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

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

(Stock Code: 00579)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

FINANCIAL HIGHLIGHTS

- Revenue for the year ended December 31, 2012 was RMB4,151.6 million, increased by 2.49% as compared with the previous year
- Profit for the year ended December 31, 2012 was RMB988.4 million, increased by 5.44% as compared with the previous year
- Profit and total comprehensive income attributable to equity owners of the Company for the year ended December 31, 2012 was RMB910.1 million, increased by 7.60% as compared with the previous year.

FINAL DIVIDEND

- The Board recommends a final dividend of RMB3.75 cents per share (tax inclusive) for the year ended December 31, 2012, which represent a total distribution of RMB231 million.

RESULTS HIGHLIGHTS

The board of directors (the "**Board**") of Beijing Jingneng Clean Energy Co., Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**" or "**we**" or "**us**") for the year ended December 31, 2012 (the "**Reporting Period**"), prepared under International Financial Reporting Standards ("**IFRSs**").

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2012

	Notes	Year ended December 31, 2012 RMB'000	2011 RMB'000 (Restated)
Revenue	5	**4,151,630**	4,050,738
Other income	6	**733,211**	963,121
Gas consumption		**(1,841,308)**	(2,110,052)
Depreciation and amortization		**(854,438)**	(801,529)
Personnel costs		**(249,147)**	(211,745)
Repairs and maintenance		**(151,208)**	(105,612)
Other expenses		**(291,320)**	(213,502)
Other gains and losses	7	**51,387**	(9,161)
Profit from operations		**1,548,807**	1,562,258
Interest income	8	**27,890**	16,348
Finance costs	8	**(708,468)**	(591,495)
Share of results of associates		**243,541**	147,398
Share of results of jointly controlled entities		**169**	(316)
Profit before taxation		**1,111,939**	1,134,193
Income tax expense	9	**(123,533)**	(196,822)
Profit for the year	10	**988,406**	937,371
Profit and total comprehensive income for the year attributable to:			
– Equity owners of the Company		**910,101**	845,841
– Non-controlling interests		**78,305**	91,530
		988,406	937,371

	Notes	Year ended December 31, 2012 RMB cents	2011 RMB cents (Restated)
Earnings per share			
Basic and diluted	12	**14.81**	16.82

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2012

		At December 31,	
		2012	2011
	Notes	***RMB'000***	*RMB'000*
			(Restated)
Non-current assets			
Property, plant and equipment		**17,405,497**	14,866,395
Intangible assets		**4,656,091**	4,795,846
Goodwill		**124,194**	124,194
Prepaid lease payments		**133,297**	134,511
Investments in associates		**1,455,219**	1,267,749
Loans to associates		**149,440**	136,440
Investments in jointly controlled entities		**80,390**	200,429
Deferred tax assets		**108,356**	112,695
Available-for-sale financial assets		**98,028**	98,028
Trade receivable	*13*	**354,259**	–
Value-added tax recoverable		**513,977**	516,526
Deposit paid for acquisition of property, plant and equipment		**1,168,222**	853,192
		26,246,970	23,106,005
Current assets			
Inventories		**69,858**	59,780
Trade and bill receivables	*13*	**1,475,193**	1,439,950
Other receivables, deposits and prepayments		**317,590**	153,097
Current tax assets		**11,473**	1,048
Amounts due from related parties		**138,478**	285,845
Prepaid lease payments		**2,116**	2,912
Value-added tax recoverable		**426,825**	291,343
Restricted bank deposits		**207,576**	–
Cash and cash equivalents		**2,178,030**	2,747,265
		4,827,139	4,981,240
Assets classified as held for sale		**34,969**	–
		4,862,108	4,981,240

		At December 31,	
		2012	2011
	Notes	***RMB'000***	*RMB'000*
			(Restated)
Current liabilities			
Trade and other payables	*14*	**1,915,092**	1,578,842
Amounts due to related parties		**1,339,284**	242,595
Bank and other borrowings-due within one year		**4,266,759**	6,127,492
Income tax payable		**49,548**	96,875
Deferred income-current portion		**32,916**	160,094
		7,603,599	8,205,898
Liabilities associated with assets classified as held for sale		**1,169**	–
		7,604,768	8,205,898
Net current liabilities		**(2,742,660)**	(3,224,658)
Total assets less current liabilities		**23,504,310**	19,881,347
Non-current liabilities			
Bank and other borrowings-due after one year		**9,305,903**	8,364,585
Medium-term notes		**1,000,000**	–
Corporate bonds		**3,582,903**	–
Deferred tax liabilities		**24,894**	26,356
Deferred income		**268,285**	42,105
		14,181,985	8,433,046
Net assets		**9,322,325**	11,448,301
Capital and reserves			
Share capital		**6,149,905**	6,032,200
Reserves		**2,896,880**	5,038,286
Equity attributable to equity owners of the Company		**9,046,785**	11,070,486
Non-controlling interests		**275,540**	377,815
Total equity		**9,322,325**	11,448,301

NOTES:

1. GENERAL INFORMATION

The Company was a joint stock company established in the People's Republic of China (the "PRC") with limited liability and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on December 22, 2011.

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

In the opinion of the directors of the Company (the "Directors"), 北京能源投資 (集團) 有限公司 (Beijing Energy Investment Holding Co., Ltd., English name for identification purpose) ("BEIH") is the Company's ultimate holding company (also the immediate parent company). BEIH is a state-owned enterprise established in the PRC with limited liability and is wholly-owned by the State-owned Assets Supervision and Administration Commission ("SASAC") of the People's Government of Beijing Municipality of the PRC ("Beijing Government").

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

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

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The significant accounting policies applied in the preparation of these consolidated financial statements have been consistently applied to all the years presented, unless otherwise stated.

(a) In preparing the consolidated financial statements, the Directors have given careful consideration that at December 31, 2012, the Group has net current liabilities of RMB2,742,660,000. Taking into consideration of the unutilized banking and other borrowing facilities available to Group of RMB21,417,300,000 at December 31, 2012, and the Group's cash inflows generated from operating activities, the Directors are satisfied that the Group will be able to meet in full its financial obligations as they fall due for the foreseeable future. Accordingly the consolidated financial statements have been prepared on a going concern basis.

(b) In accordance with the equity transfer agreements entered into between the Company and BEIH on November 13, 2012, the Company acquired 100% equity interest of 四川大川電力有限公司 (Sichuan Dachuan Power Co., Ltd., English name for identification purpose) ("Sichuan Dachuan") and 四川眾能電力有限公司 (Sichuan Zhongneng Power Co., Ltd., English name for identification purpose only) ("Sichuan Zhongneng") from BEIH for a cash consideration of RMB1,839,929,000. BEIH acquired the 100% equity interests of Sichuan Dachuan and Sichuan Zhongneng for cash considerations of approximate RMB2,246,515,000 from a group of third party owners on July 7, 2011 ("the First Acquisition"). Sichuan Dachuan and Sichuan Zhongneng operated the hydropower business in Sichuan, the PRC. Sichuan Dachuan and Sichuan Zhongneng were acquired so as to the expansion of the Group's hydropower operations.

The First Acquisition has been accounted for using the acquisition method by BEIH. The amount of goodwill arising as a result of the acquisition was RMB124,194,000. The financial impact as if the First Acquisition were done by the Group is as follows:

Consideration transferred by BEIH

	Sichuan Dachuan and Sichuan Zhongneng
	RMB'000
Cash	2,246,515

Assets acquired and liabilities recognised at the date of the First Acquisition are as follows:

	RMB'000
Property, plant and equipment	837,607
Intangible assets	1,180,141
Prepaid lease payments	43,646
Deposit paid for acquisition of property, plant and equipment	4,059
Inventories	5,359
Trade and bill receivables	30,596
Other receivables, deposits and prepayments	20,487
Amounts due from related parties	100,752
Cash and cash equivalents	1,324,848
Trade and other payables	(46,633)
Amounts due to related parties	(1,090,145)
Bank and other borrowings-due within one year	(80,000)
Income tax payable	(18,304)
Bank and other borrowings-due after one year	(170,000)
Deferred tax liabilities	(20,092)
Net asset acquired	2,122,321

Goodwill arising on acquisition:

	RMB'000
Consideration transferred	2,246,515
Less: net asset acquired	2,122,321
Goodwill arising on acquisition	124,194

Goodwill arose in the acquisition of Sichuan Dachuan and Sichuan Zhongneng because the consideration paid for the acquisition effectively included amounts in relation to the benefit of expected revenue growth, future market development and the assembled workforce of Sichuan Dachuan and Sichuan Zhongneng. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on the above acquisition is expected to be deductible for tax purpose.

