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

2017 Interim Report

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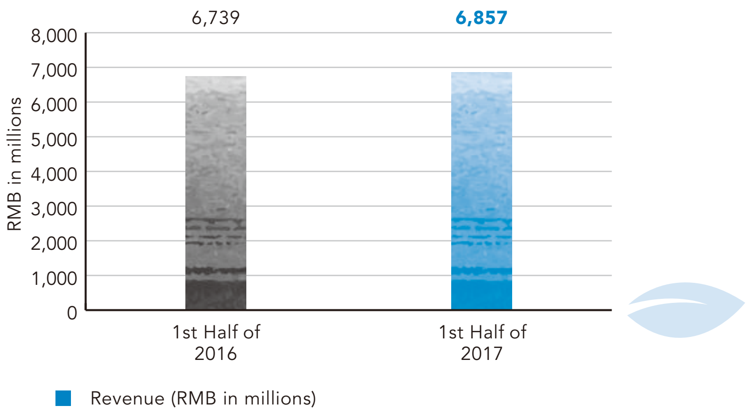
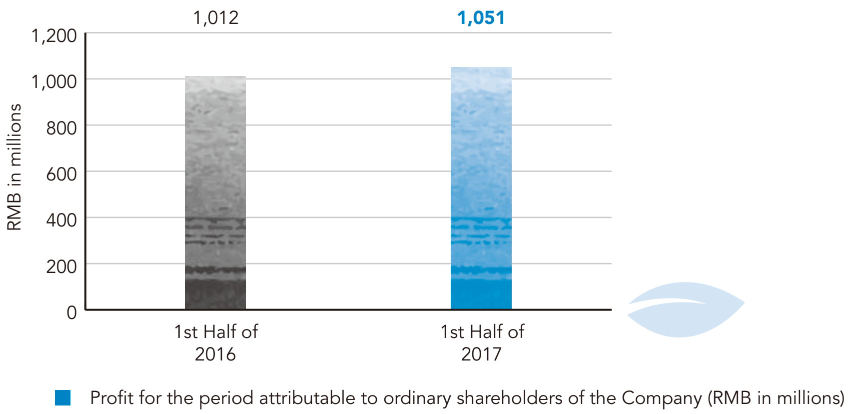
FINANCIAL HIGHLIGHTS

Beijing Jingneng Clean Energy Co., Limited (the **"Company"**)

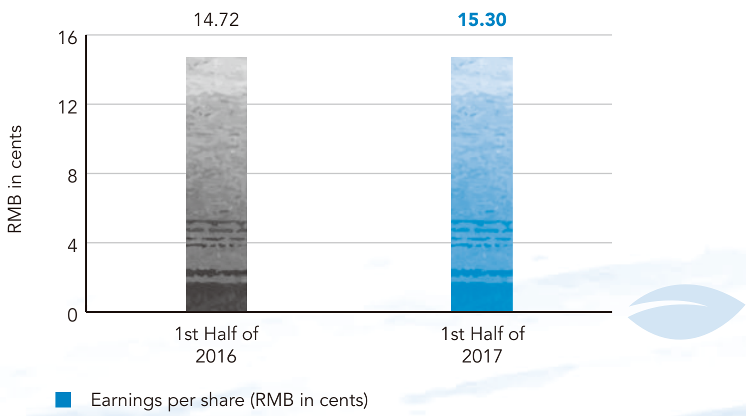
REVENUE



PROFIT FOR THE PERIOD ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY



EARNINGS PER SHARE



	For the six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Revenue	**6,857,276**	6,738,867
Profit before taxation	**1,491,959**	1,400,106
Income tax	**(368,262)**	(303,022)
Profit for the period	**1,123,697**	1,097,084
Profit for the period attributable to:		
Ordinary shareholders of the Company	**1,050,958**	1,011,538
Holders of perpetual notes	**38,308**	38,301
Non-controlling interests	**34,431**	47,245
Basic and diluted earnings per share (RMB cents)	**15.30**	14.72

	As of 30 June 2017	As of 31 December 2016
	RMB'000	*RMB'000*
Total non-current assets	**40,698,645**	40,926,643
Total current assets	**8,710,313**	6,806,244
Total assets	**49,408,958**	47,732,887
Total current liabilities	**21,522,842**	20,279,259
Total non-current liabilities	**9,928,996**	10,058,316
Total liabilities	**31,451,838**	30,337,575
Net assets	**17,957,120**	17,395,312
Total equity attributable to the ordinary shareholders of the Company	**15,944,826**	15,379,475
Holders of perpetual notes	**1,489,040**	1,527,982
Non-controlling interests	**523,254**	487,855
Total equity	**17,957,120**	17,395,312

CORPORATE PROFILE

REGISTERED NAME

Beijing Jingneng Clean Energy Co., Limited

DIRECTORS

Non-executive Directors

Mr. ZHU Yan *(Chairman)*
Mr. LI Dawei
Mr. GUO Mingxing
Mr. ZHU Baocheng
Mr. YU Zhongfu
Mr. ZHAO Wei

Executive Director

Mr. CHEN Ruijun

Independent Non-executive Directors

Mr. HUANG Xiang
Mr. ZHANG Fusheng
Mr. CHAN Yin Tsung
Mr. HAN Xiaoping

STRATEGY COMMITTEE

Mr. ZHU Yan *(Chairman)*
Mr. LI Dawei
Mr. GUO Mingxing
Mr. ZHU Baocheng
Mr. CHEN Ruijun

REMUNERATION AND NOMINATION COMMITTEE

Mr. HUANG Xiang *(Chairman)*
Mr. ZHU Yan
Mr. GUO Mingxing
Mr. ZHANG Fusheng
Mr. HAN Xiaoping

AUDIT COMMITTEE

Mr. CHAN Yin Tsung *(Chairman)*
Mr. ZHU Baocheng
Mr. HUANG Xiang

SUPERVISORS

Mr. LI Xun
Mr. LIU Jiakai
Ms. HUANG Linwei

COMPANY SECRETARY

Mr. KANG Jian

AUTHORIZED REPRESENTATIVES

Mr. CHEN Ruijun
7/8 Floor, No.6 Xibahe Road,
Chaoyang District, Beijing, the PRC

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PRINCIPAL PLACE OF BUSINESS IN THE PRC

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL BANKERS

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Dongcheng District, Beijing, the PRC

Bank of Communications Co., Ltd. (Fuwai Branch)
Building 1, No. 9, Chegongzhuang Avenue,
Xicheng District, Beijing, the PRC

Agricultural Bank of China Limited (Fengtai Branch)
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Fengtai District, Beijing, the PRC

Industrial and Commercial Bank of China Limited
(Taoranting Branch)
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Xicheng District, Beijing, the PRC

INTERNATIONAL AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F, One Pacific Place,
88 Queensway, Hong Kong

DOMESTIC AUDITOR

Ruihua Certified Public Accountants
(Special General Partnership)
5-11F, West Tower, China Overseas Property Plaza,
Xibinhe Road, Yongdingmen,
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HONG KONG LEGAL ADVISOR

Freshfields Bruckhaus Deringer
11/F, Two Exchange Square,
Central, Hong Kong

PRC LEGAL ADVISOR

Tian Yuan Law Firm
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Xicheng District, Beijing, the PRC

H SHARE REGISTRAR

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STOCK CODE

579

COMPANY'S WEBSITE

www.jncec.com

LISTING PLACE

The Stock Exchange of Hong Kong Limited

During the first half of 2017, economic growth was within a reasonable range and showed development amidst stability. Nationwide, electricity supply met the demand in general, and certain regions witnessed surplus. Following the rapid growth since the second half of 2016, national electricity consumption increased by 6.3% year-on-year at a growth rate 3.6 percentage points higher than that of the corresponding period last year. Electricity consumption of the secondary industry recorded a year-on-year growth of 6.1%, contributing 4.4 percentage points to the growth of national power consumption as the major driver. Electricity consumption of the tertiary industry increased by 9.3% as compared to the corresponding period last year, which contributed 1.2 percentage points to the growth of national power consumption and accounted for 13.7% of the national power consumption, up 0.4 percentage point year-on-year. Given the high base of the corresponding period last year and warm weather in the first quarter, residential power consumption increased by 4.5% year-on-year at the second lowest rate in a decade.

According to the statistics from the China Electricity Council, as at the end of June 2017, power plants with a capacity of 6,000kW and above generated sufficient supply and had an installed capacity of 1.63 billion kW, representing a year-on-year increase of 6.9%. Investment in coal-fired power generation and newly installed capacity of coal-fired power generation decreased by 29.0% and 48.3% respectively as compared to the corresponding period last year. Due to the continuous optimization of energy structure and distribution, the newly installed capacity of non-fossil fuel power generation accounted for 73.4% of total newly installed capacity, up 20 percentage points as compared to the corresponding period last year. While various measures adopted by major power enterprises effectively promoted the use of new energy and curtailment of the wind and solar power generation declined, the utilization hours of wind power in the PRC reached 984 hours, up 67 hours year-on-year, and the average utilization hours of solar power generators were 630 hours, representing a year-on-year growth of 39 hours. During the first half of 2017, energy investment continued to slow down and the use of clean energy increased. At the same time, energy distribution was further optimized, curtailment of the wind and solar power generation declined and the supply-side structural reform in the power sector achieved significant results.

In 2017, the global economy continued the recovery trend of the fourth quarter of 2016. In the meantime, the PRC pushed forward the supply-side structural reform as well as the tasks of "reducing production capacity, inventory and leverage, lowering cost and improving weak links". During the first half of 2017, the Group was devoted to promoting the synergetic development in the Beijing-Tianjin-Hebei Region. With its headquarter in Beijing and the business network that spanned across the country, the Group was well positioned to seize the opportunities ushered in by the "Belt and Road Initiative". Adhering to the investment and operating policy of "enhancing management, optimizing planning, integrating production and financing and boosting efficiency through innovation", it adopted the development approach of "innovation, coordination, green, openness and sharing". In pursuit of economic benefits, the Group produced profits from stock, achieved development from increment, and sought progress while maintaining stability.

I. BUSINESS REVIEW FOR THE FIRST HALF OF 2017

1. Increased consolidated installed capacity and maintained steady growth in growth rate

In the first half of 2017, China's energy sector saw steady development, showing a sound momentum characterized by improvement and progress amidst stability. Meanwhile, the energy structure continued to undergo optimization. Focusing on development efficiency and economic benefits, the Group enhanced its internal management and conscientiously implemented the established management policy. As a result, all business segments developed in a healthy and orderly manner and maintained a steady growth momentum.

As of 30 June 2017, the consolidated installed capacity of the Group was 7,952 MW, of which, the installed capacity of gas-fired power and heat energy generation was 4,436 MW, accounting for 55.78% of the total installed capacity; the installed capacity of wind power generation was 2,299 MW, accounting for 28.91% of the total installed capacity; the installed capacity of photovoltaic power generation was 768 MW, accounting for 9.66% of the total installed capacity; the installed capacity of hydropower generation was 449 MW, accounting for 5.65% of the total installed capacity.

