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A CE E DI C EAB E A D C EC ED A AC I DI A FA 15% E I I E E I H A A HEA I G

Reference is made to the announcement of the Compan dated 29 June 2012 in relation to the Compan 's disposal of a 35% equit interest in Hua uan Heating pursuant to the ETA(1).

The Board is pleased to announce that, on 28 September 2012, the Compan entered into the ETA(2) with BEIH, pursuant to which, the Compan has agreed to sell and BEIH has agreed to acquire a 15% equit interest in Hua uan Heating at a total consideration of RMB45,958,800.

61 I G SE I SICA I

As at the date of this announcement, BEIH directl held 67.958% of the issued share capital of the Compan . Accordingl , BEIH is a substantial shareholder of the Compan and thus a connected person of the Compan as defined under the Listing Rules. As a result, the transactions under the ETA(1) and ETA(2) constitute connected transactions of the Compan under Chapter 14A of the Listing Rules. In addition, as BIEE and BDHG are subsidiaries of BEIH, the are therefore connected persons of the Compan under Chapter 14A of the Listing Rules b virtue of being associates of the Compan 's substantial shareholder.

Considering both the disposal under the ETA(1) and the ETA(2) are disposals of certain equit interests in the same entit b the Compan, and the ETA(1) and ETA(2) were entered into b the Compan with the same part within a period of 12 months, such transactions will be aggregated pursuant to Rule14A.25 of the Listing Rules. As the highest applicable percentage ratio in respect of the transactions under the ETA(1) and ETA(2), after aggregation, exceeds 5% but is less than 25%, the Proposed Disposal constitutes (i) a discloseable transaction subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) connected transaction subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. I D C I

Reference is made to the announcement of the Compan dated 29 June 2012 in relation to the Compan 's disposal of a 35% equit interest in Hua uan Heating pursuant to the ETA(1).

The Board is pleased to announce that, on 28 September 2012, the Compan entered into the ETA(2) with BEIH, pursuant to which, the Compan has agreed to sell, and BEIH has agreed to acquire, a 15% equit interest in Hua uan Heating at a total consideration of RMB45,958,800.

2. I CI A \circ E | F HE E A(2)

D

28 September 2012

Vendor: the Compan

Acquirer: BEIH

 \mathbf{E}

15% of the equit interests in Hua uan Heating held b the Compan

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The total consideration for the Proposed Disposal is RMB45,958,800, which was determined be the Compan and BEIH following arm's length negotiations be reference to, inter alia, the appraised value of the 15% equite interests in Hua uan Heating of RMB45,958,800 as at 31 December 2011, being the reference date. Such appraisal was prepared be Beijing Tianjian Xing e Assets Appraisal Co., Ltd., an independent assets appraisal firm qualified in the PRC, based on an asset-based approach.

The pa ment will be made in a lump sum in cash within 30 da s after the ETA(2) takes effect.

C_{-} E A(2)

The ETA(2) is conditional upon, among others, the following being fulfilled:

- (1) the Proposed Disposal being approved b the Independent Shareholders; and
- (2) the Proposed Disposal being approved b relevant competent authorities in the PRC.

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The transfer will be completed on the date when the disposed equit interests are registered under the name of BEIH at the competent industr and commerce authorit.

BEIH shall be entitled to the operating profit or loss attributable to the 15% equit interests in Hua uan Heating to be purchased from the Compan from the reference date of 31 December 2011 to the completion date of the Proposed Disposal. The Compan and BEIH shall be liable for their respective tages and fees in relation to the transfer.

3. FI A CIA SEFFEC F HE ED DI A S

As at 31 December 2011, the net book value of the 15% equit interests in Hua uan Heating was RMB36,062,627. Accordingl, a gain of approximatel RMB8,906,556 after deducting relevant taxis expected to accrue to the Compan as a result of the disposal of the 15% equit interests in Hua uan Heating. The Compan will recognile a gain on disposal of the 15% equit interests in Hua uan Heating in its consolidated income statement as at the completion date of the Proposed Disposal. The proceeds from the disposal of the 15% equit interests will be applied as general working capital and/or for the future development of the Compan 's business.

4. EA F A D BE EFI F HE ED DI A 6

Hua uan Heating is primaril engaged in construction of pipelines, heat energ generation plants and exchange plants in Beijing and Hebei Province and is not engaged in power generation businesses. The Board believes that the disposal of its equit interests in Hua uan Heating is in line with c2.362.6646Tdompan

5. IF AI FHEAIE

C_ _

The Compan is the largest gas-fired power provider in Beijing and a leading wind power operator in the PRC, with a diversified clean energ portfolio including gas-fired power and heat energ , wind power, small to medium h dropower and other clean energ projects.

BEIH

BEIH is a limited liabilit compan incorporated in the PRC and is principall engaged in investment in energ, real estate, infrastructure, high-tech and financial sectors in the PRC. BEIH is the controlling shareholder of the Compan, directly held approximatel 67.958% of the issued share capital of the Compan as at the date of this announcement, and therefore is our connected person pursuant to the Listing Rules.

\mathbf{H}_{\prime} , \mathbf{H}

Hua uan Heating is a compan incorporated b the Compan and BDHG as the cofounders in the PRC and was a jointle controlled entit which was 50% owned b the Compan and 50% owned b BDHG at the time of its incorporation. Upon the Completion of the disposal under the ETA(1) and the Proposed Disposal, BDHG and BEIH each will hold 50% of Hua uan Heating's equit interests. Hua uan Heating is primarile engaged in construction of pipelines, heat energing generation plants and exchange plants in Beijing and Hebei Province.

