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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
CREDITOR'S RIGHTS TRANSFER AGREEMENT**

CREDITOR'S RIGHTS TRANSFER AGREEMENT

On 23 April 2023, Shenzhen Jingneng Leasing, as the vendor, entered into the Creditor's Rights Transfer Agreement with BEH, as the purchaser, pursuant to which BEH agreed to purchase, and Shenzhen Jingneng Leasing agreed to sell, creditor's rights under the Sale and Leaseback Agreements at the consideration of approximately RMB145.76 million.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Shenzhen Jingneng Leasing is a non-wholly owned subsidiary of the Company and was directly held as to approximately 84.68% equity interest by the Company and as to approximately 15.32% equity interest by BEI (HK), a wholly-owned subsidiary of BEH. BEH is the controlling shareholder of the Company, directly and indirectly holding approximately 68.68% of the issued share capital of the Company as at the date of this announcement and thus a connected person of the Company. Accordingly, the transaction under the Creditor's Rights Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios are more than 0.1% but less than 5%, the transaction under the Creditor's Rights Transfer Agreement is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Board is pleased to announce that, on 23 April 2023, Shenzhen Jingneng Leasing, as the vendor, has entered into the Creditor's Rights Transfer Agreement with BEH, as the purchaser, pursuant to which BEH has agreed to purchase, and Shenzhen Jingneng Leasing has agreed to sell, creditor's rights at the consideration of approximately RMB145.76 million.

CREDITOR’S RIGHTS TRANSFER AGREEMENT

The principal terms of the Creditor’s Rights Transfer Agreement are set out as follows:

Date: 23 April 2023

Parties: Shenzhen Jingneng Leasing (as the vendor); and
BEH (as the purchaser)

Details of the creditor’s rights to be transferred:

Pursuant to the Creditor’s Rights Transfer Agreement, Shenzhen Jingneng Leasing will sell the creditor’s rights against Baotou Shenghua under the Sale and Leaseback Agreements with a total carrying amount of approximately RMB145.76 million which include the outstanding principal of RMB143.40 million and interests payable of approximately RMB2.36 million (the “**Creditor’s Rights**”).

Consideration and payment terms:

The consideration of the Creditor’s Rights Transfer Agreement is approximately RMB145.76 million, equal to the carrying amount of the Creditor’s Rights, which was arrived at arm’s length negotiation between the parties to the Creditor’s Rights Transfer Agreement.

The consideration will be paid by BEH in the following manner:

The consideration will be paid by BEH in cash to the account designated by Shenzhen Jingneng Leasing in one lump sum within 10 working days from the execution date of the Creditor’s Rights Transfer Agreement.

Other terms:

Shenzhen Jingneng Leasing shall deliver all original documents in connection with the Creditor’s Rights to BEH within 10 working days after the receipt of the consideration under the Creditor’s Rights Transfer Agreement from BEH. Shenzhen Jingneng Leasing shall inform Baotou Shenghua, the lessee under the Sale and Leaseback Agreements in relation to the transfer of the Creditor’s Rights to BEH within 5 working days after the completion of the transfer of the Creditor’s Rights. From the payment date of the consideration, BEH is entitled to demand payments from Baotou Shenghua pursuant to the Sale and Leaseback Agreements.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CREDITOR'S RIGHTS TRANSFER AGREEMENT

Pursuant to the Sale and Leaseback Agreements, Baotou Shenghua shall pay the principal and the corresponding interest in 8 installments on a quarterly basis during the lease term. As of the date of this announcement, the outstanding principal and interest payable by Baotou Shenghua under the Sale and Leaseback Agreements amount to approximately RMB145.76 million. Based on the information available to the Directors as of the date of this announcement, Baotou Shenghua may be unable to fulfil its payment obligations under the Sale and Leaseback Agreements due to its current business operation which results in uncertainties in collecting the outstanding principal and any interest after due by Shenzhen Jingneng Leasing. The transaction will guarantee the full recovery of the Creditor's Rights by Shenzhen Jingneng Leasing, which will be conducive to the healthy development of Shenzhen Jingneng Leasing and the Company.

The proceeds under the Creditor's Rights Transfer Agreement will be used for the daily business development of Shenzhen Jingneng Leasing.

Due to Mr. Cao Mansheng and Mr. Zhou Jianyu holding positions in BEH and Mr. Song Zhiyong holding position in BSCOMC, they have all abstained from voting on the Board resolution approving the Creditor's Rights Transfer Agreement and the transaction contemplated thereunder. Save as disclosed above, none of the other Directors has any material interest in the aforesaid transaction or is required to abstain from voting on the relevant resolution at the Board meeting.

