

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
DISPOSAL OF 40% EQUITY INTEREST IN BJCE AUSTRALIA**

SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 20 August 2024, BJCE HK, a wholly-owned subsidiary of the Company entered into the Sale and Purchase Agreement with BJEI Australia, pursuant to which, BJCE HK has agreed to sell and BJEI Australia has agreed to purchase 40% equity interest in BJCE Australia at a consideration consisting of the Completion Amount of approximately AUD183.0 million and the Adjustment Amount (if any).

Upon completion of the Disposal, BJCE Australia will remain as a subsidiary of the Company and the financial results of BJCE Australia will still be consolidated into the Company's consolidated financial statements.

LISTING RULES IMPLICATIONS

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. BJEI Australia, a wholly-owned subsidiary of Beijing Energy International, which is owned as to approximately 32.64% by BEI (HK), 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 transaction contemplated under the Sale and Purchase 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 Sale and Purchase Agreement exceeds 5%, the transaction is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

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. Further announcement in relation to the information required under Rule 14.60A of the Listing Rules will be made by the Company within 15 business days after publication of this announcement in compliance with Rule 14.60A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 20 August 2024, BJCE HK, a wholly-owned subsidiary of the Company entered into the Sale and Purchase Agreement with BJEI Australia, pursuant to which, BJCE HK has agreed to sell and BJEI Australia has agreed to purchase the 40% equity interest in BJCE Australia at a consideration consisting of the Completion Amount of approximately AUD183.0 million and the Adjustment Amount (if any).

SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

Date

20 August 2024

Parties

Vendor: BJCE HK

Purchaser: BJEI Australia

Target Company: BJCE Australia

Subject Matter

Subject to the terms and conditions of the Sale and Purchase Agreement, BJCE HK has agreed to sell, and BJEI Australia has agreed to purchase the 40% equity interest in BJCE Australia at a consideration consisting of the Completion Amount of approximately AUD183.0 million and the Adjustment Amount (if any).

Consideration

The total consideration consists of the Completion Amount of approximately AUD183.0 million and the Adjustment Amount (if any). The Completion Amount was determined after arm's length negotiation between BJCE HK and BJEI Australia with reference to the appraised value of the shareholders' equity of BJCE Australia as at the Valuation Date. Such appraisal was prepared by Beijing China Enterprise Appraisals. The Adjustment Amount equals to 40% of (a) the net profit after tax of the Target Company calculated in accordance with the Accounting Standards for the period from the Valuation Date to the Completion Date; less (b) any fully franked dividend declared and paid by the Target Company after the Valuation Date and prior to the Completion Date (except for those declared before the Valuation Date). In the event that the above calculation result is less than zero, the Adjustment Amount shall be zero.

Payment

The Completion Amount of approximately AUD183.0 million is payable by BJEI Australia on the Completion Date in a lump sum to the bank account designated by BJCE HK.

The Adjustment Amount shall be determined by an independent accountant engaged by BJCE HK within 15 business days of Completion which will prepare a written adjustment statement setting out the calculation of the Adjustment Amount. The adjustment statement (and the resulting Adjustment Amount reflected in the adjustment statement) prepared by the independent accountant will be final and binding on the parties to the Sale and Purchase Agreement and will constitute the final Adjustment Amount, except in the case of manifest error, in which case the determination will be void and the matter must either be remitted back to the independent accountant for correction or resolved in accordance with the requirements and procedures for dispute resolution as set out in the Sale and Purchase Agreement. The Adjustment Amount is payable by BJEI Australia within 10 business days of the date of the Adjustment Amount being determined by the independent accountant.

Conditions Precedent

The parties' obligations to the Completion shall be conditional upon the satisfaction of the following conditions:

- (i) if the FIRB Act applies to the acquisition of the Sale Shares by the Purchaser, (a) the Treasurer (or the Treasurer's delegate) has provided a written no objections notification under the FIRB Act to the proposed acquisition of the Sale Shares either with or without conditions; or (b) following notice of the proposed acquisition of the Sale Shares having been given by the Purchaser to the Treasurer under the FIRB Act, the Treasurer has ceased to be empowered to make any order under Part 3 of the FIRB Act because the applicable time limit on making orders and decisions under the FIRB Act has expired;

- (ii) the Sale and Purchase Agreement and the transaction contemplated thereunder have been approved by the independent shareholders of Beijing Energy International pursuant to the Listing Rules; and
- (iii) the Sale and Purchase Agreement and the transaction contemplated thereunder have been approved by the independent shareholders of the Company pursuant to the Listing Rules.

