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

(A joint stock company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 00579)

**CONNECTED TRANSACTION ANNOUNCEMENT**

**DISPOSAL OF 35% EQUITY INTERESTS IN HUAYUAN HEATING**

The Board of Directors of Beijing Jingneng Clean Energy Co., Limited (the "Company") has approved the disposal of 35% equity interests in Huayuan Heating (the "Target") by the Company to Beijing Huayuan Heating Co., Limited (the "Buyer") for a total consideration of RMB107,237,300.

**LISTING RULES IMPLICATIONS**

BEIH is a listed company on the Shanghai Stock Exchange. The disposal of 35% equity interests in Huayuan Heating by the Company to the Buyer is a connected transaction as defined in the Listing Rules of the Shanghai Stock Exchange. The disposal of 35% equity interests in Huayuan Heating by the Company to the Buyer is also a connected transaction as defined in the Listing Rules of the Shanghai Stock Exchange.

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**1 INTRODUCTION**

The Board of Directors of Beijing Jingneng Clean Energy Co., Limited (the "Company") has approved the disposal of 35% equity interests in Huayuan Heating (the "Target") by the Company to Beijing Huayuan Heating Co., Limited (the "Buyer") for a total consideration of RMB107,237,300.

## 2 PRINCIPAL TERMS OF THE EQUITY TRANSFER AGREEMENT

### Date

29 June 2012

### Parties

Venditor: TeC a

Acquiree: BEIH

### Equity Interests To Be Disposed

35% of the shares of Ha a Hea g e d b e C a

### Consideration

The acquirer of Ha a D a RMB107,237,300, cash consideration to be paid to BEIH for the acquisition of the 35% of the shares of Ha a Hea g f RMB107,237,300 as at 31 December 2011, being the effective date. The acquisition is subject to the approval of the Board of Directors of Ha a E T a f e A g e e e a e e f f e c .

### Payment

The acquirer shall pay the consideration within 30 days after the effective date of the Equity Transfer Agreement.

### Completion

The acquirer shall complete the acquisition of the 35% of the shares of Ha a E T a f e A g e e e a e e f f e c .

The acquirer shall complete the acquisition of the 35% of the shares of Ha a E T a f e A g e e e a e e f f e c .

## Other Major Terms

BEIH a be e ed e e a g f c ed b e 35% e e e  
H a a Hea g be c a ed f e C a f e efe e ce da e f 31 Dece be  
2011 e c e da e f e H a a D a .

T e C a a d BEIH be ab e f e e ec e a a d fee e a e  
a fe .

### 3 FINANCIAL EFFECT OF THE HUAYUAN DISPOSAL

A a 31 Dece be 2011, e e b a e f e 35% e e e H a a Hea g a  
RMB84,146,129. Acc d g , a ga fa a e RMB20,688,200 a f e ded c g e e a  
a a ec ed acc e e C a a a e f ed a f e 35% e e e  
H a a Hea g. T e C a ec g ze a ga d a f e 35% e e e  
H a a Hea g c da ed c e a e e a a ec e da e f e H a a  
D a . T e ceed f ed a f e 35% e e e be a ed a ge e a  
g ca a a d/ f e f e de e e f e C a ' b e .

### 4 REASONS FOR AND BENEFITS OF THE TRANSACTION

H a a Hea g a e gaged c c f e e , ea e e g ge e a a  
a d a c a ge a Be j g a d Hebe P ce a d e gaged e ge e a  
b e e . T e B a d be e e a ed a f ce a e e e H a a Hea g  
f e G e e C a ' a eg f c e de e e f ce a  
e e g e ge e a b e e a d be ef ca ze e a ca f e e ce  
f e C a .

U c e f e H a a D a , BDHG, BEIH a d e C a d 50%, 35%  
a d 15% f H a a Hea g' e e e , e ec e .

T e B a d ( c d g e de e de - a ec e D ec ) f e e a e H a a  
D a a c e ca e , fa a d ea ab e a d e e e f e C a  
a d e S a e de a a e .

### 5 INFORMATION OF THE PARTIES

#### The Company

T e C a e a ge ga -f ed e de Be j g a da ead g d e e a  
e PRC, a d e f ed ce a e eg f c d g ga -f ed e a d ea e eg ,  
d e , a ed d e a d e ce a e eg jec .

