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 ake e ibili f he c e f hi a ceme , make e e e a i a i acc ac c m le e e a d e el di claim a liabili w ha e e f a l h w e e a i i g f m i elia ce he w h le a a f he c e f hi a ceme .

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 B a d he eb a ce ha 10 Decembe 2018, ba ed he c mme f m ele a g e me a h i ie i he PRC a d af e a m' le g h eg ia i am g he a ie , BEH, he C m a , Ji g e g P w e a d BEH Fi a ce e e ed i he Ne w Ca i al I c ea e Ag eeme , a w hich, he egi e ed ca i al f BEH Fi a ce w ill be i c ea ed f m RMB3 billi RMB5 billi , f w hich, RMB0.06 billi , RMB0.94 billi a d RMB1 billi a e be b c ibed b BEH, he C m a a d Ji g e g P w e , e ec i el .

F ll w i g he e ec i f he Ne w Ca i al I c ea e Ag eeme , he O igi al Ca i al I c ea e Ag eeme ha bee e mi a ed w i h immedia e effec .

The EGM ha bee ed be c e ed 18 Ja a 2019 c ide a d, if h gh fi , a e he P ed S b c i i . Plea e efe he a ceme i ed b he C m a 3 Decembe 2018 f m e de ail .

I. INTRODUCTION

Refe e ce i made he a ceme f he C m a da ed 30 Oc be 2018 i ela i he ed b c i i f he egi e ed ca i al f BEH Fi a ce b he C m a (he **Announcement**). U le he w i e ecified, ca i ali ed e m ed i hi a ceme hall ha e he ame mea i g a defi ed i he A ceme .

A a ed i he A ceme , BEH, he C m a , Ji g e g P w e a d BEH Fi a ce e e ed i a ca i al i c ea e ag eeme 30 Oc be 2018 (he **Original Capital Increase Agreement**), a w hich, he egi e ed ca i al f BEH Fi a ce w ill be i c ea ed f m RMB3 billi RMB5 billi w hich c m i e : (i) P i 1 f 61,224,489.80 i w hich a e ffe ed be b c ibed b he E i i g Sha eh lde f BEH Fi a ce i hei e ec i e ha eh ldi g i BEH Fi a ce a he b c i i ice f RMB1 e i BEH Fi a ce Regi e ed Ca i al, bei g he mi al al e f he BEH Fi a ce Regi e ed Ca i al, a d (ii) P i 2 f 1,938,775,510.20 i w hich a e ffe ed be b c ibed b he C m a a d Ji g e g P w e a a b c i i ice f RMB1.27 e i BEH Fi a ce Regi e ed Ca i al.

F llwi g he a al f he P ed S b c i i b he B a d a d he i e f he A ceme a d he ice f he EGM, BEH Fi a ce ha ecei ed c mme f m he ele a g e me a h i ie i he PRC adj he e m f he O igi al Ca i al I c ea e Ag eeme .

The B a d he eb a ce ha 10 Decembe 2018, ba ed he c mme f m ele a g e me a h i ie i he PRC a d af e a m' le g h eg ia i am g he a ie , BEH, he C m a , Ji g e g Pwe a d BEH Fi a ce e ed i a ew ca i al i c ea e ag eeme (he **New Capital Increase Agreement**), a which, he egi e ed ca i al f BEH Fi a ce will be i c ea ed f m RMB3 billi RMB5 billi , f which, RMB0.06 billi , RMB0.94 billi a d RMB1 billi a e be b c ibed b BEH, he C m a a d Ji g e g Pwe , e ec i el . P a he New Ca i al I c ea e Ag eeme , he O igi al Ca i al I c ea e Ag eeme ha bee e mi a ed wi h immedia e effec .

II. NEW CAPITAL INCREASE AGREEMENT

1. Principal Terms of the New Capital Increase Agreement

Date : 10 Decembe 2018

Parties : BEH;

The C m a (ge he wi h BEH, he **Existing Shareholders of BEH Finance**);

Ji g e g Pwe ; a d

BEH Fi a ce (a he **Target Company**)

Increase in Capital of BEH Finance and the Proposed Subscription : P a he New Ca i al I c ea e Ag eeme , he egi e ed ca i al f he Ta ge C m a will be i c ea ed f m RMB3 billi RMB5 billi , which c m i e :

(i) RMB0.06 billi which a e ffe ed be b c ibed b BEH;

(ii) RMB0.94 billi which a e ffe ed be b c ibed b he C m a ; a d

(iii) RMB1 billi which a e ffe ed be b c ibed b Ji g e g Pwe .

