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Beijing 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 Board of Directors of the Company, on 10 October 2022, has approved the Acquisition of 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. The 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 is a connected transaction of the Company.

### LISTING RULES IMPLICATIONS

As at the end of the reporting period, the Company holds 68.68% of the shares of the Company, which is a controlling interest in the Company. Jingneng International and Cash Held by the Company is a connected person of the Company. Accordingly, the proposed swap of 20% equity interest in Shenzhen Jingneng Leasing Held by Beh is a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the proposed swap of 20% equity interest in Shenzhen Jingneng Leasing Held by Beh is a connected transaction, the Company is required to disclose the proposed swap of 20% equity interest in Shenzhen Jingneng Leasing Held by Beh in its financial statements.

According to the Annual Report of the Company, the proposed swap of 20% equity interest in Shenzhen Jingneng Leasing Held by Beh will have a positive impact on the Company's financial performance.

Listing Rules. The transactions are subject to the information required under Rule 14.60A of the Listing Rules will be made to the Commission within 15 days after publication of the disclosure document in compliance with Rule 14.60A, and Rule 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 Corporation entered into an agreement on 10 February 2022, the Corporation entered into the Acquisition and Regr Agreement with Jungnng Int r n t i o n l n e s n n Jungnng Listing and Transfer Agreement with the parent to which the proposed or n m r g r w i t h Jungnng Int r n t i o n l n e t r n f r i f 84.68% q u i t i n t r t i n S n n Jungnng Listing to the Corporation, the Corporation will purchase the entire amount of 20% of the shares in Jungnng Int r n t i o n l n e c o f R 542,110,200 of the Corporation.

**2. Absorption and Merger Agreement**

**Parties**

- 1) The merging party, the holder of the 20% of the shares in Jungnng Int r n t i o n l n e t h e r o f t h e 84.68% q u i t i n t r t i n S n n Jungnng Listing,
- 2) Jungnng Int r n t i o n l n e t h e m e r g e r p a r t y t h e t a r g e t c o m p a n y o f q u i t w a p,
- 3) the Corporation, the holder of the 20% of the shares in Jungnng Int r n t i o n l n e t h e h o l d e r o f t h e 84.68% o f t h e q u i t i n t r t i n S n n Jungnng Listing, the
- 4) S n n Jungnng Listing, the target company of the acquisition.

**Method of merger**

- 1) The merger will be conducted with the acquisition and merger of Jungnng Int r n t i o n l n e w i t h r e f e r t o t h e w a p o f 84.68% q u i t i n t r t i n S n n Jungnng Listing for 20% of the shares in Jungnng Int r n t i o n l n e for which the Corporation will purchase the entire amount of the shares for 84.68% of the shares in Jungnng Listing over the entire period for 20% of the shares in Jungnng Int r n t i o n l n e . U p o n t h e c o m p l e t i o n o f t h e m e r g e r , t h e w a p w i l l c o n t i n u e t o o p e r a t e a s J u n g n n g I n t r n t i o n l w i l l c o n t i n u e t o o p e r a t e a s t h e t a r g e t c o m p a n y .

2) Upon the closing date, the transferor's right to interest corresponding to 84.68% of the interest in SNN Jijiang Engineering Limited Company, Limited, Hubei, China, permit, operation and personnel of Jijiang International Limited Company in accordance with the law, and the right to obligation to the extent of Jijiang International Limited Company's net worth in accordance with the law, and the company will not until the interest of the former Acquisition Agreement.

3) Upon the closing date, the parties will actively cooperate in the process of the transfer of the transfer, personnel placement in the trial commercial closing in relation to the former in accordance with the former Acquisition Agreement and the relevant laws and regulations.

### Determination of the Consideration for and Closing of the Merger

1) The parties agree to value the value of the Target's Interest in the former 31st Dec 2022 as the Valuation Benchmark, which will be used for the price for the value of the Target's Interest.

2) According to the Asset Valuation Report of Jijiang International, of the Valuation Benchmark, the net value of Jijiang International is RMB 8,640,802,900, and the proportional value of net worth corresponding to it 20% of interest with RMB 1,728,160,600. According to the Asset Valuation Report of SNN Jijiang Engineering, of the Valuation Benchmark, the net value of SNN Jijiang Engineering is RMB 2,681,000,000, and the proportional value of net worth corresponding to it 84.68% of interest with RMB 2,270,270,800. The difference between the proportional value of net worth of the Target's Interest is RMB 542,110,200. The company agrees to make price difference to the income.

