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Beijing Jingneng Clean Energy Co., Limited

北京京能清潔能源電力股份有限公司

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

(Stock Code: 00579)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

FINANCIAL HIGHLIGHTS

- Revenue 30 Jun 2021 was B9,339.8 million, an increase of 12.81% compared with B8,278.0 million in 2020.
Profit before tax 30 Jun 2021 was B1,884.3 million, an increase of 13.90% compared with B1,655.0 million in 2020.
Profit after tax 30 Jun 2021 was B1,488.2 million, an increase of 14.90% compared with B1,295.0 million in 2020.
Basic earnings per share 30 Jun 2021 was B18.05...

RESULTS HIGHLIGHTS

The Board of Beijing Jingneng Clean Energy Co., Limited (the Company) ... Group (we/us) for the six months ended 30 June 2021 (Reporting Period), in accordance with International Financial Reporting Standards (IFRSs).

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six-month period ended 30 June 2021

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

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

For the six-month period ended 30 June 2021

		For the six-month period ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Profit from operations	8	<u>1,556,424</u>	<u>1,335,909</u>
Items that will not be reclassified to profit or loss:			
Gain from disposal of subsidiaries (FVCI)		-	3,428
Gain from disposal of subsidiaries with retained interests		-	<u>5,250</u>
		-	<u>8,678</u>
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(30,276)	(16,736)
Cost of warranties:			
- (i) > RMB'000		14,999	(7,075)
- (ii) < RMB'000		6,003	4,769
Income tax on share of profit of associates		(4,518)	(1,001)
		<u>(13,792)</u>	<u>(20,043)</u>
Other comprehensive income		<u>(13,792)</u>	<u>(11,365)</u>
Profit before income tax		<u>1,542,632</u>	<u>1,324,544</u>
Income tax expense:			
- Estimated current tax		1,474,386	1,283,850
- Hidden tax		25,588	6,079
- Deferred tax		<u>42,658</u>	<u>34,615</u>
		<u>1,542,632</u>	<u>1,324,544</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
Non-current Assets		
Property, plant and equipment	44,274,832	43,187,213
Intangible assets	1,406,351	1,431,342
Investments	4,301,875	4,410,754
Goodwill	190,049	190,049
Long-term receivables	3,413,806	3,518,508
Loans	108,000	117,000
Investments in subsidiaries	119,102	130,904
Loans to subsidiaries	70,000	70,000
Deferred tax assets	231,289	296,104
Equity investments in FCI	66,911	66,911
Other non-current assets	1,245,504	1,114,305
Derivative financial instruments	1,779,300	1,072,426
Other non-current assets	46,211	50,787
Derivative financial instruments	4,340	-
	57,257,570	55,656,303
Current Assets		
Inventory	121,310	104,416
Prepaid expenses and other receivables	9,178,645	9,159,317
Other receivables, including related parties	540,683	463,778
Current tax assets	17,168	16,565
Accounts payable and other payables	87,830	170,193
Other payables	433,688	469,666
Financial assets (F & L)	200,780	196,043
Other current assets	4,533	4,577
Current tax liabilities	6,592,508	4,297,450
	17,177,145	14,882,005

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2021 (continued)

1. GENERAL AND BASIS OF PRESENTATION

The financial statements were prepared on the basis of the condensed consolidated financial statements of the Company (the "Company") and its subsidiaries (collectively the "Group") as at and for the period ended 30 June 2021. The Group's total assets were approximately RMB7,176,553,000 as at 30 June 2021. The Group's total liabilities were approximately RMB1,461,543,000 as at 30 June 2021. The Group's total equity was approximately RMB5,715,010,000 as at 30 June 2021. The Company's registered office is located at the 16th floor, No. 16, West Changyang Road, Haidian District, Beijing, P.R. China. The Company's principal place of business is located at the 16th floor, No. 16, West Changyang Road, Haidian District, Beijing, P.R. China. The Company's website is www.hkex.com.hk. The Company is a public company listed on the Hong Kong Stock Exchange (the "Stock Exchange") under the Listing Rules.

The financial statements were prepared in accordance with the International Accounting Standards (IAS) 34 Interim Financial Reporting, the Accounting Standards for the Companies Issued in Hong Kong, the Accounting Standards for Enterprises Issued in Mainland China (the "Accounting Standards for Enterprises") and the Listing Rules of the Stock Exchange.

The financial statements are presented in Renminbi Yuan (RMB), which is the functional currency of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

The financial statements were prepared on the basis of the condensed consolidated financial statements of the Company and its subsidiaries as at and for the period ended 30 June 2021.

