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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)

**FURTHER ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS
PURSUANT TO RULE 14A.60 OF THE LISTING RULES**

Reference is made to the announcement of the Company dated 20 June 2022 (the “**CCT Announcement**”) in relation to the sale and leaseback agreements, the direct finance leasing agreements, and the factoring agreements entered into between Shenzhen Jingneng Leasing and associates of BEH; and the operation management service agreement and factoring framework agreement entered into between Beijing Jingneng Leasing and Shenzhen Jingneng Leasing. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the CCT Announcement.

The Board wishes to further inform the shareholders and potential investors of the following additional agreements entered into between Shenzhen Jingneng Leasing and associates of BEH.

DIRECT FINANCE LEASING AGREEMENT

On 23 March 2022, Shenzhen Jingneng Leasing and Chaling Jingneng New Energy Co., Ltd. (茶陵京能新能源有限公司) (“**Chaling Jingneng**”) entered into a direct finance leasing agreement, pursuant to which Shenzhen Jingneng Leasing would purchase the leased equipment from the supplier upon the instructions of Chaling Jingneng, and then lease such equipment to it for an agreed term and receive lease payment on a periodic basis. The lease term commences from the delivery of all equipment under the direct finance leasing agreement by the supplier to Chaling Jingneng and Shenzhen Jingneng Leasing charges interest for the purchase price paid by it to the supplier before the commencement of the lease term.

The principal terms of the direct finance leasing agreement are set out below:

Date	Parties	Leased assets and consideration	Lease term	Legal title	Lease payment	Other terms
23 March 2022	Shenzhen Jingneng Leasing (as lessor) and Chaling Jingneng (as lessee)	10 MW photovoltaic power station equipment of a total consideration of approximately RMB28.65 million, which was the purchase price of such equipment from the supplier. Shenzhen Jingneng Leasing would pay the purchase price directly to the supplier by bank transfer.	5 years from 21 October 2022 to 20 October 2027.	Shenzhen Jingneng Leasing shall own the legal title to the leased assets upon the delivery of such assets by the supplier to Chaling Jingneng.	The total lease amount was estimated to be approximately RMB32.94 million (tax inclusive), which includes (i) the total principal of approximately RMB28.65 million payable in 20 instalments on a quarterly basis over the lease term; (ii) interest before the commencement of the lease term of approximately RMB0.68 million for the purchase price already paid by Shenzhen Jingneng Leasing to the supplier; and (iii) the lease interest at a floating interest rate calculated by the latest five-year loan prime rate as promulgated by the National Interbank Funding Center with downward adjustment of 13 basis points payable in 20 instalments together with the principal, which would be adjusted by the parties for every 12 months. All lease payment shall be settled by Chaling Jingneng by bank transfer.	Before the expiry of the lease term and with the written approval of Shenzhen Jingneng Leasing, Chaling Jingneng can make a lump sum repayment in advance of the due and outstanding principal, due and overdue interest payment, a nominal consideration of RMB10,000, the compensation equivalent to interest of one year on the outstanding principal, and other value-added taxes and fees resulting from Chaling Jingneng's prepayment and then obtains the ownership of the leased equipment. Upon the expiry of the lease term and subject to the payment of all amounts and fulfilment of its obligations under the agreement, Chaling Jingneng obtains the ownership of the leased assets.

Right pledge agreement

On 23 March 2022, Shenzhen Jingneng Leasing and Chaling Jingneng entered into the right pledge agreement, pursuant to which Chaling Jingneng agreed to pledge its right to electricity charges and government subsidies from the photovoltaic power station financed by the above direct finance leasing agreement to Shenzhen Jingneng Leasing to secure the performance obligations (including, among others, payment obligations) of Chaling Jingneng under the above direct finance leasing agreement for a period from the signing date of the right pledge agreement to two years after the completion of the above direct finance leasing agreement or the expiry of the above direct finance leasing agreement (whichever is late).

