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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 84.68% Equity Interest in Jingneng International and 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 Behavio.

LISTING RULES IMPLICATIONS

As a result of the transaction, the Company will lose 68.68% of the controlling interest in Jingneng International, which is a connected party of the Company. According to the Listing Rules, 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 lose 5% of the controlling interest in Shenzhen Jingneng Leasing, which is a connected party of the Company. According to the Listing Rules, the transaction does not constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

According to the Annual Report of the Company, the net cash flow from operating activities for the year ended 31 December 2021 was RMB 1,010,000,000, which is 1.0% of the total assets of the Company as at 31 December 2021.

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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 the completion of the transactions 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 the transactions, 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 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 r p o r a t i o n of R 542,110,200 from 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 l d e r of t h e 84.68% q u 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 of q u i w i 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 of t h e 84.68% of t h e q u i n t r t i n S n n Jungnng Listing, and
- 4) S n n Jungnng Listing, the target company of q u i w i p.

Method of merger

- 1) The Regr will be conducted with the Acquisition and Regr of Jungnng Int r n t i o n l n e w i t h r e f e r e n c e t o t h e w i p of 84.68% q u 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. Upon the completion of the Regr, the Corporation will continue to hold the shares in Jungnng Int r n t i o n l n e w i t h o u t c o n t r o l i n g t h e 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 Jigong Company, Limited, permit, operation and personnel of Jigong International, Limited in accordance with the law, and the right to obligation to the benefit of Jigong International, Limited, shall not until to the interest of the transferee.

3) Upon the closing date, the parties shall fully cooperate in the procedure of transferring the personnel, intellectual property, commercial license in relation to the transfer in accordance with 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 relevant 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 Jigong International, Limited, of the Valuation Benchmark, the net value of Jigong International, Limited RMB 8,640,802,900, and the proportional value of net interest corresponding to it 20% of interest with RMB 1,728,160,600. According to the Asset Valuation Report of SNN Jigong Company, Limited, of the Valuation Benchmark, the net value of SNN Jigong Company, Limited with RMB 2,681,000,000 and the proportional value of net interest corresponding to it 84.68% of interest with RMB 2,270,270,800. The difference between the proportional value of net interest among the Target's Interest RMB 542,110,200. The parties agree to make the difference to the income.

The parties confirm that the final price of the Target's Interest shall be determined on the proportional value with the competent authority, and agree to adjust the amount of top-level tax in the pricing process 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 and Transfer Agreement in relation to the transfer of the 84.68% of interest in SNN Jigong Company, Limited to the company to further clarify the right to obligation of the parties to the interest transfer.

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

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

Disposal of Branches and Subsidiaries of the Merged Party

The parties confirm that, of the valuation mechanism, the corresponding amount of the company shall be the company.

Transition Period

- 1) During the transition period from the valuation mechanism to the closing, the profit or loss arising from the company shall be the company, or, the profit or loss arising from the operation of the company shall be 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 follow the relevant provision of the Acquisition and Transfer Agreement. Any party who violates the provision of the Acquisition and Transfer 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 Acquisition and Transfer Agreement, in addition to bearing the liability for breach of contract in accordance with the provision of the Acquisition and Transfer Agreement, compensates the other party for all losses caused to the other party.
- 3) If any party breaches the representation, warranty and undertaking made in the Acquisition and Transfer Agreement, 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 event of a breach, the other party shall have the right to terminate the Acquisition and Transfer Agreement and claim damages from 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, ordinance or the failure of any other party of the party or external competitive reasons to the other party, the agreement, if not concluded, shall be a breach of contract by the other party.

Validity of the Agreement

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

- 1) The parties to the Acquisition and Transfer Agreement obtain necessary approval from the competent authority for the agreement;
- 2) The relevant report of Jingneng International and its subsidiaries and the relevant report of the other party are filed 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 agrees to transfer 84.68% of the equity interest in Shenzhen Jingneng Leasing International to the other party in accordance with the law to the other party, and the other party agrees to pay 20% of the equity interest in Jingneng International in consideration, with the difference to be paid by the other party in cash to the other party.

Prior to the Transaction, the controlling shareholder of Shenzhen 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
Total	200,758	200,758	100%	

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

Upon completion of the Transaction, the controlling shareholder of Shenzhen 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
Total	200,758	200,758	100%	

From the closing date, the company will continue to hold the right of control in relation to the 84.68% equity interest in Shenzhen 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, 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 Shenzhen Jungneng Inc., of the Valuation Benchmark, the net value of Shenzhen Jungneng Inc. was RMB 2,681,000,000, and the fair value of net assets corresponding to its 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 trust corresponding to 20% of net interest with R 1,728,160,600. The difference between net trust value among the Target and Interest is R 542,110,200, net difference in market value component to income.

