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If you have sold or transferred all your shares in Beijing Jingneng Clean Energy Co., Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or other transferees or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**北京京能清洁能源电力股份有限公司**

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

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 00579)**

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## DEFINITIONS

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*The following expressions have the meanings set out below unless the context requires otherwise:*

“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“BDHG”	北京市熱力集團有限責任公司 (Beijing District Heating Group Co., Ltd.), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of BEH
“BEH”	北京能源集團有限責任公司 (Beijing Energy Holding Co., Ltd.), a limited liability company incorporated in the PRC and the controlling shareholder of the Company
“BEH Finance”	京能集團財務有限公司 (BEH Finance Co., Ltd.), a limited liability company incorporated in the PRC and a connected person of our Group, with 20% of its equity interest being held by the Company, 60% of its equity interest being held by BEH and 20% of its equity interest being held by Beijing Jingneng Electric Co., Ltd. (a company held by BEH directly and indirectly as to approximately 66.73%)
“BEI (HK)”	Beijing Energy Investment Holding (Hong Kong) Co., Limited (北京能源投資集團(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of BEH and directly held 5.72% of the total issued shares of the Company
“Beijing Jingneng Leasing”	北京京能融資租賃有限公司 (Beijing Jingneng Finance Leasing Co., Ltd.) (formerly known as 北京京能源深融資租賃有限公司 (Beijing Jingneng Yuanshen Finance Leasing Co., Ltd.)), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of BEH
“Board”	the board of Directors

“BSCOMC”

北京國有資本運營管理有限公司 (Beijing State-owned  
Capital Operation Management Co., Ltd.), a

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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“H Shares”	the overseas-listed foreign invested share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	a committee of the Board established for the purpose of considering the terms and the transaction caps of the proposed continuing connected transactions contemplated under the Framework Heat Sale and Purchase Agreement, the Financial Assistance Framework Agreement, the Finance Leasing Framework Agreement (I), the Finance Leasing Business Framework Agreement, the Finance Leasing Framework Agreement (II) and the proposed deposit service under the Financial Services Framework Agreement, comprising Ms. Zhao Jie, Mr. Wang Hongxin, Mr. Qin Haiyan and Ms. Hu Zhiying, the independent non-executive Directors
“Independent Financial Adviser” or “Maxa Capital”	Maxa Capital Limited (邁時資本有限公司), a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the proposed continuing connected transactions contemplated under the Framework Heat Sale and Purchase Agreement, the Financial Assistance Framework Agreement, the Finance Leasing Framework Agreement (I), the Finance Leasing Business Framework Agreement, the Finance Leasing Framework Agreement (II) and the proposed deposit service under the Financial Services Framework Agreement and the proposed annual caps thereunder

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## DEFINITIONS

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“Independent Shareholders”	Shareholders who do not have any material interest in the proposed continuing connected transactions contemplated under the Framework Heat Sale and Purchase Agreement, the Financial Assistance Framework Agreement, the Finance Leasing Framework Agreement (I), the Finance Leasing Business Framework Agreement, the Finance Leasing Framework Agreement (II) and the proposed deposit service under the Financial Services Framework Agreement
“Independent Third Parties”	parties who are not connected (within the meaning of the Listing Rules) with any Director, chief executive or substantial shareholder of the Company or any of its subsidiaries or any associate of any of them
“Latest Practicable Date”	3 December 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LPR”	the loan prime rate as promulgated by the National Interbank Funding Center under the authority of the People’s Bank of China from time to time
“PRC” or “China”	the People’s Republic of China and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedure for General Meetings”	the Rules of Procedure for General Meetings of the Company
“Rules of Procedure for Board of Directors”	the Rules of Procedure for Board of Directors of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of RMB1.00 each in the share capital of the Company

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## DEFINITIONS

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“Shareholder(s)”	the holder(s) of the ordinary share(s) of the Company
“Shenzhen Jingneng Leasing”	深圳京能融資租賃有限公司 (Shenzhen Jingneng Financial Leasing Co., Ltd.), a limited liability company incorporated in the PRC. As of the Latest Practicable Date, Shenzhen Jingneng Leasing was directly held as to approximately 84.68% by the Company and as to approximately 15.32% by BEI (HK), a wholly-owned subsidiary of BEH
“%”	per cent.

The terms “associate”, “connected person”, “connected transaction”, “continuing connected transaction”, “controlling shareholder”, “subsidiary”, “connected subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless otherwise defined above or where the context otherwise requires.



## INTRODUCTION

Reference is made to the announcement of the Company dated 12 November 2025 in relation to, among others, the proposed continuing connected transactions contemplated

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## LETTER FROM THE BOARD

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### CONTINUING CONNECTED TRANSACTIONS

#### (I) Framework Heat Sale and Purchase Agreement

##### *Description of the Transaction*

References are made to the announcement of the Company dated 8 November 2022 and the circular of the Company dated 12 December 2022 in relation to, among others, the framework heat sale and purchase agreement entered into between the Company and BEH. As the framework heat sale and purchase agreement will expire on 31 December 2025, in the ordinary and usual course of business, the Company entered into the Framework Heat Sale and Purchase Agreement with BEH on 12 November 2025, with a term of three years commencing from 1 January 2026 and ending on 31 December 2028, pursuant to which, the Group agrees to sell, and BEH and/or its associates agree to purchase, from time to time, heat generated by power plants of the Group.

##### *Pricing Policy*

Heating is the basic living needs of Beijing urban and rural residents in winter, and heat supply is infrastructural public service directly relating to the public interests. The transaction under the Framework Heat Sale and Purchase Agreement is conducted at government-prescribed unit price, which is determined by Beijing Municipal Commission of Development and Reform from time to time.

The Company is of the view that the pricing in respect of the transactions under the Framework Heat Sale and Purchase Agreement is reasonable and sufficient to cover the costs incurred by the Company after taking into account the following considerations:

- according to the Interim Measures for the Price Control of Urban Heat Supply (FA GAI JIA GE [2007] No.1195) (《城市供熱價格管理暫行辦法》(發改價格[2007] 1195號)), the government-prescribed unit price is determined by reference to, among others, the costs incurred by the heat suppliers (such as the price of natural gas, electricity, water, fixed asset depreciation, repairs, wages), the consideration for the profitability of the heat suppliers and the tax imposed on the heat suppliers; and
- the gas-fired power and heat energy generation business of the Company based on the operation model of “heat-power cogeneration” (熱電聯產) is profitable as evidenced by the historical financial results of the Company.

*Historical Amounts, Annual Caps and Basis of Annual Caps*

The Company considers such annual caps, based on the abovementioned factors are reasonable, taking into account the following circumstances: (i) the implementation of the relevant clean-air action plans of Beijing Municipal, which will further reduce the coal-fired heat supply and increase the use of gas-fired heat in Beijing; (ii) the Company's objective to make full use of the current production capacity so as to increase utilization rate and improve production efficiency; and (iii) the public policy reasons associated with this transaction given the heat supplied to BEH and/or its associates is used for heating during winter times for citizens in Beijing.

#### *Reasons for and Benefits of the Transactions*

The gas-fired power and heat energy generation business of the Company based on the operation model of "heat-power cogeneration" (熱電聯產) can make full use of power plants of the Group and is more profitable compared to the single power generation or single heat generation business model.

According to Administrative Measures of Heat Supply and Heating of Beijing Municipality (《北京市供熱採暖管理辦法》), heat supply should comply with the principle of unified planning and localized management. As Beijing District Heating (Group) Co., Ltd. (the "BDHG"), a wholly-owned subsidiary of BEH, is the only central heat supply company whose network covers certain part of the areas where power plants of the Group are located and thus, the Group must sell the heat energy through BDHG network in the absence of any alternative purchasers, and

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## LETTER FROM THE BOARD

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### *Internal Control Measures*

To safeguard the interests of the Shareholders as a whole, including the non-controlling Shareholders, the Company has adopted internal approval and monitoring procedures relating to the transactions under the Framework Heat Sale and Purchase Agreement, which include the followings:

- the securities & capital operation department of the Company and other relevant operation departments of the Company are jointly responsible for conducting reviews on compliance with relevant laws, regulations, the Group's internal policies and the Listing Rules in respect of both continuing connected transactions and connected transactions. They are also jointly responsible for evaluating the transaction terms under the agreements, in particular, the fairness and reasonableness of the pricing terms under each agreement, before each separate agreement under the agreements is entered into;
- to ensure the proposed annual caps for the transaction under the Framework Heat Sale and Purchase Agreement will not be exceeded, the Company will monitor the transactions under the Framework Heat Sale and Purchase Agreement in accordance with its terms;
- the independent non-executive Directors will review the transaction amounts under the Framework Heat Sale and Purchase Agreement on a monthly basis to ensure the proposed annual caps will not be exceeded; and
- the independent non-executive Directors will conduct annual review of the transactions under the Framework Heat Sale and Purchase Agreement and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the agreement, on normal commercial terms and in accordance with the pricing policy. Auditors of the Company will report on the continuing connected transaction and provide a letter to the Board.

### *Implications under the Listing Rules*

As BEH directly and indirectly holds approximately 68.68% of the issued share capital of the Company as at the Latest Practicable Date, it is a controlling shareholder of the Company and thus a connected person of the Company. Accordingly, the transactions between the Group and BEH and/or its associates constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest percentage ratio applicable to the transactions contemplated under the Framework Heat Sale and Purchase Agreement is more than 5% on an annual basis, such transactions are subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM THE BOARD

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### DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTIONS

#### (II) Finance Leasing Framework Agreement (I)

##### *Description of the Transaction*

References are made to the announcement of the Company dated 8 November 2022 and the circular of the Company dated 12 December 2022 in relation to, among others, the finance leasing framework agreement (I) entered into between the Company and Beijing Jingneng Leasing. As the finance leasing framework agreement (I) will expire on 31 December 2025, in the ordinary and usual course of business, the Company entered into the Finance Leasing Framework Agreement (I) on 12 November 2025 with Beijing Jingneng Leasing, with a term of three years commencing from 1 January 2026 and ending on 31 December 2028, pursuant to which, Beijing Jingneng Leasing has agreed to provide financial lease services to the Group.

##### *Financial Lease Services*

Pursuant to the Finance Leasing Framework Agreement (I), Beijing Jingneng Leasing will provide finance lease services, including but not limited to, direct leasing and leaseback services to the Group.

In respect of the direct leasing service, as requested or instructed by the Group, Beijing Jingneng Leasing will provide financial leasing solutions to the Group for the purchase of equipment. Beijing Jingneng Leasing will make the payment for the equipment to the suppliers in accordance with the conditions set by the Group and charge the Group with the lease rental for such equipment according to the schedule.

In respect of the leaseback service, based on the financing needs of the Group, Beijing Jingneng Leasing will purchase equipment owned by the Group which is in accordance with the requirement of the leaseback service within the extent permitted by laws, and lease such equipment back to the Group with the lease rental. The equipment leased under the Finance Leasing Framework Agreement (I) is large equipment and of high value such as wind turbine set and photovoltaic generator equipment.

In respect of each finance lease, the relevant member(s) of the Group will enter into separate implementation contract(s) with Beijing Jingneng Leasing. The terms of each implementation contract will be in line with the terms of the Finance Leasing Framework Agreement (I), and each implementation contract shall be subject to and conditional upon the Finance Leasing Framework Agreement (I) continuing to be in force.

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## LETTER FROM THE BOARD

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### *Contract Period*

The contract periods of certain separate individual agreement(s) in respect of the financial lease services under the Finance Leasing Framework Agreement (I) are expected to exceed three years. Such individual agreements, once duly executed, shall remain in full force and effect for their respective contract periods (which may exceed three years) even if the Finance Leasing Framework Agreement (I) is expired or terminated and is not renewed. In the event that the Company, after the expiry of the Finance Leasing Framework Agreement (I) (i) enters into a new individual agreement(s) with Beijing Jingneng Leasing, or (ii) find that the annual cap under individual contracts signed prior to the expiry of the Finance Leasing Framework Agreement (I) is insufficient to cover the relevant transactions, the Company will set a new annual cap(s) and comply with the relevant Listing Rules.

The Company will monitor individual agreements under the Finance Leasing Framework Agreement (I) that exceed three years on a periodic basis. It will also conduct an annual review of the transactions under the Finance Leasing Framework Agreement (I) (including the rates and fees charged for such transactions) to ensure that the transactions are in accordance with the Listing Rules and the terms of the agreement.

### *Lease Consideration*

The lease consideration consists of the principal amount and lease interests. The lease consideration will be determined by the Group and Beijing Jingneng Leasing after arm's length negotiations and with reference to the market price of the same type of financial leasing assets. The lease interest will be determined based on a range set at the beginning of each year with reference to the prevailing LPR, and the Company's financing and operating conditions. When determining the pricing standard, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered with or carried out by Independent Third Parties and the applicable LPR in the corresponding period of reference, and such rates shall not be higher than the rates offered by Shenzhen Jingneng Leasing.

Cost in respect of such financing services of the Company (including relevant rent plus handling fees and excluding other costs may be saved according to favorable terms, such as deductible VAT) shall be not higher than the consolidated cost (including relevant rent plus handling fees and excluding other costs may be saved according to favorable terms, such as deductible VAT) incurred from similar transactions with Independent Third Parties during the relevant period.

*Implication of IFRS 16 (Leases) on the financial lease services*

The Company adopted, among others, IFRS 16 (Leases) in connection with leases and finance leases with effect from the beginning of its accounting period on 1 January 2019.

For the direct leasing service, pursuant to the IFRS 16 (Leases), the Company recognizes right-of-use assets at the commencement date of the lease period (i.e., the date the Group obtains the right to control the use of the identified asset). Right-of-use assets are measured at the amount of cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. At the commencement date of the lease period, the Company recognizes lease liabilities measured at the present value of lease payments that have not been

For the two years ended 31 December 2024 and the nine months ended 30 September 2025, there were no recorded transactions under the Finance Leasing Framework Agreement (I). The absence of utilisation of the annual caps does not signify a lack of operational demand; rather, it reflects the fact that prevailing market interest rates and leasing terms offered by independent third parties were more advantageous than those available from Beijing Jingneng Leasing. In furtherance of the best interests of the shareholders and the Group, the Company accordingly elected to pursue leasing arrangements from independent third parties. Nevertheless, the establishment of annual caps remains essential, as it enables the Company to retain the flexibility to enter into leasing arrangements with Beijing Jingneng Leasing, should market conditions become less favorable. The financing tenors offered by Beijing Jingneng Leasing are generally longer than those of Shenzhen Jingneng Leasing, and considering the need for leasing flexibility, it is prudent for the Company to preserve such alternatives. Over the next three years, the Group expects to undertake at least 12 to 18 photovoltaic, wind power and other projects per annum, with individual contract values ranging from RMB117 million to RMB2,500 million, of which three to four projects with contract values ranging from RMB300 million to RMB600 million are expected to be allocated to Beijing Jingneng Leasing for financial leasing arrangements. The securing of requisite financial leasing for projects of this magnitude presents considerable market challenges. Consequently, the establishment of annual caps as an additional reserve and alternative option constitutes a fair and reasonable arrangement that ensures capital stability and supports the Group's going business operations.

In determining the above proposed annual caps, the Company has considered the following:

- the expected demand for the financial leasing service of the Group aligns with the Company's current business strategy with three to four major projects anticipated to commence per annum over the next three years, and contract values for each project ranging from RMB300 million to RMB600 million, which are expected to be allocated to Beijing Jingneng Leasing for financial leasing arrangements; and
- the capacity of providing financial lease services by Beijing Jingneng Leasing.

#### *Reasons for and Benefits of the Transaction*

Beijing Jingneng Leasing has been providing financial lease services to the Group and has a thorough understanding of the operations and development needs of the Group. The reason for entering into the Finance Leasing Framework Agreement (I) is to avoid large amount of capital expenditure for the purchase of large machinery equipment, since the Company is paying for the cost of equipment by installments. The entering into of the Finance Leasing Framework Agreement (I) and participation in the finance lease business will expand the financing channels of the Company, enable the Company to control financing risk and lower the financing cost for the follow-on construction projects of the Company as well as satisfy its demand of funds for project construction in a timely manner.

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## LETTER FROM THE BOARD

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### *Internal Control Measures*

To safeguard the interests of the Shareholders as whole, including the non-controlling Shareholders, the Company has adopted internal approval and monitoring procedures relating to the transactions under the Finance Leasing Framework Agreement (I), which include the followings:

- the finance management department of the Company is responsible for collecting and monitoring the information under the Finance Leasing Framework Agreement (I). Prior to entering into individual lease contracts under the Finance Leasing Framework Agreement (I), the finance management department will compare the major terms and financing costs associated with such arrangements to, to the extent practicable, at least two similar and comparable transactions entered with or carried out by Independent Third Parties in the corresponding period of reference. Officers handling the relevant matters shall seek approval from the head of the finance management department and the chief financial officer of the Company, which is subject to the preliminary and final review by them based on the relevant rules and regulations;
- the securities & capital operation department of the Company and other relevant operation departments of the Company are jointly responsible for conducting reviews on compliance with relevant laws, regulations, the Group's internal policies and the Listing Rules in respect of both continuing connected transactions and connected transactions. They are also jointly responsible for evaluating the transaction terms under each underlying agreement of the Finance Leasing Framework Agreement (I), in particular, the fairness and reasonableness of the pricing terms under each agreement, before each separate agreement under the Finance Leasing Framework Agreement (I) is entered into;
- the independent non-executive Directors have also reviewed and will continue to review the transaction amounts under the Finance Leasing Framework Agreement (I) on a monthly basis to ensure the proposed annual caps will not be exceeded;
- the finance management department of the Company will monitor the financial lease transactions under the Finance Leasing Framework Agreement (I) on a monthly basis. Meanwhile, the business planning department of the Company will be in close contact with the Group's business teams responsible for financial lease so that the business planning department will be able to reasonably anticipate expected transaction amount in advance; and

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## LETTER FROM THE BOARD

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- the independent non-executive Directors will conduct annual review of the transactions under the Finance Leasing Framework Agreement (I) (including the rates and fees charged in respect of the transactions) and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the agreement, on normal commercial terms and in accordance with the pricing policy. Auditors of the Company will report on the continuing connected transaction and provide a letter to the Board.