Share pledge agreement

On 23 March 2022, Shenzhen Jingneng Leasing and Beijing Lianhe Rongbang New Energy Technology Co., Ltd. (北京联合荣邦新能源科技有限公司) (“**Beijing Lianhe Rongbang**”) entered into the share pledge agreement, pursuant to which Beijing Lianhe Rongbang agreed to pledge its equity interest in Chaling Jingneng, representing 100% equity interest in Chaling Jingneng, in favor of Shenzhen Jingneng Leasing to secure the performance obligations (including, among others, payment obligations) of Chaling Jingneng under the above direct finance leasing agreement for a period from the signing date of the share pledge agreement to two years after the fulfillment of all obligations of Chaling Jingneng under the above direct finance leasing agreement.

Equipment mortgage agreement

On 23 March 2022, Shenzhen Jingneng Leasing and Chaling Jingneng entered into the equipment mortgage agreement, pursuant to which Shenzhen Jingneng Leasing authorized Chaling Jingneng to mortgage the equipment under the above direct finance leasing agreement to Shenzhen Jingneng Leasing to secure the performance obligations (including, among others, payment obligations) of Chaling Jingneng under the above direct finance leasing agreement for a period from the signing date of the equipment mortgage agreement to the fulfillment of all obligations of Chaling Jingneng under the above direct finance leasing agreement.

The terms of the above direct finance leasing agreement, including the interest rate were determined after arm's length negotiations between the parties with reference to the prevailing market rates for similar finance leasing arrangements and consideration of other factors such as the geographical location, operation performance and risk profile of the leased equipment.

FACTORING AGREEMENT

On 18 June 2022, Shenzhen Jingneng Leasing and Beijing Jingneng Leasing entered into a factoring agreement, pursuant to which Beijing Jingneng Leasing transferred certain account receivables to Shenzhen Jingneng Leasing for a recourse factoring loan and shall repay the loan together with factoring fees to Shenzhen Jingneng Leasing on a periodic basis.

The principal terms of the factoring agreement are set out below:

Date	Parties	Subject and principal amount	Financing term	Repayment and factoring fee	Transfer of account receivables	Repurchase
18 June 2022	Shenzhen Jingneng Leasing and Beijing Jingneng Leasing	Account receivables due from Inner Mongolia Baogang Ganglian Co., Ltd. (内蒙古包钢钢联股份有限公司) and other eight companies (the "Debtors") in connection with the finance leasing agreements between Beijing Jingneng Leasing and the Debtors respectively, of an amount of approximately RMB339.64 million and the factoring principal amount is RMB300.00 million, which was settled by Shenzhen Jingneng Leasing by bank transfer.	4 years from 20 June 2022 to 19 June 2026	The principal amount shall be repayable in 16 installments on a quarterly basis over the financing term together with the factoring fee which is calculated by a fixed rate of 3.05% per annual payable in 16 installments together with the principal amount. All payment shall be settled by Beijing Jingneng Leasing by bank transfer.	Subject to the terms and conditions of the factoring agreement, the account receivables due from the Debtors of Beijing Jingneng Leasing shall be transferred to Shenzhen Jingneng Leasing on the effective date of the factoring agreement.	In the event, such as default by Beijing Jingneng Leasing, disputes between the Debtors and Beijing Jingneng Leasing resulting in the Debtors' failure to pay any outstanding debt, Shenzhen Jingneng Leasing shall have the right to demand Beijing Jingneng Leasing to repurchase all or any affected account receivables and repay all the outstanding sum due to Shenzhen Jingneng Leasing under the factoring agreement.

The factoring principal amount, interest rate and financing term were agreed between the parties after arm's length negotiations and are on normal commercial terms.

Reference is made to the factoring agreement entered into by Shenzhen Jingneng Leasing and Beijing Jingneng Leasing on 22 October 2021 as disclosed in the CCT Announcement. On 18 March 2022, Shenzhen Jingneng Leasing and Beijing Jingneng Leasing entered into a supplemental agreement, pursuant to which Beijing Jingneng Leasing made partial repayment of the factoring principal amount of RMB100.20 million together the accrued factoring fee of approximately RMB2.70 million before 21 March 2022. After the repayment of such amount, the outstanding factoring principal amount under the factoring agreement of 22 October 2021 was RMB199.60 million as of 21 March 2022. All other terms of the factoring agreement remain unchanged.