U c m le i f he ed b c i i f he egi e ed ca i al f BEH Fi a ce b he a ie a he New Ca i al I c ea e Ag eeme (he **Proposed Subscription**), BEH, he C m a a d Ji g e g Powe will h ld 60%, 20% a d 20% f he e i i e e i BEH Fi a ce, e ec i el .

Consideration : I ela i he i c ea ed egi e ed ca i al f BEH Fi a ce, BEH, he C m a a d Ji g e g Powe hall c ib e RMB76,200,000, RMB1,193,800,000 a d RMB1,270,000,000, e ec i el .

Basis of Consideration : The b c i i ice e e RMB1.27 e i BEH Fi a ce Regi e ed Ca i al, which wa de e mi ed af e a m' le g h eg ia i be wee he a ie wi h efe e ce he a ai ed e a e al e f BEH Fi a ce a a ed i he al a i e e a ed b CUAA (i.e. RMB3,824,749,500), which i bjec a al b Beiji g SASAC.

Acc di gl , he fi al b c i i ice f he i c ea ed egi e ed ca i al f BEH Fi a ce will be de e mi ed i acc da ce wi h he f ll wi g f m la:

S b c i i ice f each i BEH Fi a ce Regi e ed Ca i al i ela i he i c ea ed egi e ed ca i al f BEH Fi a ce = a ai ed e a e al e f BEH Fi a ce a a ed b he Beiji g SASAC/BEH Fi a ce' e i i g egi e ed ca i al (i.e. RMB3 billi).

F ill a i e, ba ed he a ai ed e a e al e f BEH Fi a ce a a ed i he al a i e e a ed b CUAA a d ab e, he b c i i ice f each i BEH Fi a ce Regi e ed Ca i al f he i c ea ed egi e ed ca i al f BEH Fi a ce i RMB1.27 e i BEH Fi a ce Regi e ed Ca i al.

Conditions precedent : The effec i e e f he New Ca i al I c ea i g Ag eeme i c di i al he f lfilme f he f ll wi g c di i :

(i) he i e al c a e a al ha i g bee b ai ed b all a ie de he New Ca i al I c ea e Ag eeme a ele a a licable law a d eg la i ;

(ii) he a al f m Beiji g SASAC f he a ai ed al e f he a e i l ed i he ed i c ea e i egi e ed ca i al f BEH Fi a ce ha i g bee b ai ed; a d

(iii) he a al f m he Beiji g B a ch f Chi a Ba ki g a d I a ce Reg la C mmi i i ela i he ed i c ea e i he egi e ed ca i al f BEH Fi a ce ha i g bee b ai ed.

Payment schedule : S bjec he f lfilme f he ab e-me i ed c di i , BEH, he C m a a d Ji g e g P e hall a hei e ec i e b c i i m ie i hi 10 B i e Da af e he Ne Ca i al I c ea e Ag eeme ake effec .

Transitional Period : The E i i g Sha eh lde f BEH Fi a ce hall be e i led all he di ib ed fi f he Ta ge C m a bef e he Val a i Refe e ce Da e.

BEH, he C m a a d Ji g e g P e hall be e i led he fi , a d hall be e ible f a l , f he Ta ge C m a d i g he T a i i al Pe i d i hei e ec i e ha eh ldi g i he Ta ge C m a he c m le i f he P ed S b c i i . N i h a di g he ab e, if he Ta ge C m a did ecei e all m ie he a ie hall c ib e de he Ne Ca i al I c ea e Ag eeme bef e 31 Ma ch 2019, he E i i g Sha eh lde f BEH Fi a ce hall be e i led he fi , a d hall be e ible f a l , f he Ta ge C m a f m 1 Se embe 2018 31 Decembe 2018 (b h da i cl i e) i i hei e ec i e ha eh ldi g i he Ta ge C m a bef e he P ed S b c i i .

2. PRINCIPAL ASSUMPTIONS OF THE VALUATION

The al a i e e a ed b CUAA i e i ed be adj ed. Acc di gl , he i f ma i i ela i he al a i f he Ta ge C m a di cl ed i he A ceme emai cha ged a d i e d ced bel .

The a ie he Ne Ca i al I c ea e Ag eeme ha e e gaged CUAA e f m he al a i i e ec f he e a e f he Ta ge C m a .

A he al a i a e a ed ba ed he i c me a ach hich i l e he e f he di c ed ca h fl , he al a i a e i he al a i e e a ed b CUAA i ega ded a a fi f eca de R le 14.61 f he Li i g R le .

The al a i a e f med ba ed he f ll i g i ci al a m i :

(i) General assumptions

- a ac i a m i : all a e be a ai ed a e a med be al ead i he ce f a ac i , a d he al e a ai e he al e ba ed he adi g c di i f he a e be a ai ed i a im la ed ma ke . The a ac i a m i i e f he m ba ic e e i i e ha a e al a i ca be ca ied .