As the Group has adopted a set of effective internal control measures to supervise the continuing connected transactions of the Group, the Directors consider that the procedures in place will ensure such transactions be conducted on normal commercial terms and not prejudicial to the interests of the Company and its non-controlling Shareholders.

### *Implications under the Listing Rules*

As BEH directly and indirectly holds approximately 68.68% of the issued share capital of the Company as at the Latest Practicable Date, it is a controlling shareholder of the Company. Beijing Jingneng Leasing is a wholly-owned subsidiary of BEH and thus a connected person of the Company.

As the highest percentage ratio applicable to the transactions contemplated under the Finance Leasing Framework Agreement (I) exceeds 5% on an annual basis but is less than 25%, such transactions constitute (i) continuing connected transactions of the Company which are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, and (ii) discloseable transactions of the Company which are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### *View of the Independent Financial Adviser on the Term of the Finance Leasing Framework Agreement (I)*

Since the duration of certain individual agreements under the Finance Leasing Framework Agreement (I) may be longer than three years, pursuant to Rule 14A.52 of the Listing Rules, the Company must appoint an independent financial adviser to explain why the individual agreements require a longer period and to confirm that it is normal business practice for agreements of this type to be of such duration. For this purpose, the Company has engaged Maxa Capital as the Independent Financial Adviser. Maxa Capital, after considering that (i) Shenzhen Jingneng Leasing and Beijing Jingneng Leasing entered into certain finance lease agreements with members of BEH and Independent Third Parties with duration exceed three years; (ii) their observation on companies listed on the Hong Kong Stock Exchange entered into finance lease agreements with duration longer than three years; (iii) the underlying assets of the individual agreements are expected to have useful lives longer than three years; and (iv) the Company's treatment of individual agreements under Finance Leasing Framework Agreement (I) are in compliance with the Listing Rules, is of the view that the duration of the individual agreements under the Finance Leasing Framework Agreement (I), which are expected to be longer than three years, is required and it is normal business practice for agreements of this type to be of such duration.

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## LETTER FROM THE BOARD

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### (III) Finance Leasing Business Framework Agreement

#### *Description of the Transaction*

References are made to the announcement of the Company dated 8 November 2022 and the circular of the Company dated 12 December 2022 in relation to, among others, the finance leasing business framework agreement entered into between the Company and BEH. As the finance leasing business framework agreement will expire on 31 December 2025, in the ordinary and usual course of business, the Company and BEH entered into the Finance Leasing Business Framework Agreement on 12 November 2025, with a term of three years commencing from 1 January 2026 and ending on 31 December 2028, pursuant to which, Shenzhen Jingneng Leasing and/or other subsidiaries of the Company, who can provide finance leasing services (if any), (the “Service Provider”) will provide finance leasing services, including sale and leaseback services and direct finance leasing services to BEH and/or its associates and receive rental income from BEH and/or its associates for the provision of such finance leasing services.

#### *Contract Period*

The contract periods of certain separate individual agreements in respect of the finance lease services under the Finance Leasing Business Framework Agreement are expected to exceed three years. Such individual agreements, once duly executed, shall remain in full force and effect for their respective contract periods (which may exceed three years) even if the Finance Leasing Business Framework Agreement is expired or terminated and is not renewed. In the event that the Company, after the expiry of the Finance Leasing Business Framework Agreement (i) enters into a new individual agreement(s) with BEH, or (ii) find that the annual cap under individual contracts signed prior to the expiry of the Finance Leasing Business Framework Agreement is insufficient to cover the relevant transactions, the Company will set a new annual cap(s) and comply with the relevant Listing Rules.

The Company will monitor individual agreements under the Finance Leasing Business Framework Agreement that exceed three years on a periodic basis. It will also conduct an annual review of the transactions under the Finance Leasing Business Framework Agreement (including the rates and fees charged for such transactions) to ensure that the transactions are in accordance with the Listing Rules and the terms of the agreement.

#### *Pricing Policy*

The transaction price under the Finance Leasing Business Framework Agreement are determined based on normal commercial terms after arm’s length negotiation between both parties following the principles of good faith and fairness for their respective benefits. In determining the comprehensive interests to be charged against BEH and/or its associates, the Service Provider will consider,

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## LETTER FROM THE BOARD

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among others, (i) the terms and conditions which are no more favorable to BEH and/or its associates than those offered to members of the Group of similar qualification with the lessee; (ii) the applicable LPR; and (iii) the credit evaluation of the lessee, term of the finance leasing agreements, the principal amount, regulatory policy orientation, the Company's strategy on industry development, and business model and credit enhancement measures of the lessee. The interest rate will be determined with reference to the prevailing LPR and on normal commercial terms, and will be reviewed periodically.

- In terms of the sale and leaseback services, the Service Provider will purchase the leased properties from BEH and/or its associates and then lease the same back for an agreed term and receive lease payment on a periodic basis. The basis for determining the value of the leased properties follows the market practice and the lease amount will not exceed the net book value or appraised value of the leased properties.
- In terms of the direct finance leasing services, the Service Provider will purchase the leased properties from suppliers upon the instructions and selection of BEH and/or its associates, and then lease the properties to BEH and/or its associates for an agreed term and receive lease payment on a periodic basis. The principal amount is the purchase price of the leased properties from the supplier which is negotiated by the lessee with the supplier on normal commercial terms and by reference to the market price of such properties.
- The Service Provider may also charge management fees for the finance leasing services, which is not lower than one over ten thousand of the principal amount and payable in installments or in a lump sum. The Service Provider generally determines the actual amount of the management fees based on the project scale and complexity, qualification of the lessee and negotiation with the lessee.

### *Historical Amounts, Annual Caps and Basis of Annual Caps*

*RMB'million*

	Existing annual caps for the years ended/ending 31 December			Proposed Annual Caps for the years ending 31 December		
	2023	2024	2025	2026	2027	2028
	Annual Caps	3,700.0	2,800.0	2,500.0	2,400.0	1,800.0
Historical Amounts	3,313.2	1,575.5	1,583.5 <sup>Note 1</sup>	-	-	-

1. The historical amount is calculated for the nine months ended 30 September 2025.

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## LETTER FROM THE BOARD

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In determining the above proposed annual caps, the Company has considered the following:

- the existing contracts expected to have principal amounts and interest payable in the next three years comprise 21 contracts that will remain in effect in 2026, each with a remaining principal amount ranging from approximately RMB4.6 million to approximately RMB583.5 million; 14 contracts that will remain in effect in 2027, each with a remaining principal amount ranging from approximately RMB5.2 million to approximately RMB583.5 million; and 11 contracts that will remain in effect in 2028, each with a remaining principal amount ranging from approximately RMB9.4 million to approximately RMB583.5 million. These contracts may be subject to early repayment or changes in interest rates; and
- the expected decrease in demand from BEH and/or its associates for financial leasing services from the Group in accordance with their current business strategy.

### *Reasons for and Benefits of the Transaction*

The provision of finance leasing services by the Group to BEH and/or its associates is able to satisfy the business needs of both parties. On the one hand, the Group has been providing finance leasing services to BEH and/or its associates and are familiar with the business and demands of BEH and/or its associates and the provision of finance leasing services to BEH and/or its associates provides stable and low-risk income to us; on the other hand, the provision of finance leasing services is able to facilitate BEH and/or its associates to continue to receive efficient financial leasing services from us.

Shenzhen Jingneng Leasing, being the primary Service Provider, primarily provides financial leasing services and commercial factoring business services in relation to financial leasing to the public, the members of BEH and the members within the Group. The sale and leaseback services and direct finance leasing services are transactions carried out in the ordinary and usual course of business of Shenzhen Jingneng Leasing. The terms of any agreements (including the interest rate) under the Finance Leasing Business Framework Agreement will be arrived at by Shenzhen Jingneng Leasing and the counterparties after arm's length negotiations, with reference to prevailing commercial practice.

### *Internal Control Measures*

To safeguard the interests of the Shareholders as a whole, including the non-controlling Shareholders, the Company has adopted internal approval and monitoring procedures relating to the transactions under the Finance Leasing Business Framework Agreement, which include the followings:

- as Shenzhen Jingneng Leasing will be the primary Service Provider to provide the finance leasing services, the business departments of Shenzhen Jingneng Leasing are responsible for collecting information and initiating a transaction under the Finance Leasing Business

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## LETTER FROM THE BOARD

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Framework Agreement and will also conduct due diligence. The risk control department and finance management department of Shenzhen Jingneng Leasing will review the details of the transaction and compare the major terms to finance leasing services in relation to similar underlying assets provided to members of the Group with similar qualification and terms obtained by the lessee from other financial institutions if applicable at the relevant time. The transaction shall be submitted to the general manager's office meeting of Shenzhen Jingneng Leasing for approval. When assessing a specific transaction, the risk control department and finance management department of Shenzhen Jingneng Leasing will take into account factors, including regulatory compliance, ownership and operation of the leased properties, litigations involved by the lessee, procurement conditions of the leased equipment, financial condition, cash flow, solvency and control on trade receivables of the lessee, capital resource of Shenzhen Jingneng Leasing for such transaction, financial costs and return to Shenzhen Jingneng Leasing;

- the securities & capital operation department of the Company and other relevant operation departments of the Company are jointly responsible for conducting reviews on compliance with relevant laws, regulations, the Group's internal policies and the Listing Rules in respect of both continuing connected transactions and connected transactions. They are also jointly responsible for evaluating the transaction terms under each underlying agreement of the Finance Leasing Business Framework Agreement, in particular, the fairness and reasonableness of the pricing terms under each agreement, before each separate agreement under the Finance Leasing Business Framework Agreement is entered into;
- the finance management department of the Company will monitor the finance leasing transactions under the Finance Leasing Business Framework Agreement on a monthly basis;
- the independent non-executive Directors will review the transaction amounts under the Finance Leasing Business Framework Agreement on a monthly basis to ensure the proposed annual caps will not be exceeded; and
- the independent non-executive Directors will conduct annual review of the transactions under the Finance Leasing Business Framework Agreement (including the rates and fees charged in respect of the transactions) and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the Finance Leasing Business Framework Agreement and the Group's pricing policy measures, and to confirm if the price and terms offered are fair and reasonable and comparable to those offered by Independent Third Parties. Auditors of the Company will report on the continuing connected transaction and provide a letter to the Board.

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## LETTER FROM THE BOARD

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As the Group has adopted a set of effective internal control measures to supervise the continuing connected transactions of the Group, the Directors consider that the procedures in place will ensure such transactions be conducted on normal commercial terms and not prejudicial to the interests of the Company and its non-controlling Shareholders.

### *Implications under the Listing Rules*

BEH is the controlling shareholder of the Company, directly and indirectly holding approximately 68.68% of the issued share capital of the Company as at the Latest Practicable Date and thus a connected person of the Company.

As the highest applicable percentage ratio for the transactions contemplated under the Finance Leasing Business Framework Agreement is more than 5% but less than 25% on an annual basis, such transactions constitute (i) continuing connected transactions of the Company which are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, and (ii) discloseable transactions of the Company which are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### *View of the Independent Financial Adviser on the Term of the Finance Leasing Business Framework Agreement*

Since the duration of certain individual agreements under the Finance Leasing Business Framework Agreement may be longer than three years, pursuant to Rule 14A.52 of the Listing Rules, the Company must appoint an independent financial adviser to explain why the individual agreements require a longer period and to confirm that it is normal business practice for agreements of this type to be of such duration. For this purpose, the Company has engaged Maxa Capital as the Independent Financial Adviser. Maxa Capital, after considering that (i) Shenzhen Jingneng Leasing and Beijing Jingneng Leasing entered into certain finance lease agreements with members of BEH and Independent Third Parties with duration exceed three years; (ii) their observation on companies listed on the Hong Kong Stock Exchange entered into finance lease agreements with duration longer than three years; (iii) the underlying assets of the individual agreements are expected to have useful lives longer than three years; and (iv) the Company's treatment of individual agreements under Finance Leasing Business Framework Agreement are in compliance with the Listing Rules, is of the view that the duration of the individual agreements under the Finance Leasing Business Framework Agreement, which are expected to be longer than three years, is required and it is normal business practice for agreements of this type to be of such duration.

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## LETTER FROM THE BOARD

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### *Financial Impact of the Finance Leasing Business Framework Agreement*

The transactions under the Finance Leasing Business Framework Agreement will increase the assets and liabilities of the Group. However, the Company expected that such transactions would not cause material impact on the cash flow of the Group or its business operation. Save as disclosed above, it is expected that such transactions would not cause material impact on the profit, assets and liabilities of the Group.

### MAJOR AND CONTINUING CONNECTED TRANSACTIONS

#### (IV) Finance Leasing Framework Agreement (II)

##### *Description of the Transaction*

Reference is made to the announcement of the Company dated 8 November 2022 and the circular of the Company dated 12 December 2022 in relation to, among others, the finance leasing framework agreement (II) entered into between Shenzhen Jingneng Leasing and the Company. As the finance leasing framework agreement (II) will expire on 31 December 2025, in the ordinary and usual course of business, the Company entered into the Finance Leasing Framework Agreement (II) on 12 November 2025 with Shenzhen Jingneng Leasing, with a term of three years commencing from 1 January 2026 and ending on 31 December 2028, pursuant to which, Shenzhen Jingneng Leasing has agreed to provide financial lease services to the Group.

##### *Financial Lease Services*

Pursuant to the Finance Leasing Framework Agreement (II), Shenzhen Jingneng Leasing will provide finance lease services, including but not limited to, direct leasing and sale and leaseback services to the Group.

In respect of the direct leasing service, as requested or instructed by the Group, Shenzhen Jingneng Leasing will provide financial leasing solutions to the Group for the purchase of equipment. Shenzhen Jingneng Leasing will make the payment for the equipment to the suppliers in accordance with the conditions set by the Group and charge the Group with the lease rental for such equipment according to the schedule.

In respect of the sale and leaseback service, based on the financing needs of the Group, Shenzhen Jingneng Leasing will purchase equipment owned by the Group which is in accordance with the requirement of the sale and leaseback service within the extent permitted by laws, and lease such equipment back to the Group for the lease rental. The equipment leased under the Finance Leasing Framework Agreement (II) is large equipment and of high value such as wind turbine set and photovoltaic generator equipment.

In respect of each finance lease, the relevant member(s) of the Group will enter into separate implementation contract(s) with Shenzhen Jingneng Leasing. The terms of each implementation contract will be in line with the terms of the Finance Leasing Framework Agreement (II), and each implementation contract shall be subject to and conditional upon the Finance Leasing Framework Agreement (II) continuing to be in force.

*Contract Period*

The contract periods of certain separate individual agreement(s) in respect of the financial lease services under the Finance Leasing Framework Agreement (II) are expected to exceed three years. Such individual agreements, once duly executed, shall remain in full force and effect for their respective contract periods (which may exceed three years) even if the Finance Leasing Framework Agreement (II) is expired or terminated and is not renewed. In the event that the Company, after the expiry of the Finance Leasing Framework Agreement (II) (i) enters into a new individual agreement(s) with BEH, or (ii) find that the annual cap under individual contracts signed prior to the expiry of the Finance Leasing Framework Agreement

Cost in respect of such financing services of the Company (including relevant rent plus handling fees and excluding other costs may be saved according to favorable terms, such as deductible VAT) shall be not higher than the consolidated

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## LETTER FROM THE BOARD

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### *Historical Amounts, Annual Caps and Basis for the Annual Caps*

*RMB'million*

	Existing annual caps for the years ended/ending 31 December			Proposed Annual Caps for the years ending 31 December		
	2023	2024	2025	2026	2027	2028
	Annual Caps	3,000.0	3,000.0	3,000.0	3,500.00	4,000.00
Historical Amounts	551.9	674.7	1,238.9 <sup>Note 1</sup>	-	-	-

1. *The historical amount is calculated for the nine months ended 30 September 2025.*

The annual caps for the Finance Leasing Framework Agreement (II) comprises of (i) as to the direct leasing transactions, the expected total value of the right-of-use assets for the newly added direct leasing agreements for the year, and (ii) as to sale and leaseback transactions, the total of the expected principal, interest and other fees for the newly added sale and leaseback agreements for the year.

In determining the above proposed annual caps, the Company has considered the following:

- the expected demand for the financial leasing service of the Group in accordance with the Group's current business strategy to undertake 9 to 14 photovoltaic, wind power and other projects per annum over the next three years, with individual contract values ranging from RMB117 million to RMB2,500 million, which are expected to be allocated to Shenzhen Jingneng Leasing for financial leasing arrangements; and
- the capacity of providing financial lease services by Shenzhen Jingneng Leasing.

The proposed annual caps have been increased relative to the existing annual caps, primarily due to the Group's expectation to undertake at least 12 to 18 photovoltaic, wind power and other projects per annum over the next three years, with individual contract values ranging from RMB117 million to RMB2,500 million, of which 9 to 14 projects with contract values ranging from RMB117 million to RMB2,500 million are expected to be allocated to Shenzhen Jingneng Leasing for financial leasing arrangements. Securing the requisite financial leasing for projects of such scale presents significant market challenges. Accordingly, the establishment of annual caps as an additional reserve and alternative option represents a fair, reasonable, and prudent arrangement to ensure capital stability and support the Group's ongoing business operations.

