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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)**

**CONNECTED TRANSACTIONS IN RELATION TO  
THE WASTE HEAT UTILIZATION CONSTRUCTION AGREEMENT  
AND THE SUPPLEMENTAL AGREEMENT**

**THE WASTE HEAT UTILIZATION CONSTRUCTION AGREEMENT**

The Board announces that on 8 July 2025, Shangzhuang Power, a non-wholly owned subsidiary of the Company, entered into the Waste Heat Utilization Construction Agreement with Jingneng Construction, pursuant to which, Shangzhuang Power engaged Jingneng Construction to provide construction services regarding the construction of a flue gas waste heat deep utilization project. Shangzhuang Power initiated open tender for selecting the construction service providers and Jingneng Construction finally won the bid.

**THE SUPPLEMENTAL AGREEMENT**

Reference is made to the announcement of the Company dated 28 May 2024 that Shantou Jingneng, a wholly-owned subsidiary of the Company, entered into the Construction Agreement II with Jingneng Construction, pursuant to which, Shantou Jingneng engaged Jingneng Construction to provide construction services regarding the construction of the main body of the Blade Manufacturing Plants and relevant ancillary buildings. During the course of construction, unforeseen challenges arose due to the required excavation depth of the foundation pit and complex geological conditions, which increased the complexity, cost, and labor intensity of the on-site construction works. The Board announces that on 8 July 2025, Shantou Jingneng entered into the Supplemental Agreement with Jingneng Construction, pursuant to which the parties agreed to increase the total contract fee by RMB14,580,100.73 (inclusive of tax) to address the additional costs.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, 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. Jingneng Construction, as a wholly-owned subsidiary of BEH, is an associate of BEH and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Waste Heat Utilization Construction Agreement and the Supplemental Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all conducted within a 12-month period or were otherwise related. Therefore, the transactions contemplated under the Waste Heat Utilization Construction Agreement and the Supplemental Agreement shall be aggregated with the transaction under the Construction Agreement II as disclosed in the announcement of the Company dated 28 May 2024 and the transaction under the Supplementary Construction Agreement as disclosed in the announcement of the Company dated 30 August 2024, since the counterparty to these transactions is the same and such transactions are similar in nature. As the highest applicable percentage ratio in respect of the transactions contemplated under the Waste Heat Utilization Construction Agreement and the Supplemental Agreement (on an aggregated basis together with the transactions under the Construction Agreement II and the Supplementary Construction Agreement) exceeds 0.1% but is less than 5%, the transactions contemplated under the Waste Heat Utilization Construction Agreement and the Supplemental Agreement are subject to the reporting and announcement requirements but are exempt from circular and the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **I. WASTE HEAT UTILIZATION CONSTRUCTION AGREEMENT**

The principal terms of the Waste Heat Utilization Construction Agreement are set out below:

### **Date**

8 July 2025

### **Parties**

Service user : Shangzhuang Power

Service provider : Jingneng Construction

### **Project**

Subject to the terms and conditions of the Waste Heat Utilization Construction Agreement, Shangzhuang Power shall engage Jingneng Construction to provide construction services for the flue gas waste heat deep utilization project, which mainly involve the foundation and substructure construction, main structure construction, decoration, building roofing construction, water supply and drainage construction, electrical system construction as well as ventilation and air-conditioning system construction.

### **Construction period**

The construction period starts from the date of entering into the Waste Heat Utilization Construction Agreement, and it is expected that the construction work will be completed by 1 April 2026.

### **Fees and payment terms**

Pursuant to the Waste Heat Utilization Construction Agreement, the total fee charged by Jingneng Construction to Shangzhuang Power shall be RMB13,074,319.05 (tax inclusive) including but not limited to safe and civilized construction fee of approximately RMB0.59 million, materials and engineering equipment fee of approximately RMB0.61 million, professional engineering fee of approximately RMB0.11 million, and provisional amount of approximately RMB1.50 million.

