**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** [illegible]

**If you have sold or transferred** [illegible] **Beijing Jingneng Clean Energy Co., Limited,** [illegible]

Beijing Jingneng Clean Energy Co., Limited

北

# (1) 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 AND (2) NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2022

**Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders**

嘉林資本有限公

[illegible]

# CONTENTS

# DEFINITIONS

[illegible]

# DEFINITIONS

# DEFINITIONS

# DEFINITIONS

# DEFINITIONS

[illegible]

[illegible]

[illegible]

[illegible]

Beijing Jingneng Clean Energy Co., Limited
北京京能清

[illegible]

# (1) 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 AND (2) NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2022

## I. INTRODUCTION

[illegible]

[illegible]

## II. 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

[illegible]

### 1. Absorption and Merger Agreement

*Parties*

[illegible]

*Method of Merger*

[illegible]

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

*Succession of Creditors' Rights and Debts*

*Employees Placement Plan*

*Disposal of Branches and Subsidiaries of the Merged Party*

*Transition Period*

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## 2. Equity Transfer Agreement

*Equity Transfer of Shenzhen Jingneng Leasing*

[illegible]

| Name of shareholders | Committed capital (RMB0'000) | Paid-up capital (RMB0'000) | Sharehold-ing Percentage (%) | Capital contribution method |
|---|---|---|---|---|
| | | | % | |
| | | | % | |
| **Total** | | | % | |

[illegible]

*Consideration and Closing of Equity Transfer*

[illegible]

*Transitional Arrangements*

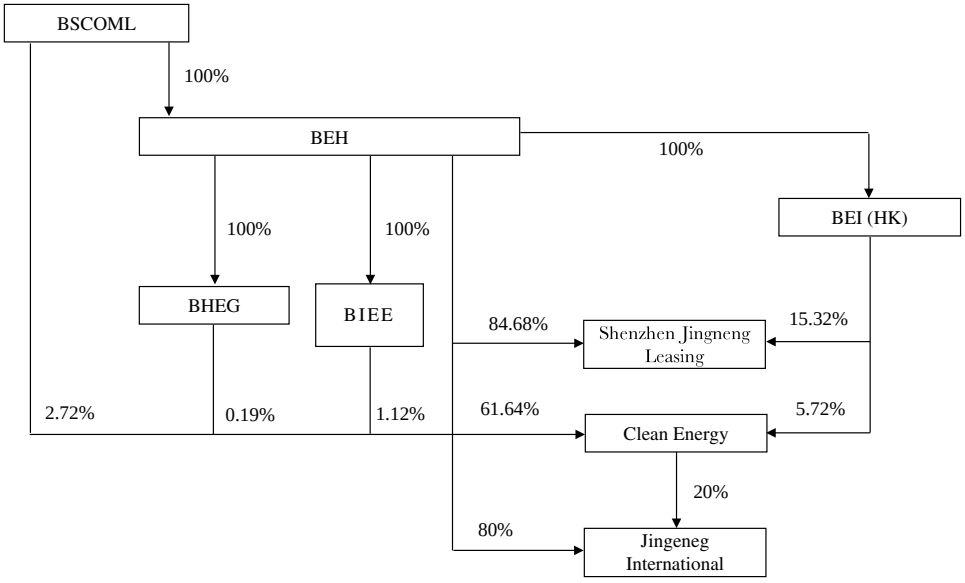
[illegible]

