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北京京能清潔能源電力股份有限公司
BEIJING JINGNENG CLEAN ENERGY POWER CO., LTD.

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

(Stock Code: 00579)

CONNECTED AN ACQUISITION ANNOUNCEMENT

DIQIANGAL OF 35% EQUITY INTEREST IN BEIJING HANHEA HOLDING

The Board of Directors of the Company on 29 June 2012 has agreed with the Hanhe Holding Company Limited ("BEIH") a purchase agreement under which the Company has agreed to acquire a 35% equity interest in Hanhe Holding Company Limited for a total consideration of RMB107,237,300.

LISTING RELIMINATION

BEIH has been established in the People's Republic of China, and its registered capital is RMB107,237,300. BEIH is a 67.958% owned subsidiary of the Company. According to the articles of association of BEIH, the Company has agreed to acquire a 35% equity interest in BEIH. The Company is a public company listed on the Shanghai Stock Exchange under the listing code of 600579.

The highest percentage of the Company's shareholding is held by the Hanhe Holding Company Limited, which holds 35% of the Company's shares. The Company's shareholding structure is as follows: Hanhe Holding Company Limited (35%), Beijing Jingneng Clean Energy Power Co., Ltd. (67.958%), and other shareholders (0.1%).

1 INTRODUCTION

The Board of Directors of the Company on 29 June 2012 has agreed with the Hanhe Holding Company Limited ("BEIH") a purchase agreement under which the Company has agreed to acquire a 35% equity interest in Hanhe Holding Company Limited for a total consideration of RMB107,237,300.

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Other Matters

BEIH has been elected the largest shareholder by the 35% equity holders of Haaha Heaog. The Board of Directors of the Company has approved the effective date of 31 December 2011 as the closing date for the Haaha Daog.

The Company and BEIH have agreed to pay the execution and fees related to the acquisition.

3 FINANCIAL EFFECT OF THE TRANSACTION

As at 31 December 2011, the net book value of the 35% equity held by Haaha Heaog is RMB84,146,129. Accordingly, a gain of approximately RMB20,688,200 is recorded in the consolidated financial statements of the Company as a result of the 35% equity held by Haaha Heaog. The Company recognizes a gain of the 35% equity held by Haaha Heaog as a result of the acquisition of the Company as at the closing date of the Haaha Daog. The proceeds from the 35% equity held by Haaha Heaog are used to pay the acquisition cost of the Company's shares.

4 REASON FOR AND BENEFIT OF THE TRANSACTION

Haaha Heaog is a registered company in Beijing, China, and is a wholly owned subsidiary of the Beijing Hebei Petrochemical Group. The Board of Directors of the Company has approved the acquisition of the 35% equity held by Haaha Heaog as a result of the acquisition of the Company as at the closing date of the Haaha Daog.

Under the Haaha Daog, BDHG, BEIH and the Company hold 50%, 35% and 15% of Haaha Heaog's equity, respectively.

The Board (including the independent non-executive Director) of the Company has approved the acquisition of the 35% equity held by Haaha Heaog as a result of the acquisition of the Company as at the closing date of the Haaha Daog.

5 INFORMATION OF THE ACQUISITION

Company

The Company is a registered company in Beijing, China, and is a wholly owned subsidiary of the PRC, and is a registered company in the PRC. The Company is a public company listed on the Shanghai Stock Exchange.

BEIH

BEIH is a wholly-owned subsidiary of the PRC and is engaged in the production, sale and distribution of various types of steel products in the PRC. BEIH is a wholly-owned subsidiary of the Company, and its registered capital is RMB67.958 million, which is 100% owned by the Company. The Company holds 100% of the equity of BEIH.

Hebei Heaogang

Hebei Heaogang is a wholly-owned subsidiary of the Company and BDHG is a wholly-owned subsidiary of the PRC and is engaged in the production and distribution of various types of steel products in the PRC. Hebei Heaogang is a wholly-owned subsidiary of the Company, and its registered capital is RMB1.264 billion, which is 100% owned by the Company. The Company holds 100% of the equity of Hebei Heaogang.

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

(Unit: RMB)

	F12.31.2010 31 D 2010 (audited)	F12.31.2011 31 D 2011 (audited)
Net assets/(liabilities) attributable to the shareholders (before deduction of minority interests)	482,929	(302,735)
Net assets/(liabilities) attributable to the shareholders (after deduction of minority interests)	72,456	(6,161,856)

6 LIQUIDATION

BEIH is a wholly-owned subsidiary of the Company, and its registered capital is RMB67.958 million, which is 100% owned by the Company. The Company holds 100% of the equity of BEIH. According to the articles of association of Hebei Heaogang, the liquidation of Hebei Heaogang shall be carried out in accordance with the provisions of the Company Law of the PRC and the Charter of Hebei Heaogang.

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The B a d ha e e d a d a ed he H a a E T a fe Agree e a d he a ac c e a ed he e de . M . LU Ha j , M . GUO M g g , M . XU J g f a d M . LIU G che , c c e e e g a D ec f he C a a d d ec a d / a age e e be f BEIH, ha e a e a e e he a ac be e he C a a d BEIH, a d ha e a ab a ed f g he B a d e a e he H a a D a .

7 DEFINITION

BDHG 北京市熱力集團有限公司 (Be j g D c Hea g (G) C ., L d.), a a e- ed c a c a ed he PRC

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 ed ab c a c a ed he PRC a d he c g ha e de f he C a , h ch d ec h d 67.958% f he a ed ha e ca a f he C a a a he da e f ha ce e

Be j g T a j a X g e A e A a a 北京天健興業資產評估有限公司 (Be j g T a j a X g e A e A a a C ., L d.), a de e de a e a a a f a f ed he PRC

B a d he b a d f d ec f he C a

C a Be j g J g e g C ea E e g C ., L ed, a j c ed c a c a ed he PRC h ed ab , he H ha e a e ed he Ma B a d f The S c E x c h a g e f H g K g L ed

D ec () d ec () f he C a

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H a a E T a fe Agree e he e a fe age e e e ed be e he C a a d BEIH 29 J e 2012 e ec f d a f 35% e e e H a a Hea g b he C a

H a a Hea g 北京華源熱力管網有限公司(Beij g H a a Hea g P e e C ., L d.), a c a c a e d he PRC, h 50% f e e e c e b e g h e d b C a a d he e a g 50% b e g h e d b BDHG

L g R e he R e G e g he L g f Sec e The S c E x h a g e f H g K g L e d

PRC he Pe e' R e b c f C h a a d f he e f h a c e e , e c d g he H g K g S e c a A d a e Reg f he Pe e' R e b c f C h a , T a a a d he Maca S e c a A d a e Reg f he Pe e' R e b c f C h a

PRC GAAP ge e a a c c e d a c c g c e he PRC

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

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

B d e f he B a d
B A A J A A G / A E A S - C A ., L A A A
KANG J A
Joint Company Secretary

Beij g, he 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.