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)

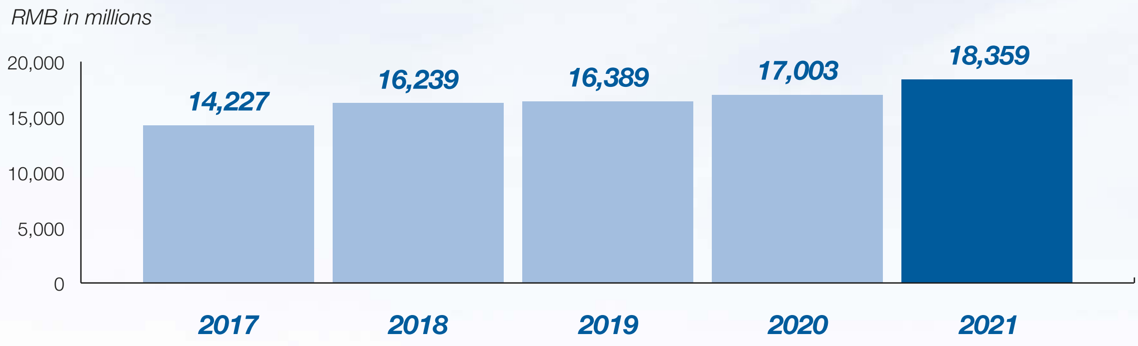
Stock Code：00579

2021
ANNUAL REPORT

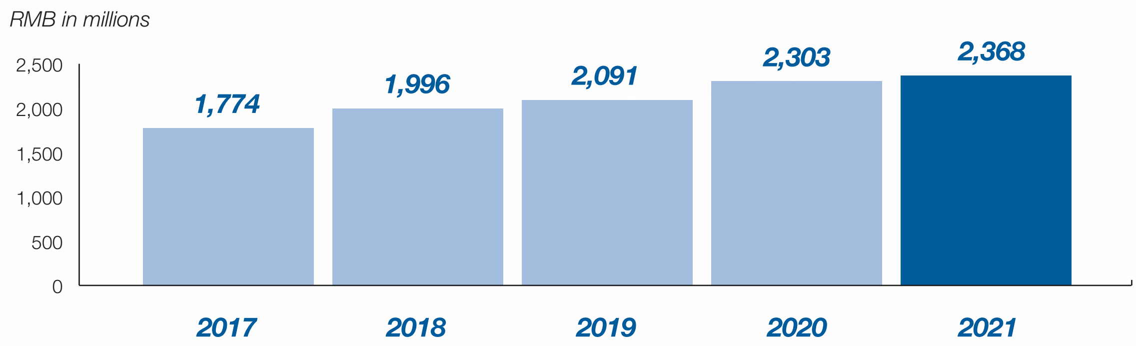
Contents

Financial Highlights

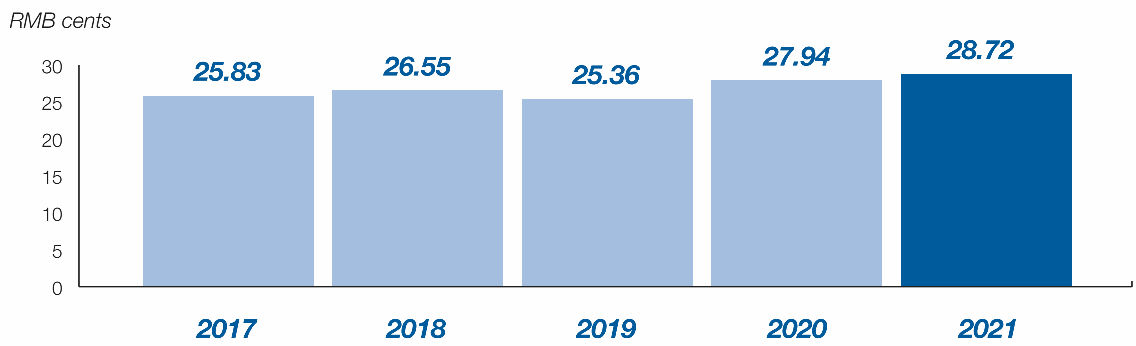
REVENUE



PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY



EARNINGS PER SHARE



Financial Summary

	Year ended 31 December				
	2021	2020	2019	2018	2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**18,358,832**	17,003,306	16,388,643	16,238,805	14,227,365
Other income	**903,173**	797,393	1,051,030	1,029,099	1,353,370
Profit from operations	**4,565,702**	3,917,090	3,721,816	3,761,654	3,446,769
Profit before taxation	**3,084,250**	2,953,026	2,675,292	2,742,575	2,452,301
Income tax expense	**(595,048)**	(557,041)	(507,961)	(626,458)	(516,716)
Profit for the year	**2,489,202**	2,395,985	2,167,331	2,116,117	1,935,585
Total comprehensive income	**2,470,942**	2,518,122	2,184,760	1,904,582	2,160,586
Profit for the year attributable to:					
– Ordinary shareholders of the Company	**2,368,131**	2,303,390	2,090,770	1,995,943	1,774,473
– Holders of perpetual notes	**59,895**	31,950	–	35,768	77,250
– Non-controlling interests	**61,176**	60,645	76,561	84,406	83,862
	2,489,202	2,395,985	2,167,331	2,116,117	1,935,585
Total comprehensive income for the year attributable to:					
– Ordinary shareholders of the Company	**2,349,871**	2,425,527	2,108,199	1,784,408	1,937,527
– Holders of perpetual notes	**59,895**	31,950	–	35,768	77,250
– Non-controlling interests	**61,176**	60,645	76,561	84,406	145,809
	2,470,942	2,518,122	2,184,760	1,904,582	2,160,586
Earnings per share *(RMB cents)*					
Basic and diluted	**28.72**	27.94	25.36	26.55	25.83

Financial Summary

	As of 31 December				
	2021	2020	2019	2018	2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	**82,035,846**	70,538,308	59,723,159	54,941,460	50,955,684
Non-current assets	**63,536,544**	55,656,303	49,542,293	42,809,938	42,160,577
Current assets	**18,499,302**	14,882,005	10,180,866	12,131,522	8,795,107
Total liabilities	**52,372,476**	44,171,461	36,647,850	33,429,860	32,050,583
Current liabilities	**28,327,772**	25,244,624	19,437,526	19,391,917	19,823,168
Non-current liabilities	**24,044,704**	18,926,837	17,210,324	14,037,943	12,227,415
Net assets	**29,663,370**	26,366,847	23,075,309	21,511,600	18,905,101
Capital and reserves					
Share capital	**8,244,508**	8,244,508	8,244,508	8,244,508	6,870,423
Reserves	**18,031,790**	16,249,142	14,428,160	12,869,870	9,938,168
Equity attributable to ordinary shareholders of the Company	**26,276,298**	24,493,650	22,672,668	21,114,378	16,808,591
Perpetual notes	**3,027,962**	1,525,582	–	–	1,527,982
Non-controlling interests	**359,110**	347,615	402,641	397,222	568,528
Total equity	**29,663,370**	26,366,847	23,075,309	21,511,600	18,905,101

Corporate Profile

Beijing Jingneng Clean Energy Co., Limited (hereinafter referred to as the "Company") was established in August 2010, and is held by 北京能源集團有限責任公司 (Beijing Energy Holding Co., Ltd., English name for identification purpose) (hereinafter referred to as "BEH"). The Company was listed on the Main Board of the Hong Kong Stock Exchange on 22 December 2011. The Company operates its business in a number of provinces, municipalities and autonomous regions, such as Beijing, Inner Mongolia, Ningxia, Sichuan, Hunan and Guangdong, and involves in gas-fired power and heat energy generation, wind power, photovoltaic power, small-to-medium-sized hydropower and other clean energy generation businesses, which help the Group claim the title of the largest gas-fired heat and power supplier in Beijing and the leading wind power and photovoltaic power operator in China, industry-leading clean energy brand.

As of 31 December 2021, the total consolidated installed capacity of the Company reached 12,444 MW. Currently, the Company operates seven gas-fired cogeneration plants with an installed capacity of 4,702 MW in Beijing, accounting for 40% of gas-fired power generation of Beijing and accounts for over 40% of centralized heating supply of Beijing. As a result, the Company is the leading gas-fired heat and power supplier in Beijing. The installed capacity of wind power generation reached 4,110 MW with the majority located in Inner Mongolia region, Shaan-Gan-Ning region and Beijing-Tianjin-Hebei region in China where wind resources are abundant. The Company's photovoltaic power generation installed capacity is 3,213 MW, which is distributed in northwest China, north China and south China regions with relatively abundant solar resource. The Company also operates other clean energy business like small-to-medium-sized hydropower which has a consolidated installed capacity of 419 MW mainly distributed in southwest China with abundant water resources.

The Company thoroughly implements the energy security strategy of "Four Revolutions, One Cooperation" and the new development principle of "Innovation, Coordination, Green, Opening-up and Sharing". Based on the new stage, new positioning and new tasks, the Company follows the principle of "seeking progress and rapid progress while maintaining steady development", practices the major strategic decision of "Peaking Carbon Dioxide Emission and Achieving Carbon Neutrality", and takes green development as the first priority, technological innovation as the first driving force, and talent team as the first resource, to promote the Company's sustainable development with higher quality and efficiency, and expedite our development into a world-class clean energy service provider in the capital.

Chairman's Statement

Dear Shareholders,

In 2021, China stood at the historic crossroad of realizing the "Two Centenary Goals", under the unprecedented global changes in the past century. 2021 marks the 100th anniversary of the founding of the Communist Party of China, the first year of a new journey under the "14th Five-Year Plan", and also the 10th anniversary since the Group's successful listing in Hong Kong. In 2021, with the strong support of the shareholders and the appropriate leadership of the Board, the Group seized the opportunity in the overall situation of serving the capital and ensuring its energy supply, and upgraded in the course of reform and innovation. The Group accessed to operating results and enterprise development double harvest for three consecutive years, and made a good start in the "14th Five-Year Plan".

During the year, by working hard in unity, the Group allowed green development to become its bright backdrop, and assisted Beijing in achieving carbon neutrality firstly during the green and low-carbon energy transformation. During the year, by taking high-quality development as the first priority, the Group bravely acted as a vanguard and overcame multiple challenges, focused on the profit-oriented process of high-quality development in all branches and subsidiaries, strived to improve the quality and efficiency, and took full advantages of respective business segment for synergies. During the year, by fulfilling its duties to ensure the energy supply and serving the Winter Olympics, the Group displayed its commitments as one of the capital's state-owned enterprises in the aspect of providing services and energy supply for Beijing, achieved full capacity grid connection between the Beijing-Zhangjiakou Olympics 1.2 million kW wind power project, helped 26 venues in the three major competition areas of the Beijing Winter Olympics to achieve 100% green power supply for the first time, and displayed its commitments as one of the "Double Olympics enterprise". During the year, by adhering to the conception of "courage holds the key to win, while innovation to progress", the Group insisted on taking innovation and reform as the endogenous power of enterprise development and technology innovation as the primary driving force, continued to increase investment in technology, accelerated digital transformation progress, and promoted the construction of intelligent power plants producing clean energy, laying a solid foundation for the "smart revolution" of the production and operation mode.

2022 is the year to hold the 20th National Congress of the Communist Party of China and a critical year for realization of the "14th Five-Year Plan". The "dual carbon" goal will provide confidence and guidance for the Group to march toward a brand new journey. The strategic deployment of building a world-class enterprise and reforming as a state-owned enterprise of realizing the "Two Centenary Goals", will allow the Group to take the important strategic opportunities for a long time. Beijing's firm determination to achieve carbon neutrality firstly in 2050 provides a solid foothold for the Group to focus on serving the capital and adhere to green development. In 2022, the Group will continue to expand the quantity and improve the quality, fully stimulate the endogenous power, form a first-class creativity, and create a first-class brand image. The Group will keep on working hard and forging ahead, aiming to become a world-class clean energy service provider in Beijing and to maximize Shareholders' interest.

General Manager's Statement

Dear Shareholders,

2021 is the tenth anniversary of the Company since its listing, as well as a critical year of fully starting the forward-leaping development under the "14th Five-Year Plan" and continuing to innovate while maintaining the existing achievements. Facing the difficult and complicated situations at home and abroad, the Company's management united and led all employees under the appropriate leadership of the Company's Board, and made an achievement of the operation management being steadily improved, the core competitiveness being continuously enhanced, and the milestone progress being achieved in the high-quality development. The Company accessed to operating results and enterprise development double harvest for three consecutive years, and made a good start in the "14th Five-Year Plan".

As at the end of 2021, the Company had total assets of RMB82.036 billion. It had an installed capacity of 12.444 million kW under operation, with annual power generation and annual heat generation reaching 32.683 billion kWh and 26.2859 million GJ, respectively. The operating revenue for the year was RMB18.359 billion and the total profit was RMB3.084 billion. In 2021, the Company supplied green power of 60.81 million kWh for the Winter Olympic venues, helping to achieve 100% green power supply for the first time in the history of the Olympic Games. The Company's projects under construction and approved and filed have an installed capacity of 5.555 million kW, and high-quality project backlog exceeded 37 million kW, which shown a good development momentum for the Company's overall business.

In 2022, the Company will take the major historical opportunity of the development of clean energy, and focus on high-quality development and serving the capital. By adhering to strategic leadership and technological innovation, accelerating green and low-carbon development, consolidating the foundation for production safety, and accelerating the process of industrial digitalization, the Company aims to comprehensively improve its development capabilities, competitiveness and management. The Company firmly fulfills its corporate social responsibilities, and strives to become a world-class clean energy service provider in the capital, and to bring greater values for the Company and to create greater returns for all Shareholders.

On behalf of the management team and all staff of the Company, I hereby extend my heartfelt gratitude to all Shareholders, the Board of Directors and the Board of Supervisors for their long-term support and trust to the Company.

Management Discussion and Analysis

I. REVIEW OF THE ELECTRIC POWER INDUSTRY

In 2021, the national electricity supply and demand situation is generally tight. Facing multiple challenges such as the difficult and complicated international situations and the spread of the domestic epidemic, the Group adhered to the general principle of seeking progress while maintaining stability, resulting a double-digit growth of the electricity consumption throughout the year, and green and low-carbon development of the installed power structure. In 2021, the national electricity consumption reached 8.31 trillion kWh, representing a year-on-year increase of 10.3%. The national electricity consumption in each quarter increased by 21.2%, 11.8%, 7.6% and 3.3% respectively, mainly affected by factors such as the sustained recovery of the domestic economy and the rapid growth of foreign trade exports.

According to the statistics from China Electricity Council, as of the end of December 2021, the national electricity installed capacity in total was 2.38 billion kW, representing a year-on-year increase of 7.9%. Among which, the capacity of thermal power generation was 1.30 billion kW, accounting for 54.6% of the total installed capacity, representing a year-on-year increase of 4.1%; the capacity of on-grid wind power generation was 330 million kW, accounting for 13.9% of the total installed capacity, representing a year-on-year increase of 16.6%; the capacity of on-grid solar power generation was 310 million kW, accounting for 13.0% of the total installed capacity, representing a year-on-year increase of 20.9%; the capacity of hydropower generation was 390 million kW, accounting for 16.4% of the total installed capacity, representing a year-on-year increase of 5.6%. The national power generation from non-fossil fuel installed capacity totaled 1.12 billion kW, accounting for 47.0% of the total installed capacity, representing a year-on-year increase of 13.4%, increased by 2.3 percentage points over the end of previous year, and exceeded the proportion of the power generation from coal installed capacity for the first time in history.

In 2021, the national power generation in total went up by 9.8% as compared with the previous year. Among which, the capacity of thermal power generation was 5.6 trillion kWh, representing a year-on-year increase of 9.1%; the capacity of wind power generation was 655.6 billion kWh, representing a year-on-year increase of 40.5%; the capacity of solar power generation was 327.0 billion kWh, representing a year-on-year increase of 25.2%; and the capacity of hydropower generation was 1.3 trillion kWh, representing a year-on-year decrease of 1.1%. The national non-fossil fuel generation totaled 2.9 trillion kWh, representing a year-on-year increase of 12.0%.

In 2021, the utilization hour of thermal power generation was 4,448 hours, representing a year-on-year increase of 237 hours; the utilization hour of on-grid wind power generation was 2,232 hours, representing a year-on-year increase of 154 hours; the utilization hour of on-grid solar power generation was 1,281 hours, remaining the same as last year; the utilization hour of hydropower generation equipments was 3,622 hours, representing a year-on-year decrease of 203 hours.

In 2021, the electricity trading centers across the country managed to organise electricity transaction of 3,778.7 billion kWh in the market, representing a year-on-year increase of 19.3%, accounting for 45.5% of the national electricity consumption, representing a year-on-year increase of 3.3 percentage points.

II. BUSINESS REVIEW FOR THE YEAR OF 2021

In 2021, China has achieved new results from its high-quality economic development, and made a good start in the "14th Five-Year Plan". 2021 is also the 10th anniversary since the Group's successful listing on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), as well as a critical year of continuing to innovate while maintaining the existing achievements in the "14th Five-Year Plan". In 2021, the Group continued to improve its efficiency, enhanced its vitality, created its value, strived to make its main business of clean energy stronger, better and larger, and achieved a milestone progress in the high-quality development by implementing the new development concept, insisting on the general principle of seeking progress while maintaining stability, taking the promotion of high-quality development as its theme and deepening reformation as the driving force, and adhering to the principles of "advance innovation and improve quality and efficiency with strict corporate governance to make an outstanding development" as the mainline.

1. Improve quality and efficiency and enhance the main business performance to a new level

In 2021, the Group comprehensively enhanced the Company's development capabilities, competitiveness and management standards by persistently adhering to the new development concept and continually strengthening the basic management and innovation drive. As of 31 December 2021, the consolidated installed capacity of the Group was 12.444 million kW, with an increase in installed capacity of 1.583 million kW, representing a year-on-year increase of 14.6%, which was nearly 7 percentage points higher than the national installed capacity. The installed capacity of the gas-fired power and heat energy generation segment was 4.702 million kW, accounting for 37.8% of the total installed capacity; the installed capacity of the wind power generation segment was 4.110 million kW, accounting for 33.0% of the total installed capacity, with an increase in installed capacity of 1.313 million kW, representing a year-on-year increase of 46.9%, which was 30 percentage points higher than the national wind power installed capacity; the installed capacity of the photovoltaic power generation segment was 3.213 million kW, accounting for 25.8% of the total installed capacity, with an increase in installed capacity of 0.301 million kW, representing a year-on-year increase of 10.3%; the installed capacity of the hydropower segment was 0.419 million kW, accounting for 3.4% of the total installed capacity.

As at 31 December 2021, the consolidated power generation of the Group was 32.683 billion kWh, representing a year-on-year increase of 9.4%, of which, the power generation of the gas-fired power and heat energy generation segment was 19.254 billion kWh, representing a year-on-year increase of 2.2% with the average utilization hours of facilities reaching 4,095 hours, representing a year-on-year increase of 87 hours; the power generation of the wind power generation segment was 7.410 billion kWh, representing a year-on-year increase of 32.2% with the average utilization hours of facilities reaching 2,338 hours, representing a year-on-year increase of 105 hours, which was 106 hours more than the national average; the power generation of the photovoltaic power generation segment was 4.193 billion kWh, representing a year-on-year increase of 22.3% with the average utilization hours of facilities reaching 1,413 hours, representing a year-on-year increase of 21 hours, which was 132 hours more than the national average; and the power generation of the hydropower segment was 1.826 billion kWh, representing a year-on-year decrease of 8.5% with the average utilization hours of facilities reaching 4,354 hours, representing a year-on-year decrease of 81 hours.

2. Focus on dual-carbon and sustain the green development at a new speed

In 2021, the Group continued to adhere to the "two-wheel drive" of independent development and project mergers and acquisitions, leverage the geographical advantages of regional companies, and focus on key projects for breakthroughs. In the year, the Group completed the development of wind power and photovoltaic projects with an installed capacity of 3.81 million kW, representing an increase of 1.5 million kW as compared with that of the previous year. Among them, the installed capacity of self-developed projects that had construction indicators amounted to 2.794 million kW, and the installed capacity of projects completed through mergers and acquisitions amounted to 1.016 million kW, which exceeded the total amount of renewable energy developed by the Group during the "13th Five-Year Plan" period.

In 2021, the Group actively promoted the large-scale energy base projects in Ximeng, Datong and Chengde by insisting on the goal of "carbon neutrality" in Beijing, and focusing on the Green-Power-to-Beijing. Meanwhile, the Group carried out the comprehensive and preliminary work for these projects by means of independent development, cooperative development, and mergers and acquisitions. The Group has obtained the approval for the multi-energy complementary demonstration project with integrated energy of wind, solar, fire and hydrogen storage in Chagan Nur; completed the filing for the 1 million kW energy base project in Guangxi Qinbei, filling the gap of the regional project in Guangxi; signed the development agreement for the Jingneng 10 million kW green integrated energy base project in Datong, which was included in the three-year rolling project reserve of new energy and renewable energy in Datong; been in the process of finalising a cooperation agreement for the 10 million kW Green-Power-to-Beijing project with integrated energy of wind, solar and hydrogen storage in Chengde, with the Chengde Preparatory Office established to carry out the preliminary work; submitted the Dongyuan cogeneration project to Guangdong Energy Bureau, and strived for it to be included in the "14th Five-Year Plan" for energy of Guangdong Province; signed a cooperation framework agreement with Beihai City for the Beihai gas project in Guangxi; and promoted the county-wide distributed photovoltaic power project, and completed the reporting work for 8 counties (districts and cities) with a total reported capacity of 0.84 million kW.

During the "14th Five-Year Plan" period, Beijing will deepen the energy restructuring and promote the intelligent transformation to green and low-carbon energy, so that the proportion of renewable energy in Beijing will reach about 14% by 2025. In order to achieve this goal, in 2021, the Group undertook the survey of district-wide distributed photovoltaic resources of Beijing initiated by the Beijing Municipal Development and Reform Commission, and the preparation of pilot programs and guidelines, making contributions to the capital's transformation to low-carbon energy structure. After this task, the Group established a comprehensive connection with the photovoltaic resource market in Beijing, laying a solid foundation for future investments in photovoltaic projects in Beijing.

3. Optimise the structure and reduce the capital cost to a new degree

While ensuring the high-speed and high-quality development, the Group has maintained an AAA credit rating and its low-cost advantage when developing its business in the renewable energy market. In 2021, the Group continued to optimise its capital structure, with a consolidated capital cost of 3.74%, representing a decrease of 0.13 percentage points. By taking full advantages of its credit rating, the Group raised low-interest funds in the bond market, leading to a stable gearing ratio with an increase in both investment and installed capacity. The Group also issued the first tranche RMB500 million green medium-term notes (carbon neutral bonds) for the energy industry and Beijing-owned enterprises; and obtained the confirmation from the Export-Import Bank's BRICS loans and support from low-interest funds for the invested wind power projects.

4. Perform the innovation-driven development and insist on the reform and transformation by new efforts

In 2021, the Group insisted on taking technology innovation as the primary driving force, continued to increase investment in technology, and accelerated digital transformation progress. The Group also promoted the construction of intelligent power plants producing clean energy, and completed the construction of centralized control centers in Dujiangyan, Xining, Zhangjiakou and Hohhot, leading to the initial formation of the three-in-one integrated management structure of "Intelligent Platform Supervision Center – Branch Centralized Control Center – Plant and Station", and laying a solid foundation for the "smart revolution" of the production and operation mode. In 2021, the Group implemented 47 technology projects with an capital investment of RMB610 million, representing a year-on-year increase of 71.5%; and established 4 new high-tech enterprises, received 2 science and technology awards, and obtained 22 patent licensing and 20 software copyrights, of which 2 technology projects received capital support of RMB35 million from the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

5. Serve the Winter Olympics and display the state-owned enterprises image with the new commitments

Beijing is a “Dual Olympic city”, and Jingneng Clean Energy is a “Double Olympics enterprise”. In 2008, Beijing Taiyanggong Gas-fired Cogeneration Plant and Beijing Lumingshan Guanting Wind Farm, which are owned by the Group, provided clean energy power for the Beijing Summer Olympics. Thereafter in 2021, the Group achieved full capacity grid connection between the Beijing-Zhangjiakou Olympics 1.2 million kW wind power project and the comprehensive energy utilization project in the Yanqing Winter Olympics competition area, and helped 26 venues in the three major competition areas of the Beijing Winter Olympics to achieve 100% green power supply for the first time and light up the lights in Beijing via the wind from Zhangbei. Through the Olympic Games, Beijing displayed China’s commitments to the world, and Jingneng Clean Energy displayed its commitments as one of the capital’s state-owned enterprises to the world. The Group will keep on working hard, aiming to become a world-class clean energy service provider in Beijing.

III. OPERATING RESULTS AND ANALYSIS

1. Overview

In 2021, the Company achieved profit for the year amounted to RMB2,489.2 million, representing an increase of 3.89% as compared with RMB2,396.0 million for 2020. Profit attributable to the equity holders amounted to RMB2,368.1 million, representing an increase of 2.81% as compared with RMB2,303.4 million for 2020.

2. Operating Income

The total operating income increased by 7.97% from RMB17,003.3 million for 2020 to RMB18,358.8 million for 2021, due to an increase in installed capacity of wind power and photovoltaic power segments, resulting in an increase in revenue from sales of electricity.

Gas-fired Power and Heat Energy Generation Segment

The operating income from the gas-fired power and heat energy generation segment increased by 2.15% from RMB12,146.2 million for 2020 to RMB12,407.5 million for 2021, of which, revenue from sales of electricity increased by 2.67% from RMB10,182.9 million for 2020 to RMB10,455.0 million for 2021, due to the increase in sales volume of electricity of this segment. Revenue from sales of heat energy decreased by 0.55% from RMB1,963.3 million for 2020 to RMB1,952.5 million for 2021, due to the decrease in sales volume of heating supply of this segment.

Wind Power Segment

The operating income from wind power segment increased by 28.95% from RMB2,314.2 million for 2020 to RMB2,984.2 million for 2021, due to the increase in sales volume of electricity as a result of an increase in the average wind speed and an increase in the installed capacity in this segment.

Photovoltaic Power Segment

The operating income from photovoltaic power segment increased by 20.04% from RMB2,145.3 million for 2020 to RMB2,575.3 million for 2021, due to an increase in sales volume of electricity as a result of increased installed capacity in this segment.

Hydropower Segment

The operating income from hydropower segment decreased by 2.25% from RMB395.3 million for 2020 to RMB386.4 million for 2021, due to the decrease in sales volume of electricity of this segment.

Other Segment

Other operating income increased by 139.13% from RMB2.3 million for 2020 to RMB5.5 million for 2021, due to an increase in revenue from external maintenance.

3. Other Income

Other income increased by 13.27% from RMB797.4 million for 2020 to RMB903.2 million for 2021, due to the increase in sales volume of electricity of the gas-fired power and heat energy generation segment, resulting in the increase in government grants and subsidies on clean energy production and the increase in income from carbon credits.

4. Operating Expenses

Operating expenses increased by 5.85% from RMB13,883.6 million for 2020 to RMB14,696.3 million for 2021, due to the cost expensed following the increase in the installed capacity in the wind power segment and the photovoltaic power segment, and the increase in gas cost as a result of the increase in sales volume of electricity of the gas-fired power and heat energy generation segment.

Gas Consumption

Gas consumption increased by 2.83% from RMB8,804.3 million for 2020 to RMB9,053.9 million for 2021, due to an increase in gas consumption as a result of the increase in sales volume of electricity of the gas-fired power and heat energy generation segment.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 10.98% from RMB2,811.3 million for 2020 to RMB3,119.9 million for 2021, due to an increase in installed capacity in the wind power segment and the photovoltaic power segment.

Personnel Cost

Personnel cost increased by 24.06% from RMB869.9 million for 2020 to RMB1,079.2 million for 2021, due to the increase in the number of employees as a result of the business development of the Group, and additional personnel costs expensed following the commencement of production of new projects.

Repairs and Maintenance

Repairs and maintenance increased by 8.05% from RMB594.7 million for 2020 to RMB642.6 million for 2021, due to an increase in maintenance costs resulting from overhaul of individual units of the gas-fired power and heat energy generation segment.

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 4.88% from RMB788.8 million for 2020 to RMB827.3 million for 2021, due to an increase in operating expenses as a result of the commencement of production of new projects.

Other Gains and Losses

The Group recorded other losses of RMB13.2 million for 2020, while recorded other gains of RMB25.4 million for 2021, which was due to the increase in the gain 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, operating profit increased by 16.56% from RMB3,917.1 million for 2020 to RMB4,565.7 million for 2021.

Gas-fired Power and Heat Energy Generation Segment

The operating profit of gas-fired power and heat energy generation segment decreased by 5.09% from RMB1,769.6 million for 2020 to RMB1,679.5 million for 2021, due to an increase in maintenance costs in this segment.

Wind Power Segment

The operating profit of wind power segment increased by 48.83% from RMB1,201.0 million for 2020 to RMB1,787.5 million for 2021, due to an increase in average wind speed and equipment utilization and the increase in the installed capacity in this segment after they are put into production.

Photovoltaic Power Segment

The operating profit of photovoltaic power segment increased by 21.62% from RMB1,124.1million for 2020 to RMB1,367.1 million for 2021, due to an increase in equipment utilization and an increase in the installed capacity in this segment after they are put into production.

Hydropower Segment

The operating profit of hydropower segment increased by 85.14% from RMB59.2 million for 2020 to RMB109.6 million for 2021, due to the impairment losses of individual fixed assets in this segment made in the previous year.

Other Segment

Other operating profit increased by 59.63% from a loss of RMB236.8 million for 2020 to a loss of RMB378.0 million for 2021, due to the goodwill impairment resulting from the cessation of operation of individual power plants.

6. Finance Costs

Finance costs increased by 13.77% from RMB1,150.8 million for 2020 to RMB1,309.3 million for 2021, due to an increase of interest expenses expensed as a result of the increase in the installed capacity after they are put into production, with the average interest rate decreasing by 0.13% from 3.87% for 2020 to 3.74% for 2021.

7. Share of Results of Associates and a Joint Venture

Share of results of associates and a joint venture decreased from a gain of RMB145.7 million for 2020 to a loss of RMB207.0 million for 2021, due to a loss as a result of an increase in price of coal from a subsidiary of an associate, Beijing Jingneng International Power Co., Ltd..

8. Profit before Taxation

As a result of the foregoing, profit before taxation increased by 4.45% from RMB2,953.0 million for 2020 to RMB3,084.3 million for 2021.

9. Income Tax Expense

Income tax expense increased by 6.82% from RMB557.0 million for 2020 to RMB595.0 million for 2021. Effective tax rate was 19.29% for 2021.

10. Profit for the year

As a result of the foregoing, profit for the year increased by 3.89% from RMB2,396.0 million for 2020 to RMB2,489.2 million for 2021.

11. Profit for the year Attributable to Equity Holders of the Company

Profit for the year attributable to equity holders of the Company increased by 2.81% from RMB2,303.4 million for 2020 to RMB2,368.1 million for 2021.

IV. FINANCIAL POSITION

1. Overview

As of 31 December 2021, total assets of the Group amounted to RMB82,035.8 million, total liabilities amounted to RMB52,372.5 million and total equity amounted to RMB29,663.3 million, among which equity attributable to the equity holders amounted to RMB26,276.3 million.

2. Particulars of Assets and Liabilities

Total assets increased by 16.30% from RMB70,538.3 million as at 31 December 2020 to RMB82,035.8 million as at 31 December 2021, 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 18.57% from RMB44,171.5 million as at 31 December 2020 to RMB52,372.5 million as at 31 December 2021, due to increased debt as a result of increased projects. Total equity increased by 12.50% from RMB26,366.8 million as at 31 December 2020 to RMB29,663.3 million as at 31 December 2021, due to the accretion from business results and the issuance of green medium-term notes. Equity attributable to equity holders of the Company increased by 7.28% from RMB24,493.7 million as at 31 December 2020 to RMB26,276.3 million as at 31 December 2021, due to the accretion from business results in 2021.

3. Liquidity

As of 31 December 2021, current assets amounted to RMB18,499.3 million, including monetary capital of RMB5,097.3 million, bills and account receivables of RMB11,678.3 million (mainly comprising receivables from sales of electricity, sales of heat and renewable energy subsidy), and prepayment and other current assets of RMB1,723.7 million (mainly comprising deductible value-added tax and other account receivables). Current liabilities amounted to RMB28,327.8 million, including short-term borrowings of RMB11,272.5 million, short-term financing debentures of RMB7,589.5 million, medium-term notes due within one year of RMB2,091.2 million, corporate bonds of RMB1,025.8 million, trade and other payables of RMB5,938.3 million (mainly comprising payables for gas, payables for construction projects and purchase of equipment). Other current liabilities amounted to RMB410.5 million, mainly comprising income tax payable and amounts due to related parties.

Net current liabilities decreased by 5.15% from RMB10,362.6 million as at 31 December 2020 to RMB9,828.5 million as at 31 December 2021.

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 1.78% from 55.28% as at 31 December 2020 to 57.06% as at 31 December 2021, due to the increase in debts as a result of investment in projects.

The Group's long-term and short-term borrowings increased by 20.69% from RMB36,886.0 million as at 31 December 2020 to RMB44,517.0 million as at 31 December 2021, including short-term borrowings of RMB11,272.5 million, long-term borrowings of RMB19,044.1 million, medium-term notes of RMB4,585.5 million, short-term financing debentures of RMB7,589.5 million and corporate bonds of RMB2,025.4 million.

Bank deposits and cash held by the Group increased by 18.61% from RMB4,297.5 million as at 31 December 2020 to RMB5,097.3 million as at 31 December 2021.

V. OTHER SIGNIFICANT EVENTS

1. Financing

On 4 January 2021, the Group completed the issuance of the first tranche RMB2,000.0 million 179-day ultra-short-term financing debentures of 2021 at an interest rate of 2.65%;

On 18 March 2021, the Group completed the issuance of the second tranche RMB2,000.0 million 238-day ultra-short-term financing debentures of 2021 at an interest rate of 2.80%;

On 23 April 2021, the Group completed the issuance of the third tranche RMB2,000.0 million 270-day ultra-short-term financing debentures of 2021 at an interest rate of 2.99%;

On 24 June 2021, the Group completed the issuance of the fourth tranche RMB2,000.0 million 266-day ultra-short-term financing debentures of 2021 at an interest rate of 2.68%;

On 27 August 2021, the Group completed the issuance of the fifth tranche RMB1,500.0 million 270-day ultra-short-term financing debentures of 2021 at an interest rate of 2.50%;

On 4 November 2021, the Group completed the issuance of the sixth tranche RMB2,000.0 million 266-day ultra-short-term financing debentures of 2021 at an interest rate of 2.52%;

On 15 July 2021, the Group completed the issuance of the first tranche RMB500.0 million green medium-term notes of 2021, with a period of 2+N years, at an interest rate of 3.23%;

On 16 December 2021, the Group completed the issuance of the second tranche RMB1,000.0 million green medium-term notes of 2021, with a period of 3+N years, at an interest rate of 3.30%.

The respective commissions paid for the above-mentioned financing did not exceed RMB3 million.

2. Capital Expenditure

In 2021, the Group's capital expenditure amounted to RMB11,178.8 million, including RMB363.1 million incurred for construction projects in the gas-fired power and heat energy generation segment, RMB7,058.1 million incurred for construction projects in the wind power segment, RMB3,704.8 million incurred for construction projects in the photovoltaic power segment, RMB46.7 million incurred for construction projects in the hydropower segment, and RMB6.1 million incurred for construction projects in other segment.