The parties confirm that the final price of the Target's Interest will be determined on the proportional value with the competent authority, and agree to adjust the amount of top price to the extent of the price difference on the difference of the final price of the Target's Interest.

3) The parties agree to sign the Transfer Agreement in annex to the Acquisition Agreement in relation to the transfer of the 84.68% of interest in SNN Jijiang Engineering Limited to the company to further clarify the right to obligation of the parties to the former.

4) The parties confirm that the right to the Target's Interest will be transferred to the corresponding counterparty from the closing date and the parties will complete the following post-closing obligation of the former.

The Company shall make all payments to the bank, contingent upon the completion of the process of closing of the trial, including the registration of the company in the appropriate register.

The company shall cooperate with the other to complete the process of closing or cancellation of the trial, including the registration, closing of property rights registration in relation to the company, in accordance with the requirements of the appropriate register, and the company shall cooperate with the

### Succession of Creditors' Rights and Debts

All the creditors' rights of the company shall be transferred to the company.

### Employees Placement Plan

- 1) In the case of the company, all employees of the company shall take over or provide the company.
- 2) The labor contract signed between all employees of the company and the company shall continue to validly perform the company.

### Disposal of Branches and Subsidiaries of the Merged Party

The parties confirm that, of the various commitments, the corresponding amount of the company shall be the company.

### Transition Period

- 1) During the transition period from the various commitments to the closing, the profit and loss arising from the company shall be borne by the corresponding company, or the profit and loss arising from the operation of the company shall be borne by the company.
- 2) The parties confirm that during the transition period, notwithstanding the provisions in the appropriate register, the company shall not take any action to the company without the written consent of the company, respectively.

## Liabilities for Breach of Contract

- 1) The party shall strictly abide by the relevant provisions of the Lease Option Agreement. Any party who violates the provisions of the Lease Option 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 Lease Option Agreement, in addition to bearing the liability for breach of contract in accordance with the provisions of the Lease Option Agreement, the other party shall have the right to terminate the Lease Option Agreement and claim damages from the other party.
- 3) If any party breaches the representation, warranty and undertaking made in the Lease Option Agreement, the other party shall not remedy within 30 days after the date on which the defaulting party receives written notice. The other party has the right to terminate the Lease Option Agreement and claim damages from the other party.
- 4) If the other party fails to take effect or the other party fails to perform the obligation of law, regulation, ordinance or the fulfillment of international obligations of the other party or external competent authority to the other party, the other party shall not constitute breach of contract with the other party.

## Validity of the Agreement

The Lease Option Agreement shall be valid from the date of signing and shall be fully and effectively valid if the following conditions are met:

- 1) The other party to the Lease Option Agreement obtains necessary approval from the competent authority for the other party,
- 2) The other party's violation report of Jingneng International is not a Jingneng International involving in the other party's filing 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 other party to transfer 84.68% equity interest in Shenzhen Jingneng International to the other party, and the other party has the right to exercise the equity interest in accordance with the law to the other party, and the other party to 20% of the equity interest in Jingneng International, the other party, with the difference to the other party to the other party in cash to the other party.

Prior to the Transaction, the controlling shareholder of Senn Jungneng Inc. will follow:

Name of shareholders	Committed capital (RMB0'000)	Paid-up capital (RMB0'000)	Shareholding Percentage (%)	Capital contribution method
Company	170,000	170,000	84.68%	cash
Individual	30,758	30,758	15.32%	cash
<b>Total</b>	<b>200,758</b>	<b>200,758</b>	<b>100%</b>	

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

Upon completion of the Transaction, the controlling shareholder of Senn Jungneng Inc. will follow:

Name of shareholders	Committed capital (RMB0'000)	Paid-up capital (RMB0'000)	Shareholding Percentage (%)	Capital contribution method
Company	170,000	170,000	84.68%	cash
Individual	30,758	30,758	15.32%	cash
<b>Total</b>	<b>200,758</b>	<b>200,758</b>	<b>100%</b>	

From the closing date, the company will continue to hold the right of control in relation to the 84.68% equity interest in Senn Jungneng Inc., and will continue to hold the right of control of the company in relation to the 20% equity interest in Jungneng International, and will have 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 31st Dec 2022 at the Valuation Benchmark, which will be the price for the remaining term for the value of the Target equity interest.