- e ma ke a m i : i i a med ha f a e be aded i e ded be aded i he ma ke , he a ie a a e a ac i hall ha e e al a , a d al ha e i a d ime gai fficie ma ke i f ma i , a make a i al j dgme f c i , e a d adi g ice f a e . The e ma ke a m i i ba ed he fac ha a e ca be blicl aded he ma ke .

- a e g i g-c ce a m i : he al a i me h d , a ame e a d ba i hall be de e mi ed c e di gl ba ed he fac ha he a e de al a i ill c i e be ed acc di g he c e e a d he m de, cale, f e e c a d e i me , e c. ed a cha ge ba i he a ai i g.

(ii) Special assumptions

- The e i ig ifica cha ge i he c e mac ec mic a d a licie f PRC.

- The e i ig ifica cha ge i he ci -ec mic e i me he e he a ai ed e e i e i e a ed a ell a he a e , a a e a d he licie im leme ed.

- The c e f al a i hall be l limi ed he al a i e ided b BEH Fi a ce i h aki g i acc i c i ge a e a d c i ge liabili ie ha ma e i ide he li ided b he a ai ed e i .

- The f e ma ageme eam f he a ai ed e e i e will e f m i d ie a i fac il a d c i e mai ai g i g c ce fi e i i g b i e e a i m del.

- The a ai ed e e i e will c i e lea e a d e i c e ffice emi e i he f e.

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

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

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

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

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

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

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

3. SHAREHOLDING STRUCTURE OF BEH FINANCE

The f llwi g diag am e he ha eh ldi g c e f BEH Fi a ce immedia el bef e a d af e c m le i f he P ed S b c i i :

Name of shareholder	Immediately before the completion of the Proposed Subscription Registered capital of BEH Finance *(i RMB)*	Percentage	Immediately after the completion of the Proposed Subscription Registered capital of BEH Finance *(i RMB)*	Percentage
BEH	2,940,000,000	98%	3,000,000,000	60%
The C m a	60,000,000	2%	1,000,000,000	20%
Ji g e g Pwe			1,000,000,000	20%
Total	**3,000,000,000**	**100%**	**5,000,000,000**	**100%**

4. FINANCIAL INFORMATION OF BEH FINANCE

Ba ed he a di ed c lida ed fi a cial a eme f he Ta ge C m a f he fi a cial ea e ded 31 Decembe 2016 a d 2017 e a ed i acc da cewi h he PRC GAAP, he e fi bef e a d af e a a i f he fi a cial ea e ded 31 Decembe 2016 a d 2017 a e e bel w:

	For the year ended 31 December 2016	For the year ended 31 December 2017
P fi bef e a a i	365,775,617.00	474,057,530.46
P fi af e a a i	273,973,829.58	355,000,748.46

Ba ed he c lida ed fi a cial a eme f he Ta ge C m a f he eigh m h e ded 31 A g 2018 e a ed i acc da cewi h he PRC GAAP, he e a e f he Ta ge C m a a a 31 A g 2018wa a ima el RMB3,573,850,032.

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

U c m le i f he P ed S b c i i , he ha eh ldi g f he C m a i BEH Fi a ce will be i c ea ed f m 2% 20%which allw he C m a be efi m e f m he b i e e a i a d g w h i e fi f BEH Fi a ce. Acc di gl , he i e me i BEH Fi a ce h gh he P ed S b c i i i e ec ed ge e a e ela i el high i e me e f he C m a .

The P ed S b c i i al e e e a i e i f he C m a i e i a c m a which e gage i he i i f fi a cial e ice . BEH Fi a ce i a -ba ki g fi a cial i i i a ed b he ele a PRC a h i ie e gage i he i i f a i fi a ci g e ice , i cl di g aki g de i a d idi g l a , a d i ima il idi g fi a cial e ice c m a ie wi hi he g membe f BEH. Th gh a ici a i g i he b i e e a i f BEH Fi a ce, he C m a ca ha e f he de a di g ab he e a i f a fi a cial i i i a d gai m e k wledge i ela i i ca i al ma ageme , which e able he C m a eg ia e f be e e m wi h c mme cial ba k f ca i al e i ed f i b i e de el me a d be e ma age i w w ki g ca i al.

I addi i , i ce he i c a i f BEH Fi a ce, he C m a ha e gaged BEH Fi a ce ide a i fi a cial e ice , de ail f which we e e i he a ceme i ed b he C m a 25 Oc be 2016. The C m a e ec c i e e gage BEH Fi a ce ide ch e ice a BEH Fi a ce ha a m e h gh de a di g f he b i e de el me a d ca i al eed f he b idia ie f he C m a a d i able ide ch e ice i a imel ma e . Gi e he C m a a BEH Fi a ce f he e ice i ecei ed ba ed mal c mme cial e m , i c ea i g ha eh ldi g i BEH Fi a ce b he C m a i al i he i e e f he C m a i ce he C m a will e j a la ge i f he fi a d e e e ea ed b BEH Fi a ce.