Net cash inflow arising on acquisition:

	For the year ended December 31, 2011 ***RMB'000***
Cash and cash equivalents acquired	1,324,848

Impact of acquisition on the results of the Group

	For the year ended December 31, 2011 ***RMB'000***
Revenue	145,708
Profit for the year	42,386

The Group's acquisition of Sichuan Dachuan and Sichuan Zhongneng was completed by the end of December 2012 and has been accounted for as a combination of businesses under common control in a manner similar to pooling-of-interests since the Directors consider that the Group, Sichuan Dachuan and Sichuan Zhongneng are under the common control of BEIH since July 7, 2011. As a result, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended December 31, 2011 have been restated to include the operating results and cash flows of Sichuan Dachuan and Sichuan Zhongneng since July 7, 2011. The consolidated statements of financial position as at December 31, 2011 have been restated to include the assets and liabilities of Sichuan Dachuan and Sichuan Zhongneng. Respective notes to the consolidated financial statements have also been restated. All significant intra-group transactions, balances, income and expenses are eliminated.

During the year ended December 31, 2012 and prior to the acquisition by the Company, Sichuan Dachuan and Sichuan Zhongneng reduced their registered and paid-in capital and refund cash to BEIH as well as distributing the accumulated profits to BEIH. The aggregated amount of the distribution was RMB610,000,000.

The effect of restatements arising from acquisition of Sichuan Dachuan and Sichuan Zhongneng accounted for as a combination of businesses under common control ("Adjustment") on the results for the year ended December 31, 2011 by line items is set out below:

	Year ended December 31, 2011		
	Originally stated	**Adjustment**	**Restated**
	RMB'000	***RMB'000***	***RMB'000***
Revenue	3,905,030	145,708	4,050,738
Other income	962,124	997	963,121
Gas consumption	(2,110,052)	–	(2,110,052)
Depreciation and amortization	(767,754)	(33,775)	(801,529)
Personnel costs	(194,778)	(16,967)	(211,745)
Repairs and maintenance	(102,738)	(2,874)	(105,612)
Other expenses	(195,106)	(18,396)	(213,502)
Other gains and losses	(6,019)	(3,142)	(9,161)
Profit from operations	1,490,707	71,551	1,562,258
Interest income	15,343	1,005	16,348
Finance costs	(582,588)	(8,907)	(591,495)
Share of results of associates	147,398	–	147,398
Share of results of jointly controlled entities	(316)	–	(316)
Profit before taxation	1,070,544	63,649	1,134,193
Income tax expense	(175,559)	(21,263)	(196,822)
Profit and total comprehensive income for the year	894,985	42,386	937,371

The effect of Adjustment on the financial position of the Group as at December 31, 2011 by line items is set out below:

	At December 31, 2011		
	Originally stated	**Adjustment**	**Restated**
	RMB'000	***RMB'000***	***RMB'000***
Non-current assets			
Property, plant and equipment	14,044,371	822,024	14,866,395
Intangible assets	3,627,509	1,168,337	4,795,846
Goodwill	–	124,194	124,194
Prepaid lease payments	91,499	43,012	134,511
Investments in associates	1,267,749	–	1,267,749
Loans to associates	136,440	–	136,440
Investments in jointly controlled entities	200,429	–	200,429
Deferred tax assets	107,220	5,475	112,695
Available-for-sale financial assets	98,028	–	98,028
Value-added tax recoverable	516,526	–	516,526
Deposit paid for acquisition of property, plant and equipment	852,682	510	853,192
	20,942,453	2,163,552	23,106,005
Current assets			
Inventories	51,445	8,335	59,780
Trade and bill receivables	1,401,721	38,229	1,439,950
Other receivables, deposits and prepayments	131,768	21,329	153,097
Current tax assets	1,048	–	1,048
Amounts due from related parties	35,845	250,000	285,845
Prepaid lease payments	2,009	903	2,912
Value-added tax recoverable	291,343	–	291,343
Cash and cash equivalents	2,443,421	303,844	2,747,265
	4,358,600	622,640	4,981,240
Current liabilities			
Trade and other payables	1,367,020	211,822	1,578,842
Amounts due to related parties	260,743	(18,148)	242,595
Bank and other borrowings – due within one year	6,087,492	40,000	6,127,492
Income tax payable	65,769	31,106	96,875
Deferred income-current portion	160,094	–	160,094
	7,941,118	264,780	8,205,898
Net current liabilities	(3,582,518)	357,860	(3,224,658)
Total assets less current liabilities	17,359,935	2,521,412	19,881,347

	At December 31, 2011		
	Originally stated	**Adjustment**	**Restated**
	RMB'000	***RMB'000***	***RMB'000***
Non-current liabilities			
Bank and other borrowings			
– due after one year	8,154,585	210,000	8,364,585
Deferred tax liabilities	3,845	22,511	26,356
Deferred income	42,105	–	42,105
	8,200,535	232,511	8,433,046
Net assets	9,159,400	2,288,901	11,448,301
Capital and reserves			
Share capital	6,032,200	–	6,032,200
Reserves	2,749,385	2,288,901	5,038,286
Equity attributable to equity holders of the Company	8,781,585	2,288,901	11,070,486
Non-controlling interests	377,815	–	377,815
Total equity	9,159,400	2,288,901	11,448,301

As Sichuan Dachuan and Sichuan Zhongneng were acquired from third party by BEIH during the year ended December 31, 2011, the consolidated statement of financial position at January 1, 2011 need not been restated.

The effect of Adjustment on the Group's basic and diluted earnings per share for the current and prior year are as follows:

Impact on basic and diluted earnings per share:

	Year ended December 31,	
	2012	2011
	RMB cents	*RMB cents*
Basic and diluted earnings per share before adjustment	**12.30**	15.98
Adjustments arising from acquisition of Sichuan Dachuan and Sichuan Zhongneng	**2.51**	0.84
Basic and diluted earnings per share	**14.81**	16.82

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

In the current year, the Group has applied the following amendments to IFRSs:

Amendments to IAS 12	Deferred tax: Recovery of Underlying Assets; and
Amendments to IFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets

The application of the above amendments to IFRSs in the current year has had no material effect on the amounts reported in the consolidated financial statements and disclosures set out in the consolidated financial statements.

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

Amendments to IFRSs	Annual improvements to IFRSs 2009-2011 Cycle(1)
Amendments to IFRS7	Disclosures – Offsetting Financial Assets and Financial Liabilities(1)
Amendments to IFRS9, and IFRS7	Mandatory Effective Date of IFRS 9 and Transition Disclosures(3)
Amendments to IFRS10, IFRS 11 and IFRS12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance(1)
Amendments to IFRS10, IFRS 12 and IAS27	Investment Entities(2)
IFRS 9	Financial Instruments(3)
IFRS 10	Consolidated Financial Statements(1)
IFRS 11	Joint Arrangements(1)
IFRS 12	Disclosure of Interests in Other Entities(1)
IFRS 13	Fair Value Measurement(1)
IAS 19 (as revised in 2011)	Employee Benefits(1)
IAS 27 (as revised in 2011)	Separate Financial Statements(1)
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures(1)
Amendments to IAS1	Presentation of Items of Other Comprehensive Income(4)
Amendments to IAS32	Offsetting Financial Assets and Financial Liabilities(2)
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine(1)

Notes:

(1) Effective for annual periods beginning on or after January 1, 2013
(2) Effective for annual periods beginning on or after January 1, 2014
(3) Effective for annual periods beginning on or after January 1, 2015
(4) Effective for annual periods beginning on or after July 1, 2012

4. SEGMENT INFORMATION

After the reorganization in 2011, the Group starts to manage its businesses by divisions, such as performs the monthly revenue analysis by segments which are organized by types of business from 2011. Information is reported internally to the Group's chief operating decision maker ("CODM"), including general manager, deputy general managers and financial controller, for the purposes of resource allocation and performance assessment. The Group has presented the following operating and reportable segments.

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

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

- Hydropower: manages and operates hydropower plants and sales of electricity generated to external customers.

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

(a) Segment revenue, results, assets and liabilities

An analysis of the Group's reportable segment revenue, result, assets, and liabilities for the year ended December 31, 2012 by operating segment is as follows:

	Wind power	**Gas-fired power and heat energy generation**	**Hydropower**	**Others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2012					
Revenue from external customers					
Sales of electricity	**1,318,383**	**2,147,802**	**283,735**	**–**	**3,749,920**
Sales of heat energy	**–**	**387,442**	**–**	**1,324**	**388,766**
Others	**–**	**3,635**	**–**	**9,309**	**12,944**
Reportable segment revenue/ consolidated revenue	**1,318,383**	**2,538,879**	**283,735**	**10,633**	**4,151,630**
Reportable segment profit *(Note (i))*	**714,415**	**644,001**	**181,221**	**6,702**	**1,546,339**
Reportable segment assets	**14,182,212**	**8,631,265**	**4,135,527**	**5,559,093**	**32,508,097**
Reportable segment liabilities	**10,404,658**	**5,321,497**	**1,596,018**	**7,680,590**	**25,002,763**
Additional segment information:					
Depreciation	**369,186**	**261,873**	**38,982**	**2,551**	**672,592**
Amortization	**167,656**	**62**	**12,410**	**1,718**	**181,846**
Finance costs *(Note (ii))*	**524,341**	**116,167**	**17,639**	**50,321**	**708,468**
Other income	**59,523**	**639,156**	**23,550**	**10,982**	**733,211**
Including:					
– Government grant related to clean energy production	**22,239**	**428,147**	**–**	**–**	**450,386**
– Income from CERs and VERs	**24,833**	**203,035**	**20,588**	**–**	**248,456**
– Others	**12,451**	**7,974**	**2,962**	**10,982**	**34,369**
Expenditures for reportable segment non-current assets	**1,620,835**	**2,491,687**	**596,236**	**284,493**	**4,993,251**