*Liabilities for Breach of Contract*

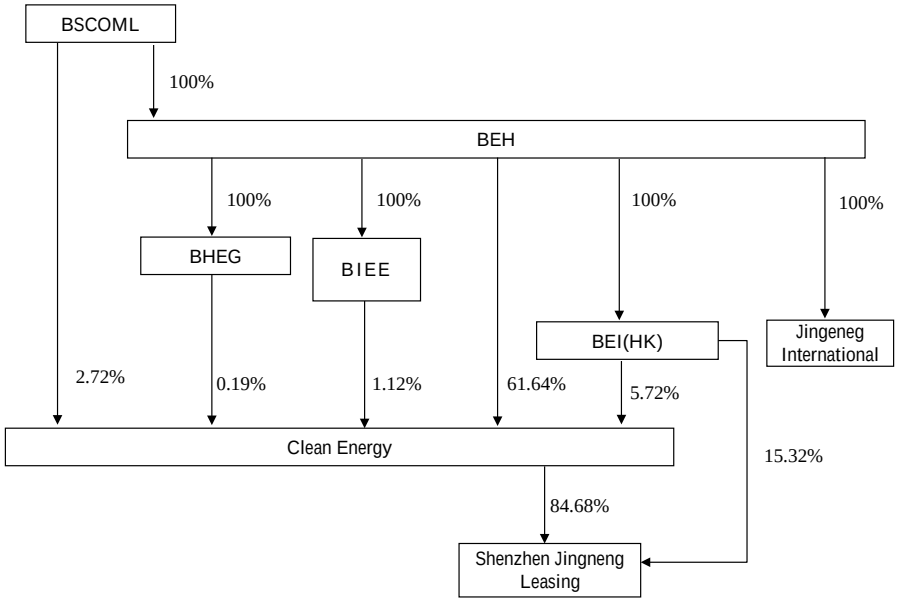
*Validity of the Agreement*

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

[illegible]




[illegible]




[illegible]

**4. Information of the Parties**

| | As of 31 December 2020 | As of 31 December 2021 |
|---|---|---|

| | For the year ended 31 December 2020 | For the year ended 31 December 2021 |
|---|---|---|

| | As of 31 December 2020 | As of 31 December 2021 |
|---|---|---|

## 6. Financial Effect of the Transactions

[illegible]

[illegible]

## 7. Reasons for and Benefits of the Transactions

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

### 8. Listing Rules Implications

[illegible]

[illegible]

## III. THE EGM

[illegible]

[illegible]

[illegible]

## IV. VOTING BY POLL

[illegible]

[illegible]

## V. RECOMMENDATIONS

## VI. OTHER INFORMATION

Beijing Jingneng Clean Energy Co., Limited
KANG Jian

Beijing Jingneng Clean Energy Co., Limited
北京京能清

[illegible]

# 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

[illegible] **Circular** [illegible]

[illegible]

[illegible]

[illegible]

**Beijing Jingneng Clean Energy Co., Limited**

| **Huang Xiang** | **Chan Yin Tsung** | **Xu Daping** | **Zhao Jie** |
|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] |

[illegible]

嘉林資本有限公

[illegible]

[illegible]

## DISCLOSEABLE TRANSACTIONS AND CONNECTED TRANSACTIONS

### INTRODUCTION

[illegible]

## INDEPENDENCE

[illegible]

## BASIS OF OUR OPINION

[illegible]

**Valuation Reports**

[illegible]

## PRINCIPAL FACTORS AND REASONS CONSIDERED

### Information on the Company

**IFRSs** **IASB**

**2021 Annual Report**

**For the year ended 31 December 2021**

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t t

[illegible]

[illegible] **Jingneng Power** [illegible]

[illegible]

| | For the three months ended 31 March 2022 | For the three months ended 31 March 2021 | For the year ended 31 December 2021 | For the year ended 31 December 2020 | Change from 2020 to 2021 |
|---|---|---|---|---|---|
| | *¥'000* | *¥'000* | *¥'000* | *¥'000* | *%* |
| | *(Unaudited)* | *(Unaudited)* | *(Audited)* | *(Audited)* | |

[illegible]

## Information

**Reasons for and benefits of the Transactions**

[illegible]

[illegible]

[illegible]

[illegible]