As of 30 June 2017, power generation in the gas-fired power and heat energy generation segment reached 8.27 billion kWh, with the average operating hours of facilities reaching 1,865 hours; power generation in the wind power generation segment reached 2.24 billion kWh, with the average operating hours of facilities reaching 985 hours; power generation in the photovoltaic power generation segment reached 570 million kWh, with the average operating hours of facilities reaching 822 hours; power generation in the hydropower segment reached 680 million kWh, with the average operating hours of facilities reaching 1,514 hours. As of 30 June 2017, the Group had an aggregated consolidated power generation of 11.76 billion kWh.

As of 30 June 2017, the aggregate consolidated power generation of the Group, classified by type of power generation, was as follows:

Types of power generation	Consolidated installed capacity as of 30 June 2017 *MW*	Percentage *%*
Gas-fired power and heat energy generation	**4,436**	**55.78**
Wind power generation	**2,299**	**28.91**
Photovoltaic power generation	**768**	**9.66**
Hydropower generation	**449**	**5.65**
Total	**7,952**	**100.00**

2. Captured quality resources for photovoltaic power operation and steady advancement of preparatory work

In the first half of 2017, the Company followed the development strategy of "producing profits from stock, achieving development from increment, and seeking progress while maintaining stability in pursuit of economic benefits". It actively responded to various national and regional policies with the aim of creating a more favorable market environment. Under the new round of tariff adjustment, the Group took part in the 450MW photovoltaic power generation projects in Hunan and Guangdong before 30 June 2017 to capture more projects with high tariffs, thereby maximizing profitability of photovoltaic projects.

In the first half of 2017, the Group carried on promoting the preparatory works of other projects, hence creating opportunities for implementing the development strategy of "going global with a foothold in Beijing". For instance, the Hebei Huainan Wind Power Project has obtained supporting documents in relation to environmental assessment, conservation of water and soil as well as earthquake, and the Group expects to obtain approval and satisfy the conditions for project commencement in the second half of the year. Having completed the tender for survey and design, Phase IV of Guanting Wind Farm and Qianxi Jinxin Industrial Park Rooftop Photovoltaic Project is expected to commence on-grid connection in late 2017. In addition, photovoltaic power generation projects in aggregate of 135MW in Liaoning and Zhejiang are also expected to realize on-grid connection by the end of the year.

3. Comprehensively deepened innovation in management and received national recognition for energy saving and emission reduction works

During the first half of 2017, the gas-fired thermal project of Beijing Northwest Thermal Power Center, which was constructed and operated by Beijing Jingxi Gas-fired Power Co., Ltd., a subsidiary of the Group, received the "2016-2017 National Excellent Investment Project Special Award" from the Investment Association of China, therefore becoming the first Beijing enterprise to receive such honor. Jingxi Gas-fired has a mission to pursue "independent innovation, coordination, environmental protection, opening up and sharing". It attaches great importance to independent innovation that enhanced energy saving and emission reduction as well as replacing traditional energy. As a result, it constantly achieved breakthroughs and possessed a number of technology that allowed it to pioneer the country and the industry while deriving significant economic, social, environmental and ecological benefits.

The Group strictly controlled environmental risks and undertook corporate social responsibility to provide clean and safe power and heat supply to the capital. At the end of 2016, the General Office of the State Council of the PRC issued the "Notice on Implementation Proposal of the License System for Control of Pollutant Discharge", which stated that "enterprises with the pollutant emission permits shall undertake the corresponding responsibility of pollution control based on the local requirements of improving environmental quality and protecting environmental safety. They shall undertake more responsibilities for more pollutant emission and benefit from less emission. Emission permits issued to enterprises are the only administrative license for pollutant emission in the course of manufacture and operation, stating expressly the environment management requirements to be compliant with and the legal obligations to be undertaken when discharging pollutants." Seven of the Group's gas-fired thermal companies in Beijing obtained the pollutant emission permits from the state with the national unified codes. Amongst which, Beijing Taiyanggong Gas-fired Thermal Power Co., Ltd. received the first national pollutant emission permit in Beijing. The company achieved the target of cutting half of the flue gas emission in the past three years, thus laying a solid foundation to support its application.

During the heat supply period in the winter between 2016 and 2017, Beijing Jingxi Gas-fired Power Co., Ltd. shifted from extraction and condensation turbines to back pressure turbines, thereby reducing overall gas consumption of the gas-fired units and boosting efficiency of co-generation. As a result, it cut operating cost and increased operating efficiency in the heat supply period. The technology has opened a new chapter of energy saving and consumption reduction of gas-fired units.

4. Expanded and diversified financing channels with effective improvement of fund utilisation rate

As of 30 June 2017, the Group completed the issue of the first tranche of the super-short-term debentures with a term of 270 days on 9 March 2017, raising proceeds of RMB2.0 billion at an interest rate of 4.3%. Given the increase of financing cost due to the challenging bond market in the first half of 2017, the Company actively expanded financing channels and cooperated with various banks on innovative businesses, which included corporate overdraft and foreign debts. It also planned to introduce new mid- to long-term insurance funds to optimize the long and short term capital structure.

In the first half of 2017, the Group passed the resolution on private placing of up to 20% of its domestic shares and H shares to Beijing Energy Holding Co., Ltd. ("**BEH**") and Beijing Energy Investment Holding (Hong Kong) Co., Limited ("**Beijing Energy Investment**"). As of now, the Group is in the process of completing the formalities of approval and strives to complete the issue by the end of 2017. The proceeds from the issue are intended to be used to repay onshore and offshore short-term bonds and bank loans of the Company.

5. Maintained production safety and further enhanced production management

During the first half of 2017, the Group strengthened production safety management on an ongoing basis to ensure safe production. To improve the implementation of the accountability system, it refined, quantified and specified the relevant regulations, rules and safety responsibilities for different job positions and employees. Besides, it strictly implemented and carried out more stringent enforcement of the "Two Tickets and Three Systems". For the purposes of raising awareness and promoting compliance of actual practice, it supervised the persons-in-charge of all production units in fulfilling the safety responsibilities and made sure that talent, financial and material investments were in place. By establishing the production safety responsibility system for infrastructure projects, the Group incorporated consistent safety monitoring in the whole process of design and construction, thus maintaining high level of safety, quality and productivity. It also improved basic management procedure, optimized the safety system and formulated the long term production safety mechanism. The Group increased training on safety education and business operation, with the view of developing employees' safety awareness and ability to deal with emergency. In addition, it stepped up efforts on job safety training and required all employees to obtain the necessary certificates. In order to enhance safety risk management of key areas and positions, it conducted production safety inspection to identify problems and took initiatives to rectify deficiencies.

The Group strengthened safety management of employees and equipment. With the aim of improving the conditions of all types of generators, it pushed for better equipment maintenance within production units, placed great emphasis on sub-indicator management, optimized operation and maintenance practices, boosted utilization rate of equipment, and lowered costs of production and maintenance, so as to ensure that it outperformed its industry peers in terms of the availability of all types of generators.

II. OPERATING RESULTS AND ANALYSIS

1. Overview

In the first half of 2017, the Company's profitability recorded continuous improvement. Profit for the period amounted to RMB1,123.7 million, representing an increase of 2.42% as compared to RMB1,097.1 million for the corresponding period in 2016. Profit attributable to the ordinary shareholders of the Company amounted to RMB1,051.0 million, representing an increase of 3.91% as compared to RMB1,011.5 million for the corresponding period in 2016.

2. Operating Income

In the first half of 2017, the total revenue increased by 1.76% from RMB6,738.9 million for the first half of 2016 to RMB6,857.3 million. Adjusted total operating income increased by 1.44% from RMB7,255.0 million for the first half of 2016 to RMB7,359.3 million for the first half of 2017, due to an increase in sales volume of electricity as a result of the increase in the installed capacity in the wind power segment and the photovoltaic power segment.

Gas-fired Power and Heat Energy Generation Segment

The revenue from the gas-fired power and heat energy generation segment decreased by 1.41% from RMB5,439.6 million for the first half of 2016 to RMB5,362.8 million for the first half of 2017, of which, revenue from sales of electricity decreased by 2.44% from RMB4,633.9 million for the first half of 2016 to RMB4,520.9 million for the first half of 2017, due to the decrease in sales volume of electricity in this segment. Revenue from sales of heat energy increased by 4.48% from RMB805.8 million for the first half of 2016 to RMB841.9 million for the first half of 2017, due to the increase in sales volume of heat as a result of the increased area of heat-supply service.

Wind Power Segment

The revenue from wind power segment increased by 6.15% from RMB850.2 million for the first half of 2016 to RMB902.5 million for the first half of 2017, due to an increase in sales volume of electricity as a result of the increase in the installed capacity in this segment.

Photovoltaic Power Segment

The revenue from photovoltaic power segment increased by 51.38% from RMB285.9 million for the first half of 2016 to RMB432.8 million for the first half of 2017, due to an increase in sales volume of electricity as a result of an increase in the installed capacity in this segment.

Hydropower Segment

The revenue from hydropower segment decreased by 3.84% from RMB161.4 million for the first half of 2016 to RMB155.2 million for the first half of 2017, due to the decrease in sales volume of electricity in this segment.

Others

Other revenue increased by 122.22% from RMB1.8 million for the first half of 2016 to RMB4.0 million for the first half of 2017.

3. Other Income

Other income increased by 1.35% from RMB608.8 million for the first half of 2016 to RMB617.0 million for the first half of 2017.

4. Operating Expenses

Operating expenses decreased by 1.04% from RMB5,555.8 million for the first half of 2016 to RMB5,498.0 million for the first half of 2017, due to a decrease in gas consumption as a result of the decreased sales volume of electricity and lower gas consumption in the gas-fired power and heat energy generation segment.

Gas Consumption

Gas consumption decreased by 3.32% from RMB3,917.0 million for the first half of 2016 to RMB3,786.8 million for the first half of 2017, due to a decrease in gas consumption as a result of the decreased sales volume of electricity and lower gas consumption in the gas-fired power and heat energy generation segment.

Depreciation and Amortization

Depreciation and amortization increased by 12.12% from RMB918.8 million for the first half of 2016 to RMB1,030.2 million for the first half of 2017, due to an increase in installed capacity in wind power segment and photovoltaic power segment.

Personnel Cost

Personnel cost increased by 15.39% from RMB230.0 million for the first half of 2016 to RMB265.4 million for the first half of 2017, due to an increased number of employees as a result of the business development of the Group and additional personnel costs expensed following the commencement of production of new projects.

Repairs and Maintenance

Repairs and maintenance decreased by 1.46% from RMB171.6 million for the first half of 2016 to RMB169.1 million for the first half of 2017.

Other Expenses

Other expenses increased by 2.88% from RMB236.0 million for the first half of 2016 to RMB242.8 million for the first half of 2017, due to an increase in expenses following the commencement of production of new projects.

Other Losses

Other losses decreased by 95.51% from RMB82.4 million for the first half of 2016 to RMB3.7 million for the first half of 2017, due to a decrease in loss from changes in the fair value of H shares of CGN Power Co., Ltd. held by the Company.

