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北京能源集团有限责任公司
Beijing Energy Holding Co.,Ltd.*

(A limited liability company incorporated in the People's Republic of China)

INTRODUCTION

Reference is made to the Rule 3.7 Announcement dated 6 July 2020 and the monthly update announcements dated 6 August 2020, 4 September 2020, 4 October 2020 and 4 November 2020 made by the Company in respect of BEH's indication of its intention to make a conditional voluntary cash general offer for the H Shares (other than those already held by BEH and parties acting in concert with it).

On 17 November 2020 (after trading hours), the board of directors of BEH and the Board of the Company jointly announce that CSCI, on behalf of BEH, will make a conditional voluntary cash general offer for the H Shares (other than those already held by BEH and parties acting in concert with it).

CONSIDERATION FOR THE H SHARE OFFER

The H Share Offer will be made by CSCI on behalf of BEH on the following basis:

For each H Share	HK$2.70 in cash

BEH will not increase the H Share Offer Price for the H Share Offer as set out above. Shareholders and potential investors of the Company should be aware that, following the making of this statement, BEH will not be allowed to increase the H Share Offer Price and BEH does not reserve the right to increase the H Share Offer Price.

CONDITIONS OF THE H SHARE OFFER

The H Share Offer is subject to the fulfilment of the following conditions:

(a) subject to Condition (c) below, the passing of a resolution by the Independent H Shareholders approving the Delisting at the H Share Class Meeting to be convened for this purpose, provided that:

  (i) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy;

  (ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;

(b) subject to Condition (c) below, the passing of a resolution by the Independent H Shareholders approving the Delisting at the EGM to be convened for this purpose, provided that:

  (i) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy;

  (ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;

(c) minimum valid acceptance of the H Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date amounting to at least 90% of the H Shares held by the Independent H Shareholders;

(d) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the H Share Offer (including its implementation) having been obtained and remaining in full force and effect pursuant to the provisions of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions;

(e) no action, decision, order, proceeding, enquiry or investigation having been taken or made by any relevant government, governmental, quasi-governmental, regulatory body, court or agent that has the effect of making unlawful, void or unenforceable or otherwise prohibiting or restricting the H Share Offer (including its implementation) or imposing any material conditions or obligations with respect to the H Share Offer (including its implementation) (other than such action, decision, order, proceeding, enquiry or investigation as would not have a material adverse effect on the legal ability of BEH to proceed with or consummate the H Share Offer);

(f) the granting of the waiver by the Executive from the requirements under Rule 2.2 (c) of the Takeovers Code; and

(g) the filing or approval of Beijing SASAC, NDRC and Beijing Commerce Bureau (if applicable) and the registration of BAFE in relation to the H Share Offer having been completed and remaining in full force and effect pursuant to the provisions of relevant laws and regulations in the PRC.

None of the Conditions can be waived. As at the date of this joint announcement, none of the Conditions has been fulfilled.

INTENTION IN RELATION TO THE COMPANY

If the H Share Offer is completed, BEH intends that the Group will continue to carry on its existing business and, save for transactions in the ordinary course of business, does not expect there to be a redeployment of the fixed assets of the Group. Under current market conditions, BEH has no plans to effect any redundancies in respect of the employees of the Group (other than in the ordinary course of business).

DELISTING

Upon the H Share Offer becoming unconditional, the Company will make an application for the Delisting in accordance with Rule 6.12 of the Listing Rules. The H Shareholders will be notified by way of an announcement of the date of the last day for dealing in the H Shares and on which the Delisting will become effective.

NO RIGHT OF COMPULSORY ACQUISITION

BEH has no rights under the laws of the PRC and the articles of association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, the Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Stock Exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Stock Exchange and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code after the completion of the H Share Offer depending on whether it remains as a public company in Hong Kong thereafter.

The Offeror has applied to the Executive for a waiver from the requirements under Rule 2.2 (c) of the Takeovers Code.

SHAREHOLDING IN THE COMPANY

As at the date of this joint announcement, the Company has 8,244,508,144 Shares in issue, consisting of 5,414,831,344 Domestic Shares and 2,829,676,800 H Shares. BEH directly owns 5,081,793,482 Domestic Shares, representing approximately 93.85% of the total issued Domestic Shares and approximately 61.64% of the total issued share capital of the Company. BSCOMC, the sole shareholder of BEH, directly owns 224,348,291 Domestic Shares, representing approximately 4.14% of the total issued Domestic Shares and approximately 2.72% of the total issued share capital of the Company. BIEE, a wholly-owned subsidiary of BEH, directly owns 92,654,249 Domestic Shares, representing approximately 1.71% of the total issued Domestic Shares and approximately 1.12% of the total issued share capital of the Company. BDH, a wholly-owned subsidiary of BEH, directly owns 16,035,322 Domestic Shares, representing approximately 0.30% of the total issued Domestic Shares and approximately 0.19% of the total issued share capital of the Company. BEH, BSCOMC, BIEE and BDH own the entire issued Domestic Shares.

