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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)

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION IN RELATION TO THE PROPOSED SUBSCRIPTION

PROPOSED SUBSCRIPTION

The Board is pleased to announce that, on 24 March 2025, BEH, the Company, Jingneng Power and BEH Finance entered into the Capital Increase Agreement, pursuant to which, the registered capital of the Target Company will be increased from RMB5 billion to RMB10 billion, of which, BEH, the Company and Jingneng Power will subscribe RMB3 billion, RMB1 billion and RMB1 billion, respectively. Upon the completion of the Proposed Subscription, the shareholding interest held by BEH, the Company and Jingneng Power in the Target Company will remain unchanged at 60%, 20% and 20%, respectively.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Proposed Subscription exceeds 5% but is less than 25%, the Proposed Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, BEH directly and indirectly holds 68.68% equity interest in the Company and is a connected person of the Company under Chapter 14A of the Listing Rules. Jingneng Power and BEH Finance are subsidiaries of BEH and thus constitute connected persons of the Company under Chapter 14A of the Listing Rules by virtue of being associates of BEH. Accordingly, the Proposed Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Proposed Subscription exceeds 5%, the Proposed Subscription is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

I. INTRODUCTION

The Board is pleased to announce that, on 24 March 2025, BEH, the Company, Jingneng Power and BEH Finance entered into the Capital Increase Agreement, pursuant to which, the registered capital of the Target Company will be increased from RMB5 billion to RMB10 billion, of which, BEH, the Company and Jingneng Power will subscribe RMB3 billion, RMB1 billion and RMB1 billion, respectively. Upon the completion of the Proposed Subscription, the shareholding interest held by BEH, the Company and Jingneng Power in the Target Company will remain unchanged at 60%, 20% and 20%, respectively.

II. CAPITAL INCREASE AGREEMENT

Principal Terms of the Capital Increase Agreement

Date : 24 March 2025

Parties : BEH;

The Company;

Jingneng Power; and

BEH Finance (as the “**Target Company**”)

- Increase in Capital of BEH Finance and the Proposed Subscription : The registered capital of the Target Company will increase from RMB5 billion to RMB10 billion, with an additional capital contribution of RMB5 billion, which will be subscribed by BEH, the Company and Jingneng Power in cash in the same proportion according to their respective shareholding interest. Of which, BEH, the Company and Jingneng Power will subscribe and pay RMB3 billion, RMB1 billion and RMB1 billion, respectively. Upon the completion of the Proposed Subscription, the shareholding interest held by BEH, the Company and Jingneng Power in the Target Company will remain unchanged at 60%, 20% and 20%, respectively.
- Conditions precedent : The effectiveness of the Capital Increase Agreement is conditional upon the fulfilment of the following conditions:
- (i) the Capital Increase Agreement having been signed by the legal representatives (principal) or their authorized representatives of the parties and affixed with the official corporate seal or the specialized contract seal of each party;
 - (ii) the parties having performed and completed internal decision-making procedures in respect of Proposed Subscription pursuant to relevant applicable laws and regulations;
 - (iii) the Capital Increase Agreement having been approved by the general meeting of the Company;
 - (iv) the Capital Increase Agreement having been approved by the general meeting or the board of directors of Jingneng Power.

Payment schedule : Subject to the fulfilment of the above-mentioned conditions, BEH, the Company and Jingneng Power shall pay their respective subscription monies within 10 Business Days after the Capital Increase Agreement takes effect. Each party shall make a full payment of their respective subscription amounts to the Target Company in accordance with the Proposed Subscription, in one lump sum. They shall also ensure that the Target Company submits the application for capital increase approval after completing the capital verification procedures as required by the financial regulatory authorities.

III. SHAREHOLDING STRUCTURE OF BEH FINANCE

The following diagram sets out the shareholding structure of BEH Finance immediately before and after completion of the Proposed Subscription:

Name of shareholder	Immediately before completion of the Proposed Subscription		Immediately after completion of the Proposed Subscription	
	Registered capital of BEH Finance (RMB0'000)	Percentage	Registered capital of BEH Finance (RMB0'000)	Percentage
BEH	300,000	60%	600,000	60%
The Company	100,000	20%	200,000	20%
Jingneng Power	100,000	20%	200,000	20%
Total	500,000	100%	1,000,000	100%