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## LETTER FROM THE BOARD

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### *Reasons for and Benefits of the Transaction*

Shenzhen Jingneng Leasing primarily provides financial leasing services to the public and the members of BEH. Due to business relationship with Shenzhen Jingneng Leasing, it has a thorough understanding of the operations and development needs of the Group. Through entering into the Finance Leasing Framework Agreement (II), the Group can avoid large amount of capital expenditure for the purchase of the large machinery equipment by paying for the cost of equipment by installments. The entering into of the Finance Leasing Framework Agreement (II) and participation in the finance lease business will expand the financing channels and innovate the financing methods of the Company. It also enables the Company to control financing risk and lower the financing cost for the follow-on construction projects of the Company as well as satisfy its demand of funds for project construction in a timely manner.

### *Internal Control Measures*

To safeguard the interests of the Shareholders as whole, including the minority Shareholders, the Company has adopted internal approval and monitoring procedures relating to the transactions under the Finance Leasing Framework Agreement (II), which include the followings:

- the finance management department of the Company is responsible for collecting and monitoring the information under the Finance Leasing Framework Agreement (II). Prior to entering into individual lease contracts under the Finance Leasing Framework Agreement (II), the finance management department will compare the major terms and financing costs associated with such arrangements to, to the extent practicable, at least two similar and comparable transactions entered with or carried out by Independent Third Parties in the corresponding period of reference. Officers handling the relevant matters shall seek approval from the head of the finance management department and the chief financial officer of the Company, which is subject to the preliminary and final review by them based on the relevant rules and regulations;
- the securities & capital operation department of the Company and other relevant operation departments of the Company are jointly responsible for conducting reviews on compliance with relevant laws, regulations, the Group's internal policies and the Listing Rules in respect of both continuing connected transactions and connected transactions. They are also jointly responsible for evaluating the transaction terms under each underlying agreement of the Finance Leasing Framework Agreement (II), in particular, the fairness and reasonableness of the pricing terms under each agreement, before each separate agreement under the Finance Leasing Framework Agreement (II) is entered into;

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## LETTER FROM THE BOARD

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- the independent non-executive Directors have also reviewed and will continue to review the transaction amounts under the Finance Leasing Framework Agreement (II) on a monthly basis to ensure the proposed annual caps will not be exceeded;
- the finance management department of the Company will monitor the financial lease transactions under the Finance Leasing Framework Agreement (II) on a monthly basis. Meanwhile, the business planning department of the Company will be in close contact with the Group's business teams responsible for financial lease so that the business planning department will be able to reasonably anticipate expected transaction amount in advance; and
- the independent non-executive Directors will conduct annual review of the transactions under the Finance Leasing Framework Agreement (II) (including the rates and fees charged in respect of the transactions) and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the agreement, on normal commercial terms and in accordance with the pricing policy. Auditors of the Company will report on the continuing connected transaction and provide a letter to the Board.

As the Group has adopted a set of effective internal control measures to supervise the continuing connected transactions of the Group, the Directors consider that the procedures in place will ensure such transactions be conducted on normal commercial terms and not prejudicial to the interests of the Company and its non-controlling Shareholders.

### *Implications under the Listing Rules*

As Shenzhen Jingneng Leasing is a connected subsidiary of the Company pursuant to Rule 14A.16(1) of the Listing Rules, the transactions contemplated under the Finance Leasing Framework Agreement (II) constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio for the transactions contemplated under the Finance Leasing Framework Agreement (II) is more than 25% but less than 100%, such transactions constitute (i) continuing connected transactions of the Company which are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, (ii) major transactions of the Company which are subject to the reporting, announcement and the shareholders' approval requirements under Chapter 14 of the Listing Rules.

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## LETTER FROM THE BOARD

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### *View of the Independent Financial Adviser on the Term of the Finance Leasing Framework Agreement (II)*

Since the duration of certain individual agreements under the Finance Leasing Framework Agreement (II) may be longer than three years, pursuant to Rule 14A.52 of the Listing Rules, the Company must appoint an independent financial adviser to explain why the individual agreements require a longer period and to confirm that it is normal business practice for agreements of this type to be of such duration. For this purpose, the Company has engaged Maxa Capital as the Independent Financial Adviser. Maxa Capital, after considering that (i) Shenzhen Jingneng Leasing and Beijing Jingneng Leasing entered into certain finance lease agreements with members of BEH and Independent Third Parties with duration exceed three years; (ii) their observation on companies listed on the Hong Kong Stock Exchange entered into finance lease agreements with duration longer than three years; (iii) the underlying assets of the individual agreements are expected to have useful lives longer than three years; and (iv) the Company's treatment of individual agreements under Finance Leasing Framework Agreement (II) are in compliance with the Listing Rules, is of the view that the duration of the individual agreements under the Finance Leasing Framework Agreement (II), which are expected to be longer than three years, is required and it is normal business practice for agreements of this type to be of such duration.

### *Financial Impact on the Company*

The Company expects that the transactions under the Finance Leasing Framework Agreement (II) would not cause material impact on the profit, assets and liabilities of the Group.

#### (V) Financial Assistance Framework Agreement

##### *Description of the Transaction*

Reference is made to the announcement of the Company dated 8 November 2022 and the circular of the Company dated 12 December 2022 in relation to, among others, the financial assistance framework agreement entered into between Shenzhen Jingneng Leasing and the Company. As the financial assistance framework agreement will expire on 31 December 2025, the Company entered into the Financial Assistance Framework Agreement with BEH on 12 November 2025, with a term of three years commencing from 1 January 2026 and ending on 31 December 2028, pursuant to which the Group agreed to provide loan services and guarantee services to the connected subsidiaries of the Company partially owned by BEH (including but not limited to Shenzhen Jingneng Leasing).

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## LETTER FROM THE BOARD

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### *Pricing Policy*

Pursuant to the Financial Assistance Framework Agreement, the Group agrees to provide loan services and guarantee services to the connected subsidiaries of the Company partially owned by BEH according to the principal terms as below.

(i) *Loan Services*

The Group will provide loan services to the connected subsidiaries of the Company partially owned by BEH. The interest rate for loans to be granted to the connected subsidiaries of the Company partially owned by BEH by the Group will be agreed between BEH and the Group by reference to the applicable LPR, provided that such interest rates shall not be lower than the prevailing cost of financing of the fund by the Company for such loans or the market deposit interest rate (whichever is higher).

(ii) *Guarantee Services*

The Group will provide the connected subsidiaries of the Company partially owned by BEH with a corporate guarantee for loans from a bank in accordance with the terms of the guarantee agreement entered into with the relevant bank, covering liabilities including but not limited to the principal, related accrued interest, compensation and other expenses. The guarantee provided by the Group to the connected subsidiaries of the Company partially owned by BEH shall be made on normal commercial terms and BEH will not be charged for any fees for the guarantee.

### *Historical Amounts, Annual Caps and Basis of Annual Caps*

RMB'million

	Existing annual caps for the years ended/ending 31 December			Proposed Annual Caps for the years ending 31 December		
	2023	2024	2025	2026	2027	2028
Annual Caps	4,000.0	6,000.0	7,500.0	5,000.0	8,000.0	11,000.0
Historical Amounts	500.0	nil	350.0 <sup>Note 1</sup>	-	-	-

1. The historical amount is calculated for the nine months ended 30 September 2025.

In determining the above proposed annual caps, the Company has considered the following:

- (i) the historical amounts of loans and guarantees provided by the Group to Shenzhen Jingneng Leasing; and

- (ii) the expected demand for flexible capital investment and management by the connected subsidiaries of the Company partially owned by BEH (including but not limited to Shenzhen Jingneng Leasing) in accordance with its current business.

According to management of the Company, taking into account the Group's asset base, reputation, and listed status, the Company's provision of a guarantee to Shenzhen Jingneng Leasing would result in a lower cost of debt financing for Shenzhen Jingneng Leasing compared to the scenario without a guarantee. On a consolidated basis, the Group would also benefit by facilitating access to debt financing through the Company's guarantee, as opposed to Shenzhen Jingneng Leasing securing financing independently. The low utilisation of the annual caps does not indicate an absence of business demand; rather, it reflects that prevailing market interest rates and financing terms offered by independent third parties have generally been more favorable than those available from the Group. It is projected that the Group will undertake at least 12 to 18 photovoltaic, wind power and other projects per annum over the next three years, with individual contract values ranging from RMB117 million to RMB2,500 million, of which 9 to 14 projects with contract values ranging from RMB117 million to RMB2,500 million are expected to be allocated to Shenzhen Jingneng Leasing for financial leasing arrangements. Securing the necessary funding for investments of this scale presents considerable challenges. Therefore, the establishment of annual caps as an additional reserve and financing alternative is considered a prudent and reasonable measure to guarantee capital stability and sustain the Group's operations.

#### *Reasons for and Benefits of the Transaction*

The main reasons for and benefits of the transactions under the Financial Assistance Framework Agreement are as follows: (i) the loan interest charged by the Company is determined by reference to the applicable LPR, provided that such interest rates shall not be lower than the prevailing cost of financing of the fund by the Company for such loans or the market deposit interest rate (whichever is higher). The Company expects to benefit from the gains generated from the loan services; (ii) the provision of loan and/or guarantee services is to be provided by the Company on normal commercial terms and as the Company has better knowledge of the operation of the connected subsidiaries of the Company partially owned by BEH (including but not limited to Shenzhen Jingneng Leasing) than commercial banks, under the same conditions, it is quicker and more convenient to get those services from the Company, and thus would save financial costs, thereby increasing the profitability of the Group and benefitting its Shareholders, including the minority Shareholders; and (iii) the financial assistance provided by the Company to e-238.4(capsrto)dgepi

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## LETTER FROM THE BOARD

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### *Internal Control Measures*

To safeguard the interests of the Shareholders as whole, including the minority Shareholders, the Company has adopted internal approval and monitoring procedures in relation to the continuing connected transactions under the Financial Assistance Framework Agreement, which include the followings:

- the Company has formulated certain internal rules and policies related to management and control of operational risks and credit risks in accordance with relevant PRC laws and regulations on financial assistance, with a relatively sound internal control system already in place;
- the securities & capital operation department of the Company and other relevant operation departments of the Company are jointly responsible for evaluating the transaction terms under each underlying agreement of the Financial Assistance Framework Agreement, in particular, the fairness and reasonableness of the pricing terms under each agreement, before each separate agreement under the Financial Assistance Framework Agreement is entered into;
- the finance management department of the Company will monitor the financial assistance transactions under the Financial Assistance Framework Agreement on a monthly basis;
- independent non-executive Directors will review the transaction amounts under the Financial Assistance Framework Agreement on a monthly basis to ensure the proposed annual caps will not be exceeded; and
- independent non-executive Directors will conduct annual review of the transactions under the Financial Assistance Framework Agreement (including the rates and fees charged in respect of the transactions) and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the Financial Assistance Framework Agreement and the Group's pricing policy measures. Auditors of the Company will report on the continuing connected transaction and provide a letter to the Board.

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## LETTER FROM THE BOARD

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As the Group has adopted a set of effective internal control measures to supervise the continuing connected transactions of the Group, the Directors consider that the procedures in place will ensure such transactions be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

### *Implications under the Listing Rules*

As BEH directly and indirectly holds approximately 68.68% of the issued share capital of the Company as at the Latest Practicable Date, it is a controlling shareholder of the Company and thus a connected person of the Company.

As the highest applicable percentage ratio for the transactions contemplated under the Financial Assistance Framework Agreement is more than 25% but is less than 100%, such transactions constitute (i) continuing connected transactions of the Company which are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, and (ii) major transactions of the Company which are subject the reporting, announcement and the shareholders' approval requirements under Chapter 14 of the Listing Rules.

### (VI) Proposed Deposit Service under the Financial Services Framework Agreement

#### *Description of the Transaction*

References are made to the announcement of the Company dated 8 November 2022 and the circular of the Company dated 12 December 2022 in relation to, among others, the financial services framework agreement entered into between the Company and BEH Finance. As the financial services framework agreement will expire on 31 December 2025, BEH Finance and the Company entered into the Financial Services Framework Agreement on 12 November 2025, with a term of three years commencing from 1 January 2026 and ending on 31 December 2028, pursuant to which, BEH Finance has agreed to provide the Group with deposit services, loan services and other financial services, subject to the terms and conditions provided therein.

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## LETTER FROM THE BOARD

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### *Principal Terms and Pricing Policy*

Pursuant to the Financial Services Framework Agreement, BEH Finance shall provide the following financial services to the Group on normal commercial terms no less favorable than those available to the Group from Independent Third Parties:

(i) *Deposit Services*

The Group may from time to time deposit cash with BEH Finance. The terms (including the interest rates and commission charged) offered by BEH Finance in respect of the transactions under the Financial Services Framework Agreement shall be no less favorable than those offered by independent domestic commercial banks, including China Construction Bank and Industrial and Commercial Bank of China, for provision of similar services to the Group and the interest to be paid by BEH Finance for the Group's deposits with BEH Finance shall not be lower than the deposit interest rate in the market.

(ii) *Loan Services*

The Group may from time to time request BEH Finance to provide loan services to it. The interest rate for loans granted to the Group by BEH Finance shall refer to the applicable LPR and should not be higher than the interest rates granted by independent commercial banks including China Construction Bank and Industrial and Commercial Bank of China which provide similar service on the same conditions.

(iii) *Other Financial Services*

The other financial services which may be provided by BEH Finance to the Group include but not limited to, accounting and financing consulting service, credits and related consulting and agency, acceptance and discount of bills, entrusted loans and underwriting of corporate bonds.

BEH Finance charges commission for the other financial services provided to the Group. The other financial services to be provided by BEH Finance to the Group shall be made on normal commercial terms and on terms similar to or no less favorable than those offered by Independent Third Parties for same services in the PRC.

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LETTER FROM THE BOARD

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*Historical Amounts, Annual Caps and Basis of Annual Caps*

(i) *Deposit Services*

*RMB'million*

	Existing annual caps for the years ended/ending 31 December			Proposed Annual Caps for the years ending 31 December		
	2023	2024	2025	2026	2027	2028
	Annual Caps	8,000.0	9,500.0	11,000.0	12,000.0	13,500.0
Historical Amounts	6,433.2	8,547.4	9,202.8 <sup>Note 1</sup>	-	-	-

1. *The historical amount is calculated for the nine months ended 30 September 2025.*

The proposed annual caps of the deposit services under the Financial Services Framework Agreement for the three years ending 31 December 2028 are determined after taking into account: (i) the maximum daily deposit balance (including interest accrued thereon) for the two years ended 31 December 2024 and the nine months ended 30 September 2025; (ii) the anticipated increase in the Group's daily aggregated outstanding deposit balances, resulting from the aggregation of individual deposit amounts and attributable to the expected increase in revenue, which is in line with the increase in revenue in recent years and the expected increase of the Group's business operation; (iii) the sudden increase in the fund balance raised from the Company's issuance of corporate bonds, medium-term notes, short-term financing bonds and ultra-short-term financing bonds from time to time; and (iv) the cash and equivalents and trade and bills receivable (which will convert into cash if such trade receivables are settled) of the Group due to the nature of business, the concentrated settlement arrangements and internal funds allocation requirements of the Group. Given that BEH Finance has a more thorough understanding of the business operation and development of the Group and can provide the financial services in a more timely manner and at comparable or better terms to the Group, the Company intends to place more deposit with BEH Finance to further strengthen its capital management.

(ii) *Loan Services*

As the loan services provided by BEH Finance to the Group are on normal commercial terms which are similar to or no less favorable than those offered by Independent Third Parties for comparable services in the PRC, and no security over the assets of the Group will be granted in respect of such loan services, the loan services are exempted from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As such, no cap has been set for such services.

(iii) *Other Financial Services*

<i>RMB' million</i>	Existing annual caps for the years ended/ending 31 December			Proposed Annual Caps for the years ending 31 December		
	2023	2024	2025	2026	2027	2028
Annual Caps	15.0	15.0	15.0	5.0	5.0	5.0
Historical Amounts	0.4	0.3	nil <sup>Note 1</sup>	-	-	-

1. The historical amount is calculated for the nine months ended 30 September 2025.

The proposed annual cap for the other financial services under the Financial Services Framework Agreement for each of the three years ending 31 December 2028 is RMB5.0 million, which are determined after taking into account: (i) the historical transaction amount of such services for the two years ended 31 December 2024 and the nine months ended 30 September 2025; and (ii) the need for larger and more flexible capital investment and management of the Group in line with the developments of business operation of the Group.

*Reasons for and Benefits of the Transaction*

BEH Finance is under the supervision of the National Financial Regulatory Administration and its corresponding branch offices and it has been maintaining satisfactory operating results and financial position with good risks control and well-regulated management in the past years.

The Board believes BEH Finance has a more thorough understanding of the business development and capital needs of the subsidiaries of the Company at a lower cost and in a more timely manner. As such, BEH Finance has an advantage in communicating information on capital needs and business development of the Company with its subsidiaries.

The entering into of the Financial Services Framework Agreement will not prevent the Group from using services offered by other independent PRC commercial banks. The Group may still select other major and independent PRC commercial banks to act as its financial services providers as it thinks fit and appropriate for the benefits of the Group.