An analysis of the Group's reportable segment revenue, result, assets, and liabilities for the year ended December 31, 2011 by operating segment is as follows:

	Wind power *RMB'000*	Gas-fired power and heat energy generation *RMB'000*	Hydropower *RMB'000*	Others *RMB'000*	Total *RMB'000*
For the year ended December 31, 2011 (Restated)					
Revenue from external customers					
Sales of electricity	1,145,703	2,308,854	153,881	–	3,608,438
Sales of heat energy	–	349,900	–	1,478	351,378
Others	30,970	40,993	–	18,959	90,922
Reportable segment revenue/ consolidated revenue	1,176,673	2,699,747	153,881	20,437	4,050,738
Reportable segment profit (loss) *(Note (i))*	672,712	838,337	76,760	(27,647)	1,560,162
Reportable segment assets	13,370,819	6,053,201	4,167,074	4,369,847	27,960,941
Reportable segment liabilities	10,235,974	3,877,732	1,440,047	2,650,997	18,204,750
Additional segment information:					
Depreciation	291,931	270,085	23,498	2,688	588,202
Amortization	201,451	53	11,805	18	213,327
Finance costs *(Note (ii))*	385,495	144,038	8,907	53,055	591,495
Other income	110,677	849,347	566	2,531	963,121
Including:					
– Government grant related to clean energy production	22,501	607,287	–	–	629,788
– Income from CERs and VERs	82,003	198,283	–	–	280,286
– Service income	–	38,847	–	–	38,847
– Others	6,173	4,930	566	2,531	14,200
Expenditures for reportable segment non-current assets	2,160,624	1,040,422	512,560	37,928	3,751,534

Notes:

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

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

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

	Year ended December 31,	
	2012	2011
	RMB'000	*RMB'000*
		(Restated)
Results		
Reportable segment profit	**1,546,339**	1,560,162
Unallocated		
Dividend income from available-for sale financial assets	**2,468**	2,096
Profit from operations	**1,548,807**	1,562,258
Interest income	**27,890**	16,348
Finance costs	**(708,468)**	(591,495)
Share of results of associates	**243,541**	147,398
Share of results of jointly controlled entities	**169**	(316)
Consolidated profit before taxation	**1,111,939**	1,134,193

	Year ended December 31,	
	2012	2011
	RMB'000	*RMB'000*
		(Restated)
Assets		
Reportable segment assets	**32,508,097**	27,960,941
Inter-segment elimination	**(4,231,254)**	(2,496,906)
Unallocated assets:		
– Investments in associates	**1,455,219**	1,267,749
– Loans to associates*	**149,440**	136,440
– Investments jointly controlled entities	**80,390**	200,429
– Deferred tax assets	**108,356**	112,695
– Available-for-sales financial assets	**98,028**	98,028
Different presentation on:		
– Value-added tax recoverable *(Note (i))*	**940,802**	807,869
Consolidated total assets	**31,109,078**	28,087,245

* *All the relevant interest income is not allocated to segment profit and these loans and receivables are not allocated to segment assets, which made the segment results and segment assets symmetrically presented.*

	At December 31,	
	2012	2011
	RMB'000	*RMB'000*
		(Restated)
Liabilities		
Reportable segment liabilities	**25,002,763**	18,204,750
Inter-segment elimination	**(4,231,254)**	(2,496,906)
Unallocated liabilities:		
– Income tax payable	**49,548**	96,875
– Deferred tax liabilities	**24,894**	26,356
Different presentation on:		
– Value-added tax recoverable *(Note (i))*	**940,802**	807,869
Consolidated total liabilities	**21,786,753**	16,638,944

Notes:

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

All assets are allocated to reportable segments, other than available-for-sale financial assets, investments in associates and jointly controlled entities, loans to associates and deferred tax assets; all liabilities are allocated to reportable segments other than income tax payable and deferred tax liabilities.

(c) Geographical information

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

(d) Information of major customers

Revenue from the PRC government controlled power grid companies for the year ended December 31, 2012 amounted to RMB3,723,844,000 (Note 42(g)) (2011: RMB3,592,323,000). Sales of electricity to the major customers for the year ended December 31, 2012 by segment were as follows:

	Year ended December 31,	
	2012	2011
	RMB'000	*RMB'000*
Wind Power	**1,318,383**	1,145,703
Gas-fired Power and Heat Energy Generation	**2,147,802**	2,308,854
Hydropower	**257,659**	137,766
Total	**3,723,844**	3,592,323

5. REVENUE

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

	Year ended December 31,	
	2012	2011
	RMB'000	*RMB'000*
		(Restated)
Sales of goods:		
– Electricity	**3,749,920**	3,608,438
– Heat energy	**388,766**	351,378
Service income from:		
– Fellow subsidiaries *(Note (a))*	**–**	44,913
– Associate	**–**	13,000
– Third parties *(Note (b))*	**12,944**	33,009
	4,151,630	4,050,738

Notes:

(a) The service income for the year ended December 31, 2011 mainly represented the technology services provided and the service fee earned for the power generation capacity transfer arrangement.

(b) The service income for the year ended December 31, 2012 represented repair and maintenance service provided to third parties. The service income for the year ended December 31, 2011 represented fee received from the wind turbine suppliers for providing them the improvement work done on the turbines to ensure the operating safety of the power grids in certain power plants.

6. OTHER INCOME

	Year ended December 31,	
	2012	2011
	RMB'000	*RMB'000*
		(Restated)
Government grants and subsidies related to:		
– Clean energy production	**450,386**	629,788
– Construction of assets	**2,632**	2,632
Income from CERs and VERs	**248,456**	280,286
Value-added tax refunds *(Note (a))*	**13,570**	4,777
Dividend from available-for-sale financial assets, unlisted	**2,468**	2,096
Waiver for the retention money from certain suppliers *(Note (b))*	**–**	38,847
Others	**15,699**	4,695
	733,211	963,121

Notes:

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

(b) The waived amount represented the compensation from certain gas equipment suppliers for the relevant repairing expense incurred by the Group.

7. OTHER GAINS AND LOSSES

	Year ended December 31, 2012	2011
	RMB'000	*RMB'000*
		(Restated)
Other gains (losses) comprise:		
Gain on disposal of a subsidiary	**42,815**	–
Gain on disposal of a jointly controlled entity *(Note)*	**32,988**	–
Impairment loss on doubtful receivables	**(172)**	(780)
Loss on disposal of property, plant and equipment	**(30,551)**	(273)
Net exchange gain (loss)	**6,078**	(5,348)
Others	**229**	(2,760)
	51,387	(9,161)

Note: During the year, the Company entered into sales agreement to dispose of 50% equity interest in a jointly controlled entity 北京華源熱力管網有限公司 (Beijing Huayuan Heating Pipeline Co., Ltd., English name for identification purpose) ("Huayuan Heating") to BEIH, the consideration received was RMB153,196,000. The consideration over the carrying amount of the investment in Huayuan Heating was charged to other gains and losses.

8. INTEREST INCOME/FINANCE COSTS

	Year ended December 31, 2012	2011
	RMB'000	*RMB'000*
		(Restated)
Interest income from:		
– Loans to associates	**9,224**	7,748
– Loans to jointly controlled entities	**–**	1,889
– Loans to a fellow subsidiary	**–**	1,533
– A related non-bank financial institution *(Note)*	**1,604**	817
– Bank balances	**17,062**	4,361
Total interest income	**27,890**	16,348
Interest on bank and other borrowings, medium-term notes, and corporate bonds wholly repayable:		
– Within five years	**804,162**	595,479
– Over five years	**176,827**	184,849
Total interest expense	**980,989**	780,328
Less: Amounts capitalized in property, plant and equipment	**(272,521)**	(188,833)
Total finance costs	**708,468**	591,495
Net finance costs	**680,578**	575,147

	Year ended December 31,	
	2012	2011
Capitalization rate of borrowing costs to expenditure on qualifying assets	**7.00%**	6.21%

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

9. INCOME TAX EXPENSE

	Year ended December 31,	
	2012	2011
	RMB'000	*RMB'000*
		(Restated)
Current tax:		
PRC enterprise income tax ("EIT")	**140,371**	224,720
Tax refund	**(17,450)**	–
Deferred tax:		
Current year	**612**	(27,898)
Income tax expense	**123,533**	196,822

PRC enterprise income tax has been generally provided at the applicable enterprise income tax rate of 25% (2011: 25%) on the estimated assessable profits of the companies in the Group during the year ended December 31, 2012.

