for the six-month period ended 30 June 2020 are unaudited. The Group's results for the six-month period ended 30 June 2020 are unaudited.

#### 4. OTHER INCOME

	For the six-month period ended 30 June	
	2021	2020
	RMB'000	B'000
	(Unaudited)	(continued)
Group		
Commission income	279,419	199,907
Commission income	14,824	10,377
Interest income	66,435	60,007
Interest income	64,726	48,650
Other	28,098	38,705
	<u>453,502</u>	<u>357,646</u>

Notes:

- (c) The Group's investment in the subsidiary B... Co., ...  
 (d) ...  
 (e) The Group's 50% ...

5. OTHER GAINS AND LOSSES

	For the six-month period ended 30 June	
	2021 RMB'000 (Unaudited)	2020 B'000 (Unaudited)
Losses from disposal of subsidiaries	(8,689)	(9,583)
Gain from disposal of subsidiaries	250	(6,619)
Gain from disposal of subsidiaries (F.T.L.)	6,986	(60,594)
Other	(4,753)	73,102
	<u>(6,206)</u>	<u>(3,694)</u>

6. INTEREST INCOME/FINANCE COSTS

	For the six-month period ended 30 June	
	2021 RMB'000 (Unaudited)	2020 B'000 (Unaudited)
Interest income	<u>16,479</u>	<u>22,857</u>
Interest expense	705,846	587,058
Loss from disposal of subsidiaries	<u>(67,964)</u>	<u>(12,521)</u>
Other	<u>637,882</u>	<u>574,537</u>

7. INCOME TAX EXPENSE

	For the six-month period ended 30 June	
	2021 RMB'000 (Unaudited)	2020 B'000 (Unaudited)
Current income tax	270,532	328,727
Deferred income tax	57,299	(10,354)
<b>Income tax expense</b>	<b>327,831</b>	<b>318,373</b>

Current income tax expense represents the amount of income tax payable for the period ended 30 June 2021.

Deferred income tax expense represents the amount of income tax payable for the period ended 31 December 2030 less the amount of income tax payable for the period ended 31 December 2021. A current income tax expense of 15% is provided for the period ended 30 June 2021. A current income tax expense of 50% is provided for the period ended 30 June 2020.

As a result of the acquisition of Beijing Jingneng Future Gas Thermal Power Co., Ltd. (Weilai Gas), the company has incurred an income tax expense of 15% for the period ended 30 June 2021.

The company has incurred an income tax expense of 8.25% for the period ended 30 June 2021. The company has incurred an income tax expense of 16.5% for the period ended 30 June 2020.

The company has incurred an income tax expense of 30% for the period ended 30 June 2021.

8. PROFIT FOR THE PERIOD

	For the six-month period ended 30 June	
	2021 RMB'000 (Unaudited)	2020 B'000 (Unaudited)
Profit before income tax	1,862	1,710
Less: Income tax expense	26,391	26,630
Profit after income tax	1,341,900	1,182,044
Less: Profit after income tax	35,535	24,332
Adjusted profit after income tax	133,517	119,063
<b>Profit for the period</b>	<b>1,510,952</b>	<b>1,325,439</b>

**9. DIVIDENDS**

( ) 24 June 2021, B567,222,000 (C )  
 ( ) Total Dividends for 30 June 2021 ( )  
 ( ) 30 June 2020: ( ).

**10. EARNINGS PER SHARE**

Total for 30 June 2021 of B1,488,178,000 ( ) 30 June 2020: B1,295,215,000 ( )  
 8,244,508,000 ( ) 30 June 2020: 8,244,508,000).

D )

**11. TRADE AND BILLS RECEIVABLES**

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 B'000 (Audited)
Trade receivables	1,316,702	2,198,687
Trade bills receivable	7,655,891	6,683,224
Bills receivable	223,521	294,875
	<u>9,196,114</u>	<u>9,176,786</u>
Less: provisions for doubtful debts	(17,469)	(17,469)
	<u><u>9,178,645</u></u>	<u><u>9,159,317</u></u>

Total Gross receivables of 60 ( )  
 Total Gross receivables of 60 ( )

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 B'000 (Audited)
60	1,618,233	2,849,843
61 - 365	2,536,843	2,649,928
1 - 2	3,008,036	2,200,362
2 - 3	1,583,665	906,255
3	431,868	552,929
	<u>9,178,645</u>	<u>9,159,317</u>

The Group's major financial risks are Credit risk, Liquidity risk and Foreign exchange risk.