The transactions under the Financial Services Framework Agreement form part of the daily operations of the Group. In addition, the operation of the Group requires flexible and diversified financial services. The terms (including the interest

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## LETTER FROM THE BOARD

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### *Internal Control Measures*

To safeguard the interests of the Shareholders as whole, including the minority Shareholders, the Company has adopted internal approval and monitoring procedures relating to the transactions under the Financial Services Framework Agreement, which include the followings:

- before entering into any new deposit arrangements with BEH Finance, the Company will negotiate with BEH Finance on an arm's length basis in respect of the deposit interest rate of the deposit services, and ensure that such interest rate shall not be lower than the deposit interest rate in the market and the deposit interest rates offered by other independent commercial banks in the PRC for similar deposit services on normal commercial terms. In this way, the Company will be able to ensure the deposit interest rate of the deposit services will not be less favorable than the market price and that offered by other independent commercial banks in the PRC for similar deposits for a similar term;
- BEH Finance shall provide the Company with a daily report on each business day on the status of the Group's deposits with it to allow it to monitor and ensure that the aggregate daily deposit balance (including interests accrued thereon) would not exceed the caps;
- BEH Finance shall set up and maintain, or procure the setting up and maintaining of, secured and stable on-line systems through which the relevant member of the Group which deposits money with it can view the balance of such deposits at any time on any day;
- the finance management department of the Company has been and will continue to monitor the daily balance of the deposits placed with BEH Finance and report to the management of the Company, giving an update of the deposit arrangements entered into with BEH Finance on a monthly basis;
- the independent non-executive Directors will review the transaction amounts under the Financial Services Framework Agreement on a monthly basis to ensure the proposed annual caps will not be exceeded; and

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## LETTER FROM THE BOARD

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- the independent non-executive Directors will conduct annual review of the transactions under the Financial Services Framework Agreement (including the rates and fees charged in respect of the transactions) and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the agreement, on normal commercial terms and in accordance with the pricing policy. Auditors of the Company will report on the continuing connected transaction and provide a letter to the Board.

As the Group has adopted a set of effective internal control measures to supervise the continuing connected transactions of the Group, the Directors consider that the procedures in place will ensure such transactions be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

### *Implications under the Listing Rules*

As BEH directly and indirectly holds approximately 68.68% of the issued share capital of the Company as at the Latest Practicable Date, it is a controlling shareholder of the Company. BEH Finance is a non wholly-owned subsidiary of BEH and thus a connected person of the Company. Accordingly, the transactions between the Group and BEH Finance constitute continuing connected transactions of the Company under the Listing Rules.

As the highest percentage ratio applicable to the deposit services contemplated under the Financial Services Framework Agreement is more than 25% but less than 100% on an annual basis, such transactions constitute (i) continuing connected transactions of the Company which are subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, and (ii) major transactions of the Company which are subject to the reporting, announcement and the shareholders' approval requirements under Chapter 14 of the Listing Rules.

### *Financial Impact on the Company*

The Company expects increase in earnings due to interest income from the funds deposited to BEH Finance. The transactions under the Financial Services Framework Agreement will not affect the assets or liabilities of the Group.

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## LETTER FROM THE BOARD

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### INDEPENDENT FINANCIAL ADVISER AND INDEPENDENT BOARD COMMITTEE

To comply with the requirements of the Listing Rules, the Independent Board Committee comprising all of the independent non-executive Directors has been formed to advise the Independent Shareholders on the proposed continuing connected transactions contemplated under the Framework Heat Sale and Purchase Agreement, the Financial Assistance Framework Agreement, the Finance Leasing Framework Agreement (I), the Finance Leasing Business Framework Agreement, the Finance Leasing Framework Agreement (II) and the proposed deposit service under the Financial Services Framework Agreement, and the proposed annual caps thereof.

Maxa Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the terms in respect of the proposed continuing connected transactions contemplated under the Framework Heat Sale and Purchase Agreement, the Financial Assistance Framework Agreement, the Finance Leasing Framework Agreement (I), the Finance Leasing Business Framework Agreement, the Finance Leasing Framework Agreement (II) and the proposed deposit service under the Financial Services Framework Agreement, and the proposed annual caps thereof, and whether it is in the interests of the Company and its Shareholders as a whole.

The letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders and the letter from the Independent Board Committee to the Independent Shareholders are included in this circular.

Independent Shareholders are advised to read this circular carefully for details of the continuing connected transactions before making decisions as regards voting.

### SHAREHOLDERS' VOTING ARRANGEMENT

As at the Latest Practicable Date, BEH, BEI (HK), BSCOMC and BDHG directly held 62.76%, 5.72%, 2.72% and 0.19% of the issued share capital of the Company, respectively. As BSCOMC, BEI (HK) and BDHG are associates of BEH as defined under the Listing Rules, BEH, BSCOMC, BEI (HK) and BDHG will abstain from voting at the EGM on the ordinary resolutions approving the proposed continuing connected transactions contemplated under the Framework Heat Sale and Purchase Agreement, the Financial Assistance Framework Agreement, the Finance Leasing Framework Agreement (I), the Finance Leasing Business Framework Agreement, the Finance Leasing Framework Agreement (II) and the proposed deposit service under the Financial Services Framework Agreement, and the proposed annual caps thereof.

Any vote of the Independent Shareholders at the EGM shall be taken by poll for the resolutions proposed at the EGM.

## BOARD CONFIRMATION

The Board (excluding the independent non-executive Directors, whose view will be given in the letter from the Independent Board Committee) is of the view that the terms of the Framework Heat Sale and Purchase Agreement, the Financial Assistance Framework Agreement, the Finance Leasing Framework Agreement (I), the Finance Leasing Business Framework Agreement, the Finance Leasing Framework Agreement (II) and the proposed deposit service under the Financial Services Framework Agreement, and the respective proposed annual caps are (i) on normal commercial terms; (ii) arrived at after arm's length



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## LETTER FROM THE BOARD

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Save as disclosed above, Mr. Guo (i) does not hold any other positions in the Company or its subsidiaries; (ii) does not hold any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the past three years; (iii) does not have any other major appointments and professional qualifications; (iv) does not have any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company; and (v) does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information relating to the proposed appointment of Mr. Guo that shall be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor any matter which needs to be brought to the attention of the Shareholders.

### PROPOSED AMENDMENTS TO RULES OF PROCEDURE FOR GENERAL MEETINGS AND RULES OF PROCEDURE FOR BOARD OF DIRECTORS

References are made to the announcement of the Company dated 19 May 2025, the circular of the Company dated 20 May 2025 and the poll results announcement dated 18 June 2025 in relation to, among other things, the amendments to the Articles of Association. The Company amended the Articles of Association at the annual general meeting of 2024 in order to reflect and comply with the recent changes in the laws and regulations of the PRC including the PRC Company Law, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》), the relevant amendments to the Listing Rules as well as other rule amendments.

In order to comply with the revised Articles of Association and improve the consistency of the corporate governance standard, the Company currently proposes to amend the relevant provisions of Rules of Procedure for General Meetings and Rules of Procedure for Board of Directors. Details are set out in Appendix III to this circular.

### THE EGM

A notice convening the EGM to be held at Meeting Room 802, 8th Floor, No. 6 Xibahe Road, Chaoyang District, Beijing, the PRC on Tuesday, 23 December 2025 at 10:00 a.m. is set out on pages 159 to 161 of this circular. A proxy form for use at the EGM is enclosed with this circular and was also published on the website of the Hong Kong Stock Exchange (<https://www.hkexnews.hk>) and the website of the Company (<https://www.jncec.com>).

In accordance with the Listing Rules, any connected person or Shareholder and its associates with a material interest in the Continuing Connected Transactions must abstain from voting on the resolutions to approve the Continuing Connected Transactions (including the respective proposed annual caps). No Shareholder will be required to abstain from voting in respect of the resolution for the appointment of non-executive Director and the resolution for the proposed amendments to Rules of Procedure for General Meetings and Rules of Procedure for Board of Directors at the EGM.

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## LETTER FROM THE BOARD

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Holders of H Shares whose names appear on the register of members of the Company on the close of business on Tuesday, 23 December 2025 are entitled to attend the EGM and vote at the EGM. The share register for H Shares will be closed from Thursday, 18 December 2025 to Tuesday, 23 December 2025 (both days inclusive), during which period no share transfer of H Shares will be registered.

Whether or not you are able to attend the EGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending the EGM and voting in person if you so wish.

### RECOMMENDATIONS

The Directors (excluding the Directors who are required to abstain, but including the independent non-executive Directors) consider that the ordinary resolutions in relation to the Framework Heat Sale and Purchase Agreement, the Financial Assistance Framework Agreement, the Finance Leasing Framework Agreement (I), the Finance Leasing Business Framework Agreement, the Finance Leasing Framework Agreement (II) and the proposed deposit service under the Financial Services Framework Agreement, and the proposed annual caps thereof are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that the Independent Shareholders vote in favour of the relevant resolutions to be proposed at the EGM.

The Directors (including the independent non-executive Directors) believe that the proposed resolutions in relation to the proposed appointment of Mr. Guo as a non-executive Director and the proposed amendments to Rules of Procedure for General Meetings and Rules of Procedure for Board of Directors are in the interests of the Company and the Shareholders as a whole. Therefore, the Directors recommend that all Shareholders vote in favour of the relevant resolutions to be proposed at the EGM.

By Order of the Board  
Beijing Jingneng Clean Energy Co., Limited  
CHEN Dayu  
*Chairman*

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LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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**北京京能清洁能源电力股份有限公司**

Beijing Jingneng Clean Energy Co., Ltd.

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 00579)**

5 December 2025

*To the Independent Shareholders*

Dear Sir or Madam,

(I) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO  
FRAMEWORK HEAT SALE AND PURCHASE AGREEMENT;  
(II) DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO FINANCE LEASING FRAMEWORK AGREEMENT (I)  
AND FINANCE LEASING BUSINESS FRAMEWORK AGREEMENT; AND  
(III) MAJOR AND CONTINUING CONNECTED TRANSACTIONS IN  
RELATION TO FINANCE LEASING FRAMEWORK AGREEMENT (II),  
FINANCIAL ASSISTANCE FRAMEWORK AGREEMENT AND  
PROPOSED DEPOSIT SERVICE UNDER FINANCIAL  
SERVICES FRAMEWORK AGREEMENT

We refer to the circular issued by the Company to the Shareholders dated 5 December 2025 (the "Circular") of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as the members of the Independent Board Committee to consider the fairness and reasonableness of the proposed continuing connected transactions contemplated under the Framework Heat Sale and Purchase Agreement, the Financial Assistance Framework Agreement, the Finance Leasing Framework Agreement (I), the Finance Leasing Business Framework Agreement, the Finance Leasing Framework Agreement (II) and the proposed deposit service under the Financial Services Framework Agreement, the transactions contemplated thereunder and the proposed annual caps thereof and whether it is in the interests of the Company and its Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Maxa Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the proposed continuing connected transactions contemplated under the Framework Heat Sale and Purchase Agreement, the Financial Assistance Framework Agreement, the Finance Leasing Framework Agreement (I), the Finance Leasing Business Framework Agreement, the Finance Leasing Framework Agreement (II) and the proposed deposit service under the Financial Services Framework Agreement and the proposed annual caps thereof.

Details of the relevant advice and recommendation of Independent Financial Adviser, together with the principal factors and reasons taken into account by it in arriving at its advice and recommendation, are set out on pages 46 to 102 of the Circular.

Having taken into account the advice and recommendation of the Independent Financial Adviser, we consider that the entering into of the Framework Heat Sale and Purchase Agreement, the Financial Assistance Framework Agreement, the Finance Leasing Framework Agreement (I), the Finance Leasing Business Framework Agreement, the Finance Leasing Framework Agreement (II) and the Financial Services Framework Agreement are conducted in the ordinary and usual course of business on normal commercial terms, and in the interests of the Company and the Shareholders as a whole and the terms are fair and reasonable. We therefore recommend the Independent Shareholders to vote in favor of the resolutions proposed at the EGM.

Yours faithfully,

For and on behalf of Independent Board Committee of  
Beijing Jingneng Clean Energy Co., Limited

Ms. ZHAO Jie	Mr. WANG Hongxin	Mr. QIN Haiyan	Ms. HU Zhiying
<i>Independent</i>	<i>Independent</i>	<i>Independent</i>	<i>Independent</i>
<i>non-executive Director</i>	<i>non-executive Director</i>	<i>non-executive Director</i>	<i>non-executive Director</i>

*The following is the full text of the letter from Maxa Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, setting out its advice in respect of the terms of the CCT Approval Agreements and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### LISTING RULES IMPLICATION

As at the Latest Practicable Date, BEH directly and indirectly holds approximately 68.68% of the issued share capital of the Company, it is a controlling shareholder of the Company and thus a connected person of the Company. Accordingly, the Continuing Connected Transactions Framework Agreements between the Group and BEH and/or its associates constitute continuing connected transactions of the Company under the Listing Rules. As the highest percentage ratio applicable to the transactions contemplated under the Framework Heat Sale and Purchase Agreement is more than 5% on an annual basis, such transactions are subject to the reporting, annual review, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the respective highest percentage ratios applicable to the transactions contemplated under the Finance Leasing Framework Agreement (I) and the Finance Leasing Business Framework Agreement exceed 5% but is less than 25% on an annual basis, such transactions constitute (i) continuing connected transactions of the Company which are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) discloseable transactions of the Company which are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio for the transactions contemplated under the Financial Assistance Framework Agreement is more than 25% but less than 100% on an annual basis, such transactions constitute (i) continuing connected transactions of the Company which are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) major transactions of the Company which are subject to the reporting, announcement and the shareholders' approval requirements under Chapter 14 of the Listing Rules.

As BEH Finance is a subsidiary of BEH, a controlling shareholder of the Company, BEH Finance is a connected person of the Company according to Chapter 14A of the Listing Rules. Therefore, the transactions contemplated under the Financial Services Framework Agreement constitute continuing connected transactions of the Company. As the highest percentage ratio applicable to the deposit services contemplated under the Financial Services Framework Agreement is more than 25% but less than 100% on an annual basis, such transactions constitute (i) continuing connected transactions of the Company which are subject to the reporting, annual review, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) major transactions of the Company which are subject to the reporting, announcement and the shareholders' approval requirements under Chapter 14 of the Listing Rules.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As Shenzhen Jingneng Leasing is a connected subsidiary of the Company pursuant to Rule 14A.16(1) of the Listing Rules, the respective transactions contemplated under the Finance Leasing Framework Agreement (II) constitute continuing connected transactions of the Company under the Listing Rules. As the highest applicable percentage ratio for the transactions contemplated under the Finance Leasing Framework Agreement (II) is more than 25% but less than 100% on an annual basis, such transactions constitute (i) continuing connected transactions of the Company which are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) major transactions of the Company which are subject to the reporting, announcement and the shareholders' approval requirements under Chapter 14 of the Listing Rules.

### INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Ms. ZHAO Jie, Mr. WANG Hongxin, Mr. QIN Haiyan, and Ms. HU Zhiying has been established to advise the Independent Shareholders as to whether (i) the terms of the CCT Approval Agreements, (ii) the transactions contemplated under those framework agreements (the "Transactions") and (iii) the respective annual caps for the three years ending 31 December 2028 (the "Annual Caps") are on normal commercial terms, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote in respect of the relevant resolution(s) to be proposed at the EGM to approve the entering into of the CCT Approval Agreements and the transactions contemplated thereunder, including the proposed Annual Caps. We, Maxa Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. In addition, since the duration of certain specific agreements under the Finance Leasing Framework Agreement (I), Finance Leasing Business Framework Agreement, and Finance Leasing Framework Agreement (II) may be longer than three years, pursuant to Rule 14A.52 of the Listing Rules, the Company has appointed us to explain why the specific agreements require a longer period and to confirm whether it is a normal business practice for agreements of this type to be of such duration.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company, its subsidiaries and any other parties that could reasonably be regarded as relevant to our independence in accordance with Rule 13.84 of the Listing Rules and accordingly, were qualified to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the CCT Approval Agreements and the transactions contemplated thereunder. Save for this appointment as the Independent Financial Adviser in respect of the Transactions, there was no other engagement between the Company and us in the past two years. Apart from normal advisory fee payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, BEH or their respective substantial shareholders or associates.

### BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have reviewed, among others, (i) the CCT Approval Agreements; (ii) the annual reports of the Company for the years ended 31 December 2023 (the “2023 AR”) and 31 December 2024 (the “2024 AR”) and the interim report of the Company for the six months ended 30 June 2025 (the “2025 IR”); (iii) the sample documents of the Transactions; (iv) the basis of calculation of the proposed Annual Caps and the underlying assumptions; and (v) the Company’s internal control procedures in relation to the Transactions, including the respective proposed Annual Caps.

We consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80 of the Listing Rules to reach an informed view and to provide a reasonable basis for our recommendation. We have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the management of the Group (the “Management”). We have assumed that (i) all statements, information and representations provided by the Directors and the Management; and (ii) the information referred to in the Circular, for which they are solely responsible, were true and accurate at the time when they were provided and continued to be so as at the Latest Practicable Date and the Shareholders will be notified of any material changes to such information and representations before the EGM. We have also assumed that all statements of belief, opinion, intention and expectation made by the Directors in the Circular were reasonably made after due enquiry and careful consideration.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the representations and opinions expressed by the Company, its advisers and/or the Directors. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the Management nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Company, BEH and each of their respective subsidiaries or associates.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. Where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of us is to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant stated sources and not be used out of context.

## PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the CCT Approval Agreements and the Transactions (including the proposed Annual Caps), we have taken into consideration the following principal factors and reasons:

### 1. Background of the Group and the counterparties to the CCT Approval Agreements

#### 1.1 Information on the Group

The Company is a leading wind power and photovoltaic power operator in China and the largest gas-fired heat and power supplier in Beijing as well as an industry-leading clean energy service provider, and involves in wind power, photovoltaic power, gas-fired power and heat energy generation, small-to-medium-sized hydropower, energy storage and other clean energy generation businesses. The Company is directly and indirectly held as to approximately 68.68% by BEH. As of 31 December 2024, the total consolidated installed capacity of the Company reached 17,437 megawatt (“MW”), of which the installed capacity of non-fossil energy was 12,662 MW.