5. Operating Profit

As a result of the above, operating profit increased by 10.29% from RMB1,791.9 million for the first half of 2016 to RMB1,976.3 million for the first half of 2017.

6. Adjusted Segment Operating Profit

Total adjusted segment operating profit increased by 9.54% from RMB1,699.2 million for the first half of 2016 to RMB1,861.3 million for the first half of 2017.

Gas-fired Power and Heat Energy Generation Segment

Adjusted segment operating profit of gas-fired power and heat energy generation segment decreased by 1.99% from RMB1,277.9 million for the first half of 2016 to RMB1,252.5 million for the first half of 2017, due to a decrease in sales volume of electricity.

Wind Power Segment

Adjusted segment operating profit of wind power segment decreased by 0.46% from RMB344.7 million for the first half of 2016 to RMB343.1 million for the first half of 2017.

Photovoltaic Power Segment

Adjusted segment operating profit of photovoltaic power segment increased by 63.06% from RMB162.7 million for the first half of 2016 to RMB265.3 million for the first half of 2017, due to an increase in the sales volume of electricity as a result of the increase in the installed capacity in this segment.

Hydropower Segment

Adjusted segment operating profit of hydropower segment decreased by 14.69% from RMB57.2 million for the first half of 2016 to RMB48.8 million for the first half of 2017, due to the decrease in sales volume of electricity in this segment.

Others

Adjusted operating profit of others improved from a loss of RMB143.3 million for the first half of 2016 to a loss of RMB48.4 million for the first half of 2017, due to a decrease in the losses from changes in the fair value of H shares of CGN Power Co., Ltd. held by the Company.

7. Finance Costs

Finance costs increased by 4.01% from RMB486.3 million for the first half of 2016 to RMB505.8 million for the first half of 2017, due to the interest expense expensed following the commencement of production of new projects.

8. Share of Results of Associates

Share of results of associates decreased by 93.33% from RMB84.0 million for the first half of 2016 to RMB5.6 million for the first half of 2017, due to a decrease in net profit as a result of hiking coal price of a subsidiary of Beijing Jingneng International Power Co., Ltd., an associate of the Company.

9. Profit before Taxation

As a result of the foregoing, profit before taxation increased by 6.56% from RMB1,400.1 million for the first half of 2016 to RMB1,492.0 million for the first half of 2017.

10. Income Tax Expense

Income tax expense increased by 21.55% from RMB303.0 million for the first half of 2016 to RMB368.3 million for the first half of 2017. Effective tax rate increased from 21.64% for the first half of 2016 to 24.68% for the first half of 2017 primarily due to an increase in income tax on gas-fired power and heat energy generation segment.

11. Profit for the Period

As a result of the foregoing, profit for the period increased by 2.42% from RMB1,097.1 million for the first half of 2016 to RMB1,123.7 million for the first half of 2017.

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

Profit for the period attributable to ordinary shareholders of the Company increased by 3.91% from RMB1,011.5 million for the first half of 2016 to RMB1,051.0 million for the first half of 2017.

III. FINANCIAL POSITION

1. Overview

As of 30 June 2017, total assets of the Group slightly increased and amounted to RMB49,408.9 million, total liabilities were RMB31,451.8 million and shareholders' equity reached RMB17,957.1 million, among which equity attributable to the ordinary shareholders amounted to RMB15,944.8 million.

2. Particulars of Assets and Liabilities

Total assets increased by 3.51% from RMB47,732.9 million as at 31 December 2016 to RMB49,408.9 million as at 30 June 2017, due to the increase in monetary capital as a result of fund temporarily borrowed to repay the short-term debentures which were about to fall due as well as the receipt of government grants and subsidies related to clean energy production. Total liabilities increased by 3.67% from RMB30,337.6 million as at 31 December 2016 to RMB31,451.8 million as at 30 June 2017, due to the increase in dividends payable and bank borrowings. Total equity increased by 3.23% from RMB17,395.3 million as at 31 December 2016 to RMB17,957.1 million as at 30 June 2017. Equity attributable to ordinary shareholders of the Company increased by 3.68% from RMB15,379.5 million as at 31 December 2016 to RMB15,944.8 million as at 30 June 2017, due to the accretion from business results in the first half year of 2017.

3. Liquidity

As of 30 June 2017, current assets amounted to RMB8,710.3 million, including monetary capital of RMB3,884.6 million, bills and account receivables of RMB3,375.7 million (mainly comprising receivables from sales of electricity and sales of heat), and prepayment and other current assets of RMB1,450.0 million (mainly comprising deductible value-added tax and other account receivables). Current liabilities amounted to RMB21,522.8 million, including short-term borrowings of RMB9,813.4 million, short-term debentures of RMB6,000.0 million, corporate bonds due within one year of RMB998.0 million and bills and account payables of RMB3,998.0 million (mainly comprising payables for gas, payables for construction projects and purchase of equipment). Other current liabilities amounted to RMB713.4 million, mainly includes income tax payable and amounts due to related parties.

Net current liabilities decreased by 4.90% from RMB13,473.0 million as at 31 December 2016 to RMB12,812.5 million as at 30 June 2017. Current ratio increased by 6.91% from 33.56% as at 31 December 2016 to 40.47% as at 30 June 2017, due to the repayment of corporate bonds due within one year.

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 2.36% from 57.47% as at 31 December 2016 to 55.11% as at 30 June 2017, due to an increase in monetary capital.

The Group's long-term and short-term borrowings increased by 2.61% from RMB25,273.2 million as at 31 December 2016 to RMB25,931.7 million as at 30 June 2017, including short-term borrowings of RMB9,813.4 million, short-term debentures of RMB6,000.00 million, corporate bonds of RMB998.0 million and long-term borrowings of RMB9,120.3 million.

Bank balances and cash held by the Group increased by 119.22% from RMB1,772.0 million as at 31 December 2016 to RMB3,884.6 million as at 30 June 2017, due to an increase in monetary capital as a result of fund temporarily borrowed to repay the short-term debentures which were about to fall due as well as the receipt of government grants and subsidies related to clean energy production.

IV. HUMAN RESOURCES AND TRAINING

The Group had a total of 2,697 employees as of 30 June 2017. With an aim to cope with its development, the Company, on the basis of position-oriented accountability system, has established a performance appraisal system for all employees and a multi-level incentive mechanism. Through clearly defining position-oriented performance targets and formulating performance standards, the Company is able to assess and appraise employees' performance in an objective manner. By materializing reward and penalty in the performance-based portion of the employees' remuneration based on appraisement results, the Company is able to fully boost the potential and the morale of employees, thus achieving the coexistence of incentives and restraints.

The employees' remuneration comprises basic salary and performance-based salary. The total salary is determined by reference to the performance appraisal of all the employees of the Group. Individual performance is associated with personal annual appraisal results.

Talent is the driving force for the Company's development. By utilizing training agenda as an important tool of upgrading the level of corporate management and of enhancing the overall quality of the employees, the Company has developed a multi-tiered, professional and institutionalized education and training management system at company level, department level and front-line safe production level. In addition, through training programs, the Company continuously improved the professional efficiency and comprehensive qualities of employees, enhanced employees' team cohesiveness, reserved and identified talents at home and abroad.

In the first half of 2017, the Company selected various quality and appropriate training programs on corporate management, taking into consideration the business needs from each level.

V. OTHER SIGNIFICANT EVENTS

1. Financing

On 9 March 2017, the Group completed the issuance of the first tranche of super-short-term debentures of 270 days, amounting to RMB2,000.0 million with an interest rate of 4.30%.

2. Capital Expenditure

In the first half of 2017, the Group's capital expenditure amounted to RMB733.9 million, including RMB95.9 million incurred for construction projects in the gas-fired power and heat energy generation segment, RMB167.3 million incurred for construction projects in the wind power segment and RMB470.7 million incurred for construction projects in the photovoltaic power segment.

3. Significant Investment

According to the development plan of the Group, the Group established "Beipiao Jingneng New Energy Co., Limited" (北票京能新能源有限公司), "Chaoyang County Jingneng New Energy Co., Limited" (朝陽縣京能新能源有限公司), "Jinyun County Jingneng New Energy Co., Limited" (縉雲縣京能新能源有限公司), "Huludao Nanpiao Jingtai New Energy Co., Limited" (葫蘆島南票京泰新能源有限公司) and "Huludao Nanpiao Wanhe New Energy Co., Limited" (葫蘆島南票萬和新能源有限公司) as wholly-owned subsidiaries in the first half of 2017 to carry out the construction of photovoltaic power projects. All the aforesaid projects are currently under construction and are expected to improve the Group's profitability in the future.

4. Contingent Liabilities

As of 30 June 2017, the Group had no external guarantees.

5. Mortgage of Assets

As of 30 June 2017, the Group's bank borrowings were secured by trade receivables of RMB103.3 million.

6. Proposed Change in Share Capital Structure

On 1 June 2017, BEH and the Company entered into the domestic shares subscription agreement, pursuant to which, BEH has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue and allot, 902,471,890 domestic shares of the Company at the subscription price of RMB2.24 (equivalent to approximately HK$2.56) per domestic share. On the same day, Beijing Energy Investment and the Company entered into the H shares subscription agreement, pursuant to which, Beijing Energy Investment has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue and allot, 471,612,800 H shares of the Company at the subscription price of HK$2.56 per H Share (together with the proposed subscription of the domestic shares by BEH, the "**Proposed Subscription**"). Upon completion of the Proposed Subscription, the total number of issued shares of the Company will increase to 8,244,508,144 shares. For details, please refer to the announcement of the Company dated 1 June 2017 and the supplemental circular of the Company dated 8 June 2017. As at the date of this interim report, the Proposed Subscription has not been completed. The Company will make further announcement at the time of the completion of the Proposed Subscription.

7. Future Investment Plans and Expected Funding

Looking forward, the Group will continue to expand its markets at home and abroad so as to tap into its internal potential and undertake more quality works, exquisite works and works with high returns, thereby maximising Shareholders' interest and creating higher value. We will continue to grow the Group both in scale and strength through self-development, acquisitions, M&A and other means. Our future business plan will employ a combination of financing channels to finance capital expenditures, including but not limited to internal funds and bank loans. Currently, the bank credit lines available to the Group are adequate.

8. Charges on Group Assets

As of 30 June 2017, the Group had no charges on assets.

9. Share Option Scheme

As of 30 June 2017, the Company did not implement any share option scheme.

10. Foreign Exchange and Exchange Rate Risk

The businesses of the Group are mainly located in mainland China, where most of the income and expenses are denominated in Renminbi. 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 US dollars, AUD). Changes in the Renminbi exchange rate may cause exchange loss or gain to the Group's foreign currency-denominated business.

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

VI. BUSINESS PROSPECT FOR THE SECOND HALF OF 2017

The year 2017 is crucial to the implementation of the "13th Five-year Plan" and the deepening of supply-side reform. The Group intends to capitalize on the state's supporting policies for clean energy and expand its core businesses by adhering to the principle of "expanding gas-fired power, strengthening wind power, optimizing photovoltaic power, integrating hydropower and achieving breakthrough in waste-to-power". It is set to bring a long-term and stable return for shareholders by meeting the annual targets.

