



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

(A , C)
(Stock Code: 00579)

ANNOUNCEMENT

(1) PROPOSED ISSUE OF SHORT-TERM DEBENTURES

(2) PROPOSED CHANGE OF USE OF PROCEEDS

AND

**(3) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR
AND INDEPENDENT NON-EXECUTIVE DIRECTOR**

The board of directors (the “**Board**”) of Beijing Jingneng Clean Energy Co., Limited (the “**Company**”) is pleased to announce that, on 23 August 2012, the Board considered and passed resolutions in relation to (i) the proposed issue of short-term debentures with a principal amount not exceeding RMB1,800 million, (ii) the proposed change of use of proceeds from the initial public offering of H shares of the Company (the “**Global Offering**”); and (iii) the proposed appointment of a non-executive director and an independent non-executive director of the Company.

All the above resolutions are subject to considerations and approvals by the shareholders of the Company (the “**Shareholders**”) at the second extraordinary general meeting of the Company of 2012 (the “**General Meeting**”). A circular containing, among other things, details of the proposed issue of short-term debenture, the proposed change of use of proceeds, the proposed appointment of non-executive director and independent non-executive director and notice of the General Meeting, will be dispatched to the Shareholders in due course.

1 PROPOSED ISSUE OF SHORT-TERM DEBENTURES

The Board is pleased to announce that, on 23 August 2012, the Board resolved to approve the proposed issue of short-term debentures with a principal amount not exceeding RMB1,800 million, subject to the approval by the Shareholders at the General Meeting.

In order to further expand the financing channels and reduce financial costs to increase the profitability, the Board resolved to approve the proposed issue of short-term debentures with a principal amount not exceeding RMB1,800 million. The proceeds raised will be primarily used to repay part of the short-term bank loans and to supplement the working capital of the Company. The interest rates of the short-term debentures to be issued will be determined according to the overall market condition at the time of the issuance.

The Board also resolved to submit the above resolution in relation to the issue of short-term debenture to the General Meeting for consideration and approval and proposed to the General Meeting to authorise the Board and the senior management of the Company to, in accordance with the demand of the Company and the market condition, decide and deal with all relevant matters in relation to the issue of short-term debenture, including without limitation, the terms and conditions and any other relevant matters relating to such issue as well as taking all necessary actions.

The resolution regarding the issue of short-term debenture, if approved at the General Meeting, shall be valid for a period of 24 months commencing from the date of its approval at the General Meeting.

2 PROPOSED CHANGE OF USE OF PROCEEDS FROM THE GLOBAL OFFERING

Reference is made to the prospectus of the Company in relation to the Global Offering dated 12 December 2011 (the “**Prospectus**”). The net proceeds raised from the Global Offering, after the exercise of over-allotment option, amounted to approximately HK\$1,738.5 million. As disclosed in the section headed “Future Plans and Use of Proceeds” of the Prospectus, the Company intended to use the net proceeds in the following manner:

- (1) approximately 50% of net proceeds would be used for investing in the construction of wind power and gas-fired power projects, among which (i) approximately 62% will mostly be used within 2012 for the construction of gas-fired power projects in the PRC; and (ii) approximately 38% will mostly be used within 2012 for the construction of wind power projects in the PRC; (“**Usage (1)**”);
- (2) approximately 20% of net proceeds would be used for purchasing key equipment and parts and technological consultancy for maintenance as well as equipment improvement for existing projects; (“**Usage (2)**”);
- (3) approximately 20% of net proceeds would be used to repay certain amounts of the following banks loans (i) the RMB200 million bank loan from Agricultural Bank of China; and (ii) the RMB160 million bank loan from Shanghai Pudong Development Bank; and
- (4) approximately 10% of net proceeds would be used for working capital.

In order to promote efficiency when utilizing the financial resources of the Company, optimize the development strategy, reduce the capital-use cost, facilitate the exploration in overseas market and avoid exchange loss when going through the foreign exchange settlement process, the Board proposed to make adjustments to the intended use of proceeds received from the Global Offering in the following manner:

- (a) all the net proceeds in item (ii) of Usage (1) and 50% of the net proceeds in Usage (2) will be used to repay the bank loans; and
- (b) the remaining 50% of the net proceeds in Usage (2) will be used to invest in the overseas subsidiaries of the Company.

The directors (including the independent non-executive directors of the Company) consider that it is in the best interests of the Company and the Shareholders as a whole to reallocate the use of the net proceeds received by the Company from the Global Offering for the proposed purposes. The Board resolved to submit the above resolution in relation to the change of use of proceeds to the General Meeting for consideration and approval.

3 PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY

The Board is pleased to announce that, on 23 August 2012, it is proposed that Mr. JIN Yudan shall be appointed as a non-executive director of the Company, subject to the approval by the Shareholders at the General Meeting. The term for Mr. JIN's appointment as a non-executive director shall commence upon the approval by the Shareholders at the General Meeting and shall end on the expiry of the term of the current session of the Board. The Company will enter into a service agreement with Mr. JIN upon the approval of his appointment at the General Meeting. Mr. JIN will not receive any emolument from the Company.