Completion

The Completion will take place on the Completion Date which is the last day of the month in which the last condition precedent as provided for in the Sale and Purchase Agreement is satisfied, or any other time agreed by BJCE HK and BJEI Australia. At Completion, BJCE HK shall deliver to BJEI Australia (i) a transfer in favor of BJEI Australia (or as it may direct) executed by BJCE HK in respect of the Sale Shares; (ii) a copy of the amended constitution and a copy of a special resolution of the member(s) of the Target Company approving and duly adopting the amended constitution, subject to and effective on and from the Completion; (iii) the register of members of the Target Company, updated to reflect the transfer of the Sale Shares to BJEI Australia; and (iv) a copy of a resolution of the Target Company's directors signed by at least one director of the Target Company resolving the registration of the transfer of the Sale Shares, cancellation of the existing share certificate(s) and the issue of the new share certificate(s) in respect of the Sale Shares subject to, and with effect from, the Completion.

INFORMATION ON THE PARTIES

The Company and BJCE HK

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 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 generation and supplying of electricity and heat, production and sale of coal and development of real estate.

BJCE HK is a limited liability company incorporated in Hong Kong and a directly wholly-owned subsidiary of the Company. BJCE HK principally engages in investment holding.

Beijing Energy International and BJEI Australia

Beijing Energy International is a company listed on the Hong Kong Stock Exchange with stock code 00686 and held as to approximately 32.64% by BEI (HK), a wholly-owned subsidiary of BEH. Beijing Energy International principally engages in the development, investment, operation and management of power plants and other clean energy projects.

BJEI Australia is a limited liability company incorporated under the laws of Australia and a wholly-owned subsidiary of Beijing Energy International. BJEI Australia principally engages in building and operating a portfolio of clean energy projects across Australia.

The Target Company

The Target Company is a limited liability company incorporated under the laws of Australia and an indirectly wholly-owned subsidiary of the Company through BJCE HK. The Target Company primarily engages in investment holding and currently holds 100% equity interests in each of New Gullen Range Wind Farm Pty Ltd (新格倫風電項目公司), Gullen Solar Pty Ltd (格倫光伏項目公司) and Newtricity Developments Biala Pty Ltd (拜亞拉風電場項目公司). New Gullen Range Wind Farm Pty Ltd operates the Gullen Wind Farm located in New South Wales, Gullen Solar Pty Ltd operates the Gullen Solar Farm located in New South Wales and Newtricity Developments Biala Pty Ltd operates the Biala Wind Farm located in New South Wales.

Set out below is certain financial information of the Target Company prepared in accordance with the International Financial Reporting Standards:

	Year ended 31 December 2022 <i>(RMB)</i>	Year ended 31 December 2023 <i>(RMB)</i>
Profit before taxation	225,838,631.79	211,526,292.23
Profit after taxation	157,912,788.10	103,501,790.45

The total assets and net assets of the Target Company as at 31 December 2023, prepared under the International Financial Reporting Standards, were approximately RMB3,434.3 million and RMB1,103.9 million, respectively. The valuation amount of the total shareholders' equity of the Target Company as at 30 September 2023 as appraised by Beijing China Enterprise Appraisals was approximately AUD457.5 million.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon completion of the Disposal, BJCE Australia will remain as a subsidiary of the Company and the financial results of BJCE Australia will still be consolidated into the Company's consolidated financial statements. The Disposal is accounted for as an equity transaction and no pre-tax gain or loss is expected to be recorded by the Company. The net proceeds from the Disposal will be recorded under the cash and capital reserve of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT AND USE OF PROCEEDS

The Company could realize the return of overseas investments back to the PRC through the Disposal and utilize the proceeds from the Disposal to pay off existing debts of the Company. The Disposal will allow the Group to further focus on its principal business in the PRC and concentrate resources to enhance the Group's competitiveness in the field of clean energy.

It is intended that the net proceeds from the Disposal after deducting the expenses in relation to the Disposal will be used to pay off the existing debts of the Company when due and for replenishment of the general working capital of the Group required for the Group's business development.

The Board has resolved and approved the Sale and Purchase Agreement and the transaction contemplated thereunder. Due to Mr. Zhou Jianyu's position in BEH and Mr. Song Zhiyong's position in BSCOMC, the sole shareholder of BEH, they have all abstained from voting on the Board resolution approving the Sale and Purchase Agreement and the transaction contemplated thereunder. Save as disclosed above, none of the Directors has any material interest in the Sale and Purchase Agreement.