1. Seize opportunities in domestic clean energy market and adhere to "focusing on Beijing market" and "constructing refined projects"

Taking the advantages of the relevant PRC policies, the Group will conduct market study and identify quality projects. It will enhance research on the power sector and closely follow the implementation of state policy on protective buyouts in key areas. As a regional state-owned enterprise, it will actively seek opportunities for project development in Beijing and carry out the construction of the subsidiary center of Beijing. With ensured project quality and progress, the thermal project of Shangzhuang Power is expected to achieve on-grid connection by the end of the year.

2. Launch multiple development management models driven by technology innovation

In the light of the deepening supply-side structural reform and innovation-driven strategy, especially the advancing reform of the power sector, the Group aims to break free from the constraints of traditional operating model and conduct research on new and pioneering management model through technology innovation. This will provide strong support to the Group in establishing firmly in the highly competitive clean energy market and enable it to meet the various goals stipulated in the "13th Five-year Plan", thereby achieving sustainable and healthy development in long term.

3. Refine production management to meet the annual targets

The Group will devote more efforts to implement the requirements for standardized management and diligently put in place the safe production responsibility system at all levels. Besides, it will optimize the review, formulation, promotion and implementation of the management standards, and establish the safety management responsibility of production personnel across all levels. It will also organize more training to enhance production safety management of employees. Moreover, it will impose strict regulations for deficiency management, timely investigate potential risks of equipment, strengthen monitoring, and improve comprehensive management and operational control for more stable equipment operation.

4. Continue to expand overseas projects and progressively promote our blueprint

Capitalizing on the GR project, an overseas base in Australia which combines wind power and photovoltaic power generation, the Group will proactively carry out research on the Australian energy market, formulate appropriate business portfolio by drawing upon its existing resources and seek for opportunities to expand clean energy projects, so as to further consolidate its strategic objective of "going global". In addition to Australia, the Group will continue explore other overseas projects and expand international markets. Especially in the countries and regions along the "Belt and Road" initiative, the Group will carry out intensive study on the local policies to identify proper opportunities and breakthrough points, thereby progressively promoting our blueprint and the internationalization of the Group.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company, being listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), consistently commits to retain high level of corporate governance, and complied throughout the six months ended 30 June 2017 with the code provisions stated in the Corporate Governance Code as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), except for the limited deviation on the grounds and causes as explained below.

Code Provision E.1.2

Code Provision E.1.2 stipulates that the Chairman of the Board should attend the Annual General Meeting. Mr. ZHU Yan, being the Chairman of the Board, did not attend the Company's Annual General Meeting held on 28 June 2017 as he has to attend the 12th Beijing Municipal Congress of the Communist Party of China and deal with the related issues in June 2017.

COMPLIANCE WITH MODEL CODE

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

PLEDGING OF SHARES BY THE CONTROLLING SHAREHOLDER

The controlling shareholder of the Company did not pledge any of its shares in the Company to secure the Company's debts or to secure guarantees or other support of the Company's obligations for the six months ended 30 June 2017.

LOAN AGREEMENTS OR FINANCIAL ASSISTANCE OF THE COMPANY

The Company did not provide any financial assistance nor guarantee to its affiliated companies for the six months ended 30 June 2017, which would give rise to a disclosure under Rule 13.16 of the Listing Rules. The Company did not enter into any loan agreement with covenants relating to specific performance of its controlling shareholder nor breached the terms of any loan agreements for the six months ended 30 June 2017.

AUDIT COMMITTEE

The Audit Committee of the Company (the "**Audit Committee**") has formulated terms of reference in written form in accordance with the requirements of the Listing Rules. It comprises three members, namely, Mr. CHAN Yin Tsung (independent non-executive director), Mr. ZHU Baocheng (non-executive director) and Mr. HUANG Xiang (independent non-executive director). Mr. CHAN Yin Tsung currently serves as the chairman of the Audit Committee.

The Audit Committee of the Company has reviewed the Group's 2017 interim results announcement, interim report and the unaudited financial statements for the six months ended 30 June 2017 prepared in accordance with the IFRSs.

SHARE CAPITAL

As of 30 June 2017, the total share capital of the Company was RMB6,870,423,454, divided into 6,870,423,454 shares of RMB1.00 each. Details of changes in the share capital of the Company during the six months ended 30 June 2017 are set out in note 21 to the Financial Statements.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2017, no director, supervisor or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 June 2017, to the knowledge of the directors of the Company, the persons (other than a director, supervisor or chief executives of the Company) who have an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of shareholders	Types of Shares	Capacity	Number of shares/ underlying shares held *(share)*	Percentage of relevant class of share capital *(%)*	Percentage of total share capital *(%)*
BEH *(Note 1 and Note 2)*	Domestic share	Beneficial interest and interest of a controlled corporation	5,190,483,053 (L)	115.03	75.55
	H share	Interest of a controlled corporation	471,612,800 (L)	20.00	6.86
Beijing State-owned Capital Operation and Management Center *(Note 1 and Note 2)*	Domestic share	Beneficial interest and interest of a controlled corporation	5,414,831,344 (L)	120.00	78.81
	H share	Interest of a controlled corporation	471,612,800 (L)	20.00	6.86

Name of shareholders	Types of Shares	Capacity	Number of shares/ underlying shares held *(share)*	Percentage of relevant class of share capital *(%)*	Percentage of total share capital *(%)*
Beijing Energy Investment *(Note 2)*	H share	Beneficial interest	471,612,800 (L)	20.00	6.86
SAIF IV GP Capital Ltd. *(Note 3)*	H share	Interest of a controlled corporation	173,532,000 (L)	7.36	2.53
SAIF IV GP LP *(Note 3)*	H share	Interest of a controlled corporation	173,532,000 (L)	7.36	2.53
SAIF Partners IV L.P. *(Note 3)*	H share	Beneficial interest	173,532,000 (L)	7.36	2.53
Yan Andrew Y. *(Note 3)*	H share	Interest of a controlled corporation	173,532,000 (L)	7.36	2.53
Beijing Enterprises Holdings Limited *(Note 4)*	H share	Interest of a controlled corporation	196,964,000 (L)	8.35	2.87
Beijing Enterprises Energy Technology Investment Co. Limited *(Note 4)*	H share	Beneficial interest	196,964,000 (L)	8.35	2.87
Beijing Enterprises Energy Technology (Hong Kong) Co. Limited *(Note 4)*	H share	Interest of a controlled corporation	196,964,000 (L)	8.35	2.87
Keywise Capital Management (HK) Limited	H share	Investment manager	140,070,000 (L)	5.94	2.04
Xinjiang Goldwind Science & Technology Co., Ltd. *(Note 5)*	H share	Interest of a controlled corporation	140,118,000 (L)	5.94	2.04
New Wealth Investment Holdings Limited *(Note 6)*	H share	Beneficial interest	137,008,928 (L)	5.81	1.99

Name of shareholders	Types of Shares	Capacity	Number of shares/ underlying shares held *(share)*	Percentage of relevant class of share capital *(%)*	Percentage of total share capital *(%)*
Chen Li *(Note 6)*	H share	Interest of a controlled corporation	137,008,928 (L)	5.81	1.99
Norges Banks	H share	Beneficial interest	164,378,640 (L)	6.97	2.39
Central Huijin Investment Ltd. *(Note 7)*	H share	Interest of a controlled corporation	542,828,000 (L)	23.02	7.90
China Reinsurance (Group) Corporation *(Note 7)*	H share	Beneficial interest and interest of a controlled corporation	542,828,000 (L)	23.02	7.90
China Property & Casualty Reinsurance Company Ltd. *(Note 7)*	H share	Beneficial interest	170,582,000 (L)	7.23	2.48
Citigroup Inc. *(Note 8)*	H share	Interest of a controlled corporation and custodian – corporation/approved lending agent	147,257,252 (L) 650,000 (S) 146,605,255 (P)	6.24 0.03 6.22	2.14 0.00 2.13

* *Notes:* (L) – Long position, (S) – Short position, (P) – Lending pool

Notes

1. Beijing International Electric Engineering Co., Ltd. held direct interests in 92,654,249 domestic shares of the Company. As far as the Company is aware, Beijing International Electric Engineering Co., Ltd was wholly-owned by BEH. In accordance with the SFO, BEH was deemed to have interests in 92,654,249 domestic shares held by Beijing International Electric Engineering Co., Ltd.

   Beijing District Heating (Group) Co Ltd. held direct interests in 16,035,322 domestic shares of the Company. As far as the Company is aware, Beijing District Heating (Group) Co Ltd. was wholly-owned by BEH. In accordance with the SFO, BEH was deemed to have interests in 16,035,322 domestic shares held by Beijing District Heating (Group) Co Ltd.

   According to the supplemental circular of the Company dated 8 June 2017 regarding the proposed subscription of domestic shares of the Company, the Domestic Shares Subscription Agreement between the Company and BEH was signed on 1 June 2017. Therefore, on 1 June 2017, BEH was deemed to have interest in the additional 902,471,890 domestic shares of the Company to be issued. The Domestic Shares Subscription Agreement and the proposed subscription of domestic shares will only become effective after the satisfaction of all precedent conditions (please refer to the aforesaid supplemental circular for details of the precedent conditions).

   BEH held direct interests in 5,081,793,482 domestic shares of the Company. In accordance with the SFO, BEH had/was deemed to have interests in altogether 5,190,483,053 domestic shares of the Company.

Beijing State-owned Capital Operation and Management Center held direct interests in 224,348,291 domestic shares of the Company. As far as the Company is aware, BEH was wholly-owned by Beijing State-owned Capital Operation and Management Center. In accordance with the SFO, Beijing State-owned Capital Operation and Management Center had/was deemed to have interests in altogether 5,414,831,344 domestic shares of the Company.

The Domestic Shares Subscription Agreement and the proposed subscription of domestic shares have not yet become effective as at 30 June 2017. Therefore, the total number of the issued domestic shares of the Company remains unchanged at 4,512,359,454 shares. Accordingly, BEH and Beijing State-owned Capital Operation and Management Center were deemed to have interest in 115.03% and 120.00% of the issued domestic share capital of the Company, respectively.

2. According to the supplemental circular of the Company dated 8 June 2017 regarding the proposed subscription of H shares of the Company, the H Shares Subscription Agreement between the Company and Beijing Energy Investment was signed on 1 June 2017. Therefore, on 1 June 2017, Beijing Energy Investment was deemed to have interest in the additional 471,612,800 H shares of the Company to be issued. The H Shares Subscription Agreement and the proposed subscription of H shares will only become effective after the satisfaction of all precedent conditions (please refer to the aforesaid supplemental circular for details of the precedent conditions).

   Beijing Energy Investment held direct interests in 471,612,800 H shares of the Company. As far as the Company is aware, Beijing Energy Investment was wholly-owned by BEH, while BEH was wholly-owned by Beijing State-owned Capital Operation and Management Center. In accordance with the SFO, BEH and Beijing State-owned Capital Operation and Management Center were deemed to have interests in 471,612,800 H shares held by Beijing Energy Investment.

