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Beijing Jingneng Clean Energy Co., Limited

北京京能清潔能源電力股份有限公司

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

(Stock Code: 00579)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2022 was RMB9,991.6 million, representing an increase of 6.16% as compared with the corresponding period of 2021.
- Profit before taxation for the six months ended 30 June 2022 was RMB2,237.7 million, representing an increase of 14.80% as compared with the corresponding period of 2021.
- Profit attributable to equity holders of the Company for the six months ended 30 June 2022 was RMB1,776.7 million, representing an increase of 14.63% as compared with the corresponding period of 2021.
- Basic and diluted earnings per share for the six months ended 30 June 2022 was RMB21.55 cents.

RESULTS HIGHLIGHTS

The board (the “**Board**”) of directors (the “**Directors**”) of Beijing Jingneng Clean Energy Co., Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**” or “**we**” or “**us**”) for the six months ended 30 June 2022 (the “**Reporting Period**”), prepared under International Financial Reporting Standards (the “**IFRSs**”).

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

	Notes	For the six-month period ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited and restated)
Revenue	3	9,991,583	9,411,544
Other income	4	492,999	453,502
Gas consumption		(4,546,272)	(4,653,477)
Depreciation and amortization expenses		(1,795,077)	(1,511,323)
Personnel costs		(486,662)	(417,596)
Repairs and maintenance		(232,487)	(234,244)
Other expenses		(505,096)	(485,715)
Other gains and losses	5	(78,992)	(6,202)
Profit from operations		2,839,996	2,556,489
Interest income	6	17,934	16,695
Finance costs	6	(716,557)	(637,885)
Share of results of associates		101,437	25,725
Share of result of a joint venture		(5,091)	(11,802)
Profit before taxation		2,237,719	1,949,222
Income tax expense	7	(372,303)	(329,254)
Profit for the period	8	1,865,416	1,619,968
Profit for the period attributable to:			
– Equity holders of the Company		1,776,682	1,549,989
– Holders of perpetual notes		50,163	25,588
– Non-controlling interests		38,571	44,391
		1,865,416	1,619,968
Earnings per share			
Basic and diluted (RMB cents)	10	21.55	18.80

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

For the six months ended 30 June 2022

		For the six-month period ended 30 June	
	<i>Note</i>	2022	2021
		RMB'000	RMB'000
		(Unaudited)	(Unaudited and restated)
Profit for the period	8	<u>1,865,416</u>	<u>1,619,968</u>
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(33,000)	(30,276)
Cash flow hedges:			
Income for the period		49,235	14,999
Reclassification to reserves in relation with power purchase agreement		4,432	6,003
Income tax relating to items that may be reclassified subsequently to profit or loss		<u>(16,100)</u>	<u>(4,518)</u>
		<u>4,567</u>	<u>(13,792)</u>
Other comprehensive income (expense) for the period, net of income tax		<u>4,567</u>	<u>(13,792)</u>
Total comprehensive income for the period		<u>1,869,983</u>	<u>1,606,176</u>
Total comprehensive income attributable to:			
– Equity holders of the Company		1,781,249	1,536,197
– Holders of perpetual notes		50,163	25,588
– Non-controlling interests		<u>38,571</u>	<u>44,391</u>
		<u>1,869,983</u>	<u>1,606,176</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Restated)	As at 1 January 2021 RMB'000 (Restated)
<i>Note</i>			
Non-current Assets			
Property, plant and equipment	51,901,120	51,087,606	43,189,862
Right-of-use assets	1,902,547	1,479,217	1,431,342
Intangible assets	4,741,284	4,873,699	4,410,754
Goodwill	114,134	114,134	190,049
Investments in associates	3,219,875	3,179,022	3,518,508
Loans to associates	105,000	108,000	117,000
Investment in a joint venture	88,019	93,110	130,904
Loans to a joint venture	70,000	70,000	70,000
Deferred tax assets	172,118	189,488	296,104
Equity instruments at fair value through other comprehensive income (FVTOCI)	109,637	109,637	66,911
Value-added tax recoverable	1,006,543	1,557,553	1,114,305
Deposit paid for acquisition of property, plant and equipment	1,122,585	677,532	1,072,426
Restricted bank deposits	66,716	66,718	50,787
Derivative financial asset	100,648	52,507	–
	<u>64,720,226</u>	<u>63,658,223</u>	<u>55,658,952</u>
Current Assets			
Inventories	114,593	96,648	104,416
Trade and bills receivable	11,977,474	11,679,446	9,170,312
Other receivables, deposits and prepayments	425,169	303,768	464,231
Current tax assets	46,483	13,394	16,565
Amounts due from related parties	320,269	482,339	170,193
Value-added tax recoverable	462,001	553,873	469,666
Financial assets at fair value through profit or loss (FVTPL)	226,634	270,270	196,043
Restricted bank deposits	–	23	4,577
Cash and cash equivalents	5,315,461	5,156,938	4,343,378
	<u>18,888,084</u>	<u>18,556,699</u>	<u>14,939,381</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

As at 30 June 2022

	<i>Note</i>	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Restated)	As at 1 January 2021 RMB'000 (Restated)
Current Liabilities				
Trade and other payables	12	5,410,232	5,925,961	5,047,627
Amounts due to related parties		541,250	132,961	189,539
Bank and other borrowings – due within one year		9,510,357	11,272,518	12,318,322
Short-term financing debentures		7,572,434	7,589,471	7,060,658
Medium-term notes		3,561,320	2,091,245	96,656
Corporate bond		1,411,942	1,025,841	26,128
Contract liabilities		64,386	80,877	56,380
Lease liabilities		56,577	89,762	64,659
Derivative financial liabilities		–	–	19,576
Income tax payable		76,244	91,913	132,851
Deferred income		10,637	19,361	228,336
		<u>28,215,379</u>	<u>28,319,910</u>	<u>25,240,732</u>
Net Current Liabilities		(9,327,295)	(9,763,211)	(10,301,351)
Total Assets less Current Liabilities		<u>55,392,931</u>	<u>53,895,012</u>	<u>45,357,601</u>
Non-current Liabilities				
Derivative financial liabilities		–	1,034	45,002
Bank and other borrowings – due after one year		20,794,710	19,044,077	10,896,268
Medium-term notes		1,022,608	2,494,339	4,488,679
Corporate bond		613,622	999,642	1,999,284
Contract liabilities		33,370	18,317	12,440
Deferred tax liabilities		299,560	281,912	193,615
Deferred income		385,393	381,538	435,811
Lease liabilities		1,193,066	811,228	836,336
Other non-current liabilities		10,166	12,617	19,402
		<u>24,352,495</u>	<u>24,044,704</u>	<u>18,926,837</u>
Net Assets		<u>31,040,436</u>	<u>29,850,308</u>	<u>26,430,764</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

As at 30 June 2022

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Restated)	As at 1 January 2021 RMB'000 (Restated)
Capital and Reserves			
Share capital	8,244,508	8,244,508	8,244,508
Reserves	<u>19,340,686</u>	<u>18,188,062</u>	<u>16,284,296</u>
Equity attributable to equity holders of the Company	27,585,194	26,432,570	24,528,804
Non-controlling interests	428,717	389,776	376,378
Perpetual notes	<u>3,026,525</u>	<u>3,027,962</u>	<u>1,525,582</u>
Total equity	<u><u>31,040,436</u></u>	<u><u>29,850,308</u></u>	<u><u>26,430,764</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022 (Unaudited)

1. GENERAL AND BASIS OF PRESENTATION

In preparing the condensed consolidated financial statements, the directors of the Company (the “**Directors**”) have given careful consideration of the Group’s net current liabilities of RMB9,327,295,000 as at 30 June 2022. The Group met its day-to-day working capital requirements through cash flows from operating activities and available banking facilities. Based on assessment, the Directors are of the view that the Group will be able to meet in full its financial obligations as they fall due in the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

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

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values as appropriate.

