Beijing Jingneng Clean Energy Co., Limited
北京京能清潔能源電力股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 00579)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2020 was RMB17,003.3 million, increased by 3.75% as compared with the previous year.
- Profit attributable to equity holders of the Company for the year ended 31 December 2020 was RMB2,303.4 million, increased by 10.17% as compared with the previous year.
- Basic and diluted earnings per share for the year ended 31 December 2020 was RMB27.94 cents.

FINAL DIVIDEND

- The Board recommended a final dividend of RMB0.0688 per ordinary share (tax inclusive) for the year ended 31 December 2020, representing a total distribution of RMB567.2 million.

RESULTS HIGHLIGHTS

The board of directors (the "**Board**") of Beijing Jingneng Clean Energy Co., Limited (the "**Compan**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**" or "**e**" or "**us**") for the year ended 31 December 2020 (the "**Reporting Period**"), prepared under International Financial Reporting Standards ("**IFRSs**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Profit for the year	**2,395,985**	2,167,331
Other comprehensi€e income (e pense)		
Items that ill not be reclassified to profit or loss:		
Fair value gain on equity instruments at fair value through other comprehensive income	**9,026**	6,072
Income tax relating to items that will not be reclassified to profit or loss	**3,851**	(1,518)
Share of other comprehensive expense of an associate, net of related income tax	**(4,666)**	–
	8,211	4,554
Items that ma be reclassified subsequentl to profit or loss		
Exchange differences on translating foreign operations	**92,475**	(6,618)
Cash flow hedges:		
Gain during the year	**20,007**	13,103
Reclassification of reserves in relation with power purchase agreement	**9,013**	11,617
Income tax relating to items that may be reclassified subsequently to profit or loss	**(7,569)**	(5,227)
	113,926	12,875
Other comprehensive income for the year, net of income tax	**122,137**	17,429
Total comprehensive income for the year	**2,518,122**	2,184,760
Total comprehensive income for the year attributable to:		
– Equity holders of the Company	**2,425,527**	2,108,199
– Holders of Perpetual notes	**31,950**	–
– Non-controlling interests	**60,645**	76,561
	2,518,122	2,184,760

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020

		At 31 December	
		2020	2019
	Notes	*RMB'000*	*RMB'000*
Non-current Assets			
Property, plant and equipment		**43,187,213**	39,783,191
Right-of-use assets		**1,431,342**	1,060,884
Intangible assets		**4,410,754**	4,048,675
Goodwill		**190,049**	190,049
Investments in associates		**3,518,508**	2,025,210
Loans to associates		**117,000**	134,000
Investment in a joint venture		**130,904**	152,967
Loans to a joint venture		**70,000**	15,000
Deferred tax assets		**296,104**	326,603
Equity instruments at fair value through other comprehensive income		**66,911**	142,313
Value-added tax recoverable		**1,114,305**	910,507
Prepayments for acquisition of property, plant and equipment		**1,072,426**	689,652
Restricted bank deposits		**50,787**	55,645
Derivative financial asset			7,597
		55,656,303	49,542,293
Current Assets			
Inventories		**104,416**	106,485
Trade and bills receivables	*14*	**9,159,317**	4,897,922
Other receivables, deposits and prepayments		**463,778**	344,809
Current tax assets		**16,565**	10,639
Loans to a joint venture – current			60,000
Amounts due from related parties		**170,193**	60,371
Value-added tax recoverable		**469,666**	383,058
Financial asset at fair value through profit or loss		**196,043**	259,880
Restricted bank deposits		**4,577**	1,592
Cash and cash equivalents		**4,297,450**	4,056,110
		14,882,005	10,180,866

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
AT 31 DECEMBER 2020

		At 31 December	
		2020	2019
	Notes	*RMB'000*	*RMB'000*
Current Liabilities			
Trade and other payables	*15*	**5,058,989**	4,737,422
Amounts due to related parties		**189,539**	138,243
Bank and other borrowings – due within one year		**12,318,322**	7,863,793
Short-term debentures		**7,060,658**	6,076,941
Medium-term notes		**96,656**	70,283
Corporate bonds		**26,128**	4,873
Contract liabilities		**56,380**	62,079
Lease liabilities		**64,659**	44,361
Derivative financial liabilities		**19,576**	8,707
Income tax payable		**125,381**	117,791
Deferred income		**228,336**	313,033
		25,244,624	19,437,526
Net Current Liabilities		**(10,362,619)**	(9,256,660)
Total Assets less Current Liabilities		**45,293,684**	40,285,633
Non-current Liabilities			
Derivative financial liabilities		**45,002**	62,382
Bank and other borrowings – due after one year		**10,896,268**	11,409,514
Medium-term notes		**4,488,679**	3,490,094
Corporate bonds		**1,999,284**	999,642
Contract liabilities		**12,440**	–
Deferred tax liabilities		**193,615**	196,110
Deferred income		**435,811**	485,258
Lease liabilities		**836,336**	543,039
Other non-current liability		**19,402**	24,285
		18,926,837	17,210,324
Net Assets		**26,366,847**	23,075,309
Capital and Reserves			
Share capital		**8,244,508**	8,244,508
Reserves		**16,249,142**	14,428,160
Equity attributable to equity holders of the Company		**24,493,650**	22,672,668
Perpetual notes		**1,525,582**	–
Non-controlling interests		**347,615**	402,641
Total Equit		**26,366,847**	23,075,309

NOTES

1. GENERAL INFORMATION

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

The address of the Company's registered office is Room 118, No. 1 Ziguang East Road, Badaling Economic

3. APPLICATION OF AMENDMENTS TO IFRSs

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in IFRS Standards* and the following amendments to IFRSs issued by the International Accounting Standards Board (the "IASB") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the *Amendments to References to the Conceptual Framework in IFRS Standards* and the amendments to IFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3.1 Impacts on application of Amendments to IAS 1 and IAS 8 Definition of Material

The Group has applied the Amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

3.2 *Impacts on application of Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform*

The Group has applied the amendments for the first time in the current year. The amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the year of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reform. The amendments are relevant to the Group given that it applies hedge accounting to its benchmark interest rate exposures.

The amendments had no impact on the consolidated financial statements of the Group as the Group's assessment of hedge effectiveness is not affected by the interest rate benchmark reform.

Ne and amendments to IFRSs in issue but not et effectie

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

IFRS 17	Insurance Contracts and the related Amendments[1]
Amendment to IFRS 16	Covid-19-Related Rent Concessions[4]
Amendments to IFRS 3	Reference to the Conceptual Framework[2]
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2[5]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[1]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use[2]
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to IFRS Standards	Annual Improvements to IFRSs 2018-2020[2]

Notes:

(1) Effective for annual periods beginning on or after 1 January 2023.
(2) Effective for annual periods beginning on or after 1 January 2022.
(3) Effective for annual periods beginning on or after a date to be determined.
(4) Effective for annual periods beginning on or after 1 June 2020.
(5) Effective for annual periods beginning on or after 1 January 2021.

Except for the new and amendments to IFRSs mentioned below, the Directors anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IFRS 3 Reference to the Conceptual Framework

The amendments:

- update a reference in IFRS 3 Business Combinations so that it refers to the Conceptual Framework for Financial Reporting issued by International Accounting Standards Board in March 2018 (the "**Conceptual Frame ork**") instead of the International Accounting Standards Committee's Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting issued in September 2010);

- add a requirement that, for transactions and other events within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, an acquirer applies IAS 37 or IFRIC 21 instead of Conceptual Framework to identify the liabilities it has assumed in a business combination; and

- add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The Group will apply the amendments prospectively to business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use

The amendments specify that the costs of any item that were produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the relevant property, plant and equipment is functioning properly) and the proceeds from selling such items should be recognised and measured in the profit or loss in accordance with applicable standards.