The contract price shall be paid in the following manner:

- (i) a prepayment of full amount of the safe and civilized construction fee and 10% of the contract price (excluding the safe and civilized construction fee);
- (ii) project progress payment payable on a monthly basis based on 90% of the actual amount of the construction work completed during that month (the “**Progress Payment**”); after the payments reached 50% of the contract price, Shangzhuang Power shall pay 90% of the Progress Payment of each subsequent month with the remaining 10% of the Progress Payment of that month to be deducted from the prepayment (excluding the safe and civilized construction fee). Such deductions shall continue until the cumulative payments reach 80% of the contract price, at which time the prepayment shall be fully deducted; and
- (iii) the quality warranty retention of 3% of the contract price, which shall be withheld from each Progress Payment. The calculation base for such retention shall exclude the payment and deduction of the prepayment, as well as any price adjustments. The retained amount shall be released upon the expiry of the 24-month warranty period.

#### **Basis for Determination of the Estimated Contract Price Under the Waste Heat Utilization Construction Agreement**

Shangzhuang Power held an open tender for the construction work of the flue gas waste heat deep utilization project on 13 May 2025 and five service providers have participated in the open tender and submitted the requisite information and documents including the estimated contract price. The contract price under the Waste Heat Utilization Construction Agreement was the successful tender price offered by Jingneng Construction in the open tender and was accepted by the bid evaluation committee (評標委員會), which consisted of five members, of which four were randomly selected from the experts database and one was representative of Shangzhuang Power, after thorough evaluation pursuant to the relevant rules and regulations of the PRC and the tender documents.

Factors that have been taken into consideration by the bid evaluation committee during the tender process for the construction services under the Waste Heat Utilization Construction Agreement include: (i) the background, qualifications, past project experience of the participating bidders; (ii) the terms of tender proposals offered by the participating bidders, including the construction plan, quality control and assurance; and (iii) the contract price. The bidding process for the construction services under the Waste Heat Utilization Construction Agreement fully complied with the provisions of the Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法》) and other relevant laws and regulations.

### **Reasons for and Benefits of Entering into the Waste Heat Utilization Construction Agreement**

The connected transaction contemplated under the Waste Heat Utilization Construction Agreement is undertaken by Shangzhuang Power for the purpose of enhancing heat supply efficiency and expanding its business operations through the waste heat utilization project. The Waste Heat Utilization Construction Agreement has undergone open tender and is the result of successful bid made by Jingneng Construction.

Jingneng Construction is a well-known service provider in the construction industry of China with necessary qualifications and extensive experience, and has participated in several construction projects, which will help to ensure the quality and cycle of the project construction and bring economic benefits to the Group.

## **II. SUPPLEMENTAL AGREEMENT**

The principal terms of the Supplemental Agreement are set out below:

### **Date**

8 July 2025

### **Parties**

Service user : Shantou Jingneng

Service provider : Jingneng Construction

## **Project**

Subject to the terms and conditions of the Construction Agreement II, Shantou Jingneng engaged Jingneng Construction to provide construction services regarding the construction of the main body of the Blade Manufacturing Plants and relevant ancillary buildings. During the course of construction, unforeseen challenges arose due to the required excavation depth of the foundation pit and complex geological conditions, including the thick mud layer, high water content and low bearing capacity. These conditions necessitated the use of steel sheet pile and steel strut, which consequently increased the complexity, cost, and labor intensity of the on-site construction works.

## **Construction period**

Pursuant to the Construction Agreement II, the construction period started from 1 June 2024 and the construction work was originally expected to be completed by 30 August 2024. The construction period has been extended to 30 December 2025.

## **Fees and payment terms**

Pursuant to the Supplemental Agreement, the total fee charged by Jingneng Construction to Shantou Jingneng shall increase by RMB14,580,100.73 (tax inclusive) (the “**Increased Amount**”), due to increased complexity, cost, and labor intensity of the on-site construction works.

The Increased Amount shall be paid in accordance with the terms in the Construction Agreement II, and in the following manner:

- (i) project progress payment payable on a monthly basis based on 85% of the actual amount of the construction work completed during that month and up to 90% of the contract price; after the actual amount of the construction work completed by Jingneng Construction reaches 30% of the contract price, the 30% contract price prepaid by Shantou Jingneng shall be deducted as progress payment until the actual amount of the construction work completed by Jingneng Construction reaches 75% of the contract price;
- (ii) up to 97% of the contract price after passing the completion acceptance and project audit; and
- (iii) the remaining 3% of the contract price retained as quality warranty, which shall be paid after the expiry of 24-month warranty period.