Set out below is a summary of the consolidated financial information of the Group for the three years ended 31 December 2022 (“FY2022”), 31 December 2023 (“FY2023”) and 31 December 2024 (“FY2024”), and for the six months ended 30 June 2024 (“1H2024”) and 30 June 2025 (“1H2025”) as extracted from the 2023 AR, 2024 AR and 2025 IR.

	For the year ended 31 December			For the six months	
	2022	2023	2024	2024	2025
	<i>RMB'000</i> <i>(audited)</i>	<i>RMB'000</i> <i>(audited)</i>	<i>RMB'000</i> <i>(audited)</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Revenue	20,030,281	20,446,028	20,561,740	10,591,388	10,899,657
Contracts with customers	19,897,598	20,364,969	20,512,847	10,563,318	10,874,248
– Gas-fired power and heat energy generation	12,465,830	12,568,221	12,410,304	6,449,227	6,581,141
– Wind power	4,317,645	4,511,859	4,709,301	2,457,115	2,683,464
– Photovoltaic power	2,720,029	2,957,812	3,086,397	1,513,994	1,535,364
– Hydropower	368,360	322,670	294,139	141,213	70,922
– Others	25,734	4,407	12,706	1,769	3,357
<i>Leases</i>	132,683	81,059	48,893	28,070	25,409
Other income	1,055,415	1,126,679	509,039	222,153	149,231
Profit from operations	5,170,923	5,187,881	5,261,108	3,122,642	3,047,642
Profit for the year/period	3,023,414	3,235,203	3,420,895	2,187,033	2,070,587

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *FY2022 vs FY2023*

The total revenue of the Group was approximately RMB20,446.0 million for FY2023, representing an increase of approximately RMB415.7 million or 2.1% as compared to approximately RMB20,030.3 million for FY2022. The increase in the Group's total revenue for FY2023 was mainly due to (i) increase in revenue from the photovoltaic power segment by approximately RMB237.8 million or 8.7%, from approximately RMB2,720.0 million for FY2022, to approximately RMB2,957.8 million for FY2023, which was mainly attributable to increase in sales volume of electricity as a result of the increased on-grid installed capacity of 286,000 kilowatt ("kW") during FY2023, representing a year-on-year (yoy) increase of approximately 8.1%; and (ii) increase in revenue from the wind power segment by approximately RMB194.2 million or 4.5%, from approximately RMB4,317.6 million for FY2022, to approximately RMB4,511.9 million for FY2023, which was mainly attributable to the increase in sales volume of electricity as a result of newly-added on-grid installed capacity of 500,000 kW, representing a yoy increase of approximately 9.9%.

The Group recorded profit from operations of approximately RMB5,187.9 million for FY2023, representing an increase of approximately RMB17.0 million or 0.3% as compared to approximately RMB5,170.9 million for FY2022. Such increase was mainly due to the combined effects of (i) the aforementioned increase in the Group's total revenue; (ii) increase in the other income by approximately RMB71.3 million or 6.8% from approximately RMB1,055.4 million for FY2022 to approximately RMB1,126.7 million for FY2023 due to the increase in 50% refund of value-added tax for the increase in revenue from sales of electricity in wind power segment and the increase in income from carbon credits; and (iii) increase in operating expenses by approximately RMB470.0 million or 3.0% from approximately RMB15,914.8 million for FY2022 to approximately RMB16,384.8 million for FY2023 due to additional costs incurred following the increase in the installed capacity which has been put into production in the wind power segment and the photovoltaic power segment. The Group's profit for the year increased from approximately RMB3,023.4 million for FY2022 to approximately RMB3,235.2 million for FY2023 primarily due to (i) increase in the Group's profit from operations as discussed above; and (ii) decrease in finance costs by approximately RMB257.6 million or 17.2% from approximately RMB1,501.0 million for FY2022 to approximately RMB1,243.4 million for FY2023 due to the decrease in financing costs of the Company, with the average interest rate decreasing by 0.58 percentage points from approximately 3.43% for FY2022 to 2.85% for FY2023.

*FY2023 vs FY2024*

The total revenue of the Group was approximately RMB20,561.7 million for FY2024, representing an increase of approximately RMB115.7 million or

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *1H2024 vs 1H2025*

The total revenue of the Group was approximately RMB10,899.7 million for 1H2025, representing an increase of approximately RMB308.3 million, or approximately 2.9%, as compared to approximately RMB10,591.4 million for 1H2024. The increase was primarily attributable to (i) increase in revenue from the wind power segment of approximately RMB226.3 million or 9.2%, from approximately RMB2,457.1 million for 1H2024 to approximately RMB2,683.5 million for 1H2025, which was mainly attributable to the increase in average wind speed period-on-period, resulting in the increase of electricity sales volume; and (ii) increase in revenue from the gas-fired power and heat energy generation segment of approximately RMB131.9 million or 2.0%, from approximately RMB6,449.2 million for 1H2024 to approximately RMB6,581.1 million for 1H2025, which was mainly attributable to the increase in sales volume of electricity.

The Group recorded profit from operations of approximately RMB3,047.6 million for 1H2025, representing a decrease of approximately RMB75.0 million or 2.4% as compared to approximately RMB3,122.6 million for 1H2024. Such decrease was mainly due to the combined effects of (i) the aforementioned increase in the Group's total revenue; (ii) decrease in the other income by approximately RMB72.9 million or 32.8% from approximately RMB222.2 million for 1H2024 to approximately RMB149.2 million for 1H2025 due to the decrease in income derives from sales of carbon credits; and (iii) other losses of approximately RMB11.0 million recorded by the Group for 1H2025 as compared to other gains of approximately RMB340.6 million recorded for 1H2024 due to change in fair value of the financial assets at fair value through profit or loss held by the Group. The Group recorded profit for the period of approximately RMB2,070.6 million for 1H2025, representing a decrease of approximately RMB116.4 million or 5.3%, as compared to approximately RMB2,187.0 million for 1H2024. Such decrease was mainly attributable (i) decrease in the Group's profit from operations as discussed above; and (ii) increase in finance costs by approximately RMB12.7 million or 2.1% from approximately RMB599.3 million for 1H2024 to approximately RMB612.0 million for 1H2025 due to the increase in the interest expenses resulting from the increase in installed capacity at project companies.

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LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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	As at 31 December		As at 30 June	
	2022	2023	2024	2025
	<i>RMB'000</i> <i>(audited)</i>	<i>RMB'000</i> <i>(audited)</i>	<i>RMB'000</i> <i>(audited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Non-current assets	69,424,367	73,782,632	76,988,205	77,538,221
– Property, plant and equipment	55,938,722	60,399,920	63,752,419	64,528,382
– Right-of-use assets	1,455,903	2,010,652	2,121,278	2,079,378
– Intangible assets	4,657,861	4,581,135	3,927,116	3,829,025
Current assets	18,575,870	19,811,809	24,065,236	26,410,007
– Trade and bills receivables	11,027,087	10,921,894	14,016,906	15,971,790
– Cash and cash equivalents	5,466,388	6,605,086	7,401,623	7,975,648
Total assets	88,000,237	93,594,441	101,053,441	103,948,228
Non-current liabilities	28,216,287	36,862,552	35,455,895	35,672,256
– Bank and other borrowings	21,653,219	28,148,846	26,808,495	26,937,614
– Medium-term notes	4,494,291	6,492,406	6,993,538	6,993,538
Current liabilities	27,361,729	22,211,211	28,114,771	29,929,891
– Trade and other payables	6,974,153	6,691,856	6,784,117	6,528,166
– Bank and other borrowings	12,074,562	9,743,969	13,154,078	14,729,277
– Short-term debentures	5,538,424	4,828,929	5,532,001	7,040,108
Total liabilities	55,578,016	59,073,763	63,570,666	65,602,147
Net assets	32,422,221	34,520,678	37,482,775	38,346,081

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*31 December 2022 vs 31 December 2023*

The Group had total assets of approximately RMB93,594.4 million as at 31 December 2023, which mainly comprised of (i) property, plant and equipment of approximately RMB60,399.9 million; (ii) trade and bills receivables of approximately RMB10,921.9 million; and (iii) cash and cash equivalents of approximately RMB6,605.1 million. The increase in the total assets by approximately RMB5,594.2 million or 6.4% as compared to 31 December 2022 was mainly attributable to (i) increase in property, plant and equipment by approximately RMB4,461.2 million; and (ii) increase in cash and cash equivalents by approximately RMB1,138.7 million.

The Group had total liabilities of approximately RMB59,073.8 million as at 31 December 2023, which mainly comprised of (i) bank and other borrowings of approximately RMB37,892.8 million; (ii) trade and other payables of approximately RMB6,691.9 million; and (iii) medium-term notes of approximately RMB6,585.6 million. The increase in the total liabilities by approximately RMB3,495.7 million or 6.3% as compared to 31 December 2022 was mainly due to (i) the increase in the bank and other borrowings of approximately RMB4,165.0 million; and (ii) the increase in medium-term notes of approximately RMB486.1 million.

*31 December 2023 vs 31 December 2024*

The Group had total assets of approximately RMB101,053.4 million as at 31 December 2024, which mainly comprised of (i) property, plant and equipment of approximately RMB63,752.4 million; (ii) trade and bills receivables of approximately RMB14,016.9 million; and (iii) cash and cash equivalents of approximately RMB7,401.6 million. The increase in the total assets by approximately RMB7,459.0 million or 8.0% as compared to 31 December 2023 was mainly attributable to (i) increase in property, plant and equipment by approximately RMB3,352.5 million; and (ii) increase in trade and bills receivables by approximately RMB3,095.0 million.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Group had total liabilities of approximately RMB63,570.7 million as at 31 December 2024, which mainly comprised of (i) bank and other borrowings of approximately RMB39,962.6 million; (ii) medium-term notes of approximately RMB8,018.0 million; and (iii) trade and other payables of approximately RMB6,784.1 million. The increase in the total liabilities by approximately RMB4,496.9 million or 7.6% as compared to 31 December 2023 was mainly due to (i) increase in the bank and other borrowings of approximately RMB2,069.8 million; and (ii) increase in medium-term notes of approximately RMB 1,522.5 million.

*31 December 2024 vs 30 June 2025*

The Group had total assets of approximately of RMB103,948.2 million as at 30 June 2025, which mainly comprised of (i) property, plant and equipment of approximately RMB64,528.4 million; (ii) trade and bills receivables of approximately RMB15,971.8 million; and (iii) cash and cash equivalents of approximately RMB7,975.6 million. The increase in total assets by approximately RMB2,894.8 million or 2.9% as compared to that as at 31 December 2024 was mainly attributable to (i) increase in trade and bills receivables by approximately RMB1,954.9 million; and (ii) increase in property, plant and equipment by approximately RMB776.0 million.

The Group had total liabilities of approximately RMB65,602.1 million as at 30 June 2025, which mainly comprised of (i) bank and other borrowings of approximately RMB41,666.9 million; (ii) medium-term notes of approximately RMB7,117.5 million; and (iii) short-term debentures of approximately RMB7,040.1 million. The increase in the total liabilities by approximately RMB2,031.5 million or 3.2% as compared to 31 December 2024 was mainly due to (i) increase in the bank and other borrowings of approximately RMB1,704.3 million; (ii) increase in short-term debentures of approximately RMB1,508.1 million; and partially offset by (iii) decrease in medium-term notes by approximately RMB990.5 million.

### *1.2 Information on BEH*

BEH is a limited liability company incorporated in the PRC and wholly-owned by BSCOMC, which was established and wholly-owned by State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality (北京市人民政府國有資產監督管理委員會). BEH is principally engaged in the businesses of heat, electricity, coal, health, culture and tourism. As at the Latest Practicable Date, BEH is the controlling shareholder of the Company, directly and indirectly holds approximately 68.68% of the issued share capital of the Company, and therefore is a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules.

### *1.3 Information on BEH Finance*

BEH Finance is a limited liability company incorporated in the PRC, and principally engages in providing financial services, such as financial consulting, payment, bill acceptance and discounting, entrusted loans to its member units. As of the Latest Practicable Date, BEH Finance is held as to 60% by BEH, 20% by the Company and 20% by Beijing Jingneng Electric Co., Ltd. (a company held by BEH directly and indirectly as to approximately 66.73%). BEH Finance is a subsidiary of BEH and therefore is a connected person of the Company according to Rule 14A.07(4) of the Listing Rules.

### *1.4 Information on Beijing Jingneng Leasing*

Beijing Jingneng Leasing is a limited liability company incorporated in the PRC and primarily provides financial leasing services to the public and members of BEH. As at the Latest Practicable Date, Beijing Jingneng Leasing is wholly owned by BEH and therefore is a connected person of the Company according to Rule 14A.07(4) of the Listing Rules.

### *1.5 Information on the Shenzhen Jingneng Leasing*

Shenzhen Jingneng Leasing was incorporated in the PRC with limited liability, and primarily provides financial leasing services to the public and members of BEH. As of the Latest Practicable Date, Shenzhen Jingneng Leasing is directly held as to approximately 84.68% by the Company and as to approximately 15.32% by BEI (HK), a wholly owned subsidiary of BEH, and therefore is a connected subsidiary of the Company pursuant to Rule 14A.16(1) of the Listing Rules.

2. Our assessment of the CCT Approval Agreements and the proposed Annual Caps

2.1 *Framework Heat Sale and Purchase Agreement*

a. *Description of the transaction*

References are made to the announcement of the Company dated 8 November 2022 and the circular of the Company dated 12 December 2022 in relation to, among others, the framework heat sale and purchase agreement entered into between the Company and BEH. As the framework heat sale and purchase agreement will expire on 31 December 2025, in the ordinary and usual course of business, the Company entered into the Framework Heat Sale and Purchase Agreement with BEH on 12 November 2025, with a term of three years commencing from 1 January 2026 and ending on 31 December 2028, pursuant to which, the Group agrees to sell, and BEH and/or its associates agree to purchase, from time to time, heat generated by power plants of the Group.

We have obtained and reviewed both the current framework heat sale and purchase agreement, which was approved by the independent Shareholders in the extraordinary general meeting of the Company held on 29 December 2022, and the renewed Framework Heat Sale and Purchase Agreement, and note that the major terms of the aforementioned agreements are similar.

b. *Reasons for and benefits of the transaction*

As disclosed in the Letter from the Board, the gas-fired power and heat energy generation business of the Company based on the operation model of “heat-power cogeneration” (熱電聯產) can make full use of power plants of the Group and is more profitable compared to the single power generation or single heat generation business model. We have reviewed the 2024 AR and note that gas-fired power and heat energy generation is the core business segment of the Company which accounted for approximately 60.4% of the Group’s total revenue for FY2024. As at 31 December 2024, the Company operates eight gas-fired cogeneration plants with an installed capacity of

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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According to Administrative Measures of Heat Supply and Heating of Beijing Municipality (《北京市供熱採暖管理辦法》) (the “Heat Supply Measures”), heat supply should comply with the principle of unified planning and localized management. As Beijing District Heating (Group) Co., Ltd. (the “BDHG”), a wholly-owned subsidiary of BEH, is the only central heat supply company whose network covers certain part of the areas where power plants of the Group are located and thus, the Group must sell the heat energy through BDHG network in the absence of any alternative purchasers, and more importantly, the Group must sell heat energy generated by power plants to BDHG in order to meet the requirement of “subject to the unified schedule by BDHG based on heat supply standard”. As heating is the basic living needs of Beijing urban and rural residents in winter, and heat supply is infrastructural public service directly relating to the public interests, heat supply during the heat supply period is the Group’s yearly permanent and stable source of income.

Given that it is imperative for the Company to sell heat energy to BDHG according to the Heat Supply Measures and the Company has generated stable revenue from heat energy supply in the past, we consider that entering into of the Framework Heat Sale and Purchase Agreement is in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

*c. Pricing policy*

Heating is the basic living needs of Beijing urban and rural residents in winter, and heat supply is infrastructural public service directly relating to the public interests. The transaction under the Framework Heat Sale and Purchase Agreement is conducted at government-prescribed unit price, which is determined by Beijing Municipal Commission of Development and Reform (北京市發展和改革委員會) from time to time.

The Company is of the view that the pricing in respect of the transactions under the Framework Heat Sale and Purchase Agreement is reasonable and sufficient to cover the costs incurred by the Company after taking into account the following considerations:

- according to the Interim Measures for the Price Control of Urban Heat Supply (FA GAI JIA GE [2007] No.1195) (《城市供熱價格管理暫行辦法》(發改價格 [2007] 1195 號)) (“Interim Measures for Urban Heat Supply”), the government-prescribed unit price is determined by reference to, among others, the costs incurred by the heat suppliers (such as the price of natural gas, electricity, water, fixed asset depreciation, repairs, wages), the consideration for the profitability of the heat suppliers and the tax imposed on the heat suppliers; and
- the gas-fired power and heat energy generation business of the Company based on the operation model of “heat-power cogeneration” (熱電聯產) is profitable as evidenced by the historical financial results of the Company.