   The H Shares Subscription Agreement and the proposed subscription of H shares have not yet become effective as at 30 June 2017. Therefore, the total number of the issued H shares of the Company remains unchanged at 2,358,064,000 shares. Accordingly, Beijing Energy Investment, BEH and Beijing State-owned Capital Operation and Management Center were deemed to have interest in 20.00% of issued H share capital of the Company, respectively.

3. SAIF Partners IV L.P. held direct interests in 173,532,000 H shares of the Company. As far as the Company is aware, SAIF Partners IV L.P. was wholly-owned by SAIF IV GP LP, while SAIF IV GP LP was wholly-owned by SAIF IV GP Capital Ltd. SAIF IV GP Capital Ltd. was wholly-owned by Yan Andrew Y. In accordance with the SFO, SAIF IV GP LP, SAIF IV GP Capital Ltd. and Yan Andrew Y. were deemed to have interests in 173,532,000 H shares held by SAIF Partners IV L.P.

4. Beijing Enterprises Energy Technology Investment Co. Limited held direct interests in 196,964,000 H shares of the Company. As far as the Company is aware, Beijing Enterprises Energy Technology Investment Co. Limited was wholly-owned by Beijing Enterprises Energy Technology (Hong Kong) Co. Ltd., while Beijing Enterprises Energy Technology (Hong Kong) Co. Ltd. was wholly-owned by Beijing Enterprises Holdings Limited. In accordance with the SFO, Beijing Enterprises Energy Technology (Hong Kong) Co. Ltd. and Beijing Enterprises Holdings Limited were deemed to have interests in 196,964,000 H shares held by Beijing Enterprises Energy Technology Investment Co. Limited.

5. Gold Wind New Energy (HK) Investment Ltd. held direct interests in 140,118,000 H shares of the Company. As far as the Company is aware, Gold Wind New Energy (HK) Investment Ltd. was wholly-owned by Xinjiang Goldwind Science & Technology Co. Ltd. In accordance with the SFO, Xinjiang Goldwind Science & Technology Co. Ltd. was deemed to have interests in 140,118,000 H shares held by Gold Wind New Energy (HK) Investment Ltd.

6. New Wealth Investment Holdings Limited held direct interests in 137,008,928 H shares of the Company. As far as the Company is aware, New Wealth Investment Holdings Limited was wholly-owned by Chen Li. In accordance with the SFO, Chen Li was deemed to have interests in 137,008,928 H shares held by New Wealth Investment Holdings Limited.

7. China Property & Casualty Reinsurance Company Ltd. held direct interests in 170,582,000 H shares of the Company. China Reinsurance (Group) Corporation held direct interests in 372,246,000 H shares of the Company. As far as the Company is aware, China Property & Casualty Reinsurance Company Ltd. was wholly-owned by China Reinsurance (Group) Corporation, while 71.56% of issued share capital of China Reinsurance (Group) Corporation was owned by Central Huijin Investment Ltd. In accordance with the SFO, China Reinsurance (Group) Corporation and Central Huijin Investment Ltd. were deemed to have interests in 542,828,000 H shares of the Company.

8. Citigroup Inc. held interests in certain H shares of the Company (as shown above) through various controlled corporation/wholly-owned controlled corporations.

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 2017.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2017.

CHANGE IN DIRECTORS' INFORMATION

On 21 April 2017, Mr. Zhu Baocheng, a non-executive director of the Company, was appointed as an non-executive director of BAIC Motor Corporation Limited (a company listed on the Main Board of Hong Kong Stock Exchange, stock code: 1958)

Mr. Yu Zhongfu, a non-executive director of the Company, is also a non-executive director of CSC Financial Co., Ltd. (a company listed on the Main Board of Hong Kong Stock Exchange, stock code: 6066), whose English name was changed from "China Securities Finance Co., Ltd" to "CSC Financial Co., Ltd." with effect from 20 October 2016.

Save as disclosed above, as of 30 June 2017, there has been no change in the directors' information of the Company.

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

For the six months ended 30 June 2017
(Amount expressed in thousands of RMB unless otherwise stated)

		For the six months ended 30 June (Unaudited)	
	Notes	**2017** *RMB'000*	2016 *RMB'000*
Revenue	3	**6,857,276**	6,738,867
Other income	4	**616,998**	608,777
Gas consumption		**(3,786,798)**	(3,916,960)
Depreciation and amortization	8	**(1,030,157)**	(918,832)
Personnel costs		**(265,449)**	(229,985)
Repairs and maintenance		**(169,115)**	(171,580)
Other expenses		**(242,827)**	(236,012)
Other gains and losses	5	**(3,660)**	(82,387)
Profit from operations		**1,976,268**	1,791,888
Interest income	6	**15,922**	10,528
Finance costs	6	**(505,841)**	(486,335)
Share of results of associates		**5,610**	84,025
Profit before taxation		**1,491,959**	1,400,106
Income tax expense	7	**(368,262)**	(303,022)
Profit for the period	8	**1,123,697**	1,097,084
Profit for the period attributable to:			
– Ordinary shareholders of the Company		**1,050,958**	1,011,538
– Holders of perpetual notes		**38,308**	38,301
– Non-controlling interests		**34,431**	47,245
		1,123,697	1,097,084
Earnings per share			
Basic *(RMB cents)*	10	**15.30**	14.72

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

For the six months ended 30 June 2017
(Amount expressed in thousands of RMB unless otherwise stated)

		For the six months ended 30 June (Unaudited)	
	Notes	**2017** **RMB'000**	2016 RMB'000
Profit for the period	8	**1,123,697**	1,097,084
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations:			
Exchange differences arising during the period		**48,687**	24,914
Cash flow hedges:			
Loss during the period		**(35,593)**	(19,963)
Income tax effect		**10,678**	5,989
Other comprehensive expense for the period, net of income tax		**23,772**	10,940
Profit and total comprehensive income for the period		**1,147,469**	1,108,024
Profit and total comprehensive income for the period attributable to:			
– Ordinary shareholders of the Company		**1,073,762**	1,018,106
– Holders of perpetual notes		**38,308**	38,301
– Non-controlling interests		**35,399**	51,617
		1,147,469	1,108,024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2017
(Amount expressed in thousands of RMB unless otherwise stated)

	Notes	As of 30 June 2017 *RMB'000* (Unaudited)	As of 31 December 2016 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment	*11*	**32,971,100**	33,282,883
Intangible assets	*12*	**3,773,876**	3,884,876
Goodwill		**190,049**	190,049
Prepaid lease payments		**190,679**	192,124
Investments in associates		**1,945,094**	1,939,484
Loans to associates		**148,000**	148,000
Investment in a joint venture		**80,467**	80,467
Loan to a joint venture		**15,000**	15,000
Deferred tax assets	*13*	**247,927**	181,565
Available-for-sale financial assets		**128,028**	128,028
Value-added tax recoverable		**546,868**	695,284
Deposit paid for acquisition of property, plant and equipment		**461,557**	188,883
		40,698,645	40,926,643
Current assets			
Inventories		**138,575**	128,366
Trade and bill receivables	*14*	**3,375,703**	3,368,118
Other receivables, deposits and prepayments		**455,804**	489,064
Current tax assets		**39,849**	15,966
Amounts due from related parties	*24(b)*	**31,978**	370,801
Prepaid lease payments		**3,925**	5,436
Value-added tax recoverable		**341,941**	293,431
Held for trading financial assets		**263,903**	265,750
Restricted bank deposits		**174,032**	97,306
Cash and cash equivalents	*15*	**3,884,603**	1,772,006
		8,710,313	6,806,244

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2017

(Amount expressed in thousands of RMB unless otherwise stated)

	Notes	As of 30 June 2017 RMB'000 (Unaudited)	As of 31 December 2016 RMB'000 (Audited)
Current liabilities			
Trade and other payables	16	**3,997,530**	3,991,966
Amounts due to related parties	24(c)	**383,431**	103,289
Bank and other borrowings – due within one year	17	**9,813,409**	7,794,224
Short-term debentures	18	**6,000,000**	6,000,000
Corporate bonds – due within one year	19	**997,996**	2,195,516
Income tax payable		**70,120**	113,182
Deferred income – current portion		**260,356**	81,082
		21,522,842	20,279,259
Net current liabilities		**(12,812,529)**	(13,473,015)
Total assets less current liabilities		**27,886,116**	27,453,628
Non-current liabilities			
Derivative financial liabilities		**199,555**	167,053
Bank and other borrowings – due after one year	17	**9,120,285**	9,283,513
Deferred tax liabilities	13	**89,343**	84,230
Deferred income		**479,640**	482,082
Other non-current liability		**40,173**	41,438
		9,928,996	10,058,316
Net assets		**17,957,120**	17,395,312
Capital and reserves			
Share capital	21	**6,870,423**	6,870,423
Reserves		**9,074,403**	8,509,052
Equity attributable to ordinary shareholders of the Company		**15,944,826**	15,379,475
Perpetual notes	20	**1,489,040**	1,527,982
Non-controlling interests		**523,254**	487,855
Total equity		**17,957,120**	17,395,312

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

For the six months ended 30 June 2017
(Amount expressed in thousands of RMB unless otherwise stated)

	Attributable to equity owners of the Company										
	Share capital *RMB'000* *(Note 21)*	Capital reserve *RMB'000*	Statutory surplus reserve *RMB'000* *(Note a)*	Other reserves *RMB'000*	Cash flow hedging reserve *RMB'000*	Currency translation differences *RMB'000*	Accumulated profits *RMB'000*	Total *RMB'000*	Perpetual notes *RMB'000* *(Note 20)*	Attributable to non-controlling interests *RMB'000*	Total equity *RMB'000*
(Unaudited)											
As of 1 January 2017	6,870,423	2,303,646	1,535,883	(81,279)	(129,577)	(89,492)	4,969,871	15,379,475	1,527,982	487,855	17,395,312
Dividend declared *(Note 9)*	–	–	–	–	–	–	(508,411)	(508,411)	(77,250)	–	(585,661)
	6,870,423	2,303,646	1,535,883	(81,279)	(129,577)	(89,492)	4,461,460	14,871,064	1,450,732	487,855	16,809,651
Profit for the period	–	–	–	–	–	–	1,050,958	1,050,958	38,308	34,431	1,123,697
Other comprehensive income (expenses) for the period	–	–	–	–	(18,686)	41,490	–	22,804	–	968	23,772
At 30 June 2017	6,870,423	2,303,646	1,535,883	(81,279)	(148,263)	(48,002)	5,512,418	15,944,826	1,489,040	523,254	17,957,120