The Group's management has established policies and procedures to identify and assess the risks that arise from its financial activities. The Group's management has also established procedures to monitor and manage the risks. The Group's management has also established procedures to monitor and manage the risks. The Group's management has also established procedures to monitor and manage the risks.

As at 30 June 2021, the Group's financial position is as follows: RMB113,590,000. The Group's financial position is as follows: RMB113,590,000. The Group's financial position is as follows: RMB113,590,000.

**12. TRADE AND OTHER PAYABLES**

	As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>B'000</i> (Audited)
Trade payables	2,259,012	2,384,450
Accounts payable	1,591,705	1,601,100
Other payables	707,737	446,166
Bill receivables	20,000	20,000
Prepaid expenses	99,928	103,870
Deferred income	83,238	164,689
Due from related parties	177,670	-
Other	247,664	338,714
	<u>5,186,954</u>	<u>5,058,989</u>

The following table shows the ageing analysis of the Group's trade payables as at the reporting date:

	As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>B'000</i> (Audited)
Less than 30 days	1,019,010	1,676,193
31 to 60 days	1,048,158	563,194
61 to 90 days	159,677	115,688
91 to 120 days	11,805	37,516
Over 120 days	40,362	11,859
	<u>2,279,012</u>	<u>2,404,450</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. REVIEW OF THE POWER INDUSTRY

In the first half of 2021, China's power industry continued to experience a period of rapid growth. Total power generation reached 2.26 trillion kWh, an increase of 9.5% over the same period last year. Among them, coal-fired power generation was 1.27 trillion kWh, an increase of 4.1%; natural gas power generation was 290 billion kWh, an increase of 34.7%; hydropower generation was 270 billion kWh, an increase of 23.7%; nuclear power generation was 380 million kWh, an increase of 4.7%. Total power consumption reached 1.02 trillion kWh, an increase of 17.8% over the same period last year. Among them, industrial power consumption was 45.4%, an increase of 3.2%; residential power consumption was 3.2 billion kWh, an increase of 1.09 billion kWh, an increase of 2.5%; commercial power consumption was 48.2%, an increase of 3.3 billion kWh, an increase of 1.4%. Total power supply reached 3.870 billion kWh, an increase of 13.7%. Among them, coal-fired power generation was 2.186 billion kWh, an increase of 231 million kWh; natural gas power generation was 1,212 million kWh, an increase of 88 million kWh; hydropower generation was 660 million kWh, an increase of 3 million kWh; nuclear power generation was 1,496 million kWh, an increase of 33 million kWh.

In the first half of 2021, China's power industry continued to experience a period of rapid growth. Total power generation reached 3,870 billion kWh, an increase of 13.7% over the same period last year. Among them, coal-fired power generation was 2,186 billion kWh, an increase of 231 billion kWh; natural gas power generation was 1,212 billion kWh, an increase of 88 billion kWh; hydropower generation was 660 billion kWh, an increase of 3 billion kWh; nuclear power generation was 1,496 billion kWh, an increase of 33 billion kWh.

In the first half of 2021, China's power industry continued to experience a period of rapid growth. Total power generation reached 1,853 billion kWh, an increase of 119 billion kWh. Among them, coal-fired power generation was 2,186 billion kWh, an increase of 231 billion kWh; natural gas power generation was 1,212 billion kWh, an increase of 88 billion kWh; hydropower generation was 660 billion kWh, an increase of 3 billion kWh; nuclear power generation was 1,496 billion kWh, an increase of 33 billion kWh.

### II. BUSINESS REVIEW FOR THE FIRST HALF OF 2021

In the first half of 2021, the Group continued to experience a period of rapid growth. Total power generation reached 1,853 billion kWh, an increase of 119 billion kWh. Among them, coal-fired power generation was 2,186 billion kWh, an increase of 231 billion kWh; natural gas power generation was 1,212 billion kWh, an increase of 88 billion kWh; hydropower generation was 660 billion kWh, an increase of 3 billion kWh; nuclear power generation was 1,496 billion kWh, an increase of 33 billion kWh.

### 1. Steady increase in installed capacity

As of 30 June 2021, the installed capacity of the Group is 11,215 MW, an increase of 14% from 9,819 MW as of 30 June 2020. The increase is primarily due to the completion of the 4,702 MW project in 2020, an increase of 42% from 3,314 MW in 2019, and the completion of the 2,917 MW project in 2021, an increase of 28% from 2,291 MW in 2020. In addition, the Group has completed the 0.45 MW project in 2021, an increase of 4% from 0.349 MW in 2020. The Group has also completed the 0.349 MW project in 2021, an increase of 4% from 0.349 MW in 2020.

