

北京 Jingneng Clean Energy Co., Limited
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DISCLOSEABLE TRANSACTIONS AND CONNECTED TRANSACTIONS PROPOSED SWAP OF 20% EQUITY INTEREST IN JINGNENG INTERNATIONAL AND CASH HELD BY THE COMPANY FOR 84.68% EQUITY INTEREST IN SHENZHEN JINGNENG LEASING HELD BY BEH

THE TRANSACTIONS

The Company entered into an agreement on 10 October 2022, to acquire into the Company the 84.68% equity interest in Jingneng International and cash held by the Company for 84.68% equity interest in Shenzhen Jingneng Leasing held by BEH.

LISTING RULES IMPLICATIONS

As a result of the transaction, the Company will acquire 68.68% of the equity interest in the Company. Jingneng International is a subsidiary of the Company. Accordingly, the transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As a result of the transaction, the Company will acquire 5% of the equity interest in the Company. Accordingly, the transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

According to the Annual Report of the Company, the Company's net income attributable to the Company is RMB 1,100,000,000. The Company's net income attributable to the Company is RMB 1,100,000,000.

including R 1. The right of non-consent in relation to the information required under R 14.60A of the Listing Rules will be met upon completion within 15 days after publication of the non-consent in compliance with R 14.60A and R 14.62 of the Listing Rules.

As the Transactions are subject to the satisfaction of the conditions precedent set out in the agreements, the Transactions may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

1. Introduction

The corporate plan to non-consent to, on 10 January 2022, the completion of the Acquisition under the Agreement with Jungnng International Limited ("Jungnng International") pursuant to the Transfer Agreement with the parent to which the proposed or non-merger with Jungnng International Limited transfer of 84.68% of the shares in Jungnng International to the company, the company will be the controlling interest of the form of 20% of the interest in Jungnng International Limited of R 542,110,200 in the company.

2. Absorption and Merger Agreement

Parties

- 1) The merging party, the company of the 20% of the interest in Jungnng International Limited of the 84.68% of the interest in the shares in Jungnng International,
- 2) Jungnng International, the merging party, the target company of the company,
- 3) the company, the holder of the 20% of the interest in Jungnng International Limited of the 84.68% of the interest in the shares in Jungnng International, the company,
- 4) the shares in Jungnng International, the target company of the company.

Method of merger

- 1) The company will be the company of the company of Jungnng International Limited, the company of the 84.68% of the interest in the shares in Jungnng International for 20% of the interest in the company in Jungnng International, for which the company will be the company of the company for 84.68% of the interest in the company in Jungnng International over the controlling interest for 20% of the interest in the company in Jungnng International. Upon the completion of the merger, the company will continue to be the company in Jungnng International will be the company in accordance with the law.

The Company shall make all payments to the bank account designated for the difference in the price of the Target quiet Int rest within 30 Working days after the completion of the process of closing of the trial in commercial registration of the S n n Jungn ng ing tip l t in the Auction n rg r Agr m nt.

The Jungn ng Int rn tion l n S n n Jungn ng ing ll coop r t wit c ot r to compl t t proc r of c ng or c nc ll tion of in tr l n comm rcial r g l tr tion n c ng of prop rt rig t r g l tr tion in r l tion to t rg r in t m n n r in ccor nc wit t r q ur m nt n r t Auction n rg r Agr m nt, n t omp n ll coop r t wit t m.

Succession of Creditors' Rights and Debts

All the creditor's right n t of n Jungn ng Int rn tion l for t rg r ll cc t m rg comp n ft r t rg r.

Employees Placement Plan

- 1) In the case of the rg r, ll mplo of Jungn ng Int rn tion l will t k n ov r or prop rl t t m rg comp n .
- 2) The labor contract sign tw n ll mplo of Jungn ng Int rn tion l n Jungn ng Int rn tion l ll contin to v ll n ll p rform t m rg comp n .

Disposal of Branches and Subsidiaries of the Merged Party

The party confirm t t, of the V l tion nc m rk t, t corr pon ing t n nt r t of r nc n l l r of Jungn ng Int rn tion l ll cc t m rg comp n .

