

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Beijing Jingneng Clean Energy Co., Limited
北

TH T T T T T T T T
T T 55% T T T T
T H T

T T M T

The Board is pleased to announce that on 29 March 2022, the Company entered into the Equity Transfer Agreement with BIEE, pursuant to which, BIEE has agreed to sell and the

T T

M T

The principal terms of the Equity Transfer Agreement are set out below:

29 March 2022

Vendor: BIEE

Purchaser: the Company

b M

Subject to the terms and conditions of the Equity Transfer Agreement, BIEE has agreed to sell, and the Company has agreed to acquire the 55% equity interest in BJJET at a total consideration of RMB48,458,630.

d

The total consideration is RMB48,458,630, which was determined after arm's length negotiation between the Company and BIEE with reference to the audit report of BJJET prepared by BDO China Shu Lun Pan Certified Public Accountants LLP () and the Valuation Report.

The payment of the consideration should be made in a lump sum in cash within 10 business days after the Completion, subject to the Company's right to deduct any withholding tax made by the Company pursuant to applicable laws.

d d

Conditions precedent to be fulfilled by the Vendor and the Target Company for the transfer of the 55% equity interest in BJJET from BIEE to the Company:

- (i) the Vendor's representations, warranties and undertaking under the Equity Transfer Agreement being valid;
- (ii) the Vendor having obtained all necessary third parties' approval in relation to the Transfer (including but not limited to the approval of the other shareholder of the Target Company, Siemens Energy Co., Ltd.);

- (iii) the Vendor having obtained the consent letter of Siemens Energy Co., Ltd. to give up the pre-emptive right to acquire the 55% equity interest in the Target Company;
- (iv) the Vendor having passed all materials of the Target Company to the Company for pre-handover check so that the Company can confirm whether there is no matter unknown to the Company that may impact the Transfer and if there is any such matter, the Company has the right to suspend the acquisition until the parties reach consensus; and
- (v) the Vendor and the Target Company having obtained all approvals of internal competent decision-making authorities in relation to the Transfer.

Conditions precedent to be fulfilled by the Company:

- (i) the Company having completed the pre-delivery check of the fulfillment of the conditions precedent by the Vendor and the Target Company; and
- (ii) the Company having obtained all approvals of internal competent decision-making authorities in relation to the Transfer and completed the filing of the Valuation Report with state-owned assets management authorities.

The Transfer will be completed on the date when the 55% equity interest of BJIET to be acquired by the Company are registered under the name of the Company and the amendment filings with the competent industry and commerce authorities are completed.

T d

Since the effective date of the Equity Transfer Agreement, the following shareholder's rights shall be transferred to the Company:

- (i) as a new shareholder to sign the amended articles of association of BJIET and nominate directors, supervisors and senior management of BJIET; and
- (ii) to sign relevant resolutions or other documents necessary to exercise the abovementioned rights.

The Vendor agrees and undertakes that during the Transition Period, without the prior written consent of the Company, the Vendor shall not, and shall not procure or allow the Target Company to do the following:

- (i) increasing or decreasing the registered share capital of the Target Company;
- (ii) transferring, pledging or disposing of the equity of the Target Company in any other ways;

- (iii) creating or allowing the Target Company to assume any guarantee obligations or liabilities;
- (iv) increasing the debt of the Target Company;
- (v) transferring, selling, mortgaging, pledging or disposing of the assets of the Target Company in any other ways;
- (vi) carrying out any merger and acquisition, division, cessation or other similar activities;
- (vii) making profit distribution;
- (viii) change in the business nature or business scope of the Target Company;
- (ix) executing any contract, agreement or other documents that may adversely affect the interest of the Target Company; or making any amendments or supplements to any existing contracts to which the Target Company is a party that may adversely affect the interest of the Target Company; and
- (x) other acts that may infringe the legitimate rights or impair the equity of the Target Company.

M T TH T

T

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

The Company is held as to 68.68% by BEH. BEH is a limited liability company incorporated in the PRC and wholly-owned by Beijing State-owned Capital Operation Management Co., Ltd. () (“BSCOMC”), which was established and wholly-owned by State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality (). BEH is principally engaged in the businesses of generation and supplying of electricity and heat, production and sale of coal and development of real estate.

BIEE is a limited liability company established in the PRC and a wholly-owned subsidiary of BEH. As at the date of this announcement, BIEE directly held approximately 1.12% interest in the total issued share capital of the Company. The business scope of BIEE is general construction contracting; professional contracting; labor sub-contracting; repair and maintenance of power station and thermal equipment; technical development and technical consultation; real estate consultation; sales of

mechanical and electrical equipment, needle textiles, general merchandise, hardware and electrical equipment (excluding electric bicycles), chemical products (excluding dangerous chemicals and category I precursor chemicals), building materials, steel, class I and II medical equipment, rubber products, lubricating oil and grease; technology import and export; import and export agent; import and export of goods; undertaking bidding business for engineering equipment of national key construction projects; and construction projects bidding agent.