In assessing the fairness and reasonableness of the pricing policy, we have reviewed the Interim Measures for Urban Heat Supply which set out the principles for determining and adjusting for heat energy price and that the heat supplier is required to strictly adhere to the government-prescribed unit price. We understand that it is mandatory for both parties of the Framework Heat Sale and Purchase Agreement to adhere to the government-prescribed unit price, which is supervised and monitored by the relevant authorities from time to time. As part of our due diligence work, we have independently reviewed the historical government-prescribed unit heat price issued by the Beijing Municipal Commission of Development and Reform for the prescribed 4-month heat supply period, being from 15 November to 15 March next year (the “Prescribed Heat Supply Period”), from 1 January 2023 and up to the Latest Practicable Date (the “Review Period”) on its website. We have obtained and reviewed two sets of the monthly settlement statements of the heat supply transactions between BEH and the Company during the Prescribed Heat Supply Period for each of the three years ending 31 December 2025 (i.e. six sets in total), which were randomly selected by the Group as per our request. Given the selected samples cover two months of the 4-month Prescribed Heat Supply Period in each year during the Review Period, we consider the samples obtained by us are sufficient and representative for due diligence purpose. Based on our review, we note that the heat prices stated in the sample monthly settlement statements obtained by us are consistent with the government-prescribed unit heat prices issued by the Beijing Municipal

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LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In light of the above, we are of the view that the pricing policy of the Framework Heat Sale and Purchase Agreement is on normal commercial terms and fair and reasonable.

d. *Historical amounts, annual caps and basis of annual caps*

<i>RMB'million (except for utilisation rates)</i>	Existing annual caps for the years ended/ending 31 December			Proposed Annual Caps for the years ending 31 December		
	2023	2024	2025	2026	2027	2028
	Annual Caps	2,351.80	2,351.80	2,351.80	2,351.80	2,351.80
Historical						
Amounts	1,800.20	1,808.60	1,215.19 <sup>Note 1</sup>	-	-	-
Utilisation Rates	76.55%	76.90%	51.67% <sup>Note 1</sup>	-	-	-

<sup>1.</sup> *The utilisation rate for the year ending 31 December 2025 is computed based on the historical amounts for the nine months ended 30 September 2025.*

As disclosed in the Letter from the Board, the proposed Annual Caps for the Framework Heat Sale and Purchase Agreement for the three years ending 31 December 2028 (the “Heat Caps”) is determined after taking into account the historical transaction amounts and the following considerations:

- the total production capacity and historical heat supply volume (in GJ) of the power plants of the Group;
- the current government-prescribed unit price of the heat energy;
- the prescribed 4-month heat supply period in Beijing, which is from 15 November to 15 March next year, as stipulated in the Administrative Measures of Heat Supply and Heating of Beijing Municipality (《北京市供熱採暖管理辦法》); and
- relatively stable prices of heat energy.

As disclosed in the Letter from the Board, the Company currently operates seven gas-fired cogeneration plants in Beijing. The Group's heat sale business conducted with BEH primarily involves heating supply through the centralized heating network in Beijing's urban areas. As the construction of the heating network in Beijing's urban areas has been largely completed and the regional heating load has basically stabilized, the relevant heating supply business are unlikely to experience significant fluctuations over the next three years. The total heat supply volume (in GJ) of the gas-fired cogeneration plants of the Company in total remained stable from 2023 to 2024, with historical amounts maintained at approximately RMB1,800 million. As such, the Company expects that the heat supply volume (in GJ) of the gas-fired cogeneration plants of the Group for each of the three years ending

31 December 2028 would remain at a similar level. The Beijing-prescribed unit prices of heat supply period of 2023 to 2025 were at a range between RMB90.4/GJ to RMB91.6/GJ, which is prescribed by Beijing Municipal Commission of Development and Reform (北京市發展和改革委員會). Based on the historical trend, the Beijing-prescribed unit price is expected to be stable with minor fluctuations. Given the stable demand for heat supply and the steady pricing environment, the proposed annual caps for transactions with BEH and/or its associates over the next three years have been determined with reference to the historical transaction amounts. Accordingly, annual caps of approximately RMB2,351.8 million are proposed for each of the three years ending 31 December 2028.

As part of our due diligence work, we have obtained and reviewed the calculations of the Heat Caps, which are determined with reference to (i) the maximum heat supply capacity of five heat supply plants of the Group, which is calculated to be approximately 3,173.0 MWh; (ii) the estimated utilization rate of approximately 80%; (iii) the Prescribed Heat Supply Period of approximately 2,940 hours; and (iv) the estimated unit heat price, which is approximately RMB88.6/GJ. By multiplying factors (i) to (iv) above, the estimated amount of heat supply transaction in each year during 2026 to 2028 is calculated to be approximately RMB2.35 billion, which is generally in line with the Heat Caps.

Based on our review of the 2023 AR and 2024 AR, we note that the heat supplied by the Company remained relatively stable at approximately 27.16 million GJ and 27.33 million GJ for the years ended 31 December 2023 and 2024, respectively; and are not significantly deviated from the estimated heat supply volume of approximately 26.5 million GJ adopted for calculating for the Heat Caps, which is the product of 24.8(oct)l24.8(24.8(oof)-f(24.8(o3e2y)-5.8(oof)-f(241.5(h

2.2 *Finance Leasing Framework Agreement (I)*

a. *Description of the transaction*

References are made to the announcement of the Company dated 8 November 2022 and the circular of the Company dated 12 December 2022 in relation to, among others, the finance leasing framework agreement (I) entered into between the Company and Beijing Jingneng Leasing. As the finance leasing framework agreement (I) will expire on 31 December 2025, in the ordinary and usual course of business, the Company entered into the Finance Leasing Framework Agreement (I) on 12 November 2025 with Beijing Jingneng Leasing, with a term of three years commencing from 1 January 2026 and ending on 31 December 2028, pursuant to which, Beijing Jingneng Leasing has agreed to provide financial lease services to the Group.

We have obtained and reviewed both the current finance leasing framework agreement (I), which was approved by the independent Shareholders in the extraordinary general meeting of the Company held on 29 December 2022, and the renewed Finance Leasing Framework Agreement (I), and note that the major terms of the aforementioned agreements are similar.

b. *Reasons for and benefits of the transaction*

As disclosed in the Letter from the Board, Beijing Jingneng Leasing has been providing financial lease services to the Group and has a thorough understanding of the operations and development needs of the Group. The reason for entering into the Finance Leasing Framework Agreement (I) is to avoid large amount of capital expenditure for the purchase of large machinery equipment, since the Company is paying for the cost of equipment by installments. The entering into of the Finance Leasing Framework Agreement (I) and participation in the finance lease business will expand the financing channels of the Company, enable the Company to control financing risk and lower the financing cost for the follow-on construction projects of the Company as well as satisfy its demand of funds for project construction in a timely manner. By entering into the Finance Leasing Framework Agreement (I), the Company is able to retain a financing channel to meet specific project demand and an alternative when other financing options such as Shenzhen Jingneng Leasing and independent financial institutions are unable to offer finance lease services to the Group at commercially reasonable terms due to various factors such as tightening of credit facilities, change in monetary policy and interest rates, etc.. Also, entering into the Finance Leasing Framework Agreement (I) shall not preclude the Company from choosing counterparties at its discretion or conducting finance lease transactions with Independent Third Parties.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Based on our review of the 2024 AR, we note that the Group's capital expenditure amounted to approximately RMB6,973.7 million for FY2024, representing approximately 155.4% of the Group's net cash inflow from operating activities of approximately RMB4,486.5 million for FY2024. In addition, the Group has witnessed continuous growth in the renewable energy sector in recent years as the total installed capacity of its wind power and photovoltaic power generation increased from approximately 8,598 MW as at 31 December 2022 to approximately 9,384 MW as at 31 December 2023 and further increased to approximately 12,126 MW as at 31 December 2024. In light of the capital-intensive nature of the Group's business and the cost of power generation equipment accounted for significant portion of the investment in the wind power and photovoltaic power projects, we consider that it is pivotal for the Group to adopt both direct lease and sale and leaseback arrangements to extend the payment schedules for the equipment purchased, enabling the Group to preserve its cash for future expansion and development of its renewable power generation business.

Therefore, we consider that the entering into of the Finance Leasing Framework Agreement (I) is in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

*c. Pricing policy*

Pursuant to the Finance Leasing Framework Agreement (I), the lease consideration consists of the principal amount and lease interests. The lease consideration will be determined by the Group and Beijing Jingneng Leasing after arm's length negotiations and with reference to the market price of the same type of financial leasing assets. The lease interest will be determined based on a range set at the beginning of each year with reference to the prevailing LPR, and the Company's financing and operating conditions. When determining the pricing standard, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered with or carried out by Independent Third Parties and the applicable LPR in the corresponding period of reference, and such rates shall not be higher than the rates offered by Shenzhen Jingneng Leasing.

Cost in respect of such financing services of the Company (including relevant rent plus handling fees and excluding other costs may be saved according to favorable terms, such as deductible VAT) shall be not higher than the consolidated cost (including relevant rent plus handling fees and excluding other costs may be saved according to favorable terms, such as deductible VAT) incurred from similar transactions with Independent Third Parties during the relevant period.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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To safeguard the interests of all Shareholders, especially minority Shareholders, the Company has adopted internal approval and monitoring procedures relating to the transactions under the Finance Leasing Framework Agreement (I), details of are set out under the sub-section headed “Internal Control Measures” under the section headed “(II) Finance Leasing Framework Agreement (I)” of the Letter from the Board. We have discussed with the Management and understand that prior to entering into any financial leasing transaction with Beijing Jingneng Leasing, the finance management department of the Company will compare the major terms and financing costs associated with such arrangements to, to the extent practicable, at least two similar and comparable transactions entered with or carried out by Independent Third Parties in the corresponding period of reference. Having considered that there will be procedures in place for comparison with independent quotations prior to entering into individual lease contracts under the Finance Leasing Framework Agreement (I), we consider that the effective implantation of the procedures would help to ensure fair pricing of the transactions contemplated under the Finance Leasing Framework Agreement (I) according to the pricing policies.

We have obtained and reviewed the complete list of transactions between Shenzhen Jingneng Leasing and the Group during the Review Period, together with the corresponding price quotation records from two independent banks for each transaction. We note that the quotations provided by independent banks to the Group are lower than the LPR, which reflects the Group’s strong credit profile. We understand from the Management when conducting specific transactions, the Company will take into account the interest rates of similar and comparable transactions entered with or carried out by Independent Third Parties. Consequently, any finance leasing transaction the Group entered into with Shenzhen Jingneng Leasing should carry an interest rate lower than the LPR. Taking into account the factors discussed below, the same conclusion also applies to transactions with Beijing Jingneng Leasing. Furthermore, given that the finance leasing arrangements generally involves collateral of equipment and other measures to mitigate the credit risk, we understand that the interest rates of finance leasing arrangements under the Finance Leasing Framework Agreement (I) will be generally lower than the prevailing LPR, therefore it is not meaningful to directly compare the interest rates of financing lease arrangements against the prevailing LPR.

As advised by the Management and based on our review of the historical transaction amount, there were no financial leasing transactions conducted between the Company and Beijing Jingneng Leasing during the Review Period. Therefore, we are unable to obtain sample transaction documents from the aforementioned period for the purpose of assessing the fairness and reasonableness of the pricing policy of the Finance Leasing Framework Agreement (I).9(Agr)172.8(lw)-53aenessLeasing

d. *Historical amounts, annual caps and basis of annual caps*

<i>RMB'million (except for utilisation rates)</i>	<i>Existing annual caps for the years ended/ending 31 December</i>			<i>Proposed Annual Caps for the years ending 31 December</i>		
	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>
	<i>Annual Caps</i>	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<i>Historical Amounts</i>	-	-	-	-	-	-
<i>Utilisation Rates</i>	0.00%	0.00%	0.00% <i>Note 1</i>	-	-	-

<sup>1.</sup> *The utilisation rate for the year ending 31 December 2025 is computed based on the historical amounts for the nine months ended 30 September 2025.*

As disclosed in the Letter from the Board, the proposed annual caps for the Finance Leasing Framework Agreement (I) for the three years ending 31 December 2028 (the "BJ Leasing Caps") comprises of (i) as to the direct leasing transactions 3.3(pr)17.9(oposed)-ansO09(ee)-347.2'g6-l ctot-273.3(forvalu(ee)-347.1)-29-a

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Company estimates the BJ Leasing Caps after taking into account the historical transaction amounts and the following considerations:

- the expected demand for the financial leasing service of the Group aligns with the Company's current business strategy with three to four major projects anticipated to commence per annum over the next three years, and contract values for each project ranging from RMB300 million to RMB600 million, which are expected to be allocated to Beijing Jingneng Leasing for financial leasing arrangements; and
- the capacity of providing financial lease services by Beijing Jingneng Leasing.

We have conducted the following analyses and procedures in assessing the fairness and reasonableness of the BJ Leasing Caps:

- we have enquired with the Management as to the reasons for no transactions were conducted in recent years and understand that the Company has on-going discussions with Beijing Jingneng Leasing regarding the potential finance lease opportunities but yet to conclude any agreement due to the terms offered by Beijing Jingneng Leasing were less favorable than Shenzhen Jingneng Leasing and other independent financial institutions. Notwithstanding the above, the Management advises us that the Company is still actively engaging Beijing Jingneng Leasing in several finance leasing projects, one of which has reached preliminary agreement and is expected to enter into execution phase in 2026. As advised by the Company, the terms offered by Beijing Jingneng Leasing in the aforementioned project are no less favorable than those offered by Independent Third Parties;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- we have obtained and reviewed the calculations of the BJ Leasing Caps, including the estimated contract values and proposed payment schedule of finance leasing arrangement with Beijing Jingneng Leasing for wind and photovoltaic power projects for the three years ending 31 December 2028. Based on the calculations provided by the Management, it is anticipated that the Company will have total installed capacity of wind and photovoltaic power projects arranging from approximately 600 MW to 620 MW annually for the three years ending 31 December 2028 which involves finance lease arrangements with Beijing Jingneng Leasing or other independent financial institutions. In estimating the contract values for finance lease of the wind and photovoltaic power projects used in calculating the BJ Leasing Caps, the Management refers to the contract values to installed capacity ratio (i.e. RMB/W) of the wind and photovoltaic power generation projects commenced in recent years involving finance lease arrangement. As part of our due diligence work, we have obtained and reviewed a list of the Group's existing wind and photovoltaic power projects in 2024 and 2025, and note that the contract value for finance lease to installed capacity ratios of such projects are within the range of approximately RMB1.5 to 2.5/W for wind and photovoltaic power generation projects (as the case may be). The contract values to installed capacity ratios adopted by the Management in estimating the contract values of the installed capacity of wind and/or photovoltaic power projects in the BJ Leasing Caps calculation are within the range of the aforementioned historical contract value for finance lease to installed capacity ratios;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- as discussed in the sub-section “b. Reasons for and benefits of the transaction” above, the Group’s installed capacity of wind and photovoltaic power generation was approximately 12,126 MW as at 31 December 2024 and increased by approximately 2,742 MW as compared to approximately 9,384 MW as at 31 December 2023. The Management’s estimate of approximately 600 MW to 620 MW per annum for the three years ending 31 December 2028 only accounted for around 5% of the Group’s installed capacity of wind and photovoltaic power generation as at 31 December 2024. We have discussed with the Management and understand that the demand from Beijing Jingneng Leasing for provision of finance lease arrangements would only account for a relatively small portion of the Group’s total planned installed capacity for the three years ending 31 December 2028; and the BJ Leasing Caps would enable the Group to maintain the flexibility and option of entering into finance lease agreements with Beijing Jingneng Leasing when circumstances arise; and
- as discussed in the sub-section “d. Historical amounts, annual caps and basis of annual caps” under the section “2.5 Finance Leasing Framework Agreement (II)” below, the historical amount of finance leasing services provided by Shenzhen Jingneng Leasing to the Group has grown substantially in 2025, and is expected to grow further in 2026 to 2028 due to the estimated increase in wind and power photovoltaic generation projects and demand for finance lease services. Furthermore, the increase in SZ Leasing Caps (as defined therein) is mainly due to specific project demand. By entering into the Finance Leasing Framework Agreement (I), the Company gains the opportunity and flexibility of referring to Beijing Jingneng Leasing for finance leasing services when the utilisation rates of the SZ Leasing Caps are at high level, or when the Company reaches limit of credit facilities granted by relevant independent financial institutions. Since the price offered by Beijing Jingneng Leasing, Shenzhen Jingneng Leasing, and Independent Third Parties is determined based on various factors including each party’s own funding costs and risk assessment models, hence quotations can vary on a case-by-case basis. Accordingly, the Company does not expect Beijing Jingneng Leasing’s pricing to be generally more favorable than that of Shenzhen Jingneng Leasing. However, the Company will only enter into finance leasing transactions with Beijing Jingneng Leasing if the price it offers is not less favorable than Shenzhen Jingneng Leasing and Independent Third Parties.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Shareholders should be reminded that the actual amount of finance lease transactions under the Finance Leasing Framework Agreement (I) for the three years ending 31 December 2028 would eventually depend on, among others, the Group's internal cost of funding and prevailing markets rates offered by the independent financial institutions, which would vary from time to time. Therefore, we consider it difficult for the Management to determine the BJ Leasing Caps with high degree of certainty. Nonetheless, we consider that it is in the interest of the Group and the Shareholders to determine the BJ Leasing Caps which can provide flexibility and option of entering into finance lease agreements with Beijing Jingneng Leasing and accommodate the continuous growth of the Group's installed capacity of wind and photovoltaic power projects.

Having considered that (i) the BJ Leasing Caps enable the Company to gain access to additional financing channel to meet specific project demand and have an alternative option when Shenzhen Jingneng Leasing or other independent financial institutions are unable to offer finance lease services to the Group at commercially reasonable terms; (ii) the Company has been actively negotiating with Beijing Jingneng Leasing in several finance leasing projects and has reached preliminary agreement with Beijing Jingneng Leasing for a particular project which is expected to be materialize in 2026; (iii) the Company has relevant internal control measures in place to ensure that the underlying transactions under the Finance Leasing Framework Agreement (I) be conducted on normal commercial terms and fair and reasonable and comparable to those offered by Independent Third Parties; and (iv) the BJ Leasing Caps are calculated based on the Company's anticipated installed capacity of wind and photovoltaic power projects from 2026 to 2028 which involves finance lease arrangements with Beijing Jingneng Leasing, we are of the view that the BJ Leasing Caps is in the interest of the Shareholders and the Company as a whole.