## **Basis for Determination of the Increased Amount Under the Supplemental Agreement**

After taking into account of the construction geological conditions, necessary construction materials required and actual work undertaken by Jingneng Construction during the performance of the Construction Agreement II, specifically the following three factors: (i) the required excavation depth of the foundation pit; (ii) the unforeseen complex geological conditions, including the thick mud layer, high water content, and low bearing capacity; and (iii) the necessitated use of steel sheet pile and steel strut, which resulted in increased complexity, cost, and labor intensity, the parties agreed on the Increased Amount, based on the quantity variation adjustment mechanism and the price adjustment mechanism stipulated in the Construction Agreement II and is based on arm's length negotiations between the parties. The calculation method for the Increased Amount under the Supplemental Agreement is consistent with that applied to the construction costs under the Construction Agreement II. For steel sheet piles and steel strut, the unit prices shall be determined with reference to the Shantou Construction Costs Information (《汕頭工程造價信息》) published by the Shantou Municipal Housing and Urban-Rural Development Bureau (汕頭市住房和城鄉建設局) in the third quarter of 2024, as well as prevailing market inquiry prices.

As disclosed in the announcement of the Company dated 28 May 2024, Shantou Jingneng held an open tender for the construction work of the main body of the Blade Manufacturing Plants and relevant ancillary buildings and Jingneng Construction finally won the bidding. The contract price under the Construction Agreement II was the successful tender price offered by Jingneng Construction in the open tender and was accepted by the bid evaluation committee (評標委員會) after thorough evaluation pursuant to the relevant rules and regulations of the PRC and the tender documents.

## **Reasons for and Benefits of Entering into the Supplemental Agreement**

Since the commencement of construction of the main structure of the Blade Manufacturing Plant, the project has encountered unforeseen challenges arising from various factors during the actual construction process, necessitating the implementation of additional technical measures and resulting in increased costs. To ensure construction safety and project quality, it is necessary to implement additional technical measures to address the complex geological conditions encountered on site. Such measures, including the use of steel sheet piles and steel struts, are critical to maintaining structural stability and mitigating potential risks associated with the challenging ground conditions.

As mentioned above, the basis of calculation for the Increased Amount under the Supplemental Agreement is fair, transparent, and reasonable. It is consistent with the methodology set forth in the Construction Agreement II and appropriately reflects the additional technical measures necessitated by the site conditions.

### **III. INFORMATION ON THE PARTIES**

#### **The Company, Shantou Jingneng and Shangzhuang Power**

The Company is a leading wind power and photovoltaic power operator in China and the largest gas-fired heat and power supplier in Beijing as well as an industry-leading clean energy service provider, and involves in wind power, photovoltaic power, gas-fired power and heat energy generation, small-to-medium-sized hydropower, energy storage and other clean energy generation businesses.

The Company is held as to approximately 68.68% by 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 heat, electricity, coal, health, culture and tourism.

Shantou Jingneng is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company. Shantou Jingneng is mainly engaged in the generation and supply of electricity, the manufacturing of generators and generator sets, and the provision of park management services.

Shangzhuang Power is a limited liability company established in the PRC and owned as to 60.03% by the Company and 39.97% by China Agriculture Development Key Construction Fund Co., Ltd. (中國農發重點建設基金有限公司), a wholly-owned subsidiary of China Agriculture Development Bank (中國農業發展銀行), which was established by the State Council of the PRC. China Agriculture Development Bank is a state-owned policy bank which supports the sustainable and healthy development of agriculture and rural areas of the PRC.

Shangzhuang Power is mainly engaged in gas-fired power, heat energy generation and cooling supply.



## **Jingneng Construction**

Jingneng Construction is a limited liability company established in the PRC and a wholly-owned subsidiary of BEH. Jingneng Construction is mainly engaged in general construction contracting, construction project management, engineering survey and design.

### **IV. BOARD CONFIRMATION**

The Board has resolved and approved the Waste Heat Utilization Construction Agreement, the Supplemental Agreement and the transactions contemplated thereunder. Due to Mr. Zhou Jianyu's position in BEH and Mr. Song Zhiyong's position in BSCOMC, they have abstained from voting on the Board resolutions approving the Waste Heat Utilization Construction Agreement and the Supplemental Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interest in the Waste Heat Utilization Construction Agreement and the Supplemental Agreement.