CRC, directly owns 459,332,000 H Shares, and its wholly-owned subsidiary, CPCR directly owns 196,704,000 H Shares. CRC and CPCR in aggregate own 656,036,000 H Shares, representing approximately 23.18% of the total issued H Shares and approximately 7.96% of the total issued share capital of the Company. CRC is owned by Central Huijin Investment Ltd. (中央匯金投資有限責任公司) as to approximately 71.56%. CRC and CPCR are parties acting in concert with the Offeror for the purpose of the Takeovers Code as a result of the Undertaking.

BEI, a wholly-owned subsidiary of BEH, directly owns 471,612,800 H Shares, representing approximately 16.67% of the total issued H Shares and approximately 5.72% of the total issued share capital of the Company.

BEET, which is ultimately owned and controlled by Beijing SASAC and a party presumed to be acting in concert with the Offeror pursuant to the Takeovers Code, directly owns 196,964,000 H Shares, representing approximately 6.96% of the total issued H Shares and approximately 2.39% of the total issued share capital of the Company.

As CRC, CPCR, BEI and BEET are parties acting in concert with BEH, the H Shares owned by CRC, CPCR, BEI and BEET will not be voted on in the EGM and the H Share Class Meeting and do not constitute Disinterested H Shares for the purpose of Rule 2.2 of the Takeovers Code. Save for the shareholdings of CRC, CPCR, BEI and BEET in the Company, none of BEH or the parties acting in concert with it legally or beneficially owns any H Share.

As at the date of this joint announcement, there were no outstanding options, warrants, derivatives, convertible securities or other securities which confer any right to subscribe for, convert or exchange into Domestic Shares or H Shares and/or rights over the Domestic Shares or H Shares issued by the Company.

THE UNDERTAKING FROM CRC AND CPCR

As at the date of this joint announcement, CRC and its wholly-owned subsidiary, CPCR in aggregate hold 656,036,000 H Shares, representing approximately 23.18% of the total issued H Shares and approximately 7.96% of the total issued share capital of the Company. On 17 November 2020, the Offeror received the Undertaking from CRC and CPCR, pursuant to which CRC and CPCR have irrevocably and unconditionally undertaken that:

(a) from (and including) the date of the Undertaking to (and including) the earlier of (aa) the date when the H Share Offer closes for acceptances; or (bb) the date when the H Share Offer lapses:

    (i) CRC and CPCR will not participate in the H Share Offer, and none of the H Shares held by CRC and CPCR shall constitute the Disinterested H Shares, and therefore CRC and CPCR will not sell any of its H Shares to the Offeror, and CRC and CPCR will not receive any consideration in respect of the H Share Offer; and

    (ii) CRC and CPCR will not (1) sell or otherwise dispose of any of its H Shares; or (2) exercise any warrants, options or any other rights in whatever form to acquire any additional interest in any of the Shares; and

(b) immediately after the Delisting, the H Shares held by each of CRC and CPCR registered under its name and/or its nominees(s) will remain so registered.

The Undertaking may be terminated (i) in the case that the Delisting is not completed by 31 December 2021; (ii) by mutual consents among CRC, CPCR and the Offeror; or (iii) on the date when the H Share Offer is withdrawn or lapses.

Prior to entering into the Undertaking, CRC and CPCR did not have any relationship with the Offeror which may cause themselves being parties acting in concert with the Offeror. As a result of the Undertaking, CRC and CPCR are parties acting in concert with the Offeror for the purpose of the Takeovers Code. No consideration, compensation or benefit in whatever form has been or will be provided by the Offeror or parties acting in concert with it to any of CRC, CPCR or parties acting in concert with any of them in connection with the Undertaking or the H Share Offer.

After the Delisting, the rights of CRC and CPCR as Shareholders of the Company under the PRC laws and regulations will be the same as those of Independent H Shareholders not tendering the H Shares for acceptance under the H Share Offer. No treatment or benefit different to that of such Independent H Shareholders has been or will be given to CRC or CPRC in connection with the Undertaking or the H Share Offer.

CLOSING DATE OF THE H SHARE OFFER

The H Share Offer will initially be open for acceptances for at least 21 days from the date of the Composite Document. The latest time on which the Offeror can declare the H Share Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent). Once all the Conditions have been satisfied, the H Share Offer will be declared unconditional in all respects and the H Share Offer should remain open for acceptance for not less than 28 days in compliance with the note to Rule 2.2 and Rule 15.3 of the Takeovers Code before the H Share Offer is closed in order to allow sufficient time for those H Shareholders who have not initially accepted the H Share Offer to accept the H Share Offer or to process the transfer of their H Shares.

DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document for the H Share Offer containing, inter alia, further details of (a) the H Share Offer; (b) the expected timetable relating to the H Share Offer; (c) the Delisting; (d) the Undertaking; (e) the recommendation from the Independent Board Committee with respect to the H Share Offer and the Delisting; (f) the advice of Gram Capital to the Independent Board Committee; (g) a notice of the H Share Class Meeting to approve the Delisting; (h) a notice of the EGM to approve the Delisting and other particulars required by the Listing Rules and the Takeovers Code (if any), will be despatched to the H Shareholders within 21 days from the date of this joint announcement or such later date to which the Executive may consent.