According to the Asset Valuation Report of Senn Jungneng Inc. of the Valuation Benchmark, the net value of Senn Jungneng Inc. was RMB 2,681,000,000, and the fair value of net assets corresponding to the 84.68% equity interest was RMB 2,270,270,800. According to the Asset Valuation Report of Jungneng International, of the Valuation Benchmark, the net value of Jungneng International was

R 8,640,802,900 net par value of net assets corresponding to a 20% quantity of interest with R 1,728,160,600. The difference between net assets value among the Target quantity of Interest R 542,110,200, net difference in market value component to increase.

The parties confirm that the final price of the Target quantity of Interest shall be determined on the basis of the final bid with the component of the net assets to the amount of top priority in the pricing program on the difference of the final price of the Target quantity of Interest.

The parties agree that the corresponding right net interest of the Target quantity of Interest will

3) If a party receives a representation, warrant or other thing in writing from the Transfer Agreement, if a contract is not formed within 30 days after the date on which the offering party receives written notice of the offering party to take immediate action in the relevant circumstances, the offering party shall have the right to terminate the offering Transfer Agreement, and claim against the offering party for a contract.

4) If the agreement fails to take effect or the offer fails to perform in accordance with the regulation, the regulator or the full or partial department of the party or the next in line component department to the original approval of the agreement, if it is not a contract of the contract, the party.

### Validity of the Agreement

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

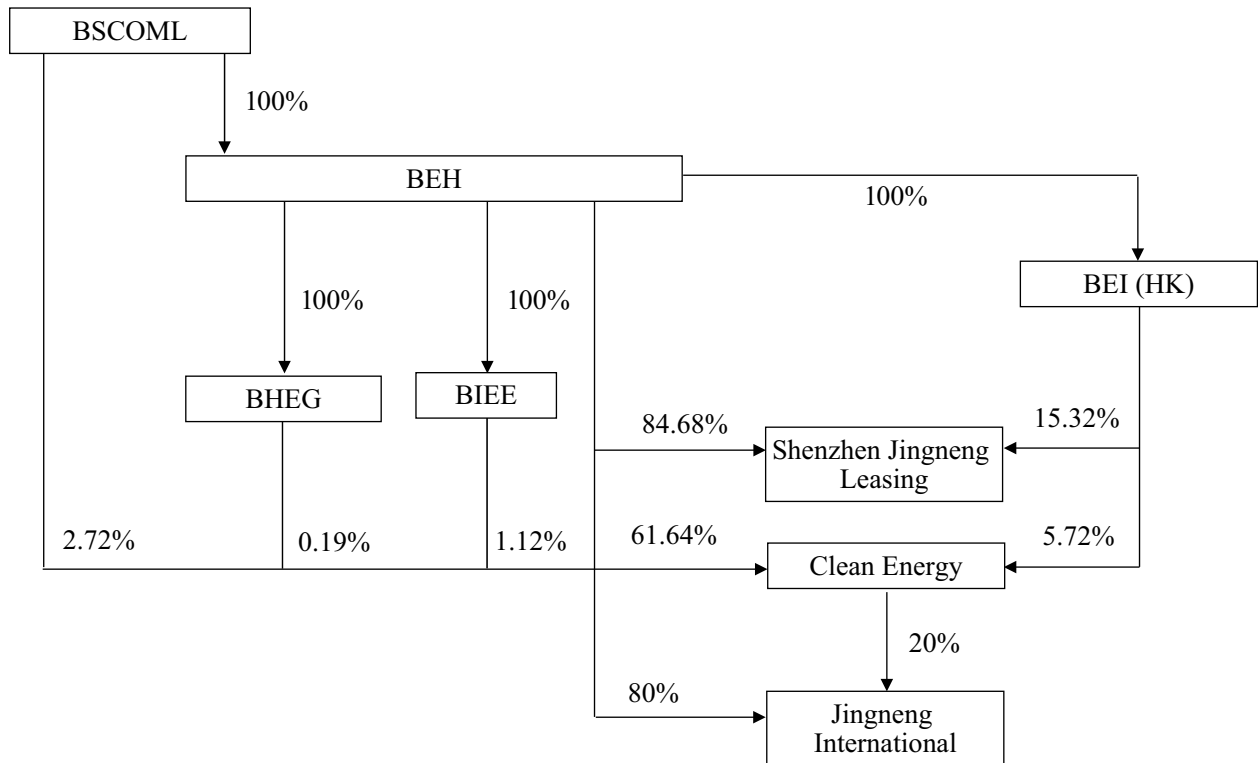
1) The party to the offering Transfer Agreement is a natural person approved from the component department to the original offering Transfer Agreement,

2) The Agreement is a valid agreement coming into effect.

