

H g K g E cha ge a d Clea i g Limi ed a d The S ck E cha ge f H g K g Limi ed t ake  
e ibili f t he c t e t f t hi a ceme t , make e e e a i a t i acc ac  
c m le e e a d e e l di claim a liabili ha t e e f a l h t e e a i i g f m i  
elia ce t he h le a a t f t he c t e t t t hi a ceme t .



## 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 AND CONNECTED TRANSACTION UPDATE ON THE PROPOSED SUBSCRIPTION

The Board has on 10 December 2018, based on the recommendation of the independent financial advisers, BEH, the Company, Ji gegongpu and BEH Financial and Capital Increase Agreement, which, the independent financial advisers advised that the total amount of RMB3 billion, RMB5 billion, of which, RMB0.06 billion, RMB0.94 billion and RMB1 billion are subscribed by BEH, the Company and Ji gegongpu, respectively.

Following the execution of the Financial and Capital Increase Agreement, the Original Capital Increase Agreement has been implemented immediately.

The EGM has been held on 18 January 2019, in accordance with the provisions of the Articles of Association. Please refer to the announcement issued by the Company on 3 December 2018 for more details.

#### I. INTRODUCTION

Reference is made to the announcement of the Company dated 30 October 2018 in relation to the subscription of the independent financial advisers BEH Financial and Capital Increase Agreement ("Announcement"). Under the terms specified, the total amount of the announcement shall have the same meaning as defined in the Announcement.

As a result of the Announcement, BEH, the Company, Ji gegongpu and BEH Financial and Capital Increase Agreement on 30 October 2018 (the "Original Capital Increase Agreement"), which, the independent financial advisers advised that the total amount of RMB3 billion, RMB5 billion, of which the amount is: (i) Pursuant to 61,224,489.80, which are subscribed by the Existing Shareholders of BEH Financial and Capital Increase Agreement, the amount of RMB1 billion of BEH Financial and Capital Increase Agreement, being the amount of the BEH Financial and Capital Increase Agreement, and (ii) Pursuant to 1,938,775,510.20, which are subscribed by the Company and Ji gegongpu, the amount of RMB1.27 billion of BEH Financial and Capital Increase Agreement.

Following the approval of the Proposed Subscription by the Board of Directors of the Company at the Extraordinary General Meeting of the EGM, BEH Finance has received commitments from the relevant government authorities in the PRC adjusting the Original Capital Increase Agreement.

The Board of Directors has on 10 December 2018, based on the commitments from the relevant government authorities in the PRC and the Company's legal advisors, BEH Finance, BEH Finance, Jiageg P and BEH Finance entered into a new capital increase agreement (the "New Capital Increase Agreement"), pursuant to which, the registered capital of BEH Finance will be increased from RMB3 billion to RMB5 billion, of which, RMB0.06 billion, RMB0.94 billion and RMB1 billion are to be subscribed by BEH Finance, the Company and Jiageg P, respectively. Pursuant to the New Capital Increase Agreement, the Original Capital Increase Agreement has been terminated with immediate effect.

## II. NEW CAPITAL INCREASE AGREEMENT

### 1. Principal Terms of the New Capital Increase Agreement

**Date** : 10 December 2018

**Parties** : BEH;

The Company (together with BEH Finance, the "Existing Shareholders of BEH Finance");

Jiageg P; and

BEH Finance (as the "Target Company")

**Increase in Capital of BEH Finance and the Proposed Subscription** : Pursuant to the New Capital Increase Agreement, the registered capital of the Target Company will be increased from RMB3 billion to RMB5 billion, of which comprise:

(i) RMB0.06 billion, which are to be subscribed by BEH;

(ii) RMB0.94 billion, which are to be subscribed by the Company; and

(iii) RMB1 billion, which are to be subscribed by Jiageg P.

Under the terms of the above-mentioned BEH Finance and Investment Agreement (the "Proposed Subscription"), BEH, the Chairman and Joint Promoters shall hold 60%, 20% and 20% of the equity of BEH Finance, respectively.

**Consideration**

: In relation to the issuance of BEH Finance, BEH, the Chairman and Joint Promoters shall contribute RMB76,200,000, RMB1,193,800,000 and RMB1,270,000,000, respectively.