1. INTRODUCTION

Reference is made to the Rule 3.7 Announcement dated 6 July 2020 and the monthly update announcements dated 6 August 2020, 4 September 2020, 4 October 2020 and 4 November 2020 made by the Company in respect of BEH's indication of its intention to make a conditional voluntary cash general offer for the H Shares (other than those already held by BEH and parties acting in concert with it).

On 17 November 2020 (after trading hours), the board of directors of BEH and the Board of the Company jointly announce that CSCI, on behalf of BEH, will make a conditional voluntary cash general offer for the H Shares (other than those already held by BEH and parties acting in concert with it).

2. THE H SHARE OFFER

2.1 Consideration for the H Share Offer

The H Share Offer will be made by CSCI on behalf of BEH on the following basis:

For each H Share	HK$2.70 in cash

The H Share Offer Price was determined after taking into account factors, including most recent published financial information of the Company and the Offeror's assessment of the Company's business, with reference to other privatisation transactions in Hong Kong in recent years.

BEH will not increase the H Share Offer Price for the H Share Offer as set out above. Shareholders and potential investors of the Company should be aware that, following the making of this statement, BEH will not be allowed to increase the H Share Offer Price and BEH does not reserve the right to increase the H Share Offer Price.

2.2 Comparison of Value

The H Share Offer Price under the H Share Offer represents:

(a) a premium of approximately 70.89% over the closing price of HK$1.58 per H Share as quoted on the Stock Exchange on the last trading date prior to the publication of the Rule 3.7 Announcement;

(b) a premium of approximately 11.57% over the closing price of HK$2.42 per H Share as quoted on the Stock Exchange on the Last Trading Date;

(c) a premium of approximately 70.89% over the average closing price of HK$1.58 per H Share as quoted on the Stock Exchange for the last 5 trading days immediately prior to and including the last trading date prior to the publication of the Rule 3.7 Announcement;

(d) a premium of approximately 67.70% over the average closing price of HK$1.61 per H Share as quoted on the Stock Exchange for the last 30 trading days immediately prior to and including the last trading date prior to the publication of the Rule 3.7 Announcement;

(e) a premium of approximately 97.08% over the average closing price of HK$1.37 per H Share as quoted on the Stock Exchange for the last 90 trading days immediately prior to and including the last trading date prior to the publication of the Rule 3.7 Announcement;

(f) a premium of approximately 100.00% over the average closing price of HK$1.35 per H Share as quoted on the Stock Exchange for the last 180 trading days immediately prior to and including the last trading date prior to the publication of the Rule 3.7 Announcement;

(g) a discount of approximately 12.05% to audited consolidated net asset value attributable to the Shareholders of the Company (excluding the perpetual medium-term notes) of approximately HK$3.07 per Share as at 31 December 2019, based on the exchange rate of RMB1: HK$1.1163, being the median exchange rate on 31 December 2019 as announced by the People's Bank of China; and

(h) a discount of approximately 12.90% to unaudited consolidated net asset value attributable to the Shareholders of the Company (excluding the perpetual medium-term notes) of approximately HK$3.10 per Share as at 30 June 2020, based on the exchange rate of RMB1: HK$1.0948, being the median exchange rate on 30 June 2020 as announced by the People's Bank of China.

2.3 Highest and lowest prices

During the period beginning on 6 January 2020 (being six months preceding the commencement of the offer period) up to and including the Last Trading Day, the highest closing price of the H Shares as quoted on the Stock Exchange was HK$2.43 on 9 November

2.5 Settlement of consideration

The consideration of the H Share Offer will be settled as soon as possible and in any event within 7 business days (as defined under the Takeovers Code) of the date of receipt of a complete and valid acceptance in respect of the H Share Offer or the Unconditional Date, whichever is later.

2.6 Confirmation of financial resources in respect of the H Share Offer

BEH will finance such cash consideration and the buyer's ad valorem stamp duty for the H Share Offer by a loan facility provided by Industrial Bank Co., Ltd. to BEH.

CSCI, the financial adviser to BEH in respect of the H Share Offer is satisfied that sufficient financial resources are available to BEH to satisfy full acceptance of the H Share Offer.

2.7 Conditions of the H Share Offer

The H Share Offer is subject to the fulfilment of the following conditions:

(a) subject to Condition (c) below, the passing of a resolution by the Independent H Shareholders approving the Delisting at the H Share Class Meeting to be convened for this purpose, provided that:

  (i) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy;

  (ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;

(b) subject to Condition (c) below, the passing of a resolution by the Independent H Shareholders approving the Delisting at the EGM to be convened for this purpose, provided that:

  (i) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy;

  (ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;

(c) minimum valid acceptance of the H Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date amounting to at least 90% of the H Shares held by the Independent H Shareholders;

(d) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the H Share Offer (including its implementation) having been obtained and remaining in full force and effect pursuant to the provisions of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions;

