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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)**

**ANNOUNCEMENT**  
**DISCLOSEABLE TRANSACTION**

**NOMINATION AND ASSET SALE AGREEMENT**

On 9 July 2014, GRWF, as the vendor, entered into the Nomination and Asset Sale Agreement with New GRWF, as the purchaser, in connection with the transfer of the Target Asset (mainly including the Wind Farm Project) at a total consideration of approximately AUD319,460,000 (equivalent to approximately HK\$2,296,917,400).

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Transaction is more than 5% but less than 25%, the Transaction would constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Jingneng Hong Kong and Goldwind Australia respectively own 75% and approximately 25% of the equity interests in New GRWF Holdco, which owns 100% of the total issued share capital of New GRWF. Jingneng Hong Kong is a wholly owned subsidiary of the Company while Goldwind Australia is a wholly owned subsidiary of Xinjiang Goldwind. GRWF is a wholly owned subsidiary of Xinjiang Goldwind. Given all the applicable conditions under Rule 14A.09 of the Listing Rules in respect of New GRWF Holdco are satisfied, the Transaction is not a connected transaction within the meaning of Chapter 14A of the Listing Rules.

**BACKGROUND INFORMATION**

Jingneng Hong Kong entered into the Share Subscription Agreement with Goldwind Australia, New GRWF Holdco and New GRWF, pursuant to which, Jingneng Hong Kong has agreed to subscribe for, and New GRWF Holdco has agreed to issue, shares of New GRWF Holdco, representing 75% of the

total issued shares of New GRWF Holdco. Goldwind Australia and Goldwind International GR own the remaining 25% of the total issued shares of New GRWF Holdco. New GRWF Holdco owns 100% of the issued share capital of New GRWF.

## **THE NOMINATION AND ASSET SALE AGREEMENT**

The Board is pleased to announce that on 9 July 2014, New GRWF entered into the Nomination and Asset Sale Agreement with GRWF, pursuant to which, New GRWF has agreed to purchase the Target Asset at a total consideration of approximately AUD319,460,000 (equivalent to approximately HK\$2,296,917,400) from GRWF.

### **Date**

9 July 2014

### **Parties**

Vendor : GRWF

Purchaser : New GRWF

### **Target Asset**

The Target Asset refers to part of the assets and liabilities of GRWF and mainly includes the Wind Farm Project.

GRWF owns and operates the Wind Farm Project in Australia. As at the date of this announcement, the Wind Farm Project is still under construction. The Wind Farm Project will install 17 sets of GW82/1500 WTGs and 56 sets of GW100/2500 WTGs in total. The Wind Farm Project has started construction in August 2012. It is expected that the grid connection will be completed in the second half of 2014.

### **Consideration**

The total consideration for the Transaction is approximately AUD319,460,000 (equivalent to approximately HK\$2,296,917,400).

The consideration for the Nomination and Asset Sale Agreement was determined by GRWF and New GRWF following arm's length negotiations by reference to, inter alia, the prospects of the clean energy industry and the valuation of the enterprise value of GRWF, which is in the range from approximately AUD325,990,000 (equivalent to approximately HK\$2,343,868,100) to approximately AUD370,360,000 (equivalent to approximately HK\$2,662,888,400) as at 30 April 2014, prepared by PwC Australia with the use of the income approach (specifically the discounted cash flow approach) as the primary valuation methodology. After an adjustment relating to the transferred liabilities, the

value of Target Asset is estimated in the range from approximately AUD279,500,000 (equivalent to approximately HK\$2,009,605,000) to approximately AUD323,860,000 (equivalent to approximately HK\$2,328,553,400).

New GRWF will fund the payment of the consideration of the Transaction through internal cash resources and external banking facilities. New GRWF Holdco will utilize the share subscription amount of AUD115,000,000 (equivalent to approximately HK\$826,850,000) payable by Jingneng Hong Kong to inject capital into New GRWF.