Pursuant to the joint circular (2008) No. 46 of the Ministry of Finance and the State Administration of Taxation of the PRC, a PRC enterprise engaging in public infrastructure projects is entitled to a three-year tax exemption and a three-year 50% deduction on the PRC enterprise income tax for taxable income generated by qualified public infrastructure projects which are approved after January 1, 2008 commencing from the first year when relevant projects generate revenue. Details of the group companies and projects enjoy this tax concession are set out below.

Name of subsidiary	**Public infrastructure project**	**Tax exemption period**	**Tax reduction period**
The Company	Lumingshan Guanting Wind Farm Phase I	2008 to 2010	2011 to 2013
	Lumingshan Guanting Wind Farm Phase II	2010 to 2012	2013 to 2015
	Yanqing Wind Farm	2010 to 2012	2013 to 2015
	Lumingshan Guanting Wind Farm Phase II (Density increased)	2011 to 2013	2014 to 2016
北京京能新能源有限公司 (Beijing Jingneng New Energy Co., Ltd., English name for identification purpose) ("New Energy")	Huitengxile Wind Farm Phase I	2008 to 2009	2010 to 2012
New Energy	Saihan Wind Farm Phase I	2009 to 2011	2012 to 2014
New Energy	Zheligentu Wind Farm Phase I	2009 to 2011	2012 to 2014
New Energy	Saihan Wind Farm Phase II	2010 to 2012	2013 to 2015
New Energy	Zheligentu Wind Farm Phase II	2010 to 2012	2013 to 2015
New Energy	Huitengxile Wind Farm Phase II	2011 to 2013	2014 to 2016
內蒙古京能商都風力發電有限責任公司 (Inner Mongolia Jingneng Shangdu Wind Power Co., Ltd., English name for identification purpose) ("Shangdu Power")	Shangdu Wind Farm Phase I	2010 to 2012	2013 to 2015
Shangdu Power	Shangdu Wind Farm Phase II	2010 to 2012	2013 to 2015
內蒙古京能察右中風力發電有限責任公司 (Inner Mongolia Jingneng Chayouzhong Energy Co., Ltd., English name for identification purpose) ("Chayouzhong Wind Power")	Chayouzhong Wind Farm Phase II	2009 to 2011	2012 to 2014
錫林郭勒吉相華亞風力發電有限責任公司 (Xilinguole Jixianghuaya Wind Power Co., Ltd., English name for identification purpose) ("Jixianghuaya Wind Power")	Jixianghuaya Wind Farm Phase II	2010 to 2012	2013 to 2015
內蒙古京能烏蘭伊利更風力發電有限責任公司 (Inner Mongolia Jingneng Wulanyiligeng Wind Power Co., Ltd., English name for identification purpose) ("Wulanyiligeng Power")	Wulanyiligeng Wind Farm	2009 to 2011	2012 to 2014

Name of subsidiary	Public infrastructure project	Tax exemption period	Tax reduction period
內蒙古霍林郭勒風力發電有限責任公司 (Inner Mongolia Huolinguole Wind Power Co., Ltd., English name for identification purpose) ("Huolinguole Power")	Huolinguole Wind Farm Phase I	2009 to 2011	2012 to 2014
Huolinguole Power	Huolinguole Wind Farm Phase II	2011 to 2013	2014 to 2016
內蒙古京能巴林右風力發電有限責任公司 (Inner Mongolia Jingneng Balinyou Wind Power Co., Ltd., English name for identification purpose) ("Balinyou Wind Power")	Balinyou Wind Farm Phase I	2011 to 2013	2014 to 2016
寧夏京能新能源有限公司 (Ningxia Jingneng New Energy Co., Limited, English name for identification purpose) ("Ningxia New Energy")	Ningxia Taiyangshan Wind Farm Phase I	2011 to 2013	2014 to 2016
Ningxia New Energy	Ningxia Taiyangshan Wind Farm Phase II	2012 to 2014	2015 to 2017
Ningxia New Energy	Ningxia Photovoltaic Power	2012 to 2014	2015 to 2017
寧夏京能靈武風電有限公司 (Ningxia Jingneng Lingwu Wind Power Co., Ltd., English name for identification purpose) ("Ningxia Lingwu")	Ningxia Lingwu Wind Farm Phase I	2012 to 2014	2015 to 2017
Ningxia Lingwu	Ningxia Lingwu Wind Farm Phase II	2012 to 2014	2015 to 2017
內蒙古京能科右中風力發電有限責任公司 (Inner Mongolia Jingneng Keyouzhong Wind Power Co., Ltd., English name for identification purpose) ("Keyouzhong Wind Farm")	Keyouzhong Wind Farm	2012 to 2014	2015 to 2017
內蒙古京能旗杆風力發電有限公司 (Inner Mongolia Jingneng Qigan Wind Power Co., Ltd., English name for identification Purpose) ("Qigan Wind Farm")	Qigan Wind Farm	2012 to 2014	2015 to 2017
內蒙古京能文貢烏拉風力發電有限公司 (Inner Mongolia Jingneng Wengongwula Wind Power Co., Ltd., English name for identification purpose) ("Wengongwula Wind Farm")	Wengongwula Wind Farm	2012 to 2014	2015 to 2017

Besides above projects, the Group's wind farm project of Huitengxile Wind Farm Phase I and Huolinguole Power Phase I, was entitled to a tax refund pursuant to a joint circular (2012) No.10 of the Ministry of Finance and the State Administration of Taxation of the PRC, which retrospectively applied the above beneficial tax policy on the qualified public infrastructure projects which were approved before January 1, 2008. Accordingly, the Group was entitled to tax refund amounting to RMB17,450,000 for the year ended December 31, 2012.

Under the EIT Law, the preferential tax treatment for encouraged enterprises located in western PRC and certain industry-oriented tax incentives remains available up to December 31, 2020 when the original preferential tax period was expired. The Company's subsidiary, 黑水縣三聯水電開發有限責任公司 (Heishui County Sanlian HydroPower Development Co., Ltd., English name for identification purpose) ("Sanlian Power"), enjoys this preferential PRC enterprise income tax rate of 15% with a tax exemption for two years ended December 31, 2008 and 2009 and 50% deduction on enterprise income tax for the year ended December 31, 2010 and 2012. Two wind power projects wholly-owned by the Company, Chayouzhong Wind Farm Phase I, Jixianghuaya Wind Farm Phase I enjoys the preferential PRC enterprise income tax rate of 15% with a tax exemption for two years ended December 31, 2009 and 2010 and 50% deduction on enterprise income tax for the three years ending December 31, 2011, 2012 and 2013.

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

	Year ended December 31,	
	2012	2011
	RMB'000	*RMB'000*
		(Restated)
Profit before taxation	**1,111,939**	1,134,193
PRC enterprise income tax at 25%	**277,985**	283,548
Tax effect on:		
– Expenses not deductible for tax purposes	**17,533**	6,288
– Tax effect of share of result of associate and jointly controlled entities	**(60,927)**	(36,771)
– Tax losses and temporary differences not recognised as deferred tax assets	**13,575**	8,117
– Utilization of tax losses not recognised previously	**(10,997)**	(1,945)
– PRC enterprise income tax exemption and concessions	**(96,186)**	(62,415)
– Tax refund	**(17,450)**	–
	123,533	196,822

10. PROFIT FOR THE YEAR

	Year ended December 31,	
	2012	2011
	RMB'000	*RMB'000*
		(Restated)
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**6,031**	3,288
Prepaid lease payments released to profit or loss	**2,297**	1,319
Operating lease payments in respect of land and building	**11,973**	10,789
Depreciation and amortization:		
Depreciation of property, plant and equipment	**672,592**	588,202
Amortization of intangible assets	**181,846**	213,327
Total depreciation and amortization	**854,438**	801,529
Personnel costs:		
Directors' emoluments	**1,206**	712
Other personnel costs	**247,941**	211,033
Total personnel costs	**249,147**	211,745

11. DIVIDENDS

(a) Subsequent to the end of the reporting period, a final dividend of RMB3.75 cents per share (tax inclusive) in respect of the year ended December 31, 2012 amounting to RMB230,621,000 has been proposed by the Directors and is subject to the approval by the shareholders in the forthcoming annual general meeting.

(b) On November 16, 2010, the Company made a special resolution to make a special distribution to the then shareholders of the Company (the "Special Distribution") in an amount equal to the Group's profit attributable to the equity owners of the Company derived from April 30, 2010 to September 30, 2011. April 30, 2010 is the date on which the Group's assets are valued for establishment as a joint stock limited company, and September 30, 2011 is the end of the quarter immediately prior to the listing in December 2011. The Special Distribution amounting to RMB565,857,000 was determined based on the lower of the profit as determined under IFRSs or under PRC GAAP after the relevant 10% statutory surplus reserve was provided according to a special audit of the consolidated financial statements of the Group for the period from April 30, 2010 to September 30, 2011. The Company made an announcement on the outcome of the special audit and the amount of Special Distribution on March 28, 2012, and the Special Distribution was paid in December 2012.