The parties confirm that the final price of the Target and Interest will be determined on the basis of the final report filed with the competent authority, and agreed to the amount of top priority interest including the market value of the final price of the Target and Interest.

The parties agree that the corresponding net interest of the Target and 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 of the signing of the agreement, the party shall have the right to terminate the Transfer Agreement, and the party shall have the right to receive the amount of the contract.

4) If the agreement is not fully performed or the party is not fully performing its obligations under the agreement, the party shall have the right to terminate the agreement, and the party shall have the right to receive the amount of the contract.

Validity of the Agreement

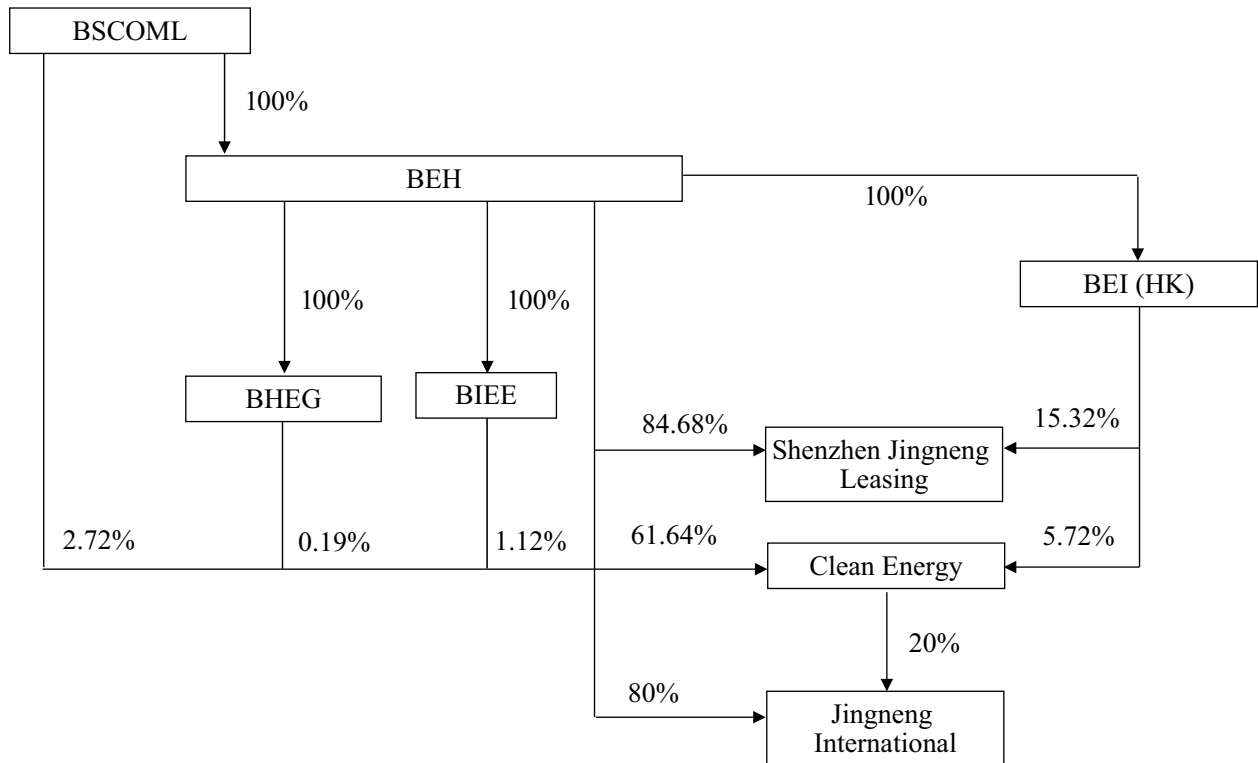
The Transfer Agreement shall be valid from the date of signing of the agreement, and shall be valid when all of the following conditions are met:

1) The party to the Transfer Agreement is a duly authorized person from the competent authority for the transaction;