Ba ed he ab e, he Di ec (e cl di g he i de e de -e ec i e Di ec wh will gi e hei i i af e aki g i acc he ad ice f G am Ca i al, de ail f which will be i cl ded i he ci c la f he EGM) c ide ha he e m f he New Ca i al I c ea e Ag eeme a e fai a d ea able, a d i he i e e f he C m a a d he Sha eh lde a a wh le.

A he ha eh ldi g f he C m a i BEH Fi a ce will i c ea e f m 2% 20% c m le i f he P ed S b c i i , he i e me i BEH Fi a ce f he C m a will be ec g i ed b he C m a a i e me i a cia e de he e i me h d, i ead f c e l bei g ec g i ed b he C m a i g c me h d.

6. LISTING RULES IMPLICATION

A he highe a licable e ce age a i i e ec f he P ed S b c i i e ceed 5% b i le ha 25%, he P ed S b c i i c i e a di cl eable a ac i f he C m a a d i bjec he e i g a d a ceme e i eme de Cha e 14 f he Li i g R le .

A a he da e f he a , ceme , BEH di ec l a d i di ec l h ld 68.68% e , i i e e i he C m a a d i a c ec ed e f he C m a , de Cha e 14A f he Li i g R le . BEH Fi a ce i a , b idia f BEH a d h c i , e a c ec ed e f he C m a b i , e f bei g a a cia e f BEH. Acc di gl he P ed S b c i i al c i , e a c ec ed a ac i f he C m a , de Cha e 14A f he Li i g R le . A he highe a licable e ce age a i i e ec f he P ed S b c i i e ceed 5%, he P ed S b c i i i , bjec he e i g, a , ceme a d I de e de Sha eh lde ' a al e , i eme , de Cha e 14A f he Li i g R le .

D e hei i i i BEH a d/ i 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 ai ed f m i g he B a d e l i a i g he P ed S b c i i .

BEH a d i a cia e , h ldi g a agg ega e f 5,886,444,144 Sha e a d e e e i g a ima el 71.4% f he e , i i e e i he C m a , a e e , i ed ab ai f m i g he e l i be ed a he EGM a e he 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 w e a d hea e e g ge e a i , w i d w e , h l aic w e , mall medi m h d w e a d he clea e e g ge e a i b i e e w hich hel claim he C m a he i le f he i e a i all w ell-k w clea e e g e e i e, i d -leadi g clea e e g b a d a d la ge ga -fi ed w e lie i Beiji g a d he leadi g w i d w e e a i Chi a.

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

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

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

III. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The I de e de B a d C mmi ee (c m i i g M . H a g Xia g, M . Zha g F he g, M . Cha Yi T g a d M . Ha Xia i g, all bei g i de e de -e ec i e Di ec) ha bee e abli hed ad i e he I de e de Sha eh lde i c ec i w i h he P ed S b c i i . G am Ca i al w ill be a i ed a he I de e de Fi a cial Ad i e ad i e he I de e de B a d C mmi ee a d he I de e de Sha eh lde i c ec i w i h he P ed S b c i i .

IV. EGM

The EGM ha bee ed be c e ed 18 Ja a 2019 c ide a d, if h gh fi , a e he P ed S b c i i . Plea e efe he a ceme i ed b he C m a 3 Decembe 2018 f m e de ail .

A ci c la c ai i g, am g he hi g , (i) f he de ail i ela i he P ed S b c i i , (ii) he ec mme da i f he I de e de B a d C mmi ee i ela i he P ed S b c i i , (iii) a le e f m G am Ca i al i ela i he P ed S b c i i a d (i) he i f ma i e i ed de he Li i g R le , i e ec ed be de a ched he Sha eh lde i d e c e.

B O de f he B a d
Beijing Jingneng Clean Energy Co., Limited
KANG Jian
C m a Sec e a

Beiji g, he PRC
10 Decembe 2018

A a he da e f hi a ceme , he -e ec i e di ec f he C m a a e M . Li Hai ia, M . Ji She g ia g, M . Ta g Xi bi g, M . Li J a a d M . Zha Wei; he e ec i e di ec f he C m a i M . Zha g Fe g a g; a d he i de e de -e ec i e di ec f he C m a a e M . H a g Xia g, M . Zha g F he g, M . Cha Yi T g a d M . Ha Xia i g.