Other additional accounting policies resulting from application of amendments to International Financial Reporting Standards (“**IFRSs**”), and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2021.

Application of amendments to IFRSs

In the current interim period, 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 annual period beginning on or after 1 January 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018-2020

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

BASIS OF PREPARATION

Restatements

(a) *Merger accounting*

On 29 March 2022, the Company entered into an equity transfer agreement with Beijing International Electric Engineering Ltd., Co. (the “**BIEE**”) pursuant to which, BIEE has agreed to sell and the Company has agreed to acquire 55% equity interest in Beijing Jingneng International Energy Technology Co., Ltd. (the “**BJIET**”) at a total consideration of RMB48,458,630 (the “**Acquisition**”). On 31 March 2022, the Group has completed the Acquisition.

The Group and BJIET are all under the ultimate control of Beijing Energy Holding Co., Ltd. (“**BEH**”) before and after the Acquisition, and that control is not transitory. The Group and BJIET are regarded as continuing entities as at the date of business combination and hence the Acquisition has been accounted for as combinations of entities under common control by applying the principles of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” (“**AG 5**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Accordingly, the unaudited condensed consolidated statement of profit or loss and other comprehensive income, unaudited condensed consolidated statement of changes in equity and unaudited condensed consolidated statement of cash flows of the Group for the six months ended 30 June 2021 were presented as if the current group structure upon the completion of the restructuring of the group had been in existence throughout the six months ended 30 June 2021. The condensed consolidated statements of financial position of the Group as at 1 January 2021 and 31 December 2021 have been restated to include the assets and liabilities of the BJIET as if current group structure had been in existence as at the respective dates.

(b) *Impacts and accounting policies on application of Amendments to International Accounting Standard (“IAS”) 16 Property, Plant and Equipment – Proceeds before Intended Use*

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing the related assets functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss. The Group has applied Amendments to IAS 16 retrospectively to property, plant and equipment made available for use on or after the beginning of the earliest period presented. Comparative figures have been restated.

The effect of restatements on the unaudited condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2021 in applying AG 5 and the amendments to IAS 16 is as follows:

	For the six months ended 30 June 2021			
	Originally stated	Adjustment for business combination under common control	Adjustments for changes in accounting policies	Restated
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	9,339,794	11,478	60,272	9,411,544
Other income	453,502	–	–	453,502
Gas consumption	(4,653,477)	–	–	(4,653,477)
Depreciation and amortization expenses	(1,510,952)	(177)	(194)	(1,511,323)
Personnel costs	(412,971)	(4,625)	–	(417,596)
Repairs and maintenance	(283,027)	48,783	–	234,244
Other expenses	(434,928)	(50,401)	(386)	(485,715)
Other gains and losses	(6,206)	4	–	(6,202)
Profit from operations	2,491,735	5,062	59,692	2,556,489
Interest income	16,479	216	–	16,695
Finance costs	(637,882)	(3)	–	(637,885)
Share of results of associates	25,725	–	–	25,725
Share of result of a joint venture	(11,802)	–	–	(11,802)
Profit before taxation	1,884,255	5,275	59,692	1,949,222
Income tax expense	(327,831)	(1,423)	–	(329,254)
Profit for the period	1,556,424	3,852	59,692	1,619,968
Profit for the period attributable to:				
– Equity holders of the Company	1,488,178	2,119	59,692	1,549,989
– Holders of perpetual notes	25,588	–	–	25,588
– Non-controlling interests	42,658	1,733	–	44,391
Earnings per share				
Basic and diluted (<i>RMB cents</i>)	18.05	0.03	0.72	18.80

For the six months ended 30 June 2021

	Originally stated RMB'000 (Unaudited)	Adjustment for business combination under common control RMB'000 (Unaudited)	Adjustments for changes in accounting policies RMB'000 (Unaudited)	Restated RMB'000 (Unaudited)
Profit for the period	1,556,424	3,852	59,692	1,619,968
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(30,276)	–	–	(30,276)
Cash flow hedges:				
Income for the period	14,999	–	–	14,999
Reclassification to reserves in relation with power purchase agreement	6,003	–	–	6,003
Income tax relating to items that may be reclassified subsequently to profit or loss	(4,518)	–	–	(4,518)
Other comprehensive income (expense) for the period, net of income tax	(13,792)	–	–	(13,792)
Total comprehensive income for the period	1,542,632	3,852	59,692	1,606,176
Total comprehensive income attributable to:				
– Equity holders of the Company	1,474,386	2,119	59,692	1,536,197
– Holders of perpetual notes	25,588	–	–	25,588
– Non-controlling interests	42,658	1,733	–	44,391

The effect of restatements on the condensed consolidated statement of financial position as at 1 January 2021 in applying AG 5 is as follows:

	As 1 January 2021		
	Adjustment for business combination		
	Originally stated	under common control	Restated
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current Assets			
Property, plant and equipment	43,187,213	2,649	43,189,862
Right-of-use assets	1,431,342	–	1,431,342
Intangible assets	4,410,754	–	4,410,754
Goodwill	190,049	–	190,049
Investments in associates	3,518,508	–	3,518,508
Loans to associates	117,000	–	117,000
Investment in a joint venture	130,904	–	130,904
Loans to a joint venture	70,000	–	70,000
Deferred tax assets	296,104	–	296,104
Equity instruments at FVTOCI	66,911	–	66,911
Value-added tax recoverable	1,114,305	–	1,114,305
Deposit paid for acquisition of property, plant and equipment	1,072,426	–	1,072,426
Restricted bank deposits	50,787	–	50,787
Current Assets			
Inventories	104,416	–	104,416
Trade and bills receivable	9,159,317	10,995	9,170,312
Other receivables, deposits and prepayments	463,778	453	464,231
Current tax assets	16,565	–	16,565
Amounts due from related parties	170,193	–	170,193
Value-added tax recoverable	469,666	–	469,666
Financial assets at FVTPL	196,043	–	196,043
Restricted bank deposits	4,577	–	4,577
Cash and cash equivalents	4,297,450	45,928	4,343,378
Current Liabilities			
Trade and other payables	5,058,989	(11,362)	5,047,627
Amounts due to related parties	189,539	–	189,539
Bank and other borrowings – due within one year	12,318,322	–	12,318,322
Short-term financing debentures	7,060,658	–	7,060,658
Medium-term notes	96,656	–	96,656
Corporate bond	26,128	–	26,128
Contract liabilities	56,380	–	56,380
Lease liabilities	64,659	–	64,659
Derivative financial liabilities	19,576	–	19,576
Income tax payable	125,381	7,470	132,851
Deferred income	228,336	–	228,336