The Directors (including all independent non-executive Directors) are of the view that, the terms of the Creditor's Rights Transfer Agreement are fair and reasonable, and the transaction contemplated thereunder is conducted on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACT OF THE TRANSFER OF CREDITOR'S RIGHTS

As the consideration under the Creditor's Rights Transfer Agreement is equal to the outstanding principal and interest payable by Baotou Shenghua under the Sale and Leaseback Agreements, the transfer of the Creditor's Rights will not have any financial impact on the Group.

INFORMATION ON THE PARTIES

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.

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% equity interest by the Company and as to approximately 15.32% equity interest by BEI (HK), 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 the BEH.

BEH

BEH is a limited liability company incorporated in the PRC and was 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.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Shenzhen Jingneng Leasing is a non-wholly owned subsidiary of the Company and was directly held as to approximately 84.68% equity interest by the Company and as to approximately 15.32% equity interest by BEI (HK), a wholly-owned subsidiary of BEH. BEH is the controlling shareholder of the Company, directly and indirectly holding approximately 68.68% of the issued share capital of the Company as at the date of this announcement and thus a connected person of the Company. Accordingly, the transaction under the Creditor's Rights Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios are more than 0.1% but less than 5%, the transaction under the Creditor's Rights Transfer Agreement is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

The following expressions have the meanings set out below unless the context requires otherwise:

“BEH”	北京能源集團有限責任公司 (Beijing Energy Holding Co., Ltd.), a limited liability company incorporated in the PRC and the controlling shareholder of the Company
“Baotou Shenghua”	包頭市盛華煤炭銷售有限公司 (Baotou Shenghua Coal Sales Co., Ltd.), a limited liability company established in the PRC, and owned by BEH as to 61% and by Bank of Beijing Co., Ltd. Nanjing Branch (北京銀行股份有限公司南京分行) as to 39%

“BEI (HK)”	北京能源投資集團(香港)有限公司 (Beijing Energy Investment Holding (Hong Kong) Co., Limited), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of BEH
“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 limited company incorporated in the PRC, whose H shares are listed on the Hong Kong Stock Exchange
“Creditor’s Rights Transfer Agreement”	《債權轉讓協議》，a creditor’s rights transfer agreement entered into between Shenzhen Jingneng Leasing as vendor and BEH as purchaser on 23 April 2023
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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” or “China”	the People’s Republic of China and for the purpose of this announcement, excluding the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Sale and Leaseback Agreement I”	《包頭市盛華煤炭銷售有限公司(深圳第九期)全封閉儲煤棚、鐵路專用線I、II、III標段融資性售後回租合同》(Sale and Leaseback Agreement on Fully Enclosed Coal Storage Shed and Section I, II and II for the Special Railway Line of Baotou Shenghua Coal Sales Co., Ltd.) entered into between Shenzhen Jingneng Leasing as lessor and Baotou Shenghua as lessee on 25 April 2021, pursuant to which Shenzhen Jingneng Leasing purchased one fully enclosed coal storage shed and section I, II and III of the special railway line from Baotou Shenghua and then leased them back to Baotou Shenghua for a term of two years
“Sale and Leaseback Agreement II”	《包頭市盛華煤炭銷售有限公司(深圳第十期)快速裝車繫統融資性售後回租合同》(Sale and Leaseback Agreement on Quick Loading System of Baotou Shenghua Coal Sales Co., Ltd.) entered into between Shenzhen Jingneng Leasing as lessor and Baotou Shenghua as lessee on 7 May 2021, pursuant to which Shenzhen Jingneng Leasing purchased one quick loading system from Baotou Shenghua and then leased it back to Baotou Shenghua for a term of two years
“Sale and Leaseback Agreements”	Sale and Leaseback Agreement I and Sale and Leaseback Agreement II
“Shareholder(s)”	the holder(s) of the ordinary share(s) of the Company
“Shenzhen Jingneng Leasing”	深圳京能融資租賃有限公司 (Shenzhen Jingneng Financial Leasing Co., Ltd.), a limited liability company incorporated in the PRC
“%”	means per cent

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

Beijing, the PRC
23 April 2023

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 are Mr. Zhou Jianyu, Mr. Song Zhiyong and Ms. Zhang Yi; the independent non-executive Directors are Mr. Huang Xiang, Mr. Chan Yin Tsung, Mr. Xu Daping and Ms. Zhao Jie.