Transition Period

- 1) During the transition p rio from the V l tion nc m rk t to the lo ing t , profit n lo r ing from the Target quiet Int rest ll n o n orn t corr pon ing cc or, n profit n lo r ing from the op r tion of Jungn ng Int rn tion l ll v t in the m rg comp n .
- 2) The party confirm t t - during the transition p rio, nl ot rwl xpr l provl in the Auction n rg r Agr m nt, Jungn ng Int rn tion l n S n n Jungn ng ing ll not t k n ction t t m c m t r l v r c ng to t comp n l wit o t t writt n con tit of n t omp n , r p ctiv l .

Liabilities for Breach of Contract

- 1) The parties shall strictly abide by the relevant provisions of the Agreement. Any party who violates the provisions of the Agreement shall be liable to the other party for the breach of contract.
- 2) Any party fails to perform or does not fully perform the Agreement, in addition to bearing the liability for breach of contract in accordance with the provisions of the Agreement, shall compensate the other party for all losses caused to the other party.
- 3) If any party breaches the representation, warranty and undertaking in the Agreement, shall be liable to the other party, shall not remedy within 30 days after the date on which the defaulting party receives written notice from the other party to take immediate remedial measures. In the contrary, the other party shall have the right to terminate the Agreement, claiming the defaulting party for breach.
- 4) If the agreement fails to take effect or the other party fails to perform due to the restriction of law, regulation and local custom or the failure of international arbitration of the parties or external competent arbitration to the other party, the agreement, if it is not considered a breach of contract by the parties.

Validity of the Agreement

The Agreement shall be valid from the date of signing by the parties, and shall be fully effective when all of the following conditions are met:

- 1) The parties to the Agreement shall be duly authorized and approved from the competent authority for the other,
- 2) The violation report of Jingneng International shall be signed by Jingneng International involving the relevant parties with the competent authority.

3. Equity Transfer Agreement

Equity Transfer of Shenzhen Jingneng Leasing

According to the terms and conditions of the Equity Transfer Agreement, the parties agree to transfer 84.68% equity interest in Shenzhen Jingneng International Leasing Co., Ltd. to the other party, and the other party agrees to pay 20% of the equity interest in Jingneng International Leasing Co., Ltd. to the other party, with the difference to be paid by the other party in cash to the other party.

Prior to the Transaction, the controlling shareholder of Senn Jiecheng Holding was

Name of shareholders	Committed capital (RMB0'000)	Paid-up capital (RMB0'000)	Shareholding Percentage (%)	Capital contribution method
Mr. Chen	170,000	170,000	84.68%	cash
Mr. Chen	30,758	30,758	15.32%	cash
Total	200,758	200,758	100%	

Upon completion of the Transaction, the company will continue to be controlled by Senn Jiecheng Holding, holding 84.68% of the equity interest in Senn Jiecheng Holding, and will continue to be the controlling shareholder of the company in accordance with the law.

Upon completion of the Transaction, the controlling shareholder of Senn Jiecheng Holding will follow:

Name of shareholders	Committed capital (RMB0'000)	Paid-up capital (RMB0'000)	Shareholding Percentage (%)	Capital contribution method
Mr. Chen	170,000	170,000	84.68%	cash
Mr. Chen	30,758	30,758	15.32%	cash
Total	200,758	200,758	100%	

From the foregoing, the company will continue to hold the right of control of the company in relation to the 84.68% equity interest in Senn Jiecheng Holding, and will continue to hold the right of control of the company in relation to the 20% equity interest in Jiecheng International, and will continue to hold the right to request the company to pay the difference in value among the right of equity interest to the company.

Consideration and Closing of Equity Transfer

The parties agree to value the value of the Target equity interest as of 31 December 2022, the Valuation Benchmark, which will be the basis for determining the price for the value of the Target equity interest.

According to the Asset Valuation Report of Senn Jiecheng Holding, of the Valuation Benchmark, the net value of Senn Jiecheng Holding was RMB 2,681,000,000, and the net value of the company corresponding to the 84.68% equity interest was RMB 2,270,270,800. According to the Asset Valuation Report of Jiecheng International, of the Valuation Benchmark, the net value of Jiecheng International was

R 8,640,802,900, net principal value of net trust corresponding to its 20% quoted interest with R 1,728,160,600. The difference between net trust value among the Target quoted Interest R 542,110,200, net difference will be the component to increase.