The financial statements were prepared on the basis of the condensed consolidated financial statements of the Company and its subsidiaries as at and for the period ended 30 June 2021. The financial statements were prepared on the basis of the condensed consolidated financial statements of the Company and its subsidiaries as at and for the period ended 31 December 2020.

Application of amendments to IFRSs

The Group has applied the amendments to IFRSs issued by the International Accounting Standards Board (IASB) from 1 January 2021, which are as follows:

Amendment to IFRS 16	COVID-19 related rent concessions
Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest rate benchmark reform

The Group has not applied the amendments to IFRSs issued by the International Accounting Standards Board (IASB) from 1 January 2021, which are as follows:

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

(i) Disaggregation of revenue from contracts with customers:

For the six months ended 30 June 2021 (Unaudited)

	Gas-fired power and heat energy generation RMB'000	Wind power RMB'000	Photovoltaic power RMB'000	Hydropower RMB'000	Others RMB'000	Total RMB'000
Revenue from contracts with customers	5,296,968	1,541,058	1,255,347	146,616	-	8,239,989
Revenue from contracts with customers	1,097,710	-	-	-	-	1,097,710
Revenue from contracts with customers	-	-	-	-	2,095	2,095
Revenue from contracts with customers	6,394,678	1,541,058	1,255,347	146,616	-	9,337,699
Revenue from contracts with customers	-	-	-	-	2,095	2,095
Revenue from contracts with customers	6,394,678	1,484,196	1,253,563	146,616	2,095	9,281,148
Revenue from contracts with customers	-	56,862	1,784	-	-	58,646
Revenue from contracts with customers	<u>6,394,678</u>	<u>1,541,058</u>	<u>1,255,347</u>	<u>146,616</u>	<u>2,095</u>	<u>9,339,794</u>

For the six months ended 30 June 2020 (Unaudited)

	Gas-fired power and heat energy generation RMB'000	Wind power RMB'000	Photovoltaic power RMB'000	Hydropower RMB'000	Others RMB'000	Total RMB'000
Revenue from contracts with customers	4,868,711	1,109,536	1,028,642	143,215	-	7,150,104
Revenue from contracts with customers	1,127,393	-	-	-	-	1,127,393
Revenue from contracts with customers	-	-	-	-	1,499	1,499
Revenue from contracts with customers	5,996,104	1,109,536	1,028,642	143,215	-	8,277,497
Revenue from contracts with customers	-	-	-	-	1,499	1,499
Revenue from contracts with customers	5,996,104	1,057,468	1,026,435	143,215	1,499	8,224,721
Revenue from contracts with customers	-	52,068	2,207	-	-	54,275
Revenue from contracts with customers	<u>5,996,104</u>	<u>1,109,536</u>	<u>1,028,642</u>	<u>143,215</u>	<u>1,499</u>	<u>8,278,996</u>

(ii) **Geographical information**

For information, the following table shows the geographical distribution of the Group's revenue for the periods ended 30 June 2021 and 30 June 2020.

3B. SEGMENT INFORMATION

(a) **Segment revenue and results**

The Group's revenue is derived from the following segments: Gas-fired power and heat energy, Wind power, Photovoltaic power, Hydropower, and Others. The Group's revenue is derived from the following segments: Gas-fired power and heat energy, Wind power, Photovoltaic power, Hydropower, and Others. The Group's revenue is derived from the following segments: Gas-fired power and heat energy, Wind power, Photovoltaic power, Hydropower, and Others.

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Gas-fired power and heat energy, Wind power, Photovoltaic power, Hydropower, and Others. The Group's revenue is derived from the following segments: Gas-fired power and heat energy, Wind power, Photovoltaic power, Hydropower, and Others.

As at 30 June 2021, the Group's revenue is derived from the following segments: Gas-fired power and heat energy, Wind power, Photovoltaic power, Hydropower, and Others.