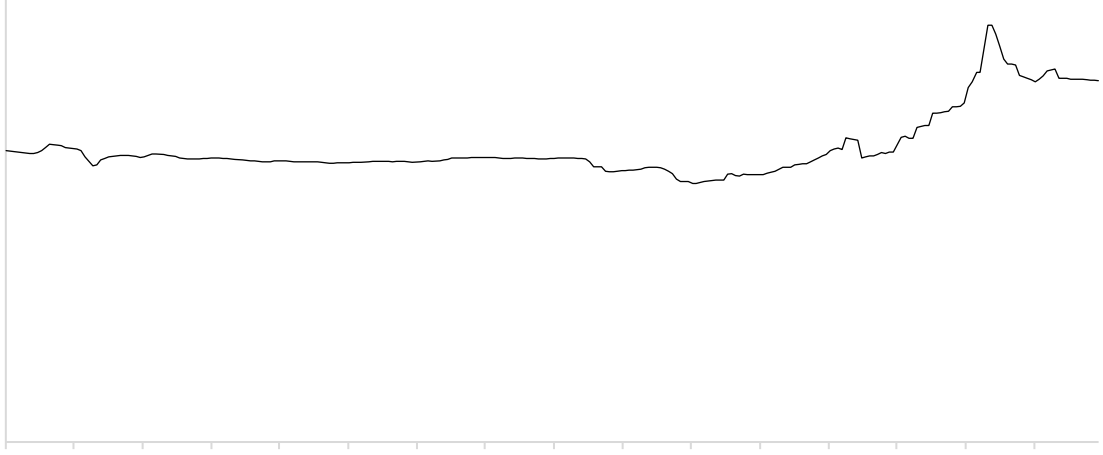
[illegible]

# LETTER FROM GRAM CAPITAL

[illegible]

[illegible]

[illegible] **BSPI** [illegible] **Review Period** [illegible]



[illegible]

[illegible]

**Principal terms of the Transactions**

**Date:**

**Parties:**

**Method of merger**

[illegible]

**Determination fbnbJbanU4MXXGST4dnWuyFTjnClosioU6MGcGSTTdnWrtFTjBbn**

*Our assessment on the consideration for the Merger*

**Valuations**

**Valuers**

**Valuation Standards**

**Current assets:**

**Long-term investment:**

**Administrative Measures**

**Fixed assets:** [illegible]

**Intangible asset:** [illegible]

**Liabilities:** [illegible]

[illegible]

[illegible]

[illegible]

[illegible] **CAPM** [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

**Validity of the Agreement**

[illegible]

**Equity Transfer Agreement (as an annex to the Absorption and Merger Agreement)**

[illegible]

**Our conclusion on terms of the Transactions**

[illegible]

**Possible financial effects of the Transactions**

[illegible]

[illegible]

## RECOMMENDATION

[illegible]

[illegible]

## THE VALUE OF ALL SHAREHOLDERS' EQUITY OF BEIJING JINGNENG INTERNATIONAL POWER CO., LTD. INVOLVED IN THE PROPOSED ABSORPTION AND MERGER OF BEIJING JINGNENG INTERNATIONAL POWER CO., LTD. BY BEIJING ENERGY HOLDING CO., LTD.

## SUMMARY OF THE ASSET VALUATION REPORT

[illegible]

### I. THE PURPOSE OF VALUATION

[illegible]

### II. THE TARGET OF VALUATION AND THE SCOPE OF VALUATION

[illegible]

[illegible]

## (I) Valuation of major assets

[illegible]

### 1. *Long-term equity investments*

*(1)* [illegible]

**Table 1 Information sheet of Beijing Jingneng Power Co., Ltd.**

| | | | |
|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] |

| | | | |
|---|---|---|---|
| | | | |
| | | | |

[illegible]

**Table 3 Assets, liabilities and financial position of the Company**

[illegible]

| Project | 31 December 2020 | 31 December 2021 | 31 March 2022 |
|---|---|---|---|
| [illegible] | | | |
| [illegible] | | | |
| [illegible] | | | |
| [illegible] | | | |
| **Project** | **2020** | **2021** | **January to March 2022** |
| [illegible] | | | |
| [illegible] | | | |
| [illegible] | | | |
| [illegible] | | | |
| [illegible] | | | |

*2. Physical assets*

[illegible]

*1) [illegible]*

[illegible]

2) q m t t – tr v

**(II) Recorded or unrecorded intangible assets declared by the enterprise**

**(III) Type and quantity of off-balance-sheet assets declared by the enterprise**

**(IV) Type, quantity and carrying amount of the assets involved in citing the conclusions of the reports issued by other institutions**

88r #/' Tf -d (

## V. THE BASIS OF VALUATION

[illegible]

### (I) The Economic Behavior Basis

[illegible]