The parties confirm that the final price of the Target quoted Interest will be determined on the principal rate fixed with the component interest, and granted to the amount of top-priority interest pricing program on the difference of the final price of the Target quoted Interest.

The parties grant that the corresponding right net interest of the Target quoted Interest will

- 3) If a party receives a representation, warrant or other thing in the quiet Transfer Agreement, it shall not remain in effect within 30 days after the date of the filing of the relevant writ or notice to the relevant party to take immediate action in the relevant court, the relevant party shall have the right to terminate the quiet Transfer Agreement, and the relevant party shall have the right to file a writ for a writ.
- 4) If the agreement fails to take effect or the relevant party fails to perform the obligation of law, regulation or local ordinance or the failure of internal department of the party or external competent department to take or approve the agreement, it shall not constitute a breach of contract on the part of the party.

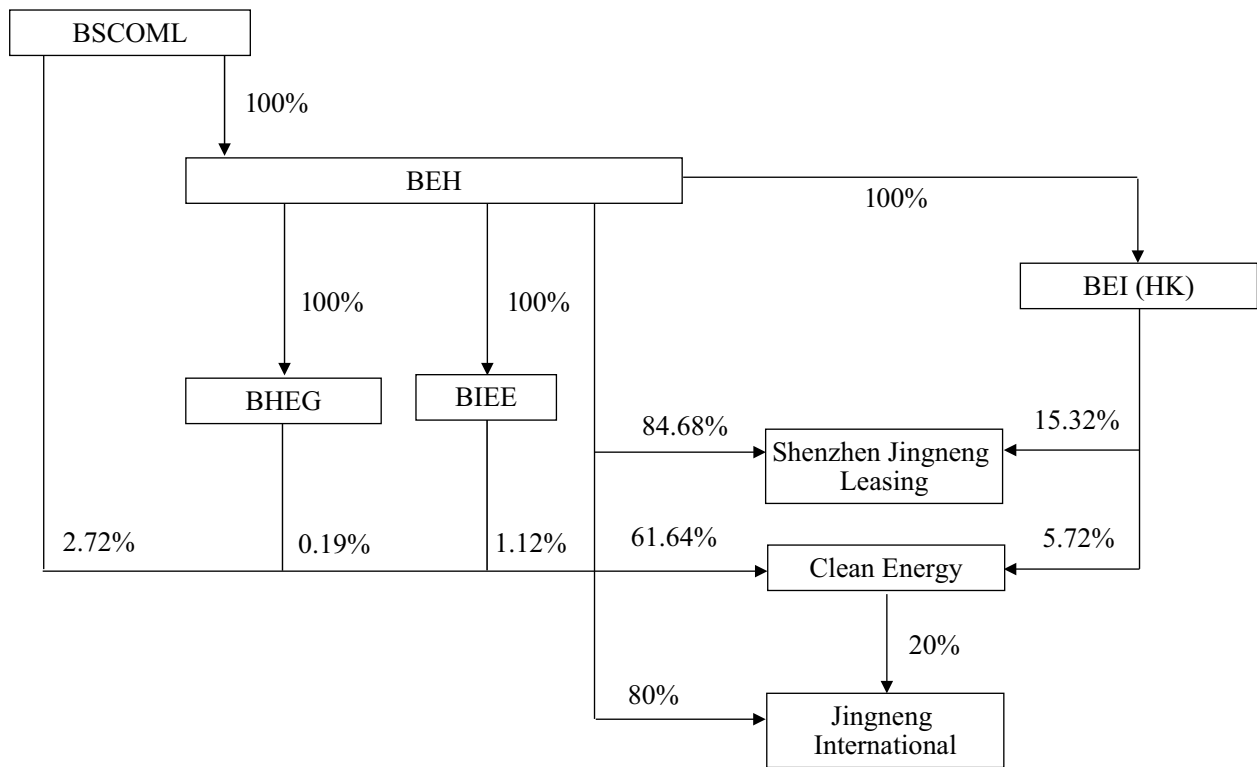
Validity of the Agreement

The quiet Transfer Agreement shall be valid from the date of signing by both parties, and shall be valid when all of the following conditions are met:

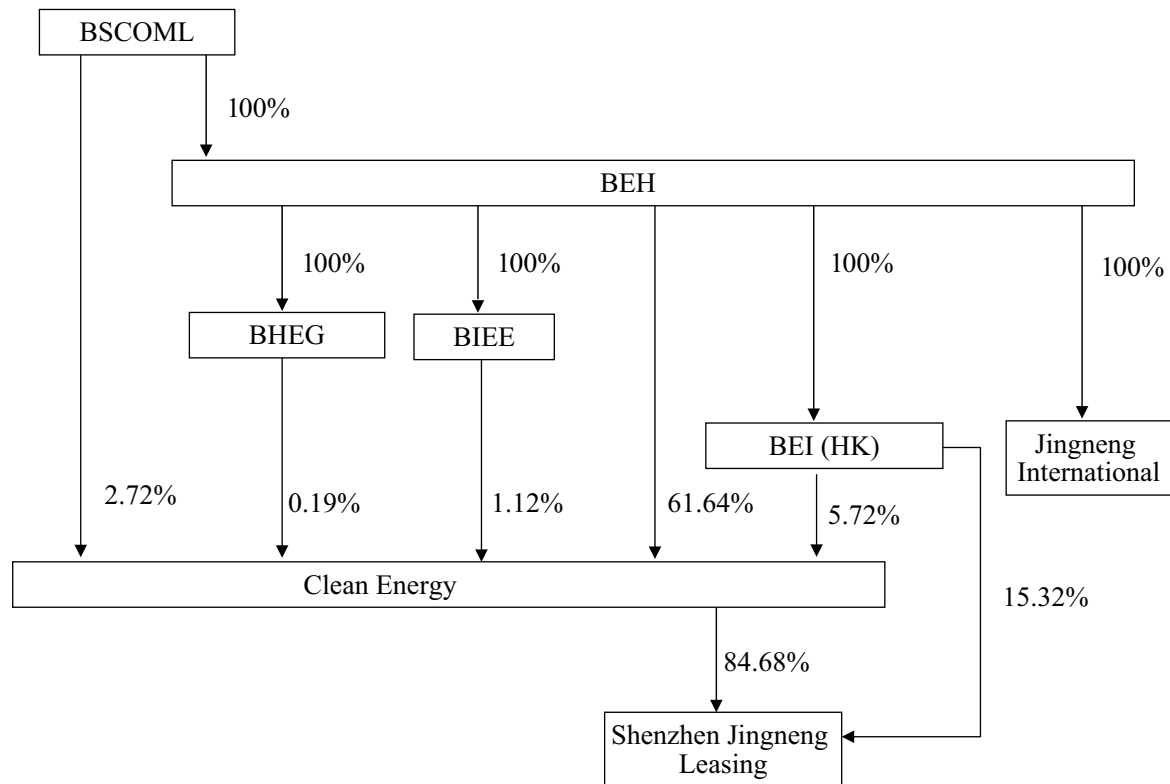
- 1) The parties to the quiet Transfer Agreement are duly authorized by the relevant competent authority for the transaction;
- 2) The Agreement is a legal agreement coming into effect.

4. Shareholding Structure before and after the Transactions

As a result of the transaction, the following structure will follow:



Immediately following the completion of the Transaction, the following structure will follow:



The return percentages presented in the above information are based on the following assumptions, which are not presented in the above information.

5. Information of the Parties

The company is a large-scale power provider in China, including wind power, photovoltaic power, and other power, with a large-scale portfolio including large-scale power, wind power, photovoltaic power, and other power.

The principal is engaged in the production and supply of electricity, the production and supply of electricity, and the development of related business.

Jingneng International is a subsidiary of the principal, engaged in the production and supply of electricity, and the development of related business.

So that the relevant financial information of Jingneng International is presented in accordance with the IFRS Accounting Standards for the relevant period (concluded).