## **Payment**

The consideration of approximately AUD319,460,000 (equivalent to approximately HK\$2,296,917,400) is payable in three installments by New GRWF to GRWF for the Target Asset. The first installment of approximately AUD297,370,000 (equivalent to approximately HK\$2,138,090,300) shall be paid on the date of the Completion, the second installment of approximately AUD1,360,000 (equivalent to approximately HK\$9,778,400) shall be paid after the Completion on the first funding date provided under the relevant syndicated facility agreement and the third installment of approximately AUD20,720,000 (equivalent to approximately HK\$148,976,800) shall be paid after the Wind Farm Project commences commercial operation no later than 28 May 2015.

## **Completion**

The Completion is conditional upon, among other things, the fulfillment of the following conditions:

- (i) each novating debt financing contract and new finance document has been executed;
- (ii) the conditions precedent to the novation completion time in the implementation deed entered into between GRWF, New GRWF and a bank are satisfied or waived (save for the condition precedent relating to the Nomination and Asset Sale Agreement);
- (iii) each novating operating contract has been executed;
- (iv) GRWF and New GRWF have reached agreement on the form of each novating easement document;
- (v) GRWF has procured a parent company assurance in respect of the due performance of all of the obligations of GRWF under the Nomination and Asset Sale Agreement; and
- (vi) either an Environment Protection Licence for the Wind Farm Project has been issued or an notice or written confirmation from the relevant governmental agency has been issued to the effect that an Environment Protection Licence for the Wind Farm Project can or will be issued in the name of New GRWF.

The Completion is expected to take place no later than 16 July 2014.

If the date of commercial operation of the Wind Farm Project does not occur on or before 28 May 2015, New GRWF may terminate the Nomination and Asset Sale Agreement, and Goldwind International shall repurchase any shares held by Jingneng Hong Kong in New GRWF Holdco and return any amount Jingneng Hong Kong has paid for the subscription of the shares thereof plus a liquidated damages equal to 12% of such amount (the “**Shares Repurchase**”).

### **Principal Assumptions of the Valuation**

Given that the valuation of GRWF involves use of the discounted cash flow approach, such valuation is regarded as a profit forecast under Rule 14.61 of the Listing Rules.

The valuation of GRWF contained in the valuation report of PwC Australia has been prepared on the following principal basis and assumptions:

- During the first 10 years after the grid connection, power generation and REC pricing is 100% contracted under the PPA in respect of the sale of all power and RECs generated by GRWF. After the 10 years, all energy and RECs will be sold into the spot market. Revenue from the sale of RECs is assumed to be nil after 2030;
- The largest costs of the operation period are warranty, operating, and maintenance costs, and these are expected to represent a greater proportion of total costs in future years. Other operating expenses include environmental monitoring and asset services agreement expenses;
- The corporate tax rate in Australia is 30%;
- An accelerated depreciation policy has been adopted for tax purposes over the 20 year effective life of the asset; and
- Whilst Xinjiang Goldwind has assumed a salvage value of plant and equipment based on accounting book value, a nil terminal value at the end of the 20 year forecast period has been assumed.

Deloitte Touche Tohmatsu, the reporting accountants of the Company, has reported to the Directors in respect of the compilation, in accordance with the assumptions to the valuation, of the discounted future estimated cash flows in connection with the valuation of GRWF prepared by PwC Australia as set out in its valuation report dated 9 May 2014.

The Directors confirm that the valuation of GRWF, which constitutes a profit forecast under Rule 14.61 of the Listing Rules, has been made after due and careful enquiries.

Letters from Deloitte Touche Tohmatsu and the Board relating to the valuation report are set out as Appendix I and Appendix II to this announcement, respectively.