The Group's existing accounting policy is to account for sale proceeds on samples produced during testing as reduction of cost of the relevant property, plant and equipment. Upon application of the amendments, such sale proceeds and the related costs will be included in profit and loss with corresponding adjustments to the cost of property, plant and equipment. During the year ended 31 December 2020, sale proceeds and related costs included in property, plant and equipment amounted to RMB33,262,000 and RMB8,370,000 respectively.

(ii) Performance obligations for contracts ith customers

Majority of the sales of electricity to provincial power grid companies are pursuant to the power purchase agreements entered into between the Group and the respective provincial power grid companies. The Group's sales of electricity are made to these power grid companies at the tariff rates agreed with the respective provincial power grid companies as approved by the relevant government authorities.

Sales of heat energy to customers are pursuant to the heat energy purchase agreements entered into between the Group and the customers. The Group's sales of heat energy are made to the customers at the tariff rates approved by the Beijing Municipal Commission of Development and Reform.

For sales of electricity and heat energy, revenue is recognised when control of electricity and heat has been transferred, being when electricity and heat is supplied to the power grid companies and the customers. The normal credit term is 60 days upon electricity and heat is supplied. There is no significant financing component among the payment terms of sales of electricity and heat.

(iii) Transaction price allocated to the remaining performance obligation for contracts ith customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2020 and 2019 and the expected timing of recognizing revenue are within one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. SEGMENT INFORMATION

The Group manages its businesses by divisions, such as performing the monthly revenue analysis by segments which are organised 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: managing and operating natural gas-fired power plants and generating electric power and heat energy for sale to external customers.

– Wind power: constructing, managing and operating wind power plants and generating electric power for sale to external customers.

– Photovoltaic power: constructing, managing and operating photovoltaic power plants and sales of electricity generated to external customers.

– Hydropower: managing and operating hydropower plants and sales of electricity generated to external customers.

Operating segments of business activities other than "Gas-fired power and heat energy generation", "Wind power", "Photovoltaic power" and "Hydropower" did not meet the quantitative thresholds for reportable segments in both current and prior year. Accordingly, these are grouped and presented as "Others" in the segment information.

(a) Segment revenue, results, assets and liabilities

An analysis of the Group's reportable segment revenue, results, assets, and liabilities for the years ended 31 December 2020 and 2019 by operating and reportable segment is as follows:

	Gas-fired power and heat energy generation *RMB'000*	**Wind power** *RMB'000*	**Photovoltaic power** *RMB'000*	**Hydropower** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
For the year ended 31 December 2020						
Reportable segment revenue from external customers/consolidated revenue	**12,146,161**	**2,314,207**	**2,145,343**	**395,279**	**2,316**	**17,003,306**
Reportable segment results (note (i))	**1,769,612**	**1,201,021**	**1,124,081**	**59,211**	**(220,629)**	**3,933,296**
Reportable segment assets	**14,228,337**	**25,533,743**	**21,806,751**	**2,655,860**	**26,767,756**	**90,992,447**
Reportable segment liabilities	**(7,315,937)**	**(17,365,587)**	**(16,202,380)**	**(2,130,946)**	**(25,474,975)**	**(68,489,825)**
Additional segment information:						
Depreciation	**870,622**	**814,820**	**742,905**	**107,859**	**3,849**	**2,540,055**
Amortization	**9,590**	**207,931**	**27,666**	**25,517**	**502**	**271,206**
Finance costs *(note (ii))*	**108,207**	**376,814**	**381,689**	**54,986**	**229,151**	**1,150,847**
Other income	**530,280**	**241,223**	**11,126**	**2,131**	**12,633**	**797,393**
Including:						
– Government subsidies related to clean energy production	**403,025**	**23,383**				**426,408**
– Government grants related to construction of assets	**41,836**	**2,632**	**6,961**	**1,053**		**52,482**
– Income from carbon credits	**6,088**	**123,411**	**3,239**			**132,738**
– Others	**79,331**	**91,797**	**926**	**1,078**	**12,633**	**185,765**
Expenditures for reportable segment non-current assets	**345,244**	**3,696,412**	**2,972,708**	**34,886**	**5,034**	**7,054,284**

	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 ear ended 31 December 2019						
Reportable segment revenue from external customers/consolidated revenue	12,419,958	1,996,032	1,604,606	366,399	1,648	16,388,643
Reportable segment results *(note (i))*	1,909,735	912,540	905,258	110,717	(121,732)	3,716,518
Reportable segment assets	14,874,157	20,741,946	16,733,344	2,994,401	26,010,626	81,354,474
Reportable segment liabilities	(8,160,872)	(13,853,913)	(12,859,926)	(2,010,073)	(23,936,573)	(60,821,357)
Additional segment information:						
Depreciation	867,722	698,126	541,724	106,886	1,882	2,216,340
Amortization	9,712	200,774	936	24,891	520	236,833
Finance costs *(note (ii))*	115,127	397,880	290,924	73,941	341,737	1,219,609
Other income	785,222	239,292	6,792	1,445	12,981	1,045,732
Including:						
– Government grants related to clean energy production	680,616	21,349	–	–	–	701,965
– Grants related to construction of assets	17,495	5,006	4,590	894	–	27,985
– Income from carbon credits	761	130,313	–	–	–	131,074
– Others	86,350	82,624	2,202	551	12,981	184,708
Expenditures for reportable segment non-current assets	694,651	1,213,051	5,750,579	46,036	4,384	7,708,701

Notes:

(i) The segment results are arrived at after the deduction from revenue of gas consumption, depreciation and amortization expense, personnel costs, repairs and maintenance, other expenses, other gains and losses and impairment losses and including other income (excluding dividend from equity instruments at FVTOCI) before inter-segment elimination.

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

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

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Results		
Reportable segment profit	**3,933,296**	3,716,518
Inter-segment elimination	**(16,206)**	–
Unallocated		
Dividend income from equity instruments at FVTOCI		5,298
Profit from operations	**3,917,090**	3,721,816
Interest income	**41,065**	53,802
Finance costs	**(1,150,847)**	(1,219,609)
Share of results of associates	**167,781**	119,283
Share of result of a joint venture	**(22,063)**	–
Consolidated profit before taxation	**2,953,026**	2,675,292

	At 31 December	
	2020	2019
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**90,992,447**	81,354,474
Inter-segment elimination	**(26,237,537)**	(25,780,973)
Unallocated assets:		
– Investments in associates	**3,518,508**	2,025,210
– Loans to associates	**117,000**	134,000
– Investment in a joint venture	**130,904**	152,967
– Loans to a joint venture	**70,000**	75,000
– Deferred tax assets	**296,104**	326,603
– Equity instruments at FVTOCI	**66,911**	142,313
Different presentation on:		
– Value-added tax recoverable *(note)*	**1,583,971**	1,293,565
Consolidated total assets	**70,538,308**	59,723,159

	At 31 December	
	2020	2019
	RMB'000	*RMB'000*
Liabilities		
Reportable segment liabilities	**68,489,825**	60,821,357
Inter-segment elimination	**(26,221,331)**	(25,780,973)
Unallocated liabilities:		
– Income tax payable	**125,381**	117,791
– Deferred tax liabilities	**193,615**	196,110
Different presentation on:		
– Value-added tax recoverable *(note)*	**1,583,971**	1,293,565
Consolidated total liabilities	**44,171,461**	36,647,850

Note: Value-added tax recoverable was net-off with value-added tax payables and included in reportable segment liabilities for reporting to CODM, and they are reclassified and presented as assets in the consolidated statement of financial position.