Based on the audited financial accounts of Hua uan Heating prepared under the PRC GAAP, as at 31 December 2011, the total assets, total liabilities and net assets of Hua uan Heating were approximatel RMB3,469,535,033, RMB3,211,264,350 and RMB258,270,683, respectivel. The total profits/(loss) attributable to the equit to be disposed, which is 15% of the equit interests in Hua uan Heating for the two ears ended 31 December 2010 and 31 December 2011 were as follows:

	F	(Unit: RMB)
	31 D 2010 (audited)	31 D 2011 (audited)
Net profit/(loss) attributable to the equit interests to be disposed under the Proposed Disposal (before ta action and extraordinar items) Net profit/(loss) attributable to the equit interests to be disposed under the Proposed Disposal (after	206,969.45	(129,743.55)
ta vation and e straordinar items)	31,052.47	(2,640,795.27)

6. SI I G SE I SICA I

As at the date of this announcement, BEIH directl held 67.958% of the issued share capital of the Compan . Accordingl , BEIH is a substantial shareholder of the Compan and thus a connected person of the Compan as defined under the Listing Rules. As a result, the transactions under the ETA(1) and ETA(2) constitute connected transactions of the Compan under Chapter 14A of the Listing Rules. In addition, as BIEE and BDHG are subsidiaries of BEIH, the are therefore connected persons of the Compan under Chapter 14A of the Listing Rules b virtue of being associates of the Compan 's substantial shareholder.

Considering both the disposal under the ETA(1) and the ETA(2) are disposals of certain equit interests in the same entit b the Compan, and the ETA(1) and ETA(2) were entered into b the Compan with the same part within a period of 12 months, such transactions will be aggregated pursuant to Rule14A.25 of the Listing Rules. As the highest applicable percentage ratio in respect of the transactions under the ETA(1) and ETA(2), after aggregation, exceeds 5% but is less than 25%, the Proposed Disposal constitutes (i) a discloseable transaction subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) connected transaction subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board (excluding the members of the Independent Board Committee, the opinion of which will be included in the circular to be dispatched to the Shareholders as soon as practicable after publication of this announcement) is of the view that the Proposed Disposal is on normal commercial terms, fair and reasonable and in the interests of the Compan and the Shareholders as a whole.

The Board has resolved and approved the ETA(2) and the transaction contemplated thereunder. Mr. LU Haijun, Mr. GUO Ming ing, Mr. XU Jingfu, Mr. LIU Guochen and Mr. MENG Wentao, concurrentl serving as Directors of the Compan and directors and/or management members of BEIH, have material interest in the transaction between the Compan and BEIH, and have all abstained from voting on the Board resolution approving the Proposed Disposal.

An Independent Board Committee comprising all of the independent non-e ecutive Directors of the Compan has been formed to advise the Independent Shareholders on the Proposed Disposal. Cinda has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

An ordinar resolution in respect of the Proposed Disposal will be proposed for the Independent Shareholders' consideration and approval at the EGM. BEIH, BIEE, BDHG and their respective associates, being connected persons of the Compan , will abstain from voting at the EGM on the ordinar resolution to approve the Proposed Disposal. The Compan confirms that none of the independent non-e ecutive Directors has an interests in the ETA(2) and the Proposed Disposal.

7. HE $I_F + A I_{\sim}$

A supplemental circular, containing a letter from the Board, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and other details in respect of the Proposed Disposal, will be dispatched to the Shareholders on or about 12 October 2012.

8. DEFLII

"associate(s)"

has the meaning ascribed to it under the Listing Rules

"BDHG"

北京市熱力集團有限公司 (Beijing District Heating (Group) Co., Ltd.), a state-owned compan incorporated in the PRC and a Shareholder, which directl held 0.261% of the total issued share capital of the Compan as at the date of this announcement. BDHG is a wholl -owned subsidiar of BEIH

"BEIH"

北京能源投資(集團)有限公司 (Beijing Energ Investment Holding Co., Ltd.), a limited liabilit compan incorporated in the PRC and the controlling shareholder of the Compan , which directl held 67.958% of the total issued share capital of the Compan as at the date of this announcement

"BIEE"

北京國際電氣工程有限公司(Beijing International Electric Engineering Co., Ltd.), a compan incorporated in the PRC and a Shareholder, which directl held 0.437% of the total issued share capital of the Compan as at the date of this announcement. BIEE is a wholl -owned subsidiar of BEIH

"Board"

"ETA(2)" the equit transfer agreement entered into between the Compan and BEIH on 28 September 2012 in respect of the disposal of 15% of the equit interests in Hua uan Heating b the Compan

"Hua uan Heating"

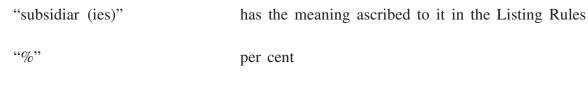
北京華源熱力管網有限公司 (Beijing Hua uan Heating

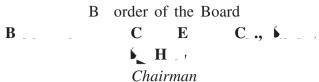
Pipeline Co., Ltd.), a compan incorporated b

Compan and BDHG as the co-founders in the PRC

"H Share(s)" overseas listed foreign invested share(s) in the

Compan 's issued share capital with a par value of





Beijing, the PRC 28 September 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.