## **RELATED GUARANTEES**

In connection with the Transaction, Xinjiang Goldwind and Goldwind International also provided certain guarantees in favour of GRWF and/or New GRWF, which are set out below:

Goldwind International will provide joint-liability guarantee in respect of the performance obligations of New GRWF under the PPA for an amount not exceeding AUD20,000,000 (equivalent to approximately HK\$143,800,000), with a term not exceeding one year, while Jingneng Hong Kong will provide counter guarantee on the similar terms in respect of 75% of the guarantee amount borne by Goldwind International.

In connection with entering into the Nomination and Asset Sale Agreement, Xinjiang Goldwind will also provide joint-liability guarantee in respect of the relevant stamp duty payment obligations of GRWF for an amount not exceeding AUD20,000,000 (equivalent to approximately HK\$143,800,000).

If the above-mentioned Share Repurchase cannot occur, GRWF shall indemnify any consequences as a result of that failure, including without limitation, compensating New GRWF for any loss of revenues from the termination or suspension of the PPA to the effect as if the PPA has been full implemented. In connection with this term in the Nomination and Asset Sale Agreement, Goldwind International will provide joint-liability guarantee for such consequences.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Transaction reflects the Company's continued implementation of its development strategy. In the context of a rapid development of the clean energy industry, an increase in the market share by way of acquisition of overseas wind power assets will be instrumental in enhancing the Company's competitive strengths and increasing shareholders' value. It will also allow the Company to start entering into the wind power industry in Australia. Upon Completion, the Transaction will enlarge the Company's operating scale and geographical scope, thus consolidating the Company's leading position in the clean energy industry.

The Board (including the independent non-executive Directors) is of the view that the terms and conditions of the Nomination and Asset Sale Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE PARTIES INVOLVED**

### **The Company**

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

## Jingneng Hong Kong

Jingneng Hong Kong is a wholly owned subsidiary of the Company and mainly engaged in investment holding.

## Xinjiang Goldwind

Xinjiang Goldwind is one of the global leaders in manufacturing WTGs and providing comprehensive wind power solutions. Xinjiang Goldwind is also engaged in the provision of comprehensive wind farm services and the development of wind farms for sale to wind farm operators and investors.

## Goldwind Australia

Goldwind Australia is a wholly owned subsidiary of Xinjiang Goldwind incorporated in Australia and engaged in developing and investing wind farm projects in Australia.

## GRWF

GRWF is a limited company incorporated in Australia and an indirect wholly owned subsidiary of Xinjiang Goldwind primarily engaged in the operation of the Wind Farm Project.

According to the management accounts of GRWF prepared in accordance with AASB, the total book value of the transferred assets as at 30 June 2014 was approximately AUD324,890,000 (equivalent to approximately HK\$2,335,959,100); and the total book value of the transferred liabilities as at 30 June 2014 was approximately AUD46,500,000 (equivalent to approximately HK\$334,335,000).

The net profits/(loss) attributable to the Target Asset to be acquired, for the two years ended 31 December 2012 and 31 December 2013, as shown on the audited account of GRWF prepared under the AASB, were as follows:

	<b>For the year ended 31 December 2013</b> <i>(audited)</i>	<i>Unit: AUD</i> <b>For the year ended 31 December 2012</b> <i>(audited)</i>
Net profit/(loss) attributable to the Target Asset (before taxation and extraordinary items)	(6,703,321) (equivalent to approximately HK\$(48,196,878))	(574) (equivalent to approximately HK\$(4,127))
Net profit/(loss) attributable to the Target Asset (after taxation and extraordinary items)	(494,806) (equivalent to approximately HK\$(3,557,655))	(574) (equivalent to approximately HK\$(4,127))

## **New GRWF**

New GRWF is a limited company incorporated in Australia and a wholly owned subsidiary of New GRWF Holdco, which will be engaged in the operation of the Wind Farm Project upon Completion.

## **INFORMATION ON THE EXPERT**

The following is the qualification of the expert who has given its opinion and advice included in this announcement:

<b>Name</b>	<b>Qualification</b>
Deloitte Touche Tohmatsu	Certified Public Accountants

As at the date of this announcement, Deloitte Touche Tohmatsu does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person to subscribe for securities in any member of the Group.