	As 1 January 2021		
	Adjustment for business combination		
	Originally stated	under common control	Restated
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net current liabilities	(10,362,619)	61,268	(10,301,351)
Total assets less current liabilities	45,293,684	63,917	45,357,601
Non-current liabilities			
Derivative financial liabilities	45,002	–	45,002
Bank and other borrowings – due after one year	10,896,268	–	10,896,268
Medium-term notes	4,488,679	–	4,488,679
Corporate bond	1,999,284	–	1,999,284
Contract liabilities	12,440	–	12,440
Deferred tax liabilities	193,615	–	193,615
Deferred income	435,811	–	435,811
Lease liabilities	836,336	–	836,336
Other non-current liabilities	19,402	–	19,402
Net assets	26,366,847	63,917	26,430,764
Capital and Reserves			
Share capital	8,244,508	–	8,244,508
Reserves	16,249,142	35,154	16,284,296
Equity attributable to equity holders of the Company	24,493,650	35,154	24,528,804
Non-controlling interests	347,615	28,763	376,378
Perpetual notes	1,525,582	–	1,525,582
Total Equity	<u>26,366,847</u>	<u>63,917</u>	<u>26,430,764</u>

The effect of restatements on the condensed consolidated statement of financial position as at 31 December 2021 in applying AG 5 and the amendments to IAS 16 is as follows:

	As at 31 December 2021			
	Originally	Adjustment	Adjustments	Restated
	stated	for business	for	
	RMB'000	combination	changes in	RMB'000
		under	accounting	
		common	policies	
		control	RMB'000	RMB'000
Non-current Assets				
Property, plant and equipment	50,965,927	2,887	118,792	51,087,606
Right-of-use assets	1,479,217	–	–	1,479,217
Intangible assets	4,873,699	–	–	4,873,699
Goodwill	114,134	–	–	114,134
Investments in associates	3,179,022	–	–	3,179,022
Loans to associates	108,000	–	–	108,000
Investment in a joint venture	93,110	–	–	93,110
Loans to a joint venture	70,000	–	–	70,000
Deferred tax assets	189,488	–	–	189,488
Equity instruments at FVTOCI	109,637	–	–	109,637
Value-added tax recoverable	1,557,553	–	–	1,557,553
Deposit paid for acquisition of property, plant and equipment	677,532	–	–	677,532
Restricted bank deposits	66,718	–	–	66,718
Derivative financial asset	52,507	–	–	52,507
Current Assets				
Inventories	96,648	–	–	96,648
Trade and bills receivable	11,678,316	1,130	–	11,679,446
Other receivables, deposits and prepayments	307,749	(3,981)	–	303,768
Current tax assets	12,784	610	–	13,394
Amounts due from related parties	482,339	–	–	482,339
Value-added tax recoverable	553,873	–	–	553,873
Financial assets at FVTPL	270,270	–	–	270,270
Restricted bank deposits	23	–	–	23
Cash and cash equivalents	5,097,300	59,638	–	5,156,938
Current Liabilities				
Trade and other payables	5,938,283	(12,322)	–	5,925,961
Amounts due to related parties	132,961	–	–	132,961
Bank and other borrowings – due within one year	11,272,518	–	–	11,272,518
Short-term financing debentures	7,589,471	–	–	7,589,471
Medium-term notes	2,091,245	–	–	2,091,245
Corporate bond	1,025,841	–	–	1,025,841
Contract liabilities	80,877	–	–	80,877
Lease liabilities	89,762	–	–	89,762
Income tax payable	87,453	4,460	–	91,913
Deferred income	19,361	–	–	19,361

	As at 31 December 2021			
	Originally stated	Adjustment for business combination under common control	Adjustments for changes in accounting policies	Restated
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net current liabilities	(9,828,470)	65,259	–	(9,763,211)
Total assets less current liabilities	53,708,074	68,146	118,792	53,895,012
Non-current liabilities				
Derivative financial liabilities	1,034	–	–	1,034
Bank and other borrowings – due after one year	19,044,077	–	–	19,044,077
Medium-term notes	2,494,339	–	–	2,494,339
Corporate bond	999,642	–	–	999,642
Contract liabilities	18,317	–	–	18,317
Deferred tax liabilities	281,912	–	–	281,912
Deferred income	381,538	–	–	381,538
Lease liabilities	811,228	–	–	811,228
Other non-current liabilities	12,617	–	–	12,617
Net assets	29,663,370	68,146	118,792	29,850,308
Capital and reserves				
Share capital	8,244,508	–	–	8,244,508
Reserves	18,031,790	37,480	118,792	18,188,062
Equity attributable to equity holders of the Company	26,276,298	37,480	118,792	26,432,570
Non-controlling interests	359,110	30,666	–	389,776
Perpetual notes	3,027,962	–	–	3,027,962
Total equity	29,663,370	68,146	118,792	29,850,308

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

(i) Disaggregation of revenue from contracts with customers:

	For the six months ended 30 June 2022 (Unaudited)					
	Gas-fired power and heat energy generation <i>RMB'000</i>	Wind power <i>RMB'000</i>	Photovoltaic power <i>RMB'000</i>	Hydropower <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods and services						
Sales of electricity	5,010,569	2,191,317	1,400,477	166,328	–	8,768,691
Sales of heat energy	1,219,044	–	–	–	–	1,219,044
Repairs and maintenance and other services	–	–	–	–	3,848	3,848
Timing of revenue recognition						
A point in time	6,229,613	2,191,317	1,400,477	166,328	–	9,987,735
Over time	–	–	–	–	3,848	3,848
Geographical market						
Mainland China	6,229,613	1,976,023	1,396,533	166,328	3,848	9,772,345
Overseas	–	215,294	3,944	–	–	219,238
Revenue from contracts with customers	<u>6,229,613</u>	<u>2,191,317</u>	<u>1,400,477</u>	<u>166,328</u>	<u>3,848</u>	<u>9,991,583</u>

For the six months ended 30 June 2021 (Unaudited and restated)

	Gas-fired power and heat energy generation <i>RMB'000</i>	Wind power <i>RMB'000</i>	Photovoltaic power <i>RMB'000</i>	Hydropower <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods and services						
Sales of electricity	5,296,968	1,601,330	1,255,347	146,616	–	8,300,261
Sales of heat energy	1,097,710	–	–	–	–	1,097,710
Repairs and maintenance and other services	–	–	–	–	13,573	13,573
Timing of revenue recognition						
A point in time	6,394,678	1,601,330	1,255,347	146,616	–	9,397,971
Over time	–	–	–	–	13,573	13,573
Geographical market						
Mainland China	6,394,678	1,528,292	1,253,563	146,616	13,573	9,336,722
Overseas	–	73,038	1,784	–	–	74,822
Revenue from contracts with customers						
	<u>6,394,678</u>	<u>1,601,330</u>	<u>1,255,347</u>	<u>146,616</u>	<u>13,573</u>	<u>9,411,544</u>

(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.

3B. SEGMENT INFORMATION

(a) Segment revenue and results

The Group manages its businesses by divisions, such as performing the monthly revenue analysis by segments which are organized by types of business. Information is reported internally to the Group's chief operating decision maker ("CODM"), including general manager, deputy general managers and chief accountant, 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 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 period and prior period. Accordingly, these are grouped and presented as "Others" in the segment information.