(e) no action, decision, order, proceeding, enquiry or investigation having been taken or made by any relevant government, governmental, quasi-governmental, regulatory body, court or agent that has the effect of making unlawful, void or unenforceable or otherwise prohibiting or restricting the H Share Offer (including its implementation) or imposing any material conditions or obligations with respect to the H Share Offer (including its implementation) (other than such action, decision, order, proceeding, enquiry or investigation as would not have a material adverse effect on the legal ability of BEH to proceed with or consummate the H Share Offer);

(f) the granting of the waiver by the Executive from the requirements under Rule 2.2 (c) of the Takeovers Code; and

(g) the filing or approval of Beijing SASAC, NDRC and Beijing Commerce Bureau (if applicable) and the registration of BAFE in relation to the H Share Offer having been completed and remaining in full force and effect pursuant to the provisions of relevant laws and regulations in the PRC.

None of the Conditions can be waived. As at the date of this joint announcement, none of the Conditions has been fulfilled.

All the issued Domestic Shares are held by BEH and parties acting in concert with it, namely BSCOMC, BIEE and BDH, and therefore no class meeting of Domestic Shareholders will be convened for the purpose of approving the Delisting and the Domestic Shareholders are not entitled to vote in the EGM to be convened for approving the Delisting.

According to the applicable PRC laws and regulations, the H Share Offer requires the filing or approval of Beijing SASAC and NDRC, the registration of BAFE and the other applicable governmental filings or approvals, and such regulatory requirements shall be complied with, irrespective of the funding arrangement mentioned in the paragraph headed "Confirmation of financial resources in respect of the H Share Offer" of this joint announcement. According to the applicable PRC laws and regulations, each of the filing or approval of Beijing SASAC and NDRC, the registration of BAFE and the other applicable governmental filings or approvals is required to be completed prior to the completion of the H Share Offer. Save as disclosed above, as at the date of this joint announcement, BEH and the Company have not identified any governmental or regulatory approval required for the completion of the H Share Offer.

The Board confirms that as at the date of this joint announcement, no third party consent in relation to the H Share Offer is required pursuant to any agreement to which any member of the Group is a party.

In addition to the Conditions set out above, the H Share Offer is made on the basis that acceptance of the H Share Offer by any person will constitute a warranty by such person or persons to BEH that the H Shares acquired under the H Share Offer are sold by such person or persons free from all third party rights, liens, charges, equities, adverse interests and encumbrances whatsoever and together with all rights attaching thereto as at the date of this joint announcement or subsequently becoming attached to them, and including the right to receive all dividends (whether final or interim) and other distributions, if any, declared and where the record date for such entitlement is on or after the date of this joint announcement.

As at the date of this joint announcement, the Company has not declared any dividends, the record date of which falls on or after the date of this joint announcement. The Company does not have any intention to declare, make or pay any future dividends or make other distributions until the Closing Date.

The H Share Offer will be made in compliance with the Takeovers Code, which is administered by the Executive. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, BEH will not invoke any of the conditions above so as to cause the H Share Offer to lapse unless the circumstances which give rise to a right to invoke the condition are of material significance to BEH in the context of the H Share Offer. Except with the consent of the Executive, if any of the Conditions is not satisfied within 21 days of the first Closing Date or the date the H Share Offer becomes or is declared unconditional as to acceptances, whichever is the later, the H Share Offer will lapse.

2.8 Further terms and general matters in respect of the H Share Offer

H Shares

Under the terms of the H Share Offer, the H Shares will be acquired with all rights attached thereto as at the date of this joint announcement or which subsequently become attached thereto, including the right to receive all dividends (whether final or interim) and other distributions, if any, declared, and where the record date for such entitlement is on or after the date of this joint announcement and free from all third party rights, liens, charges, equities, adverse interests and encumbrances whatsoever.

Hong Kong stamp duty

Sellers' ad valorem stamp duty for the H Shares which are registered with the H Shares registrar arising in connection with acceptance of the H Share Offer will be payable by each accepting H Shareholder at the rate of HK$1.00 for every HK$1,000 or part thereof of the consideration payable by BEH for such person's H Shares and will be deducted from the cash amount due to such accepting H Shareholder under the H Share Offer. BEH will pay the buyer's ad valorem stamp duty on its own behalf and arrange to pay for the sellers' ad valorem stamp duty on behalf of the sellers.

Closing date of the H Share Offer

The H Share Offer will initially be open for acceptances for at least 21 days from the date of the Composite Document. The latest time on which the Offeror can declare the H Share Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent). Once all the Conditions have been satisfied, the H Share Offer will be declared unconditional in all respects and the H Share Offer should remain open for acceptance for not less than 28 days in compliance with the note to Rule 2.2 and Rule 15.3 of the Takeov3 (6 ( )0.5 (l)0.5 r)4 ( )0.5 (han 28)0.5

3.1 Delisting

Upon the H Share Offer becoming unconditional, the Company will make an application for the Delisting in accordance with Rule 6.12 of the Listing Rules. The H Shareholders will be notified by way of an announcement of the date of the last day for dealing in the H Shares and on which the Delisting will become effective.