### 2. Significant increase in power generation

As of 30 June 2021, the power generation of the Group is 16,179 MWh, an increase of 17.73% from 13,741 MWh as of 30 June 2020. The increase is primarily due to the completion of the 9,733 MWh project in 2020, an increase of 8.08% from 8,999 MWh in 2019, and the completion of the 2,070 MWh project in 2021, an increase of 155 MWh from 1,915 MWh in 2020. In addition, the Group has completed the 3,803 MWh project in 2021, an increase of 44.43% from 2,634 MWh in 2020. The Group has also completed the 1,294 MWh project in 2021, an increase of 199 MWh from 1,095 MWh in 2020, and the 82 MWh project in 2021, an increase of 2,046 MWh from 2,046 MWh in 2020. The Group has also completed the 37.87% project in 2021, an increase of 702 MWh from 702 MWh in 2020, and the 42 MWh project in 2021, an increase of 597 MWh from 597 MWh in 2020. The Group has also completed the 3.86% project in 2021, an increase of 1,327 MWh from 1,327 MWh in 2020, and the 53 MWh project in 2021, an increase of 53 MWh from 53 MWh in 2020.

### 3. Pushing forward project development smoothly

In 2021, the Group has completed 18 projects with a total capacity of 1,754 MW, an increase of 13 projects with a total capacity of 1,486 MW in 2020. The increase is primarily due to the completion of the 1,754 MW project in 2021, an increase of 13 projects with a total capacity of 1,486 MW in 2020.

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... B... G... 4 0.8...  
... 14. F... G...  
... J... G... 0.126 / 0.504...  
... H...  
... 14. F... H... E...



**Gas-fired Power and Heat Energy Generation Segment**

Total revenue for the gas-fired power and heat energy generation segment was \$6.65 billion for the year ended December 31, 2021, compared to \$6.39 billion for the year ended December 31, 2020, an increase of 4.07%. Total revenue for the gas-fired power and heat energy generation segment was \$4.87 billion for the year ended December 31, 2021, compared to \$4.80 billion for the year ended December 31, 2020, an increase of 1.46%. Total revenue for the gas-fired power and heat energy generation segment was \$1.13 billion for the year ended December 31, 2021, compared to \$1.13 billion for the year ended December 31, 2020, an increase of 2.63%.

**Wind Power Segment**

Total revenue for the wind power segment was \$1.11 billion for the year ended December 31, 2021, compared to \$1.11 billion for the year ended December 31, 2020, an increase of 38.90%.

**Photovoltaic Power Segment**

Total revenue for the photovoltaic power segment was \$1.03 billion for the year ended December 31, 2021, compared to \$1.03 billion for the year ended December 31, 2020, an increase of 22.04%.

**Hydropower Segment**

Total revenue for the hydropower segment was \$143.3 million for the year ended December 31, 2021, compared to \$146.6 million for the year ended December 31, 2020, a decrease of 2.30%.

**Other Segment**

Total revenue for the other segment was \$1.5 billion for the year ended December 31, 2021, compared to \$2.1 billion for the year ended December 31, 2020, a decrease of 40.00%.

**3. Other Income**

Total other income was \$357.6 million for the year ended December 31, 2021, compared to \$453.5 million for the year ended December 31, 2020, a decrease of 26.82%.

#### 4. Operating Expenses

Operating expenses increased 11.99% from B6,519.9 million for fiscal year 2020 to B7,301.6 million for fiscal year 2021, primarily due to an increase in depreciation and amortization expense, personnel cost, and other expenses.

##### **Gas Consumption**

Gas consumption decreased 9.50% from B4,249.6 million for fiscal year 2020 to B4,653.5 million for fiscal year 2021, primarily due to an increase in gas consumption for power generation.

##### **Depreciation and Amortization Expense**

Depreciation and amortization expense increased 14.00% from B1,325.4 million for fiscal year 2020 to B1,511.0 million for fiscal year 2021, primarily due to an increase in depreciation expense.

##### **Personnel Cost**

Personnel cost increased 21.94% from B338.7 million for fiscal year 2020 to B413.0 million for fiscal year 2021, primarily due to an increase in personnel cost for power generation. Other personnel costs for power generation, including salaries, wages, and benefits, increased from B338.7 million for fiscal year 2020 to B413.0 million for fiscal year 2021.

##### **Repairs and Maintenance**

Repairs and maintenance expense decreased 4.31% from B271.3 million for fiscal year 2020 to B283.0 million for fiscal year 2021, primarily due to an increase in repairs and maintenance expense for power generation.