**Basis of Consideration**

: The business price of RMB1.27 per share of BEH Finance Registered Capital, which is determined after a thorough investigation of the value of the shares of BEH Finance, is based on the value of BEH Finance as determined by the independent CUAA (i.e. RMB3,824,749,500), which is based on the value of Beijing SASAC.

Accordingly, the financial business price of the issuance of BEH Finance will be determined according to the following formula:

Business price of each share of BEH Finance Registered Capital in relation to the issuance of BEH Finance = value of BEH Finance as determined by Beijing SASAC/BEH Finance' s independent registered capital (i.e. RMB3 billion).

Therefore, based on the value of the value of BEH Finance as determined by CUAA and above, the business price of each share of BEH Finance Registered Capital for the issuance of BEH Finance is RMB1.27 per share of BEH Finance Registered Capital.

**Conditions precedent**

: The effectiveness of the New Capital Issuance Agreement is conditional upon the fulfillment of the following conditions:

(i) The relevant authorities shall have been obtained in relation to the New Capital Issuance Agreement and the relevant license shall be obtained;

(ii) The annual form Beijing SASAC for the  
annual audit of the enterprise listed in the  
annual audit report of BEH  
Finance has been submitted; and

(iii) The annual form Beijing Bach of China  
Bakings and Industry Regulatory Commission  
issued in the annual audit report of  
the enterprise listed in the annual audit report of BEH Finance has been  
submitted.

**Payment schedule**

: Subject to the financial statements of the  
company, BEH, the Company and Jingge  
Hall have agreed to pay the  
10 Billion Debt of the New Capital  
Agreement take effect.

**Transitional Period**

: The Existing Shareholders of BEH Finance shall be  
entitled to all the distributed dividends of the  
Company before the Valuation Reference Date.

BEH, the Company and Jingge  
Hall shall be  
entitled to the dividends, and shall be  
entitled to the dividends of the  
Company and Jingge Hall  
in the Company's  
Paid Share. Notwithstanding, if the  
Company did receive all the  
dividends of the Company  
before the New Capital  
Agreement before 31 March 2019,  
the Existing Shareholders of BEH Finance shall be  
entitled to the dividends, and shall be  
entitled to the dividends of the  
Company and Jingge Hall  
before the Paid Share.

## 2. PRINCIPAL ASSUMPTIONS OF THE VALUATION

The al a i e t e a e d b C U A A i t e i e d t b e a d j t e d . A c c d i g l , t h e i f m a i i e l a i t t h e a l a i f t h e T a g e t C m a d i c l e d i t h e A c e m e t e m a i c h a g e d a d i e d c e d b e l t

The a i e t t h e N e C a i a l I c e a e A g e e m e t h a e e g a g e d C U A A t e f m t h e a l a i i e e c t f t h e e a e t f t h e T a g e t C m a .

A t h e a l a i a e a e d b a e d t h e i c m e a a c h , h i c h i l e t h e e f t h e d i c t e d c a h f l t h e a l a i a e t i t h e a l a i e t e a e d b C U A A i e g a d e d a a f i f e c a t d e R l e 14.61 f t h e L i t i g R l e .

The a l a i a e f m e d b a e d t h e f l l i g i c i a l a m t i :

### (i) General assumptions

t a a c i a m t i : a l l a e t b e a a i e d a e a m e d t b e a l e a d i t h e c e f t a a c i , a d t h e a l e a a i e t h e a l e b a e d t h e t a d i g c d i i f t h e a e t t b e a a i e d i a i m l a e d m a k e . T h e t a a c i a m t i i e f t h e m t b a i c e e i i e t h a a e t a l a i c a b e c a i e d t .

e m a k e a m t i : i i a m e d t h a f a e t t b e t a d e d i e d e d t b e t a d e d i t h e m a k e , t h e a i e t a a e t t a a c i h a l l h a e e a l t a t , a d a l h a e t i t a d i m e t g a i f f i c i e m a k e i f m a i , a t m a k e a i a l j d g m e t f c i , e a d a d i g i c e f a e t . T h e e m a k e t a m t i i b a e d t h e f a c t t h a a e t c a b e b l i c l t a d e d t h e m a k e t .

a e t g i g - c e a m t i : t h e a l a i m e h d , a m e e a d b a i h a l l b e d e m i e d c e d i g l b a e d t h e f a c t t h a t h e a e t d e a l a i i l l c i t e t b e e d a c c d i g t t h e c e t e a d h e m d e , c a l e , f e e c a d e i m e t , e c . e d a c h a g e b a i h e a a i i g .