3.2 No right of compulsory acquisition

BEH has no rights under the laws of the PRC and the articles of association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, the Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Stock Exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Stock Exchange and the liquidity of such shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code after the completion of the H Share Offer depending on whether it remains as a public company in Hong Kong thereafter.

The Offerer has applied to the Executive for a waiver from the requirements under Rule 2.2 (c) of the Takeovers Code.

4. INFORMATION AND PRINCIPAL BUSINESS OF BEH

BEH is wholly owned by BSCOMC. The predecessor of BEH is Beijing International Electricity Development Investment Corporation (北京國際電力開發投資公司), which was established in 1993 and subsequently merged with Beijing Comprehensive Investment Corporation (北京市綜合投資公司), Beijing Heat Energy Group Co., Ltd. (北京市熱力集團有限責任公司) and Beijing Jingmei Group Co., Ltd. (北京京煤集團有限責任公司). BEH is an integrated energy services provider with a registered capital of RMB21.3 billion and is involved in the production and provision of electricity and heating power, production and sale of coals, real estate development and property management services.

BEH directly owns 5,081,793,482 Domestic Shares, representing approximately 93.85% of the total issued Domestic Shares and approximately 61.64% of the total issued share capital of the Company.

BSCOMC, the sole shareholder of BEH, directly owns 224,348,291 Domestic Shares, representing approximately 4.14% of the total issued Domestic Shares and approximately 2.72% of the total issued share capital of the Company. BSCOMC was established by Beijing SASAC as an enterprise owned by the whole people (全民所有制企業).

BIEE, a wholly-owned subsidiary of BEH, directly owns 92,654,249 Domestic Shares, representing approximately 1.71% of the total issued Domestic Shares and approximately 1.12% of the total issued share capital of the Company.

BDH, a wholly-owned subsidiary of BEH, directly owns 16,035,322 Domestic Shares, representing approximately 0.30% of the total issued Domestic Shares and approximately 0.19% of the total issued share capital of the Company.

BEH, BSCOMC, BIEE and BDH own the entire issued Domestic Shares.

BEI, a wholly-owned subsidiary of BEH, directly owns 471,612,800 H Shares, representing approximately 16.67% of the total issued H Shares and approximately 5.72% of the total issued share capital of the Company. As BEI is a party acting in concert with BEH, H Shares owned by BEI will not be voted on in the EGM and the H Share Class Meeting.

5. INFORMATION AND PRINCIPAL BUSINESS OF THE COMPANY

5.1 Principal activities of the Company

The Company is involved in gas-fired power and heat energy generation, wind power, photovoltaic power, small-to-medium-sized hydropower and other clean energy generation businesses in a number of provinces, municipalities and autonomous regions, such as Beijing, Inner Mongolia, Ningxia, Sichuan, Hunan and Guangdong.

5.2 Financial information of the Company

Below is a summary of (i) the audited consolidated results of the Company for each of the two financial years ended 31 December 2018 and 2019, as extracted from the financial statements prepared in accordance with International Financial Reporting Standards in the 2019 annual report of the Company published on 28 April 2020 and (ii) the unaudited consolidated results of the Company for the six months ended 30 June 2020, as extracted from the 2020

5.3 Shareholding in the Company

As at the date of this joint announcement, the Company has 8,244,508,144 Shares in issue, consisting of 5,414,831,344 Domestic Shares and 2,829,676,800 H Shares. The table below sets out the shareholding structure of the Company as at the date of this joint announcement and immediately after the completion of the H Share Offer (assuming that the H Share Offer is fully accepted by the Independent H Shareholders).

	As at the date of this joint announcement		**Immediately after the completion of the H Share Offer (assuming the H Share Offer is fully accepted by the Independent H Shareholders)**	
	Number of Shares	*Approximately % of the total issued share capital of the Company*	*Number of Shares*	*Approximately % of the total issued share capital of the Company*
Domestic Shares	5,414,831,344	65.68%	5,414,831,344	65.68%
BEH[(1)]	5,081,793,482	61.64%	5,081,793,482	61.64%
BSCOMC[(2)]	224,348,291	2.72%	224,348,291	2.72%
BIEE[(3)]	92,654,249	1.12%	92,654,249	1.12%
BDH[(4)]	16,035,322	0.19%	16,035,322	0.19%
Total Domestic Shares held by BEH and parties acting in concert with it	5,414,831,344	65.68%	5,414,831,344	65.68%
H Shares	2,829,676,800	34.32%	2,829,676,800	34.32%
CRC[(5)]	459,332,000	5.57%	459,332,000	5.57%
CPCR[(5)]	196,704,000	2.39%	196,704,000	2.39%
BEI[(6)]	471,612,800	5.72%	471,612,800	5.72%
BEET[(7)]	196,964,000	2.39%	196,964,000	2.39%
BEH	0	0%	1,505,064,000	18.26%
Total H Shares held by BEH and parties acting in concert with it	1,324,612,800	16.07%	2,829,676,800	34.32%
Independent H Shareholders	1,505,064,000	18.26%	0	0%
Total Shares in issue	8,244,508,144	100%	8,244,508,144	100%

Notes:

(1) BEH directly owns 5,081,793,482 Domestic Shares, representing approximately 93.85% of the total issued Domestic Shares and approximately 61.64% of the total issued share capital of the Company.