	Attributable to equity owners of the Company										
	Share capital *RMB'000* *(Note 21)*	Capital reserve *RMB'000*	Statutory surplus reserve *RMB'000* *(Note a)*	Other reserves *RMB'000*	Cash flow hedging reserve *RMB'000*	Currency translation differences *RMB'000*	Accumulated profits *RMB'000*	Total *RMB'000*	Perpetual notes *RMB'000* *(Note 20)*	Attributable to non-controlling interests *RMB'000*	Total equity *RMB'000*
(Unaudited)											
As of 1 January 2016	6,870,423	2,303,646	1,127,298	3,914	(1,858)	(98,657)	3,892,137	14,096,903	1,527,982	482,359	16,107,244
Capital contribution in a subsidiary from non-controlling interest	–	–	–	–	–	–	–	–	–	8,132	8,132
Dividend declared *(Note 9)*	–	–	–	–	–	–	(469,250)	(469,250)	(77,250)	(69,997)	(616,497)
	6,870,423	2,303,646	1,127,298	3,914	(1,858)	(98,657)	3,422,887	13,627,653	1,450,732	420,494	15,498,879
Profit for the period	–	–	–	–	–	–	1,011,538	1,011,538	38,301	47,245	1,097,084
Other comprehensive income (expenses) for the period	–	–	–	–	(10,480)	17,048	–	6,568	–	4,372	10,940
At 30 June 2016	6,870,423	2,303,646	1,127,298	3,914	(12,338)	(81,609)	4,434,425	14,645,759	1,489,033	472,111	16,606,903

Note:

(a) According to the relevant requirements in the memorandum of the Company and its subsidiaries, a portion of their profits after taxation computed in accordance with the relevant accounting principles and financial regulations in the PRC ("**PRC GAAP**") will be transferred to statutory surplus reserve. The transfer to this reserve must be made before the distribution of a dividend to ordinary shareholders. Such statutory surplus reserve can be used to offset the previous years' loss, if any, or increase capital. The statutory surplus reserve is non-distributable other than upon liquidation.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017
(Amount expressed in thousands of RMB unless otherwise stated)

		Six months ended 30 June	
	Notes	**2017** **RMB'000**	2016 RMB'000
Operating activities			
Profit before taxation		**1,491,959**	1,400,106
Adjustments for:			
Depreciation and amortization	8	**1,030,157**	918,832
(Gain) loss arising on change in fair value of held for trading financial asset	5	**(6,165)**	88,009
Loss on change in fair value of derivative financial assets	5	**–**	2,541
Impairment (gains) loss on doubtful debt receivables	5	**–**	(391)
Gain (loss) on disposal of property, plant and equipment	5	**(11)**	579
Share of results of associates		**(5,610)**	(84,025)
Interest income	6	**(15,922)**	(10,528)
Finance costs	6	**505,841**	486,335
Prepaid lease payments released to profit or loss	8	**2,708**	1,911
Release of a contractual obligation		**(2,857)**	–
Deferred income released to profit or loss		**(508,985)**	(519,949)
Operating cash flows before movements in working capital		**2,491,115**	2,283,420
Movements in working capital			
Increase in inventories		**(10,208)**	(3,343)
(Increase) decrease in trade and bill receivables		**(7,585)**	340,937
Decrease in amounts due from related parties		**338,824**	385,028
Decrease in other receivables, deposits and prepayments		**44,014**	46,821
Increase (decrease) in trade and other payables		**124,611**	(36,773)
Decrease in amounts due to related parties		**(39,220)**	(92,116)
Increase in deferred income		**687,831**	826,226
Cash generated from operations		**3,629,382**	3,750,200
Income tax paid		**(485,778)**	(479,793)
Net cash generated from operating activities		**3,143,604**	3,270,407

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017
(Amount expressed in thousands of RMB unless otherwise stated)

		Six months ended 30 June	
	Notes	2017 RMB'000	2016 RMB'000
Investing activities			
Interest received		14,105	10,562
Repayment of loans by associates		–	150,000
Cash advanced to associates		–	(148,000)
Acquisition of:			
– Property, plant and equipment		(945,328)	(1,637,408)
– Intangible assets		(2,148)	(939)
Prepaid lease payments on land use rights		(629)	(30,812)
Proceeds on disposals of:			
– Property, plant and equipment		900	19
(Deposit) withdrawal of restricted bank deposits		(76,726)	21,195
Cash outflow on acquisition of subsidiaries		(692)	–
Net cash used in investing activities		(1,010,518)	(1,635,383)
Financing activities			
Interest paid		(516,479)	(539,853)
Cash received from capital contribution of non-controlling interest		–	8,132
New bank and other borrowings raised		8,794,838	4,461,859
Repayments of bank and other borrowing		(7,014,646)	(4,311,947)
Proceeds from issuance of short-term debentures		2,000,000	4,000,000
Issuance cost for short-term debenture		–	(6,750)
Repayment of short-term debentures		(2,000,000)	(4,000,000)
Repayment of corporate bond		(1,200,000)	–
Dividends paid to:			
– Non-controlling shareholders of subsidiaries		(17,568)	–
– Holders of perpetual notes		(77,250)	(77,250)
Net cash used in financing activities		(31,105)	(465,809)
Net increase in cash and cash equivalents		2,101,981	1,169,215
Cash and cash equivalents at the beginning of the period		1,772,006	2,114,669
Effect of foreign exchange rate changes		10,616	7,438
Cash and cash equivalents at the end of the period	15	3,884,603	3,291,322

1. GENERAL AND BASIS OF PRESENTATION

In preparing the consolidated financial statements, the directors have given careful consideration of the Group's net current liabilities of RMB12,812,529,000 at 30 June 2017. 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 Board as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Such condensed consolidated financial statements have not been audited.

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

2. PRINCIPAL ACCOUNTING POLICIES

In the current interim period, the Group has applied, for the first time, the following amendments ("**revised IASs and IFRSs**") issued by the International Accounting Standards Board ("**IASB**") that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to IFRSs	Annual Improvements to IFRS Standards 2014-2016 Cycle

The application of the above revised IASs and IFRSs in the current interim period has no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

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

	For the six months ended 30 June (Unaudited)	
	2017	2016
	RMB'000	*RMB'000*
Sales of goods:		
– Electricity	**6,011,370**	5,931,312
– Heat energy	**841,945**	805,757
Others	**3,961**	1,798
	6,857,276	6,738,867

The Group manages its businesses by divisions, such as performs 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 financial controller, for the purposes of resource allocation and performance assessment. The Group has presented the following operating and reportable segments.

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

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

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

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

Business activities other than "Gas-fired power and heat energy generation", "Wind power", "Photovoltaic power" and "Hydropower" were grouped and presented as "Others" in the segment information.

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Segment revenue, results

An analysis of the Group's reportable segment revenue, results for the six months ended 30 June 2017 by 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 2017 (Unaudited)						
Revenue from external customers						
Sales of electricity	4,520,896	902,490	432,800	155,184	–	6,011,370
Sales of heat energy	841,945	–	–	–	–	841,945
Others	–	–	–	–	3,961	3,961
Reportable segment revenue/ consolidated revenue	5,362,841	902,490	432,800	155,184	3,961	6,857,276
Reportable segment results before depreciation and amortization	1,678,039	851,858	403,472	118,527	(45,471)	3,006,425
Depreciation	399,875	336,606	135,889	57,151	1,768	931,289
Amortization	3,117	82,429	57	12,179	1,086	98,868
Reportable segment results *(Note (i))*	1,275,047	432,823	267,526	49,197	(48,325)	1,976,268

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Segment revenue, results *(Continued)*

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

(i) 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 available-for-sale financial assets).

(b) Geographical information

Over 95% of the Group's revenue are located in the PRC, therefore no geographical 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/out of the PRC and the sales activities are made in/out of the PRC.

4. OTHER INCOME

	For the six months ended 30 June (Unaudited)	
	2017	2016
	RMB'000	*RMB'000*
Government grants and subsidies related to:		
– Clean energy production *(Note (a))*	**502,042**	516,133
– Construction of assets *(Note (b))*	**6,943**	3,816
Income from carbon credits	**55,950**	59,005
Value-added tax refunds *(Note (c))*	**38,346**	26,815
Others	**13,717**	3,008
	616,998	608,777

Notes:

(a) The Group's gas-fired 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-fired 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 photovoltaic farms and a full refund of value-added tax for its revenue from the sale of heat energy to residential customers. A receivable and the corresponding income of the value-added tax refund are recognized when relevant value-added tax refund application is registered with the relevant PRC tax authorities.

5. OTHER GAINS AND LOSSES

	For the six months ended 30 June (Unaudited)	
	2017	2016
	RMB'000	*RMB'000*
Other gains (losses) comprise:		
Impairment gain on doubtful debt receivables	**–**	391
Gain (loss) on disposal of property, plant and equipment	**11**	(579)
Net exchange (loss) gain	**(9,756)**	1,882
Gain (loss) arising from change in fair value of financial asset classified as held for trading	**6,165**	(88,009)
Loss arising from change in fair value of derivative financial assets	**–**	(2,541)
Others	**(80)**	6,469
	(3,660)	(82,387)

6. INTEREST INCOME/FINANCE COSTS

	For the six months ended 30 June (Unaudited)	
	2017	2016
	RMB'000	*RMB'000*
Interest income	**15,922**	10,528
Interest expense	**538,019**	536,379
Less: Amounts capitalized in property, plant and equipment	**(32,178)**	(50,044)
Total finance costs	**505,841**	486,335
Net finance costs	**489,919**	475,807

7. INCOME TAX EXPENSE

	For the six months ended 30 June (Unaudited)	
	2017	2016
	RMB'000	*RMB'000*
Current tax:		
PRC enterprise income tax	**420,024**	386,500
Deferred tax *(Note 13)*:		
Current period	**(51,762)**	(83,478)
Income tax expense	**368,262**	303,022

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 2017.

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

北京京能未來燃氣熱電有限公司 (Beijing Jingneng Weilai Gas-fired Power Co., Ltd., English name for identification purpose) ("**Weilai Gas**") was qualified as High and New Technology Enterprises since 2015 and is entitled to a preferential income tax rate of 15%. The qualification of High and New Technology Enterprises is subject to review once every three years, and Weilai Gas continued to be recognized as a high-tech enterprise for the period ended 30 June 2017.

Hong Kong Profits Tax and Australia Profit Tax are calculated at 16.5% and 30%, respectively, of the estimated assessable profit. During the six months ended 30 June 2017, taxation arising in other jurisdictions is calculated at the rate prevailing in Australia. No provision for Hong Kong profits tax has been made as the Group has no assessable profit arising in Hong Kong.

8. PROFIT FOR THE PERIOD

	For the six months ended 30 June (Unaudited)	
	2017	2016
	RMB'000	*RMB'000*
Profit for the period has been arrived at after charging:		
Auditors' remuneration	**752**	684
Prepaid lease payments released to profit or loss	**2,708**	1,911
Operating lease payments in respect of land and building	**27,911**	6,466
Depreciation and amortization:		
Depreciation of property, plant and equipment	**931,289**	818,191
Amortization of intangible assets	**98,868**	100,641
Total depreciation and amortization	**1,030,157**	918,832

9. DIVIDENDS

(a) On 28 June 2017, a dividend in the total amount of approximately RMB508,411,000 was declared by the Company.

(b) The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company for the six months ended 30 June 2017 of RMB1,050,958,000 (six months ended 30 June 2016: RMB1,011,538,000) and the weighted average number of shares in issue for the six months ended 30 June 2017 of 6,870,423,000 (six months ended 30 June 2016: 6,870,423,000 shares).