(c) Besides of the Special Distribution, on March 28, 2011, a final dividend of RMB0.874 cents per share (tax inclusive) in respect of the year ended December 31, 2011 amounting to RMB53,720,000 was declared by the Directors and subsequently paid in July and August 2012.

(d) On May 8, 2012, a dividend in the total amount of RMB315,774,000 was declared by 北京太陽宮燃氣熱電有限公司 (Beijing Taiyanggong Gas-fired Power Company, English name for identification purpose) ("Taiyanggong Power") to its shareholders, including RMB82,101,000 attributable to its non-controlling shareholder.

(e) On May 6, 2011, a dividend in the total amount of RMB167,840,000 was declared by Taiyanggong Power to its then shareholders, including RMB43,638,000 attributable to its non-controlling shareholder.

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Year ended December 31,	
	2012	2011
	RMB'000	*RMB'000*
		(Restated)
Earnings		
Profit for the year attributable to equity owners of the Company	**910,101**	845,841

	Year ended December 31,	
	2012	2011
	RMB'000	*RMB'000*
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**6,144,745**	5,028,279
Effect of dilutive potential ordinary shares: over-allotment options issued by the Company	**–**	40
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**6,144,745**	5,028,319

The potential ordinary shares were over-allotment options relating to the listing of the Company's share in 2011. The over-allotment options were exercised during the year ended December 31, 2012.

13. TRADE AND BILL RECEIVABLES

	At December 31, 2012 RMB'000	2011 RMB'000 (Restated)
Trade receivables	**1,797,045**	1,397,633
Bill receivables	**33,282**	43,027
	1,830,327	1,440,660
Less: allowance for doubtful receivables	**875**	710
	1,829,452	1,439,950
Trade and bill receivables, classified as:		
– Current	**1,475,193**	1,439,950
– Non-current	**354,259**	–
	1,829,452	1,439,950

The following is an aged analysis of the Group's trade and bill receivables net of allowance for doubtful receivables based on the date of delivering of goods or rendering of services which approximated the respective dates on which revenue was recognised as at the reporting date:

	At December 31, 2012 RMB'000	2011 RMB'000 (Restated)
Within 60 days	**838,116**	784,244
61 to 365 days	**343,622**	482,705
1 to 2 years	**514,228**	172,902
2 to 3 years	**133,486**	99
	1,829,452	1,439,950

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

The common credit terms granted to the PRC state-owned grid companies on the sale of electricity and heat energy are 30 to 60 days, except for the wind power price premium to be collected from the PRC state-owned grid companies which will depend on the relevant PRC government bureaus' policies on the subsidies of renewable energies.

Sale of other goods not having a specific credit terms will normally be recovered within one year.

14. TRADE AND OTHER PAYABLES

	At December 31, 2012 RMB'000	2011 RMB'000 (Restated)
Trade payables	**1,344,907**	980,673
Bills payable	**232,576**	31,594
Advance received from customers	**10,605**	19,864
Salary and staff welfares	**65,118**	44,985
Non-income tax related tax payables	**38,969**	228,483
Accrued interests payable	**143,281**	26,193
Payable to NSSF for new share issuance *(Note)*	**–**	140,126
Payable for costs of new share issuance	**21,202**	63,729
Other payables	**58,434**	43,195
	1,915,092	1,578,842

Note:

In accordance with relevant PRC regulations regarding disposal of state-owned shares, in the event of an initial public offering or a share placement to public shareholders in overseas securities markets by a PRC joint stock company in which the state has an interest, such company shall dispose of its state-owned shares representing 10% of the amount received from such offering or placement. Proceeds generated from the disposal of such state-owned shares shall be remitted to NSSF.

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs, as well as payable for property, plant and equipment and relevant retention payables. At December 31, 2012, there was RMB287,966,000 (2011: RMB195,448,000) retention payables to be settled after one year at the end of the reporting period. The Group normally settles the trade payable related to gas purchase within 30 days, settles the trade payable related to equipment purchase and construction cost, according to related contractual arrangements which normally requires progress payments during the construction period and a final payment after construction cost verified by independent valuer.

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

	At December 31, 2012 RMB'000	2011 RMB'000 (Restated)
Within 30 days	**520,318**	396,151
31 to 365 days	**519,998**	292,620
1 to 2 years	**84,090**	64,498
2 to 3 years	**48,318**	192,225
Over 3 years	**172,183**	35,179
	1,344,907	980,673

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY REVIEW

In 2012, in face of severe challenges from complicated, volatile and long-sluggish international economic situation, China, by taking initiatives such as “macro-adjusting” and “expanding domestic demand”, maintained a healthy and steady growth of national economy.

In the context of the favorable situation, China has become the world’s biggest energy producer. Its installed capacity has increased to 1.14 billion KW; consumption of natural gas has increased quickly to around 150 billion m^3; installed hydropower capacity has increased to 249 million KW, which now ranks first in the world; installed wind power capacity has rapidly increased to 63 million KW, making China the world’s largest wind power market in terms of installed capacity; and solar power generation filled the gap with installed capacity increasing to 7 million KW.

The year 2012 was critical for China to optimize energy structure and transform energy development model. The frequently appeared haze in Beijing and other cities posed urgent calls for upgrading energy structure. To coordinate the development of energy industry and ecological environment, China is vigorously supporting clean energy industry, taking great efforts in developing new energy and renewable energy, so as to shape an economic growth that is sustainable in terms of resources and is within the ecological capacity. Beijing, as the capital, has initiated air pollution prevention measures and established clean air action plan of Beijing in accordance with the development mission of “Green Beijing” during the Twelfth Five-year Plan period. Beijing will also continue to optimize the energy structure, promote development of clean and low carbon energy, and build a highly-efficient and safe energy system through measures such as implementing the strategy of “Coal-free within the Fifth Ring Road” and establishing a regional energy center in full swing.

Thanks to the favorable policies above, the Group not only continued to consolidate the energy market in the capital region, but also made forward-looking deployments during the first financial year after listing, thus achieving rapid development in each segment with optimized business structure. Moreover, the Group opened a new chapter on safety production, project construction, primary development, operation management and financial control, laying a solid foundation for sound, rapid and sustainable development.

II. BUSINESS REVIEW IN 2012

1. Refined management with improving profitability and steady growth of profit margin

With the increase in installed capacity and the optimization of business structure, the Group continued to reinforce safety production, refined cost control, and leveraged on various favorable policies to press forward project development and collection of receivables under Clean Development Mechanism (CDM) with an aim to increase the Group’s profitability. Profit and total comprehensive income attributable to equity owners of the Company for the year ended December 31, 2012 amounted to RMB910.1 million, representing an increase of 7.60%, as compared with the corresponding period in 2011.

2. **Continuously consolidating regional energy market in Beijing and effectively carrying out key project construction**

In 2012, the Group created more profit growth by carrying out project construction of Four Major Thermal Power Centers, launching the regional energy project in full sail, and constructing and operating key projects as planned. First, with the accelerating progress of "Coal-free within the Fifth Ring Road", projects in the gas-fired power and heat energy generation segment came into operation and the capacity of projects under construction expanded rapidly, which laid solid foundation for the explosive growth of installed capacity in the future. At the end of 2012, Southwest Thermal Power Center – Jingqiao Project Phase II had successfully come into operation, and the installed capacity of the gasfired power and heat energy generation segment amounted to 2028 MW; Northeast Thermal Power Center – Gaoantun Project had entered into the civil construction; and Northwest Thermal Power Center – Jingxi Project had proceeded at faster paces after obtaining approval in the first half of 2012 with its steel frame put into place. Meanwhile, key regional energy projects went smoothly. Jingqiao Peak Load Shifting Heat Supply Project Phase I and Changping Future Hightech City Peak Load Shifting Heat Supply Project as well as its supporting pipeline network came into operation and started to supply heat to users in 2012. The primary stages of other regional energy projects for Capital Airport No 2, Changping Technology Business District ("TBD") and Tongzhou Taihu, proceeded steadily, which further enhanced the Group's sustainability.

3. **Reasonably adjusting development layout and continuously optimizing business structure**

In 2012, the Group reasonably adjusted development layout, coordinated the development between each business segment and optimized business structure in accordance with the principles to "expand gas-fired power projects, build up wind power projects, increase hydropower projects, and optimize solar power projects" under the Twelfth Five-year Plan for China and Beijing, so as to further shape a new development landscape of clean energy.

In light of the governmental incentives for small to medium hydropower, the Group further expanded its niche by actively tapping on hydropower resources and pressing ahead with project construction in the year with guaranteed quality and quantity. As at the year of 2012, the Group acquired Dachuan and Zhongneng, two small to medium hydropower projects with attractive potential in Sichuan. At the end of 2012, Nabang hydropower project developed by the Group commenced production, substantially expanding the Group's hydropower installed capacity to 368.89 MW.