All assets are allocated to reportable segments, other than equity instruments at FVTOCI, investments in associates and a joint venture, loans to associates and a joint venture, value-added tax recoverable and deferred tax assets; all liabilities are allocated to reportable segments other than income tax payable and deferred tax liabilities.

(c) Geographical information

Over 90% of the Group's revenue is generated from customers in the PRC for the years ended 31 December 2020 and 2019, and over 90% of the Group's non-current assets (not including deferred tax assets and financial assets) are located in the PRC as at 31 December 2020 and 2019. Therefore no geographical segment information is presented.

(d) Information of major customers

Revenue of approximately RMB16,698,945,000 for the year ended 31 December 2020 (2019: RMB16,101,228,000) were derived from two external customers, the PRC government controlled power grid companies and Beijing District Heating (Group) Co., Ltd., which contributed 87% and 11% (2019: 88% and 10%) to the total revenue respectively.

Sales of electricity and heat energy to the major customers for current and prior years by segments are as follows:

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Revenue from the PRC government controlled power grid companies:		
Gas-fired power and heat energy generation	**10,182,873**	10,617,359
Wind power	**2,192,289**	1,865,428
Photovoltaic power	**2,140,814**	1,604,606
Hydropower	**337,934**	327,169
	14,853,910	14,414,562
Revenue from Beijing District Heating (Group) Co., Ltd.:		
Gas-fired power and heat energy generation	**1,845,035**	1,686,666
Total	**16,698,945**	16,101,228

6. OTHER INCOME

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Government grants and subsidies related to:		
– Clean energy production	**426,408**	701,965
– Construction of assets	**52,482**	27,985
Income from carbon credits *(Note (a))*	**132,738**	131,074
Value-added tax refunds or exemptions *(Note (b))*	**137,861**	105,327
Dividend from equity instruments at FVTOCI		5,298
Others	**47,904**	79,381
	797,393	1,051,030

Notes:

(a) Income from carbon credits was mainly derived from the sales of carbon credits registered under relevant regulated exchange system in Australia and the PRC.

(b) The Group is entitled to a 50% refund of value-added tax for its revenue from the sale of electricity generated from the wind farms, and a full exemption of value-added tax for its revenue from the sale of heat energy to residential customers. The income of the value-added tax refund or exemption is recognised when relevant value-added tax refund or exemption application is registered with the relevant PRC tax authorities.

7. OTHER EXPENSES

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Other expenses comprise:		
Property management fees, and other service fee paid to intermediaries	**399,734**	372,097
Utilities, insurance, office, travelling, and transportation expenses	**193,112**	213,687
Expenses relating to short-term leases and other leases with terms expiring within 12 months upon initial application of IFRS 16	**59,824**	46,987
Others	**136,123**	100,721
	788,793	733,492

8. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Other gains and losses comprise:		
(Loss) gain on disposal of property, plant and equipment	**(14,633)**	1,190
Net exchange loss	**(3,381)**	(3,059)
(Loss) gain arising on change in fair value of financial asset at FVTPL	**(50,844)**	26,990
Fair value loss of fixed forward commodity contract recognised in profit or loss	**(1,300)**	(26,651)
Bargain purchase gain	**151,051**	117,088
Impairment losses recognised on property, plant and equipment	**(119,521)**	–
Others	**25,468**	(16,659)
	(13,160)	98,899

9. INTEREST INCOME/FINANCE COSTS

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Interest income from:		
– Loans to associates	**5,364**	6,245
– Loans to a joint venture	**4,150**	2,988
– Deposits with a related non-bank financial institution *(note)*	**19,027**	21,097
– Bank balances and deposits	**12,524**	23,472
Total interest income	**41,065**	53,802
Interest on bank and other borrowings, short-term debentures, corporate bonds and medium-term notes	**1,265,282**	1,298,820
Interest on lease liabilities	**27,927**	12,694
Less: Amount capitalised in property, plant and equipment	**(142,362)**	(91,905)
Total finance costs	**1,150,847**	1,219,609

	Year ended 31 December	
	2020	2019
Capitalization rate of borrowing costs to expenditure on qualifying assets	**4.35%**	4.41%

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

10. INCOME TAX EXPENSE

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax	**521,827**	532,152
Other jurisdictions	**11,484**	10,748
	533,311	542,900
Deferred tax:		
Current year	**23,730**	(34,939)
Income tax expense	**557,041**	507,961

PRC Enterprise Income Tax has been generally provided at the applicable Enterprise Income Tax rate of 25% (2019: 25%) on the estimated assessable profits of the group entities established in the PRC for the year ended 31 December 2020.

Under the PRC Enterprise Income Tax law, the preferential tax treatment for encouraged enterprises located in the western PRC and certain industry-oriented tax incentives remain available up to 31 December 2030 when the original preferential tax period expired. Under the enterprise income tax law, the enterprises in encouraged industries in Western China are eligible for a preferential enterprise income tax rate for the period from 1 January 2021 to 31 December 2030. A PRC enterprise which enjoys this tax treatment is entitled to a preferential tax rate of 15% with a three-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 start to generate revenue. Certain of the Group's wind farm projects, photovoltaic projects and hydropower power projects were entitled to this tax concession for the years ended 31 December 2020 and 2019.

An operating subsidiary of the Company 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 Enterprise since 2015 and is entitled to a preferential income tax rate of 15%. The qualification of High and New Technology Enterprise is subject to review once every three years and the subsidiary continued to be recognised as High and New Technology Enterprise for the year ended 31 December 2020.

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

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

Australian income tax is calculated at 30% (2019: 30%) of the estimated assessable profit.

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

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Profit before taxation	**2,953,026**	2,675,292
PRC Enterprise Income Tax at 25% (2019: 25%)	**738,257**	668,823
Tax effect on:		
– Expenses not deductible for tax purposes	**45,526**	26,051
– Share of results of associates and a joint venture	**(36,429)**	(29,821)
– Tax losses not recognised	**63,876**	67,464
– Temporary differences not recognised	**29,880**	–
– Utilization of tax losses not recognised previously	**(2,917)**	(2,478)
– PRC Enterprise Income Tax exemption and concessions	**(283,684)**	(223,824)
Effect of different tax rates of group entities operating in jurisdictions other than PRC	**2,532**	1,746
	557,041	507,961

11. PROFIT FOR THE YEAR

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**9,162**	8,463
Expense relating to short-term leases	**59,824**	46,987
Depreciation and amortization:		
Depreciation of property, plant and equipment	**2,486,418**	2,194,651
Depreciation of right-of-use assets	**60,126**	29,736
Amortisation of intangible assets	**271,206**	236,833
Less: Amount capitalised to construction in progress	**(6,489)**	(8,047)
Total depreciation and amortisation	**2,811,261**	2,453,173
Personnel costs:		
Directors' emoluments	**3,691**	3,315
Other personnel costs	**866,234**	848,905
Total personnel costs	**869,925**	852,220

12. DIVIDENDS

(a) A final dividend of RMB7.22 cents per ordinary share (tax inclusive) in respect of the year ended 31 December 2019 amounting to RMB595,253,000 was approved in the Company's annual general meeting held on 28 May 2020 and subsequently paid on 28 July 2020.