	Gas-fired power and heat energy generation RMB'000	Wind power RMB'000	Photovoltaic power RMB'000	Hydropower RMB'000	Others RMB'000	Total RMB'000
For the period ended 30 June 2021 (continued)						
Revenue	<u>6,394,678</u>	<u>1,541,058</u>	<u>1,255,347</u>	<u>146,616</u>	<u>2,095</u>	<u>9,339,794</u>
Cost of sales	<u>1,484,959</u>	<u>1,418,492</u>	<u>1,121,089</u>	<u>105,257</u>	<u>(127,110)</u>	<u>4,002,687</u>
Depreciation	447,710	426,477	443,452	52,406	7,390	1,377,435
Amortisation	7,532	84,728	27,704	12,992	561	133,517
Profit/(loss) before income tax	<u>1,029,717</u>	<u>907,287</u>	<u>649,933</u>	<u>39,859</u>	<u>(135,061)</u>	<u>2,491,735</u>

Amounts in Renminbi Yuan are rounded to the nearest million Renminbi Yuan. For the six-month period ended 30 June 2020, the consolidated financial statements are as follows:

	Group					
	Continental RMB'000	Wan RMB'000	Wan RMB'000	Home RMB'000	Other RMB'000	Total RMB'000
For the six-month period ended 30 June 2020						
Other income (Note 5)						
Other income from continuing operations	5,996,104	1,109,536	1,028,642	143,215	1,499	8,278,996
Other income from discontinued operations	1,425,653	1,048,704	967,842	106,931	(106,931)	3,442,199
Depreciation	432,280	358,656	358,011	54,994	2,435	1,206,376
Amortization	5,129	84,341	16,730	12,322	541	119,063
Other income from operations (Note 5)	<u>988,244</u>	<u>605,707</u>	<u>593,101</u>	<u>39,615</u>	<u>(109,907)</u>	<u>2,116,760</u>

(continued)

(C) Other income from operations from continuing operations for the six-month period ended 30 June 2020 includes the following items:

4. OTHER INCOME

	For the six-month period ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Gain from disposal of subsidiaries:		
Continental (Note 5)	279,419	199,907
Continental (Note 5)	14,824	10,377
Loss from disposal of subsidiaries:	66,435	60,007
Continental (Note 5)	64,726	48,650
Other	<u>28,098</u>	<u>38,705</u>
	<u>453,502</u>	<u>357,646</u>

(continued)

- (c) The Group's financial liabilities with a carrying amount of RMB1,000,000,000 were reclassified to the Group's financial liabilities with a carrying amount of RMB1,000,000,000. The Group's financial liabilities with a carrying amount of RMB1,000,000,000 were reclassified to the Group's financial liabilities with a carrying amount of RMB1,000,000,000. The Group's financial liabilities with a carrying amount of RMB1,000,000,000 were reclassified to the Group's financial liabilities with a carrying amount of RMB1,000,000,000.
- (d) The Group's financial liabilities with a carrying amount of RMB1,000,000,000 were reclassified to the Group's financial liabilities with a carrying amount of RMB1,000,000,000. The Group's financial liabilities with a carrying amount of RMB1,000,000,000 were reclassified to the Group's financial liabilities with a carrying amount of RMB1,000,000,000.
- (e) The Group's financial liabilities with a carrying amount of RMB1,000,000,000 were reclassified to the Group's financial liabilities with a carrying amount of RMB1,000,000,000. The Group's financial liabilities with a carrying amount of RMB1,000,000,000 were reclassified to the Group's financial liabilities with a carrying amount of RMB1,000,000,000.

5. OTHER GAINS AND LOSSES

	For the six-month period ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Loss on disposal of property, plant and equipment	(8,689)	(9,583)
Gain on disposal of investment (Note 5)	250	(6,619)
Gain (Loss) on disposal of financial assets at FVPL	6,986	(60,594)
Other	(4,753)	73,102
	<u>(6,206)</u>	<u>(3,694)</u>

6. INTEREST INCOME/FINANCE COSTS

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

7. INCOME TAX EXPENSE

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

China Enterprise Income Tax is calculated on taxable income at the rate of 25% on the basis of the tax law of the PRC effective from 1 January 2008. The tax expense for the six-month period ended 30 June 2021 is as follows:

The current tax expense is calculated on the taxable income of the Group for the six-month period ended 30 June 2021. The deferred tax expense is calculated on the temporary differences between the carrying amounts of assets and liabilities and their tax base. The Group's tax base is determined on the basis of the tax law of the PRC effective from 1 January 2008. A tax credit was available to the Group for the six-month period ended 30 June 2021, which is 50% of the tax expense for the six-month period ended 30 June 2021. The tax credit was used to offset the current tax expense for the six-month period ended 30 June 2021.

The Group's subsidiaries in the PRC, Beijing Jingneng Future Gas Thermal Power Co., Ltd. (北京京能未來燃氣熱電有限公司) (Weilai Gas) was established in Hong Kong in 2015. The tax expense for the six-month period ended 30 June 2021 is calculated on the taxable income of the Group for the six-month period ended 30 June 2021.