	As of 31 December 2020	As of 31 December 2021
Total assets	80,523,618,485.08	81,978,270,694.37
Total owners' equity (or partners' equity)	31,110,865,386.90	25,851,189,584.15

	For the year ended 31 December 2020	For the year ended 31 December 2021
Operating income	20,097,478,839.34	22,236,992,401.29
Total profit	1,868,597,549.55	-3,853,626,563.55
Net profit	1,761,975,134.87	-3,870,368,177.18

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	As of 31 December 2020	As of 31 December 2021
Total assets	3,370,892,171.71	4,003,319,933.22
Total owners' equity (or partners' equity)	1,264,363,709.61	1,321,441,999.81

	For the year ended 31 December 2020	For the year ended 31 December 2021
Operating income	129,166,083.94	157,705,422.05
Total profit	82,478,673.15	76,133,519.12
Net profit	61,857,210.96	57,078,290.20

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w. R. 2,009,077,194.86.

6. Financial Effect of the Transactions

As at 31 Dec 2022, the net book value of the 20% equity interest in Jungneng International was RMB 1,690,657,000. The company will recognize the gain on transfer of the 20% equity interest in Jungneng International in the consolidated income statement of the parent of completion of the disposal of Jungneng International.

The company expects to recognize an increase of approximately RMB 37,503,000 in the owner's equity in the consolidated income statement of the Group upon the completion of the Transaction. As the Transaction is a non-monetary transaction, no process will generate from the disposal. Overall, the company does not expect that the Transaction will have a material impact on the consolidated financial position of the Group.

7. Reasons for and Benefits of the Transactions

Upon completion of the Transaction, the company will no longer rely on Jungneng International. Since Jungneng International will continue to be an independent company, the Transaction will help the company to further focus on its clean energy business. At the same time, the Transaction will facilitate the company's implementation of its financial plan in providing long-term capital support for the company's development in the clean energy sector.

In the financial aspect, the Transaction will have a positive impact on the operating performance of Jungneng International on the company's financial statement. Also, the Transaction will increase the company's own capital. Since Jungneng International will continue to exist as an independent entity, which will further promote the company's own capital management of the leveraged effect of the listing in the long term. With the capital support, the listing company platform to raise financing costs. At the same time, since Jungneng International is a good profit unit, the company expects to further increase its share of income in the future, which will effectively increase the profit and the overall development of the company.

The overall result of the Transaction will not result in any abnormal commercial transaction, nor further rely on the company's own resources.

8. Listing Rules Implications

As to the ownership of the company, according to the Listing Rules, 68.68% of the company's shares are controlled by the controlling shareholder, which is in compliance with the Listing Rules. Since Jungneng International is a subsidiary of the company, the Transaction constitutes a connected transaction for the company under paragraph 14A of the Listing Rules.

10. Definitions

In the following expression, the following meaning, unless the context otherwise requires,

- “Agreement” means the Agreement in respect of using the holding of the Joint Venture into the company, the Joint Venture, the Share Joint Venture on 10 2022, pursuant to which the proposed incorporation of the Joint Venture, the transfer of 84.68% of the share in the Joint Venture to the company, the company shall pay consideration of in the form of 20% of the share in the Joint Venture, the company.
- “Authorized Representative of the Joint Venture” means the authorized representative of the company [2022] (2019) in the Unit Agreement on 14 April 2022.
- “Authorized Representative of the Share Joint Venture” means the authorized representative of the company [2022] (0.099A) in the Unit Agreement on 12 April 2022.
- “” means the holding of the company, the limit liability company incorporated in the R n controlling interest of the company. As to the of the company, the interest in the interest of 68.68% of the share of the company.
- “Investment” means the investment (Hong Kong) of the company, the limit liability company incorporated in the Hong Kong with limit liability in the wholly-owned interest of the company.
- “Group” means the group of the company, the limit liability company incorporated in the R n wholly-owned interest of the company.
- “Interest” means the interest in the company, the limit liability company incorporated in the R n wholly-owned interest of the company.
- “Director” means the director of the company.

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Beijing Jingneng Clean Energy Co., Limited

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