IV. FINANCIAL INFORMATION OF BEH FINANCE

Based on the audited consolidated financial statements of the Target Company for the financial year ended 31 December 2023 and the unaudited consolidated financial statements for the financial year ended 31 December 2024 prepared in accordance with the PRC GAAP, the net profits before and after taxation for the financial years ended 31 December 2023 and 2024 are set out below:

	For the year ended 31 December 2023 (RMB0'000)	For the year ended 31 December 2024 (RMB0'000)
Profit before taxation	71,582.40	75,809.15
Profit after taxation	55,174.20	58,207.81

Pursuant to the unaudited consolidated financial statements of the Target Company prepared in accordance with the PRC GAAP, the total assets and net assets of the Target Company as at 31 December 2024 amounted to RMB46,417,293,000 and RMB7,371,314,800, respectively.

V. REASONS FOR AND BENEFITS OF THE PROPOSED SUBSCRIPTION AND THE EFFECT OF THE PROPOSED SUBSCRIPTION

Upon completion of the Proposed Subscription, the capital strength of BEH Finance will be significantly improved, its financing service capacity will be further enhanced and its efficiency in the use of funds will also be increased. This will further enable BEH Finance to maintain sustainable and stable revenue level, allowing the Company to further capitalize on the business expansion and growth in net profits of BEH Finance. Accordingly, the Proposed Subscription is expected to yield a relatively stable investment return for the Company and mitigate the risk associated with market fluctuations.

Upon completion of the Proposed Subscription, the capital adequacy ratio of BEH Finance will be enhanced and its risk resistance ability and operational stability will be further strengthened. Concurrently, BEH Finance's capacity to extend loans will be significantly bolstered, providing stable and preferential financial support to meet the financial needs of the members of BEH (including the Company). This enhancement will lower the overall financing costs for the members of BEH (including the Company).

and offer funding support as well as streamlined financing channels for the project construction of the Company, thus alleviating the external financing pressure of the Company as well as preventing and managing the investment risk of the Company effectively.

The Proposed Subscription does not involve any change in shareholding interest of the Company in BEH Finance, will not affect the operating conditions of the Company and will not prejudice the interests of the Company and its Shareholders as a whole.

Due to Mr. Zhou Jianyu's position as a full-time investment director at BEH and as a director at Jingneng Power, Mr. Song Zhiyong's position as the business manager of the capital operation department at BSCOMC (the sole shareholder of BEH) and Ms. Zhao Jie's position as an independent director at Jingneng Power, they have all abstained from voting on the relevant Board resolution approving the abovementioned connected transaction. Save as disclosed above, none of the Directors has any material interest in the Capital Increase Agreement.

Based on the above, the Directors (other than the Independent Board Committee whose views will be given after taking into account the advice from the Independent Financial Adviser and Mr. Zhou Jianyu, Mr. Song Zhiyong and Ms. Zhao Jie who have abstained from voting on the Board resolution for reasons as mentioned above) consider that the terms of the Capital Increase Agreement are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The Proposed Subscription is subject to approval by the Beijing Bureau of the National Financial Regulatory Administration.

VI. INFORMATION OF THE PARTIES

BEH

BEH is a limited liability company incorporated in the PRC and wholly-owned by BSCOMC, which was established and wholly-owned by State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality (北京市人民政府國有資產監督管理委員會). 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.

THE COMPANY

The Company is a leading wind power and photovoltaic power operator in the PRC and the largest gas-fired power provider in Beijing, with a diversified clean energy portfolio including wind power, photovoltaic power, gas-fired power and heat energy, small to medium hydropower and other clean energy projects. The Company was directly and indirectly held by BEH as to approximately 68.68%.

JINGNENG POWER

Jingneng Power is a joint stock limited liability company incorporated in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 600578), which engages in production of electric power and thermal products, general cargo and cargo transportation (tank type), sales of electric power and thermal products, operation of electric power equipment, detection and repair of power generation equipment, and sale of desulfurization gypsum. Jingneng Power is a subsidiary of BEH.

BEH FINANCE

BEH Finance is a limited liability company incorporated in the PRC. As approved by the Beijing Bureau of the National Financial Regulatory Administration, BEH Finance primarily engages in the following businesses: (1) accepting deposits from member companies; (2) providing loans to member companies; (3) handling bill discounts for member companies; (4) facilitating funds settlement and payments for member companies; (5) providing entrusted loans, bond underwriting, non-financing guarantees, financial advisory services, credit verification, and consulting agency services for member companies; (6) engaging in interbank lending; (7) handling bill acceptance for member companies; (8) investing in fixed-income securities. BEH Finance is a subsidiary of BEH.