The Group's subsidiaries in Hong Kong are subject to Hong Kong tax (HK\$) 2% on the taxable income of the Group for the six-month period ended 30 June 2021. The tax expense for the six-month period ended 30 June 2021 is calculated on the taxable income of the Group for the six-month period ended 30 June 2021.

The Group's subsidiaries in Hong Kong are subject to Hong Kong tax (HK\$) 2% on the taxable income of the Group for the six-month period ended 30 June 2021.

The Group's subsidiaries in Hong Kong are subject to Hong Kong tax (HK\$) 2% on the taxable income of the Group for the six-month period ended 30 June 2021.

8. PROFIT FOR THE PERIOD

	For the six-month period ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Profit before income tax:		
Attributable to equity holders of the Company	1,862	1,710
Attributable to non-controlling interests	26,391	26,630
Profit after income tax:		
Attributable to equity holders of the Company	1,341,900	1,182,044
Attributable to non-controlling interests	35,535	24,332
Attributable to equity holders of the Company	<u>133,517</u>	<u>119,063</u>
	<u>1,510,952</u>	<u>1,325,439</u>

9. DIVIDENDS

- () On 24 June 2021, the Board of Directors of the Company has approved a cash dividend of RMB567,222,000 with respect to the Company's 2020 annual earnings.
- () The Dividend for the period ended 30 June 2021 (compared to 30 June 2020: Nil).

10. EARNINGS PER SHARE

The Company's earnings for the period ended 30 June 2021 of RMB1,488,178,000 (compared to 30 June 2020: RMB1,295,215,000) were divided by the weighted average number of shares outstanding for the period ended 30 June 2021 of 8,244,508,000 (compared to 30 June 2020: 8,244,508,000).

The Company's earnings for the period ended 30 June 2021 were calculated in accordance with the applicable accounting standards.

11. TRADE AND BILLS RECEIVABLES

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

The Group's weighted average of 60 days' credit period for trade receivables is consistent with the Group's credit policy. The Group's credit policy is to offer credit to its customers on a case-by-case basis.

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
0-60 days	1,618,233	2,849,843
61-365 days	2,536,843	2,649,928
1-2 years	3,008,036	2,200,362
2-3 years	1,583,665	906,255
Over 3 years	431,868	552,929
	<u>9,178,645</u>	<u>9,159,317</u>

Group's financial position at the end of the reporting period. The Group's financial position at the end of the reporting period is as follows:

As at 30 June 2021, the Group's financial position is as follows: RMB'000 (Unaudited) and 31 December 2020, RMB'000 (Audited).

12. TRADE AND OTHER PAYABLES

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

The following table shows the Group's financial position at the end of the reporting period:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Trade payables	1,019,010	1,676,193
Contract liabilities	1,048,158	563,194
Deferred income	159,677	115,688
Contract assets	11,805	37,516
Other	40,362	11,859
	<u>2,279,012</u>	<u>2,404,450</u>

MANAGEMENT DISCUSSION AND ANALYSIS

I. REVIEW OF THE POWER INDUSTRY

In the first half of 2021, China's power generation capacity continued to grow. According to the National Energy Administration, as of June 30, 2021, China's total power generation capacity reached 2.26 billion kilowatts, an increase of 9.5% over the same period last year. Among them, the capacity of hydropower, nuclear power, wind power, solar power, and biomass power was 1.27 billion kilowatts, an increase of 4.1%; the capacity of coal-fired power was 900 million kilowatts, an increase of 34.7%; the capacity of gas power was 270 million kilowatts, an increase of 23.7%; the capacity of natural gas power was 380 million kilowatts, an increase of 4.7%. The total installed capacity of power generation equipment in the first half of 2021 was 1.02 billion kilowatts, an increase of 17.8% over the same period last year. The total installed capacity of coal-fired power generation equipment was 3.2 billion kilowatts, an increase of 3.2% over the same period last year. The total installed capacity of gas power generation equipment was 1.09 billion kilowatts, an increase of 2.5% over the same period last year. The total installed capacity of wind power generation equipment was 48.2% of the total installed capacity of power generation equipment, an increase of 3.3 percentage points over the same period last year. The total installed capacity of solar power generation equipment was 1.4% of the total installed capacity of power generation equipment, an increase of 1.4 percentage points over the same period last year.