The biographical details of Mr. JIN is set out in Appendix I.

Save as disclosed in this announcement, Mr. JIN did not hold any directorship in any other listed companies or take up any post in any group members of the Company in the past three years, nor has any relationship with any other director, supervisor, senior management, substantial shareholder or controlling shareholder of the Company. Furthermore, Mr. JIN does not have any equity interest in the Company within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong.

Save as the above, there is no other information relating to the proposed appointments of Mr. JIN that shall be disclosed pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") nor any matters which need to be brought to the attention of the Shareholders.

The Board is also pleased to announce that, on 23 August 2012, it is proposed that Mr. WEI Yuan shall be appointed as an independent non-executive director of the Company, subject to the approval by the Shareholders at the General Meeting. The term for Mr. WEI's appointment as an independent non-executive director shall commence upon the approval at the General Meeting and shall end on the expiry of the term of the current session of the Board. The Company will enter into a service agreement with Mr. WEI upon the approval of his appointment at the General Meeting. Mr. WEI will receive a total annual emolument of RMB150,000 from the Company, which is determined with reference to Mr. WEI's experience, duties, responsibilities and the Company's remuneration policy.

The biographical details of Mr. WEI are set out in Appendix I.

Save as disclosed in this announcement, Mr. WEI did not hold any directorship in any other listed companies or take up any post in any group members of the Company in the past three years, nor has any relationship with any other director, supervisor, senior management, substantial shareholder or controlling shareholder of the Company. Furthermore, Mr. WEI does not have any equity interest in the Company within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong.

Save as the above, there is no other information relating to the proposed appointment of Mr. WEI that shall be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor any matters which need to be brought to the attention of the Shareholders.

4 GENERAL

A circular containing, among other things, details of the proposed issue of short-term debenture, the proposed change of use of proceeds, the proposed appointment of non-executive director and independent non-executive director of the Company and the notice at the General Meeting, will be dispatched to the Shareholders in due course.

By order of the Board
Beijing Jingneng Clean Energy Co., Limited
KANG Jian
J C

Beijing, the PRC

23 August 2012

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APPENDIX I

Biographical Retails of Mr. JIN

Mr. JIN Yudan, age 55, has been a member of the Board of Trustees of Dulwich College Beijing, a British international school, since June 2012 and has been a partner of SAIF Partners RMB Fund since January 2010. From August 2008 to December 2009, he was an investment partner of SAIF Partners. From September 2005 to August 2008, he worked as the chief executive officer of Beijing Topsec Network Security Technology Co., Ltd. From July 2003 to September 2005, he worked as the president of Luminous Networks, Inc., a start-up company in Silicon Valley, USA. He studied in the Advanced Management Program of Kellogg School of Management, Northwestern University from April 2002 to June 2002. From May 1997 to December 2001, he was the president of Asia Pacific region for Marconi Plc, a British telecommunications company. He was the chief representative in China of the 3Com, a company in Silicon Valley, USA, from April 1994 to April 1997, and previously worked as a software R&D engineer from April 1988 to March 1994 for the company. From 1985 to 1987, he studied in the Postgraduate School of the Computer Science Department, Rochester Institute of Technology. He was an engineer in China HP from 1982 to 1985. He studied in the Department of Computer Engineering and Science, Tsinghua University from 1978 to 1981.

Biographical Retails of Mr. WEI

Mr. WEI Yuan, age 56, has been a deputy secretary of the Party Committee and the general manager of Hunan Branch Company of China Datang Corporation and Datang Huayin Electric Power Co., Ltd in Hunan since December 2005. From March 2003 to February 2005, he was a member of the Party Committee and a deputy general manager of Datang International Power Generation Co., Ltd. He served as a deputy chief economist and a manager of the Planning and Development Department in Beijing Datang Power Generation Co., Ltd., from April 1998 to March 2003. From May 1996 to April 1998, he was the manager of Qinhuangdao Thermal Power Plant. He was the secretary of the Party Committee of Tangshan Dou He Power Plant from October 1995 to May 1996. He was a deputy manager and then the manager of Tangshan Power Plant from November 1993 to October 1995. From January 1982 to November 1993, he served successively as the secretary of the Boiler Workshop, the director of the Office of Party Committee, a director of the Manager's Office, the head of Boiler Maintenance Team, the head and a deputy director of Pipeline Team of Coal Conveying Workshop, and the chief of the Operating Department of Tangshan Dou He Power Plant. From January 1978 to January 1982, he served successively as the director-general and the secretary of Communist Youth League of Maintenance Department in Tangshan Power Plant. He worked in Communications Department of Tangshan Power Plant from June 1977 to January 1978. He served in the military for Tianjing 52855 Force from December 1970 to March 1977.