3. Acquisition and Establishment of Subsidiaries

According to the development plan of the Group, the Group in 2021 acquired seven wholly-owned subsidiaries, namely "Ningxia Boyang New Energy Co., Ltd. (寧夏博陽新能源有限公司)", "Ningxia Kaiyang New Energy Co., Ltd. (寧夏愷陽新能源有限公司)", "Pingluo Xuqing New Energy Co., Ltd. (平羅縣旭清新能源有限公司)", "Hebei Rongzhi Xinyuan Power Co., Ltd. (河北融智新源電力有限公司)", "Otog Front Banner Shengri New Energy Technology Co., Ltd. (鄂托克前旗晟日新能源科技有限公司)", "Zhangjiakou Fengmu New Energy Co., Ltd. (張家口風沐新能源有限公司)" and "Guangdong Huiyu New Energy Investment Co., Ltd. (廣東輝宇新能源投資有限公司)", which are engaged in the construction and operation of wind power generation and photovoltaic power generation projects; and acquired 90% equity interest of "Yichang Yiling District Zhongji Thermal Power Co., Ltd. (宜昌市夷陵區中基熱電有限公司)" which is engaged in the construction and operation of gas-fired power generation projects.

In 2021, the Group established and invested in several wholly-owned subsidiaries, namely "Beijing Jingneng Jingtong New Energy Co., Ltd. (北京京能京通新能源有限公司)", "Jianping Jingneng Wind Power Generation Co., Ltd. (建平京能風力發電有限公司)", "Zhangzhou Jingneng Clean Energy Power Co., Ltd. (漳州京能清潔能源電力有限公司)", "Sanming Jingneng Clean Energy Co., Ltd. (三明京能清潔能源電力有限公司)", "Yinchuan Jingneng Clean Energy Co., Ltd. (銀川京能清潔能源有限公司)" and "Hancheng Jingneng Clean Energy Co., Ltd. (韓城京能清潔能源有限公司)"; and established and invested in two holding subsidiaries, namely "Heilongjiang Jingqing Wind Power Co., Ltd. (黑龍江京慶風力發電有限公司)" (80% equity interest) and "Bayan Nur Jingneng Clean Energy Power Co., Ltd. (巴彥淖爾京能清潔能源電力有限公司)" (95% equity interest), which are engaged in the construction and operation of wind power generation and photovoltaic power generation projects.

4. Contingent Liabilities

As of 31 December 2021, the Group had no contingent liabilities.

5. Mortgage of Assets

As of 31 December 2021, the Group's bank borrowings were secured by trade receivables of RMB1,426.2 million; fixed assets of RMB3,683.4 million; the entire equity in New Gullen Range Wind Farm Pty Ltd. and Gullen Solar Pty Ltd., which was pledged to National Australia Bank ("**NAB**") in Australia in connection with the loan facilities granted by NAB and the entire enquity in Ningxia Boyang New Energy Co., Ltd. and Ningxia Kaiyang New Energy Co., Ltd., which was pledged to National Development Bank ("**NDB**") in China in connection with the loans granted by NDB.

6. Subsequent Events

The Group had no other material events subsequent to the Reporting Period.

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 and energy storage 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 2022

2022 is a critical year for the Group to improve quality and efficiency and achieve forward-leaping development under the "14th Five-Year Plan". The Group will continue to adhere to the general principle of seeking progress while maintaining stability, follow the strategic guidance of the "14th Five-Year Plan", and focus on serving Beijing and assisting the capital in achieving carbon neutrality firstly, as well as developing the main clean energy business with high quality and high speed. The Group will follow the major business line of "reform and innovation, transformation and upgrading, improvement of quality and efficiency, and culture fusion", strengthen the technology innovation, consolidate the foundation for production safety, accelerate the informationalisation and digitalisation construction, and forge ahead in unity with practicality and effectiveness, aiming to achieve the overall development goal of "being superior, stronger, faster and better".

1. Follow the strategic guidance to further improve the green development

In 2022, the Group will continue to implement the development concepts and goals under the "14th Five-Year Plan", practically implement the "wind power and photovoltaic power integration strategy", promote the scale of energy base projects, and highlight the features of distributed projects. Relying on "Green-Power-to-Beijing", the Group will effectively implement the "wind power, photovoltaic power and thermal power integration strategy", take full advantages of state-owned enterprises in the capital, and promote the preliminary work of energy base projects in Datong and Chengde by insisting on the dual carbon goals and demand of Green-Power-to-Beijing. In regions with traditional advantages, the Group will focus on introducing enterprises to cooperate in accelerating the development of the industry. In regions newly expanded into, the Group will create new cooperation models, and seize resources through increased cooperation efforts. The Group will increase efforts in projects of high-quality resource mergers and acquisitions, and ensure that the priority can be given to projects of asset mergers and acquisitions; take a two-pronged approach for both self-construction and mergers and acquisitions to ensure both areas are properly handled; and seize resources of the counties of Beijing, Tianjin and Hebei, especially Beijing, to promote distributed photovoltaic power projects, with priority given to the development of projects which have significant demonstration and leading role.

2. Perform the reform and innovation to further enhance core competence

In 2022, the Group will continue to allocate more resources in technology innovation with focus on technological empowerment, and promote the "key variable" of technology innovation to become the "maximum increment" for high-quality development. By accelerating the digital transformation of the industry, the Group will realize business informationalisation, supervision digitization, and intelligent operation and maintenance. By accelerating the construction of intelligent supervision centers and region-wide centralized control centers, the Group will extend its supervision coverage to more than 100 wind power plants, photovoltaic power plants, hydropower plants and gas-fired power plants. By all means, the Group will identify all potential risks, perceive the operation status, make all operation data under control, and manage its business operation online, to improve the operation efficiency through the upgraded operation management model.

3. Insist on safety and environmental protection to further upgrade scientific management and control

In 2022, the Group will continue to strengthen the management and control of production safety, and uphold the concept of safety development. The Group will earnestly implement the new "Production Safety Law", and ensure that all employees effectively implement the production safety accountability system and the requirements of "three managements and three musts". During the epidemic, the Group will take adequate measures for safety and epidemic prevention and control to ensure a stable safety situation; promote energy conservation and emission reduction by actions of "energy efficiency improvement, energy conservation and emission reduction", and comprehensively implement energy conservation measures, to enhance comprehensive utilization of resources, improve energy efficiency, and promote green and low-carbon development level; strengthen the construction of infrastructure emergency capabilities by establishing a scientific safety system, and widely apply safety information management systems to ensure the realization of infrastructure safety goals.

4. Set up the dual carbon goal to help re-development of carbon assets

The Group possessed the natural attribute of renewable energy. After setting up the "dual carbon" goal, the Group will more actively participate in China's strategy of green and low-carbon energy transformation, and make more efforts to develop the green electricity transactions, green certificate transactions and carbon transactions. The Group will formulate different carbon asset strategies for different projects. In 2022, based on the formulation of the "14th Five-Year Plan", the Group will establish objectives, routes and timetables of "peak carbon dioxide emission", coordinate the carbon emissions and carbon assets of all subordinate gas-fired power plants and regional branches, and establish a carbon asset management account, to formulate a unified plan of dual-carbon target. In this year, the Beijing pilot carbon market will be incorporated into the national carbon market. The Group will pay close attention to the changes in the national carbon market policy and market prices, as well as the upcoming CCER trading policy in the national carbon market, and actively participate in carbon market transactions, so as to give full play to the Group's natural advantages in this segment. The Group will make considerable efforts to realize the dual carbon goal as soon as possible.

Human Resources

The Company upholds the management philosophy of "people-oriented and pursuit of excellence", strives to create a harmonious working environment, and strengthens efforts in building of talents team. While focusing on the development of the Company, it attaches importance to staff training and employees' benefits. The overall human resources condition of the Company in 2021 is summarized as follows:

I. SUMMARY OF HUMAN RESOURCES

The Company had a total of 2,951 employees as at 31 December 2021. The age of staff tended to be young, with the proportion of employees under the age of 35 accounting for over 47.8%; employees are generally highly educated, with the proportion of holders of Bachelor degree and above degrees accounting for nearly 65.2% of the total staff. Please refer to the following tables for details of the age and degree structure of employees:

1. Age Structure:

Age distribution	Number of employees	Percentage	Cumulative percentage
Under 35	1,412	47.85%	47.85%
36 to 45	676	22.91%	70.76%
46 to 55	734	24.87%	95.63%
Over 56	129	4.37%	100.00%
Total	2,951	100.00%	–

2. Degree Structure:

Educational background	Number of employees	Percentage	Cumulative percentage
Doctorate degree	4	0.14%	0.14%
Master's degree	165	5.59%	5.73%
Bachelor's degree	1,755	59.47%	65.20%
College or below	1,027	34.80%	100.00%
Total	2,951	100.00%	–

II. EMPLOYEES' INCENTIVES

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

On 28 May 2020, the Company developed the H share appreciation rights scheme with an aim to improve the Company's corporate governance structure and to provide a more competitive remuneration in the market. For details of the H share appreciation rights scheme, please refer to the announcement of the Company dated 31 March 2021 and the circular of the Company dated 9 April 2021. During the Reporting Period and up to the Latest Practicable Date, such H share appreciation rights scheme has not been implemented.

III. EMPLOYEES' REMUNERATION

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

Please refer to notes 13, 14 and 48 to the Financial Statements for details of the total amount of employee compensation and benefits expenses and remuneration of Directors, Supervisors and senior management of the Group for 2021.

IV. EMPLOYEES' TRAINING

Talents are the source for the Company's development. The Company utilized training agenda as an important tool of upgrading the level of corporate management and of enhancing the overall quality of employees. In terms of the design of training courses, the Company emphasized the probe into training needs, in a view to actively motivating all employees' initiatives, and arranged various vocational training for employees that are geared to the characteristics of requirements of each profession and position. The Company formed a set of complete system to strictly check and examine the training results in respect of training management. The Company offered a variety of training forms, and also encouraged employees to actively participate in external training to provide more opportunities for employees to communicate with and study from the outside and broaden their horizons, thus cultivating more talents for the Company.

Based on corporate characteristics and actual situations, the Company rolled out the management training program in 2021, which was designed to enhance professional efficiency and cultural literacy. The training program comprises post-specific professional training, new employee training and frontline technical skill training that focused on actual needs of the production business and professional skills characteristics. The content-rich and diversified courses were attended by 96% of the staff.

V. EMPLOYEES' BENEFITS

The Company has made contributions to the social insurance and housing fund for its employees in strict compliance with the Labor Law, Labor Contract Law and Social Insurance Law. Meanwhile, the Group has also prepared related systems such as the Management Standards for Social Insurance and Housing Fund, Management Standards for Supplementary Healthcare, Management Standards for Occupational Health, Management Standards for Labor Welfare and Management Standards for Labor Protective Equipment to increase the benefits of the Company and enhance employees' sense of belonging and happiness.

Profiles of Directors, Supervisors and Senior Management

EXECUTIVE DIRECTORS

Mr. ZHANG Fengyang (張鳳陽), aged 52, is the Chairman of the Board, an executive Director and the chairman of the Strategy Committee and the Legal and Compliance Management Committee of the Company. Mr. Zhang served as an engineer and the deputy head of the design office of Beijing Survey and Design Research Institute (北京勘測設計研究院) from July 1994 to September 2000. He served as the deputy head of the operation and development department, deputy chief design engineer and the party branch secretary of Beijing National Water Conservancy & Electric Power Engineering Co., Ltd. from September 2000 to October 2003; the project manager of the electricity investment and construction department of Beijing International Power Development and Investment Corporation (北京國際電力開發投資公司) from October 2003 to July 2004; the deputy general manager and party branch secretary of Beijing International Power New Energy Co., Ltd. (北京國際電力新能源有限公司) from July 2004 to April 2007; the general manager, party branch secretary and executive director of Beijing International Power New Energy Co., Ltd. from April 2007 to July 2009; the secretary of CPC Committee, general manager and executive director of Beijing Jingneng New Energy Co., Ltd. from July 2009 to November 2013; general manager of Beijing Jingneng New Energy Co., Ltd. from November 2013 to June 2018, the secretary of CPC Committee, executive Director and general manager of the Company from February 2018 to November 2020, director of Beijing Jingneng Clean Energy (Hong Kong) Limited since July 2018 and director of Beijing Jingneng International Power Co., Ltd. (北京京能國際能源股份有限公司) since November 2018; the secretary of CPC Committee, chairman of the Board of the Company since November 2020 and the vice president of the first council of the Power Generation Branch of Beijing Electric Power Industry Association since June 2021. Mr. Zhang graduated from the department of water conservancy engineering of Chengdu University of Science and Technology majoring in water conservancy and hydropower engineering construction and obtained a bachelor's degree in hydraulic and hydropower engineering. Mr. Zhang is a qualified senior engineer.

Mr. CHEN Dayu (陳大宇), aged 51, is an executive Director, the general manager and a member of the Strategy Committee of the Company. Mr. Chen served as a specialist engineer in the power production and operation department and power energy business department of Beijing Energy Investment Holding Co., Ltd. (北京能源投資（集團)有限公司) from December 2004 to April 2007; deputy general manager of Inner Mongolia Shangdu Power Generation Co., Ltd. (內蒙古上都發電有限責任公司) from April 2007 to May 2009; deputy general manager of Ningxia Jingneng Ningdong Electric Power Co., Ltd. (寧夏京能寧東發電有限責任公司) from May 2009 to September 2010; general manager of Beijing Jingneng Gao'antun Gas-fired Thermal Power Co., Ltd. (北京京能高安屯燃氣熱電有限責任公司) from September 2010 to November 2017; secretary of CPC Committee, executive director and general manager of Beijing Jingneng Gao'antun Gas-fired Thermal Power Co., Ltd. from November 2017 to January 2018; secretary of CPC Committee and executive director of Beijing Jingneng Gao'antun Gas-fired Thermal Power Co., Ltd. from January 2018 to December 2018; secretary of CPC General Branch and executive director of Beijing Jingneng Gao'antun Gas-fired Thermal Power Co., Ltd. from December 2018 to February 2020; minister of enterprise management division of Beijing Energy Holding Co., Ltd (北京能源集團有限責任公司), secretary of CPC General Branch and executive director of Beijing Jingneng Gao'antun Gas-fired Thermal Power Co., Ltd. from February 2020 to May 2020; and minister of enterprise management division of Beijing Energy Holding Co., Ltd from May 2020 to November 2020; general manager of the Company from November 2020 to February 2021; an executive Director and the general manager of the Company since February 2021 and chairman of the board of Beijing Jingneng International Energy Technology Co., Ltd. since September 2021. Mr. Chen graduated from Department of Power Engineering of North China Electric Power University (華北電力學院) in 1992, majoring in production process automation and obtained a bachelor's degree in engineering, and graduated from Department of Electrical Engineering and Applied Electronic Technology of Tsinghua University (清華大學) in January 2014, majoring in electronic engineering and obtained a master's degree in engineering.

Mr. GAO Yuming (高玉明), aged 57, is an executive director, the deputy general manager and a member of the Strategy Committee of the Company. Mr. Gao served as the director of the environmental protection office of the production technology section of Beijing Shijingshan General Power Plant (北京石景山發電總廠) from August 1996 to May 2000; the director of environmental protection office, deputy director of desulfurization engineering department and the manager of the engineering project department of Beijing Jingneng Thermal Power Co., Ltd. (北京京能熱電股份有限公司) from May 2000 to December 2005; the executive deputy director of the preparation and construction office of the project in Horqin Right Middle Banner of Inner Mongolia (內蒙古科右中) from December 2005 to May 2007; the deputy general manager of Inner Mongolia Jingneng Fuxiang Power Generation Co. Ltd. (內蒙古京能富祥發電有限公司) from May 2007 to June 2008; the deputy general manager of Inner Mongolia Jingke Power Generation Co. Ltd. (內蒙古京科發電有限公司) from June 2008 to September 2011; the deputy general manager of Inner Mongolia Jingke Power Generation Co. Ltd. and the director of Haidian North Gas Cogeneration Project Preparation and Construction Office (海淀北部燃氣熱電冷聯供項目籌建處) from September 2011 to March 2012. Mr. Gao served in Beijing Shangzhuang Gas-Thermal Power Co., Ltd (北京上莊燃氣熱電有限公司) as the general manager from March 2012 to November 2017, the secretary of the Party Committee, executive director and general manager from November 2017 to January 2018 and the secretary of the Party Committee and the executive director from January 2018 to May 2020. He has been the secretary of the Party Committee and executive director of Beijing Jingqiao Thermal Power Co., Ltd. (北京京橋熱電有限責任公司) from May 2020 to February 2021; the deputy general manager of the Company from January 2021 to February 2021; an executive Director and the deputy general manager of the Company since February 2021. Mr. Gao graduated from the Department of Power Engineering of North China Electric Power University (華北電力學院) in 1987, majoring in environmental engineering and obtained a bachelor's degree in engineering.

Mr. CAO Mansheng (曹滿勝), aged 51, is an executive Director, the deputy general manager and a member of the Strategy Committee of our Company. Mr. Cao served as operation watchman of electrical workshop, maintenance worker and head of thermal automation team, deputy director of Thermal Inspection Branch (熱工檢修分公司) of Beijing No. 3 Thermal Power Plant (北京第三熱電廠) from July 1993 to December 2001; director of Thermal Maintenance Branch and person in charge of thermal control of the construction expansion department of Beijing Jingfeng Thermal Power Co., Ltd. from December 2001 to February 2005; person in charge of infrastructure construction of the construction expansion department, head of the department of maintenance, deputy chief engineer and head of the department of safety production technology, chief engineer and deputy general manager of Beijing Jingfeng Thermal Power Co., Ltd./Beijing Jingfeng Gas Fired Power Co., Ltd from February 2005 to August 2012; general manager of Beijing Taiyanggong Gasfired Thermal Power Co., Ltd. (北京太陽宮燃氣熱電有限公司) from August 2012 to November 2017; the secretary of party committee, chairman and general manager of Beijing Taiyanggong Gas-fired Thermal Power Co., Ltd. from November 2017 to January 2018; the secretary of party committee and chairman of Beijing Taiyanggong Gas-fired Thermal Power Co., Ltd. from January 2018 to May 2018; and the deputy general manager of the Company from May 2018 to June 2019; an executive Director and the deputy general manager of the Company since June 2019; and the director of the strategic development department of Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司) since March 2022. Mr. Cao graduated from Department of Thermal Power Engineering of Wuhan University of Hydraulic and Electrical Engineering (武漢水利電力大學) in July 1993 majoring in production process automation and obtained a bachelor's degree in engineering, and graduated from School of Business Administration of North China Electric Power University in June 2003 majoring in management engineering and obtained a second bachelor's degree in management.

Profiles of Directors, Supervisors and Senior Management

NON-EXECUTIVE DIRECTORS

Mr. REN Qigui (任啟貴), aged 59, is a non-executive Director and a member of the Legal and Compliance Management Committee of the Company. Mr. Ren served as an engineer of the Department of Energy and Power of Chinese Academy of Agricultural Mechanization Sciences (中國農業機械化科學研究所能源動力所) from August 1986 to June 1995; a cadre, manager of information division, manager of investment division and information division, assistant to general manager and deputy general manager of Beijing Energy Investment Company (北京市能源投資公司) from June 1995 to July 2006; deputy general manager and general manager of Beijing Jingneng Energy Technology Investment Co., Ltd. (北京京能能源科技投資有限公司) from July 2006 to June 2010; general manager of Beijing Jingneng Energy Technology Investment Co., Ltd., secretary of the party committee and deputy general manager of the Company from June 2010 to June 2011; secretary of the party committee and deputy general manager of the Company from June 2011 to August 2012; secretary of the party committee of the Company and general manager of Beijing Huayuan Heating Pipeline Co., Ltd. (北京華源熱力管網有限公司) from August 2012 to September 2012; secretary of the party committee of the Company and secretary of the party committee and general manager of Beijing Huayuan Heating Pipeline Co., Ltd. from September 2012 to November 2013; secretary of the party committee of the Company and general manager of Beijing Huayuan Heating Pipeline Co., Ltd. from November 2013 to March 2017; provisional deputy secretary of the party committee and general manager of Beijing Huayuan Heating Pipeline Co., Ltd. from March 2017 to July 2017; deputy secretary of the party committee and general manager of Beijing Huayuan Heating Pipeline Co., Ltd. from July 2017 to November 2017; secretary of the party committee and executive director of Beijing Huayuan Heating Pipeline Co., Ltd. from November 2017 to March 2019; a full-time investment director of Beijing Energy Holding Co., Ltd (北京能源集團有限責任公司) and a director of Beijing District Heating (Group) Co., Ltd (北京市熱力集團有限責任公司) since March 2019; a director of Beijing Jingmei Group Co., Ltd (北京京煤集團有限責任公司) since April 2019; a non-executive Director of the Company and the director of Beijing Jingneng Power Co., Ltd. (a company listed on the Main Board of Shanghai Stock Exchange, stock code: 600578) since June 2019; a director of Beijing Jingneng Thermal Development Co., Ltd.* (北京京能熱力發展有限公司) since November 2020. Mr. Ren graduated from Department of Agricultural Mechanical Engineering of Beijing Agricultural Engineering University (北京農業工程大學) in July 1986 majoring in internal combustion engine and obtained a bachelor's degree in engineering, and graduated from School of Management of Xiamen University in June 2008 majoring in business administration and obtained a master's degree in business administration.

Mr. Song Zhiyong (宋志勇), aged 31, is a non-executive Director and a member of the Audit Committee and the Strategy Committee of the Company. Mr. Song consecutively served as the business assistant, business head and business manager of the equity management department of Beijing State-owned Capital Operation Management Center (北京國有資本經營管理中心) from August 2016 to May 2021; the business manager of the equity management department of Beijing SOCOM from May 2021 to November 2021 (during the period he was seconded to Beijing Municipal Bureau of Finance (北京市財政局) from October 2020 to September 2021) ; the business manager of the capital operation department of BSOCOM since November 2021; and a non-executive Director of the Company since March 2022. Mr. Song graduated from the Law School of Tsinghua University with a master's degree in law in July 2016.

* for identification purpose only

Mr. WANG Bangyi (王邦宜), aged 48, is a non-executive Director of our Company. Mr. Wang was the project management engineer of the Central Research Department of Huawei Technologies Co., Ltd. from August 2000 to August 2001. From July 2005 to September 2008, he was the investment manager of the Fixed Income Department of China Re Asset Management Company Ltd. From September 2008 to September 2010, he served as a senior commissioner of Investment Management Center of Happy Life Insurance Co., Ltd. and served as the executive general manager of Investment Department of China Galaxy Financial Holdings Company Limited from September 2010 to June 2011. From July 2011 to March 2012, he served as the deputy general manager of the Portfolio Management Department of China Re Asset Management Company Ltd. From April 2012 to December 2013, he served as the general manager of the Portfolio and Market Risk Management Department of China Re Asset Management Company Ltd. He served as the chief strategy officer of China Re Asset Management Company Ltd. from December 2013 to October 2017. From February 2014 to July 2015, he was the head of Fixed Income Department of China Re Asset Management Company Ltd. He served as the head of Portfolio and Market Risk Management of China Re Asset Management Company Ltd. from July 2015 to October 2017. He served as the assistant to general manager of China Re Asset Management Company Ltd. from April 2017 to August 2019. He has been serving as the general manager of China Re Asset Management (Hong Kong) Co., Ltd. since April 2017, a non-executive Director of the Company since January 2019 and a non-executive director of China Development Bank Financial Leasing Co., Ltd. (a company listed on the Main Board of Hong Kong Stock Exchange, stock code: 1606) from November 2019 to December 2021. Mr. Wang graduated from China Three Gorges University in July 1995 and obtained a bachelor's degree in welding technology and equipment. He graduated from the Department of Statistics of Xiamen University in June 2000 and obtained a master's degree in national economics. In June 2005, he graduated from the School of Economics and Management of Tsinghua University and obtained a Ph.D. in quantitative economics. He graduated from The Research Institution for Fiscal Science and obtained a postdoctoral degree in applied economics in November 2008.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. HUANG Xiang (黃湘), aged 65, is an independent non-executive Director, the Chairman of the Remuneration and Nomination Committee and a member of the Audit Committee of our Company. Mr. Huang served as a lead engineer in heat engine and site worker representative of Institute for Electric Power Survey and Design in Hebei province from July 1982 to January 1991; served as the project design president and deputy general engineer of Institute for Electric Power Survey and Design in Hebei province from January 1991 to August 1993; served successively as the general engineer, manager representative for the Institute, deputy president and president of Institute for Electric Power Survey and Design in Hebei province from August 1993 to November 2001; served as the deputy general engineer and general engineer of China Huadian Engineering (Group) Co., Ltd, a judge for the National Prize for Progress in Electric Power, editor-in-chief of Huadian Technology magazine, head of electric power coal-fired mechanism standardization technical committee in electric power industry, deputy head of National Key Laboratory for Huadian Decentralized Energy from November 2001 to March 2014. Mr. Huang served as an inspector of China Huadian Engineering (Group) Co., Ltd from March 2004 to June 2016. Mr. Huang retired in June 2016. Mr. Huang served as an independent non-executive Director of the Company since December 2016. Mr. Huang graduated from Thermal Energy and Power Engineering major of Southeast University with a bachelor's degree in July 1982. He is a qualified professor-level senior engineer.

Profiles of Directors, Supervisors and Senior Management

Mr. CHAN Yin Tsung (陳彥璁), aged 42, is an independent non-executive Director, the Chairman of the Audit Committee and a member of the Legal and Compliance Management Committee of our Company. Mr. Chan has over 19 years of working experience in initial public offering, corporate merger and acquisition, restructuring, due diligence, auditing, financial modelling analysis and business valuation. From November 2003 to July 2010, Mr. Chan held relevant positions in Ernst & Young, KPMG Transaction Advisory Services and PricewaterhouseCoopers Corporate Finance. Mr. Chan served the investment banking division of Essence International Financial Holdings Limited from October 2010 to April 2011; served the private equity department of the same company as a senior manager from June 2011 to July 2012; served as an independent non-executive director, the chairman of audit committee and nomination committee and a member of remuneration committee of Zhidao International (Holdings) Limited (a company listed on the Main Board of Hong Kong Stock Exchange, stock code: 1220) from September 2014 to September 2019, and serves as an independent non-executive director, the chairman of audit committee and remuneration committee and a member of the nomination committee of China Ludao Technology Company Limited (a company listed on the Main Board of Hong Kong Stock Exchange, stock code: 2023) since November 2016; an independent non-executive Director of the Company since December 2016; an independent non-executive director, the chairman of audit committee, a member of remuneration committee and nomination committee of Bonny International Holding Limited (a company listed on the Main Board of Hong Kong Stock Exchange, stock code: 1906) since July 2020. Mr. Chan graduated from the University of British Columbia in November 2001 with a bachelor's degree in business, Hong Kong University of Science and Technology in November 2011 with a master's degree in financial analysis and the Peking University in January 2022 with an executive master's degree in business administration. Mr. Chan is a certified public accountant under the American Institute of Certified Public Accountants.

Mr. Xu Daping (徐大平), aged 78, is an independent non-executive Director and a member of the Remuneration and Nomination Committee of our Company. Mr. Xu served as a technician of the No.1 Engineering Bureau of the Ministry of Hydropower from July 1967 to April 1979, professor and president of Gezhou Dam Hydropower Engineering Institute from April 1979 to November 1993, professor and deputy director of Beijing Dynamics and Economics Institute from November 1993 to September 1995, professor, principal and secretary of party committee of North China Power University from September 1995 to March 2009, and retired in March 2009. Mr. Xu served as an independent non-executive Director of the Company since November 2020. Mr. Xu graduated from Tsinghua University majoring in thermal engineering surveying and automatic control. Mr. Xu holds the title of professor.

Ms. Zhao Jie (趙潔), aged 65, is an independent non-executive Director and a member of the Remuneration and Nomination Committee of the Company. Ms. Zhao successively held various positions in North China Electric Power Design Institute (華北電力設計院), including deputy chief of the electrical department, chief design engineer, deputy chief of the engineering department, deputy chief engineer, and vice president from March 1983 to August 1998. Ms. Zhao served as the vice president and professor-level senior engineer of Electric Power Planning & Engineering Institute (電力規劃設計總院) from September 1998 to November 2011, during which she concurrently served as the general manager of China Power Engineering Consulting Corporation (中國電力建設工程諮詢公司) from April 1999 to June 2003, the deputy general manager of China Power Engineering Consulting Group Co., Ltd (中國電力工程顧問集團公司) from June 2003 to November 2011. Ms. Zhao served as the deputy general manager of China Energy Engineering Group Co., Ltd. (中國能源建設集團有限公司) and the president of Electric Power Planning & Engineering Institute from November 2011 to July 2015. Ms. Zhao served as the deputy general manager of China Energy Engineering Corporation Limited (a company listed on the Main Board of Hong Kong Stock Exchange, stock code: 3996) from July 2015 to March 2017, and retired in March 2017. Ms. Zhao served as an independent non-executive Director of the Company and the independent director of Beijing Jingneng Power Co., Ltd. (a company listed on the Main Board of Shanghai Stock Exchange, stock code: 600578) since June 2021. Ms. Zhao graduated from the department of electricity of Tsinghua University Branch Campus majoring in electrical engineering in March 1983 and obtained a bachelor's degree.

SUPERVISORS

Mr. WANG Xiangneng (王祥能), aged 57, is the chairman of the Board of Supervisors of our Company. Mr. Wang served as the accountant of the Infrastructure Office of the Administration of Institutional Affairs of the Chinese Academy of Social Sciences (中國社會科學院機關事務管理局基建處) from July 1986 to July 1988 (during which period, he volunteered to teach in Tangyin County, Henan as a member of the Central State-level Lecturer Team (中央國家機關講師團) from June 1987 to June 1988), accountant of the finance department of National Agriculture Investment Co. Ltd. (國家農業投資公司) from July 1988 to September 1994, business director of finance and accounting department of State Development and Investment Co., Ltd. (國家開發投資公司) from September 1994 to May 1997, vice president and chief accountant of the State Bureau of Surveying and Mapping China Testing and Audit Firm (國家測繪局中測審計事務所) from May 1997 to December 1998, president and chief accountant of the State Bureau of Surveying and Mapping China Testing and Audit Firm (國家測繪局中測審計事務所) from December 1998 to September 1999, certified public accountant of Zhongchengxin Accounting Firm (中誠信會計師事務所) from September 1999 to March 2000, certified public accountant of Otdi Accounting Firm (奧特迪會計師事務所) from March 2000 to October 2001, certified public accountant of Beijing Zhongguanghua Accounting Firm (北京中光華會計師事務所) from October 2001 to May 2002, manager of the finance department and manager of the planning and finance department of Beijing International Power Development and Investment Company (北京國際電力開發投資公司) from May 2002 to November 2004, manager of the finance department and manager of the planning and finance department of Beijing Energy Investment Holding Co., Ltd. (北京能源投資(集團)有限公司) from December 2004 to December 2009, vice president and party committee member of Beijing Jingneng International Power Co., Ltd. (北京京能國際能源股份有限公司) from December 2009 to June 2013, deputy general manager of Beijing Jingneng Thermal Power Co., Ltd. (北京京能熱電股份有限公司) from June 2013 to September 2013, deputy general manager of Beijing Jingneng Power Co., Ltd. from September 2013 to May 2018, deputy general manager of Beijing Jintai Group Co. Ltd (北京金泰集團有限公司) from May 2018 to September 2018, full-time investment director of Beijing Energy Holding Co., Ltd since September 2018, chairman of the board of supervisors of Beijing Jingneng International Power Co., Ltd. (北京京能國際能源股份有限公司) since July 2006 and vice chairman of the board of directors of Guohua Energy Co., Ltd. (國華能源有限公司) since November 2017. He has served as supervisor of Beijing Jingneng Energy Technology Research Co., Ltd. (北京京能能源技術研究有限責任公司) since December 2018, the chairman of the board of supervisors of Jingneng Electricity Logistic Services Co., Ltd.* (京能電力後勤服務有限公司) since January 2019; supervisor of Beijing Jingneng Tongxin Investment Management Co., Ltd. (北京京能同鑫投資管理有限公司) since May 2019, supervisor of Beijing Jingneng Clean Energy Co., Limited (北京京能清潔能源電力股份有限公司), Beijing Jingneng Power Co., Ltd. (北京京能電力股份有限公司) and Beijing Jingmei Group Co., Ltd. (北京京煤集團有限責任公司) since June 2019, supervisor of Jingneng Service Management Co., Ltd. (京能服務管理有限公司) since November 2019, chairman of the board of supervisors of Guohua Energy Co., Ltd. (國華能源有限公司) since June 2021, chairman of the board of supervisors of Beijing Jingxi Ecological Culture & Tourism Investment Co., Ltd. (北京京西生態文旅投資有限公司) since July 2021, and chairman of the board of supervisors of Jingneng Service Management Co., Ltd. (京能服務管理有限公司) and Beijing Jingneng Financial Leasing Co., Ltd. (北京京能融資租賃有限公司) since November 2021. Mr. Wang graduated from Department of Capital Construction Economics of Zhongnan University of Economics and Law, majoring in capital construction finance and credit with a bachelor's degree in economics in July 1986. He graduated from the Advanced Course for Postgraduates majoring in Accounting in Capital University of Economics and Business in July 2004 and graduated from School of Software and Microelectronics of Peking University majoring in software engineering with a master's degree in engineering in January 2008.

* for identification purpose only

Profiles of Directors, Supervisors and Senior Management

Mr. SUN Li (孫力), aged 56, is a Supervisor of the Company. Mr. Sun served as the deputy director of the News Department of the General Office of the Ministry of Water Resources from August 1996 to December 1998; a cadre of the Office of Preparation for Water Resources Dispatch Building of the Ministry of Water Resources from January 1999 to May 2002; and the head of general manager office of Beijing International Power Development and Investment Corporation from May 2002 to December 2004. Mr. Sun also successively served as the head of the office of board of directors, director of human resources department, party branch secretary and head of the general manager office of Beijing Energy Investment Holding Co., Ltd. (北京能源投資(集團)有限公司) from December 2004 to December 2014; the head of the general manager office, head of human resources department and deputy director of the organization department of the party committee of Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司) from December 2014 to May 2018; the secretary of party committee and executive director of Beijing Yuanshen Energy Saving Technology Co., Ltd. (北京源深節能技術有限責任公司) from May 2018 to June 2020; and a full-time investment director of Beijing Energy Holding Co., Ltd. since June 2020; a supervisor of Jingneng Xilinguole Energy Co., Ltd.* (京能錫林郭勒能源有限公司) and a director of Beijing Haohua Energy Resource Co., Ltd. (北京昊華能源股份有限公司) since July 2020; the chairman of the board of supervisors of Invest Beijing International Co., Ltd. (投資北京國際有限公司) since November 2020; a director of BAIC Motor Corporation Limited (北京汽車股份有限公司) since January 2021; a director of Jingneng Property Company Limited (京能置業股份有限公司) since May 2021; a director of Beijing Jingneng Financial Leasing Co., Ltd. (北京京能融資租賃有限公司) since November 2021; and a supervisor of Beijing Heating (Group) Co., Ltd. (北京市熱力集團有限責任公司) and Beijing Jingneng Thermal Development Co., Ltd. (北京京能熱力發展有限公司) and a director of Beijing Jingneng International Power Co., Ltd. (北京京能國際能源股份有限公司) since January 2022. Mr. Sun graduated from the Department of Journalism of Chinese People's Police University majoring in journalism and obtained a bachelor's degree of Arts in July 1988, and graduated from the School of Business Administration of Renmin University of China majoring in business administration and obtained a master's degree in business administration in June 2001.

