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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 TRANSACTION IN RELATION TO THE CONSTRUCTION AGREEMENT II OF SHANTOU JINGNENG

CONSTRUCTION AGREEMENT II

The Board announces that on 28 May 2024, 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 main body of the Blade Manufacturing Plants and relevant ancillary buildings. Shantou Jingneng initiated open tender for selecting the construction service providers and Jingneng Construction finally won the bid.

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. 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 transaction contemplated under the Construction Agreement II constitutes a connected transaction 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 transaction contemplated under the Construction Agreement II shall be aggregated with the transaction under the Construction General Contracting Agreement and the transaction under the Construction Agreement as disclosed in the announcement of the Company dated 22 March 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 transaction contemplated under the Construction

Agreement II (on an aggregated basis together with the transaction under the Construction General Contracting Agreement and the transaction under the Construction Agreement) exceeds 0.1% but is less than 5%, the transaction contemplated under the Construction Agreement II is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board announces that on 28 May 2024, Shantou Jingneng 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.

CONSTRUCTION AGREEMENT II

The principal terms of the Construction Agreement II are set out below:

Date

28 May 2024

Parties

Service user : Shantou Jingneng

Service provider : Jingneng Construction

Project

Subject to the terms and conditions of the Construction Agreement II, Shantou Jingneng shall engage Jingneng Construction to provide construction services regarding the construction of the main body of the Blade Manufacturing Plants and relevant ancillary buildings, including solid waste room, hazardous chemical storage room and guard room. The proposed construction includes but not limited to civil engineering construction, equipment installation, water supply and drainage construction, electrical system construction, heating, ventilation and air-conditioning system construction, intelligent system installation and exterior pipe networks and roads.

Construction period

The construction period starts from 1 June 2024 and it is expected that the construction work will be completed by 30 August 2024.

Fees and payment terms

Pursuant to the Construction Agreement II, the total fee charged by Jingneng Construction to Shantou Jingneng shall be RMB294,525,188.73 (tax inclusive) including but not limited to project construction fee, safe and civilized construction fee of approximately RMB8.22 million and provisional amount of approximately RMB15.00 million. The contract price is the successful bid price submitted by Jingneng Construction in the open tender for the provision of services under the Construction Agreement II. Jingneng Construction shall provide a letter of guarantee, which is irrevocable and payment on demand with maximum guaranteed amount representing 10% of the contract price (excluding the provisional amount), to Shantou Jingneng after the Construction Agreement II has been duly executed and before Shantou Jingneng makes any prepayment to Jingneng Construction.

The contract price shall be paid in the following manner:

- (i) a prepayment of 50% of the safe and civilized construction fee and 30% of the contract price (excluding the safe and civilized construction fee and provisional amount) within 28 days after the preparation work is ready;
- (ii) project progress payment 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; when the actual amount of the construction work completed by Jingneng Construction represents 30% of the contract price, the 30% contract price prepaid by Shantou Jingneng shall be deducted as progress payment until when the actual amount of the construction work completed by Jingneng Construction represents 75% of the contract price;
- (iii) up to 97% of the contract price after passing the completion acceptance and project audit; and
- (iv) 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 ESTIMATED CONTRACT PRICE UNDER THE CONSTRUCTION AGREEMENT II

Shantou Jingneng held an open tender for the construction work of the main body of the Blade Manufacturing Plants and relevant ancillary buildings on 22 March 2024 and six 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 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), which consisted of seven members, of which five were randomly selected from the experts database and two were representatives of Shantou Jingneng, 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 Construction Agreement II 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 Construction Agreement II full complied with the provisions of the Tendering and Bidding Law of the PRC (《中華人民共和國招投標法》) and other relevant laws and regulations.

INFORMATION ON THE PARTIES

The Company and Shantou Jingneng

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%. 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 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.

Shantou Jingneng is a limited liability company established in the PRC and wholly-owned by the Company. Shantou Jingneng is mainly engaged in the generation and supply of electricity.

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.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION AGREEMENT II

The connected transaction contemplated under the Construction Agreement II is the work that must be carried out by Shantou Jingneng during normal production and operation. The Construction Agreement II has undergone open tender and is the results 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.

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

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 resolution for reasons as mentioned above) are of the view that the terms of the Construction Agreement II 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.

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. 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 transaction contemplated under the Construction Agreement II constitutes a connected transaction 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 transaction contemplated under the Construction Agreement II shall be aggregated with the transaction under the Construction General Contracting Agreement and the transaction under the Construction Agreement as disclosed in the announcement of the Company dated 22 March 2024 since the counterparty to those transactions is the same and such transactions are similar in nature. As the highest applicable percentage ratio in respect of the transaction contemplated under the Construction Agreement II (on an aggregated basis together with the transaction under the Construction General Contracting Agreement and the transaction under the Construction Agreement) exceeds 0.1% but is less than 5%, the transaction contemplated under the Construction Agreement II is subject to the reporting and announcement requirements but is exempt from 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 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”	the construction agreement entered into by Shantou Jingneng and Jingneng Construction on 3 March 2024 in relation to the construction of the main body of the bearing manufacturing plant (6#) 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6#軸承製造廠房), which was disclosed in the announcement of the Company dated 22 March 2024
“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 and relevant ancillary buildings of Shantou Jingneng
“Construction General Contracting Agreement”	the construction general contracting agreement entered into by Beijing Shangzhuang Gas-fired Thermal Power Co., Ltd. (北京上莊燃氣熱電有限公司) and Jingneng Construction on 16 December 2023 in relation to the construction of integrated energy supervision and control center and refrigeration station project by Jingneng Construction, which was disclosed in the announcement of the Company dated 22 March 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
“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
“%”	percentage

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

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