##### **Other Expenses**

Other expenses include (1) interest expense, (2) depreciation and amortization expense, (3) personnel cost, (4) repairs and maintenance expense, (5) gas consumption, (6) other operating expenses, and (7) other non-current assets.

Other expenses increased 31.31% from B331.2 million for fiscal year 2020 to B434.9 million for fiscal year 2021, primarily due to an increase in other operating expenses.



**7. Finance Costs**

Finance costs, including interest on bank borrowings, of 11.04% (2020: 11.04%) of B574.5 million (2020: B637.9 million) were incurred during the period.

**8. Share of Results of Associates and a Joint Venture**

Share of results of associates and a joint venture of 84.42% (2020: 84.42%) of B89.2 million (2020: B13.9 million) were recognized during the period.

**9. Profit before Taxation**

Profit before taxation of B1,654.3 million (2020: B1,884.3 million) was recognized during the period.

**10. Income Tax Expense**

Income tax expense of B318.4 million (2020: B327.8 million) was recognized during the period. Effective tax rate was 19.25% (2020: 17.40%) of profit before taxation.

**11. Profit for the Period**

Profit for the period of B1,335.9 million (2020: B1,556.4 million) was recognized during the period.

**12. Profit for the Period Attributable to Equity Holders of the Company**

Profit for the period attributable to equity holders of the company of B1,295.2 million (2020: B1,488.2 million) was recognized during the period.

**IV. FINANCIAL POSITION**

**1. Overview**

As at 30 June 2021, the Group's total assets of B74,434.7 million (2020: B47,142.9 million) were composed of B27,291.8 million (2020: B25,400.8 million) of non-current assets and B47,142.9 million (2020: B21,742.1 million) of current assets.

**2. Particulars of Assets and Liabilities**

Total Current Assets 5.52% B70,538.3 31 December 2020  
 B74,434.7 30 June 2021,  
 Total Current Liabilities 6.73% B44,171.5 31 December 2020  
 B47,142.9 30 June 2021,  
 Total Assets 3.51% B26,366.8  
 31 December 2020 B27,291.8 30 June 2021. E  
 Current Assets 3.70% B24,493.7 31 December  
 2020 B25,400.8 30 June 2021,  
 2021.

**3. Liquidity**

As at 30 June 2021, current assets B17,177.1  
 B6,592.5 B9,178.6  
 (B1,406.0),  
 B24,353.7  
 B9,269.3 B26.3  
 B9,068.8 B95.2 B26.3  
 B5,187.0  
 B707.1  
 30.75% B10,362.6 31 December  
 2020 B7,176.6 30 June 2021.

**4. Net Gearing Ratio**

Net Gearing Ratio 0.44  
 55.28% 31 December 2020 54.84% 30 June 2021.  
 Total Gross Assets 7.72% B36,886.0  
 31 December 2020 B39,733.0 30 June 2021,  
 B9,269.3 B9,068.8  
 B4,583.9 B14,785.4  
 B2,025.6  
 Net Gearing Ratio 53.40% B4,297.5  
 31 December 2020 B6,592.5 30 June 2021.

## V. OTHER SIGNIFICANT EVENTS

### 1. Financing

On 4 July 2021, the Group issued a 12-month floating rate note with a face value of RMB179 million (US\$27.2 million) at a coupon rate of 2.65%.

On 18 July 2021, the Group issued a 12-month floating rate note with a face value of RMB238 million (US\$37.2 million) at a coupon rate of 2.80%.

On 23 August 2021, the Group issued a 12-month floating rate note with a face value of RMB270 million (US\$41.7 million) at a coupon rate of 2.99%.

On 24 July 2021, the Group issued a 12-month floating rate note with a face value of RMB266 million (US\$40.9 million) at a coupon rate of 2.68%.

### 2. Capital Expenditure

In 2021, the Group's capital expenditure was RMB2,910.5 million, of which RMB2,605.5 million was paid in cash and RMB305.0 million was financed by bank borrowings.

### 3. Acquisition and Establishment of Subsidiaries

As at 31 December 2021, the Group has established subsidiaries in the PRC, including Hebei Rongzhi New Energy Power Co., Ltd.\* (河北融智新源電力有限公司), Ertoke Qianqi Shijie New Energy Technology Co., Ltd.\* (鄂托克前旗晟日新能源科技有限公司).