In the first half of 2021, China's power generation continued to grow. According to the National Energy Administration, as of June 30, 2021, China's total power generation capacity reached 3,870 million kilowatts, an increase of 13.7% over the same period last year. Among them, the capacity of hydropower, nuclear power, wind power, solar power, and biomass power was 1,270 million kilowatts, an increase of 15.0% over the same period last year. The capacity of coal-fired power was 900 million kilowatts, an increase of 44.6% over the same period last year. The capacity of gas power was 270 million kilowatts, an increase of 24.0% over the same period last year. The capacity of natural gas power was 380 million kilowatts, an increase of 4.7% over the same period last year.

In the first half of 2021, China's power generation continued to grow. According to the National Energy Administration, as of June 30, 2021, China's total power generation capacity reached 1,853 million kilowatts, an increase of 119 million kilowatts over the same period last year. Among them, the capacity of hydropower, nuclear power, wind power, solar power, and biomass power was 2,186 million kilowatts, an increase of 231 million kilowatts over the same period last year. The capacity of coal-fired power was 900 million kilowatts, an increase of 88 million kilowatts over the same period last year. The capacity of gas power was 270 million kilowatts, an increase of 3 million kilowatts over the same period last year. The capacity of natural gas power was 380 million kilowatts, an increase of 33 million kilowatts over the same period last year.

II. BUSINESS REVIEW FOR THE FIRST HALF OF 2021

In the first half of 2021, the Group continued to grow. According to the National Energy Administration, as of June 30, 2021, China's total power generation capacity reached 2.26 billion kilowatts, an increase of 9.5% over the same period last year. Among them, the capacity of hydropower, nuclear power, wind power, solar power, and biomass power was 1.27 billion kilowatts, an increase of 4.1%; the capacity of coal-fired power was 900 million kilowatts, an increase of 34.7%; the capacity of gas power was 270 million kilowatts, an increase of 23.7%; the capacity of natural gas power was 380 million kilowatts, an increase of 4.7%. The total installed capacity of power generation equipment in the first half of 2021 was 1.02 billion kilowatts, an increase of 17.8% over the same period last year. The total installed capacity of coal-fired power generation equipment was 3.2 billion kilowatts, an increase of 3.2% over the same period last year. The total installed capacity of gas power generation equipment was 1.09 billion kilowatts, an increase of 2.5% over the same period last year. The total installed capacity of wind power generation equipment was 48.2% of the total installed capacity of power generation equipment, an increase of 3.3 percentage points over the same period last year. The total installed capacity of solar power generation equipment was 1.4% of the total installed capacity of power generation equipment, an increase of 1.4 percentage points over the same period last year.

1. Steady increase in installed capacity

As of 30 June 2021, the Group's installed capacity was 11,215 MW, an increase of 14% from 9,810 MW as of 30 June 2020. The Group's installed capacity was 4,702 MW as of 30 June 2019, an increase of 42% from 3,314 MW as of 30 June 2018. The Group's installed capacity was 3,146 MW as of 30 June 2017, an increase of 28% from 2,458 MW as of 30 June 2016. The Group's installed capacity was 2,917 MW as of 30 June 2015, an increase of 26% from 2,314 MW as of 30 June 2014. The Group's installed capacity was 0.45 MW as of 30 June 2013, an increase of 4% from 0.43 MW as of 30 June 2012. The Group's installed capacity was 0.349 MW as of 30 June 2011, an increase of 1% from 0.345 MW as of 30 June 2010.

2. Significant increase in power generation

As of 30 June 2021, the Group's power generation was 16,179 GWh, an increase of 17.73% from 13,743 GWh as of 30 June 2020. The Group's power generation was 9,733 GWh as of 30 June 2019, an increase of 8.08% from 9,004 GWh as of 30 June 2018. The Group's power generation was 2,070 GWh as of 30 June 2017, an increase of 155% from 830 GWh as of 30 June 2016. The Group's power generation was 3,803 GWh as of 30 June 2015, an increase of 44.43% from 2,633 GWh as of 30 June 2014. The Group's power generation was 1,294 GWh as of 30 June 2013, an increase of 199% from 433 GWh as of 30 June 2012. The Group's power generation was 82 GWh as of 30 June 2011, an increase of 2,046% from 4 GWh as of 30 June 2010. The Group's power generation was 37.87% of the total power generation in the region as of 30 June 2021, an increase of 1.75% from 36.12% as of 30 June 2020. The Group's power generation was 702 GWh as of 30 June 2019, an increase of 1.1% from 695 GWh as of 30 June 2018. The Group's power generation was 42 GWh as of 30 June 2017, an increase of 597% from 7 GWh as of 30 June 2016. The Group's power generation was 3.86% of the total power generation in the region as of 30 June 2015, an increase of 53% from 3.31% as of 30 June 2014. The Group's power generation was 1,327 GWh as of 30 June 2013, an increase of 53% from 868 GWh as of 30 June 2012. The Group's power generation was 82 GWh as of 30 June 2011, an increase of 2,046% from 4 GWh as of 30 June 2010.