(2) BSCOMC, the sole shareholder of BEH, directly owns 224,348,291 Domestic Shares, representing approximately 4.14% of the total issued Domestic Shares and approximately 2.72% of the total issued share capital of the Company.

(3) BIEE, a wholly-owned subsidiary of BEH, directly owns 92,654,249 Domestic Shares, representing approximately 1.71% of the total issued Domestic Shares and approximately 1.12% of the total issued share capital of the Company.

(4) BDH, a wholly-owned subsidiary of BEH, directly owns 16,035,322 Domestic Shares, representing approximately 0.30% of the total issued Domestic Shares and approximately 0.19% of the total issued share capital of the Company.

(5) CRC directly owns 459,332,000 H Shares and its wholly-owned subsidiary, CPCR directly owns 196,704,000 H Shares. CRC and CPCR in aggregate own 656,036,000 H Shares, representing approximately 23.18% of the total issued H Shares and approximately 7.96% of the total issued share capital of the Company. CRC is owned by Central Huijin Investment Ltd. (中央匯金投資有限責任公司) as to approximately 71.56%. CRC and CPCR are parties acting in concert with the Offeror for the purpose of the Takeovers Code as a result of the Undertaking.

(6) BEI, a wholly-owned subsidiary of BEH, directly owns 471,612,800 H Shares, representing approximately 16.67% of the total issued H Shares and approximately 5.72% of the total issued share capital of the Company.

(7) BEET directly owns 196,964,000 H Shares, representing approximately 6.96% of the total issued H Shares and approximately 2.39% of the total issued share capital of the Company. BEET is presumed to be acting in concert with the Offeror for the purpose of the Takeovers Code as it is ultimately owned and controlled by Beijing SASAC. On 17 November 2020, BEET issued a confirmation and undertaking in favour of the Offeror, pursuant to which BEET (i) confirmed the H Share Offer will not be made to them; and (ii) has undertaken that it will not participate in the H Share Offer and therefore will not sell any of its H Shares to the Offeror.

Save for the shareholding of CRC, CPCR, BEI and BEET, none of BEH or parties acting in concert with it legally or beneficially owns any H Share. A total of 1,324,612,800 H Shares held by CRC, CPCR, BEI and BEET will not be considered as H Shares held by the Independent H Shareholders for the purpose of Condition (c) set out in the paragraph headed "Conditions of the H Share Offer".

The rights of the holders of Domestic Shares and H Shares rank pari passu to each other, including voting rights and the right to receive dividend payment, except that payment of dividend will be made in RMB to the holders of the Domestic Shares and in Hong Kong dollars to H Shareholders. As at the date of this joint announcement, there were no outstanding options, warrants, derivatives, convertible securities or other securities which confer any right to subscribe for, convert or exchange into Domestic Shares or H Shares and/or rights over the Domestic Shares or H Shares issued by the Company.

As at the date of this joint announcement:

(a) save for the existing direct and indirect shareholding of BEH and parties acting in concert with it in the Company as set out above, neither BEH nor parties acting in concert with it owns or have control or direction over any voting rights or rights over the shares, options, derivatives, warrants, other securities convertible into shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;

(b) there was no existing holding of voting rights and rights over the Shares in respect of which BEH or any parties acting in concert with it had received any irrevocable voting commitment in respect of the EGM and/or the H Share Class Meeting and/or any irrevocable commitment to accept the H Share Offer. The Undertaking of CRC and CPCR does not constitute any voting commitment in respect of the EGM and/or H Share Class Meeting and/or any irrevocable commitment to accept the H Share Offer. As a result of the Undertaking, CRC and CPCR are parties acting in concert with the Offeror so may not vote at the EGM and/or H Share Class Meeting. Also, CRC and CPCR have confirmed in the Undertaking that they will not accept the H Share Offer;

(c) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by BEH or parties acting in concert with it;

(d) there was no outstanding derivative in respect of securities in the Company entered into by BEH or any parties acting in concert with it;

(e) save for the H Share Offer and the Undertaking, there was no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to shares of BEH or the Company which might be material to the H Share Offer;

(f) there was no agreement or arrangement to which BEH is a party which relates to circumstances in which it may or may not invoke or seek to invoke a condition to the H Share Offer;

(g) there was no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company which BEH or any parties acting in concert with it had borrowed or lent;

(h) there was no agreement, arrangement, or understanding (including any compensation arrangement) existed between any directors, recent directors, Shareholders or recent Shareholders of the Company and other persons which is conditional on or having any connection with or which was dependent upon the H Share Offer;

(i) save for the consideration in respect of acceptance of the H Share Offer, there is no other consideration, compensation or benefits in whatever form provided (or to be provided) by BEH or any parties acting in concert with it to the Independent H Shareholders and any parties acting in concert with them; and

(j) there is no understanding, arrangement or agreement which constitutes a special deal between:

- BEH or parties acting in concert with it on one hand and any Shareholders and parties acting in concert with any of them on the other hand; and

- any Shareholder on one hand and the Company, its subsidiaries or associated companies on the other hand.