Mr. HOU Bolong (厚伯龍), aged 49, is a Supervisor of the Company. Mr. Hou served as the secretary of the youth league committee and a publicity officer of the party committee office of Beijing No.3 Thermal Power Plant (北京第三熱電廠) from July 1996 to June 2002; the secretary of the youth league committee of Beijing International Electric Power Development Corporation (北京國際電力開發投資公司) from July 2002 to March 2005 and the secretary of the youth league committee of Beijing Energy Investment Group Co., Ltd. (北京能源投資(集團)有限公司) from April 2005 to July 2006; a member of the party committee and secretary of the disciplinary committee of Beijing Jingneng Thermal Power Co., Ltd. (北京京能熱電股份有限公司) from August 2006 to February 2008; the deputy secretary of the party committee of Inner Mongolia Daihai Power Generation Co., Ltd. (內蒙古岱海發電有限公司) from March 2008 to June 2010; the secretary of the party committee of Beijing Jingneng Thermal Power Co., Ltd. (北京京能熱電股份有限公司) from July 2010 to July 2013; the secretary of the party committee of Shijingshan Thermal Power Plant of Beijing Jingneng Electric Power Co., Ltd. (北京京能電力股份有限公司) from August 2013 to September 2018; the director of the publicity department of the party committee and director of the press center of Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司) from October 2018 to September 2021; and the deputy secretary of the party committee and chairman of the labor union of Beijing Jingneng Clean Energy Co., Limited (北京京能清潔能源電力股份有限公司) since September 2021. Mr. Hou graduated from the Department of Law of North China University of Technology (北方工業大學) with a master's degree in law in June 2013, majoring in commercial laws, and the Department of Electrical Engineering and Applied Electronics Technology of Tsinghua University with a master's degree in engineering in July 2014, majoring in electrical Engineering.

* for identification purpose only

SENIOR MANAGEMENT

Mr. ZHANG Fengyang (張鳳陽), aged 52, is the Chairman of the Board and an executive Director of the Company. Please refer to his biography under the paragraph headed "– Executive Directors" above.

Mr. CHEN Dayu (陳大宇), aged 51, is an executive Director and the general manager of the Company. Please refer to his biography under the paragraph headed "– Executive Director" above.

Mr. GAO Yuming (高玉明), aged 57, is an executive Director and deputy general manager of the Company. Please refer to his biography under the paragraph headed "– Executive Director" above.

Mr. CAO Mansheng (曹滿勝), aged 51, is an executive Director and deputy general manager of our Company. Please refer to his biography under the paragraph headed "– Executive Directors" above.

Mr. WANG Gang (王剛), aged 54, holder of a master's degree, a senior engineer, is a deputy general manager of the Company and has more than 20 years of experience in project management of power industry. Mr. Wang successively served as a laboratory technician of building engineering agency, site technician of main workshop, deputy chief engineer, deputy chief engineer of Sanhe Project Management Department, deputy manager and chief engineer, deputy manager of Pandian project department and deputy manager of Tangdian technical transformation project department of Jixian Power Plant of Beijing Thermal Power Construction Company (北京火電建設公司薊縣電廠) from July 1992 to August 2003; project manager of power investment construction department of Beijing International Power Development Investment Corporation (北京國際電力開發投資公司) from November 2003 to November 2004; project manager of power energy construction department of Beijing Energy Investment from December 2004 to September 2007 and deputy general manager of Beijing International Power New Energy Co., Ltd. (北京國際電力新能源有限公司) from September 2007 to July 2009; deputy general manager of Shanxi Jingyu Power Generation Co., Ltd. (山西京玉發電有限責任公司) from July 2009 to March 2012 (during which period, he majored in business administration at the School of Economics and Management of North China Electric Power University from May 2009 to March 2012 and obtained a master's degree); deputy general manager of Beijing Jingneng Gaoantun Gas-fired Power Co., Ltd. (北京京能高安屯燃氣熱電有限責任公司) from March 2012 to October 2014; the secretary of the provisional party committee and deputy general manager of Shanxi Jingneng Zuoyun Thermal Power Co., Ltd. (山西京能左雲熱電有限責任公司) from October 2014 to August 2016; the secretary of the provisional party committee of Jingneng (Xilinguole) Power Generation Co., Ltd. (京能(錫林郭勒)發電有限公司) and deputy general manager of Shanxi Jingtong Thermal Power Co., Ltd. (山西京同熱電有限公司) from August 2016 to March 2017; and the secretary of the provisional party committee and secretary of party committee of Jingneng (Xilinguole) Power Generation Co., Ltd. from March 2017 to January 2018.

Ms. FANG Xiujun (方秀君), aged 51, is the chief accountant of the Company, holder of a bachelor's degree, a senior accountant and certified public accountant with over 20 years of financial management experience in the power industry. Ms. Fang successively served as an accountant of financial department of Beijing Composite Investments Company (北京市綜合投資公司), deputy director of finance of Beijing Toronto International Hospital (北京多倫多國際醫院) via dispatch, project manager and deputy manager of financial department of Beijing Composite Investments Company from March 1996 to December 2004; and successively served as the deputy manager of financial department, deputy manager of planning finance department, deputy director of finance and property management department of Beijing Energy Investment and deputy director of financial management department of BEH from December 2004 to May 2018; deputy general manager of Beijing Jingneng International Power Co., Ltd. (北京京能國際能源股份有限公司) and deputy general manager of Beijing Jingneng Coal-fired Power Asset Management Co., Ltd. (北京京能煤電資產管理有限公司) from June 2013 to December 2018; deputy general manager of Beijing Energy Investment Holding (Hong Kong) Co., Limited from November 2015 to January 2019; the chief accountant of the Company since May 2018; director of Beijing Jingneng Clean Energy (Hong Kong) Limited, director of Beijing Jingneng Clean Energy (Australia) Holdings Limited (北京京能清潔能源澳洲控股公司), director of New Gullen Range Wind Farm Pty Ltd.(澳洲新格倫風電場項目公司), director of Gullen Solar Pty Ltd. (格倫光伏項目公司) and director of Bayara Wind Farm Pty Ltd.(拜亞拉風電場項目公司) since July 2018; chairman of the board of Shenzhen Jingneng Clean Energy Finance Lease Co., Ltd. (深圳京能清潔能源融資租賃有限公司) since October 2018; director of BEH Finance Co., Ltd. (京能集團財務有限公司) since June 2020; and director of the State-owned Enterprise Branch of the Beijing Non-Party Senior Intellectuals Association since December 2020.

Mr. KANG Jian (康健), aged 58, is a deputy general manager and secretary of the Board of the Company, graduated from Rensselaer Polytechnic Institute in the United States, holder of an MBA degree, a senior project manager and has more than 22 years of experience in strategic management, marketing management and investor relations management for large state-owned and multinational companies. Mr. Kang served as an assistant manager of Marketing Division of U.S. Albany International Company from July 1999 to February 2000; a regional manager of the Greater China area of Canadian Tucows Inc. from April 2000 to March 2003; a senior manager of the department of automation system of Automation & Drives Group and the director of strategic development and customer relations of the Strategic Marketing Department at Siemens Ltd., China from January 2004 to July 2009; deputy director of the office of strategic investment of BEH from August 2009 to December 2009; the deputy general manager and the secretary of the Board of the Company since December 2009; supervisor of Beijing Jingneng Gaoantun Thermal Power Co., Ltd. (北京京能高安屯熱電有限責任公司) since December 2017; director of Beijing Jingneng Clean Energy (Hong Kong) Limited since July 2018; supervisor of Beijing Jingfeng Thermal Power Co., Ltd. (北京京豐熱電有限責任公司) since December 2018; and director of Mingxi Charity Foundation Limited (香港明曦基金會) since 2018.

COMPANY SECRETARY

Mr. KANG Jian (康健), serves as the secretary to the Board and the company secretary. Please refer to his biography under the paragraph headed "– Senior Management."

Report of the Directors

The Board of Directors of the Company now presents the annual report of the year 2021 (the "**Annual Report**") and the consolidated audited financial statements of the Group (the "**Financial Statements**") for the year ended 31 December 2021 to Shareholders.

REGISTERED SHARE CAPITAL

As of 31 December 2021, the total registered share capital of the Company was RMB8,244,508,144, divided into 8,244,508,144 shares of RMB1.00 each, including 5,414,831,344 domestic legal person shares and 2,829,676,800 H Shares. Details of movements in the registered share capital of the Company during the year are set out in note 41 to the Financial Statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2021.

DEBENTURES IN ISSUE

The Company issued debentures in light of the demand of business operation and capital expenditures, as well as the market condition. Details of debentures in issue of the Company for the year ended 31 December 2021 are set out in the subsection "1. Financing" of section "V. OTHER SIGNIFICANT EVENTS" in "Management Discussion and Analysis".

FUTURE INVESTMENT PLANS AND EXPECTED FUNDING

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

EQUITY-LINKED AGREEMENT

For the year ended 31 December 2021, the Company did not enter into or have any equity-linked agreement, nor did any equity-linked agreement exist at the end of the year 2021.

PERMITTED INDEMNITY PROVISION

The Company has maintained appropriate liability insurance for its Directors, Supervisors and senior management. The permitted indemnity provisions are set out in such liability insurance. Save as disclosed the above, no permitted indemnity provision was made by the Company for the year ended 31 December 2021 and no permitted indemnity provision was in force as at the Latest Practicable Date.

PLEDGING OF SHARES BY THE CONTROLLING SHAREHOLDER

The controlling shareholder of the Company did not pledge any of its shares in the Company to secure the Company's debts or to secure guarantees of the Company or were held as support for the other liabilities for the year ended 31 December 2021.

CHARGES ON THE GROUP ASSETS

As at 31 December 2021, certain of the Group's bank borrowings were secured by the pledge of the Group's property, plant and equipment of RMB3,683.4 million, trade receivables of RMB1,426.2 million and restricted bank deposits of RMB44.0 million. Details of these are set out in note 46 to the Financial Statements.

LOAN AGREEMENTS OR FINANCIAL ASSISTANCE OF THE COMPANY

The Company did not provide any financial assistance nor guarantee to its affiliated companies for the year ended 31 December 2021, which gives rise to a disclosure under Rule 13.16 of the Listing Rules. The Company did not enter into any loan agreement with covenants relating to specific performance of its controlling shareholder nor breach the terms of any loan agreements for the year ended 31 December 2021.

SHARE OPTION SCHEME

The Company did not adopt any share option scheme in the year ended 31 December 2021.

PRE-EMPTIVE RIGHTS

Pursuant to the Articles of Association and the laws of the PRC, the Company is not subject to any pre-emptive rights requiring it to propose new issues to its existing shareholders in proportion to their shareholdings.

PRINCIPLE BUSINESS

The Company is the largest gas-fired power provider in Beijing and a leading wind power and photovoltaic power operator in the PRC, with a diversified clean energy portfolio including gas-fired power and heat energy, wind power, photovoltaic power, small to medium hydropower and other clean energy projects. All electricity generated is sold to local grid companies. Details of the major subsidiaries and associates of the Company are set out in notes 22 and 52 to the Financial Statements, respectively.

RESULTS

The audited results of operations of the Group for the year ended 31 December 2021 are set out in the Consolidated Statement of Profit or Loss and the Consolidated Statement of Profit or Loss and other Comprehensive Income on pages 79 to 80. The financial condition of the Group as of 31 December 2021 is set out in the Consolidated Statement of Financial Position on pages 81 to 83. The consolidated cash flow of the Group for the year ended 31 December 2021 is set out in the Consolidated Statement of Cash Flows on pages 87 to 89.

Discussion and analysis about the operating performance and significant elements affecting the results of operations and financial condition of the Company during the year are set out in Management Discussion and Analysis of the Annual Report on page 8 to page 22.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development are provided on pages 9 to 12 and pages 21 to 22 of this Annual Report. Description of possible risks and uncertainties that the Group may be facing can be found on page 20 of this Annual Report. An analysis of the Group's performance during the year using financial key performance indicators is provided on pages 12 to 17 of this Annual Report. To the knowledge of the Directors, there has not been any other important event affecting the business of the Group since the end of the financial year.

The Group had no material or major disputes with its suppliers and customers in 2021.

The Group has maintained a satisfactory relationship with the suppliers. The Group gives an annual comprehensive evaluation for suppliers and sets up a warning and no-access mechanism for dishonest suppliers. Besides, the Group implements a manufacturing supervision and management system for main units, turbine towers and key electrical equipment to guarantee product quality.

The Group has carried out power marketing by continuing to improve power quality, further exploring customers' needs, analyzing and processing customers' feedback in a timely manner, and always adhering to the customer-centric concept. It has attracted and retained more customers by providing fast and thoughtful quality services and has been maintaining a good relationship with its customers. At the same time, the Group has reduced its corporate cost through comprehensive management of business processes.

For the relationship between the Company and the employees, the suppliers and the customers, please refer to the Environmental, Social and Governance Report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

A discussion on the Company's environmental policies and performance will be set forth in the Environmental, Social and Governance Report, which will be published on the website of the Hong Kong Stock Exchange in due course.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company recognises the importance of compliance with regulatory requirements and the risk of noncompliance with such requirements could lead to the termination of operating licenses. The Company has been allocating system and staff resources to ensure ongoing compliance with rules and regulations and to maintain cordial working relationships with regulators effectively through effective communications. During the Reporting Period, the Company has complied, to the best knowledge of Directors, with all relevant rules and regulations that have a significant impact on the Company.

DIVIDEND POLICY

The Company has adopted a dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value.

The Company will give full consideration to the interests of shareholders and make the implementation of a reasonable profit distribution policy according to business situation of the Company and market condition. The Company's profit distribution policy shall to the greatest extent maintain continuity and stability, and give priority to cash dividends, with the specific profit-sharing ratio to be passed with a resolution in accordance with relevant laws and regulations at the general meeting.

The Board has the discretion to declare and distribute dividends by way of cash or scrip or by other means that the Board considers appropriate to the Shareholders, which is subject to the approval of the general meeting, the Articles of the Association, all applicable laws and regulations and the factors set out below:

- Financial results;
- Cash flow situation;
- Business conditions and strategies;
- Future operations and earnings;
- Capital requirements and expenditure plans;
- Interests of shareholders;
- Any restrictions on payment of dividends; and
- Any other factors that the Board may consider relevant.

The Board will review the dividend policy as appropriate from time to time.

FINAL DIVIDEND

The Board resolved to propose to the shareholders of the Company at the annual general meeting for the year ended 31 December 2021 (the "**AGM**") to be held on 29 June 2022, for their consideration and approval of the payment of a final dividend of RMB7.037 cents per share (tax inclusive) for the year ended 31 December 2021 (the "**2021 Final Dividends**") payable to the shareholders of the Company, whose names are listed in the register of members of the Company on 12 July 2022, in an aggregate amount of approximately RMB580.2 million. The 2021 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 2021 Final Dividends is expected to be paid on or around 12 August 2022.

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 2021 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 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 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 2021 Final Dividends based on the 1994 Notice. Therefore, the Company will not withhold any amount of the 2021 Final Dividends to be distributed to the Individual H Shareholders to pay the PRC individual income tax.

Shareholders are recommended to consult their taxation advisors for advice on the PRC, Hong Kong and other tax effects with respect to the holding and disposing of H Shares.

According to the Articles of Association, unless otherwise provided by the relevant laws and regulations, for the payment of cash dividends and other payments in foreign currency, the applicable exchange rates shall be the average selling price announced by the People's Bank of China for the one calendar week before the declaration date of such cash dividends and other payments.

Other than the above, the Board of Directors does not recommend any distribution of dividend for the year ended 31 December 2021.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain shareholders' entitlement to attend and vote at the AGM and to the proposed 2021 Final Dividends, the H share register of members of the Company will be closed from 24 June 2022 to 29 June 2022 (both days inclusive) and from 7 July 2022 to 12 July 2022 (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 23 June 2022.

In order to qualify for receiving the proposed 2021 Final Dividends (subject to the approval by shareholders of the Company 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 6 July 2022.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 17 to the Financial Statements.

RESERVES

Details of movements in the reserves of the Group during the year are set out in Consolidated Statement of Changes in Equity. The Company's reserves available for distribution to shareholders as at 31 December 2021 represents the retained profits of approximately RMB8,000 million (2020: RMB6,525 million).

DONATIONS

During the Reporting Period, the Group made external donations of approximately RMB15 million (excluding personal donations of employees).

BANK BORROWINGS AND OTHER BORROWINGS

Details of bank borrowings and other borrowings of the Group as at 31 December 2021 are set out in note 34 to the Financial Statements.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Part of the information of the Directors, Supervisors and senior management of the Company for the year ended 31 December 2021 and as of the date of this Annual Report is illustrated below.

Name	Title in the Company	Date of Appointment or Re-election
ZHANG Fengyang	Executive Director and Chairman of the Board	28 May 2020/ 20 November 2020
CHEN Dayu(1)	Executive Director and general manager	19 February 2021/ 10 November 2020
GAO Yuming(2)	Executive Director and deputy general manager	19 February 2021/ 12 January 2021
CAO Mansheng	Executive Director and deputy general manager	28 May 2020/ 25 May 2018
REN Qigui	Non-executive Director	28 May 2020
LI Juan(3)	Non-executive Director	28 May 2020
SONG Zhiyong	Non-executive Director	29 March 2022
WANG Bangyi	Non-executive Director	28 May 2020
HUANG Xiang	Independent non-executive Director	28 May 2020
CHAN Yin Tsung	Independent non-executive Director	28 May 2020
HAN Xiaoping(4)	Independent non-executive Director	28 May 2020
XU Daping	Independent non-executive Director	20 November 2020
ZHAO Jie(5)	Independent non-executive Director	24 June 2021
WANG Xiangneng	Chairman of the Board of Supervisors	28 May 2020
SUN Li	Supervisor	25 September 2020
YANG Huixian(6)	Supervisor	28 May 2020
HOU Bolong(7)	Supervisor	25 January 2022
WANG Gang	Deputy general manager	25 May 2018
FANG Xiujun	Chief accountant	25 May 2018
KANG Jian	Deputy general manager and secretary of the Board	11 March 2010/ 14 December 2009

Notes:

(1) The appointment of Mr. Chen Dayu as executive Director took effect on 19 February 2021.

(2) The appointment of Mr. Gao Yuming as executive Director took effect on 19 February 2021.

(3) The resignation of Ms. LI Juan as non-executive Director took effect on 29 March 2022.

(4) The resignation of Mr. Han Xiaoping as independent non-executive Director took effect on 24 June 2021.

(5) The appointment of Ms. Zhao Jie as independent non-executive Director took effect on 24 June 2021.

(6) The resignation of Mr. Yang Huixian as Supervisor took effect on 25 January 2022.

(7) The appointment of Mr. Hou Bolong as Supervisor took effect on 25 January 2022.

The Company has received an annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules, and considers all the independent non-executive Directors to be independent.

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The biographical details of Directors, Supervisors and senior management of the Company are set out on pages 26 to 34 of the Annual Report.

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

The Company has entered into service contracts with the Directors, major terms of which include that (1) the tenure of each Director shall continue till the expiration of the term of the current session of the Board of Directors; and (2) the tenure may be terminated in accordance with respective terms of the contract. The service contracts may be renewed under the Articles of Association and applicable rules.

The Company has entered into contracts with the Supervisors in respect of, among others, compliance with relevant laws and regulations, the Articles of Association and provisions of arbitration.

Save as disclosed above, none of the Directors or Supervisors has entered into a contract of service with the Company which is not determinable by the Company within one year without payment of compensation, other than statuary compensation.

EMOLUMENTS OF DIRECTORS AND SUPERVISORS

Details of the emoluments of the Directors and Supervisors of the Company are set out in note 14 to the Financial Statements. The emoluments of the Directors and Supervisors are determined by the Remuneration and Nomination Committee based on the experience and duties of the Directors and Supervisors.

The emoluments of the executive Directors are paid by the Company for their services provided in relation to the affair management of the Group; no emoluments are paid by the Company to the non-executive Directors; and the emoluments paid by the Company to the independent non-executive Directors are determined based on their experiences and the level of industry peers.

Details of the emoluments of each senior management of the Company (excluding Directors who also hold executive positions) in 2021 are set out below:

	Number of employees in 2021
HK$1,000,001 to HK$1,500,000	3

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS

At the end of the year of 2021 or at any time during the year, there were no transaction, arrangement or contracts of significance subsisting in relation to the Group's business to which the Company or any of its subsidiaries was a party, and in which any Director or Supervisor or any entity connected with the Director or Supervisor had a material interest, directly or indirectly.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company, any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year 2021, save as disclosed below, none of the Directors or their associates had any competing interests in any business that constitutes or may constitute direct or indirect competition with the Company's businesses:

Name	Positions in the Company	Other interests
LI Juan	Non-executive Director	Senior manager of the second department of investment management of BSCOMC

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

As at 31 December 2021, no Director, Supervisor or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 December 2021, to the knowledge of the Directors of the Company, the persons (other than a Director, Supervisor or chief executive of the Company) who have an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Note: (L) – Long position

Name of shareholders	Types of Shares	Capacity	Number of shares/ underlying shares held (share)	Percentage of relevant class of share capital (%)	Percentage of total share capital (%)
BEH *(Note 1 and Note 2)*	Domestic share	Beneficial interest and interest of a controlled corporation	5,190,483,053 (L)	95.86	62.96
	H share	Interest of a controlled corporation	471,612,800 (L)	16.67	5.72
BSCOMC *(Note 1 and Note 2)*	Domestic share	Beneficial interest and interest of a controlled corporation	5,414,831,344 (L)	100.00	65.68
	H share	Interest of a controlled corporation	471,612,800 (L)	16.67	5.72
Beijing Energy Investment *(Note 2)*	H share	Beneficial interest	471,612,800 (L)	16.67	5.72
SAIF IV GP Capital Ltd. *(Note 3)*	H share	Interest of a controlled corporation	173,532,000 (L)	6.13	2.10
SAIF IV GP LP *(Note 3)*	H share	Interest of a controlled corporation	173,532,000 (L)	6.13	2.10
SAIF Partners IV L.P. *(Note 3)*	H share	Beneficial interest	173,532,000 (L)	6.13	2.10
Yan Andrew Y. *(Note 3)*	H share	Interest of a controlled corporation	173,532,000 (L)	6.13	2.10
Beijing Enterprises Holdings Limited *(Note 4)*	H share	Interest of a controlled corporation	196,964,000 (L)	6.96	2.39
Beijing Enterprises Energy Technology Investment Co., Limited *(Note 4)*	H share	Beneficial interest	196,964,000 (L)	6.96	2.39
Beijing Enterprises Energy Technology (Hong Kong) Co., Limited *(Note 4)*	H share	Interest of a controlled corporation	196,964,000 (L)	6.96	2.39
Central Huijin Investment Ltd. *(Note 5)*	H share	Interest of a controlled corporation	653,136,000 (L)	23.08	7.92
China Reinsurance (Group) Corporation *(Note 5)*	H share	Beneficial interest and interest of a controlled corporation	653,136,000 (L)	23.08	7.92
China Property & Casualty Reinsurance Company Ltd. *(Note 5)*	H share	Beneficial interest	196,704,000 (L)	6.95	2.39

Report of the Directors

Notes:

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

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

   BEH directly held 5,081,793,482 domestic shares of the Company. In accordance with the SFO, BEH had/was deemed to be interested in an aggregate of 5,190,483,053 domestic shares of the Company.

   BSCOMC directly held 224,348,291 domestic shares of the Company. As far as the Company is aware, BEH was wholly- owned by BSCOMC. In accordance with the SFO, BSCOMC had/was deemed to be interested in an aggregate of 5,414,831,344 domestic shares of the Company.

2. Beijing Energy Investment directly held 471,612,800 H Shares of the Company. As far as the Company is aware, Beijing Energy Investment was wholly-owned by BEH, while BEH was wholly-owned by BSCOMC. In accordance with the SFO, BEH and BSCOMC were deemed to be interested in 471,612,800 H Shares held by Beijing Energy Investment.

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

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

5. China Property & Casualty Reinsurance Company Ltd. directly held interests in 196,704,000 H Shares of the Company. China Reinsurance (Group) Corporation held direct interests in 456,432,000 H Shares of the Company. As far as the Company is aware, China Property & Casualty Reinsurance Company Ltd. was wholly-owned by China Reinsurance (Group) Corporation, while 71.56% interests of China Reinsurance (Group) Corporation was owned by Central Huijin Investment Ltd.. In accordance with the SFO, China Reinsurance (Group) Corporation and Central Huijin Investment Ltd. were deemed to have interests in 653,136,000 H Shares of the Company.

MANAGEMENT CONTRACT

No contract concerning the management and administration of all or any substantial part of our business was entered into by the Company or existed in 2021.

CONTRACT OF SIGNIFICANCE

Save as disclosed in this Annual Report, at no time during the year had the Company or any of its subsidiaries entered into any contract of significance with the controlling shareholder (as defined in the Listing Rules) or any of its subsidiaries, nor had any contract of significance been entered into for the services provided by the controlling shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The Group has conducted certain non-exempt continuing connected transactions during the year.

Pursuant to the announcement of the Company dated 16 October 2019, the Company obtained approval from the Board of the Company on other financial services under items 1 to 3, item 5, item 6 and item 7, and the transactions and annual caps under item 8 for the year 2020, 2021 and 2022.

Pursuant to the announcement of the Company dated 18 December 2019, the Company obtained approval from the extraordinary general meeting of the Company on the transactions and annual caps under item 4 and deposit services under item 7 for the year 2020, 2021 and 2022.

Pursuant to the announcement of the Company dated 22 December 2021, the Company obtained approval from the extraordinary general meeting of the Company on the transactions and the revised annual caps under item 6 for the year 2021 and 2022.

	Connected transactions under	**Connected persons**	**Annual caps for 2021** *(RMB million)*	**Actual transaction value in 2021** *(RMB million)*
1.	Framework Equipment Maintenance Agreement	BEH	320.0	279.7
2.	Framework Service Agreement	BEH	135.5	108.1
	– property management services		69.5	63.4
	– administration services		66.0	44.7
3.	EPC Framework Agreement	BEH	46.5	16.8
4.	Framework Heat Sale and Purchase Agreement	BEH	2,271.8	1,735.5
5.	Equipment Purchase Framework Agreement	BEH	263.0	115.6
6.	Finance Lease Framework Agreement	BEH	2,000.0	–
7.	Financial Services Framework Agreement	BEH Finance		
	– deposit services		4,000.0	3,986.4
	– loan services (Note 1)		–	–
	– other financial services		30.0	14.4
8.	Property Lease Framework Agreement	BEH	60.1	44.5

Note 1: Given the loan services provided by BEH Finance to the Group are on normal commercial terms which are similar to or more favourable than those offered by independent third parties for comparable services in the PRC, and that no security over the assets of the Group will be granted in respect of such loan services, the loan services are exempted from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.90 of the Listing Rules. As such, no cap has been set for such services.

Continuing Connected Transactions between the Group and BEH and its Associates

BEH, a controlling shareholder of the Company, directly and indirectly held 68.68% of the total issued share capital of the Company as at 31 December 2021. Accordingly, BEH and its associates, including BEH Finance which is a subsidiary of BEH, are connected persons of the Company pursuant to the Listing Rules.

The Company and BEH and its associates entered into several framework agreements in respect of the continuing connected transactions between them, so as to regulate the continuing connected transactions carried out between the parties. Details of such connected transactions are set out below:

Finance Lease Framework Agreement between BEH and the Company

To expand its financing channels, the Company entered into the Finance Lease Framework Agreement with Beijing YuanShen Financial Leasing Co., Ltd. on 25 October 2016. The term of such agreement is three years commencing from 1 January 2017 and ending on 31 December 2019. To avoid large amount of capital expenditure for the purchase of the large machinery equipment, the Company entered into the new Finance Lease Framework Agreement with BEH (instead of Beijing Yuanshen Financial Leasing Co., Ltd.) on 16 October 2019. The term of such new agreement is three years commencing from 1 January 2020 and ending on 31 December 2022. Considering the business needs of the Company for the direct leasing services under the Finance Lease Framework Agreement, the Company entered into a supplemental finance lease framework agreement with BEH to revise the original caps under the Finance Lease Framework Agreement of RMB450 million per year to RMB2 billion for the year ending 31 December 2021 and RMB3 billion for the year ending 31 December 2022. The supplemental agreement and the revised caps have been approved by the Shareholders on 22 December 2021.

Property Lease Framework Agreement between BEH and the Company

The Company leases properties from BEH and/or its associates, in respect of which the Company and BEH entered into the Framework Property Lease Agreement on 19 March 2014. The term of such agreement is twenty years commencing on the listing date of the Company. On 16 October 2019, the Board resolved to set the annual caps for such continuing connected transactions under the Framework Property Lease Framework Agreement for the three years ending 31 December 2022.

Framework Equipment Maintenance Agreement between BEH and the Company

The Company and BEH entered into the Framework Equipment Maintenance Agreement on 25 October 2016. The term of such agreement is three years commencing from 1 January 2017 and ending on 31 December 2019. Due to the expiration of such agreement on 31 December 2019 and the Company's continuous demand for equipment maintenance service, the Company entered into the new Framework Equipment Maintenance Agreement with BEH on 16 October 2019. The term of such new agreement is three years commencing from 1 January 2020 and ending on 31 December 2022.

Framework Service Agreement between BEH and the Company

The Company and BEH entered into the Framework Service Agreement on 25 October 2016. The term of such agreement is three years commencing from 1 January 2017 and ending on 31 December 2019. Due to the expiration of such agreement on 31 December 2019 and the Company's continuous demand for (i) property management services, including cleaning, security and catering services, and (ii) administration services, the Company entered into the new Framework Service Agreement with BEH on 16 October 2019. The term of such new agreement is three years commencing from 1 January 2020 and ending on 31 December 2022.

EPC Framework Agreement between BEH and the Company

The Company and BEH entered into the EPC Framework Agreement on 25 October 2016. The term of such agreement is three years commencing from 1 January 2017 and ending on 31 December 2019. Due to the expiration of such agreement on 31 December 2019 and the Company's continuous demand for energy performance contracting services, the Company entered into the new EPC Framework Agreement with BEH on 16 October 2019. The term of such new agreement is three years commencing from 1 January 2020 and ending on 31 December 2022.

Framework Heat Sale and Purchase Agreement between BEH and the Company

The Company and BDHG entered into the Framework Heat Sale and Purchase Agreement on 25 October 2016. The term of such agreement is three years commencing from 1 January 2017 and ending on 31 December 2019. Due to BEH and its associates' continuous demand for purchasing heat generated by the Group, the Company and BEH (instead of BDHG) entered into the new Framework Heat Sale and Purchase Agreement on 16 October 2019. The term of such new agreement is three years commencing from 1 January 2020 and ending on 31 December 2022.

Equipment Purchase Framework Agreement between BEH and the Company

The Company and BEH entered into the Equipment Purchase Framework Agreement on 25 October 2016. The term of such agreement is three years commencing from 1 January 2017 and ending on 31 December 2019. Due to the expiration of such agreement on 31 December 2019 and the Company's increasing demand for purchasing more equipment, the Company entered into the new Equipment Purchase Framework Agreement with BEH on 16 October 2019. The term of such new agreement is three years commencing from 1 January 2020 and ending on 31 December 2022.

Financial Services Framework Agreement between BEH Finance and the Company

The Company and BEH Finance entered into the Financial Services Framework Agreement on 25 October 2016. The term of such agreement is three years commencing from 1 January 2017 and ending on 31 December 2019. Due to the expiration of such agreement on 31 December 2019 and the Company's increasing demand for financial services (deposit services, loan services and other financial services), the Company entered into the new Financial Services Framework Agreement with BEH Finance on 16 October 2019. The term of such new agreement is three years commencing from 1 January 2020 and ending on 31 December 2022.

Connected Transaction between the Group and BEH's associate

Sales and Leaseback Agreement

Ningxia Tongxin Dadi Risheng New Energy Co., Ltd. (寧夏同心大地日盛新能源有限公司) ("**Ningxia Tongxin**"), a wholly-owned subsidiary of the Company, entered into the Sales and Leaseback Agreement with Beijing Jingneng Financial Leasing Co., Ltd. ("**Beijing Leasing**", formerly known as Beijing Yuanshen Financial Leasing Co., Ltd.) in respect of the sales and leaseback services of the 50MW Photovoltaic Power Station System Equipment located at Tongxin County, Wuzhong City, Ningxia Hui Nationality Autonomous Region (the "**Photovoltaic Power Station System Equipment**") on 16 March 2021. Pursuant to the agreement, Beijing Leasing would purchase the Photovoltaic Power Station System Equipment owned by Ningxia Tongxin at a consideration of RMB226 million and lease such equipment to Ningxia Tongxin and charge it a total lease amount of approximately RMB337,787,097.5 for a term of 12 years from 23 March 2021 to 22 March 2033.

Beijing Leasing is a wholly-owned subsidiary of BEH and thus a connected person of the Company. According to IFRS 16, the proposed transaction under the Sales and Leaseback Agreement would be accounted for as a financing arrangement by each of Ningxia Tongxin and Beijing Leasing (and not a sale and leaseback transaction). With respect to the transfer of legal ownership of the Photovoltaic Power Station System Equipment, it consisted a disposal of asset by Ningxia Tongxin. As the highest applicable percentage ratio exceeded 0.1% but was less than 5%, the sale transaction under the Sales and Leaseback Agreement constituted a connected transaction of the Company which was subject to the reporting and announcement requirements but was exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

According to FAQ No. 052-2018 issued by the Stock Exchange, the transaction under the Sales and Leaseback Agreement also constituted the receipt of financial assistance by Ningxia Tongxin from the Company's connected person, Beijing Leasing. As the financial assistance was conducted on normal commercial terms and was not secured by the assets of the Company, the financial assistance is fully exempt pursuant to Rule 14A.90 of the Listing Rules. Please refer to the announcement of the Company dated 28 September 2021 for details of the Sales and Leaseback Agreement.

Note 48 to the Financial Statements disclosed the related party transactions. Pursuant to the Listing Rules, note 48(d)(i) to 48(d)(xi) constitute continuing connected transactions or connected transactions of the Group, among which note 48(d)(i) to 48(d)(ix) constitute continuing connected transactions between the Group and BEH and its associates as disclosed above and note 48(d)(x) to 48(d)(xi) constitute the Group's continuing connected transactions or connected transactions which are exempt from the reporting, announcement, annual review and independent Shareholders' approval requirements. The Company has complied with the disclosure requirements governing connected transactions under the Listing Rules.

Review and Confirmation

The independent non-executive Directors of the Company have reviewed the above continuing connected transactions, and confirmed that such transactions were:

(1) carried out in the ordinary and usual course of business of the Group;

(2) made on normal commercial terms; and

(3) carried out according to the terms in the relevant transaction agreements, which are fair and reasonable, and in the interests of our Company's shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company must engage its auditors to report on the continuing connected transaction every year. The auditors must provide a letter to the Company's Board confirming whether anything has come to their attention that causes them to believe that the continuing connected transactions:

(i) have not been approved by the Board of Directors;

(ii) were not, in all material aspects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;

(iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and

(iv) have exceeded the cap.

Confirmation of the Auditor

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Board confirmed that the auditor has issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 47 to 50 of the Annual Report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Hong Kong Stock Exchange.