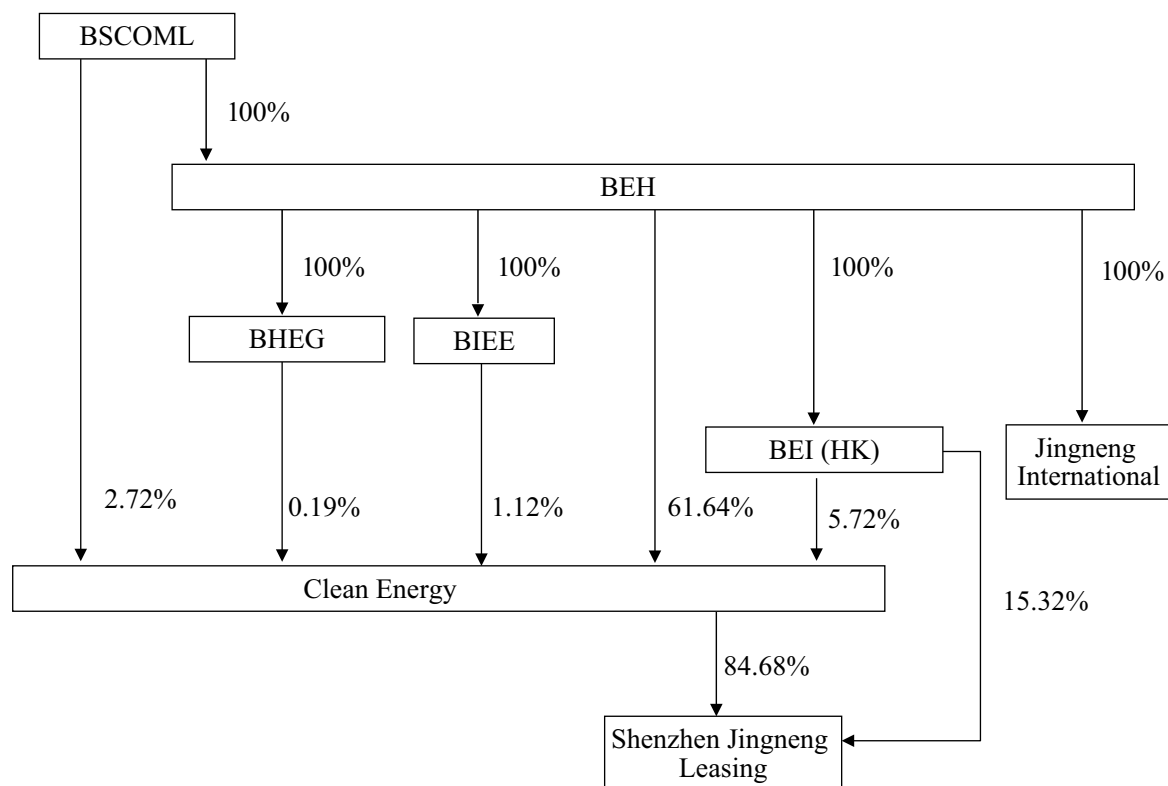


#### 4. Shareholding Structure before and after the Transactions

As at the end of the reporting period, the shareholding structure was as follows:



Immediately following the completion of the Transaction, the following structure follows:



The structure is subject to change without notice. The structure is subject to change without notice.

## 5. Information of the Parties

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

The principal business of the company is the production and supply of electricity, the production and supply of coal, and the development of real estate.

Jingneng International is a subsidiary of the principal business of the company, mainly engaged in the investment, management, and operation of power generation projects.

For more detailed financial information of Jingneng International, please refer to the annual report of the company (including the consolidated financial statements).

	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

Shin Jungnung Engineering Co., Ltd. is a wholly-owned subsidiary of Shin Jungnung Engineering Co., Ltd. Shin Jungnung Engineering Co., Ltd. is a public company listed on the Korea Stock Exchange.

The following table shows the reconciliation of Shin Jungnung Engineering Co., Ltd. net profit to the net profit reported in the consolidated financial statements for the year ended December 31, 2021.

	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

The initial cost of the acquisition of 84.68% equity interest in Shin Jungnung Engineering Co., Ltd. was KRW 2,009,077,194.86.