## BEIH

BEIH is a subsidiary of the PRC and is engaged in the production, sale and distribution of various types of steel products. BEIH is a wholly-owned subsidiary of the Company, and its net assets are 67.958% of the Company's net assets. The Company has provided a guarantee for the Company's bank loans.

## Huayuan Heating

Huayuan Heating is a subsidiary of the Company and is engaged in the production and distribution of various types of steel products. Huayuan Heating is a wholly-owned subsidiary of the Company, and its net assets are 50% of the Company's net assets. The Company has provided a guarantee for the Company's bank loans.

Based on the audit of the financial statements of Huayuan Heating prepared in accordance with PRC GAAP, as at 31 December 2011, the net assets of Huayuan Heating are RMB3,469,535,033, RMB3,211,264,350 and RMB258,270,683, respectively. The net assets of Huayuan Heating as at 31 December 2010 and 31 December 2011 are as follows:

(Unit: RMB)

	For the year ended 31 December 2010 (audited)	For the year ended 31 December 2011 (audited)
Net profit/(loss) attributable to the parent	482,929	(302,735)
Net profit/(loss) attributable to the parent	72,456	(6,161,856)

## 6 LISTING RULE IMPLICATIONS

BEIH is a wholly-owned subsidiary of the Company, and its net assets are 67.958% of the Company's net assets. The Company has provided a guarantee for the Company's bank loans. According to the applicable listing rules, the Company is not required to provide a guarantee for the Company's bank loans.

A e g e a c a b e e c e a g e a e e c f e a a c c e a e d d e e  
H a a E T a f e A g e e e e x c e e d 0.1% b e a 5%, e H a a D a  
b j e c e e g a d a c e e e e e b e x e f d e e d e  
a e d e ' a a e e e d e C a e 14 A f e L g R e .

T e B a d a e e d a d a e d e H a a E T a f e A g e e e a d e a a c  
c e a e d e e d e . M . L U H a j , M . G U O M g x g , M . X U J g f a d M . L I U  
G c e , c c e e g a D e c f e C a a d d e c a d / a a g e e  
e b e f B E I H , a e a e a e e e a a c b e e e C a a d B E I H , a d  
a e a a b a e d f g e B a d e a e e H a a D a .

## 7 DEFINITIONS

BDHG 北京市熱力集團有限公司 (Be j g D c H e a g (G )  
C ., L d.), a a e- e d c a c a e d e P R C

BEIH 北京能源投資(集團)有限公司 (Be j g E e g I e e e  
H d g C ., L d.), a e d a b c a c a e d  
e P R C a d e c g a e d e f e C a ,  
c d e c d 67.958% f e a e d a e c a a  
f e C a a a e d a e f a c e e

Be j g T a j a X g e A e A a a C ., L d.), a d e d e a e a a a f  
a f e d e P R C

B a d e b a d f d e c f e C a

C a Be j g J g e g C e a E e g C ., L e d , a j c  
e d c a c a e d e P R C e d a b ,  
e H a e a e e d e M a B a d f T e S c  
E x a g e f H g K g L e d

D e c ( ) d e c ( ) f e C a

G e C a a d b d a e

H a a D a e a a c c e a e d d e e H a a E T a f e  
A g e e e

H a a E T a f e e e a f e a g e e e e e e d b e e e  
A g e e e C a a d B E I H 29 J e 2012 e e c f d a f  
35% e e e H a a H e a g b e C a

H a a Hea g 北京華源熱力管網有限公司(Be j gH a a Hea gP e e C ., L d.), a c a c a e d e PRC, 50% f e e e c e b e g e d b C a a d e e a g 50% b e g e d b BDHG

L gR e e R e G e g e L g f Sec e T e S c E c a g e f H g K g L e d

PRC e Pe e' Re b c f C a a d f e e f a c e e , e c d g e H g K g S e c a Ad a e Reg f e Pe e' Re b c f C a, Ta a a d e Maca S e c a Ad a e Reg f e Pe e' Re b c f C a

PRC GAAP g e a a c c e d a c c g c e e PRC

RMB Re b , e a f c e c f e PRC

b d a ( e ) a e e a g a c b e d e L g R e

B d e f e B a d  
**Beijing Jingneng Clean Energy Co., Limited**  
**KANG Jian**  
*Joint Company Secretary*

Be j g, e PRC

29 J e 2012

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