The Directors confirmed that the Company has complied with the requirements under Chapter 14A of the Listing Rules with regard to the abovementioned connected transactions.

COMPLIANCE WITH THE NON-COMPETITION AGREEMENT

The Company and BEH entered into a Non-Competition Agreement and a Supplemental Non-Competition Agreement on 13 June 2011 and 2 December 2011 respectively, under which, BEH agrees that it will not (and it will procure that its subsidiaries (other than listed subsidiaries) will not) compete with the Company in the gas-fired power and heat energy generation business, wind power business, hydro-power business and other clean energy generation business (the "**core business**" of the Company) that and will grant the Company options for new business opportunities and acquisitions, as well as pre-emptive rights. The independent non-executive Directors of the Company are responsible for approving, considering and deciding on the acceptance of new business opportunities introduced by BEH and/or its subsidiaries.

During the year, the Company's independent non-executive Directors have reviewed the implementation of the Non- Competition Agreement and confirmed that BEH has fully observed the Agreement without any case of violation.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2021, the total volume of purchases from the five largest suppliers of the Company accounted for 66.3% of the total purchase volume of the year. The purchase from the largest supplier accounted for 48.9% of the total volume of purchases of the year.

For the year ended 31 December 2021, the total revenue generated from the five largest customers of the Company accounted for 98.0% of the total revenue of the year. The revenue generated from the largest customer accounted for 79.0% of the total revenue of the year.

During the year, statistics were made on the sales to the prefectural-level power grid companies as the same customer (of which the parent company is either State Grid Corporation of China or China Southern Power Grid Company Limited).

During the year, to the knowledge of the Directors, none of the Directors, their close associates, or Shareholders of the Company (which, to the knowledge of the Directors, owned more than 5% of the Company's share capital) had interests in the five largest suppliers or customers of the Company.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Please refer to note 47 to the Financial Statements for detailed information on the retirement and employee benefits scheme.

COMPLIANCE WITH THE 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 (the "**CG Code**") as set out in Appendix 14 of the Listing Rules for the year ended 31 December 2021.

RELATIONSHIP WITH STAKEHOLDERS

The Company recognises that our employees, customers and business associates are keys to our sustainability journey. We strive to achieve corporate sustainability through engaging our employees, providing quality services for our customers, collaborating with business partners and supporting our community.

The Company places significant emphasis on human resources. The Company provides a fair workplace, promoting non-discrimination and diversity to our staff, together with competitive remuneration and benefits, as well as a range of opportunities for career advancement based on employees' merits and performance. The Company administers its employee health and safety management system and ensures the adoption of the principles across the Group. The Company provides regular trainings for staff to keep them abreast of the latest developments in the market and industry, in the form of both internal trainings and trainings provided by experts from external organizations.

The Company values the feedback from customers by daily communication and other means. The Company has also established the mechanism about customer service and support. The Company treats providing customer support as an opportunity to improve our relationship with the customer, addressing customer's concern in a timely manner and in accordance with international standards.

We believe that our suppliers are equally important in driving quality delivery of our project developments. Therefore, we proactively collaborate with our business partners (including suppliers and contractors) to deliver quality sustainable services.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained a public float of no less than 25% of the issued shares as at the Latest Practicable Date prior to the issue of this Annual Report, which was in line with the requirement under the Listing Rules.

SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 December 2021, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the Group's 2021 annual results and the Financial Statements for the year ended 31 December 2021 prepared in accordance with IFRSs.

AUDITORS

Deloitte Touche Tohmatsu and Baker Tilly International Certified Public Accountants (Special General Partnership) were appointed as the international and domestic auditors of the Company, respectively, for the year ended 31 December 2021. The Company's Financial Statements for the year 2021 prepared in accordance with IFRSs have been audited by Deloitte Touche Tohmatsu. Deloitte Touche Tohmatsu has been the auditor of the Company for the past ten years.

FINANCIAL HIGHLIGHTS

Summary of results of operation and the assets and liabilities of the Group for the last five financial years is set out on pages 2 to 4 in the Annual Report.

MISCELLANEOUS

The Company was not aware that any Shareholders had waived or agreed to waive any dividend arrangement for the year ended 31 December 2021.

By order of the Board
Beijing Jingneng Clean Energy Co., Limited
ZHANG Fengyang
Chairman of the Board

Beijing, the PRC
29 March 2022

Report of the Board of Supervisors

Dear Supervisors,

In 2021, all members of the Supervisory Committee of Beijing Jingneng Clean Energy Co., Limited (hereinafter referred to as the "Company") complied strictly with the relevant provisions of the Company Law of the PRC, the Articles of Association, and the Listing Rules of the Hong Kong Stock Exchange. With the strong support and close cooperation of the CPC Committee, the Board and the shareholders of the Company, the Supervisory Committee strictly followed the Rules of Procedure for the Supervisory Committee, diligently performed its supervisory duties, put more efforts into supervision of the Company's operation and management, carefully reviewed the Company's financial reports, and exercised supervision over the legal compliance and rationality of the Directors and Senior Management of the Company for performing their duties, which effectively safeguarded the legal interests of shareholders, the Company and its employees. The main works of the Board of Supervisors during the Reporting Period is as follows:

I. SUPERVISORY COMMITTEE'S WORK IN 2021

(i) Supervisory Committee's Meetings Held

In 2021, the Supervisory Committee of the Company held two meetings, and the convening of the meetings, the signing of the proposals and the exercise of Supervisors' rights were in compliance with the relevant provisions of the Company Law, the Articles of Association and the Rules of Procedure for the Supervisory Committee.

2021 first meeting of the fourth session of the Supervisory Committee was held on 30 March 2021 at No. 802 Meeting Room of the Company, at which "Proposal on the 2020 Work Report of the Supervisory Committee" was considered and approved.

2021 second meeting of the forth session of the Supervisory Committee was held on 26 August 2021 at No. 802 Meeting Room of the Company, at which "Proposal on 2021 Interim Work Report of the Supervisory Committee" was considered and approved.

(ii) Attendance at the Board Meeting

In 2021, the Supervisory Committee attended all meetings held by the Board of the Company. At each meeting, relevant opinions and suggestions were issued according to the agenda and supervisory responsibilities, and the procedures and voting results of the meetings were supervised according to laws, to ensure that the meetings were carried out in an orderly manner according to laws.

(iii) Trainings for Supervisors

On 19 April 2021, the members who attended the fourth session of the Supervisory Committee of the Company participated in the training for continuous obligations of those companies listed in Hong Kong and their directors and supervisors, and acquired systematic in-depth knowledge about the duties and responsibilities of the Company's supervisors, corporate governance, rules and regulations, enforcement trends and cases, which further enhanced their abilities of performing their duties.

II. SUPERVISION OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS IN 2021

During the reporting period, the Supervisory Committee of the Company conscientiously performed various supervisory duties and actively carried out work in accordance with the Company law, the Articles of Association and the Rules of Procedure for the Supervisory Committee. The Supervisory Committee conducted a series of supervisory and auditing activities on the Company's standardized operation, financial status, major events, connected transactions, information disclosure and the implementation of Proposals of the shareholders' meeting. The Supervisory Committee expressed the following supervisory opinions on the following matters:

(i) Inspecting whether the Company was in lawful operation

Through their presence at Board meetings of the Company in 2021, the members of the Supervisory Committee had reviewed the Proposals submitted to the Board for approval, as well as the Report of the General Manager, the Report of the Board, the Audited Financial Report (IFRS), the Financial Budget Report and relevant Proposals in relation to the significant decisions made by the Board and the Company in operations and management. By means of attending meetings held mentioned above, the process of the making significant decisions and the duty-performing behaviors of Board members and senior management were monitored. The Supervisory Committee was of the view that the process of making significant decisions was in compliance with laws and rules. All Board members and senior management of the Company were featured by their hardworking, due diligence and dedication. Nothing was found to be in violation of law, regulations or the Articles of Association, or damaging to the Company's interests.

(ii) Inspection on the Company's financial condition

Members of the Supervisory Committee conducted effective and careful inspection and review on the Company's relevant financial information in 2021. The Supervisory Committee considered that, the Company's financial management system was sound and effective, with standardized financial operation and good financial status. The Supervisory Committee carefully reviewed the Consolidated financial report for 2021 to be submitted by the Board to the general meeting which was audited by Deloitte Touche Tohmatsu. The Supervisory Committee believes that the reports follow the principle of consistency and truly, accurately and objectively reflect the Company's financial situation and operating results.

(iii) Inspection on the Company's connected transactions

The Supervisory Committee reviewed the information relating to the connected transactions with the controlling shareholder of the Company during the year and was of the view that the connected transactions satisfied the relevant regulations of the Hong Kong Stock Exchange and the pricing of the connected transactions was reasonable, open and fair, and there was no matter that damages the interests of Shareholders and the Company. The Directors, general manager and other senior management of the Company have strictly complied with the principle of good faith and performed all rights and obligations conferred by Shareholders with due diligence. No infringement of the interests of Shareholders and the legitimate rights and interests of the employees has been discovered so far.

(iv) Inspecting on the Company's information disclosure

The Supervisory Committee reviewed the relevant documents in relation to the announcement and disclosure made by the Company, and was of the view that the Company had disclosed lawfully, timely and fully the relevant information according to the rules of the Hong Kong Stock Exchange. No false information was found.

(v) Inspecting on the Company's implementation of the resolutions passed in general meeting

The Supervisory Committee had no objection to the various reports and resolutions submitted to general meetings for approval during the reporting period, and the Board had faithfully implemented each resolution passed in general meetings.

III. WORK ARRANGEMENT OF THE SUPERVISORY COMMITTEE FOR 2022

In 2022, the Supervisory Committee will fully fulfill its supervisory duties, comply strictly with the relevant provisions of the Company Law of the PRC, the Articles of Association, the Rules of Procedure for the Supervisory Committee and the Listing Rules of the Hong Kong Stock Exchange, abide by the principle of good faith, and impose effective supervision on the Company and its Directors and senior management; pay close attention on the production, operation and management of the Company and monitor the significant measures of the Company, so as to promote the growth of the Company's economic benefits and safeguard the interests of all Shareholders and of the Company.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Board of the Company is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, and to enhance corporate value and accountability.

The Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices.

The Company has in place a corporate governance framework and has established a set of policies and procedures based on the CG Code. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

In the opinion of the Directors, throughout the year ended 31 December 2021, the Company has complied with all the code provisions as set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the Directors and Supervisors of the Company. All the Directors and Supervisors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2021.

The Company has also established written guidelines no less exacting than the Model Code (the "**Employees Written Guidelines**") for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them.

The Board currently comprises eleven members, consisting of 4 executive Directors, 3 non-executive Directors and 4 independent non-executive Directors.

The Board of the Company comprises the following Directors:

Executive Directors

ZHANG Fengyang *(Chairman)*
CHEN Dayu *(General Manager)*
GAO Yuming
CAO Mansheng

Non-executive Directors

REN Qigui
SONG Zhiyong
WANG Bangyi

Independent Non-executive Directors

HUANG Xiang
XU Daping
CHAN Yin Tsung
ZHAO Jie

The biographical information of the Directors are set out in the section headed "Profiles of Directors, Supervisors and Senior Management" on pages 26 to 34 of this Annual Report.

None of the members of the Board is related to one another.

Chairman and General Manager

The Chairman of the Board is Mr. ZHANG Fengyang and the General Manager of the Company is Mr. CHEN Dayu. The positions of Chairman and General Manager are held by separate persons in order to preserve independence and a balance of views and judgment. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board in accordance with good corporate governance practice. The General Manager focuses on implementing objectives, policies and strategies approved and delegated by the Board.

Independent non-executive Directors

During the year ended 31 December 2021, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with at least one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors are independent.

Non-executive Directors and Directors' Re-election

Code provision B.2.2 of the part two of the CG Code (former code provision A.4.2) that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Pursuant to the Articles of Association, Directors of the Company shall be elected by the general meeting and serve a term of three years. Upon the expiry of their terms of office, the Directors may be re-elected and re-appointed.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the company secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

Continuous Professional Development of Directors

Directors keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

Every newly appointed Director will receive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for Directors will be arranged and reading material on relevant topics will be issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year 2021, the Company organized training sessions conducted by the legal advisers for the Directors namely Mr. ZHANG Fengyang, Mr. CHEN Dayu and Mr. GAO Yuming, Mr. CAO Mansheng, Mr. REN Qigui, Ms. LI Juan (resigned on 29 March 2022), Mr. WANG Bangyi, Mr. HUANG Xiang, Mr. XU Daping, Mr. CHAN Yin Tsung, Mr. HAN Xiaoping (resigned on 24 June 2021) and Mr. ZHAO Jie. The training session(s) covered a wide range of relevant topics including directors' duties and responsibilities, corporate governance and regulatory updates, etc.

The training records of the Directors for the year ended 31 December 2021 are summarized as follows:

Directors	Type of Training Note
Executive Directors	
ZHANG Fengyang *(Chairman)*	A
CHEN Dayu	A
GAO Yuming	A
CAO Mansheng	A
Non-executive Directors	
REN Qigui	A
LI Juan	A
WANG Bangyi	A
Independent non-executive Directors	
HUANG Xiang	A
XU Daping	A
CHAN Yin Tsung	A
HAN Xiaoping (resigned on 24 June 2021)	A
ZHAO Jie	A

Note:

Type of Training

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops.

BOARD COMMITTEES

The Board has established 4 committees, namely, the Audit Committee, the Remuneration and Nomination Committee, the Strategy Committee and the Legal and Compliance Management Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee and the Remuneration and Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Members of each Board committee comprise independent non-executive Directors and the list of the chairman and members of each Board committee is set out under "Corporate Information" on page 240.

Audit Committee

The Audit Committee comprises 1 non-executive Director, namely Mr. SONG Zhiyong and 2 independent non- executive Directors, namely Mr. CHAN Yin Tsung (Chairman) and Mr. HUANG Xiang, with independent non-executive Directors in majority (including one independent non-executive Director with the accounting expertise). None of the members of the Audit Committee is a former partner of the Company's existing auditors.

Ms. LI Juan ceased to be a member of the Audit Committee of the Company on 29 March 2022.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, audit plan and relationship with external auditors, and evaluating arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the year ended 31 December 2021, the Audit Committee held 4 meetings to review the interim and annual financial results and reports and significant issues on the financial reporting and compliance procedures, internal control and risk management systems, effectiveness of the internal audit function, scope of work and appointment of external auditors, and arrangements for employees to raise concerns about possible improprieties.

The Audit Committee also met the external auditors once without the presence of the executive Directors.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee comprises 3 members, namely Mr. HUANG Xiang (Chairman), Mr. XU Daping and Ms. ZHAO Jie, all of which are independent non-executive Directors.

Mr. HAN Xiaoping ceased to be a member of the Remuneration and Nomination Committee of the Company on 24 June 2021.

The primary functions of the Remuneration and Nomination Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration and Nomination Committee is also responsible for reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Remuneration and Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Remuneration and Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Remuneration and Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the year, the Remuneration and Nomination Committee held 4 meetings.

The Remuneration and Nomination Committee reviewed and made recommendation to the Board on the remuneration policy and the remuneration packages of the executive Directors and senior management, as well as assessed the performance of executive Directors and approved the terms of executive Directors' service contracts.

The Remuneration and Nomination Committee also reviewed the structure, size and composition of the Board and the independence of the independent non-executive Directors, and considered the qualifications of the retiring Directors standing for election at the general meeting.

The Remuneration and Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

Strategy Committee

The current members of the Strategy Committee are 4 executive Directors, which are Mr. ZHANG Fengyang (Chairman), Mr. CHEN Dayu, Mr. GAO Yuming and Mr. CAO Mansheng and 1 non-executive Director, which is Mr. SONG Zhiyong.

Mr. WANG Bangyi ceased to be a member of the Strategy Committee of the Company on 24 May 2021.

Ms. LI Juan ceased to be a member of the Strategy Committee of the Company on 29 March 2022.

The primary function of the Strategy Committee is to make recommendations to the Board on the long-term development strategies of the Company.

During the year, the Strategy Committee held 4 meeting.

Legal and Compliance Management Committee

The Legal and Compliance Management Committee has been established with effect from 27 January 2021 and the current members are Mr. ZHANG Fengyang (Chairman), an executive Director, Mr. REN Qigui, a non-executive Director, and Mr. CHAN Yin Tsung, an independent non-executive Director.

The primary function of the Legal and Compliance Management Committee is to further enhance the Company's capability of preventing and mitigating significant risks associated with the operation of the Company.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board and is available on the website of the Company. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage as well as a key element in attaining its strategic objectives and sustainable development.

Pursuant to the Board Diversity Policy, the Remuneration and Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy. In relation to reviewing and assessing the Board composition and the nomination of directors, the Remuneration and Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience and term of service.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that the selection and nomination of Board positions are appropriately structured so that a diverse range of candidates are considered.

The Company considers the Board has a well-balanced cultural background, educational background, industry experience and professional experience. The Board has set measurable objectives to implement the Board Diversity Policy and reviewed such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

The Remuneration and Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Remuneration and Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process in the nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy.
- Any measurable objectives adopted for achieving diversity on the Board.
- Requirement for the Board to have independent non-executive directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity.

- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.

- Candidate who is nominated as director should meet the relevant qualifications of director's appointment as stated in the Company Law of the People's Republic of China, Articles of Association of the Company and other applicable laws and regulations.

- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Remuneration and Nomination Committee from time to time for nomination of directors and succession planning.

Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Remuneration and Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the part two of the CG Code (former code provision D.3.1).

During the year, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

ATTENDANCE RECORDS OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the Board and Board Committee meetings and the general meetings of the Company held during the year ended 31 December 2021 is set out in the table below:

	Attendance/Number of Meetings during the term of office						
Name of Director	Board	Audit Committee	Remuneration and Nomination Committee	Strategy Committee	Legal and Compliance Management Committee	Annual General Meeting	Extraordinary General Meeting
ZHANG Fengyang	8/8	–	–	4/4	3/3	1/1	2/2
CHEN Dayu (1)	8/8	–	–	2/2	–	1/1	0/1
GAO Yuming (2)	8/8	–	–	3/3	–	1/1	0/1
CAO Mansheng	8/8	–	–	4/4	–	1/1	2/2
REN Qigui	8/8	–	–	–	3/3	1/1	2/2
LI Juan	8/8	4/4	–	4/4	–	1/1	2/2
WANG Bangyi (3)	8/8	–	–	2/2	–	0/1	2/2
HUANG Xiang	8/8	4/4	4/4	–	–	1/1	2/2
CHAN Yin Tsung	8/8	4/4	–	–	3/3	1/1	2/2
XU Daping	8/8	–	4/4	–	–	1/1	2/2
HAN Xiaoping (4)	4/4	–	1/1	–	–	0/1	1/1
ZHAO Jie (5)	4/4	–	3/3	–	–	0/1	1/1

Note 1: Mr. Chen Dayu was appointed as an executive Director on 19 February 2021 and was appointed as a member of the Strategy Committee on 24 May 2021.

Note 2: Mr. Gao Yuming was appointed as an executive Director on 19 February 2021 and was appointed as a member of the Strategy Committee on 30 March 2021.

Note 3: Mr. Wang Bangyi ceased to be a member of the Strategy Committee on 24 May 2021.

Note 4: Mr. Han Xiaoping ceased to be an independent non-executive Director on 24 June 2021 and a member of the Remuneration and Nomination Committee.

Note 5: Ms. Zhao Jie was appointed as an independent non-executive Director on 24 June 2021 and a member of the Remuneration and Nomination Committee.

Apart from regular Board meetings, the Chairman also held meetings with the independent non-executive Directors without the presence of other Directors during the year.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, sales and leasing, financial reporting, human resources and information technology.

All divisions/departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, provided treatment plans, and monitored the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 December 2021.

The Company has engaged external professional firm for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit function examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 December 2021, and considered that such systems are effective and adequate. The annual review also covered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions.

Arrangements/Whistleblowing procedures are in place to facilitate employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2021.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 74 to 78.

Where appropriate, a statement will be submitted by the Audit Committee explaining its recommendation regarding the selection, appointment, resignation or dismissal of external auditors and the reasons why the Board has taken a different view from that of the Audit Committee.

AUDITORS' REMUNERATION

During the year ended 31 December 2021, the remuneration paid and payable to the international auditor and domestic auditor for audit services was RMB7,472,000 in aggregate, and non-audit services fees paid and payable to the auditors (including their respective member firms) was RMB189,000, which was for the specialized services provided for perpetual notes issued by the Group.

COMPANY SECRETARY

Our company secretary, Mr. Kang Jian ("**Mr. Kang**"), is familiar with the day-to-day affairs of the Company. All Directors of the Company are entitled to obtain the advice and services from Mr. Kang to ensure their compliance with Board procedures and all applicable laws, rules and regulations.

For the year ended 31 December 2021, Mr. Kang has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

The Company engages with Shareholders through various communication channels.

To safeguard Shareholders' interests and rights, separate resolution is proposed for each substantially separate issue at Shareholders' meetings, including the election of individual Directors.

All resolutions put forward at Shareholders' meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange after each Shareholders' meeting.

Convening an Extraordinary General Meeting by Shareholders

Shareholders holding more than 10% of Shares (individually or together with others) shall be entitled to request for an extraordinary general meeting or class meeting.

Upon signing one or several written requests with the same content and format, and stating the subject of the meeting, the aforesaid Shareholders may request the Board to convene an extraordinary general meeting or class meeting. Shares held by the above Shareholders shall be calculated as at the date of submitting the written request.

Putting Forward Proposals at General Meetings

When a general meeting is held by the Company, the Board, Board of Supervisors or Shareholders who individually or together holding more than 3% of the Shares of the Company may propose resolutions to the Company. Shareholders who individually or together holding more than 3% of the Shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the holding of the general meeting.

The contents of the proposals to be raised shall be within the scope of duties of the general meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations and the Articles of Association.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address:	7/8/9 Floor, No. 6 Xibahe Road Chaoyang District, Beijing, the PRC (For the attention of the company secretary)

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full names, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. The Chairman of the Board, non-executive Directors, independent non-executive Directors, and the chairman of all Board committees (or their delegates) will make themselves available at general meetings to meet Shareholders and answer their enquiries.

On 22 December 2021, the Company has amended the Articles of Association. An up to date version of the Articles of Association is available on the Company's website and the Stock Exchange's website. Please refer to the circulars of the Company dated 25 November 2021 for details of the amendments to the Articles of Association.

Policies relating to Shareholders

The Company has in place a Shareholders' Communication Policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness. Pursuant to the Shareholders' Communication Policy, the Company regularly holds the annual general meeting every year; the Company establishes a special investor relationship section on its website for updating the information regularly, and upload to the Company's website those information which have been published to the Stock Exchange in one hour, to ensure that the update information about the Group are available to shareholders and potential investors on a timely manner. Such information includes financial statements, results announcements, circulars, notices of general meetings and relevant explanatory documents, and all announcements. The Company convenes the results presentation every half year to timely inform shareholders or potential investors the Company's results. The Company receives inquiries from shareholders or potential investors from time to time. Through the above-mentioned measures, the Company can effectively implement the Shareholders' Communication Policy, to ensure that the Company maintains long-term effective and good communication with its shareholders.

The Company has adopted a Dividend Policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the approval of general meetings. Such details have been disclosed in this Annual Report.

Independent Auditor's Report

TO THE SHAREHOLDERS OF BEIJING JINGNENG CLEAN ENERGY CO., LIMITED
(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Beijing Jingneng Clean Energy Co., Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 79 to 237, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment assessment	
We identified goodwill impairment as a key audit matter due to the management's significant judgment in assessing the recoverable amounts of the relevant cash-generating units ("CGUs"). The recoverable amounts of the Group's goodwill are determined based on the value in use calculation of the CGUs. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value. As at 31 December 2021, the carrying amount of goodwill is RMB114,134,000, net of impairment of RMB75,915,000 recognised during the year. Details of goodwill and the related key estimation uncertainty are set out in Notes 5, 20 and 21 to the consolidated financial statements.	Our procedures in relation to the goodwill impairment assessment included: • Evaluating and corroborating the key inputs used in management's impairment assessment, including comparisons of profit margins and revenue growth rate with the CGU's historical performances, and investigating any material discrepancy; • Challenging the management's future cash flow forecast through a comparison of the underlying cash flows in the forecast with those in the budgets prepared by the management; and • Working with valuation specialists to independently assess the valuation methodology and models, developing expectations in respect of the discount rate and comparing against those used by the management.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Ng Kwok Ho.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 March 2022

Consolidated Statement of Profit or Loss

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 RMB'000	2020 RMB'000
		Year ended 31 December	
Revenue	6	**18,358,832**	17,003,306
Other income	8	**903,173**	797,393
Gas consumption		**(9,053,875)**	(8,804,303)
Depreciation and amortisation expense	13	**(3,119,854)**	(2,811,261)
Personnel costs	13	**(1,079,248)**	(869,925)
Repairs and maintenance		**(642,622)**	(594,657)
Other expenses	9	**(827,254)**	(788,793)
Other gains and losses	10	**25,404**	(13,160)
Impairment losses net reversed (recognised) under expected credit loss model		**1,146**	(1,510)
Profit from operations		**4,565,702**	3,917,090
Interest income	11	**34,826**	41,065
Finance costs	11	**(1,309,289)**	(1,150,847)
Share of results of associates		**(169,195)**	167,781
Share of result of a joint venture		**(37,794)**	(22,063)
Profit before taxation		**3,084,250**	2,953,026
Income tax expense	12	**(595,048)**	(557,041)
Profit for the year	13	**2,489,202**	2,395,985
Profit for the year attributable to:			
– Equity holders of the Company		**2,368,131**	2,303,390
– Holders of perpetual notes	43	**59,895**	31,950
– Non-controlling interests		**61,176**	60,645
		2,489,202	2,395,985
Earnings per share			
Basic and diluted *(RMB cents)*	16	**28.72**	27.94

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2021

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Profit for the year	**2,489,202**	2,395,985
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Fair value gain on equity instruments at fair value through other comprehensive income	**42,726**	9,026
Income tax relating to items that will not be reclassified to profit or loss	**(10,681)**	3,851
Share of other comprehensive income (expense) of an associate, net of related income tax	**4,666**	(4,666)
	36,711	8,211
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	**(78,338)**	92,475
Cash flow hedges:		
Gain during the year	**21,521**	20,007
Reclassification of reserves in relation with power purchase agreement	**9,314**	9,013
Income tax relating to items that may be reclassified subsequently to profit or loss	**(7,468)**	(7,569)
	(54,971)	113,926
Other comprehensive (expense) income for the year, net of income tax	**(18,260)**	122,137
Total comprehensive income for the year	**2,470,942**	2,518,122
Total comprehensive income for the year attributable to:		
– Equity holders of the Company	**2,349,871**	2,425,527
– Holders of perpetual notes	**59,895**	31,950
– Non-controlling interests	**61,176**	60,645
	2,470,942	2,518,122

Consolidated Statement of Financial Position

AT 31 DECEMBER 2021

	Notes	At 31 December 2021 RMB'000	2020 RMB'000
Non-current Assets			
Property, plant and equipment	*17*	**50,965,927**	43,187,213
Right-of-use assets	*18*	**1,479,217**	1,431,342
Intangible assets	*19*	**4,873,699**	4,410,754
Goodwill	*20*	**114,134**	190,049
Investments in associates	*22(a)*	**3,179,022**	3,518,508
Loans to an associate	*22(b)*	**108,000**	117,000
Investment in a joint venture	*23(a)*	**93,110**	130,904
Loans to a joint venture	*23(b)*	**70,000**	70,000
Deferred tax assets	*24*	**189,488**	296,104
Equity instruments at fair value through other comprehensive income	*25*	**109,637**	66,911
Value-added tax recoverable	*29*	**1,557,553**	1,114,305
Deposit paid for acquisition of property, plant and equipment		**677,532**	1,072,426
Restricted bank deposits	*31*	**66,718**	50,787
Derivative financial assets	*37*	**52,507**	–
		63,536,544	55,656,303
Current Assets			
Inventories	*26*	**96,648**	104,416
Trade and bills receivables	*27*	**11,678,316**	9,159,317
Other receivables, deposits and prepayments	*28*	**307,749**	463,778
Current tax assets		**12,784**	16,565
Amounts due from related parties	*48(a)*	**482,339**	170,193
Value-added tax recoverable	*29*	**553,873**	469,666
Financial asset at fair value through profit or loss	*30*	**270,270**	196,043
Restricted bank deposits	*31*	**23**	4,577
Cash and cash equivalents	*32*	**5,097,300**	4,297,450
		18,499,302	14,882,005

Consolidated Statement of Financial Position

AT 31 DECEMBER 2021

	Notes	At 31 December 2021 RMB'000	2020 RMB'000
Current Liabilities			
Trade and other payables	33	**5,938,283**	5,058,989
Amounts due to related parties	48(b)	**132,961**	189,539
Bank and other borrowings – due within one year	34	**11,272,518**	12,318,322
Short-term debentures	35	**7,589,471**	7,060,658
Medium-term notes	36	**2,091,245**	96,656
Corporate bonds	36	**1,025,841**	26,128
Contract liabilities		**80,877**	56,380
Lease liabilities	39	**89,762**	64,659
Derivative financial liabilities	37	**–**	19,576
Income tax payable		**87,453**	125,381
Deferred income	38	**19,361**	228,336
		28,327,772	25,244,624
Net Current Liabilities		**(9,828,470)**	(10,362,619)
Total Assets less Current Liabilities		**53,708,074**	45,293,684
Non-current Liabilities			
Derivative financial liabilities	37	**1,034**	45,002
Bank and other borrowings – due after one year	34	**19,044,077**	10,896,268
Medium-term notes	36	**2,494,339**	4,488,679
Corporate bonds	36	**999,642**	1,999,284
Contract liabilities		**18,317**	12,440
Deferred tax liabilities	24	**281,912**	193,615
Deferred income	38	**381,538**	435,811
Lease liabilities	39	**811,228**	836,336
Other non-current liability	40	**12,617**	19,402
		24,044,704	18,926,837
Net Assets		**29,663,370**	26,366,847

Consolidated Statement of Financial Position

AT 31 DECEMBER 2021

	Notes	2021 RMB'000	2020 RMB'000
		At 31 December	
Capital and Reserves			
Share capital	*41*	**8,244,508**	8,244,508
Reserves		**18,031,790**	16,249,142
Equity attributable to equity holders of the Company		**26,276,298**	24,493,650
Perpetual notes	*43*	**3,027,962**	1,525,582
Non-controlling interests		**359,110**	347,615
Total Equity		**29,663,370**	26,366,847

The consolidated financial statements on pages 79 to 237 were approved and authorised for issue by the board of directors on 29 March 2022 and are signed on its behalf by:

ZHANG Fengyang
Director

CHEN Dayu
Director

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2021

	Attributable to equity holders of the Company											
	Share capital *RMB'000* *(Note 41)*	Capital reserve *RMB'000* *(Note 42)*	Statutory surplus reserve *RMB'000* *(note(a))*	Other reserves *RMB'000* *(note(b))*	Fair value through other comprehensive income reserve *RMB'000*	Cash flow hedging reserve *RMB'000*	Currency translation differences *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Perpetual notes *RMB'000* *(Note 43)*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2020	8,244,508	3,934,473	2,286,420	(67,138)	10,714	(64,678)	(185,417)	8,513,786	22,672,668	–	402,641	23,075,309
Profit for the year	–	–	–	–	–	–	–	2,303,390	2,303,390	31,950	60,645	2,395,985
Other comprehensive income for the year	–	–	–	–	12,877	21,451	92,475	–	126,803	–	–	126,803
Share of other comprehensive expense of an associate	–	–	–	–	(4,666)	–	–	–	(4,666)	–	–	(4,666)
Total comprehensive income for the year	–	–	–	–	8,211	21,451	92,475	2,303,390	2,425,527	31,950	60,645	2,518,122
Acquisition of non-controlling interests *(Note (c))*	–	–	–	(600)	–	–	–	–	(600)	–	(49,680)	(50,280)
Issuance of perpetual notes	–	–	–	–	–	–	–	–	–	1,500,000	–	1,500,000
Issuance cost	–	–	–	–	–	–	–	–	–	(6,368)	–	(6,368)
Appropriation to statutory surplus reserve	–	–	152,240	–	–	–	–	(152,240)	–	–	–	–
Dividends declared	–	–	–	–	–	–	–	(595,253)	(595,253)	–	(65,991)	(661,244)
Transfer of fair value reserve upon changing from equity investments at FVTOCI to long-term equity investments	–	–	–	–	(24,428)	–	–	24,428	–	–	–	–
Others	–	–	–	(8,692)	–	–	–	–	(8,692)	–	–	(8,692)
At 31 December 2020	8,244,508	3,934,473	2,438,660	(76,430)	(5,503)	(43,227)	(92,942)	10,094,111	24,493,650	1,525,582	347,615	26,366,847

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2021

	Attributable to equity holders of the Company											
	Share capital RMB'000 (Note 41)	Capital reserve RMB'000 (Note 42)	Statutory surplus reserve RMB'000 (note(a))	Other reserves RMB'000 (note(b))	Fair value through other comprehensive income reserve RMB'000	Cash flow hedging reserve RMB'000	Currency translation differences RMB'000	Retained profits RMB'000	Total RMB'000	Perpetual notes RMB'000 (Note 43)	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2021	8,244,508	3,934,473	2,438,660	(76,430)	(5,503)	(43,227)	(92,942)	10,094,111	24,493,650	1,525,582	347,615	26,366,847
Profit for the year	-	-	-	-	-	-	-	2,368,131	2,368,131	59,895	61,176	2,489,202
Other comprehensive income (expense) for the year	-	-	-	-	32,045	23,367	(78,338)	-	(22,926)	-	-	(22,926)
Share of other comprehensive income of an associate	-	-	-	-	4,666	-	-	-	4,666	-	-	4,666
Total comprehensive income (expense) for the year	-	-	-	-	36,711	23,367	(78,338)	2,368,131	2,349,871	59,895	61,176	2,470,942
Acquisition of a subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	-	4,640	4,640
Capital injection in subsidiaries from non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,535	1,535
Issuance of perpetual notes	-	-	-	-	-	-	-	-	-	1,500,000	-	1,500,000
Issuance costs	-	-	-	-	-	-	-	-	-	(5,915)	-	(5,915)
Appropriation to statutory surplus reserve	-	-	235,133	-	-	-	-	(235,133)	-	-	-	-
Dividends declared	-	-	-	-	-	-	-	(567,223)	(567,223)	(51,600)	(55,856)	(674,679)
At 31 December 2021	8,244,508	3,934,473	2,673,793	(76,430)	31,208	(19,860)	(171,280)	11,659,886	26,276,298	3,027,962	359,110	29,663,370

Notes:

(a) According to the relevant requirement in the memorandum and articles of association of Beijing Jingneng Clean Energy Co., Limited and its subsidiaries (collectively referred to as the "Group"), a portion of their profits after taxation computed in accordance with the relevant accounting principles and financial regulations in the People's Republic of China will be transferred to statutory surplus reserve. The transfer to this reserve must be made before the distribution of a dividend to ordinary shareholders. Such statutory surplus reserve can be used to offset the previous years' losses, if any, or increase capital. The statutory surplus reserve is non-distributable other than upon liquidation.

(b) Other reserves mainly represent: (i) the share of other comprehensive income of associates and a joint venture; (ii) the share of equity movement arising from an associate's equity transaction with its non-controlling interest.