### (ii) Special assumptions

The e i i g i f i c a t c h a g e i t h e c e t m a c e c m i c a d t a l i c i e f P R C .

The e i i g i f i c a t c h a g e i t h e c i - e c m i c e i m e t h e e t h e a a i e d e t e i e i e a e d a e l l a t h e a e , t a a e a d t h e l i c i e i m l e m e t e d .

The c e f a l a i h a l l b e l l i m i e d t h e a l a i e t i d e d b B E H F i a c e i h a k i g i t a c c i t c t i g e t a e t a d c t i g e t l i a b i l i e t h a m a e i t t i d e h e l i t i d e d b t h e a a i e d e t t .

The f t e ma ageme t t eam f t he a ai ed e t e i e ill e f m i d t i e  
a i fac t il a d c t i e t mai t ai g i g c ce f i t e i t i g b i e e a i  
m del.

The a ai ed e t e i e ill c t i e t lea e a d e i t c e t f fice emi e i t he  
f t e.

The mai b i e i c me f t he a ai ed e t e i e i mai l de i ed f m t he  
c e t b i e e a i a d i e t me t i c me i h t t aki g i t acc t t he  
i c eme t al b i e t t t t e t e i e ma ha e i t he f t e.

The al a i i l ba ed t he c e t b i e t a egie , e a i g ca abili e  
a d e a i g c di i a a t he Val a i Refe e ce Da e i h t t aki g i t  
acc t ible cha ge i t he f t e d e t t he cha ge i ma ageme t t eam.

The e ill be ig ifica t cha ge i t ce t al ba k e cha ge a e d i g t he  
f eca t e i d.

The a ai ed e t t hall i h d a t he l e e e a d ge e al i k e e e i  
acc da ce i h t he ele a t eg la i t , a d di t ib t e i t emai i g f i t i f ll if  
t he eg la t t a da d f ca i al ade ac a i a e a i fied.

The b i e cale f t he a ai ed e t t i i limi ed t t t he e i t i g ca i al cale  
i h t t aki g i t acc t t he im ac t f f t e ible ca i al i ce a e i t  
b i e cale de el me t .

If a f t he a m t i ab e-me t i ed cha ge , ge e all t he al a i ill be i alid.

The le t t f m t he B a d a d he e t f m t he a di f t he C m a a e i ed b  
R le 14.62 f t he Li t i g R le i h ega d t t he calc la i f t he di c t ed f t e ca h  
fl e d i t he al a i ill be bli hed i hi fif ee (15) B i e Da a f e t he  
blica i f t hi a ceme t a t t R le 14.60A f t he Li t i g R le .

### 3. SHAREHOLDING STRUCTURE OF BEH FINANCE

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

Name of shareholder	Immediately before the completion of the Proposed Subscription		Immediately after the completion of the Proposed Subscription	
	Registered capital of BEH Finance (i RMB)	Percentage	Registered capital of BEH Finance (i RMB)	Percentage
BEH	2,940,000,000	98%	3,000,000,000	60%
The Company	60,000,000	2%	1,000,000,000	20%
Jigegp			1,000,000,000	20%
<b>Total</b>	<b>3,000,000,000</b>	<b>100%</b>	<b>5,000,000,000</b>	<b>100%</b>

### 4. FINANCIAL INFORMATION OF BEH FINANCE

Based on the audited consolidated financial statements of the Target Company for the financial years ended 31 December 2016 and 2017 prepared in accordance with the PRC GAAP, the following table sets out the financial information for the financial years ended 31 December 2016 and 2017 as follows:

	For the year ended 31 December 2016	For the year ended 31 December 2017
Profit before tax	365,775,617.00	474,057,530.46
Profit after tax	273,973,829.58	355,000,748.46

Based on the consolidated financial statements of the Target Company for the eight months ended 31 August 2018 prepared in accordance with the PRC GAAP, the unaudited financial statements as at 31 August 2018 are as follows: RMB3,573,850,032.