(b) A final dividend of RMB6.67 cents per ordinary share (tax inclusive) in respect of the year ended 31 December 2018 amounting to RMB549,909,000 was approved in the Company's annual general meeting held on 20 June 2019 and subsequently paid on 1 August 2019.

(c) Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2020 of RMB6.88 cents per ordinary share (tax inclusive), totaling RMB567,222,000 has been proposed by the Board and is subject to approval by shareholders of the Company at the forthcoming annual general meeting.

13. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to ordinary shareholders of the Company is based on the following data:

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Earnings		
Profit for the year attributable to ordinary shareholders of the Company for the purpose of earnings per share	**2,303,390**	2,090,770

	Year ended 31 December	
	2020	2019
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**8,244,508**	8,244,508

Diluted earnings per share are presented as the same as the basic earnings per share as there were no potential ordinary shares in issue during both years.

14. TRADE AND BILLS RECEIVABLES

	At 31 December	
	2020	2019
	RMB'000	*RMB'000*
Trade receivables		
– goods and services	**2,198,687**	520,080
– clean energy power price premium	**6,683,224**	4,294,906
Bills receivable	**294,875**	98,933
	9,176,786	4,913,919
Less: Allowance for credit losses	**(17,469)**	(15,997)
	9,159,317	4,897,922

The Group allows a credit period of 60 days to its customers of electricity and heat sales from the end of the month in which the sales are made except for clean energy power price premium. The aged analysis of the Group's trade and bills receivables net of allowance for credit losses presented based on the invoice dates are as follows:

	At 31 December	
	2020	2019
	RMB'000	*RMB'000*
Within 60 days	**2,849,843**	1,011,049
61 to 365 days	**2,649,928**	1,570,957
1 to 2 years	**2,200,362**	1,474,339
2 to 3 years	**906,255**	496,747
Over 3 years	**552,929**	344,830
	9,159,317	4,897,922

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

15. TRADE AND OTHER PAYABLES

	At 31 December 2020 RMB'000	At 31 December 2019 RMB'000
Trade payables	**2,384,450**	2,327,602
Payables for acquisition of property, plant and equipment	**1,601,100**	1,389,957
Retention payables	**446,166**	173,470
Bills payable	**20,000**	–
Salary and staff welfares	**103,870**	105,526
Non-income tax payables	**164,689**	180,709
Dividend payables to a non-controlling equity owner of a subsidiary		71,142
Others	**338,714**	489,016
	5,058,989	4,737,422

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The Group normally settles the trade payable related to gas purchase within 30 days, settles the payable related to equipment purchase and construction cost according to related contractual arrangements which normally require progress payments during the construction period and a final payment after construction cost verified by independent valuer.

The following is an aged analysis of the Group's trade and bills payables by invoice dates as at the reporting date:

	At 31 December 2020 RMB'000	At 31 December 2019 RMB'000
Within 30 days	**1,676,193**	2,094,691
31 to 365 days	**563,194**	148,726
1 to 2 years	**115,688**	68,733
2 to 3 years	**37,516**	11,127
Over 3 years	**11,859**	4,325
	2,404,450	2,327,602

MANAGEMENT DISCUSSION AND ANALYSIS

I. Review of the Electric Power Industry

In 2020, facing the great impact caused by the COVID-19 epidemic and the complicated domestic and overseas environment, the electric power consumption of China showed a noticeable pick-up from the first quarter to the fourth quarter, increased by -6.5%, 3.9%, 5.8% and 8.1% in each quarter respectively. The electricity consumption increased rapidly, which mainly attributable to the steady recovery of economic operation. In 2020, the national electricity consumption reached 7.51 trillion kWh, representing a year-on-year increase of 3.1%.

According to the statistics from China Electricity Council, as of the end of December 2020, the national electricity installed capacity in total was 2.20 billion kW, representing a year-on-year increase of 9.5%. Among which, the capacity of thermal power generation was 1.25 billion kW, accounting for 56.6% of the total installed capacity, representing a year-on-year increase of 4.7%; the capacity of on-grid wind power generation was 280 million kW, accounting for 12.8% of the total installed capacity, representing a year-on-year increase of 34.6%; the capacity of on-grid solar power generation was 250 million kW, accounting for 11.5% of the total installed capacity, representing a year-on-year increase of 24.1%; the capacity of hydropower generation was 370 million kW, accounting for 16.8% of the total installed capacity, representing a year-on-year increase of 3.4%. The national power generation from non-fossil fuel installed capacity totaled 980 million kW, accounting for 44.8% of the total installed capacity, increased by 2.8 percentage point over the end of previous year.

In 2020, the national power generation in total went up by 4.0% as compared with the previous year. Among which, the capacity of thermal power generation was 5.17 trillion kWh, representing a year-on-year increase of 2.5%; the capacity of wind power generation was 466.5 billion kWh, representing a year-on-year increase of 15.1%; the capacity of solar power generation was 261.1 billion kWh, representing a year-on-year increase of 16.6%; and the capacity of hydropower generation was 1.36 trillion kWh, representing a year-on-year increase of 4.1%. The national non-fossil fuel generation totaled 2.58 trillion kWh, representing a year-on-year increase of 7.9%.

In 2020, the utilization hour of thermal power generation was 4,216 hours, representing a year-on-year decrease of 92 hours; the utilization hour of on-grid wind power generation was 2,073 hours, representing a year-on-year decrease of 10 hours; the utilization hour of on-grid solar power generation was 1,281 hours, representing a year-on-year decrease of 10 hours; the utilization hour of hydropower generation equipments was 3,827 hours, representing a year-on-year increase of 130 hours.

During the period for the 13th Five-Year Plan, the power consumption of the entire society increased by 5.7% on average annually and the installed power generation capacity in total increased by 7.6% on average annually.

II. Business Re[illegible]ie for the Year of 2020

Amid the epidemic of COVID-19 since the early 2020, the economy of PRC improved after suffering. Facing the difficult and complicated situations, the Group adhered to the guidance of "Consistent Goal, Great Perseverance and Strong Faith", followed the major business line of "Deepening Reformation, Enhancing Innovation and Improving Efficiently, Strengthening Management and Culture Fusion", consistently improving the core competitiveness and development quality, overcoming difficulties and moving forward with determination to keep a favorable business development. The scale of the enterprise and the profitability reached a new level.