An analysis of the Group's reportable segment revenue and results for the six months ended 30 June 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 six months ended 30 June 2022 (unaudited)						
Reportable segment revenue from external customers/ consolidated revenue	<u>6,229,613</u>	<u>2,191,317</u>	<u>1,400,477</u>	<u>166,328</u>	<u>3,848</u>	<u>9,991,583</u>
Reportable segment results before depreciation and amortization	<u>1,453,666</u>	<u>2,091,571</u>	<u>1,255,511</u>	<u>114,908</u>	<u>(280,583)</u>	<u>4,635,073</u>
Depreciation	443,357	666,616	473,479	51,108	3,639	1,638,199
Amortization	<u>7,093</u>	<u>107,174</u>	<u>29,155</u>	<u>13,129</u>	<u>327</u>	<u>156,878</u>
Reportable segment results (Note)	<u><u>1,003,216</u></u>	<u><u>1,317,781</u></u>	<u><u>752,877</u></u>	<u><u>50,671</u></u>	<u><u>(284,549)</u></u>	<u><u>2,839,996</u></u>

An analysis of the Group's reportable segment revenue and results for the six months ended 30 June 2021 by operating and reportable segment is as follows:

	Gas-fired power and heat energy generation <i>RMB'000</i>	Wind power <i>RMB'000</i>	Photovoltaic power <i>RMB'000</i>	Hydropower <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
For the six months ended 30 June 2021 (unaudited and restated)						
Reportable segment revenue from external customers/ consolidated revenue	<u>6,394,678</u>	<u>1,601,330</u>	<u>1,255,347</u>	<u>146,616</u>	<u>13,573</u>	<u>9,411,544</u>
Reportable segment results before depreciation and amortization	<u>1,484,959</u>	<u>1,478,378</u>	<u>1,121,089</u>	<u>105,257</u>	<u>(121,871)</u>	<u>4,067,812</u>
Depreciation	447,710	426,671	443,452	52,406	7,567	1,377,806
Amortization	<u>7,532</u>	<u>84,728</u>	<u>27,704</u>	<u>12,992</u>	<u>561</u>	<u>133,517</u>
Reportable segment results (Note)	<u><u>1,029,717</u></u>	<u><u>966,979</u></u>	<u><u>649,933</u></u>	<u><u>39,859</u></u>	<u><u>(129,999)</u></u>	<u><u>2,556,489</u></u>

Note: The segment results are arrived at after the deduction from revenue of gas consumption, depreciation and amortization, personnel costs, repair and maintenance, other expenses, and including other gains and losses and other income (excluding dividend from equity instruments at fair value through other comprehensive income).

4. OTHER INCOME

	For the six-month period ended 30 June	
	2022 <i>RMB'000</i> (Unaudited)	2021 <i>RMB'000</i> (Unaudited)
Government grants and subsidies related to:		
– Clean energy production (Note (a))	301,822	279,419
– Construction of assets (Note (b))	9,997	14,824
Income from carbon credits	98,083	66,435
Value-added tax refunds or exemptions (Note (c))	63,727	64,726
Others	<u>19,370</u>	<u>28,098</u>
	<u><u>492,999</u></u>	<u><u>453,502</u></u>

Notes:

- (a) The Group's gas and wind power facilities located in Beijing, the PRC, were entitled to a subsidy policy promulgated by the Beijing Government. The Beijing Government compensated the Group based on a pre-determined subsidized rate and quantities approved from time to time for the sale of electricity generated by those facilities. The grants will be released to profit or loss based on the actual volume of electricity generated from and sold by the Group's related gas and wind power facilities and at the pre-determined subsidized rate.
- (b) Grants related to construction of assets are provided by several local governments in the PRC to encourage the construction of clean energy facilities. The Group records these grants as deferred income upon receipt of the grants and will release to profit or loss to match with the depreciation of related assets.
- (c) The Group is entitled to a 50% refund of value-added tax for its revenue from the sale of electricity generated from the wind farms and a full refund of value-added tax for its revenue from the sale of heat energy to residential customers. The income of the value-added tax refund or exemption is recognised when relevant value-added tax refund or exemption application is registered with the relevant PRC tax authorities.

5. OTHER GAINS AND LOSSES

	For the six-month period ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Other gains and losses comprise:		
Loss on disposal of property, plant and equipment	(2,570)	(8,689)
Net exchange gains	43,364	250
(Loss) gains arising on change in fair value of financial asset at FVTPL	(54,298)	6,986
Others	(65,488)	(4,749)
	<u>(78,992)</u>	<u>(6,202)</u>

6. INTEREST INCOME/FINANCE COSTS

	For the six-month period ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited and restated)
Interest income	<u>17,934</u>	<u>16,695</u>
Interest expense	775,373	705,849
Less: Amounts capitalized: – property, plant and equipment	<u>(58,816)</u>	<u>(67,964)</u>
Total finance costs	<u>698,623</u>	<u>621,190</u>

7. INCOME TAX EXPENSE

	For the six-month period ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited and restated)
Current tax:		
PRC enterprise income tax	<u>352,360</u>	<u>271,955</u>
Deferred tax:		
Current period	<u>19,943</u>	<u>57,299</u>
Income tax expense	<u>372,303</u>	<u>329,254</u>

PRC enterprise income tax has been generally provided at the applicable enterprise income tax rate of 25% on the estimated assessable profits of the group companies established in the PRC for the six months ended 30 June 2022.

Under the PRC Enterprise Income Tax law, the preferential tax treatment for encouraged enterprises located in the Western China 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 2021 to 31 December 2030. A PRC enterprise which enjoys this tax treatment is entitled to a preferential tax rate of 15%, and is exempt from the enterprise income tax for the first to third year and is entitled to a preferential enterprise income tax rate of 50% on its taxable income for the fourth to sixth year. Certain of the Group's wind farm projects, photovoltaic projects and hydropower power projects were entitled to this tax concession.

Under the two-tiered profits tax rates regime in Hong Kong, the first Hong Kong dollars 2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits in excess of HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

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

Australian income tax is calculated at 30% of the estimated assessable profit.

8. PROFIT FOR THE PERIOD

	For the six-month period ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Profit for the period has been arrived at after charging:		
Auditors' remuneration	1,296	1,862
Lease payments in respect of land and building	29,202	26,391
	<hr/>	<hr/>
Depreciation and amortization:		
Depreciation of property, plant and equipment	1,602,201	1,342,271
Depreciation of right-of-use assets	35,998	35,535
Amortization of intangible assets	156,878	133,517
	<hr/>	<hr/>
Total depreciation and amortization	<u>1,795,077</u>	<u>1,511,323</u>

9. DIVIDENDS

- (a) A final dividend of RMB7.037 cents per ordinary share (tax inclusive) in respect of the year ended 31 December 2021 amounting to RMB580,166,000 was approved in the Company's annual general meeting held on 29 June 2022.
- (b) The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders of the Company for the six months ended 30 June 2022 of RMB1,776,682,000 (six months ended 30 June 2021: RMB1,549,989,000) and the number of shares in issue for the six months ended 30 June 2022 of 8,244,508,000 (six months ended 30 June 2021: 8,244,508,000).

Diluted earnings per share are presented as the same as the basic earnings per share as there were no potential diluted shares outstanding during the presented periods.