Deloitte Touche Tohmatsu has given and has not withdrawn its consent to the publication of this announcement with inclusion of its report and/or all reference to its name in the form and context in which it appears.

## **EXCHANGE RATE CONVERSION**

For exchange rate translations throughout this announcement, amounts denominated in AUD have been converted based on the rates of AUD1.00: HK\$7.19 (for the purpose of illustration only).

## **LISTING RULE IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Transaction is more than 5% but less than 25%, the Transaction would constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Jingneng Hong Kong and Goldwind Australia respectively own 75% and approximately 25% of the equity interests in New GRWF Holdco, which owns 100% of the total issued share capital of New GRWF. Jingneng Hong Kong is a wholly owned subsidiary of the Company while Goldwind Australia is a wholly owned subsidiary of Xinjiang Goldwind. GRWF is a wholly owned subsidiary of Xinjiang Goldwind. Given all the applicable conditions under Rule 14A.09 of the Listing Rules in respect of New GRWF Holdco are satisfied, the Transaction is not a connected transaction within the meaning of Chapter 14A of the Listing Rules.

## DEFINITIONS

“AASB”	Australian Accounting Standards Board
“AUD”	Australian dollars, the lawful currency of Commonwealth of Australia
“Board”	board of Directors of the Company
“Company”	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 limited company incorporated in the PRC with limited liability, whose H shares are listed on the Hong Kong Stock Exchange
“Completion”	the completion of the Transaction
“Director(s)”	director(s) of the Company
“EnergyAustralia”	EnergyAustralia Goulburn Holdings Pty Ltd, an electricity & gas service provider in Australia
“Environment Protection Licence”	A licence on environment protection issued by the environmental protection authority of New South Wales in Australia
“Goldwind Australia”	Goldwind Capital (Australia) Pty Ltd, a wholly owned subsidiary of Xinjiang Goldwind incorporated in Australia
“Goldwind International”	Goldwind International Holdings (HK) Limited (金風國際控股(香港)有限公司), a limited liability company incorporated in Hong Kong and a direct wholly owned subsidiary of Xinjiang Goldwind and the parent company of GRWF
“Goldwind International GR”	Goldwind International GR Ltd, a wholly owned subsidiary of Goldwind International incorporated in Australia
“Group”	the Company and its subsidiaries
“GRWF” or the “Vendor”	Gullen Range Wind Farm Pty Ltd, a limited company incorporated in Australia and an indirect wholly owned subsidiary of Xinjiang Goldwind engaged in the operation of the Wind Farm Project
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC



“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Jingneng Hong Kong”	Beijing Jingneng Clean Energy (Hong Kong) Co., Limited (北京京能清潔能源電力股份(香港)有限公司), a wholly owned subsidiary of the Company incorporated in Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New GRWF” or the “Purchaser”	New Gullen Range Wind Farm Pty Ltd, a wholly owned subsidiary established by New GRWF Holdco and a limited liability company incorporated in Australia
“New GRWF Holdco”	New Gullen Range Wind Farm (Holding) Pty Ltd, a joint venture company incorporated in Australia
“Nomination and Asset Sale Agreement”	the Nomination and Asset Sale Agreement dated 9 July 2014 entered into between GRWF and New GRWF in respect of the Transaction
“PPA”	the power purchase agreement entered into between GRWF and EnergyAustralia dated 22 May 2013 in respect of the sale of all power generated by GRWF
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan)
“PwC Australia”	PricewaterhouseCoopers Australia, independent assets valuer of the Transaction
“REC”	Renewable Energy Certificate
“Shareholder(s)”	shareholder(s) of the Company
“Share Subscription Agreement”	the Share Subscription Agreement entered into among Jingneng Hong Kong, Goldwind Australia, New GRWF Holdco and New GRWF
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“Target Asset”	part of the assets and liabilities of GRWF (including the Wind Farm Project, cash, account receivables, prepayments, construction in progress, trade payables and tax payable associated therewith)