(c) In March 2020, the Company acquired the remaining 40% equity interest of 京能(遷西)發電有限公司 (Jingneng Qianxi Power Co., Ltd., English name for identification purpose) ("Qianxi Power") owned by Qingdao East Steel Tower Stock Co., Ltd., non-controlling shareholder of Qianxi Power, at a consideration of RMB50,280,000. Upon the completion of the acquisition, Qianxi Power become wholly-owned subsidiary of the Company.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2021

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Operating activities		
Profit before taxation	**3,084,250**	2,953,026
Adjustments for:		
Depreciation and amortisation expense	**3,119,854**	2,811,261
Change in fair value of financial asset at fair value through profit or loss	**(81,079)**	50,844
Impairment losses recognised on property, plant and equipment	**66,993**	119,521
Impairment losses recognised on goodwill	**75,915**	–
Impairment losses (reversed) recognised	**(1,146)**	1,510
Loss on disposal of property, plant and equipment	**9,935**	14,633
(Gain) loss on fair value change of fixed forward commodity contract	**(85,343)**	1,300
Share of results of associates	**169,195**	(167,781)
Share of result of a joint venture	**37,794**	22,063
Interest income	**(34,826)**	(41,065)
Finance costs	**1,309,289**	1,150,847
Bargain purchase gain	**(34,190)**	(151,051)
Release of a contractual obligation	**(5,323)**	(5,277)
Deferred income released to profit or loss	**(555,866)**	(478,890)
Operating cash flows before movements in working capital	**7,075,452**	6,280,941
Movements in working capital:		
Decrease in inventories	**8,045**	2,069
Increase in trade and bills receivables	**(1,789,516)**	(3,882,556)
Increase in amounts due from related parties	**(311,678)**	(116,222)
Decrease in other receivables, deposits and prepayments and value-added tax recoverable	**810,981**	503,313
Decrease in trade and other payables	**(568,988)**	(40,330)
(Decrease) increase in amounts due to related parties	**(68,907)**	38,037
Increase in deferred income	**291,055**	341,711
Increase in contract liabilities	**30,374**	6,741
Cash generated from operations	**5,476,818**	3,133,704
Income tax paid	**(521,268)**	(531,896)
Net cash generated from operating activities	**4,955,550**	2,601,808

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2021

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Investing activities		
Interest received	**34,872**	42,914
Dividends received	**194,078**	6,928
Repayments of loans by an associate	**9,000**	134,000
Repayments of loans by a joint venture	**–**	75,000
Amount advanced to an associate	**–**	(117,000)
Amount advanced to a joint venture	**–**	(70,000)
Capital injection to an associate	**(19,120)**	(1,222,000)
Purchases of:		
– Property, plant and equipment	**(8,838,271)**	(7,235,820)
– Intangible assets	**(48,161)**	(68,417)
– Right-of-use assets	**(60,117)**	(10,769)
Cash outflow on acquisition of subsidiaries	**(1,405,929)**	(142,952)
Proceeds on disposal of property, plant and equipment	**67,020**	34,224
Withdrawal of restricted bank deposits	**8,272**	4,959
Placement of restricted bank deposits	**(19,649)**	(3,086)
Cash received from government grants	**1,563**	3,035
Net cash used in investing activities	**(10,076,442)**	(8,568,984)

	Note	Year ended 31 December 2021 RMB'000	2020 RMB'000
Financing activities			
Acquisition of partial interest of a subsidiary		**–**	(50,280)
Capital injection in subsidiaries from non-controlling interest		**1,535**	–
Interest paid		**(1,206,909)**	(1,080,351)
New bank and other borrowings raised		**22,239,637**	12,272,425
Repayments of bank and other borrowings		**(16,370,784)**	(8,647,897)
Proceeds from issuance of short-term debentures		**11,500,000**	10,500,000
Issuance cost for short-term debentures		**(13,737)**	(11,338)
Repayments of short-term debentures		**(11,000,000)**	(9,500,000)
Proceeds from issuance of medium-term notes		**–**	1,000,000
Issuance cost for medium-term notes		**–**	(1,415)
Proceeds from issuance of corporate bonds		**–**	1,000,000
Issuance cost for corporate bonds		**–**	(358)
Proceeds from issue of perpetual notes		**1,500,000**	1,500,000
Issuance cost of perpetual notes		**(5,915)**	(6,368)
Repayments of lease liabilities		**(84,371)**	(49,321)
Dividends paid to:			
– Ordinary shareholders of the Company		**(567,223)**	(595,253)
– Non-controlling interests		**(55,856)**	(137,133)
– Holders of perpetual note		**(51,600)**	–
Net cash from financing activities		**5,884,777**	6,192,711
Net increase in cash and cash equivalents		**763,885**	225,535
Cash and cash equivalents at the beginning of the year		**4,297,450**	4,056,110
Effect of foreign exchange rate changes		**35,965**	15,805
Cash and cash equivalents at the end of the year	*32*	**5,097,300**	4,297,450
Represented by:			
Cash and cash equivalents at the end of the year		**5,097,300**	4,297,450

1. GENERAL INFORMATION

Beijing Jingneng Clean Energy Co., Limited (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 Exchange").

The address of the Company's registered office is Room 118, No. 1 Ziguang East Road, Badaling Economic Development Zone, Yanqing County, Beijing, the PRC. The principal place of business of the Company is No. 6 Xibahe Road, Chaoyang District, Beijing, the PRC.

In the opinion of the directors of the Company (the "Directors"), 北京能源集團有限責任公司 (Beijing Energy Holding Co., Ltd., English name for identification purpose) ("BEH") is the Company's ultimate holding company (also the immediate parent company). BEH is a state-owned enterprise established in the PRC with limited liability and is wholly-owned by 北京國有資本運營管理有限公司 (Beijing State-owned Capital Operation Management Co., Ltd.) ("BSCOMC") which is established and is wholly-owned by 北京市人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality).

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

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In preparing the consolidated financial statements, the Directors have given careful consideration that at 31 December 2021, the Group has net current liabilities of RMB9,828,470,000. The Group meets its working capital requirements with cash generated from its operating activities and available financing facilities from banks. At 31 December 2021, the Group has committed unutilised financing facilities granted to the Group amounting to approximately RMB29 billion of which approximately RMB10 billion are subject to renewal during the next 12 months from the date of the consolidated statement of financial position. The Directors are confident that these financing facilities will continue to be available to the Group for the foreseeable period not less than 12 months from the date of the consolidated statement of financial position. Based on the assessment, the Directors are satisfied that the Group will be able to meet in full its financial obligations as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (the "IASB") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to IFRS 16	*Covid-19-Related Rent Concessions*
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	*Interest Rate Benchmark Reform-Phase 2*

The application of 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 IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

The Group has applied the amendments for the first time in the current year. The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying IFRS 7 Financial Instruments: Disclosures ("IFRS 7").

The amendments have had no impact on the consolidated financial statements as none of the relevant contracts has been transitioned to the relevant replacement rates during the year.

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(continued)*

New and amendments to IFRSs in issue but not yet effective

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*[3]
Amendments to IFRS 3	*Reference to the Conceptual Framework*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendment to IFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021*[1]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[3]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[3]
Amendments to IAS 8	*Definition of Accounting Estimates*[3]
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[3]
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]

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(continued)*

New and amendments to IFRSs in issue but not yet effective *(continued)*

Notes:

(1) Effective for annual periods beginning on or after 1 April 2021.

(2) Effective for annual periods beginning on or after 1 January 2022.

(3) Effective for annual periods beginning on or after 1 January 2023.

(4) Effective for annual periods beginning on or after a date to be determined.

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 2018 issued (the "Conceptual Framework") instead of the Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting 2010 issued in October 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 recognise 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.

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(continued)*

New and amendments to IFRSs in issue but not yet effective *(continued)*

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 application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

As disclosed in Note 4 to the consolidated financial statements, for leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the relevant assets and liabilities separately. Temporary differences on initial recognition of the relevant assets and liabilities are not recognised due to application of the initial recognition exemption.

Upon the application of the amendments, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. As at 31 December 2021, the carrying amounts of right-of-use assets and lease liabilities which are subject to the amendments amounted to RMB1,160,593,000 and RMB900,990,000 respectively. The Group is still in the process of assessing the full impact of the application of the amendments.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 (since 1 January 2019) or IAS 17 (before application of IFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets.*

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.1 Basis of preparation of consolidated financial statements *(continued)*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly and;
- Level 3 inputs are unobservable inputs for the asset or liability.

4.2 Significant accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Basis of consolidation (continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments ("IFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Business combinations

Optional concentration test

Effective from 1 January 2020, the Group can elect to apply an optional concentration test, on a transaction- by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Business combinations

Acquisitions of businesses, other than business combination under common control, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in 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).

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Business combinations (continued)

Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amounts of the identifiable assets acquired and liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Business combinations (continued)

Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Goodwill (continued)

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investments in associates and a joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Investments in associates and a joint venture (continued)

The results and assets and liabilities of associates and a joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and a joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Investments in associates and a joint venture (continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group (profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Revenue from contracts with customers (continued)

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation:

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Leases (continued)

The Group as a lessee (continued)

Short-term leases

The Group applies the short-term lease recognition exemption to leases of the underlying assets that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases is recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability; and
- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Leases (continued)

The Group as a lessee (continued)

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and

- amounts expected to be payable by the Group under residual value guarantees.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Leases (continued)

The Group as a lessee (continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Foreign currencies (continued)

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange prevailing rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of currency translation differences on translating foreign operations (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remains outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes under the state-managed retirement benefits schemes in the PRC are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Taxation

Income tax expense represents the sum of the tax currently payable and deferred taxation.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate and tax laws that have been enacted or substantively enacted by the end of each reporting period.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Taxation (continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Property, plant and equipment

Property, plant and equipment are tangible assets that held for use in the production or supply of goods or services, or for administrative purposes other than other than freehold lands and properties under construction as described below. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "right-of-use assets" (upon application of IFRS 16) or "prepaid lease payments" (before application of IFRS 16) in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets (other than property, plant and equipment under construction) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Property, plant and equipment (continued)

Ownership interests in leasehold land and building (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

The Group recognises an intangible asset arising from the wind farm concession arrangement when it has a right to receive the income for the usage of the concession infrastructure. Intangible assets recognised as a consideration for providing construction services in a concession arrangement are measured at fair value upon initial recognition. Subsequent to initial recognition, the intangible asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. Amortisation begins when the intangible asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Intangible assets (continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets (or a cash-generating unit) for which the estimated future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* ("IFRS 3") applies.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets ***(continued)***

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets ***(continued)***

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and bills receivables, other receivables, deposits, amount due from related parties, bank balances, restricted bank deposits, loans to an associate and loans to a joint venture) which are subject to impairment assessment under IFRS 9, The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets ***(continued)***

(i) Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets *(continued)*

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due (except for clean energy power price premium) unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets ***(continued)***

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and bills receivables, other receivables and deposits and amounts due from related parties, where the corresponding adjustment is recognised through a loss allowance account.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Financial instruments (continued)

Financial assets (continued)

Derecognition/modification of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCL, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained earnings.

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

When the contractual terms of a financial asset are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset, after reducing gross carrying amount that has been written off.

For non-substantial modifications of financial assets that do not result in derecognition, the carrying amount of the relevant financial assets will be calculated at the present value of the modified contractual cash flows discounted at the financial assets' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial assets and are amortised over the remaining term. Any adjustment to the carrying amount of the financial asset is recognised in profit or loss at the date of modification.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, amounts due to related parties, bank and other borrowings, medium-term notes, corporate bonds and short-term debentures are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognised financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Financial instruments (continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge accounting

The Group designates certain derivatives as hedging instruments for cash flow hedges.

At the inception of the hedging relationship the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

For the purpose of determining whether a forecast transaction (or a component thereof) is highly probable, the Group assumes that the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Financial instruments (continued)

Hedge accounting (continued)

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

For changes made to the hedged risk, hedged item or hedging instrument required by interest rate benchmark reform, the Group amends the formal designation of a hedging relationship to reflect the changes by the end of the reporting period during which the relevant changes were made. Such an amendment to the formal designation of the hedging relationship constitutes neither the discontinuation of the hedging relationship nor the designation of a new hedging relationship.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Financial instruments (continued)

Hedge accounting (continued)

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative changes in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

When a hedged item in a cash flow hedge is amended to reflect the changes that are required by the interest rate benchmark reform, the amount accumulated in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

Amounts previously recognised in other comprehensive income and accumulated in equity (cash flow hedging reserve) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Discontinuation of hedge accounting

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

For cash flow hedge, any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transactions is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

4.2 Significant accounting policies *(continued)*

Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment

The Group's management determines the useful lives and related depreciation expenses for its property, plant and equipment, after taking into account of the estimated residual value. This estimate is based on historical experience on the projected wear and tear incurred during power generation. It might change significantly as a result of technical innovations. The depreciation expense for future periods would be adjusted if there are significant changes from previous estimates. At 31 December 2021, the carrying amounts of property, plant and equipment are set out in Note 17.

Useful lives of concession rights and operation rights

The Group's management determines the useful lives and related amortisation expenses for its wind farm concession rights and wind or hydropower operation rights. This estimate is based on corresponding legal or contractual arrangements, projected profitability, and current legal and economic environment. It might be significantly affected by factors that include but not limited to the changes in the legal and regulatory framework, economic environment, technical innovation, etc. The amortisation expense for future periods would be adjusted if there are significant changes from previous estimates. At 31 December 2021, the carrying amounts of wind farm concession rights and wind or hydropower operation rights are set out in Note 19.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units ("CGUs") to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value. Where the actual cash flows are less than expected, a material impairment loss may arise. The carrying amount of goodwill at 31 December 2021 is set out in Note 20.

Impairment of trade receivables

The Group assesses impairment of trade receivables based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and assessment of both the current as well as the forecast direction of conditions at the end of the reporting period.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Note 50.

Fair value measurements on acquisition of subsidiaries (the"Targets")

As set out in Note 44, the Group was required to determine the fair value of identifiable assets acquired and liabilities assumed in the acquisition of the Targets in accordance with IFRS 3 on their respective acquisition dates. The determination of the fair value of intangible assets acquired in the acquisition of the Targets requires judgement by management in establishing the valuation techniques and determining the relevant inputs. Changes in the assumptions relating to these factors might affect the reported bargain purchase gain recognised in profit or loss in the current year.

6. REVENUE

(i) Disaggregation of revenue from contracts with customers

	For the year ended 31 December 2021					
	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*
Types of goods and services						
Sales of electricity	10,455,028	2,984,165	2,575,306	386,396	–	16,400,895
Sales of heat energy	1,952,471	–	–	–	–	1,952,471
Repairs and maintenance and other services	–	–	–	–	5,466	5,466
Timing of revenue recognition						
A point in time	12,407,499	2,984,165	2,575,306	386,396	–	18,353,366
Over time	–	–	–	–	5,466	5,466
Geographical market						
Mainland China	12,407,499	2,862,010	2,572,195	386,396	5,466	18,233,566
Overseas	–	122,155	3,111	–	–	125,266
Revenue from contracts with customers	12,407,499	2,984,165	2,575,306	386,396	5,466	18,358,832

6. REVENUE *(continued)*

(i) Disaggregation of revenue from contracts with customers *(continued)*

	For the year ended 31 December 2020					
	Gas-fired power and heat energy generation	Wind power	Photovoltaic power	Hydropower	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Types of goods and services						
Sales of electricity	10,182,873	2,314,207	2,145,343	395,279	–	15,037,702
Sales of heat energy	1,963,288	–	–	–	–	1,963,288
Repairs and maintenance and other services	–	–	–	–	2,316	2,316
Timing of revenue recognition						
A point in time	12,146,161	2,314,207	2,145,343	395,279	–	17,000,990
Over time	–	–	–	–	2,316	2,316
Geographical market						
Mainland China	12,146,161	2,192,289	2,140,814	395,279	2,316	16,876,859
Overseas	–	121,918	4,529	–	–	126,447
Revenue from contracts with customers	12,146,161	2,314,207	2,145,343	395,279	2,316	17,003,306

6. REVENUE *(continued)*

(ii) Performance obligations for contracts with customers

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

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

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

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

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2021 and 2020 and the expected timing of recognising revenue are within one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

7. 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: constructing, managing and operating natural gas-fired power plants and generating electric power and heat energy for sale to external customers.

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

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

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

Operating segments 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.

7. SEGMENT INFORMATION *(continued)*

(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 2021 and 2020 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 2021						
Reportable segment revenue from external customers/consolidated revenue	12,407,499	2,984,165	2,575,306	386,396	5,466	18,358,832
Reportable segment results *(note (i))*	1,679,449	1,787,458	1,367,081	109,628	(379,780)	4,563,836
Reportable segment assets	14,217,029	34,275,750	23,451,939	2,481,241	28,773,234	103,199,193
Reportable segment liabilities	(7,114,080)	(23,315,223)	(16,508,427)	(2,079,928)	(27,883,717)	(76,901,375)
Additional segment information:						
Depreciation	901,935	950,305	901,209	104,030	4,801	2,862,280
Amortisation	13,103	181,805	36,596	25,511	559	257,574
Finance costs *(note (ii))*	79,276	447,936	473,086	52,195	256,796	1,309,289
Other income	583,942	283,365	18,174	1,278	16,414	903,173
Including:						
– Government subsidies related to clean energy production	475,903	24,127	–	–	–	500,030
– Government grants related to construction of assets	33,255	2,632	10,179	829	–	46,895
– Income from carbon credits	13,737	146,148	3,246	–	–	163,131
– Others	61,047	110,458	4,749	449	16,414	193,117
Expenditures for reportable segment non-current assets	363,113	7,058,107	3,704,770	46,695	6,095	11,178,780

7. SEGMENT INFORMATION *(continued)*

(a) Segment revenue, results, assets and liabilities *(continued)*

	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
Amortisation	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	33,313	2,632	6,961	1,053	–	43,959
– Income from carbon credits	6,088	123,411	3,239	–	–	132,738
– Others	87,854	91,797	926	1,078	12,633	194,288
Expenditures for reportable segment non-current assets	345,244	3,696,412	2,972,708	34,886	5,034	7,054,284

7. SEGMENT INFORMATION *(continued)*

(a) Segment revenue, results, assets and liabilities *(continued)*

Notes:

(i) The segment results are arrived at after the deduction from revenue of gas consumption, depreciation and amortisation expense, personnel costs, repairs and maintenance, other expenses, other gains and losses and impairment losses and including other income 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. However, the relevant borrowings have been allocated to arrive at the segment liabilities.

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

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Results		
Reportable segment profit	**4,563,836**	3,933,296
Inter-segment elimination	**1,866**	(16,206)
Profit from operations	**4,565,702**	3,917,090
Interest income	**34,826**	41,065
Finance costs	**(1,309,289)**	(1,150,847)
Share of results of associates	**(169,195)**	167,781
Share of result of a joint venture	**(37,794)**	(22,063)
Consolidated profit before taxation	**3,084,250**	2,953,026

7. SEGMENT INFORMATION *(continued)*

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

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**103,199,193**	90,992,447
Inter-segment elimination	**(27,024,030)**	(26,237,537)
Unallocated assets:		
– Investments in associates	**3,179,022**	3,518,508
– Loans to an associate	**108,000**	117,000
– Investment in a joint venture	**93,110**	130,904
– Loans to a joint venture	**70,000**	70,000
– Deferred tax assets	**189,488**	296,104
– Equity instruments at FVTOCI	**109,637**	66,911
Different presentation on:		
– Value-added tax recoverable *(note)*	**2,111,426**	1,583,971
Consolidated total assets	**82,035,846**	70,538,308
Liabilities		
Reportable segment liabilities	**76,901,375**	68,489,825
Inter-segment elimination	**(27,009,690)**	(26,221,331)
Unallocated liabilities:		
– Income tax payable	**87,453**	125,381
– Deferred tax liabilities	**281,912**	193,615
Different presentation on:		
– Value-added tax recoverable *(note)*	**2,111,426**	1,583,971
Consolidated total liabilities	**52,372,476**	44,171,461

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 an associate 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.

7. SEGMENT INFORMATION *(continued)*

(c) Geographical information

Over 90% of the Group's revenue is generated from customers in the PRC for both years, 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 2021 and 2020. Therefore no geographical segment information is presented.

(d) Information about major customers

Revenue of approximately RMB16,293,406,000 for the year ended 31 December 2021 (2020: RMB15,270,912,000) were derived from two external parties, the State Grid Corporation of China and Beijing District Heating (Group) Co., Ltd., which contributed 79% and 9% (2020: 79% and 11%) to the total revenue, respectively.

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
State Grid Corporation of China[1]	14,557,932	13,425,877
Beijing District Heating (Group) Co., Ltd.[2]	N/A[3]	1,845,035
	14,557,932	15,270,912

[1] Revenue from Gas-fired power and heat energy generation, Wind power, Photovoltaic power and Hydropower segments

[2] Revenue from Gas-fired power and heat energy generation segment

[3] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

8. OTHER INCOME

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Government grants and subsidies related to:		
– Clean energy production *(Note 38)*	**500,030**	426,408
– Construction of assets *(Note 38)*	**46,895**	43,959
Income from carbon credits *(note (a))*	**163,131**	132,738
Value-added tax refunds or exemptions *(note (b))*	**136,493**	137,861
Others	**56,624**	56,427
	903,173	797,393

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.

9. OTHER EXPENSES

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Other expenses comprise:		
Property management fees, and other service fee	**411,685**	399,734
Utilities, insurance, office, travelling, and transportation expenses	**194,116**	193,112
Expenses relating to short-term leases and other leases with terms expiring within 12 months	**62,761**	59,824
Others	**158,692**	136,123
	827,254	788,793

10. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Other gains and losses comprise:		
Loss on disposal of property, plant and equipment	**(9,935)**	(14,633)
Net exchange loss	**(16,238)**	(3,381)
Gain (loss) arising on change in fair value of financial asset at FVTPL	**81,079**	(50,844)
Fair value gain (loss) of fixed forward commodity contract recognised in profit or loss *(Note 37(b))*	**85,343**	(1,300)
Bargain purchase gain *(Note 44)*	**34,190**	151,051
Impairment losses recognised on goodwill	**(75,915)**	–
Impairment losses recognised on property, plant and equipment	**(66,993)**	(119,521)
Others	**(6,127)**	25,468
	25,404	(13,160)

11. INTEREST INCOME/FINANCE COSTS

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Interest income from:		
– Loans to an associate	**4,593**	5,364
– Loans to a joint venture	**2,914**	4,150
– Deposits with a related non-bank financial institution *(note)*	**20,784**	19,027
– Bank balances and deposits	**6,535**	12,524
Total interest income	**34,826**	41,065
Interest on bank and other borrowings, short-term debentures, corporate bonds and medium-term notes	**1,444,511**	1,265,282
Interest on lease liabilities	**39,743**	27,927
Less: Amount capitalised in property, plant and equipment	**(174,965)**	(142,362)
Total finance costs	**1,309,289**	1,150,847

	Year ended 31 December	
	2021	2020
Capitalisation rate of borrowing costs to expenditure on qualifying assets	**4.15%**	4.35%

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 and an associate of the Group, under the supervision of the China Banking Regulatory Commission.

12. INCOME TAX EXPENSE

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax	**485,788**	533,311
	485,788	533,311
Deferred tax:		
Current year	**109,260**	23,730
Income tax expense	**595,048**	557,041

PRC Enterprise Income Tax has been generally provided at the applicable Enterprise Income Tax rate of 25% (2020: 25%) on the estimated assessable profits of the group entities established in the PRC for the year ended 31 December 2021.

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 2021 and 2020.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

12. INCOME TAX EXPENSE *(continued)*

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

Australian income tax is calculated at 30% (2020: 30%) on 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	
	2021	2020
	RMB'000	*RMB'000*
Profit before taxation	**3,084,250**	2,953,026
PRC Enterprise Income Tax at 25% (2020: 25%)	**771,063**	738,257
Tax effect on:		
– Expenses not deductible for tax purposes	**45,186**	45,526
– Share of results of associates and a joint venture	**51,747**	(36,429)
– Tax losses not recognised	**87,922**	63,876
– Temporary differences not recognised	**35,727**	29,880
– Utilisation of tax losses not recognised previously	**(10,218)**	(2,917)
– PRC Enterprise Income Tax exemption and concessions	**(394,914)**	(283,684)
Effect of different tax rates of group entities operating in jurisdictions other than PRC	**8,535**	2,532
	595,048	557,041

13. PROFIT FOR THE YEAR

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging:		
Auditors' remuneration	**7,661**	9,162
Expense relating to short-term leases	**62,761**	59,824
Depreciation and amortisation:		
Depreciation of property, plant and equipment	**2,797,605**	2,486,418
Depreciation of right-of-use assets	**70,300**	60,126
Amortisation of intangible assets	**257,574**	271,206
Less: Amount capitalised to construction in progress	**(5,625)**	(6,489)
Total depreciation and amortisation	**3,119,854**	2,811,261
Personnel costs:		
Directors' emoluments *(Note 14)*	**5,286**	3,691
Other personnel costs	**1,073,962**	866,234
Total personnel costs	**1,079,248**	869,925

14. DIRECTORS', SUPERVISORS' AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS

The emoluments paid or payable to each of the Directors, including chief executive, and the supervisors by the Group for the current and prior years are as follows:

Year ended 31 December 2021

	Directors' fees *RMB'000*	Basic salaries and allowances *RMB'000*	Discretionary bonus *RMB'000* *(note)*	Retirement benefit contributions *RMB'000*	Total *RMB'000*
Executive Directors:					
Mr. ZHANG Fengyang	–	332	1,065	53	1,450
Mr. CAO Mansheng	–	281	887	53	1,221
Mr. CHEN Dayu (appointed on 19 February 2021)	–	332	562	53	947
Mr. GAO Yuming (appointed on 19 February 2021)	–	281	834	53	1,168
	–	1,226	3,348	212	4,786
Non-executive Directors:					
Ms. LI Juan	–	–	–	–	–
Mr. REN Qigui	–	–	–	–	–
Mr. WANG Bangyi	–	–	–	–	–
	–	–	–	–	–

14. DIRECTORS', SUPERVISORS' AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS *(continued)*

	Directors' fees *RMB'000*	Basic salaries and allowances *RMB'000*	Discretionary bonus *RMB'000* *(note)*	Retirement benefit contributions *RMB'000*	Total *RMB'000*
Independent Non-executive Directors:					
Mr. HUANG Xiang	150	–	–	–	150
Mr. CHAN Yin Tsung	150	–	–	–	150
Mr. XU Daping	100	–	–	–	100
Ms. ZHAO Jie (appointed on 24 June 2021)	50	–	–	–	50
Mr. HAN Xiaoping (resigned on 24 June 2021)	50	–	–	–	50
	500	–	–	–	500
Supervisors:					
Mr. WANG Xiangneng	–	–	–	–	–
Mr. YANG Huixian	–	281	909	53	1,243
Mr. SUN Li	–	–	–	–	–
	–	281	909	53	1,243
	500	1,507	4,257	265	6,529

14. DIRECTORS', SUPERVISORS' AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS *(continued)*

Year ended 31 December 2020

	Directors' fees *RMB'000*	Basic salaries and allowances *RMB'000*	Discretionary bonus *RMB'000* *(note)*	Retirement benefit contributions *RMB'000*	Total *RMB'000*
Executive Directors:					
Mr. ZHANG Fengyang	–	371	853	3	1,227
Mr. CAO Mansheng	–	311	773	3	1,087
Mr. AN Zhenyuan (appointed on 25 September 2020, and resigned on 20 November 2020)	–	106	70	–	176
Mr. ZHU Jun (resigned on 28 May 2020)	–	101	597	3	701
	–	889	2,293	9	3,191
Non-executive Directors:					
Ms. LI Juan	–	–	–	–	–
Mr. REN Qigui	–	–	–	–	–
Mr. WANG Bangyi	–	–	–	–	–
Mr. LIU Haixia (resigned on 20 November 2020)	–	–	–	–	–
	–	–	–	–	–

14. DIRECTORS', SUPERVISORS' AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS *(continued)*

	Directors' fees *RMB'000*	Basic salaries and allowances *RMB'000*	Discretionary bonus *RMB'000* *(note)*	Retirement benefit contributions *RMB'000*	Total *RMB'000*
Independent Non-executive Directors:					
Mr. HUANG Xiang	150	–	–	–	150
Mr. CHAN Yin Tsung	150	–	–	–	150
Mr. HAN Xiaoping	100	–	–	–	100
Mr. XU Daping (appointed on 20 November 2020)	17	–	–	–	17
Mr. ZHANG Fusheng (removed on 20 November 2020)	83	–	–	–	83
	500	–	–	–	500
Supervisors:					
Mr. WANG Xiangneng	–	–	–	–	–
Mr. YANG Huixian (appointed on 28 May 2020)	–	311	737	3	1,051
Mr. SUN Li (appointed on 25 September 2020)	–	–	–	–	–
Ms. HUANG Linwei (resigned on 28 May 2020)	–	–	–	–	–
Mr. HUANG Hui (resigned on 25 September 2020)	–	–	–	–	–
	–	311	737	3	1,051
	500	1,200	3,030	12	4,742

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company and its subsidiaries, if applicable.

The supervisors' emoluments shown above were mainly for their services as supervisors of the Company.

14. DIRECTORS', SUPERVISORS' AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS *(continued)*

Mr. Zhang Fengyang is the chief executive of the Company since 13 February 2018. His emoluments disclosed above include those for services rendered by him as the chief executive.

During the year, the Directors' emoluments were RMB5,286,000 (2020: RMB3,691,000). Also, all non-executive Directors did not receive any remuneration from the Company and the Group for their services provided to the Company and the Group during both years. They were also management of BEH and their remunerations were paid by BEH over the respective years. Given the amounts of emoluments paid by BEH to them are considered to be not material compared with the revenue and profits of the Group, BEH did not allocate any of their remuneration to the Group.

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included one director and one supervisor (2020: two directors) whose emoluments are reflected in the analysis shown above. Details of the remuneration for the year of the remaining three (2020: three) highest paid individuals who are not Directors or supervisors are as follows:

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Salaries and allowances	**966**	932
Discretionary bonus *(note)*	**2,580**	2,240
Retirement benefit contributions	**158**	9
	3,704	3,181

The remuneration of each of the remaining three (2020: three) highest paid individuals in the Group who are not Directors or supervisors of the Company fell within the band of HK$1,000,001 to HK$1,500,000 (2020: HK$1,000,001 to HK$1,500,000).

Note: The discretionary bonus for both years were determined by the remuneration committee of the Company, with reference to the operating results of the Group and individual performance during the years ended 31 December 2021 and 2020 respectively in accordance with the relevant human resources policies.

During the year, no emoluments were paid by the Group to the Directors, chief executive or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of offices. None of the Directors waived any emoluments during both years.

15. DIVIDENDS

(a) A final dividend of RMB6.88 cents per ordinary share (tax inclusive) in respect of the year ended 31 December 2020 amounting to RMB567,223,000 was approved in the Company's annual general meeting held on 24 June 2021 and subsequently paid on 17 August 2021.

(b) 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.

(c) Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2021 of RMB7.037 cents per ordinary share (tax inclusive), totaling RMB580,166,000 has been proposed by the Board of Directors and is subject to approval by shareholders of the Company at the forthcoming annual general meeting.

16. 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	
	2021	2020
	RMB'000	*RMB'000*
Earnings		
Profit for the year attributable to ordinary shareholders of the Company for the purpose of earnings per share	**2,368,131**	2,303,390

	Year ended 31 December	
	2021	2020
	'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.

17. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings *RMB'000*	Generators and related equipment *RMB'000*	Motor vehicles *RMB'000*	Office equipment *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
COST						
At 1 January 2020	8,466,150	39,720,660	91,074	111,469	5,068,187	53,457,540
Additions	3,560	99,091	5,164	10,217	4,573,665	4,691,697
Adjustments *(note (b))*	56,014	(72,723)	328	8	–	(16,373)
Transfer	200,681	4,273,369	–	3,433	(4,477,483)	–
Acquired on acquisition of subsidiaries *(Note 44)*	64,454	1,265,098	167	1,697	15,112	1,346,528
Disposals	(1,333)	(127,700)	(5,439)	(4,467)	–	(138,939)
Effect of foreign currency exchange differences	94	51,026	14	12	–	51,146
At 31 December 2020	8,789,620	45,208,821	91,308	122,369	5,179,481	59,391,599
At 1 January 2021	**8,789,620**	**45,208,821**	**91,308**	**122,369**	**5,179,481**	**59,391,599**
Additions	**40,042**	**85,608**	**12,727**	**12,967**	**8,560,544**	**8,711,888**
Adjustments *(note (b))*	**(23,372)**	**13,852**	**–**	**(11,882)**	**–**	**(21,402)**
Transfer	**96,370**	**7,131,745**	**–**	**3,898**	**(7,232,013)**	**–**
Acquired on acquisition of subsidiaries *(Note 44)*	**30,074**	**1,733,394**	**–**	**14,758**	**362,904**	**2,141,130**
Disposals	**(353)**	**(120,197)**	**(11,725)**	**(3,080)**	**–**	**(135,355)**
Effect of foreign currency exchange differences	**(280)**	**(153,062)**	**(40)**	**(39)**	**–**	**(153,421)**
At 31 December 2021	**8,932,101**	**53,900,161**	**92,270**	**138,991**	**6,870,916**	**69,934,439**

17. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Land and buildings *RMB'000*	Generators and related equipment *RMB'000*	Motor vehicles *RMB'000*	Office equipment *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
DEPRECIATION AND IMPAIRMENT						
At 1 January 2020	1,706,178	11,827,625	66,282	74,264	–	13,674,349
Depreciation provided for the year	272,308	2,195,921	5,554	12,635	–	2,486,418
Impairment loss recognised in profit or loss *(note (e))*	100,397	19,124	–	–	–	119,521
Eliminated on disposals	(81)	(83,488)	(4,226)	(2,287)	–	(90,082)
Effect of foreign currency exchange differences	–	14,161	11	8	–	14,180
At 31 December 2020	**2,078,802**	**13,973,343**	**67,621**	**84,620**	**–**	**16,204,386**
Depreciation provided for the year	**276,017**	**2,489,276**	**9,038**	**23,274**	**–**	**2,797,605**
Impairment loss recognised in profit or loss *(note (e))*	**33,781**	**33,036**	**–**	**176**	**–**	**66,993**
Eliminated on disposals	**(194)**	**(45,276)**	**(10,369)**	**(2,697)**	**–**	**(58,536)**
Effect of foreign currency exchange differences	**–**	**(41,884)**	**(31)**	**(21)**	**–**	**(41,936)**
At 31 December 2021	**2,388,406**	**16,408,495**	**66,259**	**105,352**	**–**	**18,968,512**
CARRYING VALUES						
At 31 December 2021	**6,543,695**	**37,491,666**	**26,011**	**33,639**	**6,870,916**	**50,965,927**
At 31 December 2020	6,710,818	31,235,478	23,687	37,749	5,179,481	43,187,213

Notes:

(a) The above items of property, plant and equipment, other than construction in progress, are depreciated using the straight-line method, after taking into account of their residual values, at the following rates per annum.

Land and Buildings	2.11% to 4.75%
Generators and related equipment	3.17% to 7.92%
Motor vehicles	9.50% to 18.83%
Office equipment	11.00% to 19.00%

17. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Notes: (continued)

(b) The Directors estimate the final construction cost of certain assets when the assets are ready for use and transferred from construction in progress to respective categories of property, plant and equipment. Adjustments on the final cost will be made in the subsequent periods when the construction cost is finalised with the contractors.