1. *Rapid growth of installed capacity, steady rise in power generation*

The Group achieved outstanding growth in installed capacity and power generation in 2020 by insisting on the overall goal of "being superior, stronger, faster and better" and the general principle of seeking progress while maintaining stability. As at 31 December 2020, the consolidated installed capacity of the Group was 10,861 MW, representing a year-on-year increase of 12.9%. The installed capacity of the gas-fired power and heat energy generation segment was 4,702 MW, accounting for 43% of the total installed capacity; the installed capacity of the wind power generation segment was 2,797 MW, accounting for 26% of the total installed capacity, with an increase in installed capacity of 399 MW; the installed capacity of the photovoltaic power generation segment was 2,912 MW, accounting for 27% of the total installed capacity, with an increase in installed capacity of 84,of the t tioj(84,of n9eptalleaof the)02(hydro

As at 31 December 2020, the consolidated power generation of the Group was 29.877 billion kWh, representing a year-on-year increase of 3.7%, of which, the power generation of the gas-fired power and heat energy generation segment was 18.848 billion kWh, representing a year-on-year decrease of 3.8% with the average utilization hours of facilities reaching 4,008 hours; the power generation of the wind power generation segment was 5.604 billion kWh, representing a year-on-year increase of 13.1% with the average utilization hours of facilities reaching 2,233 hours, which was 136 hours more than the national average; the power generation of the photovoltaic power generation segment was 3.429 billion kWh, representing a year-on-year increase of 41.3 % with the average utilization hours of facilities reaching 1,392 hours, which was 232 hours more than the national average; and the power generation of the hydropower segment was 1.996 billion kWh, representing a year-on-year increase of 8.5 % with the average utilization hours of facilities reaching 4,435 hours.

2. *Vigorously promoting early-stage development and focusing on breakthroughs in key projects*

In 2020, the Group continued to adhere to the "two-wheel drive" of independent development and project merger and acquisition, and head on the development path of "intensification, regionalization, scale-up, specialization and high efficiency" to fully leverage on the geographical advantages of regional companies, and focus on breakthroughs in key projects. During the year, the Group obtained self-developed projects with a total capacity of 974 MW and carried out projects under preliminary work for over 5 GW. The Group actively conducted cooperation and mergers and acquisitions of photovoltaic and wind power asset packages for over 2 GW with companies such as Jiaze (嘉澤). There were projects of 360 MW with acquisition completed, projects of 150 MW with decision on merger and acquisition made and projects of 1,312 MW with letters of intent executed and due diligence work conducted throughout the year. The Group closely monitored the pre-construction status of key energy base projects with tens of millions of kilowatts in Datong, Ulanchabu, Xilin Gol, etc. The Group steadily promoted the pre-site selection of the Huailai pumped storage power project and actively carried out the preliminary work of the generation, grid, load and energy storage projects in regions such as Ulanchabu.

3. *Optimising capital structure and reducing financial costs*

The Group continuously expanded financing channels and fully took the opportunity of lower interest rates during the epidemic to increase debt financing by issuing RMB10.5 billion ultra-short-term financing debentures, RMB1 billion 5-year medium-term notes, RMB1.5 billion green medium-term notes with the term of 3+N years and RMB1 billion corporate bonds throughout the year. The average interest rate of interest-bearing financing for the year dropped by 0.65% year-on-year.

4. *Insist on innovation-driven development to improve quality and efficiency*

In 2020, under the requirements of "1+1+N" Technology Innovation System and adhering to the concept of "solving problems and creating value", the Group focused on main business and integrated innovation with investment to serve production and operation through the application of new technologies, products and materials. In 2020, the Group launched 26 science and technology projects, received 2 science and technology awards from social forces, obtained 15 patent licensing, including 4 invention patents and 11 utility model patents, obtained 4 software copyrights, and edited or participated in the editing of 1 national standard and 5 association standards. The Group promoted in-depth cooperation among enterprises, universities and research institutes in scientific and technological innovation, and co-organized the "Smart Plant" forum with North China Electric Power University. It also organized the application of innovation management awards, with 12 projects shortlisted for Beijing municipal awards and one project shortlisted for national awards.

5. *Keep pace with the times and prepares for the 14th Five-Year Plan*

As the 13th Five-Year Plan draws to a close in 2020 with new situations such as changing international situations, China's economic structure transformation and epidemic normalization, the Group prioritized the 14th Five-Year Plan while summarizing the 13th Five-Year Plan. Since last September, President Xi Jinping has solemnly announced and emphasized the new vision for carbon dioxide emission peak and carbon neutrality at many international conferences including the General Assembly of the United Nations. Green and low carbon will become the general keynote of the 14th Five-Year Plan and renewable energy, mainly including wind power and photovoltaic, will become the main force for China's incremental energy consumption. "Seize opportunities and resources and improve quality and efficiency to become better and stronger" will become the requirement for the Group's development in the 14th Five-Year Plan period.

III. Operating Results and Anal sis

1. Overview

In 2020, the Company achieved profit for the year amounted to RMB2,396.0 million, representing an increase of 10.55% as compared with RMB2,167.3 million for 2019. Profit attributable to the equity holders amounted to RMB2,303.4 million, representing an increase of 10.17% as compared with RMB2,090.8 million for 2019.

2. Operating Income

Total revenue increased by 3.75% from RMB16,388.6 million for 2019 to RMB17,003.3 million for 2020. Adjusted total operating income increased by 1.98% from RMB17,090.6 million in 2019 to RMB17,429.7 million in 2020, due to the increase in revenue from sales of electricity as a result of decrease in Value-added tax rate and increased installed capacity in the wind power generation and photovoltaic power generation segments.

Gas-fired Power and Heat Energy Generation Segment

The revenue from the gas-fired power and heat energy generation segment decreased by 2.20% from RMB12,420.0 million for 2019 to RMB12,146.2 million for 2020. Revenue from sales of electricity decreased by 4.09% from RMB10,617.4 million for 2019 to RMB10,182.9 million for 2020, due to the decrease in sales volume of electricity in this segment. Revenue from sales of heat energy increased by 8.91% from RMB1,802.6 million for 2019 to RMB1,963.3 million for 2020, due to the increase in sales volume of heat as a result of the extension of heating supply period of this segment.

Wind Power Segment

The revenue from wind power segment increased by 15.94% from RMB1,996.0 million for 2019 to RMB2,314.2 million for 2020, due to the increase in sales volume of electricity as a result of the increase in the average wind speed and an increase in the installed capacity in this segment.

Photovoltaic Power Segment

The revenue from photovoltaic power segment increased by 33.70% from RMB1,604.6 million for 2019 to RMB2,145.3 million for 2020, due to an increase in sales volume of electricity as a result of increased installed capacity in this segment.

Hydropower Segment

The revenue from hydropower segment increased by 7.89% from RMB366.4 million in 2019 to RMB395.3 million in 2020, due to an increase in sales volume of electricity in this segment.

Others

Other revenue increased by 43.75% from RMB1.6 million in 2019 to RMB2.3 million in 2020, due to an increase in revenue from external maintenance.

3. *Other Income*

Other income decreased by 24.13% from RMB1,051.0 million in 2019 to RMB797.4 million in 2020, due to a decrease in sales volume of electricity of the gas-fired power and heat energy generation segment, and the downward adjustment of the power price in relation to a decrease in price of gas due to the COVID-19 epidemic during the season of heat energy generation, resulting in the decrease in government grants and subsidies on clean energy production.

4. *Operating Expenses*

Operating expenses increased by 1.21% from RMB13,717.9 million in 2019 to RMB13,883.6 million in 2020, due to the increase in operating expenses as a result of the increase in the installed capacity in production in the wind power segment and the photovoltaic power segment.

(1) Gas Consumption

Gas consumption decreased by 3.70% from RMB9,142.8 million in 2019 to RMB8,804.3 million in 2020, due to the decrease in gas consumption as a result of the downward adjustment of the gas price during the heat supply season due to the COVID-19 epidemic and the decrease in power generation of the gas-fired power and heat energy generation segment.

(2) Depreciation and Amortization

Depreciation and amortization increased by 14.60% from RMB2,453.2 million in 2019 to RMB2,811.3 million in 2020, due to an increase in installed capacity in the wind power and the photovoltaic power segment.