11. TRADE AND BILLS RECEIVABLES

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Restated)
Trade receivables		
– goods and services	1,754,636	2,018,514
– clean energy power price premium	10,165,442	9,421,023
Bills receivable	<u>73,791</u>	<u>256,304</u>
	11,993,869	11,695,841
Less: allowance for credit losses	<u>(16,395)</u>	<u>(16,395)</u>
	<u><u>11,977,474</u></u>	<u><u>11,679,446</u></u>

The Group allows a credit period of 60 days on average to its customers of electricity and heat 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:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Restated)
Within 60 days	2,083,448	3,047,909
61 to 365 days	3,193,175	3,076,268
1 to 2 years	3,363,842	3,057,498
2 to 3 years	2,272,159	1,961,944
Over 3 years	<u>1,064,850</u>	<u>535,827</u>
	<u><u>11,977,474</u></u>	<u><u>11,679,446</u></u>

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

12. TRADE AND OTHER PAYABLES

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Restated)
Trade payables	1,882,464	2,469,426
Payables for acquisition of property, plant and equipment	2,269,610	1,760,087
Retention payables	526,226	881,261
Salary and staff welfare	115,231	111,416
Non-income tax payables	140,946	362,332
Dividend payables	181,724	–
Others	294,031	341,439
	<u>5,410,232</u>	<u>5,925,961</u>

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 ageing analysis of the Group's trade payable by invoice date as at the end of each reporting period:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Restated)
Within 30 days	870,400	1,459,554
31 to 365 days	803,472	515,932
1 to 2 years	93,651	397,860
2 to 3 years	52,257	64,198
Over 3 years	62,684	31,882
	<u>1,882,464</u>	<u>2,469,426</u>

MANAGEMENT DISCUSSION AND ANALYSIS

I. Review of the Power Industry

In the first half of 2022, the international situation was complex and severe, and the global economic growth experienced an apparent slowdown trend. Affected by the epidemic, the domestic economic situation first showed a stagnation and then an upswing. Since June 2022, the economy has stabilized and rebounded. The national electricity consumption increased year-on-year in the first half of 2022. The power generation from non-fossil fuel installed capacity maintained rapid growth. The utilization hour of all types of power generation equipment, except for hydropower and solar power generation, decreased year-on-year.

As of 30 June 2022, according to the statistics from China Electricity Council, the national electricity installed capacity in total was 2.44 billion kW, representing a year-on-year increase of 8.1%. Among which, the capacity of non-fossil fuel installed capacity totaled 1.18 billion kW, representing a year-on-year increase of 14.8%, accounting for 48.2% of the total installed capacity, representing a year-on-year increase of 2.8 percentage points. The capacity of thermal power generation was 1.30 billion kW, representing a year-on-year increase of 2.9%, of which, the capacity of gas-fired power generation was 110 million kW, representing a year-on-year increase of 3.9%; the capacity of wind power generation was 340 million kW, representing a year-on-year increase of 17.2%; the capacity of solar power generation was 340 million kW, representing a year-on-year increase of 25.8%; and the capacity of hydropower generation was 400 million kW, representing a year-on-year increase of 5.9%.

In the first half of 2022, the power generation of power plants above the national scale was 3,963.1 billion kWh, representing a year-on-year increase of 0.7%. Among which, the thermal power generation above the national scale recorded a year-on-year decrease of 3.9%. The total on-grid wind power and solar power generation recorded a year-on-year increase of 12.2% and 29.8%, respectively. The hydropower generation above the national scale recorded a year-on-year increase of 20.3%.

In the first half of 2022, the accumulated average utilization hour of national power generation equipment was 1,777 hours, representing a year-on-year decrease of 81 hours. Among which, the average utilization hour of gas-fired power generation equipment was 1,090 hours, representing a year-on-year decrease of 239 hours; the average utilization hour of on-grid wind power generation equipment was 1,154 hours, representing a year-on-year decrease of 58 hours; the average utilization hour of solar power generation equipment was 690 hours, representing a year-on-year increase of 30 hours; and the average utilization hour of hydropower generation equipment was 1,691 hours, representing a year-on-year increase of 195 hours.

II. Business Review for the First Half of 2022

In the first half of 2022, the Group strictly followed the new requirements of the new development stage, thoroughly implemented the new development concept, and accomplished new achievements under the new development pattern. The Group adhered to the major tone of “reform and innovation, transformation and upgrading, improvement of quality and efficiency, and culture fusion” and continued to focus its efforts on the “two points” of serving the capital and promoting green and low-carbon development. The operating revenue increased by 6.16% year-on-year and the profit for the period increased by 15.15% year-on-year. Against the backdrop of weak national economy and the epidemic, the Group overcame difficulties and sustained high-quality and rapid development, and has maintained a strong growth momentum since the “14th Five-Year Plan”.

1. Installed capacity and power generation maintained a steady increase, and renewable energy business experienced rapid growth

As of 30 June 2022, the consolidated total installed capacity of the Group was 13.400 million kW, representing a year-on-year increase of 19.48%. Among which, the installed capacity of the gas-fired power and heat energy generation segment was 4.702 million kW, accounting for 35% of the total installed capacity; the installed capacity of the wind power generation segment was 4.966 million kW, representing a year-on-year increase of 57.85%, accounting for 37% of the total installed capacity; the installed capacity of the photovoltaic power generation segment was 3.313 million kW, representing a year-on-year increase of 13.58%, accounting for 25% of the total installed capacity; and the installed capacity of the hydropower segment was 0.419 million kW, accounting for 3% of the total installed capacity.

In the first half of 2022, all newly-added installed capacity was attributable to self-built projects. Among which, newly-added installed capacity of the wind power generation segment was 0.856 million kW; and newly-added installed capacity of the photovoltaic power generation segment was 0.10 million kW.

As of 30 June 2022, the consolidated total power generation of the Group was 17.678 billion kWh, representing a year-on-year increase of 9.27%, which was significantly higher than the national level for the same period (0.7%), of which, the power generation of the gas-fired power and heat energy generation segment was 9.214 billion kWh, representing a year-on-year decrease of 5.33%, with the average utilization hours of equipment reaching 1,960 hours, a decrease of 110 hours from the same period of last year, which was 870 hours more than the national average; the power generation of the wind power generation segment was 5.299 billion kWh, representing a year-on-year increase of 39.35%, with the average utilization hours of equipment reaching 1,186 hours, which was a decrease of 108 hours from the same period of last year, and 32 hours more than the national average; the power generation of the photovoltaic power generation segment was 2.464 billion kWh, representing a year-on-year increase of 20.41%, with the average utilization hours of equipment reaching 745 hours, an increase of 43 hours from the same period of last

year, which was 55 hours more than the national average; and the power generation of the hydropower segment was 701 million kWh, representing a year-on-year increase of 17.44%, with the average utilization hours of equipment reaching 1,672 hours, an increase of 345 hours from the same period of last year.

2. *Key project development progressed smoothly and renewable energy business reserves continuously increased*

In the first half of 2022, the Group continued to adhere to the “two-wheel drive” of independent development and project mergers and acquisitions, headed on the path of “intensification, regionalization, scale, specialization and high efficiency”, leveraged the geographical advantages of regional companies and focus on key projects for breakthroughs. The installed capacity of self-developed projects that had construction indicators amounted to 1.04 million kW, the installed capacity of projects completed through mergers and acquisitions amounted to 0.10 million kW, and total pre-development capacity completed amounted to 1.14 million kW.

As of 30 June 2022, there were 21 projects under construction, with a total capacity of nearly 3.00 million kW. The ground-breaking ceremony of the million kW demonstration project with integrated energy of wind, solar, fire and hydrogen storage in Chagan Nur Power Plant was held in March 2022; the construction of the million kW base project in Qin Zhou was officially started in May 2022; and the construction of the 0.15 million kW cogeneration project in Yichang started in February 2022.

In the first half of 2022, the Group obtained the Letter from Beijing Municipal Commission of Development and Reform on Supporting the Construction of “Shanxi-Power-to-Beijing” Base in the Coal Mining Subsidence Area in Datong for the Jingneng 10 million kW green integrated energy base project in Datong; based on the “14th Five-Year Plan” for the substations supporting the ultra-high voltage lines, put a particular focus on the peripheral areas, and signed framework agreements for a photovoltaic capacity of 1.95 million kW; started the preparation of the study report on the access to Beijing for the 10 million kW renewable energy Green-Power-to-Beijing base project in Chengde to carry out the preliminary work upon filing with the Beijing Municipal Commission of Development and Reform; with a focus on serving the capital, was in the process of carrying out preliminary work for the pumped storage project in Beijing and its peripheral areas, and the project in Huailai has been listed as a medium-and long-term planning reserve project of national pumped storage; succeeded in having the 2×0.4 million kW cogeneration project in Dongyuan, Guangdong being included in the “14th Five-Year Plan” for energy planning of Guangdong Province; signed a cooperation framework agreement with Beihai City for the 2×0.8 million kW gas-fired in Beihai, Guangxi; and succeeded in having the 2×0.7 million kW combined heat and power project in Dayi, Sichuan being included in the “14th Five-Year Plan” for natural gas power generation project construction in Sichuan Province to accelerate the preliminary work.