VII. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors except for Ms. Zhao Jie who also serves as an independent director of Jingneng Power) has been established to advise the Independent Shareholders in connection with the Proposed Subscription. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Proposed Subscription.

VIII. GENERAL MEETING

The Company will convene a general meeting to consider and, if thought fit, approve the Proposed Subscription.

A circular containing, among other things, (i) further details in relation to the Proposed Subscription, (ii) the recommendation of the Independent Board Committee in relation to the Proposed Subscription, (iii) a letter from Gram Capital in relation to the Proposed Subscription; and (iv) other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before 24 April 2025 (i.e. more than 15 Business Days after the publication of this announcement), as more time is required for the preparation of the contents of the circular.

IX. LISTING RULES IMPLICATION

As the highest applicable percentage ratio in respect of the Proposed Subscription exceeds 5% but is less than 25%, the Proposed Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, BEH directly and indirectly holds 68.68% equity interest in the Company and is a connected person of the Company under Chapter 14A of the Listing Rules. Jingneng Power and BEH Finance are subsidiaries of BEH and thus constitute connected persons of the Company under Chapter 14A of the Listing Rules by virtue of being associates of BEH. Accordingly, the Proposed Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Proposed Subscription exceeds 5%, the Proposed Subscription is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

BEH and its associates, holding an aggregate of 5,886,444,144 Shares and representing approximately 71.39% of the equity interest in the Company, are required to abstain from voting on the resolution to be proposed at the general meeting to approve the Proposed Subscription.

X. DEFINITION

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

“BEH”	Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司), a limited liability company incorporated in the PRC and a controlling shareholder of the Company
“BEH Finance” or “Target Company”	BEH Finance Co., Ltd. (京能集團財務有限公司), a limited liability company incorporated in the PRC and a subsidiary of BEH
“Board”	the board of Directors of the Company
“BSCOMC”	Beijing State-owned Capital Operation Management Co., Ltd. (北京國有資本運營管理有限公司), which was established and wholly owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality (北京市人民政府國有資產監督管理委員會)
“Business Day(s)”	any calendar day (other than a Saturday, a Sunday, or a statutory public holiday) on which banks are open for business in the PRC and/or Hong Kong
“Capital Increase Agreement”	the capital increase agreement dated 24 March 2025 entered into among BEH, the Company, Jingneng Power and BEH Finance in relation to the capital increase of BEH Finance in an aggregate amount of RMB5 billion
“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 company incorporated in the PRC with limited liability, whose H Shares are listed on the Hong Kong Stock Exchange
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	the independent board committee established by the Company (comprising Mr. Wang Hongxin, Mr. Qin Haiyan and Ms. Hu Zhiying, all being independent non-executive Directors) to advise the Independent Shareholders in connection with the Proposed Subscription
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in connection with the Proposed Subscription
“Independent Shareholders”	Shareholders other than BEH and its associates who are Shareholders of the Company
“Jingneng Power”	Beijing Jingneng Power Co., Ltd. (北京京能電力股份有限公司), a subsidiary of BEH, whose shares are listed on the Shanghai Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Subscription”	the subscription of additional registered capital of BEH Finance in the amount of RMB5 billion by BEH, the Company and Jingneng Power in cash in the same proportion according to their respective shareholding interest
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	means the ordinary share(s) of RMB1.00 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of ordinary share(s) of the Company
“%”	per cent

In this announcement, unless the context otherwise requires, the terms “associate(s)”, “connected person(s)”, “connected transaction(s)” and “subsidiary(ies)” shall have the meanings given to such terms in the Listing Rules.

By order of the Board
Beijing Jingneng Clean Energy Co., Limited
CHEN Dayu
Chairman

Beijing, the PRC

24 March 2025

As at the date of this announcement, the executive directors of the Company are Mr. Chen Dayu, Mr. Li Minghui and Mr. Zhang Wei; the non-executive directors are Mr. Zhou Jianyu, Mr. Song Zhiyong and Ms. Zhang Yi; the independent non-executive directors are Ms. Zhao Jie, Mr. Wang Hongxin, Mr. Qin Haiyan and Ms. Hu Zhiying.