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B E I H
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)
 (Registration No.: 00579)

CONNECTED TRANSACTION ANNOUNCEMENT

DIQUOT OF 35% EQUITY INTEREST IN BEIH AN HEARING

The Board read and approved the resolution on 29 June 2012. The Company entered into the Hearing Equity Transfer Agreement with BEIH, pursuant to which the Company has agreed to sell and BEIH has agreed to acquire a 35% equity interest in the Hearing. The aggregate consideration of RMB107,237,300.

LISTING OBLIGATION

BEIH is the controlling shareholder of the Company, directly and indirectly holding a 67.958% interest in the Company. The Company is a listed company of the Company. Accordingly, the transaction entered into by the Hearing Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage of the transaction entered into by the Hearing Equity Transfer Agreement exceeds 0.1% but does not exceed 5%, the Hearing Director becomes the designated person of the Company for the purpose of the disclosure of the transaction under Chapter 14A of the Listing Rules.

1 INTRODUCTION

The Board read and approved the resolution on 29 June 2012. The Company entered into the Hearing Equity Transfer Agreement with BEIH, pursuant to which the Company has agreed to sell and BEIH has agreed to acquire a 35% equity interest in the Hearing. The aggregate consideration of RMB107,237,300.

2 **INCIDENTAL MEMORANDUM OF THE BOARD OF DIRECTORS AND MANAGERS**

Date:

29 June 2012

Subject:

Verdun : The Company

Account : BEIH

Executive Director's Report

35% of the equity interest in Haas Holdings held by the Company

Comments

The Board's decision for the Haas Director's RMB107,237,300, which was decided by the Company and BEIH for the purpose of the company's business, is a result of the approved sale of the 35% equity interest in Haas Holdings of RMB107,237,300 as at 31 December 2011, being the effective date. Such a sale was approved by Beijing Taifeng Xing Investment and Management Co., Ltd. (the "Investor").

Conclusion

The Board will be made aware of the cash flow 30 days after the Haas Director's Taifeng Agreement is effective.

Comments

The agreement will be completed by the date the Board's decision is effective and agreed to by the Board of BEIH and the company's directors and management.

The completion of the agreement by the Haas Director's Taifeng Agreement is a result of the bargaining of the company's directors and the Haas Director's Taifeng Agreement and the agreement is completed by the date the Board's decision is effective and agreed to by the Board of BEIH and the company's directors and management.

Other Matters

BEIH has been acquired by the Hebei Group, controlled by the 35% equity holder Hebei Heaog. BEIH was established by the Company for the effective date of 31 December 2011. The completion date of the Hebei D... is ...

The Company and BEIH ... be liable for the ... and fees ... the ...

3 FINANCIAL EFFECT OF THE TRANSACTION

As at 31 December 2011, the book value of the 35% equity of Hebei Heaog is RMB84,146,129. Accordingly, a gain of RMB20,688,200 is recorded in the consolidated financial statements of the Company as a result of the 35% equity of Hebei Heaog. The Company recognizes a gain of RMB20,688,200 as a result of the 35% equity of Hebei Heaog. The completion date of the Hebei D... is ... The proceeds from the 35% equity of Hebei Heaog will be used to ...

4 ECONOMIC AND BENEFIT OF THE TRANSACTION

Hebei Heaog is a ... engaged in ... , he ... and The Board believes that the transaction is in the best interests of Hebei Heaog for the Group. The Company's management believes that the transaction is in the best interests of the Company.

Under the terms of the Hebei D..., BDHG, BEIH and the Company hold 50%, 35% and 15% of Hebei Heaog's equity, respectively.

The Board (including the independent directors) of Hebei Heaog has the Hebei D... in the best interests of Hebei Heaog and the Shareholders.

5 INFORMATION OF THE TRANSACTION

Company

The Company is a ... of the PRC, ... and

BEIH

BEIH is a limited liability company incorporated in the PRC and is controlled and managed by the shareholders, namely, the shareholders, high-tech and financial companies in the PRC. BEIH is the controlling shareholder of the Company, and the Company is controlled by BEIH, which holds 67.958% of the issued share capital of the Company, and the effective control of the Company is exercised by the Company's Board of Directors.