In the first half of 2022, the Group actively carried out merger and acquisition of wind power and photovoltaic projects and proposed to sign equity transfer agreements for a capacity of 0.13 million kW. The Group signed letters of intent to acquire equity interests and wind power and photovoltaic projects with a capacity of more than 0.9 million kW were underway.

3. *The Group expanded its financing channels and further reduced its capital cost*

In the first half of 2022, benefited from China's prudent monetary policy and the green preferential loan policy under the dual-carbon background, the Group obtained low-interest debt funds and reduced its capital cost, with a consolidated capital cost of 3.56%, down 0.18 percentage points from 3.74% in 2021. The Group completed the registration of ultra-short-term financing debentures of RMB12.0 billion and issued three tranches of ultra-short-term financing debentures of RMB5.5 billion in aggregate. The Group completed the registration of medium-term notes of RMB3.5 billion and RMB2.0 billion in batches. At the same time, the Group made full use of innovative financing tools and obtained low-interest sub-loans from New Development Bank BRICS and low-interest loans for carbon emission reduction tools. The Group issued the first carbon-neutral asset-backed securities ("ABS") product within the state-owned system in Beijing, raising RMB1.0 billion, with a senior coupon rate of 3.07%, the lowest coupon rate of the same type and maturity in the entire market in the past two years, which effectively realized the active exploration of practicing "dual-carbon" and innovative financing.

4. *The Group endeavoured to build quality projects and develop quality products for the Olympics*

Beijing is a "Dual Olympic city", and the Group is a "Double Olympics enterprise". Since the provision of green power for the Beijing Summer Olympics in 2008, as a major contributor to "lighting up the lights in Beijing via the wind from Zhangbei", the Group has clearly set the goal of winning the "Gold Medal of National Premium Project Award" and established the positioning of "showcasing Jingneng's first-class international position with Olympic characteristics" during the preparation stage of construction of the 1.2 million kW wind power project for Beijing-Zhangjiakou Winter Olympics.

The Group achieved full capacity grid connection between wind power project for Beijing-Zhangjiakou Winter Olympics and the comprehensive energy utilization project for Yanqing Winter Olympics in the first half of 2022, and helped 26 venues in the three major competition areas of the Beijing Winter Olympics to achieve 100% green power supply for the first time. The Group accomplished the task of power supply for the Winter Olympic Games, delivered 170 million kWh of green power and obtained the first green power consumption certificate for the Winter Olympic Games in China. Through the Olympic Games, Beijing displayed China's commitments to the world, and Jingneng Clean Energy displayed its commitments as one of the capital's state-owned enterprises to the world. The Group will keep on working hard, aiming to become a world-class clean energy service provider in Beijing.

5. *The Group accelerated digital transformation to build a smart operation and maintenance system*

In the first half of 2022, the Group continued to carry out research and demonstration projects on the construction of smart power plants producing clean energy, facilitated digital and smart transformation, built a digital and smart production and operation and maintenance system and established the three-in-one structure of “Smart Supervision Center – Region-wide Branch Centralized Control Center and 7 Gas-fired Plants – Station” covering more than 100 wind power plants, photovoltaic power plants, hydropower plants and gas-fired power plants to gradually establish a new production management model of “unmanned duty, few people on duty, centralized monitoring, smart operation and maintenance”. Currently, 10 of 12 region-wide centralized control center have been built and put into operation, and the other two control centers were also in progress. It is expected that the data from each centralized control center will be connected to the smart supervision center by the end of the year. After the completion of the project, it will effectively carry out equipment energy efficiency analysis, fault warning, health management and control, and performance improvement, which is expected to increase the annual power generation by about 1 to 2%.

III. Operating Results and Analysis

1. *Overview*

In the first half of 2022, the Company’s profitability recorded continuous improvement. Profit for the period amounted to RMB1,865.4 million, representing an increase of 15.15% as compared with RMB1,620.0 million for the first half of 2021. Profit for the period attributable to the equity holders amounted to RMB1,776.7 million, representing an increase of 14.63% as compared with RMB1,550.0 million for the first half of 2021.

2. *Operating Income*

In the first half of 2022, the total revenue increased by 6.16% from RMB9,411.5 million for the first half of 2021 to RMB9,991.6 million.

Gas-fired Power and Heat Energy Generation Segment

The revenue from the gas-fired power and heat energy generation segment decreased by 2.58% from RMB6,394.7 million for the first half of 2021 to RMB6,229.6 million for the first half of 2022, of which, revenue from sales of electricity decreased by 5.41% from RMB5,297.0 million for the first half of 2021 to RMB5,010.6 million for the first half of 2022, due to the decrease in sales volume of electricity of this segment. Revenue from sales of heat energy increased by 11.05% from RMB1,097.7 million for the first half of 2021 to RMB1,219.0 million for the first half of 2022, due to the extension of heating supply period for the first half of 2022.

Wind Power Segment

The revenue from wind power segment increased by 36.85% from RMB1,601.3 million for the first half of 2021 to RMB2,191.3 million for the first half of 2022, due to an increase in sales volume of electricity as a result of increased installed capacity in this segment.

Photovoltaic Power Segment

The revenue from photovoltaic power segment increased by 11.57% from RMB1,255.3 million for the first half of 2021 to RMB1,400.5 million for the first half of 2022, due to an increase in sales volume of electricity as a result of increased installed capacity in this segment.

Hydropower Segment

The revenue from hydropower segment increased by 13.44% from RMB146.6 million for the first half of 2021 to RMB166.3 million for the first half of 2022, due to the increase in sales volume of electricity as a result of an increase in water inflow in this segment.

Other Segment

The revenue from other segment decreased by 71.32% from RMB13.6 million for the first half of 2021 to RMB3.9 million for the first half of 2022, due to higher revenue from providing external maintenance service in the first half of 2021.

3. Other Income

Other income increased by 8.71% from RMB453.5 million for the first half of 2021 to RMB493.0 million for the first half of 2022, due to the increase in income from carbon credits.

4. Operating Expenses

Operating expenses increased by 4.60% from RMB7,308.5 million for the first half of 2021 to RMB7,644.7 million for the first half of 2022, due to the cost expensed following the commencement of production of projects of wind power segment and photovoltaic power segment.

Gas Consumption

Gas consumption decreased by 2.30% from RMB4,653.5 million for the first half of 2021 to RMB4,546.3 million for the first half of 2022, due to a decrease in power generation volume of the gas-fired power and heat energy generation segment, resulting in a decrease in gas consumption.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 18.78% from RMB1,511.3 million for the first half of 2021 to RMB1,795.1 million for the first half of 2022, due to the increase in the installed capacity in the wind power and the photovoltaic power segment.

Personnel Cost

Personnel cost increased by 16.55% from RMB417.6 million for the first half of 2021 to RMB486.7 million for the first half of 2022, due to the increase in the number of employees as a result of the business development of the Group, and additional personnel costs expensed following the commencement of production of new projects.