During the Reporting Period, by seizing opportunities from new policies of solar power industry, the Group actively expanded its solar power projects, managed investment cost strictly and optimized investment plan to ensure investment return. Badaling Solar Power Project – the first ground solar power project in Beijing broke ground; and Taiyangshan

Project in Ningxia has successfully come into operation. Meanwhile, the Company put more efforts in obtaining approval for pipeline projects. During the Reporting Period, solar power projects with a total capacity of 71.08 MW were approved, hitting a new high in terms of annual approved capacity.

In view of the current situation, the Group actively adjusted its strategic layout, while steadily carrying forward project development with a focus on economic benefit. The Group initially expands to areas which could have better access to power grid and pushes forward the primary work according to local conditions and dispersed layout in multiple ways and through multiple channels. Therefore, the Group improved primary work with clearer goal, more scientific plan, more reasonable development layout and stricter management. During the Reporting Period, the sole wind power farm in Beijing – Guanting Wind Power Station achieved better profitability due to desirable wind resources, and was included into the Group's overall development plan in order to further increase installed capacity in that area. Guanting Project Phase III has been approved and its follow-up pipeline projects have been included into the national plan on wind power projects to be approved. Moreover, the Group is seeking to expand pipeline projects with better wind resources in Ningxia and Xinjiang.

4. Steady increase in power generation based on safe production and stable operation

In 2012, the Group continued to implement the safety production measures and, with effective management and refined operation, ensured safe, stable and efficient operation of each power generation project, which achieved a record high of annual power generation. As at December 31, 2012, the Group's consolidated installed capacity amounted to 3,957.64 MW with consolidated gross power generation of 8,506 MWh.

5. Enhancing technological innovation to strengthen core competitiveness

The Group increased its investment in technological innovation in 2012.

New technologies were adopted in infrastructure projects. The project of "Key Technologies and Demonstrations for Upgrading the Efficiency of Heat Supply Systems in Urban and Rural Areas" in the Future Science and Technology City was included as one of the key projects of "Twelfth Five-year Plan" by the Ministry of Science and Technology of the People's Republic of China (the "**PRC**"); and the e-power plant of Northeast Thermal Power Center, featuring optimized designs such as circulating water system and in-depth utilization of waste gas heat, has laid a sound foundation for safety operation of power generation units.

The Group attained new achievements in scientific research and development. The Group's leading research program of CDM methodology in relation to gas-fired heat and power cogeneration projects is considered as a milestone in that field at home and abroad.

6. Taking initiatives to optimize debt structure for higher risk resistance capacity

In 2012, the Group explored multiple financing channels and actively optimized its financial structure. During the Reporting Period, the Group successfully issued corporate bonds of RMB3.6 billion and acquired low cost insurance capital facility of RMB3.0 billion through "Bond Investment Plan". Upon approval from regulatory authorities for short-term debentures of RMB1.8 billion, the Group issued short-term debentures successfully in January and March 2013. The Company's subsidiary, Beijing Jingneng New Energy Co., Ltd issued medium-term notes of RMB1.0 billion. The Group acquired large sum of stable funding at low cost through multiple financing channels, which greatly enhanced its profitability and ensured successful progress of projects with higher risk resistance capacity.

7. Properly developing CDM projects in alignment with market policies

In 2012, the Group actively realigned its sales strategy with international market policies to respond to the volatile CDM price movements, so as to ensure project contracts to be signed successfully and fulfilled in time. As at December 31, 2012, the Group successfully registered a total of 33 CDM projects, with a total installed capacity of 3,112.30 MW. In 2012, the 11 additional CDM projects contributed to a total installed capacity of 592.4 MW and the net income from certified emission reductions (CERs) and voluntary emission reductions (VERs) amounted to RMB248.5 million in total.

III. OPERATING RESULTS AND ANALYSIS

1. Overview

In 2012, the Group's profitability was gradually improved. Net profit for the year amounted to RMB988.4 million, representing an increase of 5.44% as compared to RMB937.4 million in 2011. Profit and total comprehensive income attributable to equity owner of the Company amounted to RMB910.1 million, representing an increase of 7.60% compared with RMB845.8 million in 2011.

2. Operating income

Total revenue increased by 2.49% from RMB4,050.7 million in 2011 to RMB4,151.6 million in 2012, due to an increase in the installed capacity in the wind power segment and the hydropower segment which commenced production in 2012. Our adjusted operating income, which is the sum of the operating revenue and government subsidies related to clean energy production, decreased by 1.68% from RMB4,680.5 million in 2011 to RMB4,602.0 million in 2012, due to a decrease in government grants and subsidies for production of clean energy after on-grid tariffs for gas-fired power rose twice in April 2011 and December 2011, respectively.

(1) Gas-fired power and heat energy generation segment

Revenue from the gas-fired power and heat energy generation segment decreased by 5.96% from RMB2,699.7 million in 2011 to RMB2,538.9 million in 2012, due to a decrease in sales volume of electricity as a result of overhaul of part of the units in this segment. Revenue from sales of electricity decreased by 6.98% from RMB2,308.9 million in 2011 to RMB2,147.8 million in 2012, due to a decrease in sales volume of electricity as a result of overhaul of part of the units in this segment. Revenue from sales of heat energy increased by 10.73% from RMB349.9 million in 2011 to RMB387.4 million in 2012, due to the increased heat energy generation in this segment.

(2) Wind power segment

Revenue from our wind power segment increased by 12.04% from RMB1,176.7 million in 2011 to RMB1,318.4 million in 2012, due to an increase in sales of electricity generated by the new projects which commenced operation in this segment.

(3) Hydropower segment

Revenue from our hydropower segment increased by 84.39% from RMB153.9 million in 2011 to RMB283.7 million in 2012, due to an increase in sales volume of electricity as we increased the consolidated installed capacity in this segment.

(4) Other businesses

Revenue from our other businesses decreased by 47.97% from RMB20.4 million in 2011 to RMB10.6 million in 2012.

3. Other income

Other income decreased by 23.87% from RMB963.1 million in 2011 to RMB733.2 million in 2012, due to a decrease in government grants and subsidies for production of clean energy in gas-fired power and heat energy generation segment after on-grid tariffs for gas-fired power rose twice in 2011.

4. Operating expenses

Operating expenses decreased by 3.35% from RMB3,451.6 million in 2011 to RMB3,336.0 million in 2012, primarily due to a decrease in consumption of gas as a result of declining sales volume of electricity in our gas-fired power and heat energy generation segment.

(1) Gas consumption

Our gas consumption decreased by 12.74% from RMB2,110.1 million in 2011 to RMB1,841.3 million in 2012, due to a decrease in sales volume of electricity as a result of overhaul of part of the units in the gas-fired power and heat energy generation segment, as well as a decrease in gas consumption.

(2) Depreciation and amortization

Our depreciation and amortization increased by 6.60% from RMB801.5 million in 2011 to RMB854.4 million in 2012, due to an increase in production capacity of our wind power and hydropower segments.

(3) Personnel cost

Our personnel cost increased by 17.66% from RMB211. 7 million in 2011 to RMB249.1 million in 2012, due to expensed personnel costs, which were increased as a result of increased number of employees following the Group's business development and commencement of production of new projects.

(4) Repairs and Maintenance

Repairs and maintenance increased by 43.17% from RMB105.6 million in 2011 to RMB151.2 million in 2012, due to an increase in expenses for repairs and maintenance of gas-fired power generation units.

(5) Other expenses

Other expenses increased by 36.45% from RMB213.5 million in 2011 to RMB291.3 million in 2012, due to an increase in expenses for business development in each segment.

(6) Other (gains) and losses

Our other (gains) and losses changed from other losses of RMB9.2 million in 2011 to other gains of RMB51.4 million in 2012, due to the gains from the transfer of 50% equity interests by the Company in Beijing Huayuan Heating Pipeline Co., Ltd. and the transfer of 100% equity interests by Beijing Jingneng New Energy Co., Ltd. of the wind power segment in Jingneng Changtu New Energy Co., Ltd.

5. Profit from operations

As a result of the above, our profit from operations decreased by 0.86% from RMB1,562.3 million in 2011 to RMB1,548.8 million in 2012.

6. Adjusted segment operating profit

Adjusted segment operating profit, which is segment profit deducting profit from CDM projects and items other than government grants related to clean energy production, increased by 2.99% from RMB1,226.8 million in 2011 to RMB1,263.5 million in 2012, due to an increase in sales volume of electricity from our wind power and hydropower segments.

Gas-fired power and heat energy generation segment

Adjusted segment operating profit of our gas-fired power and heat energy generation segment decreased by 27.38% from RMB596.3 million in 2011 to RMB433.0 million in 2012, due to a decrease in revenue as a result of decreased sales volume of electricity in this segment and a decrease in government grants and subsidies for production of clean energy after ongrid tariffs for gas-fired power rose twice in 2011.

Wind power segment

Adjusted segment operating profit of our wind power segment increased by 15.84% from RMB584.5 million in 2011 to RMB677.1 million in 2012, due to increased sales of electricity generated by the new projects which commenced operation.