INFORMATION ON THE PARTIES

Shenzhen Jingneng Leasing

Shenzhen Jingneng Leasing was incorporated in the PRC with limited liability. As of the date of this announcement, Shenzhen Jingneng Leasing was directly held as to approximately 84.68% by the Company and as to approximately 15.32% by 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. Shenzhen Jingneng Leasing primarily provides financial leasing services and commercial factoring business services in relation to financial leasing to the public and members of BEH.

The Company

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

BEH and its associates

BEH is a limited liability company incorporated in the PRC and was wholly-owned by 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 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.

Chaling Jingneng

Chaling Jingneng is a limited liability company incorporated in the PRC and wholly-owned by Beijing Lianhe Rongbang which was in turn owned as to 99.43% by Beijing Energy International Investment Limited, an indirect wholly owned subsidiary of Beijing Energy International, and as to 0.57% by Silk Road New Energy (Changzhou) Co., Ltd. (絲綢之路新能源(常州)有限公司), an indirect non-wholly owned subsidiary of Beijing Energy International Investment Limited.

Beijing Energy International is a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Hong Kong Stock Exchange with stock code 686. Beijing Energy International was owned as to 32% by Beijing Energy Investment Group (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 Energy International is principally engaged in the development, investment, operation and management of power plants and other renewable energy projects.

Chaling Jingneng is mainly engaged in solar power generation, wind power generation technical consultation and technical services; photovoltaic power station construction, operation, maintenance and management services; photovoltaic power generation system technology development, technical consultation and technical services; photovoltaic power generation equipment manufacturing, wholesale and retail; sales of power generation equipment; contracts energy management.

Beijing Jingneng Leasing

Beijing Jingneng Leasing is a limited liability company incorporated in the PRC and is wholly owned by BEH. Beijing Jingneng Leasing primarily provides financial leasing services to the public and members of BEH.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ABOVE FINANCE LEASING AGREEMENT AND FACTORING AGREEMENT

Shenzhen Jingneng Leasing primarily provides financial leasing services and commercial factoring business services in relation to financial leasing to the public and members of BEH. The above direct finance leasing agreement, factoring agreement and the relevant ancillary agreements are transactions carried out in the ordinary and usual course of business of Shenzhen Jingneng Leasing. The terms of such agreements (including the interest rate) were arrived at by Shenzhen Jingneng Leasing and the counterparties after arm's length negotiations, with reference to prevailing commercial terms.

No Director has any material interest in the above direct finance leasing agreement, factoring agreement and the relevant ancillary agreements.

Having considered the financial background of the lessees and the interest income to be received by Shenzhen Jingneng Leasing, the Directors (including the independent non-executive Directors) are of the view that the terms of the above direct finance leasing agreement, factoring agreement and the relevant ancillary agreements and the transactions conducted 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. BEH and its associates are therefore connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the above direct finance leasing agreement, the factoring agreement and the relevant ancillary agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements under Chapter 14A of the Listing Rules, including publishing an announcement and annual reporting in respect of the continuing connected transactions under the

above direct finance leasing agreement, the factoring agreement and the relevant ancillary agreements. The Company will further comply with all applicable reporting, disclosure and independent shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of such agreements.

The Company will also comply with all applicable reporting, disclosure and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for any specific transaction to be carried out under the factoring framework agreement entered into by Shenzhen Jingneng Leasing and Beijing Jingneng Leasing and the finance lease business framework agreement and its supplemental agreements entered into by Shenzhen Jingneng Leasing and Beijing Energy International as disclosed in the CCT Announcement and any other framework agreements entered into by Shenzhen Jingneng Leasing and associates of BEH prior to the completion of the acquisition of 84.68% equity interest in Shenzhen Jingneng Leasing by the Company.

By order of the Board
Beijing Jingneng Clean Energy Co., Limited
KANG Jian
Deputy General Manager and Company Secretary

Beijing, the PRC
15 July 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Zhang Fengyang, Mr. Chen Dayu, Mr. Gao Yuming and Mr. Cao Mansheng; the non-executive Directors of the Company are Mr. Ren Qigui, Mr. Song Zhiyong and Mr. Wang Bangyi; the independent non-executive Directors of the Company are Mr. Huang Xiang, Mr. Chan Yin Tsung, Mr. Xu Daping and Ms. Zhao Jie.