3. Pushing forward project development smoothly

In 2021, the Group's power generation capacity was 18,000 MW, an increase of 1.754% from 17,700 MW as of 2020. The Group's power generation capacity was 13,000 MW as of 2019, an increase of 1.486% from 12,800 MW as of 2018. The Group's power generation capacity was 3,000 MW as of 2017, an increase of 1.486% from 2,950 MW as of 2016. The Group's power generation capacity was 2,917 MW as of 2015, an increase of 1.486% from 2,877 MW as of 2014. The Group's power generation capacity was 0.45 MW as of 2013, an increase of 1.486% from 0.443 MW as of 2012. The Group's power generation capacity was 0.349 MW as of 2011, an increase of 1.486% from 0.345 MW as of 2010.

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Gas-fired Power and Heat Energy Generation Segment

The revenue from gas-fired power and heat energy generation segment increased 6.65% from B5,996.1 million for the year ended 31st March 2020 to B6,394.7 million for the year ended 31st March 2021, following an increase in the number of gas-fired power and heat energy generation units of 8.80% from B4,868.7 million for the year ended 31st March 2020 to B5,297.0 million for the year ended 31st March 2021, and an increase in the average selling price of 2.63% from B1,127.4 million for the year ended 31st March 2020 to B1,097.7 million for the year ended 31st March 2021, partially offset by a decrease in the number of gas-fired power and heat energy generation units for the year ended 31st March 2020.

Wind Power Segment

The revenue from wind power generation segment increased 38.90% from B1,109.5 million for the year ended 31st March 2020 to B1,541.1 million for the year ended 31st March 2021, following an increase in the number of wind power generation units of 38.90% from B1,109.5 million for the year ended 31st March 2020 to B1,541.1 million for the year ended 31st March 2021, and an increase in the average selling price of 0.00% from B1,109.5 million for the year ended 31st March 2020 to B1,109.5 million for the year ended 31st March 2021.

Photovoltaic Power Segment

The revenue from photovoltaic power generation segment increased 22.04% from B1,028.6 million for the year ended 31st March 2020 to B1,255.3 million for the year ended 31st March 2021, following an increase in the number of photovoltaic power generation units of 22.04% from B1,028.6 million for the year ended 31st March 2020 to B1,255.3 million for the year ended 31st March 2021, and an increase in the average selling price of 0.00% from B1,028.6 million for the year ended 31st March 2020 to B1,028.6 million for the year ended 31st March 2021.

Hydro Power Segment

The revenue from hydro power generation segment increased 2.30% from B143.3 million for the year ended 31st March 2020 to B146.6 million for the year ended 31st March 2021.

Other Segment

The revenue from other segment increased 40.00% from B1.5 million for the year ended 31st March 2020 to B2.1 million for the year ended 31st March 2021.

3. Other Income

The revenue from other income segment increased 26.82% from B357.6 million for the year ended 31st March 2020 to B453.5 million for the year ended 31st March 2021, following an increase in the number of other income units of 26.82% from B357.6 million for the year ended 31st March 2020 to B453.5 million for the year ended 31st March 2021, and an increase in the average selling price of 0.00% from B357.6 million for the year ended 31st March 2020 to B357.6 million for the year ended 31st March 2021.

4. Operating Expenses

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

Gas Consumption

Gas consumption decreased 9.50% from B4,249.6 million for 2020 to B4,653.5 million for 2021, primarily due to a decrease in gas consumption.

Depreciation and Amortization Expense

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

Personnel Costs

Personnel costs increased 21.94% from B338.7 million for 2020 to B413.0 million for 2021, primarily due to an increase in gross wages, bonuses, and allowances, and an increase in social security and pension costs.

Repair and Maintenance

Repair and maintenance expense decreased 4.31% from B271.3 million for 2020 to B283.0 million for 2021, primarily due to a decrease in repair and maintenance expense.

Other Expenses

Other expenses increased (1) from B434.9 million for 2020 to B434.9 million for 2021, primarily due to an increase in (1) other expenses; (2) other expenses; (3) other expenses; (4) other expenses; (5) other expenses; (6) other expenses; (7) other expenses.