*e. Duration of the specific agreements under the Finance Leasing Framework Agreement (I)*

With reference to the Letter from the Board, the duration of the certain specific agreements under the Finance Leasing Framework Agreement (I) may be longer than three years. Such individual agreements, once duly executed, shall remain in full force and effect for their respective contract periods (which may exceed three years) even if the Finance Leasing Framework Agreement (I) is expired or terminated and is not renewed. In the event that the Company, after the expiry of the Finance Leasing Framework Agreement (I) (i) enters into a new individual agreement(s) with Beijing Jingneng Leasing, or (ii) find that the annual cap under individual contracts signed prior to the expiry of the Finance Leasing Framework Agreement (I) is insufficient to cover the relevant transactions, the Company will set a new annual cap(s) and comply with the relevant Listing Rules.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Company will monitor individual agreements under the Finance Leasing Framework Agreement (I) that exceed three years on a periodic basis. It will also conduct an annual review of the transactions under the Finance Leasing Framework Agreement (I) (including the rates and fees charged for such transactions) to ensure that the transactions are in accordance with the Listing Rules and the terms of the agreement.

In considering whether it is normal business practice for agreements of a similar nature with the specific agreements to have a term of such duration, we have obtained and reviewed an exhaustive list provided by the Company setting out the finance lease agreements entered into by Shenzhen Jingneng Leasing and Beijing Jingneng Leasing with members of BEH and Independent Third Parties from 2016 to 2024. We note that (i) the finance lease agreements entered into by Shenzhen Jingneng Leasing are with duration ranged from 1 to 10 years, of which the majority of finance lease agreements have duration exceeding three years; and (ii) the finance lease agreements entered into by Beijing Jingneng Leasing are with duration ranged from 3 to 13 years, of which the majority of finance lease agreements have duration exceeding three years.

In addition, we have identified and reviewed over 20 transactions involving finance lease arrangements with duration of over three years announced by companies with over 50% of its revenue derived from finance leasing business and listed on the Hong Kong Stock Exchange in 2025, which forms an exhaustive list as set out in the table below:

Company	Announcement Date	Scope	Duration
China Development Bank Financial Leasing Co., Ltd. (Stock code: 1606)	14 November 2025	Finance lease related to wind power station equipment	18 years
	30 September 2025	Finance lease related to energy storage power station equipment	10 years
	25 August 2025	Finance lease related to power generation facilities	10 years
	15 August 2025	Finance lease related to wind power station equipment	18 years
	28 June 2025	Finance lease related to photovoltaic power generation equipment	18 years
	25 June 2025	Finance lease related to energy storage power station equipment	10 years
	12 June 2025	Finance lease related to photovoltaic power plant facilities	18 years

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Company	Announcement Date	Scope	Duration
	09 June 2025	Finance lease related to wind power generation facilities	15 years
	06 June 2025	Finance lease related to (i) 25 GPU servers; (ii) 5 storage servers; (iii) 95 switches, 8 servers and 2 firewall mainframes; and (iv) 8 GPU servers	4 years
	28 May 2025	Finance lease related to the wind power generation facilities	15 years
	23 May 2025	Finance lease related to the aerial work machinery and equipment	46 to 84 months
	23 May 2025	Finance lease related to the photovoltaic power generation facilities	18 years
	25 April 2025	Finance lease related to the wind power generation facilities	18 years
	22 April 2025	Finance lease related to the power generation facilities	18 years
	17 April 2025	Finance lease related to the power generation facilities	12 years
	09 April 2025	Finance lease related to a floating production storage and offloading vessel	8 years
	31 March 2025	Finance lease related to the wind power generation equipment	15 years
	28 March 2025	Finance lease related to the wind power generation facilities	18 years
	20 March 2025	Finance lease related to the mechanical cutting machines	5 years

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Company	Announcement Date	Scope	Duration
	17 January 2025	Finance lease related to the photovoltaic power generation equipment assets	15 years
	15 January 2025	Finance lease related to the production facilities of electronic products	5 years
China Chengtong Development Group Limited (Stock code: 217)	17 July 2025	Finance lease related to vehicles	5 years
CSSC (Hong Kong) Shipping Company Limited (Stock code:3877)	23 April 2025	Finance lease related to vessels	10 years

*Source: Hong Kong Stock Exchange*

As advised by the Management, the underlying assets of the specific agreements, such as wind and photovoltaic power plants, are expected to have useful lives longer than three years.

As discussed in the Letter from the Board, individual agreements under Finance Leasing Framework Agreement (I), once duly executed, shall remain in full force and effect for their respective contract periods (which may exceed three years) even if the Finance Leasing Framework Agreement (I) is expired or terminated and is not renewed. The aggregate transaction amounts (comprised of principal amounts and expected interests) will be recorded as utilisation of BJ Leasing Caps in full when entering into such agreement. In the event that the Company, after the expiry of the Finance Leasing Framework Agreement (I) (i) enters into a new individual agreement(s) with Beijing Jingneng Leasing, or (ii) find that the annual cap under individual contracts signed prior to the expiry of the Finance Leasing Framework Agreement (I) is insufficient to cover the relevant transactions, the Company will set a new annual cap(s) and comply with the relevant Listing Rules. Taking into consideration of the above, we consider the Company's treatment of individual agreements under Finance Leasing Framework Agreement (I) are in compliance with the Listing Rules.

Having taken into consideration that (i) Shenzhen Jingneng Leasing and Beijing Jingneng Leasing entered into certain finance lease agreements with members of BEH and Independent Third Parties with duration exceed three years; (ii) our observation on companies listed on the Hong Kong Stock Exchange entered into finance lease agreements with duration longer than three years; (iii) the underlying assets of the specific agreements are expected

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*b. Reasons for and benefits of the transactions*

As disclosed in the Letter from the Board, the provision of finance leasing services by the Group to BEH and/or its associates is able to satisfy the business needs of both parties. On the one hand, the Group has been providing finance leasing services to BEH and/or its associates and are familiar with the business and demands of BEH and/or its associates and the provision of finance leasing services to BEH and/or its associates provides stable and low-risk income to the Group; on the other hand, the provision of finance leasing services is able to facilitate BEH and/or its associates to continue to receive efficient financial leasing services from the Group.

Shenzhen Jingneng Leasing, being the primary Service Provider, primarily provides financial leasing services and commercial factoring business services in relation to financial leasing to the public, the members of BEH and the members within the Group. The sale and leaseback services and direct finance leasing services are transactions carried out in the ordinary and usual course of business of Shenzhen Jingneng Leasing. The terms of any agreements (including the interest rate) under the Finance Leasing Business Framework Agreement will be arrived at by Shenzhen Jingneng Leasing and the counterparties after arm's length negotiations, with reference to prevailing commercial practice.

Shenzhen Jingneng Leasing was formally a subsidiary of BEH and was subsequently acquired by the Company in 2022 (the "Acquisition"). There were various finance leasing agreements between Shenzhen Jingneng Leasing and BEH and/or its associates before completion of the Acquisition (the "Existing Agreements"). The aforementioned agreements are subject to amendments from time to time (the "Amendments"), including: (i) Shenzhen Jingneng Leasing may adjust the interest rates of the finance leasing agreements (entered into with BEH's associates before the completion of the Acquisition) so as to keep the market competitiveness of Shenzhen Jingneng Leasing; and (ii) Shenzhen Jingneng Leasing may amend the principal amounts of finance lease agreements (entered into with BEH's associates before the completion of the Acquisition) due to actual development of certain projects according to the lessees' application.

After the Acquisition, the transactions between Shenzhen Jingneng Leasing and BEH and/or its associates (including the Amendments) became connected transactions of the Company. Given the transactions between Shenzhen Jingneng Leasing and BEH and/or its associates (including the Amendments) will be conducted in the ordinary and usual course of the business of Shenzhen Jingneng Leasing on a frequent basis, it would be costly and impractical to make regular disclosure of each of the relevant transactions and obtain the prior approval from the Independent Shareholders as required by the Listing Rules, if necessary.

Therefore, we consider that entering into of the Finance Leasing Business Framework Agreement is in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

*c. Pricing policy*

The transaction price under the Finance Leasing Business Framework Agreement are determined based on normal commercial terms after arm's length negotiation between both parties following the principles of good faith and fairness for their respective benefits. In determining the comprehensive interests to be charged against BEH and/or its associates, the Service Provider will consider, among others, (i) the terms and conditions which are no more favorable to BEH and/or its associates than those offered to members of the Group of similar qualification with the lessee; (ii) the applicable LPR; and

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- In terms of the direct finance leasing services, the Service Provider will purchase the leased properties from suppliers upon the instructions and selection of BEH and/or its associates, and then lease the properties to BEH and/or its associates for an agreed term and receive lease payment on a periodic basis. The principal amount is the purchase price of the leased properties from the supplier which is negotiated by the lessee with the supplier on normal commercial terms and by reference to the market price of such properties.
- The Service Provider may also charge management fees for the finance leasing services, which is not lower than one over ten thousand of the principal amount and payable in installments or in a lump sum. The Service Provider generally determines the actual amount of the management fees based on the project scale and complexity, qualification of the lessee and negotiation with the lessee.

As advised by the Management, during the Review Period, save for the Existing Agreements, Shenzhen Jingneng Leasing did not enter into new finance leasing services with BEH, and hence the historical amounts primarily resulted from the Amendments.

We understand from the Management that in providing finance leasing services, the Group will determine a range of lease interest rates at the beginning of each year with reference to the prevailing LPR, market interest rates, and the Company's financing and operating conditions. When conducting specific transactions, the Company will take into account the interest rates of similar and comparable transactions entered with or carried out by Independent Third Parties. Given that the finance leasing arrangements under the Finance Leasing Business Framework Agreement generally involves collateral of equipment and other measures to mitigate the credit risk, we note that the interest rates of finance leasing arrangements under the Finance Leasing Business Framework Agreement are generally lower than the prevailing LPR, therefore it is not meaningful to directly compare the interest rates of financing lease arrangements against the prevailing LPR.

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As part of our due diligence work, we have obtained and reviewed (i) one set of sample transaction under the Finance Leasing Business Framework Agreement per year during the Review period (i.e. three sets in total) (the “Sample Leasing Transactions”), which are randomly selected by the Company as per our request; and (ii) one set of finance lease transaction conducted between Shenzhen Jingneng Leasing and members of the Group which are of similar nature or tenure as the sample transactions selected (the “Comparable Leasing Transactions”), for each of the Sample Leasing Transaction. As advised by the Management, there are 17 sets of Existing Agreements as at the Latest Practicable Date. Given (i) the Sample Leasing Transactions cover about one-sixth of total number of the Existing Agreements as at the Latest Practicable Date; and (ii) each calendar year during the Review Period, we consider that the samples obtained by us are sufficient and representative for due diligence purpose. We have compared the interest rates of each Sample Leasing Transaction to the interest rates of the Comparable Leasing Transactions and note that the interest rates of the Sample Leasing Transactions are no less favorable than the interest rates of the Comparable Leasing Transactions. Therefore, we consider the Group has adequate internal control measures in place to ensure that the pricing terms of the transactions are conducted in accordance with the Finance Leasing Business Framework Agreement.

In light of the above, we are of the view that the terms of the Finance Leasing Business Framework Agreement are on normal commercial terms and are fair and reasonable.

*d. Historical amounts, annual caps and basis of annual caps*

<i>RMB'million (except for utilisation rates)</i>	<i>Existing annual caps for the years ended/ending 31 December</i>			<i>Proposed Annual Caps for the years ending 31 December</i>		
	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>
<i>Annual Caps</i>	3,700.00	2,800.00	2,500.00	2,400.00	1,800.00	1,700.00
<i>Historical</i>						
<i>Amounts</i>	3,313.20	1,575.50	1,583.50 <i>Note 1</i>	-	-	-
<i>Utilisation Rates</i>	89.55%	56.27%	63.34% <i>Note 1</i>	-	-	-

*Note:*

- <sup>1</sup>. The utilisation rate for the year ending 31 December 2025 is computed based on the historical amounts for the nine months ended 30 September 2025.

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As disclosed in the Letter from the Board, the proposed Annual Caps for the Finance Leasing Business Framework Agreement for the three years ending 31 December 2028 (the “Finance Leasing Business Caps”) is determined after taking into account the historical transaction amounts and the following considerations:

- the existing contracts expected to have principal amounts and interest payable in the next three years comprise 21 contracts that will remain in effect in 2026, each with a remaining principal amount ranging from approximately RMB4.6 million to approximately RMB583.5 million; 14 contracts that will remain in effect in 2027, each with a remaining principal amount ranging from approximately RMB5.2 million to approximately RMB583.5 million; and 11 contracts that will remain in effect in 2028, each with a remaining principal amount ranging from approximately RMB9.4 million to approximately RMB583.5 million. These contracts may be subject to early repayment or changes in interest rates; and
- the expected decrease in demand from BEH and/or its associates for financial leasing services from the Group with their current business strategy.

As part of our due diligence work, we have obtained and reviewed the calculation of the Finance Leasing Business Caps. We note that the Management estimates (i) the total outstanding principal amounts in each year based on the outstanding principal amounts and repayment schedules of finance lease transactions under the Existing Agreements; and (ii) the total interest expenses in each year with reference to the interest rates as stipulated in the Existing Agreements or the supplemental agreements from time to time. The Management then projects the Finance Leasing Business Caps by multiplying the estimated outstanding principal and interest amounts by (a) the ratio of the Existing Agreements which will be subject to interest rate or principal adjustment; and (b) frequency of the adjustment during each year. Based on our review of the forecast model, we note that the product of factors (a) and (b) above are calculated to be 160% per annum. As advised by the Management, the cumulative Amendments amounts in 1H2025 represent approximately 102% of the respective remaining principal balance as at 30 June 2025, hence we consider the Finance Leasing Business Caps are determined on a conservative basis. In addition, as advised by the Management, the Finance Leasing Business Caps exhibits a decreasing trend for the three years ending 31 December 2028 as it is expected that the Service Provider will not enter into new finance lease transaction with BEH and/or its associates, and therefore the total outstanding principal amounts under the Existing Agreements will decrease over time.

Having considered that the Finance Leasing Business Caps are in line with the Group’s estimated Amendments of the Existing Agreements, we are of the view that the Finance Leasing Business Caps are fair and reasonable.

*e. Duration of the specific agreements under the Finance Leasing Business Framework Agreement*

With reference to the Letter from the Board, the duration of the certain specific agreements under the Finance Leasing Business Framework Agreement may be longer than three years. Such individual agreements, once duly executed, shall remain in full force and effect for their respective contract periods (which may exceed three years) even if the Finance Leasing Business Framework Agreement is expired or terminated and is not renewed. In the event that the Company, after the expiry of the Finance Leasing Business Framework Agreement (i) enters into a new individual agreement(s) with BEH, or (ii) find that the annual cap under individual contracts signed prior to the expiry of the Finance Leasing Business Framework Agreement is insufficient to cover the relevant transactions, the Company will set a new annual cap(s) and comply with the relevant Listing Rules.

The Company will monitor individual agreements under the Finance Leasing Business Framework Agreement that exceed three years on a periodic basis. It will also conduct an annual review of the transactions under the Finance Leasing Business Framework Agreement (including the rates and fees charged for such transactions) to ensure that the transactions are in accordance with the Listing Rules and the terms of the agreement.

Having taken into account the analysis as set out in the sub-section “e. Duration of the specific agreements under the Finance Leasing Business Framework Agreement” under the section “2.2 Finance Leasing Framework Agreement (I)”, we consider that the duration of the specific agreements under the Finance Leasing Business Framework Agreement, which are expected to be 3.6(L.9(ee)-2.46.1(a)-perio.)



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We are advised by the Management that BEH Finance is required to operate in compliance with the Administrative Measures for the Group Finance Companies\* (《企業集團財務公司管理辦法》) (the “Measures”) promulgated by the original China Banking and Insurance Regulatory Commission to standardise the activities of group finance companies, to prevent financial risk, and to facilitate the stable and sound operation and healthy development of group finance companies. We note that the Measures set out certain compliance and risk control requirements/measures relating to the operation of group finance companies, including but not limited to maintaining certain financial ratios. Furthermore, pursuant to the Measures, BEH Finance is required to comply with the deposit reserve requirements of The People’s Bank of China (the “PBOC”) by placing certain amounts of deposit reserve with PBOC in proportion to the deposit balances, which the Management considers, and we concur that such requirement is a measure to safeguard the safety of its deposits in BEH Finance.

In light of the above, we consider that the deposit services provided by BEH Finance to the Group are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group.

*c. Pricing policy*

Pursuant to the Financial Services Framework Agreement, the Group may from time to time deposit cash with BEH Finance. The terms (including the interest rates and commission charged) offered by BEH Finance in respect of the deposit services under the Financial Services Framework Agreement shall be no less favorable than those offered by independent domestic commercial banks, including China Construction Bank and Industrial and Commercial Bank of China, for provision of similar services to the Group and the interest to be paid by BEH Finance for the Group’s deposits with BEH Finance shall not be lower than the same level deposit interest rate in the market.