The Directors (other than the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser and Mr. Zhou Jianyu and Mr. Song Zhiyong who have abstained from voting on the Board resolution for reasons as mentioned above) are of the view that, although the Sale and Purchase Agreement and the transaction contemplated thereunder are not in the ordinary and usual course of business of the Group, the terms of the Sale and Purchase Agreement are fair and reasonable and the transaction contemplated under the Sale and Purchase Agreement are on normal commercial terms and in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

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. BJEI Australia, a wholly-owned subsidiary of Beijing Energy International, which is owned as to approximately 32.64% by BEI (HK), 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 transaction contemplated under the Sale and Purchase 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 Sale and Purchase Agreement exceeds 5%, the transaction is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

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. Further announcement in relation to the information required under Rule 14.60A of the Listing Rules will be made by the Company within 15 business days after publication of this announcement in compliance with Rule 14.60A of the Listing Rules.

The independent board committee comprising all the independent non-executive Directors has been established to advise the independent shareholders of the Company on the Sale and Purchase Agreement and the transaction contemplated thereunder. BaoQiao Partners Capital Limited has been appointed as the independent financial adviser to advise the independent board committee and the independent shareholders of the Company in this respect.

A general meeting of the Company will be convened for the shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement and the transaction contemplated thereunder. A circular containing, among other things, further details of the Sale and Purchase Agreement and the transaction contemplated thereunder, together with a notice of the general meeting, is expected to be despatched to the shareholders of the Company on or before 12 September 2024, which is more than 15 business days after the publication of this announcement, as additional time is required to prepare the contents of the circular.

DEFINITIONS

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

“Accounting Standards”	the accounting standards required under the Corporations Act 2001 (Cth) of Australia (including the Approved Accounting Standards issued by the Australian Accounting Standards Board) and other mandatory professional reporting requirements issued by the joint accounting bodies (including the Australian Accounting Standards issued either jointly by CPA Australia and the Chartered Accountants Australia and New Zealand or by the Australian Accounting Research Foundation on behalf of CPA Australia and the Chartered Accountants Australia and New Zealand); and if no accounting standard applies under the Corporations Act 2001 (Cth) of Australia or other mandatory professional reporting requirements, the principles set out in Australian Statements of Accounting Concepts
“Adjustment Amount”	a part of the consideration for the Disposal as provided for in the Sale and Purchase Agreement, together with the Completion Amount constituting the total consideration for the Disposal
“AUD”	Australia Dollar, the lawful currency of Australia
“Australia”	the Commonwealth of Australia
“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
“BEI (HK)”	Beijing Energy Investment Holding (Hong Kong) Co., Limited (北京能源投資集團(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of BEH
“Beijing China Enterprise Appraisals”	Beijing China Enterprise Appraisals Co., Ltd. (北京中企華資產評估有限責任公司), a qualified independent valuer in the PRC
“Beijing Energy International”	Beijing Energy International Holding Co., Ltd. (北京能源國際控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 00686)
“BJCE Australia” or “Target Company”	Beijing Jingneng Clean Energy (Australia) Holding Pty Ltd (北京京能清潔能源(澳大利亞)控股有限公司), a limited liability company incorporated under the laws of Australia and a wholly-owned subsidiary of BJCE HK

“BJCE HK”	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 company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“BJEI Australia” or “Purchaser”	Beijing Energy International (Australia) Holding Pty Ltd (北京能源國際(澳大利亞)控股有限公司), a limited liability company incorporated under the laws of Australia and a wholly owned subsidiary of Beijing Energy International
“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.)
“business day(s)”	a day on which banks are open for general banking business in Sydney, New South Wales and the PRC
“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 Hong Kong Stock Exchange (stock code: 00579)
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Completion Amount”	AUD183,009,500 as a part of the consideration for the Disposal as provided for in the Sale and Purchase Agreement, together with the Adjustment Amount constituting the total consideration for the Disposal
“Completion Date”	the date which is the last day of the month in which the last condition precedent as provided for in the Sale and Purchase Agreement is satisfied
“Director(s)”	the directors of the Company
“Disposal”	the disposal of 40% equity interest in the Target Company by BJCE HK to BJEI Australia
“FIRB Act”	the Foreign Acquisitions and Takeovers Act 1975 (Cth)
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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
“Sale and Purchase Agreement”	the share sale and purchase agreement entered into by BJCE HK, BJEI Australia and the Target Company on 20 August 2024 in relation to the disposal of the 40% equity interest in the Target Company by BJCE HK to BJEI Australia
“Sale Shares”	the 40% of the issued ordinary share capital in the Target Company, being 48,600,040 shares
“Treasurer”	the Treasurer of the Commonwealth of Australia
“Valuation Date”	30 September 2023
“Valuation Report”	the valuation report of BJCE Australia dated 1 August 2024 and prepared by Beijing China Enterprise Appraisals
“%”	percentage

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

Beijing, the PRC
20 August 2024

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; and the independent non-executive Directors are Ms. Zhao Jie, Mr. Wang Hongxin, Mr. Qin Haiyan and Ms. Hu Zhiying.