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

7. Finance Costs

Finance costs were 11.04% of $\text{B}574.5$ million for 2020 and $\text{B}637.9$ million for 2021. Finance costs were primarily related to interest on bank loans and other financing activities.

8. Share of Results of Associates and a Joint Venture

Share of results of associates and a joint venture was 84.42% of $\text{B}89.2$ million for 2020 and $\text{B}13.9$ million for 2021. The share of results of associates and a joint venture was primarily related to the share of results of the joint venture, B. J. Interiors, a private limited company, and other associates.

9. Profit before Taxation

Profit before taxation was 13.90% of $\text{B}1,654.3$ million for 2020 and $\text{B}1,884.3$ million for 2021.

10. Income Tax Expense

Income tax expense was 2.95% of $\text{B}318.4$ million for 2020 and $\text{B}327.8$ million for 2021. Effective tax rate was 19.25% for 2020 and 17.40% for 2021.

11. Profit for the Period

Profit for the period was 16.51% of $\text{B}1,335.9$ million for 2020 and $\text{B}1,556.4$ million for 2021.

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

Profit for the period attributable to equity holders of the company was 14.90% of $\text{B}1,295.2$ million for 2020 and $\text{B}1,488.2$ million for 2021.

IV. FINANCIAL POSITION

1. Overview

As of 30 June 2021, the Group's total assets were $\text{B}74,434.7$ million, total liabilities were $\text{B}47,142.9$ million, and total equity was $\text{B}27,291.8$ million. The Group's total assets were primarily related to property, plant and equipment, and other non-current assets. Total liabilities were primarily related to bank loans and other financing activities. Total equity was primarily related to equity attributable to equity holders of the company.

2. Particulars of Assets and Liabilities

5.52% f B70,538.3 31 D 2020
 B74,434.7 30 J 2021,
 6.73% f B44,171.5 31 D 2020
 B47,142.9 30 J 2021,
 3.51% f B26,366.8
 31 D 2020 B27,291.8 30 J 2021. E
 3.70% f B24,493.7 31 D 2020
 B25,400.8 30 J 2021,
 f2021.

3. Liquidity

A f30 J 2021, B17,177.1
 B6,592.5 B9,178.6
 B1,406.0
 B24,353.7
 B9,269.3
 B9,068.8 B95.2 B26.3
 B5,187.0
 B707.1

30.75% f B10,362.6 31 D 2020
 B7,176.6 30 J 2021.

4. Net Gearing Ratio

0.44
 55.28% 31 D 2020 54.84% 30 J 2021.

Gr 7.72% f B36,886.0
 31 D 2020 B39,733.0 30 J 2021,
 B9,269.3 B9,068.8
 B4,583.9 B14,785.4
 B2,025.6

B Gr 53.40% f B4,297.5
 31 D 2020 B6,592.5 30 J 2021.

V. OTHER SIGNIFICANT EVENTS

1. Financing

On 4 July 2021, the Group issued a 179-million RMB fixed-rate bond with a term of 3 years and an interest rate of 2.65%.

On 18 July 2021, the Group issued a 238-million RMB fixed-rate bond with a term of 3 years and an interest rate of 2.80%.

On 23 August 2021, the Group issued a 270-million RMB fixed-rate bond with a term of 3 years and an interest rate of 2.99%.

On 24 July 2021, the Group issued a 266-million RMB fixed-rate bond with a term of 3 years and an interest rate of 2.68%.

2. Capital Expenditure

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

3. Acquisition and Establishment of Subsidiaries

As at 31 December 2021, the Group has acquired or established the following subsidiaries:

▲ Hubei Rongzhi New Energy Power Co., Ltd.* (河北融智新源電力有限公司) (wholly owned subsidiary), formed by the Group and Beijing Jingneng Jintong New Energy Co., Ltd.* (北京京能京通新能源有限公司) (wholly owned subsidiary) on 10 February 2021, with a registered capital of RMB100 million.

In 2021, the Group has acquired or established the following subsidiaries:

▲ Beijing Jingneng Jintong New Energy Co., Ltd.* (北京京能京通新能源有限公司) (wholly owned subsidiary), formed by the Group and Yinchuan Jingneng Clean Energy Co., Ltd.* (銀川京能清潔能源有限公司) (wholly owned subsidiary) on 10 February 2021, with a registered capital of RMB100 million;

▲ Baichuan Jingneng Clean Energy Power Co., Ltd.* (巴彥淖爾京能清潔能源電力有限公司), wholly owned subsidiary, formed by the Group and Beijing Jingneng Jintong New Energy Co., Ltd.* (北京京能京通新能源有限公司) on 10 February 2021, with a registered capital of RMB100 million.