T T g

The Target Company is a limited liability company established in the PRC and is primarily engaged in the provision of gas turbine maintenance service.

Set out below is certain financial information of the Target Company prepared in accordance with the PRC Accounting Standards for Business Enterprises:

| | d d 3 b 0 0 <i>(RMB' million)</i> | d d 3 b 0 <i>(RMB' million)</i> |
|-------------------------------|---|---|
| Revenue | 134.91 | 101.01 |
| Profit/(loss) before taxation | 13.67 | 5.73 |
| Profit/(loss) after taxation | 10.19 | 4.23 |

The audited total assets and net assets of the Target Company as at 31 December 2021, prepared under the PRC Accounting Standards for Business Enterprises, were approximately RMB109.25 million and RMB68.15 million, respectively. According to the Valuation Report, the valuation amount of the total shareholders' equity of the Target Company was approximately RMB88.10 million.

There was no original acquisition cost incurred by BIEE for acquiring the Target Company since the Target Company was established by BIEE on 28 November 2018 with a 55% equity interest.

T T TH T T

According to the Valuation Report, the discounted cash flow method under the income approach was adopted for the valuation of the total shareholders' equity of the Target Company, which constitutes a profit forecast under Rule 14.61 of the Listing Rules. The Company has fully complied with Rule 14.62 of the Listing Rules.

The valuation of the total shareholders' equity of the Target Company has been prepared on the following principal assumptions.

- (i) Transaction assumption: it is assumed that all assets to be evaluated are already in the process of transaction, and the Valuer evaluates according to the transaction conditions of the assets to be evaluated through simulated markets.
 - (ii) Open market assumption: it means that assets can be freely traded in a fully competitive market, and the price depends on the value judgments of independent buyers and sellers on the assets under certain market supply conditions.
 - (iii) Continuous use assumption: it is assumed that the operating activities of an operating entity can continue and will not be suspended or terminated within a predictable time in the future.
-
- (i) There is no major change in the current relevant PRC laws, regulations and policies and the national macroeconomic situation; there is no major change in the political, economic and social environment of the regions where the parties to this transaction are located; and there is no major adverse impact caused by other unpredictable factors and force majeure.
 - (ii) According to the actual conditions of the assets on the valuation date, it is assumed that the entity operates normally.
 - (iii) It is assumed that the entity's operators are responsible, and the entity's management is competent to perform their duties.
 - (iv) It is assumed that the business scope and method are consistent with the current direction under the current management methods and management level.
 - (v) It is assumed that the accounting policies to be adopted by the entity in the future will be substantially consistent with the accounting policies used at the time of preparing for the Valuation Report in all material aspects.
 - (vi) There is no major change in interest rates, exchange rates, tax bases and tax rates, and policy related levies, etc.
 - (vii) It is assumed that the cash inflows of the appraised entity after the valuation date are uniform inflows, and the cash outflows are uniform outflows.
 - (viii) All assets to be evaluated are premised on the actual stock of the appraised entity on the valuation date, and the current market price of the relevant assets is based on the effective domestic price on the valuation date.

- (ix) It is assumed that the basic information and financial information provided by the entrusting party and the appraised entity are true, accurate and complete.
- (x) The scope of valuation is only based on the valuation report form provided by the entrusting party and the appraised entity, without taking into account the contingent assets and contingent liabilities that may exist beyond the list provided by the entrusting party and the appraised entity.

Pursuant to Rule 14.62(2) of the Listing Rules, the Company has engaged the Reporting Accountants to report on the calculation of the discounted cash flows used in the Valuation Report prepared by the Valuer. The Reporting Accountants have reported that so far as the calculations are concerned, the discounted cash flows have been properly compiled in all material aspects in accordance with the bases and assumptions determined by the Directors as set out in this announcement. The text of the report issued by the Reporting Accountants in relation to the calculations of the discounted cash flows is set out in Appendix I to this announcement for the purpose under Rule 14.62(2) of the Listing Rules.

The Board confirms that the profit forecasts in respect of the Target Company as set out in the Valuation Report prepared by the Valuer has been made after due and careful enquiries. The letter from the Board is set out in Appendix II to this announcement in accordance with Rule 14.62(3) of the Listing Rules.

T

The qualification of the expert who has provided its opinions and advises, which are included in this announcement, is as follows:

f

Deloitte Touche Tohmatsu

Certified Public Accountants

The expert mentioned above has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its letters, reports and/or opinions and the references to its name (including its qualification) included herein in the form and context in which it appears.