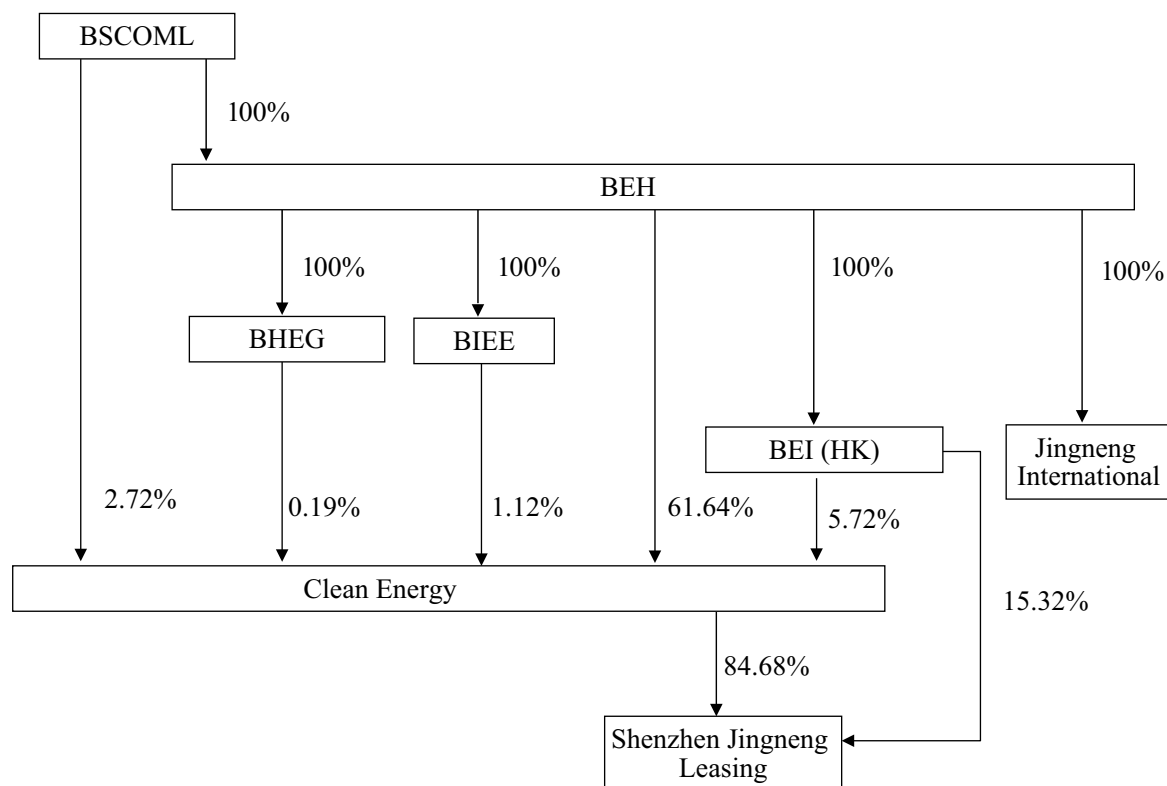
2) The Agreement is a genuine agreement coming into effect.

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, with a diversified portfolio including gas-fired power, wind power, photovoltaic power, and other power.

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 and energy 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 Jungnong Insurance Co., Ltd. is a wholly-owned subsidiary of Shin Jungnong Insurance Co., Ltd. providing financial insurance services in connection with financial insurance to the public members of Shin Jungnong Insurance Co., Ltd.

The following table shows the financial information of Shin Jungnong Insurance Co., Ltd. in accordance with the IFRS Accounting Standards for insurance companies.



	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 Jungnong Insurance Co., Ltd. was KRW 2,009,077,194.86.

6. Financial Effect of the Transactions

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

The company expects to recognize an increase of approximately R 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 quoted share transaction, no proceeds will be generated from the disposal. In the event that 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 plan of its financial restructuring, providing long-term capital support for the company's development in the core business sector.

On the financial side, the Transaction will have a positive impact on the operating performance 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 and operate, which will further promote the company's own capital management of the leverage effect of the listing in order to realize the value of capital and the listing company 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 effectively increase the profit and the overall development of the company.

The overall result of the Transaction will not result in any abnormal related transactions or financial interests in the interest of the company and its shareholders.

8. Listing Rules Implications

As a result of the announcement, the direct and indirect holding of 68.68% of the shares of the company by the controlling shareholder, the connection of the company, Jungnng International, and since Jungnng International is a subsidiary of the company, the company's connection of the company. Accordingly, the Transaction constitutes a connection transaction for the company under paragraph 14A of the Listing Rules.

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 Joint Venture Agreement on 10 February 2022, pursuant to which the proposed or name change with the Joint Venture Company transferred 84.68% of the interest in the Joint Venture Company to the Company, and the Company shall pay contribution tax in the form of 20% of the interest in the Joint Venture Company to the Company.

“**At-Valuation Report of the Joint Venture Company**” means the valuation report on the Company [2022] (0.1219) issued in Unit-Appraisal on 14 April 2022.

“**At-Valuation Report of the Special Joint Venture Agreement**” means the valuation report on the Special Joint Venture Agreement [2022] (0.099A) issued in Unit-Appraisal on 12 April 2022.

“**Company**” means the Joint Venture Company, a company incorporated in the Philippines, the Special Joint Venture Agreement, limited liability company incorporated in the Philippines, the controlling shareholder of the Company. As at the date of this memorandum, the direct and indirect 68.68% of the shares of the Company.

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

“**Group**” means the Group Company, a limited liability company incorporated in the Philippines, wholly-owned subsidiary of the Company.

“**Intentional**” means the Intentional Electric Engineering Company, a limited liability company incorporated in the Philippines, wholly-owned subsidiary of the Company.

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

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