(c) The Group was in the process of applying for the title certificates of certain buildings with an aggregate net book value of RMB1,291,421,000 as at 31 December 2021 (2020: RMB1,341,800,000). The Directors are of the view that the Group is entitled to lawfully and validly occupy and use the above-mentioned buildings. The Directors are also of the opinion that the aforesaid matter did not have any significant impact on the Group's consolidated financial position as at 31 December 2021.

(d) Certain property, plant and equipment with an aggregate carrying amount of RMB3,683,441,000 as at 31 December 2021 (2020: RMB2,353,117,000) are pledged to secure bank borrowings of the Group.

(e) During the year ended 31 December 2021, the Group recognised impairment losses amounting to RMB66,993,000 on property, plant and equipment in relation to electricity generating business of 四川大川電力有限公司 (Sichuan Dachuan Power Co., Ltd., English name for identification purpose) ("Sichuan Dachuan") and 四川眾能電力有限公司 (Sichuan Zhongneng Power Co., Ltd., English name for identification purpose) ("Sichuan Zhongneng"), and the related assets are within the Hydropower segment of the Group. The recoverable amount of the related property, plant and equipment, which is the higher of fair value less costs of disposal and value in use, has been determined based on fair value less costs of disposal by reference to the market price of similar assets.

During the year ended 31 December 2020, the Group recognised impairment losses amounting to RMB119,521,000 on the generators and related equipment attribute to 黑水縣三聯水電開發有限責任公司 (Heishui County Sanlian HydroPower Development Co., Ltd., English name for identification purpose) ("Heishui HydroPower"), and the related CGU is within the Hydropower segment of the Group. The recoverable amount of the CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the following 5 years with a pre-tax discount rate is 9.35% as at 31 December 2020. The cash flows beyond the five-year period are extrapolated using a zero growth rate. The key assumptions adopted in the value in use calculation relate to the estimated generating capacity and price of electricity. The Director performed impairment asessment and considered that no addition impairment are required as of 31 December 2021.

18. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000
As at 31 December 2021	
Carrying amount	1,479,217
As at 31 December 2020	
Carrying amount	1,431,342
For the year ended 31 December 2021	
Depreciation charge	70,300
For the year ended 31 December 2020	
Depreciation charge	60,126

	Year ended 31 December	
	2021 *RMB'000*	2020 *RMB'000*
Expense relating to short-term leases	**62,761**	59,824
Additions to right-of-use assets *(note)*	**82,512**	321,692
Acquisition of subsidiaries *(Note 44)*	**35,663**	108,892
Total cash outflow for leases	**182,340**	116,472

Note: The additions to right-of-use assets arise from the new contracts signed in the respective year.

The Group leases lands for its operations. Lease contracts are entered into for fixed term of 3 to 30 years (2020: 3 to 30 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The short-term leases for lands are regularly entered into by the Group, and the outstanding lease commitments relating to these lands is RMB47,416,000 as at 31 December 2021 (2020: RMB42,799,000).

19. INTANGIBLE ASSETS

	Concession rights RMB'000 (note (b))	Operation rights RMB'000 (note (c))	Software RMB'000	Total RMB'000
COST				
At 1 January 2020	4,022,154	1,941,970	235,198	6,199,322
Additions	–	–	68,417	68,417
Acquired on acquisition of subsidiaries *(Note 44)*	–	564,773	95	564,868
At 31 December 2020	**4,022,154**	**2,506,743**	**303,710**	**6,832,607**
Additions	**–**	**–**	**48,161**	**48,161**
Acquired on acquisition of subsidiaries *(Note 44)*	**–**	**670,350**	**2,144**	**672,494**
Disposals	**–**	**–**	**(245)**	**(245)**
At 31 December 2021	**4,022,154**	**3,177,093**	**353,770**	**7,553,017**
AMORTISATION				
At 1 January 2020	1,835,031	246,949	68,667	2,150,647
Provided for the year	164,411	87,610	19,185	271,206
At 31 December 2020	**1,999,442**	**334,559**	**87,852**	**2,421,853**
Provided for the year	**164,411**	**77,399**	**15,764**	**257,574**
Disposals	**–**	**–**	**(109)**	**(109)**
At 31 December 2021	**2,163,853**	**411,958**	**103,507**	**2,679,318**
CARRYING VALUES				
At 31 December 2021	**1,858,301**	**2,765,135**	**250,263**	**4,873,699**
At 31 December 2020	2,022,712	2,172,184	215,858	4,410,754

19. INTANGIBLE ASSETS *(continued)*

Notes:

(a) Intangible assets have finite useful lives and are amortised on a straight-line basis over the following rates per annum:

Concession rights	4% to 5%
Operation rights	2% to 10%
Software	10% to 50%

(b) The Group provides construction services to build up the wind power facilities and generates electricity under the concession rights. The Group recognises the concession rights as intangible assets according to the fair value of the construction services on related assets. These concession rights are amortised according to the respective beneficial periods.

(c) Operation rights with finite useful lives represent governmental permits or contractual arrangements which grant the operators to construct and operate power facilities. Those operation rights are obtained through business acquisition and amortised on straight-line basis according to the estimated beneficial periods of such facilities.

20. GOODWILL

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Cost		
Hydropower operation in Sichuan province, the PRC	**124,194**	124,194
Wind power operation in Australia	**65,855**	65,855
	190,049	190,049
Impairment		
Hydropower operation in Sichuan province, the PRC	**(75,915)**	–
Wind power operation in Australia	**–**	–
	(75,915)	–
Carrying Values		
Hydropower operation in Sichuan province, the PRC	**48,279**	124,194
Wind power operation in Australia	**65,855**	65,855
	114,134	190,049

Goodwill of the Group arises from the acquisition of Sichuan Dachuan, Sichuan Zhongneng and New Gullen Range Wind Farm (Holding) Pty Ltd. ("New GRWF Holding").

21. IMPAIRMENT TESTING ON GOODWILL

For the purposes of impairment testing, goodwill set out in Note 20 has been allocated to two CGUs: (i) one comprising two subsidiaries in the hydropower segment, namely, Sichuan Dachuan and Sichuan Zhongneng ("Hydropower CGU"); and (ii) New GRWF Holding in the wind power segment ("Wind Power CGU").

During the years ended 31 December 2021 and 2020, the management of the Group determines that there is no impairment of goodwill contained in the Wind Power CGU.

The basis of the recoverable amount of the Wind Power CGU and their major underlying assumptions are summarised below:

The recoverable amount of the unit have been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management covering a five-year period, and pre-tax discount rate of 9.30% for Wind Power CGU (2020: 9.30%). The Wind Power CGU's cash flows beyond the five-year period are extrapolated using a 2.00% (2020: 2.50%) growth rate. These growth rate is based on the relevant industry growth forecasts and do not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the Wind Power CGU's past performance and management's expectations for the market development.

The management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the Wind Power CGU to exceed the aggregate recoverable amount of the Wind Power CGU.

During the year of 2021, pursuant to the Notice to Clean-up and Withdrawal of Small Hydropower in Giant Panda National Park (Chuan Fa Gai [2021] No. 325) issued by Sichuan Municipal Commission of Development and Reform, three generators at Sichuan Dachuan and Sichuan Zhongneng were stopped from power generation during 2021. The Directors have consequently determined impairment of goodwill directly related to Hydropower CGU amounting to RMB75,915,000 during the year. The impairment loss has been included in profit or loss in the other gains and losses line item (Note 10). The recoverable amount of the unit amounted to RMB1,519,108,000 as at 31 December 2021.

21. IMPAIRMENT TESTING ON GOODWILL *(continued)*

The recoverable amount of unit of Hydropower CGU has been determined based on a value in use calculation using cash flow projections based on a financial budget covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections is 8.67% (2020: 9.25%). The growth rate used for both year to extrapolate the cash flow of the unit beyond the five-year period remain constant. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the CGU's past performance and management's expectations for the market development.

22. INVESTMENTS IN ASSOCIATES/LOANS TO AN ASSOCIATE

(a) Investments in associates

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Unlisted equity investments, at cost	**2,185,676**	2,166,556
Share of post-acquisition profits and other comprehensive income, net of dividend declared	**1,002,038**	1,360,644
Others	**(8,692)**	(8,692)
	3,179,022	3,518,508

22. INVESTMENTS IN ASSOCIATES/LOANS TO AN ASSOCIATE *(continued)*

(a) Investments in associates *(continued)*

The associates of the Group were established and operated in the PRC. The details of associates of the Group as at 31 December 2021 and 2020 are set out below:

Name of associate	Paid up registered capital	Equity interest attributable to the Group At 31 December 2021	2020	Proportion of voting rights held by the Group At 31December 2021	2020	Principal activities
北京京能國際能源股份有限公司 (Beijing Jingneng International Energy Co., Ltd)* ("Jingneng International")	RMB3,400,000,000	**20%**	20%	**20%**	20%	Electric power and energy construction, investment management
BEH Finance *(note)*	RMB5,000,000,000	**20%**	20%	**20%**	20%	Deposits, loans and other financial services
全州柳鋪水電有限公司 (Quanzhou Liupu Hydropower Co., Ltd.,)* ("Quanzhou Liupu")	RMB25,000,000	**40%**	40%	**40%**	40%	Hydropower project development and investment
北京市天銀地熱開發有限責任公司 (Beijing Tian Yin Di Re Development Co., Ltd.)* ("Tian Yin Di Re")	RMB60,000,000	**50%**	50%	**50%**	50%	Geothermal power development and heating
宜昌中基天然氣利用有限公司 (Yichang Zhongji natural gas utilization Co., Ltd.)* ("Yichang Zhongji")	RMB38,020,000	**49%**	–	**49%**	–	Gas generation and sales

* English name for identification purpose.

Note:

BEH Finance is a non-banking financial institution approved by the relevant PRC authorities to engage in the provision of various financial services, including taking deposit and providing loans, and is primarily providing financial services to BEH and its subsidiaries.

On 5 November 2019, the Company entered into a capital increase agreement with, among others, BEH and BEH Finance in relation to the proposed capital increase of BEH Finance (the "Proposed Subscription"). The aggregate consideration payable by the Group for the Proposed Subscription is RMB1,222 million based on appraised value of BEH Finance's net assets with reference to a valuation report prepared by a firm of recognised professional valuers.

On 8 May 2020, the Proposed Subscription has been completed. Before the completion of the Proposed Subscription, the Group held 2% equity interest in BEH Finance and had accounted for BEH Finance as equity investment at FVTOCI. Upon the completion of the Proposed Subscription, the Group hold 20% equity interest of BEH Finance's enlarged capital and accounts for it as an associate and the Group shares its operation results since then.

22. INVESTMENTS IN ASSOCIATES/LOANS TO AN ASSOCIATE *(continued)*

(b) Loans to an associate

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Loans to an associate	**108,000**	117,000

As at 31 December 2021, the loans to an associate represent loan to Quanzhou Liupu (2020: Quanzhou Liupu). All of the loans are unsecured and carry interest at 98.4% (2020: 98.4%) of the prevailing interest rates promulgated by the People's Bank of China (the "PBOC") per annum. The loans were originally to be repaid on 1 July 2022. As at 31 December 2021, the directors are of the opinion that repayment dates of the above loans will be extended upon maturity to 1 July 2023.

(c) Summarised financial information of material associates

Summarised financial information in respect of the Group's material associates are set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs. The associates are accounted for using the equity method in the consolidated financial statements.

Jingneng International	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Non-current assets	**70,960,173**	70,817,506
Current assets	**11,279,203**	9,607,145
Non-current liabilities	**31,511,274**	30,848,341
Current liabilities	**24,956,317**	18,420,223
Non-controlling interests	**16,096,542**	19,522,045
Perpetual notes	**1,517,348**	1,517,348

22. INVESTMENTS IN ASSOCIATES/LOANS TO AN ASSOCIATE *(continued)*

(c) Summarised financial information of material associates *(continued)*

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Revenue	**22,236,385**	20,070,422
(Loss) profit and total comprehensive income for the year	**(3,850,679)**	1,690,672
(Loss) profit and total comprehensive income for the year attributable to:		
Non-controlling interests	**(2,576,934)**	1,150,008
Holders of perpetual notes	**64,500**	22,442
Dividends received from the associate during the year	**124,111**	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Net assets of Jingneng International	**8,157,895**	10,116,694
Proportion of the Group's ownership interest in Jingneng International	**20%**	20%
Group's share of net assets of Jingneng International	**1,631,579**	2,023,339
Goodwill	**35,270**	35,270
Carrying amount of the Group's interest in Jingneng International	**1,666,849**	2,058,609

22. INVESTMENTS IN ASSOCIATES/LOANS TO AN ASSOCIATE *(continued)*

(c) Summarised financial information of material associates *(continued)*

BEH Finance

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Non-current assets	**21,194,522**	20,895,349
Current assets	**19,380,210**	9,250,889
Non-current liabilities	**9,399**	5,656
Current liabilities	**33,418,318**	23,160,861

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Revenue	**904,304**	498,319
Profit for the year/period	**479,500**	308,678
Other comprehensive income (expense) for the year/period	**23,330**	(23,330)
Dividends received from the associate during the year/period	**67,107**	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Net assets of BEH Finance	**7,147,015**	6,979,721
Proportion of the Group's ownership interest in BEH Finance	**20%**	20%
Group's share of net assets of BEH Finance	**1,429,403**	1,395,944
Carrying amount of the Group's interest in BEH Finance	**1,429,403**	1,395,944

22. INVESTMENTS IN ASSOCIATES/LOANS TO AN ASSOCIATE *(continued)*

(d) Aggregate information of associates that are not individually material:

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Cost of investment in an associate	**19,120**	–
Group's share of profit and total comprehensive income for the year	**2,555**	2,401
Dividends received from the associate during the year	**2,860**	–
Aggregate carrying amount of the Group's interests in these associates	**82,770**	63,955

23. INVESTMENT IN A JOINT VENTURE/LOANS TO A JOINT VENTURE

(a) Investment in a joint venture

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Unlisted equity investment, at cost	**152,500**	152,500
Share of post-acquisition loss	**(59,390)**	(21,596)
	93,110	130,904

23. INVESTMENT IN A JOINT VENTURE/LOANS TO A JOINT VENTURE *(continued)*

(a) Investment in a joint venture *(continued)*

The joint venture of the Group was established and operates in the PRC. The details of the joint venture as at 31 December 2021 and 2020 are set out below:

Name of the joint venture	Paid up registered capital	Equity interest attributable to the Group At 31 December		Proportion of voting rights held by the Group At 31December		Principal activities
		2021	2020	**2021**	2020	
北京華源惠眾環保科技有限公司 (Beijing Huayuan Huizhong Environmental Protection Technology Co., Ltd., English name for identification purpose)	RMB160,000,000	**50%**	50%	**50%**	50%	Environment protection technology

(b) Loans to a joint venture

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Loans to a joint venture	**70,000**	70,000

As at 31 December 2021 and 2020, the loans to a joint venture are unsecured, carried interest at the prevailing interest rate promulgated by the PBOC per annum. The loans of RMB50,000,000 and the remaining balance were originally to be repaid on 15 January 2022 and 18 March 2022 respectively. As at 31 December 2021, the directors are of the opinion that repayment dates of the above loans will be extended upon maturity, of which RMB50,000,000 of the loans will be extended to 15 January 2023, and the remaining will be extended to 18 March 2023. The extension is completed after the reporting period.

24. DEFERRED TAXATION

The following are the Group's major deferred tax assets (liabilities) recognised and movements thereon during the years ended 31 December 2021 and 2020:

	Tax loss	Impairment loss of financial assets	Temporary differences on fair value adjustments in acquisition of subsidiaries	Fair value change of equity instruments at FVTOCI	Trial run profit	Deferred income related to clean energy production	Different depreciation rate	Trial run loss	Fair value change of financial asset at FVTPL	Derivative financial instruments	Others	Total
	RMB'000	RMB'000	RMB'000 (note(c))	RMB'000	RMB'000 (note(a))	RMB'000 (note(b))	RMB'000	RMB'000 (note(a))	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2020	41,642	5,628	(24,306)	(3,571)	113,767	78,258	(96,376)	(48,428)	14,432	28,323	21,124	130,493
(Charge) credit to profit or loss (Note12)	(4,512)	962	1,486	-	(564)	(23,967)	(12,713)	4,683	8,389	390	2,116	(23,730)
Credit (charge) to other comprehensive income	-	-	-	3,851	-	-	-	-	-	(7,569)	-	(3,718)
Acquisition of subsidiaries (Note 44)	-	-	416	-	-	-	-	-	-	-	-	416
Exchange adjustments	(410)	-	-	-	-	-	(3,079)	-	(1,320)	3,657	180	(972)
At 31 December 2020	36,720	6,590	(22,404)	280	113,203	54,291	(112,168)	(43,745)	21,501	24,801	23,420	102,489
(Charge) credit to profit or loss (Note12)	(29,423)	(287)	(1,348)	-	(2,829)	(49,451)	(1,652)	4,683	(13,378)	(22,809)	7,234	(109,260)
Charge to other comprehensive income	-	-	-	(10,681)	-	-	-	-	-	(7,468)	-	(18,149)
Acquisition of subsidiaries (Note 44)	-	5,356	(79,155)	-	-	-	-	-	-	-	-	(73,799)
Exchange adjustments	(914)	-	-	-	-	-	8,956	-	(414)	(1,534)	201	6,295
At 31 December 2021	6,383	11,659	(102,907)	(10,401)	110,374	4,840	(104,864)	(39,062)	7,709	(7,010)	30,855	(92,424)

24. DEFERRED TAXATION *(continued)*

Notes:

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

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

(c) The carrying amount of certain property, plant and equipment and intangible assets was different from their tax bases as a result of the fair value exceeding the book value in connection with the business combinations.

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

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Deferred tax assets	**189,488**	296,104
Deferred tax liabilities	**(281,912)**	(193,615)
	(92,424)	102,489

24. DEFERRED TAXATION *(continued)*

Details of tax losses and temporary differences not recognised are set out below:

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Tax losses	**1,250,898**	1,059,276
Temporary differences	**142,908**	119,521
	1,393,806	1,178,797

The Group has not recognised deferred tax assets on above tax losses and temporary differences because it is not probable that the future taxable profits will be available in relevant subsidiaries to offset the tax losses.

As at 31 December 2021, included in the above tax losses are tax losses in Hong Kong of RMB40,547,000 (2020: RMB40,303,000), which can be carried forward against future taxable income and have no expiry date.

The remaining unrecognised tax losses will expire as follows:

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
2021	**–**	155,499
2022	**174,589**	174,589
2023	**163,986**	163,986
2024	**269,856**	269,856
2025	**250,393**	255,043
2026	**351,527**	–
	1,210,351	1,018,973

25. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Unlisted equity investments	**109,637**	66,911

The above unlisted equity investments represent the Group's equity interests in unlisted equity securities issued by state-owned entities established in the PRC. The Directors have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

26. INVENTORIES

Inventories as at 31 December 2021 mainly represent consumable spare parts used for maintenance. During the year ended 31 December 2021, the cost of inventories recognised as expense was RMB277,979,000 (2020: RMB190,327,000).

27. TRADE AND BILLS RECEIVABLES

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Trade receivables		
– goods and services	**2,017,384**	2,198,687
– clean energy power price premium	**9,421,023**	6,683,224
Bills receivable	**256,304**	294,875
	11,694,711	9,176,786
Less: Allowance for credit losses	**(16,395)**	(17,469)
	11,678,316	9,159,317

27. TRADE AND BILLS RECEIVABLES *(continued)*

The Group allows an 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	
	2021	2020
	RMB'000	*RMB'000*
Within 60 days	**3,046,779**	2,849,843
61 to 365 days	**3,076,268**	2,649,928
1 to 2 years	**3,057,498**	2,200,362
2 to 3 years	**1,961,944**	906,255
Over 3 years	**535,827**	552,929
	11,678,316	9,159,317

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

The clean energy power price premium is included as a component of the government-approved on-grid tariff of wind power and photovoltaic power. As at 31 December 2021, most of the operating projects have been approved for the tariff premium and certain projects are in the process of applying for the approval. The Directors are of the opinion that the approvals will be obtained in due course and the tariff premium receivables are fully recoverable considering that there are no bad debt experiences with the power grid companies in the past and the tariff premium is funded by the PRC government.

The Group applies the simplified approach to the provision for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for trade receivables. To measure the expected credit loss of trade receivables excluding tariff premium receivables, trade receivables have been grouped based on shared credit risk characteristics and the ageing.

27. TRADE AND BILLS RECEIVABLES *(continued)*

As at 31 December 2021, included in the Group's trade receivables balance for goods and services are debtors with aggregate carrying amount of RMB147,570,000 (2020: RMB194,335,000) which are past due as at the reporting date.

At 31 December 2021, trade receivables amounting to RMB1,426,176,000 (2020: RMB135,878,000) are pledged for bank borrowings set out in Notes 34(e) and 46.

Bills receivable are mainly bank's acceptance bills endorsed by the PRC state-owned power grid companies.

Details of impairment assessment of trade and bills receivables are set out in Note 50(b).

28. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Other miscellaneous receivables	**42,841**	80,340
Security deposits	**175,089**	342,554
Prepayments	**114,525**	65,662
	332,455	488,556
Less: Allowance for credit losses	**(24,706)**	(24,778)
	307,749	463,778

Detail of impairment assessment of other receivables and deposits are set out in Note 50(b).

29. VALUE-ADDED TAX RECOVERABLE

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Value-added tax recoverable, classified as:		
– Current	**553,873**	469,666
– Non-current	**1,557,553**	1,114,305
	2,111,426	1,583,971

In accordance with the Provisional Regulations of the People's Republic of China on Value-Added Tax, the value-added tax payable on the Group's revenue can be set off by the value-added tax paid by the Group on acquisition of property, plant and equipment and service concession assets. Accordingly, the value-added tax paid by the Group on acquisition of property, plant and equipment and service concession assets is recognised as value-added tax recoverable and will be set off against the Group's value-added tax payable to be arisen on future revenue. Value-added tax recoverable is classified as current if it would probably be set off by value-added tax payable related to the revenue incurred in the next twelve months.

30. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Listed equity investment		
– Listed in Hong Kong *(Note)*	**270,270**	196,043

Note:

The Group holds 0.28% (2020: 0.28%) of the ordinary share capital of CGN Power Co., Ltd, a company listed on the Stock Exchange and the Shenzhen Stock Exchange which engaged in the nuclear power generation.

The fair value of listed equity investment is based on the quoted bid price.

31. RESTRICTED BANK DEPOSITS

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Restricted bank deposits pledged as collateral presented in the consolidated financial statements as:		
– Current	**23**	4,577
– Non-current	**66,718**	50,787
	66,741	55,364

At 31 December 2021 and 2020, the current restricted bank deposits mainly represented collaterals for property, plant and equipment.

At 31 December 2021 and 2020, the non-current restricted bank deposits mainly represented the guaranteed deposits for a long-term bank loan as required in the loan agreement.

At 31 December 2021, restricted bank deposits above carry variable prevailing interest rates of bank deposits placed in Mainland China and Australia (2020: Mainland China and Australia).

32. CASH AND CASH EQUIVALENTS

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

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Bank deposits denominated in:		
– RMB	**791,400**	573,697
– HK$	**29,194**	371,834
– Australian dollars ("AU$")	**345,304**	453,897
– United States dollars ("US$")	**5,173**	5,139
Deposits in a related non-bank financial institution denominated in RMB	**3,926,228**	2,892,859
Cash on hand denominated in RMB	**1**	24
	5,097,300	4,297,450

The Group had certain amount of deposits placed with BEH Finance, a non-bank financial institution approved by China Banking and Insurance Regulatory Commission as at 31 December 2021 and 2020. Such deposits are short-term and are subject to an insignificant risk of changes in value, accordingly, the balances had been regarded as cash and cash equivalents.

The deposits in banks and a related non-bank financial institution at the end of the reporting period carry interest at the following variable interest rates per annum:

	At 31 December	
	2021	2020
Range of interest rates per annum	**0.01% to 1.55%**	0.01% to 1.55%

33. TRADE AND OTHER PAYABLES

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Trade payables	**2,481,748**	2,384,450
Payables for acquisition of property, plant and equipment	**1,760,087**	1,601,100
Retention payables	**881,261**	446,166
Bills payable	**–**	20,000
Salary and staff welfares	**111,416**	103,870
Non-income tax payables	**362,332**	164,689
Others	**341,439**	338,714
	5,938,283	5,058,989

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.

33. TRADE AND OTHER PAYABLES *(continued)*

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	
	2021	2020
	RMB'000	*RMB'000*
Within 30 days	**1,471,876**	1,676,193
31 to 365 days	**515,932**	563,194
1 to 2 years	**397,860**	115,688
2 to 3 years	**64,198**	37,516
Over 3 years	**31,882**	11,859
	2,481,748	2,404,450

The Group's trade payables denominated in a currency other than the functional currency of the relevant group entities are set out below:

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Eurodollar ("EUR")	**15,836**	25,307

34. BANK AND OTHER BORROWINGS

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Bank loans	**25,200,354**	19,405,925
Other borrowings from:		
– a related non-bank financial institution *(note(a))*	**3,346,750**	3,142,250
– fellow subsidiaries *(note(b))*	**295,400**	220,000
– other non-related entities *(note(c))*	**327,331**	445,665
– BEH *(note(d))*	**1,146,760**	750
	30,316,595	23,214,590
Represented by:		
– Unsecured borrowings	**25,452,053**	21,505,281
– Secured borrowings *(note(e))*	**4,864,542**	1,709,309
	30,316,595	23,214,590
Bank and other borrowings repayable based on scheduled repayment:		
– Within one year	**11,272,518**	12,318,322
– More than one year but not exceeding two years	**5,173,933**	2,457,544
– More than two years but not exceeding five years	**8,188,969**	5,184,929
– More than five years	**5,681,175**	3,253,795
	30,316,595	23,214,590
Less: Amount due within one year shown under current liabilities	**(11,272,518)**	(12,318,322)
Amount due after one year	**19,044,077**	10,896,268

34. BANK AND OTHER BORROWINGS *(continued)*

Notes:

(a) Other borrowings from a related non-bank financial institution represented loans from BEH Finance, a subsidiary of BEH. The loans from BEH Finance amounting to RMB3,346,750,000 (2020: RMB3,142,250,000) are unsecured, carry interest at rates that are the prevailing interest rates promulgated by the PBOC per annum, with a maximum premium or discount of 10.00% and variable by reference to the interest rates promulgated by PBOC. Part of the loan amounting to RMB2,443,500,000 is repayable in 2022, and the remaining balance of RMB903,250,000 is repayable in 2023 and 2026. The interest accrued attributed to the loans from BEH Finance above were RMB108,180,000 for the year ended 31 December 2021 (2020: RMB65,232,000).

(b) At 31 December 2021, the balance comprises the borrowings from 北京京豐熱電有限責任公司 (Beijing Jingfeng Thermal Power Co., Ltd., English name for identification purpose) ("Jingfeng Thermal") amounting to RMB70,000,000 (2020: RMB70,000,000) and 北京京能融資租賃有限公司 (Beijing Jingneng Financial Leasing Co., Ltd., English name for identification purpose, formerly known as Beijing Yuanshen Financial Leasing Co., Ltd.) ("Beijing Leasing") amounting to RMB225,400,000 (2020: Nil), which are subsidiaries of BEH. The loans from Jingfeng Thermal are unsecured, repayable in 2022, carried fixed interest rate at 3.85% per annum. The loans from Beijing Leasing are pledged by property, plant and equipment, repayable between 2022 and 2033, carrying a fixed interest rate at 4.15% per annum.

The interest expense attributed to the loans above was RMB10,124,000 for the year ended 31 December 2021 (2020: RMB10,667,000).

(c) The balance comprises borrowings from 光大金融租賃股份有限公司 (Ever Bright Financial Leasing Co., Ltd., English name for identification purpose)("Ever Bright Financial Leasing"), and certain independent financial institutions. As at 31 December 2021, the borrowings were:

(i) The secured loans granted by Ever Bright Financial Leasing amounting to RMB80,000,000 (2020: RMB200,000,000) were pledged by property, plant and equipment, carrying the variable interest rates with discount of 31.16% and 32.00%, variable by reference to the interest rates promulgated by the PBOC and repayable between 2022 and 2024.

(ii) The loans of RMB310,000,000 (2020: RMB310,000,000) in nominal amount were from 中國農發重點建設基金有限公司 (China Agricultural Development Fund Co., Ltd., English name for identification purpose) ("CAD Fund"). According to the agreements between 北京上莊燃氣熱電有限公司 (Beijing Shangzhuang Gas-fired Power Co., Ltd., English name for identification purpose) ("Shangzhuang Power"), a subsidiary of the Company, the Company and CAD Fund, the loans were provided by CAD Fund as capital injection to Shangzhuang Power ("Designated Capital Loan"). Upon receipt of the Designated Capital Loan, the Group and CAD Fund held 60.03% and 39.97% (2020: 60.03% and 39.97%) interests in Shangzhuang Power, respectively.

In the opinion of the Directors, the Designated Capital Loan is designated by certain government institutions to finance the construction of the gas-fired plant owned by Shangzhuang Power; and the relevant investment agreement required: (i) the Company is obliged to repurchased all shares of Shangzhuang Power issued to CAD Fund with a cash consideration of RMB110,000,000 on 19 November 2025, RMB100,000,000 on 2 March 2026, and RMB100,000,000 on 6 June 2026; (ii) CAD Fund does not have any influence over Shangzhuang Power or undertake any risk of investment, but only entitled to a fixed interest rate at 1.2% per annum which should be paid quarterly during the ten years of investment period. In the opinion of the Directors, the arrangement is in substance a financing arrangement from the government. The Group classified the above Designated Capital Loan as a financial liability, and continues to consolidate all results as if Shangzhuang power is a wholly-owned subsidiary of the Company.

The Designated Capital Loan is initially measured at its fair value of RMB221,000,000 at an effective interest rate of 4.90% per annum. The benefit derived from such loan of RMB89,000,000 (Note 38) that represents the difference between the proceeds and the fair value of the loan on initial recognition, is recognised as deferred income and will be recognised in profit or loss on the same basis as depreciation for the related plant. As at 31 December 2021, the Designated Capital Loan balance is RMB221,000,000 (2020: RMB221,000,000) which is measured at amortised cost using the effective interest method.

34. BANK AND OTHER BORROWINGS *(continued)*

Notes: (continued)

(d) As at 31 December 2021, the loans of RMB146,760,000 are unsecured, carry a fixed interest rate at 3.85% per annum and will be repayable between 2022 to 2024, the remaining loans of RMB100,000,000 and RMB900,000,000 carry fixed interest rates at 2.65% and 2.98% per annum respectively and will be repayable in 2023. The loans as at 21 December 2020 carried interest of 4.56% per annum are fully paid during the current year.

The interest expenses attributed to the loans were RMB17,911,000 for the year ended 31 December 2021 (2020: RMB35,000).

(e) Besides certain property, plant and equipment pledged to secure bank borrowings as set out in Note 17, the Group's borrowings are secured by following assets:

(i) As at 31 December 2021, certain of the Group's secured borrowings were secured with a charge over the right to receive the wind power electricity sale proceeds in eight (2020: two) subsidiaries. The relevant trade receivable balances were RMB1,426,176,000 as at 31 December 2021 (2020: RMB135,878,000).

(ii) The New GRWF and Gullen Solar Pty Ltd.'s syndicated loan, amounting to AU$148,668,000 (2020: AU$182,487,000), equivalent to RMB687,142,000 (2020: RMB915,410,000) is secured by the beneficial interest of the properties and pledged by the shares of New GRWF and Gullen Solar Pty Ltd.. The syndicated loan carries at floating interest rate at Bank Bill Bid Rate prevailing in Australia plus 1.80% (2020: 1.80%) per annum and repayable between 2021 and 2025 (2020: between 2021 and 2025). The Group enters into interest rate swaps to exchange variable rate interest for fixed rate interest in order to hedge against the cash flow interest rate risk (Note 37).

(iii) As at 31 December 2021, the Company's loans amounting to RMB535,000,000 and RMB185,000,000 (2020: Nil) are pledged by the shares of 寧夏博陽新能源有限公司 (Ningxia Boyang new energy Co., Ltd., English name for identification purpose) ("Ningxia Boyang") and 寧夏愷陽新能源有限公司 (Ningxia Kaiyang new energy Co., Ltd., English name for identification purpose) ("Ningxia Kaiyang") respectively, carrying a fixed rate at 3.75% per annum and repayable between 2022 and 2028 (2020: Nil).

34. BANK AND OTHER BORROWINGS *(continued)*

The following is an analysis of the Group's bank and other borrowings by variable and fixed interest rate:

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Variable interest rate	**15,104,459**	17,441,753
Fixed interest rate	**15,212,136**	5,772,837
	30,316,595	23,214,590

	At 31 December	
	2021	2020
Range of interest rates per annum:		
– Variable-interest borrowings	**2.09% to 4.99%**	2.09% to 4.99%
– Fixed-interest borrowings	**1.20% to 10.00%**	1.20% to 10.00%

As at 31 December 2021, the fair values of fixed interest rate borrowings are approximately RMB14,539,647,000 (2020: RMB5,457,153,000).

35. SHORT-TERM DEBENTURES

On 23 April 2021, the Company issued an ultra short-term commercial paper of RMB2,000,000,000 at par value, bearing an interest rate of 2.99%, and expiring on 21 January 2022.

On 24 June 2021, the Company issued an ultra short-term commercial paper of RMB2,000,000,000 at par value, bearing an interest rate of 2.68%, and expiring on 18 March 2022.

On 27 August 2021, the Company issued an ultra short-term commercial paper of RMB1,500,000,000 at par value, bearing an interest rate of 2.50%, and expiring on 27 May 2022.

On 4 November 2021, the Company issued an ultra short-term commercial paper of RMB2,000,000,000 at par value, bearing an interest rate of 2.52%, and expiring on 29 July 2022.

These commercial papers are traded on the National Association of Financial Market Institutional Investors (銀行間市場交易商協會) ("NAFMII") in the PRC.

36. MEDIUM-TERM NOTES/CORPORATE BONDS

On 1 December 2017, the Company issued 5-year medium-term note with total value of RMB2,000,000,000. The coupon rate is 5.50% per annum. Total proceeds received, net of issuance costs, amounted to RMB1,994,340,000. The medium-term note will be fully repaid on 1 December 2022.

On 3 April 2018, the Company issued 5-year medium-term note with total value of RMB1,500,000,000. The coupon rate is 5.19% per annum. Total proceeds received, net of issuance costs, amounted to RMB1,495,754,000. The medium-term note will be fully repaid on 3 April 2023.

On 9 April 2020, the Company issued 5-year medium-term note with total value of RMB1,000,000,000. The coupon rate is 3.25% per annum. Total proceeds received net of issuance costs, amounted to RMB998,585,000. The medium-term note will be fully repaid on 13 April 2025.

On 13 November 2019, the Company issued 3-year corporate bonds with total value of RMB1,000,000,000. The coupon rate is 3.64% per annum. Total proceeds received, net of issuance costs, amounted to RMB999,642,000. The corporate bonds will be fully repaid on 13 November 2022.

On 16 April 2020, the Company issued corporate bonds with total value of RMB1,000,000,000. Of which, RMB600,000,000 was 5-year corporate bonds, with coupon rate of 3.22% per annum, RMB400,000,000 was 3-year corporate bonds, with coupon rate of 2.65% per annum. Total proceeds received, net of issuance costs, amounted to RMB999,642,000. The corporate bonds will be repaid on 16 April 2023 and 16 April 2025 respectively.

37. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Derivative financial assets		
Cash flow hedges – Interest rate swaps *(note(a))*	**11,371**	–
Fixed forward commodity contract *(note(b))*	**41,136**	–
	52,507	–
Analysed as:		
– Current	**–**	–
– Non-current	**52,507**	–
	52,507	–
Derivative financial liabilities		
Cash flow hedges – Interest rate swaps *(note(a))*	**(1,034)**	(21,068)
Fixed forward commodity contract *(note(b))*	**–**	(43,510)
	(1,034)	(64,578)
Analysed as:		
– Current	**–**	(19,576)
– Non-current	**(1,034)**	(45,002)
	(1,034)	(64,578)

37. DERIVATIVE FINANCIAL ASSETS/LIABILITIES *(continued)*

Notes:

(a) Cash flow hedges – Interest rate swaps

At the end of the reporting period, the Group had the following interest rate swaps contracts designated as highly effective hedging instruments in order to manage the Group's interest rate risk exposure in relation to the New GRWF's syndicated loans (Note 34(e(ii))) and Newtricity Biala Pty Ltd.'s syndicated loans.

The terms of the interest rate swaps contracts have been negotiated to match the terms of the respective designated hedged items.

Major terms of these contracts are as follows:

At 31 December 2021

Notional amount	Maturity	Swaps
AU$111,500,000 (equivalent to RMB515,353,000)	17 September 2025	Bank Bill Bid Rate prevailing in Australia+1.80% for 2.15%
AU$153,797,200 (equivalent to RMB710,850,000)	28 March 2024	Bank Bill Bid Rate prevailing in Australia+0.84% for 1.91%

At 31 December 2020

Notional amount	Maturity	Swaps
AU$137,980,000 (equivalent to RMB692,151,000)	17 September 2025	Bank Bill Bid Rate prevailing in Australia+1.80% for 2.15%
HK$1,420,000,000 (equivalent to RMB1,195,129,000)	21 June 2021	HIBOR+1.43% for 4.20%

37. DERIVATIVE FINANCIAL ASSETS/LIABILITIES *(continued)*

Notes: (continued)

(b) Fixed forward commodity contract

New GRWF entered into the PPA contract (the "Australian PPA Contract") with a counterparty (an electricity retailer in Australia) in 2013. Under the Australian PPA Contract, New GRWF will sell its electricity product on the spot price in Australian national energy market, but both parties agreed that the difference between the actual price realised in the market and a fixed price determined in the Australian PPA Contract will be net settled in cash. The Australian PPA Contract results in New GRWF converting its floating price electricity sales revenue that will be earned during the contract period (ten years effective from the wind farms of New GRWF starting to operate) to a fixed price revenue, with the fixed price being escalated at 2.50% per annum over the contract period.

Major terms of the Australian PPA Contract are as follows:

Notional amount	Maturity	Fixed prices
Up to the maximum capacity of the wind farm	Effective for 10 years from the operation of the wind farm to start (31 December 2014)	Peak/off peak rates as at 1 January 2012 (AU$58.81 per MWh and AU$40.29 per MWh, respectively) and escalated 2.50% per annum since then

In previous years, the Group applied hedge accounting for the Australian PPA Contract, the effective portion of the changes in fair value of the Australian PPA Contract that are designated and qualified as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve.

From 1 January 2019, the Group ceased to apply hedge accounting for the Australian PPA Contracts. During the year ended 31 December 2021, fair value gain of the Australian PPA Contract amounting to RMB85,343,000 (2020: fair value loss of RMB1,300,000) has been recognised in profit or loss. The Gain or loss recognised in other comprehensive income and accumulated in equity remains in equity and is recognised when the forecast transactions is ultimately recognised in profit or loss.

38. DEFERRED INCOME

	Government grants and subsidies		
	Clean energy production	Construction of assets	Total
	RMB'000	*RMB'000*	*RMB'000*
	(note(a))	*(notes(b) and (c))*	
At 1 January 2020	313,033	485,258	798,291
Additions	341,711	3,035	344,746
Released to profit or loss	(426,408)	(52,482)	(478,890)
At 31 December 2020	**228,336**	**435,811**	**664,147**
Additions	**291,055**	**1,563**	**292,618**
Released to profit or loss	**(500,030)**	**(55,836)**	**(555,866)**
At 31 December 2021	**19,361**	**381,538**	**400,899**

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Presented in the consolidated financial statements as:		
– Current	**19,361**	228,336
– Non-current	**381,538**	435,811
	400,899	664,147

38. DEFERRED INCOME *(continued)*

Notes:

(a) The Group's gas power facilities located in Beijing, the PRC are entitled to a subsidy policy promulgated by the Beijing Government. The Beijing Government compensates the Group based on a pre-determined rate and quantities approved from time to time for the sale of electricity generated by those facilities. The Group recognises deferred income when the Group receives the relevant government subsidies. The deferred income will be released to profit or loss based on the actual volume of electricity generated from and sold by the Group's related gas and wind power facilities and at the pre-determined subsidising rate. The amounts released to profit or loss are set out in Note 8.

(b) Grants related to construction of assets are provided by several local governments in the PRC to encourage the construction of clean energy facilities. The Group records these grants as deferred income upon receipt of the grants and releases to profit or loss to match with the depreciation charge of related assets. The amounts of RMB46,895,000 (2020: RMB43,959,000) released to profit or loss are set out in Note 8.

(c) Amount of RMB89,000,000 included in grants related to construction of assets is a benefit derived from a government designated capital loan (Note 34(c)(ii)). During the year, the amount released to profit or loss is RMB8,941,000 (2020: RMB8,523,000).

39. LEASE LIABILITIES

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Lease liabilities payable:		
Within one year	**89,762**	64,659
One to two years	**83,212**	85,796
Two to five years	**160,232**	180,985
Over five years	**567,784**	569,555
	900,990	900,995
Less: Amount due for settlement with 12 month shown under current liabilities	**(89,762)**	(64,659)
Amount due for settlement after 12 months shown under non-current liabilities	**811,228**	836,336

The weighted average incremental borrowing rates applied to lease liabilities is 4.76% (2020: 4.77%).

40. OTHER NON-CURRENT LIABILITY

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
At the beginning of the year	**19,402**	24,285
Released to profit or loss	**(5,323)**	(5,277)
Effect of foreign currency exchange difference	**(1,462)**	394
At the end of the year	**12,617**	19,402

At the date of acquisition of New GRWF, the Group recognised the contractual obligation as a liability pursuant to IFRS 3 Business Combinations. The liability was initially recognised at fair value which represented the discounted cash flow related to the difference between the contracted fixed prices and the estimated future market prices. At the end of each reporting period, the liability will be measured at the amount initially recognised less cumulative amortisation recognised in profit or loss on a straight-line basis during the contract period.

41. SHARE CAPITAL

	Number of shares			
	Domestic legal person shares	**H shares**	**Total**	**Share capital**
	'000	*'000*	*'000*	*RMB'000*
At 1 January 2020, 31 December 2020 and 2021	5,414,831	2,829,677	8,244,508	8,244,508

42. CAPITAL RESERVE

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Share premium on share issuance	**2,876,757**	2,876,757
Effects on acquisition of additional interests in a subsidiary	**(19,043)**	(19,043)
Effects on equity transactions with holding company	**1,076,759**	1,076,759
	3,934,473	3,934,473

43. PERPETUAL NOTES

(a) Issued on 15 May 2020

The Company issued perpetual medium-term notes at par value on 15 May 2020, with a total principal amount of RMB1,500,000,000 ("Perpetual Notes"). The proceeds from the issuance of the Perpetual Notes after netting off the issuance cost are RMB1,493,250,000.

The coupon rate for the first three years up to 19 May 2023 is 3.44% per annum, which is paid annually in arrears on 19 May in each year ("Coupon Payment Date"). The Company may defer any interest at its own discretion unless compulsory coupon payment events (including distributions to ordinary shareholders of the Company (except for handing in the state-owned capital proceeds required by relevant regulations of state-owned assets management) or reduction of the registered capital of the Company) has occurred. The deferred interest is interest bearing at the current coupon rate during the interest deferral period.

The Perpetual Notes have no fixed maturity and are callable at the Company's option, on 19 May 2023 or on any Coupon Payment Date afterwards, at their principal amounts together with any accrued, unpaid or deferred coupon interest payments.

After 19 May 2023, the coupon rate will be reset every three years to a percentage per annum equal to the sum of (i) the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (ii) current period benchmark interest rate, and (iii) a margin of 300 base points. While any coupon interest payments are unpaid or deferred, the Group cannot pay dividends (Except for handing in the state-owned capital proceeds required by relevant regulations of state-owned assets management)or reduce its registered capital.

43. PERPETUAL NOTES *(continued)*

(b) Issued on 15 July 2021

The Company issued perpetual medium-term notes at par value on 15 July 2021, with a total principal amount of RMB500,000,000 ("Perpetual Notes"). The proceeds from the issuance of the Perpetual Notes after netting off the issuance cost are RMB498,585,000.

The coupon rate for the first two years up to 19 July 2023 is 3.23% per annum, which is paid annually in arrears on 19 July in each year ("Coupon Payment Date"). The Company may defer any interest at its own discretion unless compulsory coupon payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) has occurred. The deferred interest is interest bearing at the current coupon rate during the interest deferral period.

The Perpetual Notes have no fixed maturity and are callable at the Company's option, on 19 July 2023 or on any Coupon Payment Date afterwards, at their principal amounts together with any interest payable (including all deferred coupon interest payments).

After 19 July 2023, the coupon rate will be reset every two years to a percentage per annum equal to the sum of (i) the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (ii) current period benchmark interest rate, and (iii) a margin of 300 base points per annum. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends (Except for handing in the state-owned capital proceeds required by relevant regulations of state-owned assets management) or reduce its registered capital.

43. PERPETUAL NOTES *(continued)*

(c) Issued on 16 December 2021

The Company issued perpetual medium-term notes at par value on 16 December 2021, with a total principal amount of RMB1,000,000,000 ("Perpetual Notes"). The proceeds from the issuance of the Perpetual Notes after netting off the issuance cost are RMB995,500,000.

The coupon rate for the first three years up to 20 December 2024 is 3.30% per annum, which is paid annually in arrears on 20 December in each year ("Coupon Payment Date"). The Company may defer any interest at its own discretion unless compulsory coupon payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) has occurred. The deferred interest is interest bearing at the current coupon rate during the interest deferral period.

The Perpetual Notes have no fixed maturity and are callable at the Company's option, on 20 December 2024 or on any Coupon Payment Date afterwards, at their principal amounts together with any interest payable (including all deferred coupon interest payments).

After 20 December 2024, the coupon rate will be reset every three years to a percentage per annum equal to the sum of (i) the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (ii) current period benchmark interest rate, and (iii) a margin of 300 base points per annum. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends (Except for handing in the state-owned capital proceeds required by relevant regulations of state-owned assets management) or reduce its registered capital.

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

During the year ended 31 December 2021, the profit attributable to holders of the Perpetual Notes, based on the applicable coupon rate, was approximately RMB59,895,000 (2020: RMB31,950,000) and the coupon payment distributed to the holders of the perpetual notes was approximately RMB51,600,000 (2020: Nil).

44. ACQUISITION OF SUBSIDIARIES

Year ended 31 December 2021

During the year ended 31 December 2021, the Group acquired 100% of the issued share capital of the Targets for total consideration of RMB1,517,002,000 except Yichang Yiling Zhongji Thermal Power Co., Ltd, of which 90% equity interest is acquired.

Each of these acquisitions have been accounted for separately using the purchase accounting method and bargain purchase gain was assessed and recognized on individual basis. Aggregated bargain purchase gain of RMB34,190,000 arising as a result of these acquisitions is based on the fair values of each of the Targets on their respective acquisition dates and recognised in profit or loss under other gains and losses in the consolidated statement of profit or loss and other comprehensive income. The Targets are engaged in the photovoltaic power generation, wind power generation, gas-fired power and heat energy generation. The Targets were acquired so as to continue the expansion of the Group's power operations.

The acquisition of these subsidiaries is determined to be business combinations, and optional concentration test is not elected.

44. ACQUISITION OF SUBSIDIARIES *(continued)*

Year ended 31 December 2021 *(continued)*

Name of the Targets	Acquisition date	Acquisition consideration *RMB'000*
宜昌市夷陵區中基熱電有限公司 (Yichang Yiling Zhongji Thermal Power Co., Ltd.)*	24 August 2021	41,760
鄂托克前旗晟日新能源科技有限公司 (Etokeqian banner SHENGRI New Energy Technology Co., Ltd.)*	8 May 2021	372
河北融智新源電力有限公司 (Hebei Rongzhi Xinyuan Power Co., Ltd.)*	12 April 2021	4,996
Ningxia Boyang	1 November 2021	1,072,400
Ningxia Kaiyang	1 November 2021	380,640
平羅縣旭清新能源有限公司 (Pingluo Xuqing new energy Co., Ltd.)*	29 October 2021	4,788
廣東輝宇新能源投資有限公司 (Guangdong Huiyu New Energy Investment Co., Ltd.)*	1 November 2021	2,998
張家口風沐新能源有限公司 (Zhangjiakou Fengmu new energy Co., Ltd.)*	28 December 2021	9,048
		1,517,002

* English name for identification purpose

44. ACQUISITION OF SUBSIDIARIES *(continued)*

Year ended 31 December 2021 *(continued)*

Assets acquired and liabilities recognised at the respectively dates of acquisition (determined on a provisional basis for fair value pending for the valuation carried out by an independent firm of professional valuer) are as follows:

	RMB'000
Assets acquired and liabilities recognised at the dates of acquisition	
Property, plant and equipment	2,141,130
Right-of-use assets	35,663
Intangible assets	672,494
Deferred tax assets	5,356
Trade and bills receivables	728,409
Other receivables, deposits and prepayments	76,611
Value-added tax recoverable	54,245
Cash and cash equivalents	760
Inventories	277
Trade and other payables	(681,112)
Bank and other borrowings	(1,375,285)
Lease liabilities	(22,228)
Deferred tax liabilities	(79,155)
Income tax payable	(1,333)
Fair value of net assets acquired	1,555,832
Bargain purchase gain arising on acquisitions	
Consideration transferred	1,517,002
Non-controlling interests	4,640
Less: Net assets acquired	(1,555,832)
	(34,190)
Net cash outflow arising on acquisitions	
Total consideration	1,517,002
Less: Sum not yet paid as at 31 December 2021	(155,030)
Less: Cash and cash equivalents acquired	(760)
	1,361,212

44. ACQUISITION OF SUBSIDIARIES *(continued)*

Year ended 31 December 2021 *(continued)*

Included in the profit for the year is RMB15,511,000 attributable to the additional business generated by the Targets. Revenue for the year includes RMB60,061,000 generated from the Targets.

Had the acquisitions been completed on 1 January 2021, revenue for the year of the Group would have been RMB18,699,140,000, and profit for the year of the Group would have been RMB2,530,445,000. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisitions been completed on 1 January 2021, nor is it intended to be a projection of future results.

In determining the pro-forma revenue and profit of the Group had the Targets been acquired at the beginning of the current year, the Directors have:

- calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements; and

- determined borrowing costs based on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

Year ended 31 December 2020

During the year ended 31 December 2020, the Group acquired 100% of the issued share capital of the four photovoltaic companies (The “2020 Targets”) for total consideration of RMB34,183,000.

These acquisitions have been accounted for using the purchase method. Bargain purchase gain of RMB151,051,000 arising as a result of these acquisitions is recognised in profit or loss under other gains and losses in the consolidated statement of profit or loss and other comprehensive income. The 2020 Targets are all engaged in the photovoltaic power generation. The 2020 Targets were acquired so as to continue the expansion of the Group’s photovoltaic power generation operations.

The acquisition of the subsidiaries is determined to be business combinations, and optional concentration test is not elected.

44. ACQUISITION OF SUBSIDIARIES *(continued)*

Year ended 31 December 2020 *(continued)*

Assets acquired and liabilities recognised at the dates of acquisition are as follows:

	RMB'000
Assets acquired and liabilities recognised at the dates of acquisition	
Property, plant and equipment	1,346,528
Right-of-use assets	108,892
Intangible assets	564,868
Deferred tax assets	2,609
Trade and bills receivables	380,311
Other receivables, deposits and prepayments	16,514
Value-added tax recoverable	195,744
Cash and cash equivalents	38,908
Trade and other payables	(2,060,603)
Bank and other borrowings	(380,950)
Lease liabilities	(25,145)
Deferred tax liabilities	(2,193)
Income tax payable	(249)
Fair value of net assets acquired	185,234
Bargain purchase gain arising on acquisitions	
Consideration transferred	34,183
Less: Net assets acquired	(185,234)
	(151,051)
Net cash inflow arising on acquisitions	
Total consideration	34,183
Less: Sum not yet paid as at 31 December 2020	(27,761)
Less: Cash and cash equivalents acquired	(38,908)
	(32,486)

44. ACQUISITION OF SUBSIDIARIES *(continued)*

Year ended 31 December 2020 *(continued)*

Included in the profit for the year is RMB39,151,000 attributable to the additional business generated by the 2020 Targets. Revenue for the year includes RMB94,283,000 generated from the 2020 Targets.

Had the acquisitions been completed on 1 January 2020, revenue for the year of the Group would have been RMB17,227,564,000, and profit for the year of the Group would have been RMB2,473,086,000. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisitions been completed on 1 January 2020, nor is it intended to be a projection of future results.

In determining the pro-forma revenue and profit of the Group had the 2020 Targets been acquired at the beginning of the current year, the Directors have:

- calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements; and

- determined borrowing costs based on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

45. CAPITAL COMMITMENTS

The Group had the following commitments

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
– Acquisition of property, plant and equipment	**6,277,816**	3,657,075

46. PLEDGE OF ASSETS

(a) The following assets were pledged to secure certain bank borrowings granted to the Group as at 31 December 2021 and 2020.

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Property, plant and equipment	**3,683,441**	2,353,117
Trade receivables	**1,426,176**	135,878
Restricted bank deposits	**44,038**	52,259
	5,153,655	2,541,254

(b) **Shares pledged**

As at 31 December 2021, the Group pledged 100% (2020: 75%) equity interest of New GRWF and Gullen Solar Pty Ltd., subsidiaries of the Company, to National Australia Bank ("NAB") in Australia in connection with the loan facilities granted by NAB and pledged 100% (2020: Nil) equity interests of Ningxia Boyang and Ningxia Kaiyang, subsidiaries of the Company, to National Development Bank ("NDB") in China in connection with the loans granted by NDB.

47. RETIREMENT BENEFIT SCHEME CONTRIBUTIONS

During the year ended 31 December 2021, total amount of RMB82,875,000 (2020: RMB41,981,000) including retirement benefit cost of directors of RMB212,000 (2020: RMB9,000) was recognised in profit or loss as retirement benefit scheme contributions.

The Group participates in retirement benefit schemes organised by the local government authorities in the PRC. The local government authorities in the PRC are responsible for managing the pension liabilities to the retired employees. For the pension liabilities to these retired employees, the Group's obligation is only to make monthly contributions at 16% (2020: 16%) of salary for the years ended 31 December 2021.

During the years ended 31 December 2021 and 2020, the Group had no forfeited contributions under the scheme which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 December 2021 and 2020 under the scheme which may be used by the Group to reduce the contribution payable in future years.

48. RELATED PARTY BALANCES AND TRANSACTIONS

(a) Besides loans to an associate and a joint venture, and deposits in a related non-bank financial institution as set out in Notes 22, 23 and 32, the Group has amounts due from the following related parties and the details are set out below:

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Amounts due from:		
BEH	**1,956**	2,016
Associates	**518**	153
Joint venture	**93**	93
Fellow subsidiaries	**479,772**	167,931
	482,339	170,193
Represented by:		
Trade *(note)*	**481,728**	169,536
Non-trade *(note)*	**611**	657
	482,339	170,193

Note: The Group allow a credit period of 60 days for its trade receivables. The non-trade balances are repayable on demand. All balances are interest-free, unsecured and aged within one year.

48. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

(b) Besides the balances in borrowings from a related non-bank financial institution, fellow subsidiaries and BEH as set out in Note 34, the Group has amounts due to the following related parties and the details are set out below:

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Amounts due to:		
Fellow subsidiaries	**114,607**	184,114
Associates	**8,570**	5,424
BEH	**9,784**	1
	132,961	189,539
Represented by:		
Trade *(note)*	**101,493**	170,400
Payables for acquisition of property, plant and equipment	**13,114**	13,207
Non-trade *(note)*	**18,354**	5,932
	132,961	189,539

Note: The Group apply a credit period of 60 days for its trade payables. The non-trade balances are repayable on demand. All balances are interest-free, unsecured and aged within one year.

(c) The Group operates in an economic environment predominated by enterprises directly or indirectly owned or controlled by the PRC government through its numerous authorities, affiliates or organisations (collectively "State-owned Enterprises"). During the year ended 31 December 2021, the Group had transactions with State-owned Enterprises including, but not limited to, sales of goods, purchases of property, plant and equipment and borrowings. The Directors consider that the transactions with these State-owned Enterprises are activities in the ordinary course of the Group's business and that the dealings of the Group have not been significantly or unduly affected by the fact the Group and these State-owned Enterprises are ultimately controlled or owned by the PRC government. Having due regard to the substance of the relationship, the Directors are of the opinion that none of these transactions are material related party transactions that require separate disclosure.

48. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

(d) Transactions with related parties:

During the year ended 31 December 2021, besides interest income received from an associate, a joint venture and a related non-bank financial institution as set out in Note 11, and interest expense charged by related parties as set out in Notes 34(a), 34(b) and 34(d), the Group entered into the following significant transactions with its related parties:

(i) Equipment maintenance services from related parties

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Fellow subsidiaries	**279,690**	238,044

(ii) Administration services from related parties

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Fellow subsidiaries	**44,699**	47,411

(iii) Leasing properties from related parties

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Expenses relating to short-term leases paid to fellow subsidiaries	**44,474**	46,198

48. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

(d) Transactions with related parties: *(continued)*

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

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
A fellow subsidiary	**14,400**	17,373

(v) Property management fee charged by related parties

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Fellow subsidiaries	**63,371**	62,256

(vi) Heat energy sold to a related party

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
A fellow subsidiary	**1,735,474**	1,845,035

(vii) Equipment purchase framework agreement

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Equipment purchase from fellow subsidiaries	**115,551**	143,683

48. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

(d) Transactions with related parties:*(continued)*

(viii) EPC framework agreement

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Service fees charged by a fellow subsidiary	**16,801**	4,568

(ix) Finance lease framework agreement

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Finance lease with a fellow subsidiary	**–**	247,730

During the year ended 31 December 2020, the Group entered into a finance lease agreement for equipment related to a photovoltaic power with a fellow subsidiary for 10 years. The Group has recognised an addition of right-of-use assets and lease liabilities with the same amount of RMB247,730,000.

(x) Operating services from related parties

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Service fees charged by fellow subsidiaries	**5,804**	9,366

48. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

(d) Transactions with related parties:*(continued)*

(xi) Generation Rights purchase from a related party

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
A fellow subsidiary	**1,664**	10,243

(e) Compensation of key management personnel

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Directors' fees	**500**	500
Basic salaries and allowances	**8,120**	7,003
Retirement benefit contributions	**370**	29
	8,990	7,532

Key management represents the Directors and other senior management personnel disclosed in the annual report. The remuneration of key management is determined by the remuneration committed having regard to the performance of individuals and market trends.

(f) In addition, the Group also has entered into other various transactions with other government-related entities in its ordinary course of business. In view of the insignificance of these transactions, the Directors are of the opinion that separate disclosure is not meaningful.

49. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts (which include bank and other borrowings, short-term debentures, medium-term notes, corporate bonds, net of cash and cash equivalents, and restricted bank deposits), and equity attributable to ordinary shareholders of the Company, comprising issued share capital, retained profits and other reserves.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with capital, and take appropriate actions to balance its overall capital structure.

50. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Financial assets		
Financial assets at amortised cost	**17,695,920**	14,267,440
Financial assets at FVTPL	**270,270**	196,043
Equity instruments at FVTOCI	**109,637**	66,911
Derivative financial assets	**52,507**	–
Financial liabilities		
Financial liabilities at amortised cost	**50,114,629**	41,865,964
Derivative financial liabilities	**1,034**	64,578

50. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies

The Group's major financial instruments include derivative financial assets, trade and bills receivables, other receivables and deposits, equity instruments at FVTOCI, financial assets at FVTPL, loans to an associate and a joint venture, cash and cash equivalents, restricted bank deposits, trade and other payables, amounts due from/to related parties, bank and other borrowings, short-term debentures, medium-term notes, corporate bonds and derivative financial liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose primarily to the market risks of changes in interest rates, foreign currency exchange rates and other price risk.

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk during the year ended 31 December 2021.

(i) Interest rate risk management

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on loans to an associate and a joint venture, cash and cash equivalents, restricted bank deposits, bank and other borrowings carried at variable interest rate and lease liabilities. The Group's cash flow interest rate concentrated on prevailing market interest based on the interest rates quoted by the PBOC plus a premium or less a discount. The Group enters into interest rate swaps to hedge against its exposure to changes in cash flow of certain borrowings. The interest rate swaps are designated as an effective hedging instrument and hedge accounting is applied (see Note 37 for details).

The Group's fair value interest rate risk mainly included bank borrowings carried at fixed interest rate, short-term debentures, medium-term notes, corporate bonds and lease liabilities.

50. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Market risk (continued)

(i) Interest rate risk management (continued)

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates. Details of the impacts on the Group's risk management strategy arising from the interest rate benchmark reform and the progress towards implementation of alternative benchmark interest rates are set out under "interest rate benchmark reform" in this note.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for financial instruments at the end of each reporting period. For those financial instruments bearing floating interest rate, the analyses are prepared assuming the amount of balances outstanding at the end of each reporting period was outstanding for the whole year. A 25 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2021 would decrease/increase by RMB16,105,000 (2020: RMB22,276,000).

50. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Market risk (continued)

(ii) Foreign currency risk management

Currency risk

The Group has certain assets and liabilities, including cash and cash equivalents (Note 32), bank loans (Note 34) and trade payables (Note 33) denominated in foreign currencies, hence risk exposure to exchange rate fluctuation arises.

Currency sensitivity

The Group is mainly exposed to exchange rate fluctuation on EUR, HK$, US$ and AU$, because trade payables caused by repairs and maintenance services were mainly denominated in EUR, and foreign currency bank balances denominated in HK$, US$ and AU$. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	31/12/2021	31/12/2020	**31/12/2021**	31/12/2020
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
EUR	**15,836**	25,307	**–**	–
HK$	**–**	–	**5,079**	1,060
US$	**–**	–	**3,967**	5,139
AU$	**–**	–	**4,759**	6,069

50. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Market risk (continued)

(ii) Foreign currency risk management (continued)

Currency risk *(continued)*

The following table details the Group's sensitivity to a 5% strengthening of RMB against EUR, HK$, US$ and AU$. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in the exchange rate of RMB against EUR, HK$, US$ and AU$. For a 5% weakening of RMB against EUR, HK$, US$ and AU$, there would be an equal and opposite impact on the profit after taxation for the year:

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Increase in profit (EUR)	**640**	1,027
Decrease in profit (HK$)	**(205)**	(43)
Decrease in profit (US$)	**(160)**	(208)
Decrease in profit (AU$)	**(192)**	(246)

50. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Market risk (continued)

(iii) Other price risks

The Group is exposed to equity price risk mainly through its investment in equity securities. The Group's equity price risk over investment in listed equity securities is mainly concentrated on an equity security operating in nuclear power industry sector quoted in the Hong Kong Stock Exchange. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices had been 15% higher/lower:

Profit for the year ended 31 December 2021 would increase/decrease by RMB33,851,000 (2020: RMB24,554,000) as a result of the changes in fair value of financial asset at FVTPL.

Credit risk and impairment assessment

The Group's credit risk is primarily attributable to its trade and bills receivables, other receivables and deposits, loans to an associate and a joint venture, amounts due from related parties, restricted bank deposits, and cash and cash equivalents. As at 31 December 2021, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

50. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

		At 31 December	
	12-month or lifetime ECL	**2021 Gross carrying amount** ***RMB'000***	2020 Gross carrying amount *RMB'000*
Financial assets at amortised cost			
Loans to an associate and a joint venture and amounts due from related parties *(Note i)*	12m ECL	**660,339**	357,193
Restricted bank deposits, and cash and cash equivalents *(Note i)*	12m ECL	**5,164,041**	4,352,814
Other receivables and deposits *(Note ii)*	12m ECL	**193,224**	398,116
	Lifetime ECL (credit-impaired)	**24,706**	24,778
Trade receivables *(Note ii)*	Lifetime ECL	**11,438,407**	8,881,911
Bills receivable *(Note ii)*	12m ECL	**256,304**	294,875

Notes:

i The counterparty has a low risk of default and does not have any past-due amounts.

ii For other receivables and deposits and bills receivable, the Group uses the 12m ECL to measure the loss allowance, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on the debtors individually by past due status.

50. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment (continued)

Trade and bills receivables arising from contracts with customers

The Group is exposed to significant concentration of credit risk in terms of electricity sales as majority of the Group's sales of electricity were made to regional and provincial power grid companies. The Group normally grants credit terms of 60 days to these power grid companies except for clean energy power price premium. The collection of such clean energy power price premium is subject to the allocation of funds by relevant government authorities to local grid companies, which therefore takes a relatively longer time for settlement, and the Directors are of the opinion that the tariff premium receivables are fully recoverable considering that there are no bad debt experiences with the power grid companies in the past and the tariff premium is funded by the PRC government. The Group normally does not require collaterals from trade debtors. In addition, the Group performs impairment assessment under ECL model on trade balances individually. Aging analysis of the Group's trade receivables is disclosed in Note 27 and monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. The amounts presented in the consolidated statement of financial position are net of allowances for credit losses, estimated by the Group's management based on historical settlement records, adjusted for forward-looking information and their assessment of the current economic environment.

Other receivables and deposits

The counterparties of the Group's other receivables and deposits are mainly large state-owned enterprises with good credit and government agencies. Under ECL model, management makes periodic collective assessment as well as individual assessment on the recoverability of all the receivables, based on historical payment records, the length of the overdue period, the financial strength of the debtors and whether there are any disputes with the relevant debtors. The Directors are of the opinion that the credit risk on other receivables and deposits is limited. At the end of the reporting period, the Directors have performed impairment assessment for other receivables and deposits and concluded that the credit losses of the other receivables and deposits as at 31 December 2021 was insignificant.

50. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment (continued)

Restricted bank deposits and cash and cash equivalents

Substantially all of the Group's cash and deposits are held in major financial institutions and BEH Finance, which management believes are of high credit quality. Therefore, the Group performs impairment assessment under 12m ECL model on restricted bank deposits and cash and cash equivalents on collective basis. Management does not expect any losses from non-performance by these counterparties. To manage this risk, restricted bank deposits, and cash and cash equivalents are mainly placed with state-owned financial institutions and reputable banks. The Group has policies to control the size of the deposits to be placed with various reputable financial institutions according to their market reputation, operating scale and financial background with a view to limiting the amount of credit exposure to any single financial institution.

The following tables show reconciliation of loss allowances that has been recognised for trade receivables.

	Lifetime ECL (not credit–impaired) *RMB'000*	Lifetime ECL (credit–impaired) *RMB'000*	Total *RMB'000*
As 1 January 2020	15,997	–	15,997
– Impairment losses recognised	7,889	–	7,889
– Impairment losses reversed	(6,417)	–	(6,417)
As at 31 December 2020	**17,469**	**–**	**17,469**
– Impairment losses recognised	**367**	**–**	**367**
– Impairment losses reversed	**(1,441)**	**–**	**(1,441)**
As at 31 December 2021	**16,395**	**–**	**16,395**

For other receivables, the impairment losses at 31 December 2021 of RMB24,706,000 (2020: RMB24,778,000) was assessed by lifetime ECL as the corresponding receivables were considered credit-impaired. The impairment losses reversed on other receivables provided for the year was RMB72,000 (2020: impairment losses of RMB38,000).

50. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group has net current liabilities as at 31 December 2021, which exposed the Group to liquidity risk. In order to mitigate the liquidity risk, the management regularly monitors the operational cash flow of the Group as well as the unutilised bank facilities to meet its liquidity requirements in the short and long term.

The Group relies on bank borrowings and perpetual notes as a significant source of liquidity. As at 31 December 2021, the Group has available unutilised banking and other borrowing facilities of RMB29,396,000,000 (2020: RMB29,176,000,000).

Liquidity risk

The following table details the Group's remaining contractual maturity for its financial liabilities and derivative instruments. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

50. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Liquidity risk (continued)

	Weighted average effective interest rate	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 5 years	Over 5 years	Total undiscounted cash flow	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2021								
Trade and other payables	–	5,306,446	151,300	6,789	–	–	5,464,535	5,464,535
Bank and other borrowings								
– variable interest rate	3.53	3,071,107	2,046,717	2,732,351	4,669,384	4,807,414	17,326,973	15,104,459
Bank and other borrowings								
– fixed interest rate	3.50	8,992,824	3,664,168	578,736	1,056,885	1,451,440	15,744,053	15,212,136
Short-term debentures	2.67	7,647,767	–	–	–	–	7,647,767	7,589,471
Medium-term notes	4.90	2,231,671	1,616,011	33,915	1,033,915	–	4,915,512	4,585,584
Corporate bonds	3.22	1,067,036	430,278	19,535	619,535	–	2,136,384	2,025,483
Amounts due to related parties	–	132,961	–	–	–	–	132,961	132,961
Lease liabilities	4.76	101,864	96,610	63,990	128,749	863,819	1,255,032	900,990
Derivative financial liability	–	–	–	1,034	–	–	1,034	1,034
		28,551,676	8,005,084	3,436,350	7,508,468	7,122,673	54,624,251	51,016,653
At 31 December 2020								
Trade and other payables	–	4,760,921	23,473	6,036	–	–	4,790,430	4,790,430
Bank and other borrowings								
– variable interest rate	3.89	8,795,910	2,377,019	2,056,726	2,688,075	3,315,301	19,233,031	17,441,753
Bank and other borrowings								
– fixed interest rate	3.46	4,179,528	410,618	126,717	908,137	347,388	5,972,388	5,772,837
Short-term debentures	2.51	7,148,844	–	–	–	–	7,148,844	7,060,658
Medium-term notes	5.01	231,671	2,231,671	1,616,011	1,067,830	–	5,147,183	4,585,335
Corporate bonds	3.37	67,036	1,067,036	430,278	639,070	–	2,203,420	2,025,412
Amounts due to related parties	–	189,539	–	–	–	–	189,539	189,539
Lease liabilities	4.77	76,684	100,643	95,846	123,966	900,394	1,297,533	900,995
Derivative financial liabilities	–	19,576	–	–	43,510	1,492	64,578	64,578
		25,469,709	6,210,460	4,331,614	5,470,588	4,564,575	46,046,946	42,831,537

50. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Interest rate benchmark reform

The Group is closely monitoring the market and managing the transition to new benchmark interest rates, including announcements made by the relevant IBOR regulators.

BBSW

In Australia, the key interest rate benchmarks remain the credit-based benchmarks Bank Bill Swap Rates (BBSW) and the risk-free rate Cash Rate, there is no plan to discontinue BBSW. The multi-rate approach has been adopted, whereby BBSW and Cash Rate will co-exist.