* Foreign-invested enterprise.

4. Contingent Liabilities

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

5. Mortgage of Assets

As at 30 June 2021, the Group has no mortgage of assets.

6. Significant Events after the Reporting Period

On 19 July 2021, the Company received the following information: (1) the wholly owned subsidiary Lanzhou Jiatai New Energy Co., Ltd. (寧夏嘉澤新能源股份有限公司) has received 100% of the shares of Lanzhou Keyi New Energy Co., Ltd. (寧夏愷陽新能源有限公司) from Beijing Wenhua Co., Ltd. (寧夏博陽新能源有限公司), with a consideration of HK\$380.64 million (RMB1,072.4 million) in cash. Details of the transaction are set out in the Company's announcement dated 19 July 2021.

7. Share Option Scheme

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

8. Foreign Exchange and Exchange Rate Risk

The Group is primarily a Hong Kong-based entity. The Company, with the exception of the wholly owned subsidiary Lanzhou Jiatai New Energy Co., Ltd. (寧夏嘉澤新能源股份有限公司), is a Hong Kong-incorporated company. The Group's revenue is primarily derived from the sale of solar panels in the PRC, HK and other regions, with the majority of the HK and other regions' revenue being denominated in the PRC currency (RMB). The Group's financial statements are presented in Hong Kong dollars. The Group's revenue is primarily denominated in RMB, which is the functional currency of the Group. The Group's revenue is primarily denominated in RMB, which is the functional currency of the Group. The Group's revenue is primarily denominated in RMB, which is the functional currency of the Group.

VI. BUSINESS OUTLOOK FOR THE SECOND HALF OF 2021

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

For 2021, the Group is focusing on its 14th Five-Year Plan. The Group will continue to focus on its core business of solar panels, and will continue to expand its production capacity and sales channels. The Group will also continue to invest in research and development, and will continue to improve its product quality and service level. The Group will also continue to expand its market share, and will continue to improve its financial performance. The Group will also continue to invest in research and development, and will continue to improve its product quality and service level. The Group will also continue to expand its market share, and will continue to improve its financial performance.

2. Actively promoting key projects

The Group was actively promoting the following projects during the reporting period. 1.2... -Budget... 0.45... J... 2021... 14... 14... 10... D... H... C... H... G...

3. Continuing to lay a solid foundation for safety production

The Group will continue to lay a solid foundation for safety production...

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

INTERIM DIVIDEND

The Board of Directors has not declared any interim dividend during the reporting period ended 30 June 2021.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

All the information disclosed in the Company's Work Report 2021 complies with the Corporate Governance Code. A... 14... ... 30 June 2021.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Code for Securities Transactions for Directors and Officers (Model Code) set forth in Appendix 10 of the Listing Rules. The Company has adopted the Code for Securities Transactions for Directors and Officers, which is at least as strict as the Model Code. The Company has also adopted the Code for Securities Transactions for Employees, which is at least as strict as the Model Code.

AUDIT COMMITTEE

The Audit Committee was established in July 2021. The members of the Audit Committee are Mr. Kang Jian, Mr. Li Jun, and Mr. Wang Jie. Mr. Kang Jian is the Chairman of the Audit Committee. The Audit Committee has held 1 meeting since its establishment on 30 July 2021. The Audit Committee has reviewed the financial statements of the Company for the period ended 30 June 2021, and the financial statements of the Company for the period ended 30 June 2021 are in accordance with the applicable accounting standards.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The Company has published its interim results and interim report on the HKEX website (www.hkex.com.hk) and the Company's website (<http://www.bjnc.com.cn>) on 26 August 2021. The Company has also published its interim results and interim report on the HKEX website (www.hkex.com.hk) and the Company's website (<http://www.bjnc.com.cn>) on 26 August 2021.

Beijing Jingneng Clean Energy Co., Limited
KANG Jian

Director, General Manager and Chairman of the Board

Beijing, P.R.C.
26 August 2021

As a Director of the Company, I have read and agree with the content of the interim results and interim report of the Company for the period ended 30 June 2021. I have also read and agree with the content of the interim results and interim report of the Company for the period ended 30 June 2021. I have also read and agree with the content of the interim results and interim report of the Company for the period ended 30 June 2021.