As at the date of this announcement, neither the expert mentioned above nor its subsidiaries held 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 persons to subscribe for securities in any member of the Group.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Deloitte Touche Tohmatsu is a third party independent of the Group and its connected persons.

T T T TH T T

M T

BJIET is primarily engaged in the provision of gas turbine maintenance service. By acquiring the equity interest in BJIET, the Company can extend the industrial chain of its gas segment, improve its gas turbine maintenance capability and control the operation and maintenance costs of its gas turbine equipment.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement and the transaction contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the shareholders as a whole.

T M T

BEH is the controlling shareholder of the Company, directly and indirectly holding approximately 68.68% interest in the total issued share capital of the Company and is a connected person of the Company. BIEE, as a wholly-owned subsidiary of BEH, is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction contemplated under the Equity Transfer Agreement exceeds 0.1% but is less than 5%, the transaction under the Equity Transfer Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Board has resolved and approved the Equity Transfer Agreement and the transaction contemplated thereunder. Due to Mr. Ren Qigui's position in BEH and Mr. Song Zhiyong's position in BSCOMC, the sole shareholder of BEH and Mr. Chen Dayu serving as a director of BJIET, they have all abstained from voting on the Board resolutions approving the Equity Transfer Agreement and the transaction contemplated thereunder. Save as disclosed above, none of the Directors has any material interest in the Equity Transfer Agreement.

T

In this announcement, unless the context requires otherwise, the following expressions have the following meaning:

“BEH” Beijing Energy Holding Co., Ltd. (), a limited liability company established in the PRC and a controlling shareholder of the Company

| | |
|-----------------------------|---|
| “BIEE” or “Vendor” | Beijing International Electrical Engineering Co., Ltd. (), a limited liability company established in the PRC on 8 May 1998 and a wholly-owned subsidiary of BEH |
| “BJIET” or “Target Company” | Beijing Jingneng International Energy Technology Co., Ltd. (), a limited liability company established in the PRC on 28 November 2018 and owned as to 55% by BIEE and 45% by Siemens Energy Co., Ltd. (), respectively |
| “Board” | the board of directors of the Company |
| “business day” | a day on which banks in the PRC are open to the general public for business |
| “Company” | Beijing Jingneng Clean Energy Co., Limited (), a joint stock company incorporated in the PRC with limited liability and the issued H shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 00579) |
| “Completion” | the completion of the registration of the 55% equity interest in BJIET under the name of the Company and the filing of such change with the competent industry and commerce authorities |
| “Director(s)” | the directors of the Company |
| “Equity Transfer Agreement” | the equity transfer agreement entered into by the Vendor and the Company on 29 March 2022 in relation to the transfer of the 55% equity interest in the Target Company from BIEE to the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “PRC” | the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Reporting Accountants” | Deloitte Touche Tohmatsu |

| | |
|---------------------|--|
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Transfer” | the transfer of 55% equity interest in the Target Company from BIEE to the Company |
| “Transition Period” | from 1 November 2021, the day following the benchmark date for the audit report of BJIET and the Valuation Report until the date of Completion |
| “Valuation Report” | the valuation report of BJIET by the Valuer |
| “Valuer” | Beijing Zhongtianhua Assets Appraisal Co., Ltd. (), a qualified independent valuer |

By order of the Board

g g g g d
K

Deputy General Manager and Company Secretary

Beijing, the PRC
29 March 2022

As at the date of this announcement, the executive Directors are Mr. Zhang Fengyang, Mr. Chen Dayu, Mr. Gao Yuming and Mr. Cao Mansheng; the non-executive Directors are Mr. Ren Qigui, Mr. Song Zhiyong and Mr. Wang Bangyi; the independent non-executive Directors are Mr. Huang Xiang, Mr. Chan Yin Tsung, Mr. Xu Daping and Ms. Zhao Jie.

g

b

Our responsibility is to express an opinion on whether the calculations of the discounted future estimated cash flows have been properly compiled, in all



Beijing Jingneng Clean Energy Co., Limited
北

Listing Department
The Stock Exchange of Hong Kong Limited
12/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong
29 March 2022

TH T T 55% T T T T T
T T T H T

We refer to the valuation report dated 15 March 2022 prepared by Beijing Zhongtianhua Assets Appraisal Co., Ltd. () in relation to the valuation of BJIET, which constitutes profit forecasts under Rule 14.61 of the Listing Rules. Terms defined in the announcement of the Company dated 29 March 2022 in respect of acquisition of 55% equity interest in BJIET 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 BJIET has been prepared by the Valuer for which the Valuer is responsible. We have also considered the report from the Reporting Accountants regarding whether the discounted cash flows, so far as the calculations are concerned, have been properly complied, in all material aspects, in accordance with their respective bases and assumptions.

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

By order of the Board
g g g g d
ZH g g
Director and Chairman of the Board