The Directors (including the independent non-executive Directors, but excluding Mr. Zhou Jianyu and Mr. Song Zhiyong who have abstained from voting on the Board resolutions for reasons as mentioned above) are of the view that the terms of the Waste Heat Utilization Construction Agreement, the Supplemental Agreement and the transactions 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.

### **V. LISTING RULES IMPLICATIONS**

As at the date of this announcement, 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. Jingneng Construction, as a wholly-owned subsidiary of BEH, is an associate of BEH and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Waste Heat Utilization Construction Agreement and the Supplemental Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all conducted within a 12-month period or were otherwise related. Therefore, the transactions contemplated under the Waste Heat Utilization Construction Agreement and the Supplemental Agreement shall be aggregated with the transaction under the Construction Agreement II as disclosed in the announcement of the Company dated 28 May 2024 and the transaction under the Supplementary Construction Agreement as disclosed in the announcement of the Company dated 30 August 2024 since the counterparty to these transactions is the same and such transactions are similar in nature. As the highest applicable percentage ratio in respect of the transactions contemplated under the Waste Heat Utilization Construction Agreement and the Supplemental Agreement (on an aggregated basis together with the transaction under the Construction Agreement II and the Supplementary Construction Agreement) exceeds 0.1% but is less than 5%, the transactions contemplated under the Waste Heat Utilization Construction Agreement and the Supplemental Agreement are subject to the reporting and announcement requirements but are exempt from circular and the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“BEH”	北京能源集團有限責任公司 (Beijing Energy Holding Co., Ltd.), a limited liability company established in the PRC and a controlling shareholder of the Company
“Blade Manufacturing Plants”	the blade manufacturing plants (7#) of Shantou Offshore Wind Power Smart Energy “Four Integration” Project Phase II (汕頭海上風電智慧能源「四個一體化」項目二期工程7#葉片製造廠房), including two blade manufacturing plants and relevant ancillary buildings, which shall be under construction by Jingneng Construction pursuant to the Construction Agreement II
“Board”	the board of Directors of the Company

“BSCOMC”	北京國有資本運營管理有限公司 (Beijing State-owned Capital Operation Management Co., Ltd.), 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)
“Company”	北京京能清潔能源電力股份有限公司 (Beijing Jingneng Clean Energy Co., Limited), a joint stock company incorporated in the PRC with limited liability and the H shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 00579)
“Construction Agreement II”	the construction agreement entered into by Shantou Jingneng and Jingneng Construction on 28 May 2024 in relation to the construction of the main body of the Blade Manufacturing Plants, which was disclosed in the announcement of the Company dated 28 May 2024
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jingneng Construction”	北京京能建設集團有限公司 (Beijing Jingneng Construction Group Co., Ltd.), a limited liability company established under the laws of the PRC on 1 December 1980 and wholly owned by BEH
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Shangzhuang Power”	北京上莊燃氣熱電有限公司 (Beijing Shangzhuang Gas-fired Thermal Power Co., Ltd.), a limited liability company established under the laws of the PRC on 15 June 2012, owned as to 60.03% by the Company and 39.97% by China Agriculture Development Key Construction Fund Co., Ltd. (中國農發重點建設基金有限公司)
“Shantou Jingneng”	汕頭京能清潔能源有限公司 (Shantou Jingneng Clean Energy Co., Ltd.), a limited liability company established under the laws of the PRC on 6 January 2023 and a wholly-owned subsidiary of the Company
“Supplemental Agreement”	the supplemental agreement entered into by Shangzhuang Power and Jingneng Construction on 8 July 2025 in relation to the Construction Agreement II
“Supplementary Construction Agreement”	the supplementary construction agreement entered into by Shangzhuang Power and Jingneng Construction on 30 August 2024 in relation to the construction of the expansion project of the integrated energy supervision and control center and refrigeration station project of Shangzhuang Power, which mainly involve the expansion of the second and third floors of the main body and ancillary electricity and refrigeration facilities, which was disclosed in the announcement of the Company dated 30 August 2024
“Waste Heat Utilization Construction Agreement”	the construction agreement entered into by Shangzhuang Power and Jingneng Construction on 8 July 2025 in relation to the construction of the flue gas waste heat deep utilization project (煙氣餘熱深度利用項目)

“%”

percentage

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

Beijing, the PRC

8 July 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.*