(3) Personnel Cost

Personnel cost increased by 2.08% from RMB852.2 million in 2019 to RMB869.9 million in 2020, due to the increase in the number of employees as a result of the business development of the Group and additional personnel costs expensed following the commencement of production of new projects.

(4) Repairs and Maintenance

Repairs and maintenance expenses decreased by 4.74% from RMB624.3 million for 2019 to RMB594.7 million for 2020, due to the decrease in maintenance expenses in the gas-fired power and heat energy generation segment.

(5) Other Expenses

Other expenses principally comprise 1 external purchase of power, water and materials etc; 2 property management, greening and fire protection fees; 3 rental expenses; 4 underwriting fees, bank commissions; 5 intermediary service fees; 6 property insurance premium; 7 other miscellaneous operating expenses.

Other expenses increased by 7.54% from RMB733.5 million for 2019 to RMB788.8 million for 2020, due to an increase in operating expenses as a result of the commencement of production of new projects of the Group.

(6) Other Gains and Losses

Other gains and losses decreased from a gain of RMB98.9 million for 2019 to a loss of RMB13.2 million for 2020, due to the impairment losses of individual fixed assets and an increase in the loss from fair value change of H shares of CGN Power Co., Ltd. held by the Company.

5. *Operating Profit*

As a result of the above, the Company's operating profit increased by 5.25% from RMB3,721.8 million for 2019 to RMB3,917.1 million for 2020.

6. *Adjusted Segment Operating Profit*

The total adjusted segment operating profit increased by 5.62% from RMB3,372.8 million for 2019 to RMB3,562.3 million for 2020.

Gas-fired Power and Heat Energy Generation Segment

The adjusted segment operating profit of our gas-fired power and heat energy generation segment decreased by 9.01% from RMB1,805.1 million for 2019 to RMB1,642.4 million for 2020, due to a decrease in sales volume of electricity in this segment.

Wind Power Segment

The adjusted segment operating profit of our wind power segment increased by 41.55% from RMB694.6 million for 2019 to RMB983.2 million for 2020, due to the increase in sales volume of electricity as a result of the increase in the average wind speed and an increase in the installed capacity in this segment.

Photovoltaic Power Segment

The adjusted operating profit from photovoltaic power segment increased by 23.87% from RMB898.5 million for 2019 to RMB1,113.0 million for 2020, due to an increase in sales volume of electricity as a result of the increase of the installed capacity in this segment.

Hydropower Segment

The adjusted operating profit from hydropower segment decreased by 47.76% from RMB109.3 million for 2019 to RMB57.1 million for 2020, due to the impairment losses of individual fixed assets in this segment.

Others

Other adjusted operating profit decreased from loss of RMB134.7 million for 2019 to loss of RMB233.4 million for 2020, due to an increase in the loss from fair value change of H shares of CGN Power Co., Ltd. held by the Company.

7. *Finance Costs*

Finance costs decreased by 5.64% from RMB1,219.6 million for 2019 to RMB1,150.8 million for 2020, due to a decrease of average financial cost, the average interest rate decreased by 0.65% from 4.52% for 2019 to 3.87% for 2020.

8. *Share of Results of Associates and Joint Ventures*

The share of results of associates and joint ventures increased by 22.13% from RMB119.3 million for 2019 to RMB145.7 million for 2020, due to investment income newly generated in BEH Finance.

9. *Profit before taxation*

As a result of the above, profit before taxation increased by 10.38% from RMB2,675.3 million for 2019 to RMB2,953.0 million for 2020.

10. *Income Tax Expense*

Income tax expense increased by 9.65% from RMB508.0 million for 2019 to RMB557.0 million for 2020. The effective tax rate decreased from 18.99% for 2019 to 18.86% for 2020.

11. *Profit for the Year*

As a result of the above, profit for the year increased by 10.55% from RMB2,167.3 million for 2019 to RMB2,396.0 million for 2020.

12. Profit for the Year Attributable to Equity holders of the Company

Profit for the year attributable to equity holders of the Company increased by 10.17% from RMB2,090.8 million for 2019 to RMB2,303.4 million for 2020.

IV. Financial Position

1. Overview

As of 31 December 2020, total assets of the Group amounted to RMB70,538.3 million, total liabilities amounted to RMB44,171.5 million and total equity amounted to RMB26,366.8 million, among which equity attributable to the equity holders amounted to RMB24,493.7 million.

2. Particulars of Assets and Liabilities

Total assets increased by 18.11% from RMB59,723.2 million as at 31 December 2019 to RMB70,538.3 million as at 31 December 2020, due to the increase in investment in new projects and merger and acquisition projects as well as the increase in renewable energy subsidy receivables. Total liabilities increased by 20.53% from RMB36,647.9 million as at 31 December 2019 to RMB44,171.5 million as at 31 December 2020, due to increased debt as a result of capital demand for construction of projects. Total equity increased by 14.26% from RMB23,075.3 million as at 31 December 2019 to RMB26,366.8 million as at 31 December 2020. Equity attributable to equity holders of the Company increased by 8.03% from RMB22,672.7 million as at 31 December 2019 to RMB24,493.7 million as at 31 December 2020, due to the increase in the operating accretion from businesses for 2020.

3. *Liquidity*

As of 31 December 2020, current assets amounted to RMB14,882.0 million, including monetary capital of RMB4,297.5 million; bills and trade receivables of RMB9,159.3 million (mainly comprising receivables from sales of electricity and heat energy); and prepayments and other current assets of RMB1,425.2 million (mainly comprising deductible value-added tax and other account receivables). Current liabilities amounted to RMB25,244.6 million, including short-term borrowings of RMB12,318.3 million, short-term financing debentures of RMB7,060.7 million, medium-term notes of RMB96.7 million, corporate bonds of RMB26.1 million and bills and trade payables of RMB5,059.0 million (mainly comprising payables for gas, payables for engineering projects and purchase of equipment); other current liabilities amounted to RMB683.8 million, mainly including income tax payable and amounts due to related parties.

Net current liabilities increased by 11.95% from RMB9,256.7 million as at 31 December 2019 to RMB10,362.6 million as at 31 December 2020. Current ratio increased by 6.57% from 52.38% as at 31 December 2019 to 58.95% as at 31 December 2020, due to the use of monetary capital.

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, increased by 2.44% from 52.84% as at 31 December 2019 to 55.28% as at 31 December 2020 due to the increase in debts.

The Group's long-term and short-term borrowings increased by 23.30% from RMB29,915.1 million as at 31 December 2019 to RMB36,886.0 million as at 31 December 2020, comprising short-term borrowings of RMB12,318.3 million, long-term borrowings of RMB10,896.3 million, medium-term notes of RMB4,585.3 million, short-term financing debentures of RMB7,060.7 million and corporate bonds of RMB2,025.4 million.

Bank deposits and cash held by the Group increased by 5.95% from RMB4,056.1 million as at 31 December 2019 to RMB4,297.5 million as at 31 December 2020.