In 2021, the Group has established subsidiaries in Beijing, including Beijing Jingneng Jintong New Energy Co., Ltd.\* (北京京能京通新能源有限公司), Yinchuan Jingneng Qingjie Energy Co., Ltd.\* (銀川京能清潔能源有限公司), and Bayanzhuoer Jingneng Qingjie Energy Power Co., Ltd.\* (巴彥淖爾京能清潔能源電力有限公司).

\* Foreign-invested enterprise.

### 4. Contingent Liabilities

As at 30 June 2021, the Group has no contingent liabilities.

### 5. Mortgage of Assets

## 6. Significant Events after the Reporting Period

On 19 July 2021, the Company's wholly owned subsidiary Ningxia Jiatai New Energy Co., Ltd. (寧夏嘉澤新能源股份有限公司) acquired 100% equity interest in Ningxia Keyang New Energy Co., Ltd. (寧夏愷陽新能源有限公司) and Ningxia Boyang New Energy Co., Ltd. (寧夏博陽新能源有限公司), with a total consideration of RMB380.64 million and RMB1,072.4 million, respectively. Details of the acquisition are set out in Note 19 of the 2021 Financial Statements.

## 7. Share Option Scheme

As at 30 June 2021, the Company has no share options outstanding.

## 8. Foreign Exchange and Exchange Rate Risk

The Group's major assets and liabilities are denominated in Renminbi ("RMB"). The Group's major sales are denominated in Hong Kong Dollars ("HKD") and Renminbi ("RMB"). The Group's major purchases are denominated in Renminbi ("RMB") and Hong Kong Dollars ("HKD"). The Group's major sales and purchases are denominated in Hong Kong Dollars ("HKD") and Renminbi ("RMB").

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## VI. BUSINESS OUTLOOK FOR THE SECOND HALF OF 2021

### 1. Focusing on the Group's "14th Five-Year Plan"

The Group's 2021 business strategy is to focus on the "14th Five-Year Plan" and the Group's "14th Five-Year Plan" is to focus on the "14th Five-Year Plan" and the Group's "14th Five-Year Plan" is to focus on the "14th Five-Year Plan".

## 2. Actively promoting key projects

The Group's financial results for the year ended 30 June 2021 are as follows:

Item	2021	2020
Revenue	1,200	1,100
Profit before tax	140	130
Profit after tax	100	90
Dividends	10	10
Net assets	1,000	1,000

The Group's financial results for the year ended 30 June 2021 are as follows:

Item	2021	2020
Revenue	1,200	1,100
Profit before tax	140	130
Profit after tax	100	90
Dividends	10	10
Net assets	1,000	1,000

## 3. Continuing to lay a solid foundation for safety production

The Group's financial results for the year ended 30 June 2021 are as follows:

Item	2021	2020
Revenue	1,200	1,100
Profit before tax	140	130
Profit after tax	100	90
Dividends	10	10
Net assets	1,000	1,000

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company has not purchased, sold or redeemed any of its listed securities during the year ended 30 June 2021.

## INTERIM DIVIDEND

The Board has not declared any interim dividend for the year ended 30 June 2021.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has fully complied with the Corporate Governance Code set out in Appendix A to the Listing Rules for the year ended 30 June 2021.



**COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Code for Securities Transactions for Directors and Officers (Model Code) set out in Appendix 10 of the Listing Rules for the purpose of setting out the standards for the Company's Directors and Officers for the Company's securities transactions. The Company's Directors and Officers have confirmed that they have read and understood the Code for Securities Transactions and have agreed to comply with the Code for Securities Transactions.

**AUDIT COMMITTEE**

The Audit Committee of the Company has reviewed the Group's 2021 Interim Report and Interim Financial Statements for the period ended 30 June 2021, and has issued its report on the IF 2021.

**PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

The Interim Report and Interim Financial Statements of the Company are available on the HKEX website [www.hkex.com.hk](http://www.hkex.com.hk) and the Company's website [www.bjnc.com.cn](http://www.bjnc.com.cn). The 2021 Interim Report and Interim Financial Statements of the Company are also available on the Listing Rules website [www.secdatabase.com](http://www.secdatabase.com) and the Company's website [www.bjnc.com.cn](http://www.bjnc.com.cn).

Beijing Jingneng Clean Energy Co., Limited  
**KANG Jian**

Director, General Secretary and Chairman of the Board

Beijing, P.R.C.  
26 April, 2021

As a Director of the Company, I have read and approved the Interim Report, Interim Financial Statements, and the Interim Dividend of the Company for the period ended 30 June 2021. I have also read and approved the Interim Report and Interim Financial Statements of the Company for the period ended 30 June 2021.