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

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group acquired items of property, plant and equipment of RMB554,200,000 (six months ended 30 June 2016: RMB2,235,426,000). Items of property, plant and equipment with a net book value of approximately RMB736,000 (six months ended 30 June 2016: RMB931,000) were disposed of during the six months ended 30 June 2017, resulting in a gain on disposal of approximately RMB11,000 (six months ended 30 June 2016: loss on disposal of RMB579,000).

12. INTANGIBLE ASSETS

Intangible assets mainly represent concession right of RMB2,598,330,000 (as at 31 December 2016: RMB2,680,356,000), project operation right of RMB1,080,521,000 (as at 31 December 2016: RMB1,092,962,000), and software of RMB95,025,000 (as at 31 December 2016: RMB111,558,000).

13. DEFERRED TAXATION

The following is the Group's major deferred tax assets (liabilities) recognized and movements thereon during the year ended 31 December 2016 and the six months ended 30 June 2017:

	Tax loss *RMB'000*	Impairment on doubtful receivables *RMB'000*	Temporary differences on fair value adjustments in acquisition of subsidiaries *RMB'000*	Trial run profit *RMB'000* *(Note (a))*	Deferred Income related to clean energy production *RMB'000* *(Note (b))*	Different depreciation rate *RMB'000*	Trial run loss *RMB'000* *(Note (a))*	Held for trading financial asset *RMB'000*	Derivative financial liabilities *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 January 2017	69,867	3,067	(16,587)	47,905	16,624	(54,126)	(61,578)	12,901	70,841	8,421	97,335
Credit (charge) to profit or loss (Note 7)	7,261	-	260	15,850	45,007	(9,044)	2,773	(1,017)	(861)	(8,467)	51,762
Credit to other comprehensive income	-	-	-	-	-	-	-	-	10,678	-	10,678
Exchange adjustments	32	-	-	-	-	(32)	-	102	(1,293)	-	(1,191)
At 30 June 2017	77,160	3,067	(16,327)	63,755	61,631	(63,202)	(58,805)	11,986	79,365	(46)	158,584

Note:

(a) The revenue and cost generated from trial run of property, plant and equipment were credited or charged respectively to property, plant and equipment but the trail run profit is subject to PRC enterprise income tax and resulted in a temporary difference. The trial run profit/(loss) resulted in the tax bases of the related property, plant and equipment to be higher/(lower) than their carrying value on the consolidated statement of financial position in accounting, which the entity can receive more/(less) deductible deprecation charging to the tax profit to save/(increase) the future income tax expense during the useful life of the related property, plant and equipment. Accordingly, the deferred tax assets/(liabilities) are recognized from the trial run profit/(loss).

(b) The subsidies from the government will be taxable immediately as taxable income upon the receipt, however the income can only be released from deferred income in accounting when the actual volume of electricity generated from and sold by the Group's related gas and wind power facilities. Accordingly, the deferred tax assets are recognized.

13. DEFERRED TAXATION *(Continued)*

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purpose:

	As of 30 June 2017 ***RMB'000*** **(Unaudited)**	As of 31 December 2016 *RMB'000* (Audited)
Deferred tax assets	**247,927**	181,565
Deferred tax liabilities	**(89,343)**	(84,230)
	158,584	97,335

14. TRADE AND BILL RECEIVABLES

	As of 30 June 2017 ***RMB'000*** **(Unaudited)**	As of 31 December 2016 *RMB'000* (Audited)
Trade receivables	**3,255,082**	3,332,243
Bills receivables	**123,252**	38,506
	3,378,334	3,370,749
Less: allowance for doubtful receivables	**2,631**	2,631
	3,375,703	3,368,118

The Group allows an average period of 60 days to its electricity and heat customers, except for clean energy power price premium is 365 days. The following is an aged analysis of the Group's trade and bill receivables net of allowance for doubtful receivables based on the invoices date which approximated the respective dates on which revenue was recognized as at the end of each reporting period:

14. TRADE AND BILL RECEIVABLES *(Continued)*

	As of 30 June 2017 *RMB'000* (Unaudited)	As of 31 December 2016 *RMB'000* (Audited)
Within 60 days	**1,314,990**	2,112,336
61 to 365 days	**1,341,615**	700,950
1 to 2 years	**351,211**	404,372
2 to 3 years	**231,070**	140,616
Over 3 years	**136,817**	9,844
	3,375,703	3,368,118

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

	For the six months ended 30 June 2017 *RMB'000* (Unaudited)	For the year ended 31 December 2016 *RMB'000* (Audited)
At the beginning of the year/period	**2,631**	2,577
Provision during the year/period	**–**	645
Reversed during the year/period	**–**	(591)
At the end of the year/period	**2,631**	2,631

15. CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents comprise cash on hand and deposits to banks and a related non-bank financial institution with an original maturity of three months or less. Deposits to banks and a related non-bank financial institution carry prevailing market interest rate.

The Group had deposits of approximately RMB653,011,000 placed with 京能集團財務有限公司 (BEH Finance Co., Ltd., English name for identification purpose) ("**BEH Finance**"), a non-bank financial institution approved by China Banking Regulatory Commission as at 30 June 2017 (as at 31 December 2016: approximately RMB177,273,000). Such deposits were short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, accordingly, the balances as at 30 June 2017 have been regarded as cash and cash equivalents.

16. TRADE AND OTHER PAYABLES

	As of 30 June 2017 RMB'000 (Unaudited)	As of 31 December 2016 RMB'000 (Audited)
Trade payables	1,636,308	1,580,415
Payables for acquisition of property, plant and equipment	758,320	867,522
Retention payables	669,378	638,647
Bills payable	310,768	434,884
Advance received from customers	48,763	54,257
Salary and staff welfares	62,935	80,286
Non-income tax payables	59,866	75,825
Accrued interests payable	145,304	128,211
Dividend payables	243,528	69,997
Other payables	62,360	61,922
	3,997,530	3,991,966

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

	As of 30 June 2017 RMB'000 (Unaudited)	As of 31 December 2016 RMB'000 (Audited)
Within 30 days	1,058,423	977,101
31 to 365 days	570,194	749,585
1 to 2 years	162,760	129,424
2 to 3 years	121,755	148,638
Over 3 years	33,944	10,551
	1,947,076	2,015,299

17. BANK AND OTHER BORROWINGS

	As of 30 June 2017 *RMB'000* (Unaudited)	As of 31 December 2016 *RMB'000* (Audited)
Bank loans	12,801,944	11,044,237
Other borrowings from		
– related non-bank financial institutions *(Note (a))*	1,752,750	1,165,500
– fellow subsidiaries *(Note (b))*	120,000	120,000
– other non-related entities	3,756,000	4,245,000
– BEH	503,000	503,000
	18,933,694	17,077,737
Represented by:		
– Unsecured borrowings	17,001,354	15,109,874
– Secured borrowings	1,932,340	1,967,863
	18,933,694	17,077,737
Bank and other borrowings repayable:		
– Within one year	9,813,409	7,794,224
– More than one year but not exceeding two years	2,499,984	1,527,760
– More than two years but not exceeding three years	1,818,949	1,425,301
– More than three years but not exceeding five years	2,241,445	2,309,309
– More than five years	2,559,907	4,021,143
	18,933,694	17,077,737
Less: Amount due within one year shown under current liabilities	9,813,409	7,794,224
Amount due after one year	9,120,285	9,283,513

17. BANK AND OTHER BORROWINGS *(Continued)*

Notes:

(a) Other borrowings from a related non-bank financial institution represented loans from BEH Finance and 深圳京能融資租賃有限公司 (Shenzhen Jingneng Finance Lease Limited, English name for identification purpose) ("**Jingneng Lease**"), a subsidiary of BEH.

(i) As at 30 June 2017, the loans from BEH Finance amounting to RMB1,656,250,000 were unsecured, carried interest at rates which are the prevailing interest rates promulgated by the PBOC, with a maximum premium or discount of 10% and variable by reference to the interest rates promulgated by PBOC. The interest expenses attributed to the above loans from BEH Finance were RMB16,158,000 for the six months ended 30 June 2017 (six months ended 30 June 2016: RMB26,362,000).

(ii) The loan from Jingneng Lease, amounting to RMB96,500,000 were secured, carried fixed interest rates at 2.95% per annum, and should be repaid in 2018. For six months ended 30 June 2017, interest expenses on lease loans from Jingneng Lease was RMB1,436,000 (six months ended 30 June 2016:RMB10,240,000).

(b) The amount represented the borrowings from 北京京豐熱電有限責任公司 (Beijing Jingfeng Thermal Power Co., Ltd., English name for identification purpose) ("**Jingfeng Thermal**"), and 北京京西發電有限責任公司 (Beijing Jingxi Power Generation Co., Ltd., English name for identification purpose) ("**Jingxi Power**"), fellow subsidiaries of the Company. As at 30 June 2017, the borrowing from Jingfeng Thermal was an entrusted loan, carried at fixed interest rate at 3.915% and repayable within one year. As at 30 June 2017, the borrowing from Jingxi Power was an entrusted loan, carried at fixed interest rate at 3.915% and repayable within one year. The interest expenses attributed to above loans were RMB2,559,000 for the six months ended 30 June 2017 (six months ended 30 June 2016: RMB2,143,000).

During the six months ended 30 June 2017, the Group's borrowings increased by RMB8,794,838,000 (six months ended 30 June 2016: RMB4,461,859,000), and repayments of borrowings of the Group were RMB7,014,646,000 (six months ended 30 June 2016: RMB4,311,947,000).

The borrowings carried at annual interest rate ranging from 1.20% to 6.14% (31 December 2016: 1.20% to 6.10%).

18. SHORT-TERM DEBENTURES

On July 7, 2016, the Company issued a short term commercial paper of RMB1,000,000,000 at par value, bearing an interest rate of 2.80% and expiring on July 7, 2017. On August 23, 2016, the Company issued RMB1,000,000,000 short term commercial paper at par value with interest rate of 2.70% and expiring on August 23, 2017. On October 28, 2016, the Company issued RMB1,000,000,000 short term commercial paper at par value with interest rate of 3.03% and expiring on October 28, 2017. On November 16, 2016, the Company issued RMB1,000,000,000 short term commercial paper at par value with interest rate of 3.27% and expiring on August 13, 2017. On March 9, 2017, the Company issued RMB2,000,000,000 short term commercial paper at par value with interest rate of 4.30% and expiring on December 4, 2017. These commercial papers are traded on the National Association of Financial Market Institutional Investors (銀行間市場交易商協會) in the PRC.

19. CORPORATE BONDS

On 23 December 2014, Jingneng Clean Energy Investment Holdings ("**JCEIH**") ("**The Issuer**"), a subsidiary of the Group, issued senior guaranteed bonds with total value of RMB1,000 million, which are repayable on 23 December 2017. The applicable interest rate is 4.30% per annum. Total proceeds received net of issuance costs, amounted to RMB988,132,000. Jingneng Clean Energy (Hong Kong) Limited ("**CE HK**") ("**The Guarantor**"), a subsidiary of the Group, provided irrecoverable guarantee with joint liability to the bonds. The Issuer, the Guarantor and BEH, the parent company of the issuer entered into agreements and BEH will assist the Issuer and the Guarantor in meeting their respective obligations under the senior guaranteed bonds. These bonds have been traded on the Stock Exchange since 23 December 2014.