V. Other Significant Events

1. Financing

On 8 January 2020, the Group completed the issuance of the first tranche RMB2,000.0 million 270-day ultra-short-term financing debentures of 2020 at an interest rate of 2.95%;

On 13 April 2020, the Group completed the issuance of the second tranche RMB2,000.0 million 270-day ultra-short-term financing debentures of 2020 at an interest rate of 1.96%;

On 12 June 2020, the Group completed the issuance of the third tranche RMB1,500.0 million 179-day ultra-short-term financing debentures of 2020 at an interest rate of 1.90%;

On 31 July 2020, the Group completed the issuance of the fourth tranche of RMB2,000.0 million 270-day ultra-short-term financing debentures of 2020 at an interest rate of 2.60%;

On 25 September 2020, the Group completed the issuance of the fifth tranche of RMB2,000.0 million 180-day ultra-short-term financing debentures of 2020 at an interest rate of 1.80%;

On 7 December 2020, the Group completed the issuance of the sixth tranche of RMB1,000.0 million 270-day ultra-short-term financing debentures of 2020 at an interest rate of 2.75%;

On 9 April 2020, the Group completed the issuance of the first tranche RMB1,000.0 million medium-term notes of 2020, with a period of 5 years, at an interest rate of 3.25%;

On 16 April 2020, the Group completed the issuance of the first tranche corporate bonds of 2020: for variety 1, RMB400.0 million, with a period of 3 years, at an interest rate of 2.65%; for variety 2, RMB600.0 million, with a period of 5 years, at an interest rate of 3.22%;

On 15 May 2020, the Group completed the issuance of the first tranche RMB1,500.0 million green medium-term notes of 2020, with a period of 3+N years, at an interest rate of 3.44%.

2. Capital Expenditure

In 2020, the Group's capital expenditure amounted to RMB7,054.3 million, including RMB345.2 million incurred for construction projects in the gas-fired power and heat energy generation segment, RMB3,696.4 million incurred for construction projects in the wind power segment, RMB2,972.7 million incurred for construction projects in the photovoltaic power segment, RMB34.9 million incurred for construction projects in the hydropower segment, and RMB5.1 million incurred for construction projects in other segment.

3. Establishment and Acquisition of Subsidiaries

According to the development plan of the Group, the Group acquired 4 wholly-owned subsidiaries, namely "Ningxia Tongxin Dadi Risheng New Energy Co., Ltd. (寧夏同心大地日盛新能源有限公司)", "Ningxia Shanyang New Energy Co., Ltd. (寧夏杉陽新能源有限公司)", "Zhanjiang Dingrui Solar Power Generation Co., Ltd. (湛江市鼎瑞太陽能發電有限公司)" and "Yixian Jiayu Photovoltaic Power Co., Ltd. (義縣珈煜光伏電力有限公司)" in 2020, which are engaged in the construction and operation of photovoltaic power generation projects.

The Group established and invested in 3 wholly-owned subsidiaries, namely "Kangbao Xinjing Clean Energy Co., Ltd. (康保新京清潔能源有限公司)", "Shangyi Jingneng New Energy Co., Ltd. (尚義京能新能源有限公司)" and "Zhangbei Jingneng Clean Energy Co., Ltd. (張北京能清潔能源有限公司)" in 2020 which are engaged in the construction and operation of wind power generation projects.

4. Contingent Liabilities

As of 31 December 2020, the Group had no contingent liabilities.

5. Mortgage of Assets

As of 31 December 2020, the Group's bank borrowings were secured by trade receivables of RMB135.9 million; fixed assets of RMB2,353.1 million; and the entire equity in New Gullen Range Wind Farm Pty Ltd. and Gullen Solar Pty Ltd., which was pledged to National Australia Bank.

6. H Share Offer

BEH issued a notice to the board of directors of the Company on 2 July 2020, indicating its intention to make a conditional voluntary cash general offer for all the H Shares in the Company (the "**Possible Offer**"). On 6 July 2020, the Company issued an announcement pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers and publicly disclosed the details of the Possible Offer. On 17 November 2020, BEH and the Company issued a joint announcement that China Securities (International) Corporate Finance Company Limited, on behalf of BEH, would make a conditional voluntary cash general offer for all H Shares of the Company(the "**H Share Offer**"). On 31 December 2020, BEH and the Company jointly issued the composite document and sent to shareholders of the Company. Meanwhile, they published the notices of the 2021 first extraordinary general meeting and the 2021 first H share class meeting. On 19 February 2021,the Company held the 2021 first extraordinary general meeting and the 2021 first H share class meeting, at which a resolution in relation to the delisting of H Shares of the Company was passed. As at 4:00 p.m. on Monday, 1 March 2021, being the first closing date of the H Share Offer, BEH had received valid acceptances under the H Share Offer in respect of the numbers of H Shares held by the independent H shareholders, representing approximately 80.22% of the total issued H Shares held by the independent H shareholders, which failed to satisfy the condition that minimum valid acceptances amounting to at least 90% of the H Shares held by the independent H shareholders, thus BEH and the Company issued a joint announcement, which announced that the H Share Offer lapsed since the acceptance condition of the H Share Offer has not been satisfied.

VI. Risk Factors and Risk Management

Macro-environmental Risk

Amid sluggish global economic growth, intensified international economic and trade frictions, and more pressure on downward domestic economy, together with the adverse impact of the COVID-19, the Group's business development suffered significant impact. A tendency of clean, low-carbon, electrified, and digital development has emerged in the supply and demand structure of energy. Whether the Group can grasp the structural reforms on the power supply side, fully mobilise demand-side to response resources, and promote the development trend of green transformation and upgrading of the power industry are also related to the future development of the Group.

Changes in the macro environment present challenges but more opportunities for the development of the Group. In order to accommodate the changes in the macro environment by closely monitoring fluctuations in economic situation and development situation of new energy, the Group turns crises into opportunities by vigorously developing new energy business, making efforts in power marketing, exploring the development of hydrogen energy business and offshore wind power business.

Policy and Regulatory Risks

The Group primarily invests in and operates clean energy generation projects, which are encouraged by the country. The implement of the renewable energy quota policy brings out the benefits of the policy for further mitigating the power consumption problem of renewable energy; With the drop in power price of new energy resulting from the promotion of market-oriented reform of electric power, policy subsidies continued to decrease or were cancelled, and the volume of electric power traded kept increasing, the operation and development of new energy industry faced serious challenges.

The Group follows up major policy changes, properly keeps abreast of information changes, put more effort into research related to policy and technology, actively collects and studies policy information related to clean energy, pays close attention to the development and application of related new technologies, and actively carries out work in terms of technology reserves to prevent and resolve policy risk.

VII. Business Outlook for 2021

The year of 2021 is not only the beginning year of the 14th Five-Year Plan, but also an important period of strategic opportunities for the development of the Company. The Group takes the 14th Five-Year Plan as the guide to determine its directions, clarify its objectives, consolidate its plans, implement its responsibilities and innovate its mechanism, so as to realise the planning process evaluation and establish a closed-loop working system, thereby ensuring that the Plan will be converted into development driving force and development results. Under the backdrop of regular epidemic prevention and control, we strive to achieve the overall development goal of "being superior, stronger, faster and better".

1. *Evaluating the policies and capitalising the development opportunities*

On 12 December 2020, President Xi Jinping made it clear at the Climate Ambition Summit that by 2030, non-fossil energy will account for approximately 25% of China's primary energy consumption, and the total installed capacity of wind power and solar power will reach more than 1.2 billion kilowatts.