Repairs and Maintenance

Repairs and maintenance decreased by 0.73% from RMB234.2 million for the first half of 2021 to RMB232.5 million for the first half of 2022.

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; (7) other miscellaneous operating expenses.

Other expenses increased by 3.99% from RMB485.7 million for the first half of 2021 to RMB505.1 million for the first half of 2022, due to an increase in operating and management expenses as a result of the commencement of production of new projects.

Other Losses

Other losses amounted to RMB79.0 million for the first half of 2022, which mainly represented issue discounts in connection with account receivables upon ABS issue.

5. Operating Profit

As a result of the above, operating profit increased by 11.09% from RMB2,556.5 million for the first half of 2021 to RMB2,840.0 million for the first half of 2022.

Gas-fired Power and Heat Energy Generation Segment

Operating profit of gas-fired power and heat energy generation segment decreased by 2.57% from RMB1,029.7 million for the first half of 2021 to RMB1,003.2 million for the first half of 2022, due to a decrease in sales volume of electricity in this segment.

Wind Power Segment

Operating profit of wind power segment increased by 36.27% from RMB967.0 million for the first half of 2021 to RMB1,317.7 million for the first half of 2022, due to an increase in installed capacity in this segment.

Photovoltaic Power Segment

Operating profit of photovoltaic power segment increased by 15.85% from RMB649.9 million for the first half of 2021 to RMB752.9 million for the first half of 2022, due to an increase in installed capacity in this segment.

Hydropower Segment

Operating profit of hydropower segment increased by 27.07% from RMB39.9 million for the first half of 2021 to RMB50.7 million for the first half of 2022, due to the increase in sales volume of electricity as a result of an increase in water inflow in this segment during the first half of 2022.

Other Segment

Operating loss of other segment increased from a loss of RMB130.0 million for the first half of 2021 to a loss of RMB284.5 million for the first half of 2022, due to the increase in the loss from fair value change of H shares of CGN Power Co., Ltd. held by the Group and issue discounts in connection with account receivables upon ABS issue.

6. Finance Costs

Finance costs increased by 12.34% from RMB637.9 million for the first half of 2021 to RMB716.6 million for the first half of 2022, due to interest expenses expensed as a result of the increase in the installed capacity in wind power segment and photovoltaic power segment after they are put into production.

7. Share of Results of Associates and a Joint Venture

Share of results of associates and a joint venture increased from RMB13.9 million for the first half of 2021 to RMB96.3 million for the first half of 2022, mainly due to an increase in the profit for the first half of 2022 of a subsidiary of an associate, Beijing Jingneng International Power Co., Ltd..

8. Profit before Taxation

As a result of the foregoing, profit before taxation increased by 14.80% from RMB1,949.2 million for the first half of 2021 to RMB2,237.7 million for the first half of 2022.

9. *Income Tax Expense*

Income tax expense increased by 13.06% from RMB329.3 million for the first half of 2021 to RMB372.3 million for the first half of 2022. Effective tax rate decreased from 16.89% for the first half of 2021 to 16.64% for the first half of 2022.

10. *Profit for the Period*

As a result of the foregoing, profit for the period increased by 15.15% from RMB1,620.0 million for the first half of 2021 to RMB1,865.4 million for the first half of 2022.

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

Profit for the period attributable to equity holders of the Company increased by 14.63% from RMB1,550.0 million for the first half of 2021 to RMB1,776.7 million for the first half of 2022.

IV. Financial Position

1. *Overview*

As of 30 June 2022, total assets of the Group amounted to RMB83,608.3 million, total liabilities amounted to RMB52,567.9 million and shareholders' equity amounted to RMB31,040.4 million, among which equity attributable to the equity holders amounted to RMB27,585.2 million.

2. *Particulars of Assets and Liabilities*

Total assets increased by 1.69% from RMB82,214.9 million as at 31 December 2021 to RMB83,608.3 million as at 30 June 2022, due to an increase in investment in projects. Total liabilities increased by 0.39% from RMB52,364.6 million as at 31 December 2021 to RMB52,567.9 million as at 30 June 2022, due to increased debt as a result of capital demand for construction of projects. Total equity increased by 3.99% from RMB29,850.3 million as at 31 December 2021 to RMB31,040.4 million as at 30 June 2022. Equity attributable to equity holders of the Company increased by 4.36% from RMB26,432.6 million as at 31 December 2021 to RMB27,585.2 million as at 30 June 2022, due to the accretion from business results in the first half of 2022.

3. Liquidity

As of 30 June 2022, current assets amounted to RMB18,888.1 million, including monetary capital of RMB5,315.5 million, bills and account receivables of RMB11,977.5 million (mainly comprising receivables from sales of electricity and sales of heat), and prepayment and other current assets of RMB1,595.1 million (mainly comprising deductible value-added tax and other account receivables). Current liabilities amounted to RMB28,215.4 million, including short-term borrowings of RMB9,510.4 million, short-term financing debentures of RMB7,572.4 million, medium-term notes of RMB3,561.3 million, corporate bonds of RMB1,411.9 million, trade and other payables of RMB5,410.2 million (mainly comprising payables for gas, payables for construction projects and purchase of equipment). Other current liabilities amounted to RMB749.2 million, mainly comprising income tax payable and amounts due to related parties.

Net current liabilities decreased by 4.46% from RMB9,763.2 million as at 31 December 2021 to RMB9,327.3 million as at 30 June 2022.

4. Net Gearing Ratio

Net gearing ratio, calculated by dividing net debts (total borrowings minus cash and cash equivalents) by the sum of net debts and total equity, decreased by 1.08 percentage points from 56.87% as at 31 December 2021 to 55.79% as at 30 June 2022.

The Group's long-term and short-term borrowings decreased by 0.07% from RMB44,517.1 million as at 31 December 2021 to RMB44,487.0 million as at 30 June 2022, including short-term borrowings of RMB9,510.4 million, short-term financing debentures of RMB7,572.4 million, medium-term notes of RMB4,583.9 million, long-term borrowings of RMB20,794.7 million and corporate bonds of RMB2,025.6 million.

Bank deposits and cash held by the Group increased by 3.08% from RMB5,156.9 million as at 31 December 2021 to RMB5,315.5 million as at 30 June 2022.

V. Other Significant Events

1. Financing

On 14 January 2022, the Group completed the issuance of the first tranche RMB2 billion 270-day ultra-short-term financing debentures of 2022 at an interest rate of 2.48%;

On 14 March 2022, the Group completed the issuance of the second tranche RMB2 billion 269-day ultra-short-term financing debentures of 2022 at an interest rate of 2.37%;

On 20 May 2022, the Group completed the issuance of the third tranche RMB1.5 billion 269-day ultra-short-term financing debentures of 2022 at an interest rate of 2.00%.

2. Capital Expenditure

In the first half of 2022, the Group's capital expenditure amounted to RMB3,044.0 million, among which RMB1,831.1 million incurred for construction projects in the wind power segment, RMB1,128.1 million incurred for construction projects in the photovoltaic power segment, RMB38.1 million incurred for construction projects in the gas-fired power and heat energy generation segment and RMB46.7 million incurred for energy storage projects.

3. Acquisition and Establishment of Subsidiaries

According to the development plan of the Group, in the first half of 2022, the Group acquired Dongyuan County Shunfeng New Energy Co., Ltd. (東源縣順風新能源有限公司), which is engaged in the construction of photovoltaic power generation projects.

In the first half of 2022, the Group established Qinzhou Jingneng Clean Energy Co., Ltd. (欽州京能清潔能源有限公司), which is engaged in the construction of photovoltaic power generation projects.