## 6. Financial Effect of the Transactions

As at 31 March 2022, the net book value of the 20% equity interest in Jungnng International was RMB 1,690,657,000. The company will recognize the gain on transfer of the 20% equity interest in Jungnng International in the consolidated income statement of the parent of completion of the disposal of Jungnng 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 completion of the Transaction. As the Transaction is a non-reciprocal transaction, no proceeds will be generated from the disposal. In addition, 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 own or have an interest in Jungnng International. Since Jungnng International will continue to be an independent company, the Transaction will help the company to further focus on its core business. At the same time, the Transaction will facilitate the company's implementation of its financial strategy in providing long-term capital support for the company's development in the core business sector.

In the financial statement, the Transaction will have a positive impact on the operating results of Jungnng International on the company's financial statement. Also, the Transaction will increase the company's own capital. Since Jungnng International will continue to exist as an independent company, it will further promote the company's own capital management of the dividend effect of the listing in order to realize the value of the company's platform to reduce financing costs. At the same time, since Jungnng International is a good profit unit, the company expects to further increase its share of income in the future, which will be beneficial to the profit and development of the company.

The execution of the Transaction will not result in any abnormal change in the company's financial position or other financial indicators.

## 8. Listing Rules Implications

As at the end of the reporting period, the company's shareholding structure shows that the company's controlling shareholder, the company's controlling shareholder, holds 68.68% of the shares of the company, which is a controlling interest in the company. Jungnng International is not a controlling shareholder of the company. According to the Listing Rules, the Transaction constitutes a transaction for the company under paragraph 14A of the Listing Rules.

According to the public information provided to the Board, the Transaction is expected to be completed by the end of 2022, and the Transaction is expected to be completed by the end of 2022, and the Transaction is expected to be completed by the end of 2022.

According to the Annual Report of Sinopec International, the Company's operating income is expected to be completed by the end of 2022, and the Transaction is expected to be completed by the end of 2022, and the Transaction is expected to be completed by the end of 2022.

The Board will convene to discuss the Transaction. Shareholders are advised to exercise caution when dealing in the securities of the Company.

The Board will convene to discuss the Transaction. Shareholders are advised to exercise caution when dealing in the securities of the Company.

### 9. Circular

A general meeting of the Company will be convened for the Board to consider, if applicable, the Transaction. A circular containing, among other things, further details of the Transaction, together with notice of the general meeting, is expected to be sent to the Board of the Company on or before 31 March 2022.

**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.**

10. Definitions

In this memorandum, the following expressions have the following meanings, unless the context otherwise requires:

“**Agreement**” means the Agreement in respect of the Joint Venture Company, a company incorporated in the Philippines, the Joint Venture Company, the Special Agreement entered into on 10 February 2022, pursuant to which the proposed or name change of the Joint Venture Company is 84.68% owned and controlled by the Special Agreement to the Company, the Company shall pay contribution tax in the form of 20% of the net income of the Company.

“**Annual Report of the Joint Venture Company**” means the annual report of the Company [2022] (2021) filed in Unit-Appr. L on 14 April 2022.

“**Annual Report of the Special Agreement**” means the annual report of the Company [2022] (2021) filed in Unit-Appr. L on 12 April 2022.

“**Company**” means the Joint Venture Company, a company incorporated in the Philippines, the controlling shareholder of the Company. As at the date of this memorandum, the direct and indirect ownership of the Special Agreement of the Company.

“**Investment**” means the Investment (Long Term) Company, a company incorporated in the Philippines with limited liability and wholly-owned by the Special Agreement.

“**Group**” means the Group Company, a company incorporated in the Philippines wholly-owned by the Special Agreement.

“**Intentional**” means the Intentional Electric Company, a company incorporated in the Philippines wholly-owned by the Special Agreement.

“**Director**” means the Director of the Company.

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“J u n g n g I n t e r n a t i o n a l” i n g J u n g n g I n t e r n a t i o n a l l o w r o . . . t . . . ) , i t e m \_ l i \_ i t c o m p n i n c o r p o r a t \_ i n t h e P . R . n \_ l i r o f A A t t \_ t o f t h e n n o n e m e n t , J u n g n g I n t e r n a t i o n a l w \_ l \_ t o 80% . . . n \_ t o 20% t h e o m p n .

“L i t i n g R e g u l a t i o n” t h e P . R . G o v e r n i n g r e g u l a t i o n o f S e c r i t e r i a t o n T h e S t o c k e x c h a n g e o f L o n g K o n g i n t \_ .



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Director  
Beijing Jingneng Clean Energy Co., Limited  
KANG Jian  
Director

10 2022

the first time, the net profit for the first quarter is  
RMB 1.1 billion, which is an increase of 100% compared  
with the same period last year. The net profit for the first  
quarter is RMB 1.1 billion, which is an increase of 100% compared  
with the same period last year.