There was no dealing in securities of the Company during the six-month period prior to the date of the Rule 3.7 Announcement by BEH and parties acting in concert with it.

6. THE UNDERTAKING FROM CRC AND CPCR

As at the date of this joint announcement, CRC and its wholly-owned subsidiary, CPCR in aggregate hold 656,036,000 H Shares, representing approximately 23.18% of the total issued H Shares and approximately 7.96% of the total issued share capital of the Company. On 17 November 2020, the Offeror received the Undertaking from CRC and CPCR, pursuant to which CRC and CPCR have irrevocably and unconditionally undertaken that:

(a) from (and including) the date of the Undertaking to (and including) the earlier of (aa) the date when the H Share Offer closes for acceptances; or (bb) the date when the H Share Offer lapses:

  (i) CRC and CPCR will not participate in the H Share Offer, and none of the H Shares held by CRC and CPCR shall constitute the Disinterested H Shares, and therefore CRC and CPCR will not sell any of its H Shares to the Offeror, and CRC and CPCR will not receive any consideration in respect of the H Share Offer; and

  (ii) CRC and CPCR will not (1) sell or otherwise dispose of any of its H Shares; or (ii) exercise any warrants, options or any other rights in whatever form to acquire any additional interest in any of the Shares; and

(b) immediately after the Delisting, the H Shares held by CRC and CPCR registered under its name and/or its nominees(s) will remain so registered.

The Undertaking may be terminated (i) in the case that the Delisting is not completed by 31 December 2021; (ii) by mutual consents among CRC, CPCR and the Offeror; or (iii) on the date when the H Share Offer is withdrawn or lapses.

Prior to entering into the Undertaking, CRC and CPCR did not have any relationship with the

9. OVERSEAS H SHAREHOLDERS OF THE COMPANY

The making of the H Share Offer to the Overseas H Shareholders and/or their ability to participate in the H Share Offer may be subject to the laws of the relevant jurisdictions. Overseas H Shareholders should observe any applicable legal or regulatory requirements. It is the responsibility of the Overseas H Shareholders wishing to accept the H Share Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. The Company will make necessary enquiries to determine whether or not it would be unduly burdensome to send the Composite Document to any of the Overseas H Shareholders. The Company will apply for a waiver from the Executive (if applicable) pursuant to Note 3 to Rule 8 of the Takeovers Code from the requirement to send the Composite Document to such Overseas H Shareholders. The Executive may or may not grant such a waiver.

Based on the register of members of the Company as at 30 September 2020, none of the H Shareholders registered as a shareholder on the register of members of the Company is an Overseas H Shareholder.

10. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives an offer must establish an independent committee of the board to make a recommendation (i) as to whether the offer is, or is not, fair and reasonable and (ii) as to acceptance or voting. The independent non-executive Directors, namely, Mr. Huang Xiang, Mr. Chan Yin Tsung and Mr. Han Xiaoping, have been appointed as members of the Independent Board Committee in respect of the H Share Offer. With regard to Mr. Zhang Fusheng, an independent non-executive Director, please refer to the announcements published by the Company on 27 August 2020 and 25 September 2020. The removal of Mr. Zhang Fusheng and the appointment of Mr. Xu Daping to replace Mr. Zhang Fusheng as an independent non-executive Director will take immediate effect upon the approval by the extraordinary general meeting of the Shareholders to be held on Friday, 20 November 2020. After the appointment of Mr. Xu Daping as an independent non-executive Director takes effect, Mr. Xu Daping will also serve as a member of the Independent Board Committee.

All of the non-executive Directors will not serve as members of the Independent Board Committee because of their respective current positions at the Offeror and/or parties acting in concert with it. Mr. Liu Haixia (劉海峽) has been serving as the deputy general manager of BEH since May 2009. Mr. Ren Qiqui (任啟貴) has been serving as a full-time investment director of BEH and a director of BDH since March 2019; a director of Beijing Jingmei Group Co., Ltd. (北京京煤集團有限責任公司), a wholly-owned subsidiary of BEH,, Ltd. 2BT514 0 Td3820ABC0D6Ej/il Jingmei/Span p Co., Ltd. (

The Company has appointed and the Independent Board Committee has approved the appointment of Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee in respect of the H Share Offer and the Delisting, in particular, as to whether the H Share Offer is fair and reasonable and as to acceptance and voting.

11. GENERAL

There was no dealing in securities of the Company during the six-month period prior to the date of the Rule 3.7 Announcement by BEH and parties acting in concert with it.

12. RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

The respective associates of the Company (as defined under the Takeovers Code and including, among others, persons who own or control 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code)) and BEH are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

"Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than $1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

WARNING

The H Share Offer is conditional upon the satisfaction of the Conditions as described in this joint announcement in all respects. Accordingly, the H Share Offer may or may not become unconditional and the issue of this joint announcement does not imply that the H Share Offer or the Delisting will be completed. Shareholders and/or potential investors of the Company should therefore exercise caution when dealing in the securities of the Company (including the H Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

In this joint announcement, the following impressions have the meanings set out below unless the context requires otherwise.