Interest rate basis risk

Interest rate basis risk may arise if a non-derivative instrument and the derivative instrument held to manage the interest risk on the non-derivative instrument transition to alternative benchmark rates at different times. This risk may also arise where back-to-back derivatives transition at different times. The Group will monitor this risk against its risk management policy which has been updated to allow for temporary mismatches of up to 12 months and transact additional basis interest rate swaps if required.

50. FINANCIAL INSTRUMENTS *(continued)*

(c) Fair value

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Financial assets/ financial liabilities	Fair value as at 31 December 2021	Fair value as at 31 December 2020	Fair value hierarchy	Valuation technique and key input
1) Listed held for trading shares *(see Note 30)*	**Listed equity securities in Hong Kong: Electric power industry – RMB270,270,000**	Listed equity securities in Hong Kong: Electric power industry – RMB196,043,000	Level 1	Quoted bid price in an active market.
2) Interest rate swaps classified as derivatives on the consolidated statement of financial position *(see Note 37)*	**Asset – RMB11,371,000** **Liability – RMB1,034,000**	Liabilities – RMB21,068,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of the counterparty.
3) Private equity investments at FVTOCI *(see Note 25)*	**Private equity investments in the PRC: Electric power industry – RMB109,637,000**	Private equity investments in the PRC: Electric power industry – RMB66,911,000	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the equity fair value of the estimated future cash flows expected to arise from dividends to be received from the investment per the dividend, based on an appropriate discount rate.
4) Fixed forward commodity contract classified as a derivative on the consolidated statement of financial position *(see Note 37)*	**Asset – RMB41,136,000**	Liability – RMB43,510,000	Level 3 *(note)*	Discounted cash flow. Future cash flows are estimated based on spot electricity price, contract forward price and generators' utilization hours, discounted at a rate that reflects the credit risk of a counterparty. Discount rates are 3.17% and 2.31% for 31 December 2021 and 2020 respectively.

50. FINANCIAL INSTRUMENTS *(continued)*

(c) Fair value *(continued)*

Note: The significant unobservable input is spot electricity price. A slight increase in the spot electricity price used in isolation would result in a significant decrease in the fair value of the derivative on fixed forward commodity contract and vice versa. A 5% increase in the spot electricity price holding all other variables constant would decrease the fair value of the derivative financial assets by RMB16,888,000 (2020: increase the fair value of the derivative financial liability by RMB29,121,000).

In estimating the fair value of an asset where Level 1 inputs are not available, the management of the Group works closely with external valuers to establish the appropriate valuation techniques and inputs to the model.

There were no transfers among different levels during both years.

Some of the Group's financial assets and financial liabilities are measured at amortised cost at the end of the reporting period. Their fair values are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Except for the fixed rate bank and other borrowings (Note 34) and medium-term notes/corporate bonds (Note 36), the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their respective fair values at the end of each reporting period.

Reconciliation of level 3 fair value measurement is as follows:

Fixed forward commodity contract	**Year ended 31 December**	
	2021	2020
	RMB'000	*RMB'000*
At 1 January	**(43,510)**	(41,041)
Fair value gain (loss) recognised in profit or loss	**85,343**	(1,300)
Effect of foreign currency exchange difference	**(697)**	(1,169)
At 31 December	**41,136**	(43,510)

Private equity investments at FVTOCI

Included in other comprehensive income is an amount of RMB42,726,000, being gain relating to unlisted equity investments classified as equity instruments at FVTOCI (2020: gain of RMB9,026,000).

51. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank and other borrowings *RMB'000*	Short-term debentures *RMB'000*	Medium – term notes *RMB'000*	Corporate bonds *RMB'000*	Lease liabilities *RMB'000*	Total *RMB'000*
At 1 January 2020	19,273,307	6,076,941	3,560,377	1,004,515	587,400	30,502,540
Financing cash flows	3,592,943	923,059	928,302	994,769	(49,321)	6,389,752
Accrued interest	29,651	60,658	96,656	26,128	27,927	241,020
Effect of foreign currency exchange difference	(62,261)	–	–	–	–	(62,261)
Additions of lease liabilities	–	–	–	–	309,844	309,844
Acquisition of subsidiaries *(Note 44)*	380,950	–	–	–	25,145	406,095
At 31 December 2020	23,214,590	7,060,658	4,585,335	2,025,412	900,995	37,786,990
At 1 January 2021	**23,214,590**	**7,060,658**	**4,585,335**	**2,025,412**	**900,995**	**37,786,990**
Financing cash flows	**5,839,202**	**439,342**	**(96,656)**	**(26,128)**	**(84,371)**	**6,071,389**
Accrued interest	**36,996**	**89,471**	**96,905**	**26,199**	**39,743**	**289,314**
Effect of foreign currency exchange difference	**(149,478)**	**–**	**–**	**–**	**–**	**(149,478)**
Additions of lease liabilities	**–**	**–**	**–**	**–**	**22,395**	**22,395**
Acquisition of subsidiaries *(Note 44)*	**1,375,285**	**–**	**–**	**–**	**22,228**	**1,397,513**
At 31 December 2021	**30,316,595**	**7,589,471**	**4,585,584**	**2,025,483**	**900,990**	**45,418,123**

52. SUBSIDIARIES

General information of subsidiaries

Details of the Company's subsidiaries (excluding the Targets as disclosed in Note 44) at 31 December 2021 and 2020 are set out below:

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company Direct		Indirect		Proportion of voting rights held by the Group		Principal activities
			2021	2020	2021	2020	2021	2020	
北京太陽宮燃氣熱電有限公司 (Beijing Taiyanggong Gas-fired Power Co., Ltd.)* ("Taiyanggong Power")	PRC	RMB747,297,000	74%	74%	-	–	74%	74%	Gas-fired power and heat energy generation
北京京橋熱電有限責任公司 (Beijing Jingqiao Thermal Power Co., Ltd.)*	PRC	RMB876,780,000	100%	100%	-	–	100%	100%	Gas-fired power and heat energy generation
北京京豐燃氣發電有限責任公司 (Beijing Jingfeng Natural Gas-fired Power Co., Ltd.)*	PRC	RMB325,770,000	100%	100%	-	–	100%	100%	Gas-fired power and heat energy generation
北京京能高安屯燃氣熱電有限責任公司 (Beijing Jingneng Gaoantun Gas-fired Power Co., Ltd.)*	PRC	RMB760,512,000	100%	100%	-	–	100%	100%	Gas-fired power and heat energy generation
北京京西燃氣熱電有限公司 (Beijing Jingneng Jingxi Gas-fired Power Co., Ltd.)*	PRC	RMB1,030,010,000	100%	100%	-	–	100%	100%	Gas-fired power and heat energy generation
Shangzhuang Power	PRC	RMB775,538,000	100%	100%	-	–	100%	100%	Gas-fired power and heat energy generation
Heishui HydroPower	PRC	RMB231,770,000	100%	100%	-	–	100%	100%	Water power generation

52. SUBSIDIARIES *(continued)*

General information of subsidiaries *(continued)*

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect				
			2021	2020	2021	2020	2021	2020	
盈江華富水電開發有限公司 (Yingjiang Hua Fu HydroPower Development Co., Ltd.)*	PRC	RMB413,600,000	100%	100%	-	–	100%	100%	Water power generation
騰沖縣猴橋永興河水電開發有限公司 (Tengchong County Hou Qiao Yong Xing River HydroPower Development Co., Ltd.)*	PRC	RMB74,876,000	100%	100%	-	–	100%	100%	Water power generation
Sichuan Dachuan	PRC	RMB137,500,000	100%	100%	-	–	100%	100%	Water power generation
Sichuan Zhongneng	PRC	RMB90,000,000	100%	100%	-	–	100%	100%	Water power generation
成都金華能電力實業有限責任公司 (Chengdu Jinhuaneng Power Co., Ltd.)*	PRC	RMB40,000,000	-	–	100%	100%	100%	100%	Repair and maintenance
內蒙古京能商都風力發電有限責任公司 (Inner Mongolia Jingneng Shangdu Wind Power Co., Ltd.)*	PRC	RMB207,520,000	100%	100%	-	–	100%	100%	Wind power generation
New Energy	PRC	RMB2,721,138,000	100%	100%	-	–	100%	100%	Investment management and wind power generation
內蒙古京能察右中風力發電有限責任公司 (Inner Mongolia Jingneng Chayouzhong Energy Co., Ltd.)*	PRC	RMB313,641,000	100%	100%	-	–	100%	100%	Wind power generation
錫林郭勒吉相華亞風力發電有限責任公司 (Xilinguole Jixianghuaya Wind Power Co., Ltd.)*	PRC	RMB396,297,000	100%	100%	-	–	100%	100%	Wind power generation

52. SUBSIDIARIES *(continued)*

General information of subsidiaries *(continued)*

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect				
			2021	2020	2021	2020	2021	2020	
內蒙古京能烏蘭伊力更風力發電有限責任公司 (Inner Mongolia Jingneng Wulanyiligeng Wind Power Co., Ltd.)*	PRC	RMB799,850,000	100%	100%	-	–	100%	100%	Wind power and photovoltaic power generation
左雲京能風力發電有限責任公司 (Zuoyun Jingneng Wind Power Co., Ltd.)*	PRC	RMB85,790,000	100%	100%	-	–	100%	100%	Wind power generation
內蒙古京能文貢烏拉風力發電有限公司 (Inner Mongolia Jingneng Wengongwula Wind Power Co., Ltd.)*	PRC	RMB118,890,000	100%	100%	-	–	100%	100%	Wind power and photovoltaic power generation
內蒙古霍林郭勒風力發電有限責任公司 (Inner Mongolia Huolinguole Wind Power Co., Ltd.)*	PRC	RMB129,220,000	100%	100%	-	–	100%	100%	Wind power generation
內蒙古京能巴林右風力發電有限責任公司 (Inner Mongolia Jingneng Balinyou Wind Power Co., Ltd.)*	PRC	RMB149,290,000	100%	100%	-	–	100%	100%	Wind power generation
內蒙古京能科右中風力發電有限責任公司 (Inner Mongolia Jingneng Keyouzhong Wind Power Co., Ltd.)*	PRC	RMB78,000,000	100%	100%	-	–	100%	100%	Wind power generation
內蒙古京能旗杆風力發電有限公司 (Inner Mongolia Jingneng Qigan Wind Power Co., Ltd.)*	PRC	RMB73,000,000	100%	100%	-	–	100%	100%	Wind power generation
內蒙古京能烏蘭風力發電有限公司 (Inner Mongolia Jingneng Wulan Wind Power Co., Ltd.)*	PRC	RMB415,140,000	100%	100%	-	–	100%	100%	Wind power generation
寧夏京能新能源有限公司 (Ningxia Jingneng New Energy Co., Ltd.)*	PRC	RMB414,598,000	100%	100%	-	–	100%	100%	Wind power and photovoltaic power generation

52. SUBSIDIARIES *(continued)*

General information of subsidiaries *(continued)*

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company Direct 2021	Direct 2020	Indirect 2021	Indirect 2020	Proportion of voting rights held by the Group 2021	2020	Principal activities
寧夏京能靈武風電有限公司 (Ningxia Jingneng Lingwu Wind Power Co., Ltd.)*	PRC	RMB411,327,000	100%	100%	–	–	100%	100%	Wind power and photovoltaic power generation
五家渠京能新能源有限責任公司 (Wujiaqu Jingneng New Energy Co., Ltd.)*	PRC	RMB397,264,000	100%	100%	–	–	100%	100%	Wind power and photovoltaic power generation
寧夏京能中衛有限公司 (Ningxia Jingneng Zhongwei Co., Ltd.)*	PRC	RMB56,000,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
北京京能未來燃氣熱電有限公司 (Beijing Jingneng Weilai Gas-fired Power Co., Ltd.)*	PRC	RMB304,899,000	100%	100%	–	–	100%	100%	Gas-fired power and heat energy generation
建湖京能新能源有限公司 (Jianhu Jingneng New Energy Co., Ltd.)*	PRC	RMB54,760,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
寧夏賀蘭京能新能源有限公司 (Ningxia Helan Jingneng New Energy Co., Ltd.)*	PRC	RMB56,760,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
寧夏中寧縣京能新能源有限公司 (Ningxia Zhongning County New Energy Co., Ltd.)*	PRC	RMB471,096,000	100%	100%	–	–	100%	100%	Wind power and photovoltaic power generation
格爾木京能新能源有限公司 (Golmud Jingneng New Energy Co., Ltd.)*	PRC	RMB205,360,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
Qianxi Power	PRC	RMB93,147,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
Jingneng HK	Hong Kong, China	HK$77,657,000	100%	100%	–	–	100%	100%	Investment holding
New GRWF	Australia	AU$132,460,000	–	–	100%	100%	100%	100%	Wind power generation
Gullen Solar Pty Ltd.	Australia	AU$6,500,000	–	–	100%	100%	100%	100%	Photovoltaic power generation

52. SUBSIDIARIES *(continued)*

General information of subsidiaries *(continued)*

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect				
			2021	2020	2021	2020	2021	2020	
深圳京能清洁能源融資租賃有限公司 (Shenzhen Jingneng Clean Energy Finance Lease Co., Ltd.)*	PRC	RMB305,998,000	–	–	100%	100%	100%	100%	Finance lease
府谷縣京能新能源有限公司 (Fugu Jingneng New Energy Co., Ltd.)*	PRC	RMB151,160,000	100%	100%	–	–	100%	100%	Wind power generation
共和京能清潔能源有限公司 (Gonghe Jingneng Clean Energy Co., Ltd.)*	PRC	RMB165,254,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
寧夏海原京能新能源有限公司 (Ningxia Haiyuan Jingneng New Energy Co. Ltd.)*	PRC	RMB36,100,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
大同京能新能源有限公司 (Datong Jingneng New Energy Co. Ltd.)*	PRC	RMB170,000,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
靖遠京能新能源有限公司 (Jingyuan Jingneng New Energy Co., Ltd.)*	PRC	RMB128,090,000	100%	100%	–	–	100%	100%	Wind power generation
徐聞京能新能源有限公司 (Xuwen Jingneng New Energy Co., Ltd.)*	PRC	RMB188,890,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
北票京能新能源有限公司 (Beipiao Jingneng New Energy Co., Ltd.)*	PRC	RMB58,610,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
朝陽縣京能新能源有限公司 (Chaoyang Jingneng New Energy Co., Ltd.)*	PRC	RMB30,660,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
縉雲縣京能新能源有限公司 (Jinyun Jingneng New Energy Co., Ltd.)*	PRC	RMB21,010,000	100%	100%	–	–	100%	100%	Photovoltaic power generation

52. SUBSIDIARIES *(continued)*

General information of subsidiaries *(continued)*

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect				
			2021	2020	2021	2020	2021	2020	
葫蘆島南票京泰新能源有限公司 (Huludao Nanpiao Jingtai Jingneng New Energy Co., Ltd.)*	PRC	RMB30,600,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
葫蘆島南票萬和新能源有限公司 (Huludao Nanpiao Wanhe Jingneng New Energy Co., Ltd.)*	PRC	RMB30,552,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
Beijing Jingneng Clean Energy (Australia) Holding Pty Ltd.	Australia	AU$115,600,000	–	–	100%	100%	100%	100%	Investment holding
共和源通光伏發電有限公司 (Gongheyuantong Photovoltaic Power Co., Ltd.)*	PRC	RMB17,990,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
東源天華陽光新能源電力有限公司 (Dongyuan Tianhua Yangguang New Energy Power Co., Ltd.)*	PRC	RMB148,000,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
益陽大通湖東大光伏發電有限公司 (Yiyang Datonghu Dongda Photovoltaic Power Co., Ltd.)*	PRC	RMB280,000,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
凌源東大光伏發電有限公司 (Lingyuan Dongda Photovoltaic Power Co., Ltd.)*	PRC	RMB60,000,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
Newtricity Biala Pty Ltd.	Australia	AU$65,400,000	–	–	100%	100%	100%	100%	Wind power generation
湘陰縣晶和新能源有限公司 (Xiangyinxian Jinghe New Energy Power Co., Ltd.)*	PRC	RMB106,000,000	100%	100%	–	–	100%	100%	Photovoltaic power generation

52. SUBSIDIARIES *(continued)*

General information of subsidiaries *(continued)*

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect				
			2021	2020	2021	2020	2021	2020	
深州電陽新能源有限公司 (Shenzhou Dianyang New Energy Power Co., Ltd.)*	PRC	RMB15,455,000	100%	100%	-	–	100%	100%	Photovoltaic power generation
京能懷南河北風電有限責任公司 (Jingneng Huainan Hebei Wind Power Co., Ltd.)*	PRC	RMB87,320,000	100%	100%	-	–	100%	100%	Wind power generation
海興京興新能源有限公司 (Haixing Jingxing New Energy Power Co., Ltd.)*	PRC	RMB10,000,000	49%	49%	-	–	100%	100%	Photovoltaic power generation
壽陽京壽光伏發電有限公司 (Shouyang Jingshou Photovoltaic Power Co., Ltd.)*	PRC	RMB10,000,000	49%	49%	-	–	100%	100%	Photovoltaic power generation
渾源京晶新能源有限公司 (Hunyuan Jingjing New Energy Power Co., Ltd.)*	PRC	RMB10,000,000	49%	49%	-	–	100%	100%	Photovoltaic power generation
內蒙古京能蘇尼特風力發電有限公司 (Neimenggu Jingneng Sunite Wind Power Co., Ltd.)*	PRC	RMB451,680,000	100%	100%	-	–	100%	100%	Wind power and photovoltaic power generation
京能新能源(蘇尼特右旗)風力發電有限公司 (Jingneng New Energy (Sunite) Wind Power Co., Ltd.)*	PRC	RMB316,433,000	100%	100%	-	–	100%	100%	Wind power generation
潤峰格爾木電力有限公司 ((Runfeng Golmud Power Co., Ltd.) *	PRC	RMB23,000,000	100%	100%	-	–	100%	100%	Photovoltaic power generation
天津團泊昱合光伏科技有限公司 (Tianjin Tuanpe Yuhe Photovoltaic Technology Co., Ltd.) *	PRC	RMB50,000,000	100%	100%	-	–	100%	100%	Photovoltaic power generation

52. SUBSIDIARIES *(continued)*

General information of subsidiaries *(continued)*

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect				
			2021	2020	2021	2020	2021	2020	
天津團泊明瑞新能源有限公司 (Tianjin Tuanbo Mingrui New Energy Co., Ltd.) *	PRC	RMB40,000,000	100%	100%	-	-	100%	100%	Photovoltaic power generation
天津永能光伏發電有限公司 (Tianjin Yongneng Photovoltaic Power Generation Co., Ltd.) *	PRC	RMB92,800,000	100%	100%	-	-	100%	100%	Photovoltaic power generation
天津團泊昱隆光伏科技有限公司 (Tianjin Tuanpoyulong Photovoltaic Technology Co., Ltd.) *	PRC	RMB120,000,000	100%	100%	-	-	100%	100%	Photovoltaic power generation
天津團泊昱宏光伏科技有限公司 (Tianjin Tuanpoyuhong Photovoltaic Technology Co., Ltd.) *	PRC	RMB130,000,000	100%	100%	-	-	100%	100%	Photovoltaic power generation
常甯光聚電力開發有限公司 (Changning Guangju Power Development Co., Ltd.) *	PRC	RMB22,700,000	100%	100%	-	-	100%	100%	Photovoltaic power generation
陸豐市明大新能源科技有限公司 (Lufeng Mingda New Energy Technology Co., Ltd.) *	PRC	RMB116,420,000	100%	100%	-	-	100%	100%	Photovoltaic power generation
常德潤勇新能源有限公司 (Changde Runyong New Energy Co., Ltd.) *	PRC	RMB11,830,000	100%	100%	-	-	100%	100%	Photovoltaic power generation
常德潤鵬新能源有限公司 (Changde Runpeng New Energy Co., Ltd.) *	PRC	RMB11,070,000	100%	100%	-	-	100%	100%	Photovoltaic power generation

52. SUBSIDIARIES *(continued)*

General information of subsidiaries *(continued)*

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect				
			2021	2020	2021	2020	2021	2020	
常德宏潤新能源有限公司 (Changde Hongrun New Energy Co., Ltd.) *	PRC	RMB9,390,000	100%	100%	-	-	100%	100%	Photovoltaic power generation
常德瑞露新能源有限公司 (Changde Ruilu New Energy Co., Ltd.) *	PRC	RMB1,360,000	100%	100%	-	-	100%	100%	Photovoltaic power generation
漢壽縣潤鑫新能源有限公司 (Hanshou Runxin New Energy Co., Ltd.) *	PRC	RMB9,150,000	100%	100%	-	-	100%	100%	Photovoltaic power generation
陽西清芸陽光新能源科技有限公司 (Yangxi Qingyun Sunshine New Energy Technology Co., Ltd.) *	PRC	RMB34,030,000	100%	100%	-	-	100%	100%	Photovoltaic power generation
惠州市永景新能源科技有限公司 (Huizhou Yongjing New Energy Technology Co., Ltd.) *	PRC	RMB152,000,000	100%	100%	-	-	100%	100%	Photovoltaic power generation
陽江華晶綠色能源科技有限公司 (Yangjiang Huajing Green Energy Technology Co., Ltd.) *	PRC	RMB181,731,000	100%	100%	-	-	100%	100%	Photovoltaic power generation
張北京能清潔能源有限公司 (Zhangbei Jingneng Clean Energy Co., Limited) *	PRC	RMB180,362,000	100%	100%	-	-	100%	100%	Wind power generation
尚義京能新能源有限公司 (Shangyi Jingneng New Energy Co., Limited) *	PRC	RMB275,000,000	100%	100%	-	-	100%	100%	Wind power generation
康保新京清潔能源有限公司 (Kangbao Xinjing Clean Energy Co., Limited) *	PRC	RMB630,300,000	100%	100%	-	-	100%	100%	Wind power generation

52. SUBSIDIARIES *(continued)*

General information of subsidiaries *(continued)*

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect				
			2021	2020	2021	2020	2021	2020	
義縣珈煜光伏電力有限公司 (Yixian Jiayu Photovoltaic Power Co., Ltd.)*	PRC	RMB26,000,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
寧夏杉陽新能源有限公司 (Ningxia Shanyang New Energy Co., Ltd.)*	PRC	RMB189,000,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
寧夏同心大地日盛新能源有限公司 (Ningxia Tongxin Dadirisheng New Energy Co., Ltd.)*	PRC	RMB62,400,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
湛江市鼎瑞太陽能發電有限公司 (Zhanjiang Dingrui Solar Power Generation Co., Ltd.)*	PRC	RMB114,120,000	100%	100%	–	–	100%	100%	Photovoltaic power generation
北京京能京通新能源有限公司 (Beijing Jingneng Jingtong New Energy Co., Limited) *	PRC	RMB15,078,000	90%	90%	–	–	90%	90%	Photovoltaic power generation
漳州京能清潔能源電力有限公司 (Zhangzhou Jingneng Clean Energy Power Co., Limited) *	PRC	RMB10,000,000	100%	–	–	–	100%	–	Photovoltaic power generation
三明京能清潔能源電力有限公司 (Sanming Jingneng Clean Energy Power Co., Limited) *	PRC	RMB10,000,000	100%	–	–	–	100%	–	Photovoltaic power generation
巴彥淖爾京能清潔能源電力有限公司 (Bayannaoer Jingneng Clean Energy Power Co., Limited) *	PRC	RMB97,837,000	95%	–	–	–	95%	–	Wind power generation

52. SUBSIDIARIES *(continued)*

General information of subsidiaries *(continued)*

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect				
			2021	2020	2021	2020	2021	2020	
銀川京能清潔能源有限公司 (Yinchuan Jingneng Clean Energy Co., Limited) *	PRC	RMB148,400,000	100%	100%	-	–	100%	100%	Photovoltaic power generation
韓城京能清潔能源有限公司 (Hancheng Jingneng Clean Energy Co., Limited) *	PRC	RMB158,000,000	100%	–	-	–	100%	–	Photovoltaic power generation
黑龍江京慶風力發電有限公司 (Heilongjiang Jingqing Wind Power Co., Ltd.)*	PRC	RMB28,000,000	80%	80%	-	–	80%	80%	Photovoltaic power generation
建平京能風力發電有限公司 (Jianping Jingneng Wind Power Co., Ltd.)*	PRC	RMB26,910,000	100%	100%	-	–	100%	100%	Photovoltaic power generation
天津京能新能源有限公司 (Tian Jingneng New Energy Co., Limited) *	PRC	RMB125,373,000	100%	100%	-	–	100%	100%	Wind power generation
天津京河新能源有限公司 (Tian Jinghe New Energy Co., Limited) *	PRC	RMB81,369,000	100%	100%	-	–	100%	100%	Wind power generation

* English name for identification purpose

Note: all of the subsidiaries of the Company registered in the PRC above and the subsidiaries acquired this year as detailed in Note 44 are wholly-domestic owned companies with limited liability under PRC law.

52. SUBSIDIARIES *(continued)*

The table below shows details of a non-wholly owned subsidiary of the Company that have material non-controlling interests:

Name of subsidiary	Incorporation/ establishment/ registration and operation	Proportion ownership interest held by non-controlling interests		Profit allocated to non-controlling interests		Total comprehensive income allocated to non-controlling interests		Accumulated non-controlling interests	
		2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
		%	%	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Taiyanggong Power	PRC	**26**	26	**61,176**	60,645	**61,176**	60,645	**337,635**	332,315

Summarised financial information in respect of the Company's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Taiyanggong Power	**2021** *RMB'000*	2020 *RMB'000*
Current assets	**625,699**	482,862
Non-current assets	**923,615**	1,082,747
Current liabilities	**228,931**	263,091
Non-current liabilities	**21,786**	24,379
Revenue	**2,170,024**	2,084,698
Profit and total comprehensive income for the year	**235,294**	233,250
Dividends declared to non-controlling interests	**55,856**	65,991
Net cash generated from operating activities	**371,526**	448,886
Net cash (used in) from investing activities	**(14,057)**	13,986
Net cash used in financing activities	**(214,836)**	(527,437)
Net cash inflow (outflow)	**142,633**	(64,565)

53. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Statement of financial position

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Non-current assets		
Property, plant and equipment	**1,137,947**	1,190,407
Right-of-use assets	**16,788**	15,742
Intangible assets	**12,203**	19,571
Investments in subsidiaries	**20,703,143**	16,857,908
Investments in associates	**2,070,842**	2,410,328
Loans to an associate	**108,000**	117,000
Investment in a joint venture	**93,110**	130,904
Loans to a joint venture	**70,000**	70,000
Loans to subsidiaries	**6,744,900**	4,257,500
Deferred tax assets	**35,702**	37,913
Value-add tax recoverable	**2,620**	3,423
Deposit paid for acquisition of property, plant and equipment	**28,238**	8,319
	31,023,493	25,119,015
Current assets		
Inventories	**–**	1,652
Trade and bills receivables	**385,882**	361,035
Other receivables, deposits and prepayments	**113,433**	266,875
Loans to subsidiaries	**10,533,200**	11,399,500
Amounts due from related parties	**2,245**	2,496
Amounts due from subsidiaries	**6,642,966**	6,370,820
Value-added tax recoverable	**3,816**	5,425
Cash and cash equivalents	**1,692,297**	847,395
	19,373,839	19,255,198

53. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(continued)*

Statement of financial position *(continued)*

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Current liabilities		
Trade and other payables	**256,412**	140,202
Amounts due to related parties	**3,263**	2,910
Amounts due to a subsidiary	**95,740**	771,264
Bank and other borrowings – due within one year	**7,275,330**	6,770,277
Short-term debentures	**7,589,471**	7,060,658
Medium-term notes	**2,091,245**	96,656
Corporate bonds	**1,025,841**	26,128
Lease liabilities	**1,082**	497
Income tax payable	**6,632**	4,377
Deferred income	**–**	1,949
	18,345,016	14,874,918
Net current assets	**1,028,823**	4,380,280
Total assets less current liabilities	**32,052,316**	29,499,295
Non-current liabilities		
Bank and other borrowings – due after one year	**3,370,760**	1,029,500
Medium-term notes	**2,494,339**	4,488,679
Corporate bonds	**999,642**	1,999,284
Deferred tax liabilities	**905**	2,792
Deferred income	**75,209**	84,099
Lease liabilities	**11,132**	11,806
	6,951,987	7,616,160
Net assets	**25,100,329**	21,883,135

53. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(continued)*

Statement of financial position *(continued)*

	At 31 December	
	2021	2020
	RMB'000	*RMB'000*
Capital and reserves		
Share capital	**8,244,508**	8,244,508
Reserves	**13,827,859**	12,113,045
Perpetual notes	**3,027,962**	1,525,582
Total equity	**25,100,329**	21,883,135

53. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(continued)*

Movements on reserves

	Capital reserve *RMB'000*	Statutory surplus reserve *RMB'000*	Other reserve *RMB'000*	Fair value through other comprehensive income reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*
At 1 January 2020	4,287,401	1,162,056	–	15,750	5,686,658	11,151,865
Profit and total comprehensive income for the year	–	–	–	8,678	1,561,113	1,569,791
Share of other comprehensive expense of an associate	–	–	–	(4,666)	–	(4,666)
Appropriation to statutory surplus reserve	–	152,240	–	–	(152,240)	–
Dividend declared	–	–	–	–	(595,253)	(595,253)
Transfer of fair value reserve upon changing from equity investments at FVTOCI to long-term equity investments	–	–	–	(24,428)	24,428	–
Others	–	–	(8,692)	–	–	(8,692)
At 31 December 2020	**4,287,401**	**1,314,296**	**(8,692)**	**(4,666)**	**6,524,706**	**12,113,045**
Profit and total comprehensive income for the year	**–**	**–**	**–**	**–**	**2,277,371**	**2,277,371**
Share of other comprehensive expense of an associate	**–**	**–**	**–**	**4,666**	**–**	**4,666**
Appropriation to statutory surplus reserve	**–**	**235,133**	**–**	**–**	**(235,133)**	**–**
Dividend declared	**–**	**–**	**–**	**–**	**(567,223)**	**(567,223)**
At 31 December 2021	**4,287,401**	**1,549,429**	**(8,692)**	**–**	**7,999,721**	**13,827,859**

Definitions

"Articles of Association"	articles of association of the Company
"BDHG"	北京市熱力集團有限責任公司 (Beijing District Heating (Group) Co., Ltd.)
"BEH"	北京能源集團有限責任公司 (Beijing Energy Holding Co., Ltd.)
"BEH Finance"	京能集團財務有限公司 (BEH Finance Co., Ltd.)
"Beijing Energy Investment"	Beijing Energy Investment Holding (Hong Kong) Co., Ltd. (北京能源投資集團（香港）有限公司)
"Board of Directors" or "Board"	board of directors of the Company
"Board of Supervisors"	board of supervisors of the Company
"BSCOMC"	北京國有資本運營管理有限公司 (Beijing State-owned Capital Operation Management Co., Ltd.)
"China" or "PRC"	the People's Republic of China, but for the purposes of this annual report and for geographical reference only (unless otherwise indicated), excluding Taiwan, Macau and Hong Kong
"Company", "our Company", "JNCEC", "we" or "us"	北京京能清潔能源電力股份有限公司 (Beijing Jingneng Clean Energy Co., Limited)
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"H Shares"	overseas listed foreign invested ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
"HK$" or "Hong Kong dollars" or "HK dollars" or "HKD"	Hong Kong dollars, the lawful currency for the time being of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited

"IFRSs"	the International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board (IASB), and the International Accounting Standards (IAS) and interpretation issued by the International Accounting Standards Committee (IASC)
"Latest Practicable Date"	21 April 2022, being the latest practicable date for the inclusion of certain information in this annual report prior to its publication
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PBOC"	中國人民銀行 (People's Bank of China)
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reporting Period"	the year ended 31 December 2021
"SASAC"	國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the State Council)
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"Shareholder(s)"	holder(s) of our Shares, including holders of H shares and holders of domestic shares of the Company
"Shares"	shares in the share capital of the Company, with a nominal value of RMB1.00 each
"Supervisor(s)"	the supervisor(s) of the Company

Corporate Information

Registered Name	Beijing Jingneng Clean Energy Co., Limited
Directors	
Executive Director	Mr. ZHANG Fengyang *(Chairman)* Mr. CHEN Dayu *(General Manager)* Mr. GAO Yuming Mr. CAO Mansheng
Non-executive Directors	Mr. REN Qigui Mr. SONG Zhiyong Mr. WANG Bangyi
Independent Non-executive Directors	Mr. HUANG Xiang Mr. CHAN Yin Tsung Mr. XU Daping Ms. ZHAO Jie
Strategy Committee	Mr. ZHANG Fengyang *(Chairman)* Mr. CHEN Dayu Mr. GAO Yuming Mr. CAO Mansheng Mr. SONG Zhiyong
Remuneration and Nomination Committee	Mr. HUANG Xiang *(Chairman)* Mr. XU Daping Ms. ZHAO Jie
Audit Committee	Mr. CHAN Yin Tsung *(Chairman)* Mr. SONG Zhiyong Mr. HUANG Xiang
Legal and Compliance Management Committee	Mr. ZHANG Fengyang *(Chairman)* Mr. REN Qigui Mr. CHAN Yin Tsung
Supervisors	Mr. WANG Xiangneng Mr. SUN Li Mr. HOU Bolong
Company Secretary	Mr. KANG Jian

Corporate Information

Authorized Representatives	Mr. ZHANG Fengyang 7/8/9 Floor, No. 6 Xibahe Road, Chaoyang District, Beijing, the PRC Mr. KANG Jian 7/8/9 Floor, No. 6 Xibahe Road, Chaoyang District, Beijing, the PRC
Registered Office	Room 118, No. 1 Ziguang East Road, Badaling Economic Development Zone, Yanqing District, Beijing, the PRC
Principal Place of Business in the PRC	7/8/9 Floor, No. 6 Xibahe Road, Chaoyang District, Beijing, the PRC
Principal Place of Business in Hong Kong	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Principal Bankers	China Merchants Bank Co., Ltd (Dongzhimen Branch) Floor 2, Tianheng Manson, No. 46 Dongzhimen Waidajie, Dongcheng District, Beijing, the PRC Bank of Communications Co., Ltd. (Fuwai Branch) Building 1, No. 9, Chegongzhuangdajie, Xicheng District, Beijing, the PRC Agricultural Bank of China Limited (Fengtai Branch) No. 9, East Avenue Street, Fengtai District, Beijing, the PRC Industrial and Commercial Bank of China Limited (Taoranting Branch) No. 55, Taoranting Road, Xicheng District, Beijing, the PRC

Corporate Information

International Auditors	Deloitte Touche Tohmatsu Registered Public Interest Entity Auditors Certified Public Accountants 35/F, One Pacific Place, 88 Queensway, Hong Kong
Domestic Auditors	Baker Tilly International Certified Public Accountants (Special General Partnership) Building 12A, Foreign Cultural and Creative Garden, 19 Chegongzhuang West Road, Haidian District, Beijing, the PRC
Hong Kong Legal Advisors	Morgan, Lewis & Bockius Suites 1902-09, 19th Floor, Edinburgh Tower The Landmark, 15 Queen's Road Central, Hong Kong
PRC Legal Advisors	King & Wood Mallesons 18th Floor,East Tower,World Financial Center, 1 Dongsanhuan Zhonglu, Chaoyang District,Beijing, the PRC
H Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Stock Code	579
Company's Website	www.jncec.com
Listing Place	The Stock Exchange of Hong Kong Limited