The Group entered into an equity transfer agreement with BIEE, pursuant to which, BIEE has agreed to sell and the Company has agreed to acquire 55% equity interest in Beijing Jingneng International Energy Technology Co., Ltd. (北京京能國際能源技術有限公司) at a consideration of RMB48.5 million. For further details, please refer to the Company's announcement dated 29 March 2022.

4. Contingent Liabilities

As of 30 June 2022, the Group had no contingent liabilities.

5. Mortgage of Assets

As of 30 June 2022, the Group's bank borrowings were secured by trade receivables of RMB2,021.1 million; fixed assets of RMB3,628.5 million; the entire equity in New Gullen Range Wind Farm Pty Ltd. and Gullen Solar Pty Ltd., which was pledged to National Australia Bank in connection with the loan facilities granted by National Australia Bank and the entire equity in Ningxia Boyang New Energy Co., Ltd. and Ningxia Kaiyang New Energy Co., Ltd., which was pledged to National Development Bank ("NDB") in China in connection with the loans granted by NDB.

6. Significant Events after the Reporting Period

The Company entered into the Absorption and Merger Agreement with BEH, Beijing Jingneng International Power Co., Ltd. (北京京能國際能源股份有限公司) (“**Jingneng International**”) and Shenzhen Jingneng Financial Leasing Co., Ltd. (深圳京能融資租賃有限公司) (“**Shenzhen Jingneng Leasing**”) and the Equity Transfer Agreement with BEH, pursuant to which BEH’s 84.68% equity interest in Shenzhen Jingneng Leasing will be swapped for the Company’s 20% equity interest in Jingneng International and the difference in consideration for the equity interests will be made up by the Company in cash to BEH. Upon the completion of the transactions, Jingneng International will be absorbed and merged by BEH, and deregistered in accordance with the law; and the Company will hold 84.68% equity interest in Shenzhen Jingneng Leasing. Jingneng International is principally engaged in the construction and investment management of electricity and energy projects. Shenzhen Jingneng Leasing primarily provides financial leasing services and commercial factoring business services in relation to financial leasing to the public and members of BEH. For further details, please refer to the Company’s announcement dated 10 May 2022.

Save for the aforesaid matters, there is no other significant event of the Group subsequent to the Reporting Period.

7. Share Option Scheme

For the six months ended 30 June 2022, the Company did not implement any share option scheme.

8. Foreign Exchange and Exchange Rate Risk

The businesses of the Group are mainly located in Mainland China, where most of its income and expenses are denominated in RMB. The Group has a small portion of overseas investments and loans in foreign currencies (including deposits denominated in AUD, HK dollars, US dollars, Euro, as well as borrowings in HK dollars and AUD). Changes in RMB exchange rates may cause exchange losses or gains to the Group’s foreign currency-denominated business.

The Group will continue to monitor exchange rates so as to cope with changes in the foreign exchange market and enhance the risk management on exchange rates by various management measures.

VI. Business Outlook for the Second Half of 2022

In the first half of 2022, affected by the complex and severe international situations and the impact of the domestic epidemic, the downward pressure on national economy further increased. In the second half of 2022, with the full resumption of work, production and markets, the national economy is expected to enter the recovery phase and register positive growth rate. In the face of the complex and ever-changing economic situation where challenges and opportunities both exist, the Group will continue to adhere to the general principle of seeking progress while maintaining stability, follow the strategic guidance of the “14th Five-Year Plan”, strengthen the technology innovation, consolidate the foundation for production safety and accelerate the informationalization and digitalization construction, aiming to achieve the overall development goal of “being superior, stronger, faster and better”.

1. Actively promote the development and expansion of new projects

In the second half of 2022, the Group will continue to adhere to the “two-wheel drive” of independent development and merger and acquisitions, focus its efforts on regions with traditional advantages, create new cooperation models in regions newly expanded into, increase cooperation efforts, identify target land, seize resources and increase efforts in projects of high-quality resource mergers and acquisitions. The Group will give full to its own advantages as the capital’s state-owned enterprise, focus on the dual carbon goals and demand of Green-Power-to-Beijing, press on with base projects in Datong and Chengde; keep up with the development of the industry and technological iterations, strive to make breakthroughs in new business such as energy storage and hydrogen energy; and fight for a larger market share of the increment of renewable energy in Beijing by aligning with the planning arrangements for renewable energy installations in Beijing.

2. Focus on smart operation and maintenance driven by technology

In the second half of 2022, the Group will continue to accelerate the process of digital transformation of its business. The Group will promote the construction of the smart supervision centers and region-wide centralized control centers with high quality to establish a three-in-one smart management structure and change the traditional operation model and realize the unified management of more than 100 wind power plants, photovoltaic power plants, hydropower plants and gas-fired power plants and the centralized deployment and decentralized use of business platforms. The Group will maximize the value of data, reduce labor costs, achieve the goals of “identifying all potential risks, perceiving the operation status, making all operation data under control, and managing its business operation online” step by step, and create an industry benchmark of “unmanned duty, few people on duty, centralized monitoring, smart operation and maintenance. The Group will optimize its security management and mutual back-up platform, realize the sharing of back-up information in the system, reduce enterprise inventory rate, realize digital inventory management, and improve management capability.

3. Uphold the bottom line and red line of safe production

In the second half of 2022, the Group will continue to promote the “five refined” management of safe production, put the “five refined ” management concept into practice in the daily management of staff access, team building, safety risk identification and potential hazard investigation and management, identify weaknesses in the safety field, carry out thematic safety production education and training, promote the concept of safety culture, and create a characteristic safety culture of “understanding, vigilance, prudence and self-reflection”. The Group will carry out in-depth investigation and management of potential risks and hazards, focus on key areas and highlight the “two tickets”, “anti-violation”, fire safety and other special rectification. The Group will regularly carry out safety evaluation, production management evaluation and safety and environmental protection inspections, organize special inspections, such as unit maintenance, energy supply assurance, to achieve full coverage of the safety inspection without dead ends. The Group will further strengthen the construction of emergency management system, optimize and improve emergency plans, organize emergency training and emergency drills on a regular basis, and effectively improve emergency response capabilities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2022.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2022.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

As a company listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Company always strives to maintain a high level of corporate governance and complied with all code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the six months ended 30 June 2022.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions of the Company by the Directors and supervisors of the Company (the “**Supervisors**”). Upon making specific enquiries to all of the Directors and Supervisors, all Directors and Supervisors confirmed that throughout the Reporting Period, each of the Directors and Supervisors had fully complied with the required standards set out in the Model Code.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's 2022 interim results and the unaudited financial statements for the six months ended 30 June 2022 prepared in accordance with the IFRSs.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the HKEXnews website of the Stock Exchange at <http://www.hkexnews.hk> and on the website of the Company at <http://www.jncec.com>. The 2022 interim report containing all the information required by the Listing Rules will be dispatched to the shareholders in due course and will be published on the websites of the Company and the Stock Exchange.

By order of the Board

Beijing Jingneng Clean Energy Co., Limited

KANG Jian

Deputy General Manager and Company Secretary

Beijing, the PRC

25 August 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Zhang Fengyang, Mr. Chen Dayu, Mr. Gao Yuming and Mr. Cao Mansheng; the non-executive Directors of the Company are Mr. Ren Qigui, Mr. Song Zhiyong and Mr. Wang Bangyi; the independent non-executive Directors of the Company are Mr. Huang Xiang, Mr. Chan Yin Tsung, Mr. Xu Daping and Ms. Zhao Jie.