Hydropower segment

Adjusted segment operating profit of the hydropower segment increased by 106.93% from RMB76.2 million in 2011 to RMB157.7 million in 2012, due to increased sales volume of electricity in this segment.

Other businesses

Adjusted segment operating loss of other businesses decreased by 85.82% from RMB30.2 million in 2011 to RMB4.3 million in 2012, due to the gains from the transfer of 50% equity interests by the Company in Beijing Huayuan Heating Pipeline Co., Ltd..

7. Finance costs

Our finance costs increased by 19.78% from RMB591.5 million in 2011 to RMB708.5 million in 2012, due to increased interest expenses as a result of the commencement of production of new projects in wind power segment.

8. Share of results of associates and jointly controlled entities

Share of results of associates and jointly controlled entities increased by 65.70% from RMB147.1 million in 2011 to RMB243.7 million in 2012, due to much improved net profit of Beijing Jingneng International Power Co., Ltd. as a result of electricity price increase and coal price control.

9. Profit before taxation

As a result of foregoing, our profit before taxation decreased by 1.96% from RMB1,134.2 million in 2011 to RMB1,111.9 million in 2012.

10. Income tax expense

Our income tax expense decreased by 37.24% from RMB196.8 million in 2011 to RMB123.5 million in 2012, and our effective tax rate decreased from 17.35% in 2011 to 11.11% in 2012, primarily due to the preferential taxation policy enjoyed by the projects which newly come into production in wind power segment.

11. Profit for the year

As a result of the foregoing, profit for the year increased by 5.44% from RMB937.4 million in 2011 to RMB988.4 million in 2012.

12. Profit and total comprehensive income for the year attributable to equity owners of the Company

Profit and total comprehensive income for the year attributable to equity owners of the Company increased by 7.60% from RMB845.8 million in 2011 to RMB910.1 million in 2012.

IV. FINANCIAL POSITION

1. Overview

As at December 31, 2012, total assets of the Group increased substantially to RMB31,109.1 million, total liabilities amounted to RMB21,786.8 million and shareholders' equity reached RMB9,322.3 million, among which, equity attributable to equity owners of the Company amounted to RMB9,046.8 million.

2. Particulars of assets and liabilities

Our total assets increased by 10.76% from RMB28,087.2 million as at December 31, 2011 to RMB31,109.1 million as at December 31, 2012, due to an increase in investment on project construction. The total liabilities increased by 30.94% from RMB16,638.9 million as at December 31, 2011 to RMB21,786.8 million as at December 31, 2012, due to an increase in loans for project construction. Total shareholders' equity decreased by 18.57% from RMB11,448.3 million as at December 31, 2011 to RMB9,322.3 million as at December 31, 2012. Equity attributable to equity owners of the Company decreased by 18.28% from RMB11,070.5 million as at December 31, 2011 to RMB9,046.8 million as at December 31, 2012, due to the distribution of special dividends to prior-listing shareholders.

3. Liquidity

As at December 31, 2012, our current assets amounted to RMB4,862.1 million, among which, cash reached RMB2,178.0 million. Bills and account receivables amounted to RMB1,475.2 million, mainly comprising receivables from sales of electricity and heat energy. Prepayment and other current assets amounted to RMB1,208.9 million, mainly comprising deductible value-added tax and other accounts receivables. Current liabilities amounted to RMB7,604.8 million (including short-term borrowings of RMB4,266.8 million and bills and account payables of RMB1,915.1 million), mainly comprising payables for gas and purchase of engineering equipments. Other current liabilities amounted to RMB1,422.9 million, mainly including deferred incomes, income tax payable and amounts due to related parties.

Net current liabilities decreased by 14.95% from RMB3,224.7 million as at December 31, 2011 to RMB2,742.7 million as at December 31, 2012, due to a decrease in short-term borrowings.

The liquidity ratio increased by 3.23% from 60.70% as at December 31, 2011 to 63.93% as at December 31, 2012, due to a decrease in short-term borrowings.

4. Net gearing ratio

Net gearing ratio (net debts (i.e., total borrowings minus cash and cash equivalents) divided by the sum of net debts and total equity) increased by 12.51% from 50.64% as at December 31, 2011 to 63.15% as at December 31, 2012, due to a decrease in owners' equity as a result of distribution of special dividends to prior-listing shareholders.

The Group's long-term and short-term borrowings increased by 25.28% from RMB14,492.1 million as at December 31, 2011 to RMB18,155.6 million as at December 31, 2012, including short-term borrowings of RMB4,266.8 million, long-term borrowings of RMB9,305.9 million, medium-term notes of RMB1,000.0 million and corporate bonds of RMB3,582.9 million.

Bank balances and cash held by the Group decreased by 20.72% from RMB2,747.3 million as at December 31, 2011 to RMB2,178.0 million as at December 31, 2012, due to exchange settlement and use of the majority of the proceeds according to the prospectus.

5. Capital expenditure

In 2012, the Group's capital expenditure amounted to RMB4,993.3 million, including expenditures incurred for construction projects in gas-fired power and heat energy generation segment of RMB2,491.7 million, expenditures incurred for construction projects in wind power segment of RMB1,620.8 million, expenditures incurred for construction projects in hydropower segment of RMB596.2 million, and expenditures incurred for other construction projects of RMB284.5 million.

6. Substantial acquisition and disposal

In accordance with “Approval on Equity Transfer by Beijing Jingneng Clean Energy Co., Limited in Beijing Huayuan Heating Pipeline Co., Ltd. ” (Jing Guo Zi Chan Quan [2012] No. 117), the Company disposed 35% equity interests in Beijing Huayuan Heating Pipeline Co., Ltd. in June 2012, at a consideration of RMB107.2 million.

In accordance with the “Approval on Equity Transfer by Beijing Jingneng Clean Energy Co., Limited in Beijing Huayuan Heating Pipeline Co., Ltd. (Jing Guo Zi Chan Quan [2012] No. 210)”, the Company disposed 15% equity interests in Beijing Huayuan Heating Pipeline Co., Ltd. in December 2012, at a consideration of RMB46.0 million.

In accordance with “Approval on Assets Evaluation on the Transferred Equity of Jingneng Changtu New Energy Co., Ltd.” (Jing Guo Zi Chan Quan [2012] No. 121), the Company disposed 100% equity interest in Changtu New Energy Co., Ltd. in 2012, at a consideration of RMB132.6 million.

In accordance with “Approval on Equity Transfer of Sichuan Dachuan Power Co., Ltd. and Sichuan Zhongneng Power Co., Ltd.” (Jing Guo Zi Chan Quan [2012] No. 267) in December 2012, the Company completed acquisition of 100% equity interest in Sichuan Dachuan Power Co., Ltd. and 100% equity interests in Sichuan Zhongneng Power Co., Ltd., at a consideration of RMB1,281.1 million and RMB558.9 million, respectively.

7. Major investment

According to the Group’s development plan, the Company established wholly-owned subsidiaries, Beijing Jingxi Gas-fired Power Co., Ltd. and Beijing Shangzhuang Gas-fired Power Co., Ltd., for project construction of gas-fired power generation and heat energy generation projects in April and June 2012, respectively.

8. Contingent liabilities

As at December 31, 2012, the Group’s total financial guarantee amounted to RMB598.4 million.

9. Pledge of assets

As at December 31, 2012, the Group has pledged trade receivables amounting to RMB80.3 million for bank borrowings.

V. RISK FACTORS AND RISK MANAGEMENT

Currently, the operation and development of the Group are not exposed to any material risks, but certain risk factors may exert impact in the short run:

1. Interest rate risk

Uncertainty of interest rate will pose certain impact on financing cost of the Group. In 2012, the People's Bank of China rolled out a series of interest rate cuts and made money supply relatively elastic. The Group's good credit standing and sufficient credit facility from banks ensured safe, stable and smooth funding. Also, for the purpose of minimizing the financing cost, the Group obtained a large sum of stable funding at low cost and ensured the funding source of projects by issuing bonds, medium-term notes and short-term debentures and raising other low cost funding.

The Group shall closely monitor the changes in economic environment, predict the tendency of bank interest rate and improve the management of liability structure with timely adjustment of liability structure, so as to minimize interest rate exposure.

2. Development risk of CDM project

As the risk may arise from potential changes in the certification standards or policies in relation to registration of CDM projects with CDM Executive Board (CDM EB), uncertainties exist regarding the time and results of project registration. The Group's income from CDM projects may be affected if projects cannot be registered or significant policy change takes place during the development of the projects.

The 2012 United Nations Climate Change Conference in Doha continued the decision on the second commitment period under the Kyoto Protocol. However, since the second half of 2012, countries of the European Union had witnessed the deteriorating economy, which led to inadequate intention to reduce emission and depressed CDM prices.

China is actively experimenting with the carbon-trading system, which is expected to create a demand for CDM or emissions reductions by other similar mechanisms. Considering such rules are not clear, the Group will have more uncertainties in CDM business.