"acting in concert"	has the meaning given to it in the Takeovers Code, and "parties acting in concert" shall be construed accordingly
"associate"	has the meaning given to it in the Takeovers Code
"BAFE"	Beijing Administration of Foreign Exchange (北京外匯管理部)
"BDH"	Beijing District Heating (Group) Co., Ltd. (北京市熱力集團有限責任公司), a limited liability company incorporated in the PRC and wholly-owned by BEH
"BEET"	Beijing Enterprises Energy Technology Investment Co., Limited (北控能源科技投資有限公司), a limited liability company incorporated in the PRC and ultimately owned and controlled by Beijing SASAC, and a party presumed to be acting in concert with the Offeror pursuant to the Takeovers Code
"BEH" or "Offeror"	Beijing Energy Holding Co., Ltd.* (北京能源集團有限責任公司), a limited liability company incorporated in the PRC and wholly-owned by BSCOMC
"BEI"	Beijing Energy Investment Holding (Hong Kong) Co., Limited (北京能源投資集團(香港)有限公司), a private company limited by shares incorporated in Hong Kong and wholly-owned by BEH
"Beijing Commerce Bureau"	Beijing Municipal Commerce Bureau (北京市商務局)
"Beijing SASAC"	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)

"Director(s)"	the director(s) of the Company
"Disinterested H Shares"	H Shares other than those held by the Offeror and parties acting in concert with it (including CRC, CPCR, BEI and BEET)
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
"Domestic Shareholders"	the registered holders of the Domestic Shares, namely, BSCOMC, BEH, BIEE and BDH
"EGM"	the extraordinary general meeting of the Shareholders to be convened, and any adjournment thereof, for the purpose of approving the Delisting
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
"H Share Class Meeting"	the extraordinary general meeting of the H Shareholders to be convened, and any adjournment thereof, for the purpose of approving the Delisting
"H Share Offer"	the voluntary conditional offer to be made by CSCI on behalf of BEH to acquire all of the H Shares
"H Share Offer Price"	the cash offer price of the H Share Offer, being HK$2.70 per H Share
"H Shareholder(s)"	the registered holders of the H Shares
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawfully currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent committee of the Board comprising Mr. Huang Xiang, Mr. Chan Yin Tsung, Mr. Han Xiaoping and Mr. Xu Daping (subject to his appointment as an independent non-executive Director being approved by the Shareholders at a shareholders meeting to be held on 20 November 2020), which is formed to advise the Independent H Shareholders in respect of the H Share Offer and the Delisting

"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee in respect of the H Share Offer and the Delisting
"Independent H Shareholders"	the H Shareholders other than BEH and parties acting in concert with it (including CRC, CPCR, BEI and BEET)
"Last Trading Day"	10 November 2020, being the last full business day for trading in the H Shares on the Stock Exchange immediately before the suspension of trading in the H Shares pending publication of this joint announcement
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Overseas H Shareholders"	H Shareholders who are not residents in Hong Kong
"PRC"	the People's Republic of China other than Hong Kong, the Macau Special Administrative Region and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Rule 3.7 Announcement"	the announcement dated 6 July 2020 made by the Company pursuant to Rule 3.7 of the Takeovers Code in respect of BEH's indication of its intention to make a conditional voluntary cash general offer for the H Shares (other than those already held by BEH or parties acting in concert with it)
"SASAC"	State-owned Assets Supervision and Administration Commission (國有資產監督管理委員會)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
"Shareholders"	H Shareholders and Domestic Shareholders
"Shares"	H Shares and Domestic Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Code on Takeovers and Mergers published by the SFC

"Unconditional Date"	the date on which the H Share Offer becomes or is declared unconditional in all respects
"Undertaking"	the letter of undertaking dated 17 November 2020 issued by CRC and CPCR to the Offeror, details of which are set out in the section headed "6. The Undertaking from CRC and CPCR" of this joint announcement

By order of the board of directors
Beijing Energy Holding Co., Ltd.*
JIANG Fan
Chairman

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

Beijing, the PRC
17 November 2020

As at the date of this joint announcement, the non-executive Directors of the Company are Mr. Liu Haixia, Mr. Ren Qigui, Ms. Li Juan and Mr. Wang Bangyi; the executive Directors of the Company are Mr. Zhang Fengyang, Mr. Cao Mansheng and Mr. An Zhenyuan; and the independent non-executive Directors of the Company are Mr. Huang Xiang, Mr. Zhang Fusheng, Mr. Chan Yin Tsung and Mr. Han Xiaoping.

The Directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the board of directors of BEH consists of Mr. Jiang Fan, Mr. Kan Xing, Mr. Li Xun, Mr. Wang Jing, Mr. Zhang Nengkun, Mr. Wang Chunge and Mr. Han Xiangdong.

The directors of BEH jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

* *For identification purpose only*