### (II) The Legal Basis

[illegible]

### (III) Evaluation Criteria Basis

**(IV) The Property Right Basis**

### (V) The Price Basis

### (VI) Other Basis

## VI. THE METHODS OF VALUATION

### (I) Introduction of the methods of valuation

## (II) Selection of valuation methods

*(2)* [illegible]

[illegible]

*2. Long-term equity investments*

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

(2) *t rm, t , f, w, r t*

*(3)* *t rm, t, f r v*

*4. Intangible assets – others*

*5. Liabilities*

## VII. THE IMPLEMENTATION OF THE VALUATION PROCESS

### (I) Preparation phase of valuation

### (II) On-site valuation phase

### (III) Summary phase of valuation

[illegible]

### (IV) Report submission phase

[illegible]

**Table 5 Summary of valuation results**

| Items | | Book Value | Appraised Value | Increase or Decrease in Value | Increase ratio (%) |
|---|---|---|---|---|---|
| | | B | C | D=C-B | E=D/B×100% |
| | | | | | |
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## X. SPECIAL INSTRUCTIONS

### (I) Citation of Conclusions of Reports Issued by Other Institutions

[illegible]

### (II) Incomplete ownership information or ownership defects

[illegible]

### (III) Situations where assessment procedures are limited or assessment information is incomplete

[illegible]

### (IV) Legal, economic and other outstanding issues as of the Valuation Benchmark Date

[illegible]

### (V) The nature and amount of guarantees and contingent liabilities (contingent assets), and their relationship to the target of valuation

[illegible]

### (VI) Significant Subsequent Events

[illegible]

### (VII) Defects in the economic behavior corresponding to this valuation that may have a significant impact on the conclusion of valuation

[illegible]

**(VIII) Other matters to be noted**

t t t

[illegible]

[illegible]

# ITEMS ON THE VALUE OF ALL SHAREHOLDERS' EQUITY OF SHENZHEN JINGNENG FINANCIAL LEASING CO., LTD. IN CONNECTION WITH THE PROPOSED EQUITY SWAP OF BEIJING ENERGY HOLDING CO., LTD. IN VEIW OF THE PROPOSED ABSORPTION AND MERGER OF SHARES OF BEIJING JINGNENG INTERNATIONAL POWER CO., LTD. BY BEIJING ENERGY HOLDING CO., LTD.

## SUMMARY OF THE ASSET VALUATION REPORT

[illegible]

### I. THE PURPOSE OF VALUATION

[illegible]

### II. THE TARGET OF VALUATION AND THE SCOPE OF VALUATION

#### (I) THE TARGET OF VALUATION AND THE SCOPE OF VALUATION

[illegible]

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## OF VALUATIONTX

[illegible]

[illegible]

[illegible]

**(II) Type and quantity of off-balance-sheet assets declared by the enterprise**

[illegible]

**(III) Citation of asset status in relation to the results of reports issued by other institutions**

[illegible]

## III. TYPE OF VALUE AND ITS DEFINITION

[illegible]

## IV. THE VALUATION BENCHMARK DATE

[illegible]

## V. THE BASIS OF VALUATION

### (I) The Economic Behavior Basis

[illegible]

### (II) The Legal Basis

[illegible]

### (III) Evaluation Criteria Basis

**(IV) The Property Right Basis**

**(V) The price basis of valuation**

## VI. VALUATION METHODS

t t t

*2. Non-current assets*

[illegible]

### 3. *Liabilities*

[illegible]

## 3. *Valuation model*

[illegible]

$$E = P + \sum C_i$$

[illegible]

$$= \quad + \beta \times ( \quad - \quad ) + \varepsilon$$

β

ε

*0 000*

$$r = r_f + \beta \times (r_m - r_f) + \varepsilon$$

β

ε

(2)

$$\sum C_i = C_1 + C_2$$

## VII. THE IMPLEMENTATION OF THE VALUATION PROCESS

[illegible]

[illegible]

### (I) Pre-valuation preparation stage

[illegible]

### (II) On-site verification and evaluation stage

[illegible]

**(III) Preparation of preliminary asset valuation report stage**

[illegible]