20. PERPETUAL NOTES

The Company issued perpetual medium-term notes at par value on June 18, 2015, with a total principal amount of RMB1.5 billion ("**Perpetual Notes**"). The proceeds from the issuance of the Perpetual Notes after netting off the issuance cost were RMB1,486,500,000.

The coupon rate for the first three years up to June 8, 2018 is 5.15% per annum, which is paid annually in arrears on June 19 in each year ("**Coupon Payment Date**"). The Company may defer any interest at its own discretion unless compulsory coupon payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) have occurred. The deferred interest is interest bearing at the current coupon rate during the interest deferral period.

The Perpetual Notes have no fixed maturity and are callable at the Company's option, on June 18, 2018 or on any Coupon Payment Date afterwards, at their principal amounts together with any accrued, unpaid or deferred coupon interest payments.

After June 18, 2018, the coupon rate will be reset every three years to a percentage per annum equal to the sum (i) of the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (ii) current period benchmark interest rate, and (iii) a margin of 300 base points per annum. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends or reduce its registered capital.

Pursuant to the terms of these Perpetual Notes, the Company has no contractual obligation to repay its principal or to pay any coupon and deferred interest unless compulsory coupon payment event has occurred. Accordingly, the Perpetual Notes are classified as equity and subsequent coupon payment will be recorded as equity distribution to the owners of the Company.

For the six months ended 30 June 2017, the profit attributable to holders of the Perpetual Notes, based on the applicable coupon rate, was approximately RMB38,308,000 (six months ended 30 June 2016: RMB38,301,000).

21. SHARE CAPITAL

	As of 30 June 2017 ***RMB'000*** **(Unaudited)**	As of 31 December 2016 *RMB'000* (Audited)
Issued and fully paid:		
Domestic ordinary shares of RMB1.00 each	**4,512,359**	4,512,359
H shares of RMB1.00 each	**2,358,064**	2,358,064
	6,870,423	6,870,423

22. LEASE ARRANGEMENTS

The Group as a lessee

At 30 June 2017, the Group had commitment for future minimum lease payments under non-cancellable operating leases in respect of leased properties as follows:

	As of 30 June 2017 ***RMB'000*** **(Unaudited)**	As of 31 December 2016 *RMB'000* (Audited)
Within one year	**55,481**	19,512
In the second to fifth year inclusive	**60,470**	40,890
Over five years	**185,612**	52,459
	301,563	112,861

Operating lease payments represent rentals payable by the Group for land. Leases are negotiated for the term between one and twenty years, and rentals are fixed at the date of signing of lease.

23. COMMITMENTS

The Group had the following commitments:

	As of 30 June 2017 ***RMB'000*** **(Unaudited)**	As of 31 December 2016 *RMB'000* (Audited)
Acquisition or construction of property, plant and equipment contracted but not provided for:	**1,494,267**	1,145,540

24. RELATED PARTY BALANCES AND TRANSACTIONS

(a) The following parties are identified as related party to the Group and the respective relationships are set out below:

Name of related party	Relationship
BEH	Ultimate holding company
北京國際電氣工程有限責任公司 (Beijing International Electric Engineering Co., Ltd., English name for identification purpose) ("**BIEE**")	Fellow subsidiary
BEH Finance	Fellow subsidiary
Jingfeng Thermal	Fellow subsidiary
Jingxi Power	Fellow subsidiary
京能電力後勤服務有限公司 (Jing Neng Electricity Logistic Services Co., Ltd., English name for identification purpose) ("**Jingneng Logistic**")	Fellow subsidiary
北京市熱力集團有限責任公司 (Beijing District Heating (Group) Co., Ltd., English name for identification purpose) ("**BDHG**")	Fellow subsidiary
北京天湖會議中心有限公司 (Beijing Sky-Line Resort Co., Ltd., English name for identification purpose) ("**Sky-Line Resort**")	Fellow subsidiary
內蒙古岱海旅遊學校 (Daihai LvYou Vocational Education Co., Ltd., English name for identification purpose) ("**Daihai LvYou**")	Fellow subsidiary
北京源深節能技術有限責任公司 (Beijing Yuanshen Energy-saving Technology Co., Ltd., English name for identification purpose) ("**Yuanshen Energy**")	Fellow subsidiary
北京京能源深融資租賃有限公司 (Beijing Jingneng YuanShen Financial Leasing Co,. Ltd., English name for identification purpose) ("**YuanShen Financial Leasing**")	Fellow subsidiary
北京京能電力股份有限公司 (Beijing Jingneng Power Co., Ltd., English name for identification purpose) ("**Jingneng Power**")	Fellow subsidiary
內蒙古京能建築安裝工程有限公司 (Inner Mongolia Jingneng Construction and Installation Engineering Co., Ltd., English name for identification purpose) ("**Jingneng Construction**")	Fellow subsidiary
全州柳鋪水電有限公司 (Quanzhou Liupu Hydropower Co., Ltd., English name for identification purpose)	Associate
北京市天銀地熱開發有限責任公司 (Beijing Tian Yin Di Re Development Co., Ltd., English name for identification purpose)	Associate
北京華源惠眾環保科技有限公司 (Beijing Huayuan Huizhong Environmental Protection Technology Co., Ltd., English name for identification purpose)	Joint Venture
Jingneng Lease	Fellow subsidiary
北京京能熱電粉煤灰工業有限公司 (Beijing Jingneng Thermal Power Flyash Industry Co., Ltd., English name for identification purpose)	Fellow subsidiary

24. RELATED PARTY BALANCES AND TRANSACTIONS *(Continued)*

(b) As at 30 June 2017, other than loans to associates and the deposit in a related non-bank financial institution as set out in Note 15, the Group has amounts receivable from the following related parties and the details are set out below:

	As of 30 June 2017 *RMB'000* (Unaudited)	As of 31 December 2016 *RMB'000* (Audited)
Amounts due from:		
Associates	191	31
Joint ventures	20	–
Fellow subsidiaries	31,767	370,770
	31,978	370,801
Represented by:		
Trade receivables aged within 90 days by invoice date	28,933	370,565
Non-trade receivables*	3,045	146
	31,978	370,801

* The balances were interest-free, unsecured and repayable on demand.

24. RELATED PARTY BALANCES AND TRANSACTIONS *(Continued)*

(c) As at 30 June 2017, except for the balances in borrowings from related non-bank financial institutions, fellow subsidiaries and BEH as set out in Note 17, the Group has amounts payable to the following related parties and the details are set out below:

	As of 30 June 2017 ***RMB'000*** **(Unaudited)**	As of 31 December 2016 *RMB'000* (Audited)
Amounts due to:		
BEH	**310,073**	883
Fellow subsidiaries	**69,922**	100,117
Joint ventures	**3,436**	2,289
	383,431	103,289
Represented by:		
Trade payables aged within one year by invoice date	**48,374**	81,935
Payables for acquisition of property, plant and equipment	**6,612**	16,062
Non-trade payables*	**328,445**	5,292
	383,431	103,289

* The balances were interest-free, unsecured and repayable on demand

(d) During the six months ended 30 June 2017, the Group entered into the following significant transactions with its related parties:

Continuing transactions:

(i) Management services from related parties

Name of related party	**Six months ended 30 June (Unaudited)** **2017** ***RMB'000***	2016 *RMB'000*
Jingxi Power	**–**	473
BIEE	**2,075**	450

24. RELATED PARTY BALANCES AND TRANSACTIONS *(Continued)*

(d) During the six months ended 30 June 2017, the Group entered into the following significant transactions with its related parties: *(Continued)*

Continuing transactions: *(Continued)*

(ii) Equipment maintenance services from related parties

Name of related party	Six months ended 30 June (Unaudited) 2017 RMB'000	2016 RMB'000
Jingfeng Thermal	**5,997**	5,846
BIEE	**15,580**	16,147
Jingneng Power	**24,706**	19,344
Jingneng Construction	**–**	228

(iii) Conference services from related parties

Name of related party	Six months ended 30 June (Unaudited) 2017 RMB'000	2016 RMB'000
Daihai LvYou	**145**	1,074
Sky-line Resort	**41**	15
Jingneng Logistic	**409**	–

(iv) Rental expense as a lessee charged by related parties

Name of related party	Six months ended 30 June (Unaudited) 2017 RMB'000	2016 RMB'000
Jingfeng Thermal	**3,829**	2,680
YuanShen Financial Leasing	**138**	138
Jingxi Power	**15,873**	–

24. RELATED PARTY BALANCES AND TRANSACTIONS *(Continued)*

(d) During the six months ended 30 June 2017, the Group entered into the following significant transactions with its related parties: *(Continued)*

Continuing transactions: *(Continued)*

(v) Commission for entrusted loan service from a related non-bank financial institution

Name of related party	Six months ended 30 June (Unaudited)	
	2017	2016
	RMB'000	*RMB'000*
BEH Finance	**5,844**	4,968

(vi) Interest income from related non-bank financial institutions

Name of related party	Six months ended 30 June (Unaudited)	
	2017	2016
	RMB'000	*RMB'000*
BEH Finance	**5,549**	7,224

(vii) Property management fee charged by a related party

Name of related party	Six months ended 30 June (Unaudited)	
	2017	2016
	RMB'000	*RMB'000*
Jingneng Logistic	**8,784**	8,626

(viii) Heat energy sold to a connected person*

Name of related party	Six months ended 30 June (Unaudited)	
	2017	2016
	RMB'000	*RMB'000*
BDHG	**778,879**	757,695

* The amount of the revenue to this connected person excludes the value-added tax.

24. RELATED PARTY BALANCES AND TRANSACTIONS *(Continued)*

(d) During the six months ended 30 June 2017, the Group entered into the following significant transactions with its related parties: *(Continued)*

Continuing transactions: *(Continued)*

(ix) Equipment purchase framework agreement

Name of related party	Six months ended 30 June (Unaudited)	
	2017	2016
	RMB'000	*RMB'000*
BIEE	**38,534**	35,303
Yuanshen Energy	**1,554**	2,660

(x) Framework Operating Agreement

Name of related party	Six months ended 30 June (Unaudited)	
	2017	2016
	RMB'000	*RMB'000*
Jingxi Power	**7,406**	7,311

(xi) Landscaping service agreement

Name of related party	Six months ended 30 June (Unaudited)	
	2017	2016
	RMB'000	*RMB'000*
Jingxi Power	**72**	–

(e) During the six months ended 30 June 2017, interest income from loans to associates of the Group amounted to RMB3,255,000 (for the six months ended 30 June 2016: RMB3,453,000), and interest income from loans to joint ventures amounted to RMB338,000 (for the six months ended 30 June 2016: nil).

25. THE FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF THE COMPANY ON 29 AUGUST 2017.