Huaqiang Heaoguo

Huaqiang Heaoguo is a company incorporated in the PRC and BDHG is the controlling shareholder of the Company and BDHG is the controlling shareholder of the Company, which holds 50% of the Company and 50% of BDHG. Huaqiang Heaoguo is a company controlled and managed by the shareholders, namely, the shareholders, high-tech and financial companies in the PRC. Huaqiang Heaoguo is the controlling shareholder of the Company, and the effective control of the Company is exercised by the Company's Board of Directors.

Based on the audited financial statements of Huaqiang Heaoguo prepared under the PRC GAAP, as at 31 December 2011, the total assets, total liabilities and total equity of Huaqiang Heaoguo are RMB3,469,535,033, RMB3,211,264,350 and RMB258,270,683, respectively. The total assets/(liabilities) are attributable to the equity holders, which is 35% of the equity/total equity of Huaqiang Heaoguo for the period ended 31 December 2010 and 31 December 2011, respectively as follows:

(Unit: RMB)

	F12月31日 31 D	F12月31日 31 D
	2010	2011
	(audited)	(audited)
Net assets/(liabilities) attributable to the equity holders (before a share repurchase)	482,929	(302,735)
Net assets/(liabilities) attributable to the equity holders (after a share repurchase)	72,456	(6,161,856)

6 LIQUIDATION

BEIH is the controlling shareholder of the Company, and the Company is controlled by BEIH, which holds 67.958% of the issued share capital of the Company and the effective control of the Company is exercised by the Company's Board of Directors. According to the applicable laws and regulations of the People's Republic of China, the Company is subject to the provisions of Article 14A of the Company Law of the PRC.

At the highest applicable percentage and effective date of the Acquisition completed by the Haier Energy Technology Agreement, the proceeds 0.1% but not less than 5% of the Haier Energy Technology Agreement shall be used to fund the development of the Haier Energy Technology Agreement 14A of the Long River.

The Board has elected as directors of the Haier Energy Technology Agreement the Acquisition completed by the M. LU Han, M. GUO Ming, M. XU Jing and M. LIU Guocheng, chief executive officer of the Company and director of the Company, and BEIH, has entered into an agreement with the Company and BEIH, and has established the Board of Directors of the Haier Energy Technology Agreement.

7 DEFINITION

BDHG	北京市熱力集團有限公司 (Beijing District Heating (Group) Co., Ltd.), a state-owned enterprise incorporated in the PRC
BEIH	北京能源投資(集團)有限公司 (Beijing Energy Investment (Group) Co., Ltd.), a limited liability corporation incorporated in the PRC and the controlling shareholder of the Company, which directly holds 67.958% of the issued share capital of the Company as at the date of the Agreement.
Beijing Tianjian Xingye Asset Appraisal & Appraisal	北京天健興業資產評估有限公司 (Beijing Tianjian Xingye Asset Appraisal Co., Ltd.), an independent appraisal firm established in the PRC
Board	the board of directors of the Company
Company	Beijing Jingji Energy Clean Energy Co., Ltd., a limited liability corporation incorporated in the PRC and a limited liability company of the Haier Energy Technology Agreement of the Main Board of The Stock Exchange of Hong Kong Limited
Director(s)	director(s) of the Company
Group	the Company and its subsidiaries
Haier Energy Technology Agreement	the Acquisition completed by the Haier Energy Technology Agreement
Haier Energy Technology Agreement	the energy technology agreement entered into between the Company and BEIH on 29 June 2012, effective from a date 35% effective of the Haier Energy Agreement by the Company

Huaqiang Heating	北京華源熱力管網有限公司 (Beiqiang Huaqiang Heating Pipeline Co., Ltd.), a company incorporated in the PRC, with 50% of the equity interest being held by China and the other 50% being held by BDHG
Listing Rules	the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited
PRC	the People's Republic of China and for the purpose of the accounting, including the Hong Kong Securities and Futures Regulation of the People's Republic of China, Taiwan and the Macau Securities and Futures Regulation of the People's Republic of China
PRC GAAP	generally accepted accounting principles in the PRC
RMB	Renminbi, the official currency of the PRC
Subsidiary (e)	wholly owned subsidiary of the Listing Rules

Board of the Board
 董事會
 GUO MINGXING / 郭鳴興
 KANG JIANG / 康江
 Joint Company Secretary

Beiqiang, the PRC

29 June 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.