**(IV) Submission of asset valuation report stage**

[illegible]

**(V) Asset valuation file archiving**

[illegible]

## VIII. THE ASSUMPTIONS OF VALUATION

[illegible]

## IX. THE CONCLUSION OF VALUATION

**(I) Asset-based approach**

[illegible]

**Summary of valuation results**

[illegible]

| Items | | Book Value | Appraised Value | Increase or Decrease in Value | Increase ratio (%) |
|---|---|---|---|---|---|
| | | A | B | C=B-A | D=C/A×100% |
| | [illegible] | | | | |
| | [illegible] | | | | |
| | [illegible] | | | | |
| | [illegible] | | | | |
| | [illegible] | | | | |
| | [illegible] | | | | |
| | **Total Assets** | **492,741.75** | **492,741.78** | **0.03** | **0.00** |
| | [illegible] | | | | |
| | [illegible] | | | | |
| | **Total liabilities** | **228,629.64** | **228,629.64** | **–** | **–** |
| | **Net assets (ownership interests)** | **264,112.11** | **264,112.14** | **0.03** | **0.00** |

**(II) Income approach**

[illegible]

### (III) Analysis of the differences in evaluation results between the two valuation methods

**(II) Capital Increase**

[illegible]

**(III) Legal and regulatory issues**

[illegible]

**(IV) Assets with restricted ownership and use rights**

[illegible]

| Item | Book Value as at 31 March 2022 | Reasons for restriction |
|---|---|---|
| [illegible] | [illegible] | [illegible] |

**(V) Events between the Valuation Benchmark Date and the date of the asset valuation report that may have an impact on the conclusion of valuation**

[illegible]

**(VI)** [illegible]

**(VII)** [illegible]

**INDEPENDENT ASSURANCE REPORT ON THE CALCULATIONS OF THE DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF THE EQUITY INTERESTS IN SHENZHEN JINGNENG FINANCIAL LEASING CO., LTD.**

[illegible] **Company** [illegible] **Valuation** [illegible] **Listing Rules** [illegible] % [illegible] **Circular**

**Directors' Responsibility for the discounted future estimated cash flows**

[illegible] **Directors** [illegible] **Assumptions** [illegible]

**Our Independence and Quality Control**

[illegible] **HKICPA** [illegible]

**Reporting Accountant's Responsibility**

[illegible]

[illegible]

**Opinion**

[illegible]

**Mazars CPA Limited**

[illegible]

Beijing Jingneng Clean Energy Co., Limited
北京京能清

**CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTIONS**
**LETTER FROM THE BOARD IN RELATION TO THE PROFIT FORECAST**
**OF SHENZHEN JINGNENG FINANCIAL LEASING**

**Asset Valuation Report** **China Faith Appraisers** **Shenzhen Jingneng Leasing**

**Beijing Jingneng Clean Energy Co., Limited**
**Zhang Fengyang**
*Chairman*

## 1. RESPONSIBILITY STATEMENT

[illegible]

## 2. DISCLOSURE OF INTERESTS

[illegible]

| Name | Qualification |
| --- | --- |
| [illegible] | [illegible] |
| [illegible] | [illegible] |
| [illegible] | [illegible] |

[illegible]

## 6. SERVICE CONTRACTS

[illegible]

## 7. INTERESTS IN THE ASSETS OR CONTRACTS OF THE GROUP

[illegible]

## 8. DIRECTORS' INTERESTS IN COMPETING BUSINESS

[illegible]

## 9. MISCELLANEOUS

### Company Secretary

[illegible]

### Registered Office

[illegible]

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

[illegible]

Beijing Jingneng Clean Energy Co., Limited

北京京能清

**NOTICE OF THE**

*t*

**1. CLOSURE OF REGISTER FOR H SHARES, ELIGIBILITY FOR ATTENDING THE EGM**

**2.**

**3. APPOINTMENT OF PROXY**

**4. ADDRESS AND TELEPHONE NUMBER OF THE COMPANY'S PRINCIPAL PLACE OF BUSINESS IN THE PRC**

**5. PROCEDURES FOR VOTING AT THE EGM**

**6. OTHER BUSINESS**

**7.**