The Group leverages on its professional project development team to keep track of the status of projects and production process, strengthens the management of the development process of CDM projects, and reinforces the quality of the project application documents. In the meantime, the Group conducted real-time analyses of market and policy trends, enhanced communications with the relevant authorities, adjusted development strategy in a timely manner and enhanced business negotiating power, so as to maximize the income from CDM projects.

3. Exchange rate risk

The businesses of the Group are mainly located in mainland China. Most of the Group's income and expenses are denominated in Renminbi. The proceeds raised by the Group is denominated in Hong Kong dollars and CDM income is denominated in foreign currency. Changes in the Renminbi exchange rate may cause exchange loss or gain for the Group's foreign currency denominated business.

The Group actively monitors and studies the changes of exchange rate, so as to respond to changes in foreign exchange market and improve the management on exchange rate risk through various management measures.

VI. FUTURE OUTLOOK IN 2013

Despite the mixed and uncertain global economy in 2013, the Group has confidence that China will keep its economy smooth by adopting a combination of short-term and medium to long-term policies with flexibility and effectiveness. It will promote industrial structure upgrading and push forward the clean energy business for the better. In particular, in order to realize the goal of "Green Beijing" and "World City with Chinese Characteristics", Beijing will have higher requirement on environmental control while keeping rapid development with clean energy seizing more market share.

The Group will take full advantage of the opportunities in energy structure upgrading, highlight the guideline of "maintaining stable development with emphasis on Beijing, prioritizing efficient use of resources to achieve maximum cost-efficiency", proactively carry out the guiding principle on investment and operation to "maintain stability, devise strategic layout, optimize structure, strengthen management and promote growth", and keep the momentum stable, so as to further consolidate and develop the regional energy market in Beijing. The Group expects to improve its profitability, risk resistance capacity, sustainability and core competitiveness through forward-looking strategy, rational scale and efficient operation.

In 2013, the Group will endeavor to achieve the following targets:

1. Steadily carrying out project construction to create quality projects and increase scale and efficiency

Focusing on the Four Major Thermal Power Centers in Beijing, the Group will actively advance the construction of regional energy projects including Northeast Thermal Power Center, Northwest Thermal Power Center, the Changping Future High-tech City and projects in North Haidian District with strict control over construction costs. The Group will make endeavours to intensify design inspection and optimization, strengthen quality control and arrange construction schedules reasonably, so as to ensure that the projects could commence production as scheduled. On this basis, the Group expects to achieve its "Multiplied Capacity Plan" for the gas-fired and heat energy generation segment to build up a strong pillar for its profitability.

2. **Improving management on production and operation to keep production indicators in top standings**

   In 2013, the Group will continue to improve the management on safe production, establish sound and safe management system for new energy development, control each production process and establish protocols to follow, so as to ensure safe and stable operation of equipment. The Group will enhance the capabilities of risk prevention and emergency response with improved dynamic control over production processes through technology and management measures, aiming to achieve the annual target of power generation.

3. **Optimizing project distribution and enhancing capability of sustainable development**

   In 2013, to profit from the favorable industrial policies in China and Beijing for the Twelfth Five-year Plan period, the Group will continue to follow the principles to "expand gas-fired power projects, build up wind power projects, increase hydropower projects, and optimize solar power projects". Also, on the basis of accurate judgment on current situation and proactive justification of potential chances, the Group will promote the optimization of business structure, increase the number of pipeline projects and put great emphasis on primary development, so as to steadily advance the current work of regional energy, hydropower, wind power and solar power projects, coordinate development of multi-resources and enhance the capability for sustainable development.

4. **Strengthening management to sharpen core competitiveness of the Company**

   The Group will implement refined management to tap on the efficiency of the existing assets, enhance financial management and optimize debt structure, so as to ensure funding source and improve risk resistance capacity. The Group will strengthen the bidding management to minimize procurement cost, keep track of the development trend of international CDM policies, analyze the equilibrium between demand and supply and choose appropriate timing for carbon trading, so as to ensure profit from CDM projects. The Group will, based on profound benchmarking analysis, constantly optimize planning and design, infrastructure management, procurement management and funding management to sharpen core competitiveness of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended December 31, 2012.

FINAL DIVIDEND

The Board resolved to propose to the shareholders of the Company on the forthcoming Annual General Meeting (the "**AGM**") to be held on June 19, 2013, for the payment of a final dividend of RMB3.75 cent per share (tax inclusive) for the year ended December 31, 2012 (the "**2012 Final Dividends**") payable to the shareholders of the Company whose names are listed in the register of members of the Company on June 30, 2013, in an aggregate amount of approximately RMB231 million. The 2012 Final Dividends will be denominated and declared in RMB. Dividends on domestic shares will be paid in RMB and dividends on H Shares will be paid in Hong Kong dollars. The proposal for the payment of the 2012 Final Dividends is subject to the consideration and approval of the shareholders at the AGM of the Company.

Pursuant to the Enterprise Income Tax Law of the PRC and its implementation rules, which came into force since January 1, 2008 and other relevant rules, where the Company distributes the proposed 2012 Final Dividends to non-resident enterprise shareholders whose names appear on the register of members for H shares of the Company, it is required to withhold enterprise income tax at a rate of 10%. Any H shares registered in the name of non-individual registered shareholders, including HKSCC Nominees Limited, other nominees or trustees, or other organisations or groups, will be treated as shares being held by non-resident enterprise shareholders, and consequently will be subject to the withholding of the enterprise income tax.

Pursuant to the PRC Individual Income Tax Law, the Implementation Regulations of the Individual Income Tax Law, the Tentative Measures on Withholding and Payment of Individual Income Tax and other relevant laws and regulations, the foreign individuals who are the holders of H shares shall pay individual income tax at a tax rate of 20% upon their receipt of distribution of dividend from domestic enterprises which issued such H shares, which shall be withheld and paid by such domestic enterprises on behalf of the such individual H shareholders. However, the Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax effective from May 13, 1994 (the "**1994 Notice**") grants exemption to foreign individuals from PRC individual income tax on dividend from foreign-invested enterprises. Since the Company has become a "foreign-invested enterprise" since August 2010 as approved by the relevant PRC authorities, the individual shareholders who hold the Company's H shares and whose names appear on the register of members of H shares of the Company (the "**Individual H Shareholders**") are not required to pay PRC individual income tax when the Company distributes the 2012 Final Dividends based on the 1994 Notice. Therefore, the Company will not withhold any amount of the 2012 Final Dividends to be distributed to the Individual H Shareholders to pay the PRC individual income tax.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain shareholders' entitlement to attend and vote at the AGM and to the proposed 2012 Final Dividends, the H share register of members of the Company will be closed from Sunday, May 19, 2013 to Wednesday, June 19, 2013 (both days inclusive) and from Tuesday, June 25, 2013 to Sunday, June 30, 2013 (both days inclusive), respectively, during which periods no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming AGM, holders of

H shares of the Company shall lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before 4:30 p.m. on Thursday, May 16, 2013. In order to qualify for receiving the proposed 2012 Final Dividends (subject to the approval by shareholders at the forthcoming AGM), holders of H shares of the Company shall lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at the above mentioned address for registration before 4:30 p.m. on Monday, June 24, 2013.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE

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 Code on Corporate Governance Practices (formerly set out in Appendix 14 to Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) for the three months ended March 31, 2012 and all code provisions of the Corporate Governance Code (the new edition of the Code on Corporate Governance Practices which is applicable after April 1, 2012) as set out in Appendix 14 to the Listing Rules for the nine months ended December 31, 2012.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS

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

AUDITORS

Deloitte Touche Tohmatsu and Crowe Horwath China Certified Public Accountants were appointed as auditors for the financial statements prepared in accordance with IFRSs and Accounting Standards for Business Enterprises of PRC, respectively, for the year ended December 31, 2012. The Company's financial statements for the year 2012 prepared in accordance with IFRSs have been audited by Deloitte Touche Tohmatsu.

A resolution on re-appointing Deloitte Touche Tohmatsu and Crowe Horwath China Certified Public Accountants as the international and domestic auditors of the Company respectively in the year of 2013 will be proposed at the Company's forthcoming AGM.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's 2012 annual results and the financial statements for the year ended December 31, 2012 prepared in accordance with the IFRSs.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the HKExnews website of the Stock Exchange at http://www.hkexnews.hk and on the website of the Company at http://www.jncec.com/. The 2012 annual report containing all the information required by the Listing Rules will be dispatched to the shareholders in due course and will be published on the websites of the Company and the Stock Exchange.

By order of the Board
Beijing Jingneng Clean Energy Co., Limited
LU Haijun
Chairman

Beijing, the PRC

March 27, 2013

As at the date of this announcement, the non-executive directors of the Company are Mr. Lu Haijun, Mr. Guo Mingxing, Mr. Xu Jingfu, Mr. Liu Guochen, Mr. Yu Zhongfu and Mr. Jin Yudan; the executive director of the Company is Mr. Chen Ruijun; and the independent non-executive directors of the Company are Mr. Liu Chaoan, Mr. Shi Xiaomin, Ms. Lau Miu Man and Mr. Wei Yuan.