“Transaction”	the proposed acquisition of the Target Asset by the Purchaser from the Vendor contemplated under the Nomination and Asset Sale Agreement
“Wind Farm Project”	Gullen Range wind farm project, operated by GRWF in Australia, which has been developed by Xinjiang Goldwind and its subsidiaries
“WTG”	wind turbine generator
“Xinjiang Goldwind”	Xinjiang Goldwind Science & Technology Co., Ltd. (新疆金風科技股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, whose H shares are listed on the Hong Kong Stock Exchange

By order of the Board  
**Beijing Jingneng Clean Energy Co., Limited**  
**LU Haijun**  
*Chairman*

Beijing, the PRC  
9 July 2014

*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, Mr. Yu Zhongfu and Mr. Jin Yudan; the executive Director of the Company is Mr. Chen Ruijun; and the independent non-executive Directors of the Company are Mr. Liu Chaoan, Mr. Li Fuqiang, Ms. Lau Miu Man and Mr. Wei Yuan.*

## **APPENDIX I LETTER FROM DELOITTE TOUCHE TOHMATSU IN RELATION TO THE PROFIT FORECAST**

### **ACCOUNTANTS' REPORT ON CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF GULLEN RANGE WIND FARM PTY LTD**

#### **TO THE DIRECTORS OF BEIJING JINGNENG CLEAN ENERGY CO., LIMITED**

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by PricewaterhouseCoopers Australia dated 9 May 2014, of the enterprise value of Gullen Range Wind Farm Pty Ltd (“GRWF”) at 30 April 2014 (the “Valuation”) is based. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and reference to the Valuation will be included in an announcement dated 9 July 2014 issued by Beijing Jingneng Clean Energy Co., Limited (the “Company”) in connection with the proposed acquisition of the project assets in GRWF (the “Announcement”).

#### **Directors' responsibility for the discounted future estimated cash flows**

The directors of the Company are responsible for the reasonableness and validity of the assumptions, as set out in the Announcement (the “Assumption”), based on which the discounted future estimated cash flows and the Valuation are prepared.

#### **Reporting accountants' responsibility**

It is our responsibility to form an opinion on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.62(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows so far as the calculations are concerned, have been properly compiled in accordance with the Assumptions. Our work does not constitute any valuation of GRWF.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

### **Opinion**

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong

9 July 2014

**APPENDIX II LETTER FROM THE BOARD IN RELATION TO THE PROFIT FORECAST**



**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)**

9 July 2014

Listing Division  
The Stock Exchange of Hong Kong Limited  
11/F., One International Finance Centre,  
1 Harbour View Street,  
Central,  
Hong Kong

Dear Sirs,

**DISCLOSEABLE TRANSACTION**

We refer to the valuation report dated 9 May 2014 prepared by PwC Australia in relation to the valuation of GRWF which constitute a profit forecast under Rule 14.61 of the Listing Rules. Terms defined in the announcement of the Company dated 9 July 2014 in respect of acquisition of the Target Asset by New GRWF shall have the same meanings in this letter unless the context otherwise requires.

We have reviewed the bases and assumptions based upon which the valuation of GRWF has been prepared by PwC Australia for which PwC Australia is responsible. We have also considered the report from the reporting accountants of the Company, Deloitte Touche Tohmatsu, regarding whether the discounted future estimated cash flows of GRWF, so far as the calculations are concerned, have been properly complied, in all material respects, in accordance with their respective bases and assumptions.

On the basis of the foregoing, we are of the opinion that the valuations prepared by PwC Australia have been made after due and careful enquiries.

Yours faithfully  
By order of the Board  
**Beijing Jingneng Clean Energy Co., Limited**  
**LU Haijun**  
*Chairman*