### 5. REASONS FOR AND BENEFITS OF THE PROPOSED SUBSCRIPTION AND THE EFFECT OF THE PROPOSED SUBSCRIPTION

Upon completion of the Proposed Subscription, the holding structure of the Company in BEH Finance will be increased from 2% to 20%, which allows the Company to benefit from the increased ownership of BEH Finance. Accordingly, the investment in BEH Finance through the Proposed Subscription is expected to generate a relatively high return for the Company.

The P ed S b c i i al e e e t a i e t i f t h e C m a t i e t i a c m a h i c h e g a g e i t h e i i t f f i a c i a l e i c e . B E H F i a c e i a - b a k i g f i a c i a l i t t i i a e d b t h e e l e a P R C a t h i e t e g a g e i t h e i i f a i f i a c i g e i c e , i c l d i g t a k i g d e t i a d t i d i g l a , a d i i m a i l i d i g f i a c i a l e i c e t c m a i e i h i t h e g m e m b e r f B E H . T h g h a i c i a i g i t h e b i e e a i f B E H F i a c e , t h e C m a c a h a e f t h e d e t a d i g a b t t h e t e a i f a f i a c i a l i t t i i a d g a i m e k l e d g e i e l a i t t i t c a i a l m a a g e m e t , h i c h e a b l e t h e C m a t e g i a e f b e t t e m i h c m m e c i a l b a k f t c a i a l e i e d f t b i e d e e l m e t a d b e t t e m a a g e i t t k i g c a i a l .

I a d d i i , i c e t h e i c a i f B E H F i a c e , t h e C m a h a e g a g e d B E H F i a c e i d e a i f i a c i a l e i c e , d e a i l f h i c h e e e t t t h e a c e m e t i e d b t h e C m a 25 O c t b e 2016 . T h e C m a e e c t t c t i e t e g a g e B E H F i a c e i d e c h e i c e a B E H F i a c e h a a m e t h g h d e t a d i g f h e b i e d e e l m e t a d c a i a l e e d f t h e b i d i a i e f t h e C m a a d i a b l e t i d e c h e i c e i a i m e l m a e . G i e t h e C m a a B E H F i a c e f t h e e i c e i t e c e i e d b a e d t m a l c m m e c i a l e m , i c e a i g h a e h l d i g i B E H F i a c e b t h e C m a i a l i t h e i t e e t f t h e C m a i c e t h e C m a i l l e j a l a g e t i f t h e f i a d e e e e a e d b B E H F i a c e .

B a e d t h e a b e , t h e D i e c t ( e c l d i g t h e i d e e d e t - e e c t i e D i e c t , h i l l g i e h e i i i a f e t a k i g i t a c c t t h e a d i c e f G a m C a i a l , d e a i l f t h i c h i l l b e i c l d e d i t h e c i c l a f t h e E G M ) c i d e t h a t h e e m f t h e N e C a i a l I c e a e A g e e m e t a e f a i a d e a a b l e , a d i t h e i t e e t f t h e C m a a d t h e S h a e h l d e a a h l e .

A t h e h a e h l d i g f t h e C m a i B E H F i a c e i l l i c e a e f m 2% t 20% c m l e i f t h e P ed S b c i i , t h e i e t m e t i B E H F i a c e f t h e C m a i l l b e e c g i e d b t h e C m a a i e m e t i a c i a e d e t h e e i t m e h d , i t e a d f c e t l b e i g e c g i e d b t h e C m a i g c t m e h d .

**6. LISTING RULES IMPLICATION**

A t h e h i g h e t a l i c a b l e e c e a g e a i i e e c t f t h e P ed S b c i i e e e d 5% b t i l e t h a 25% , t h e P ed S b c i i c i t e a d i c l e a b l e t a a c i f t h e C m a a d i b j e c t t t h e e t i g a d a c e m e t e i e m e t d e C h a t e 14 t h e L i t i g R l e .