In 2021, the Group will continue to give play to the principal business of renewable energy. While capitalising on the geographical advantages of regional branches to comprehensively expedite the development of all regions across the country, the Group will also focus on the layout of large-scale and synergetic projects with large bases and large channels. We will set up a special institution to take the lead in conducting research on policies and routes of "carbon neutrality" and "peak carbon dioxide emission", and strive to maintain and increase the value of carbon assets, for the purpose of providing service support for responding to new situations and requirements. We will seize the opportunity and give full play to the clean and low-carbon function of gas power plants and assist the green electricity of renewable energy delivering to Beijing. In addition, we will focus on the development and implementation of renewable energy projects serving the capital and the Beijing-Tianjin-Hebei Region and assist Beijing, the capital of China, in achieving "carbon neutrality" firstly in the country and fulfilling its role as a state-owned enterprise.

2. *Accelerating pre-development and optimizing project layout*

The Group will closely follow the preparation progress of the 14th Five-Year Plan of various regions, strengthen the work of strategic base projects, and focus on promoting renewable energy base projects in Datong, Ulanqab, Hunshandake Sandy Land, as well as UHV transmission project in Chagan Nur and pumped storage project in Huailai. The Group will promote the layout of Beijing-Tianjin-Hebei energy projects and participate in the construction of projects in key areas such as Beijing Sub-center, Xiong'an New District, Winter Olympics venues, and the "three cities and one district". The Group will actively carry out strategic generation, grid, load and energy storage projects in traditionally advantageous regions. The Group will continue to strengthen the cooperative development of high-quality wind power, photovoltaic projects and asset package mergers and acquisitions and offshore wind power projects. The Group will actively seek development opportunities for waste-to-energy and gas-fired power generation projects in economically developed regions. The Group will explore investment in solar thermal, geothermal, and energy storage applications, and promote the strategic emerging projects of "three-energy, two-heat and one-network".

3. *Focusing on safe production and ensuring safe development*

Safety is the prerequisite for development, and development is the guarantee of safety. The Group always adheres to the overall planning of development and safety, resolutely prevents and resolves major risks, comprehensively strengthens the safety system and capacity building, and firmly maintains the bottom line of safe development. The Group consolidates the safety production responsibility system, comprehensively promotes the modernization of the safety management system and management capabilities, comprehensively promotes the safety culture construction of "Six Safety Project", and fully implements the "Five Refined" management in the field of safety production. The Group will focus on shortcomings and weaknesses, strictly implement the special management and rectification of safety production, strengthen assessment and accountability, and give full play to the role of inspections and special supervision, so as to create a good and safe environment for high-quality development.

4. *Accelerating scientific and technological innovation to promote high-quality development*

Relying on the new generation of information technologies such as big data, Internet of Things, cloud computing and artificial intelligence, we will conduct research on drone inspection, automatic warning, intelligent monitoring and other technologies around the "smart Jingneng" and "robot application" technology action plans. In view of the pain points and difficulties in the work, we will pay attention to "strong demand" and "cutting-edge" technologies to establish a whole chain system from scientific research, infrastructure to production and operation, strengthen efforts in building of scientific and technological talents team through science and technology projects, and extensively carry out industry-university-research collaborative innovation to create an innovation culture of all-staff innovation, full-process innovation and full-chain innovation.

We will promote the completion of the construction of gas-fired smart power plants and the construction of new energy smart supervision center with high quality, realizing the unified management of more than 70 new energy plants and stations. We will also completely transform the operation mode, realizing the centralized deployment and decentralized use of the business platform to maximize the value of data and reduce labor costs, and create an industry benchmark of "unmanned duty, few people on duty, centralized monitoring, smart operation and maintenance".

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2020.

FINAL DIVIDEND

The Board resolved to propose to the shareholders of the Company at the annual general meeting for the year ended 31 December 2020 (the "**AGM**") to be held on 24 June 2021, for their consideration and approval of the payment of a final dividend of RMB0.0688 per share (tax inclusive) for the year ended 31 December 2020 (the "**2020 Final Dividends**") payable to the shareholders of the Company, whose names are listed in the register of members of the Company on 6 July 2021, in an aggregate amount of approximately RMB567.2 million. The 2020 Final Dividends will be denominated and declared in RMB. Dividends on domestic shares will be paid in RMB and dividends on H Shares will be paid in Hong Kong dollars. Subject to the passing of the relevant resolution at the AGM, the 2020 Final Dividends is expected to be paid on or around 18 August 2021.

Pursuant to the Enterprise Income Tax Law of the PRC and its implementation rules, which came into force since 1 January 2008 and other relevant rules, where the Company distributes the proposed 2020 Final Dividends to non-resident enterprise shareholders whose names appear on the register of members for H shares of the Company, it is required to withhold enterprise income tax at a rate of 10%. Any H shares registered in the name of non-individual registered shareholders, including HKSCC Nominees Limited, other nominees or trustees, or other organizations or groups, will be treated as shares being held by non-resident enterprise shareholders, and consequently will be subject to the withholding of the enterprise income tax.

Pursuant to the PRC Individual Income Tax Law, the Implementation Regulations of the Individual Income Tax Law, the Tentative Measures on Withholding and Payment of Individual Income Tax and other relevant laws and regulations, the foreign individuals who are the holders of H shares shall pay individual income tax at a tax rate of 20% upon their receipt of distribution of dividend from domestic enterprises which issued such H shares, which shall be withheld and paid by such domestic enterprises on behalf of the such individual H shareholders. However, the Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax effective from 13 May 1994 (the "**1994 Notice**") grants exemption to foreign individuals from PRC individual income tax on dividend from foreign-invested enterprises. Since the Company has become a "foreign-invested enterprise" since August 2010 as approved by the relevant PRC authorities, the individual shareholders who hold the Company's H shares and whose names appear on the register of members of H shares of the Company (the "**Individual H Shareholders**") are not required to pay PRC individual income tax when the Company distributes the 2020 Final Dividends based on the 1994 Notice. Therefore, the Company will not withhold any amount of the 2020 Final Dividends to be distributed to the Individual H Shareholders to pay the PRC individual income tax.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain shareholders' entitlement to attend and vote at the AGM and to the proposed 2020 Final Dividends, the H Share register of members of the Company will be closed from 21 June 2021 to 24 June 2021 (both days inclusive) and from 2 July 2021 to 6 July 2021 (both days inclusive), respectively, during which periods no transfer of shares will be registered.

In order to qualify for attending and voting at the forthcoming AGM, holders of H Shares of the Company shall lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before 4:30 p.m. on 18 June 2021.

In order to qualify for receiving the proposed 2020 Final Dividends (subject to the approval by Shareholders at the forthcoming AGM), holders of H Shares of the Company shall lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at the above mentioned address for registration before 4:30 p.m. on 30 June 2021.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

As a company listed on the Stock Exchange, the Company always strives to maintain a high level of corporate governance and complied with all code provisions as set out in the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the year ended 31 December 2020.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

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

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2020, and consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year then ended, as set out in the preliminary announcement, have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements, issued by the Hong Kong Institute of Certified Public Accountants, and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the Group's 2020 annual results and the financial statements for the year ended 31 December 2020 prepared in accordance with the IFRSs.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the HKExnews website of the Stock Exchange at http://www.hkexnews.hk and on the website of the Company at http://www.jncec.com/. The 2020 annual report containing all the information required by the Listing Rules will be dispatched to the shareholders in due course and will be published on the websites of the Company and the Stock Exchange.

By order of the Board
Beijing Jingneng Clean Energ   Co., Limited
KANG Jian
Deputy General Manager and Company Secretary

Beijing, the PRC
30 March 2021

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