A a the da e f the a ceme t, BEH di ec l a di di ec l h ld 68.68% e i i e e t i the C m a a di a c ec ed e f the C m a de Cha e 14A f the Li i g R le . BEH Fi a ce i a b idia f BEH a d h c i t t e a c ec ed e f the C m a b i t e f bei g a a cia e f BEH. Acc di gl the P ed S b c i i al c i t t e a c ec ed t a ac i f the C m a de Cha e 14A f the Li i g R le . A the highe a l icable t e ce t age a i i e ec f the P ed S b c i i e ceed 5%, the P ed S b c i i i bjec t t the e t i g, a ceme t a d I de e de t Sha eh lde 'a al e i eme t de Cha e 14A f the Li i g R le .

D e t hei i i i BEH a d/ i t a cia e , M . Li Hai ia, M . Ji She g ia g, M . Ta g Xi bi g a d M . Li J a ha e ab t ai ed f m t i g t the B a d e l t i a i g t the P ed S b c i i .

BEH a d i t a cia e , h ldi g a agg ega e f 5,886,444,144 Sha e a d e e e t i g a ima el 71.4% f the e i i e e t i the C m a , a e e i ed t ab t ai f m t i g the e l t t be ed a t t the EGM t a e the P ed S b c i i .

**7. INFORMATION OF THE PARTIES**

The C m a i a clea e e g c m a f c i g ga -fi ed e a d hea e e g ge e a i , i d e , h t laic e , mall t medi m h d e a d the clea e e g ge e a i b i e e , hich hel claim t the C m a the i le f the i e a i all ell-k clea e e g e t e i e, i d t -lead i g clea e e g b a d a d la ge t ga -fi ed e lie i Bei j i g a d the lead i g i d e e a i Chi a.

BEH i a limi ed liabili c m a i c a ed i t the PRC, hich e gage i the b i e e f ge e a i a d l i g f elec i c i t a d hea , d c i a d ale f c al a d de el me t f eal e t t a e. BEH i h ll ed b Bei j i g S t e- ed Ca i t al O e a i a d Ma ageme t Ce t e .

Ji g e g P e i a j i t t ck limi ed liabili c m a i c a ed i t the PRC h e ha e a e li ed t the Sha g hai S ck E cha ge ( t ck c de: 600578), hich e gage i d c i f elec t ic e a d the mal d c t , ge e al ca g a d ca g t a a i (a k t e), ale f elec t ic e a d the mal d c t , e a i f elec t ic e e i me t , de ec t a d e a i f e ge e a i e i me t , a d ale f de lf i z a i g m. Ji g e g P e i a b idia f BEH.

BEH Fi a ce i a limi ed liabili c m a i c a ed i t the PRC, hich e gage i idi g fi a cial e ice cha fi a cial c l i g, a me t , i t a ce age c , bill acce t a ce a d di c t i g, e t t ed l a t i t membe t . BEH Fi a ce i a b idia f BEH.

### III. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising Mr. Huang Xiaogang, Mr. Zhang Feng, Mr. Chen Yi, Mr. Tang and Mr. Han Xiaoli), all being independent non-executive Directors, has been established under the Independent Shareholder Policy of the Company. The Company will be advised by the Independent Financial Adviser under the Independent Board Committee of the Independent Shareholder Policy.

### IV. EGM

The EGM has been held on 18 January 2019, in accordance with the provisions of the Company's Articles of Association. Please refer to the circular of the Company dated 3 December 2018 for more details.

Accordingly, among others, (i) the details relating to the Proposed Share Issue, (ii) the recommendations of the Independent Board Committee relating to the Proposed Share Issue, (iii) the terms of the General Mandate relating to the Proposed Share Issue and (iv) the information regarding the Listing Rules, is enclosed herewith for the Independent Shareholder's reference.

Board of the Board  
**Beijing Jingneng Clean Energy Co., Limited**  
**KANG Jian**  
Company Secretary

Beijing, PRC  
10 December 2018

As the date of this circular, the independent directors of the Company are Mr. Li Haiqiang, Mr. Ji Shengqiang, Mr. Tang Xibing, Mr. Li Jia and Mr. Zhang Wei; the executive directors of the Company are Mr. Zhang Feng and Mr. Huang Xiaogang, Mr. Zhang Feng, Mr. Chen Yi, Mr. Tang and Mr. Han Xiaoli.