We note that the prices/interest rates for deposit services provided by BEH Finance will be no less favorable than, among other things, the deposit interest rate in the market. As part of our due diligence work, we have (i) obtained and reviewed one set of transaction records of the Group’s term deposit placed at BEH Finance from four calendar months per year during the Review Period (i.e. four sets of transaction record per year and 12 sets of transaction record in total during the Review Period), which are randomly selected by the Company as per our request (the “Sample Deposit Transactions”); and (ii) independently researched the deposit interest rates published by two major independent PRC commercial banks in their respective websites during the Review Period. Given the Sample Deposit Transactions cover four calendar months of each year, which cover about one-third of each calendar year during the Review Period, we consider that the sample size of the Sample Deposit Transactions obtained by us are

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sufficient and representative for our due diligence purpose. Based on our review of the aforementioned documents and information, we note that the interest rates of the Sample Deposit Transactions are no less favorable than the deposit interest rates provided by the abovementioned independent PRC commercial banks.

In view of the above, we are of the view that the deposit transactions under the Financial Services Framework Agreement are carried out on normal commercial terms and are fair and reasonable.

*d. Historical amounts, annual caps and basis of annual caps*

<i>RMB' million (except for utilisation rates)</i>	Existing annual caps for the years ended/ending 31 December			Proposed Annual Caps for the years ending 31 December		
	2023	2024	2025	2026	2027	2028
Annual Caps	8,000.00	9,500.00	11,000.00	12,000.00	13,500.00	15,000.00
Historical						
Amounts	6,433.20	8,547.40	9,202.80 <sup>Note 1</sup>	-	-	-
Utilisation Rates	80.42%	89.97%	83.66% <sup>Note 1</sup>	-	-	-

*Note:*

<sup>1.</sup> The utilisation rate for the year ending 31 December 2025 is computed based on the historical amounts for the nine months ended 30 September 2025.

As disclosed in the Letter from the Board, the proposed annual caps of the deposit services under the Financial Services Framework Agreement for the three years ending 31 December 2028 (the “Deposit Caps”) are determined after taking into account: (i) the maximum daily deposit balance (including interest accrued thereon) for the two years ended 31 December 2024 and the nine months ended 30 September 2025; (ii) the anticipated increase in the Group’s daily aggregated outstanding deposit balances, resulting from the aggregation of individual deposit amounts and attributable to the expected increase in revenue, which is in line with the increase in revenue in recent years and the expected increase of the Group’s business operation; (iii) the sudden increase in the fund balance raised from the Company’s issuance of corporate bonds, medium-term notes, short-term financing bonds and ultra-short-term financing bonds from time to time; and (iv) the cash and equivalents and trade and bills receivable (which will convert into cash if such trade receivables are settled) of the Group due to the nature of business, the concentrated settlement arrangements and internal funds allocation requirements of the Group. Given that BEH Finance has a more thorough understanding of the business operation and development of the Group and can provide the financial services in a more timely manner and at comparable or better terms to the Group, the Company intends to place more deposit with BEH Finance to further strengthen its capital management.

We have reviewed the historical amounts of the deposits and interest income for the two years ended 31 December 2024 and for the nine months ended 30 September 2025 and note that the utilisation rates were approximately 80.4%, 90.0% and 83.7% for the corresponding periods, which were at high level.

We note that from 2026 to 2028 the Deposit Caps increases gradually to RMB15.0 billion, representing a compound annual growth rate (the “CAGR”) of approximately 10.9% as compared to the existing annual caps of 2025. In assessing the reasonableness of such growth rate, we have referred to the historical balance of the Group’s cash and cash equivalents and trade and bills receivables (which will convert into cash if such trade receivables are settled). Reference is made to section “1.1 Information of the Group” above, the sum of the Group’s total cash and cash equivalents and trade and bills receivables as at 31 December 2022 and 2024 amounted to approximately RMB16,493.5 million and RMB21,418.5 million, respectively, representing a CAGR of approximately 14.0%. As such, we consider that the growth rate of the Deposit Caps is reasonable as it is generally in line with the historical growth rate of the Group’s cash and cash equivalents and trade and bills receivable balances.

In addition to above, we have reviewed the 2024 AR and 2025 IR and note that the Group has issued ten tranches of ultra-short-term and medium-term notes with principal amount arranging from RMB1 billion to RMB2 billion during the period from 1 January 2024 to 30 June 2025. Therefore, we consider that it is reasonable for the Deposit Caps to be

*e. Conclusion*

Having taken into consideration the factors and reasons as stated above, we are of the view that (i) the terms of the deposit services under the Financial Services Framework Agreement are on normal commercial terms and are fair and reasonable; and (ii) the deposit services under Financial Services Framework Agreement are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

**2.5 Finance Leasing Framework Agreement (II)**

*a. Description of the transaction*

Reference is made to the announcement of the Company dated 8 November 2022 and the circular of the Company dated 12 December 2022 in relation to, among others, the finance leasing framework agreement (II) entered into between Shenzhen Jingneng Leasing and the Company. As the finance leasing framework agreement (II) will expire on 31 December 2025, in the ordinary and usual course of business, the Company entered into the Finance Leasing Framework Agreement (II) on 12 November 2025 with Shenzhen Jingneng Leasing, with a term of three years commencing from 1 January 2026 and ending on 31 December 2028, pursuant to which, Shenzhen Jingneng Leasing has agreed to provide financial lease services to the Group.

We have obtained and reviewed both the current finance leasing framework agreement (II), which was approved by the independent Shareholders in the extraordinary general meeting of the Company held on 29 December 2022, and the renewed Finance Leasing Framework Agreement (II), and note that the major terms of the aforementioned agreements are similar.

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*b. Reasons for and benefits of the transaction*

As disclosed in the Letter from the Board, Shenzhen Jingneng Leasing primarily provides financial leasing services to the public and the members of BEH. Due to business relationship with Shenzhen Jingneng Leasing, it has a thorough understanding of the operations and development needs of the Group. Through entering into the Finance Leasing Framework Agreement (II), the Group can avoid large amount of capital expenditure for the purchase of the large machinery equipment by paying for the cost of equipment by installments. The entering into of the Finance Leasing Framework Agreement (II) and participation in the finance lease business will expand the financing channels and innovate the financing methods of the Company. It also enables the Company to control financing risk and lower the financing cost for the follow-on construction projects of the Company as well as satisfy its demand of funds for project construction in a timely manner.

As discussed in the sub-section “b. Reasons for and benefits of the transaction” under the section headed “2.2 Finance Leasing Framework Agreement (I)” above, the Group’s business is capital-intensive in nature and it is a common business practice for the Group to utilize finance lease arrangements in order to optimize its cash flow position. Furthermore, as advised by the Management, Shenzhen Jingneng Leasing can be benefit from tax relief according to the Pilot Program of Replacing Business Tax with Value-Added Tax (《營業稅改征增值稅試點有關事項的規定》) should the source of fund of Shenzhen Jingneng Leasing debt financing. As Shenzhen Jingneng Leasing Group is a subsidiary of the Company and primarily fund its business operation through debt financing from independent financial institutions and entities within the Group, by utilizing the finance lease arrangement from Shenzhen Jingneng Leasing, the Group is able to benefit from such tax relief and effectively lower the Group’s overall financing cost on a consolidated basis.

Therefore, we consider that the entering into of the Finance Leasing Framework Agreement (II) is in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

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*c. Pricing policy*

Pursuant to the Finance Leasing Framework Agreement (II), Shenzhen Jingneng Leasing will provide finance lease services, including but not limited to, direct leasing and sale and leaseback services to the Group.

In respect of the direct leasing service, as requested or instructed by the Group, Shenzhen Jingneng Leasing will provide financial leasing solutions to the Group for the purchase of equipment. Shenzhen Jingneng Leasing will make the payment for the equipment to the suppliers in accordance with the conditions set by the Group and charge the Group with the lease rental for such equipment according to the schedule.

In respect of the sale and leaseback service, based on the financing needs of the Group, Shenzhen Jingneng Leasing will purchase equipment owned by the Group which is in accordance with the requirement of the sale and leaseback service within the extent permitted by laws, and lease such equipment back to the Group for the lease rental. The equipment leased under the Finance Leasing Framework Agreement (II) is large equipment and of high value such as wind turbine set and photovoltaic generator equipment.

In respect of each finance lease, the relevant member(s) of the Group will enter into separate implementation contract(s) with Shenzhen Jingneng Leasing. The terms of each implementation contract will be in line with the terms of the Finance Leasing Framework Agreement (II), and each implementation contract shall be subject to and conditional upon the Finance Leasing Framework Agreement (II) continuing to be in force.

The lease consideration consists of the principal amount and lease interests. The lease consideration will be determined by the Group and Shenzhen Jingneng Leasing after arm's length negotiations and with reference to the market price of the same type of financial leasing assets. The lease interest will be determined based on a range set at the beginning of each year with reference to the prevailing LPR, and the Company's financing and operating conditions. When determining the pricing standard, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered with or carried out by Independent Third Parties and the applicable LPR in the corresponding period of reference.

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Cost in respect of such financing services of the Company (including relevant rent plus handling fees and excluding other costs may be saved according to favorable terms, such as deductible VAT) shall be not higher than the consolidated cost (including relevant rent plus handling fees and excluding other costs may be saved according to favorable terms, such as deductible VAT) incurred from similar transactions with Independent Third Parties during the relevant period.

As part of our due diligence work, we have obtained and reviewed (i) one set of sample direct leasing service contract provided by Shenzhen Jingneng Leasing to the Group from each year during the Review Period (i.e. three sets in total), which are randomly selected by the Company as per our request; and (ii) one set of sample sale and leaseback service contract provided by Shenzhen Jingneng Leasing to the Group during the Review Period, which is the only historical sale and leaseback service contract entered into between Shenzhen Jingneng Leasing and the Group during the Review Period. We have obtained an exhaustive list of all finance lease services agreements entered into between Shenzhen Jingneng Leasing and the Group during the Review Period, and note that there are less than 20 transactions in total. Given the aforementioned sample documents cover (i) about one-fifth of the total number of finance lease transactions between Shenzhen Jingneng Leasing and the Group; and (ii) each calendar year during the Review Period, we consider that the samples obtained by us are sufficient and representative for due diligence purpose. For each set of sample transaction documents obtained, we have obtained two price quotations from independent financial institutions and note that the interest rates offered by Shenzhen Jingneng Leasing are no less favorable than those offered by independent financial institutions. Therefore, we consider the Group has adequate internal control measures in place to ensure that the pricing terms of the finance lease arrangement with Shenzhen Jingneng Leasing are in line with the Finance Leasing Framework Agreement (II).

In light of the above, we are of the view that the pricing policy of the Finance Leasing Framework Agreement (II) are on normal commercial terms and are fair and reasonable.

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d. *Historical amounts, annual caps and basis of annual caps*

<i>RMB'million (except for utilisation rates)</i>	Existing annual caps for the years ended/ending 31 December			Proposed Annual Caps for the years ending 31 December		
	2023	2024	2025	2026	2027	2028
	Annual Caps	3,000.00	3,000.00	3,000.00	3,500.00	4,000.00
Historical						
Amounts	551.90	674.70	1,238.90 <sup>Note 1</sup>	-	-	-
Utilisation Rates	18.40%	22.49%	41.30% <sup>Note 1</sup>	-	-	-

*Note:*

- <sup>1.</sup> The utilisation rate for the year ending 31 December 2025 is computed based on the historical amounts for the nine months ended 30 September 2025.

As disclosed in the Letter from the Board, the proposed annual caps for the Finance Leasing Framework Agreement (II) for the three years ending 31 December 2028 (the "SZ Leasing Caps") comprises of (i) as to the direct leasing transactions, the expected total value of the right-of-use assets for the newly added direct leasing agreements for the year, and (ii) as to sale and leaseback transactions, the total of the expected principal, interest and other fees for the newly added sale and leaseback agreements for the year.

The Company estimates the SZ Leasing Caps after taking into account the historical transaction amounts and the following considerations:

- the expected demand for the financial leasing service of the Group in accordance with the Group's current business strategy to undertake 9 to 14 photovoltaic, wind power and other projects per annum over the next three years, with individual contract values ranging from RMB117 million to RMB2,500 million, which are expected to be allocated to Shenzhen Jingneng Leasing for financial leasing arrangements; and
- the capacity of providing financial lease services by Shenzhen Jingneng Leasing.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The proposed annual caps have been increased relative to the existing annual caps, primarily due to the Group's expectation to undertake at least 12 to 18 photovoltaic, wind power and other projects per annum over the next three years, with individual contract values ranging from RMB117 million to RMB2,500 million, of which 9 to 14 projects with contract values ranging from RMB117 million to RMB2,500 million are expected to be allocated to Shenzhen Jingneng Leasing for financial leasing arrangements. Securing the requisite financial leasing for projects of such scale presents significant market challenges. Accordingly, the establishment of annual caps as an additional reserve and alternative option represents a fair, reasonable, and prudent arrangement to ensure capital stability and support the Group's ongoing business operations.

We have conducted the following analyses and procedures in assessing the fairness and reasonableness of the SZ Leasing Caps:

- we have obtained and reviewed the calculations of the SZ Leasing Caps, including the estimated contract values and proposed payment schedule of finance leasing arrangement with Shenzhen Jingneng Leasing for wind and photovoltaic power for the three years ending 31 December 2028. Based on the calculations provided by the Management, it is anticipated that the Company will have total installed capacity of wind and photovoltaic power projects over 6,000 MW for the three years ending 31 December 2028 which involve finance lease arrangements with Shenzhen Jingneng Leasing or other independent financial institutions. As discussed in the section "2.2 Finance Leasing Framework Agreement (I)" above, the Group's total installed capacity of wind and photovoltaic power generation increased by approximately 2,742 MW during the year ended 31 December 2024 and therefore, it is reasonable for the Management to assume that the Group would have over 6,000 MW of total installed capacity of wind and photovoltaic power projects which required finance lease arrangements from Shenzhen Jingneng Leasing for the three years ending 31 December 2028. Furthermore, as Shenzhen Jingneng Leasing is a subsidiary of the Company and gains a better understanding of the Group's business and financial plan, the Group would usually allocate more projects to Shenzhen Jingneng Leasing for financing as compared to Beijing Jingneng Leasing;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- in estimating the contract values for finance lease of the wind and photovoltaic power projects used in calculating the SZ Leasing Caps, the Management refers to the contract values to installed capacity ratio (i.e. RMB/W) of the wind and photovoltaic power generation projects commenced in recent years involving finance lease arrangement. As part of our due diligence work, we have obtained and reviewed a list of the Group's existing wind and photovoltaic power projects in 2024 and 2025, and note that the contract value for finance lease to installed capacity ratios of such projects are approximately RMB1.5 to 2.5/W for wind and photovoltaic power generation projects (as the case may be). The contract values to installed capacity ratios adopted by the Management in estimating the contract values of the installed capacity of wind and/or photovoltaic power projects in the SZ Leasing Caps calculation are within the range of the aforementioned historical contract value for finance lease to installed capacity ratios; and
- we understand from Management that the relatively low utilisation rates of the existing Shenzhen leasing caps in 2023 and 2024 was primarily due to the Group had greater reliance on loan financing from commercial banks instead of finance lease arrangements to satisfy its project funding requirements. With the anticipated tightening in the credit market in the future, the Group is actively exploring the finance leasing arrangements with Shenzhen Jingneng Leasing as an alternative option to optimize its financial resources. We have obtained and reviewed the list of finance leasing transactions conducted with Shenzhen Jingneng Leasing from 1 January 2025 to 30 September 2025. During this period, the Group entered into finance leasing contracts with Shenzhen Jingneng Leasing of an aggregate principal amount of approximately RMB3.20 billion, of which payments of approximately RMB1.40 billion were made, with the remaining balance scheduled for settlement by the end of 2025 or in subsequent years. As advised by the Management, the utilisation rate of existing annual caps is expected to further increase by the end of 2025.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Company will monitor individual agreements under the Finance Leasing Framework Agreement (II) that exceed three years on a periodic basis. It will also conduct an annual review of the transactions under the Finance Leasing Framework Agreement (II) (including the rates and fees charged for such transactions) to ensure that the transactions are in accordance with the Listing Rules and the terms of the agreement.

Having taken into account the analysis as set out in the sub-section “e. Duration of the specific agreements under the Finance Leasing Business Framework Agreement” under the section “2.2 Finance Leasing Framework Agreement (I)”, we consider that the duration of the specific agreements under the Finance Leasing Framework Agreement (II), which are expected to be longer than three years, is required and it is the normal business practice for agreements of this type to be of such duration.

*f. Conclusion*

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Finance Leasing Framework Agreement (II) are on normal commercial terms and are fair and reasonable; and (ii) entering into of the Finance Leasing Framework Agreement (II) are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

### **2.6 Financial Assistance Framework Agreement**

*a. Description of the transaction*

Reference is made to the announcement of the Company dated 8 November 2022 and the circular of the Company dated 12 December 2022 in relation to, among others, the financial assistance framework agreement entered into between Shenzhen Jingneng Leasing and the Company. As the financial assistance framework agreement will expire on 31 December 2025, the Company entered into the Financial Assistance Framework Agreement with BEH on 12 November 2025, with a term of three years commencing from 1 January 2026 and ending on 31 December 2028, pursuant to which the Company agreed to provide loan services and guarantee services to the connected subsidiaries of the Company partially owned by BEH (including but not limited to Shenzhen Jingneng Leasing).

We have obtained and reviewed both the current financial assistance framework agreement, which was approved by the independent Shareholders in the extraordinary general meeting of the Company held on 29 December 2022, and the renewed Financial Assistance Framework Agreement, and note that the major terms of the aforementioned agreements are similar.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*b. Reasons for and benefits of the transactions*

As disclosed in the Letter from the Board, the main reasons for and benefits of the transactions under the Financial Assistance Framework Agreement are as follows: (i) the loan interest charged by the Company is determined by reference to the applicable LPR, provided that such interest rates shall not be lower than the prevailing cost of financing of the fund by the Company for such loans or the market deposit interest rate (whichever is higher). The Company expects to benefit from the gains generated from the loan services; (ii) the provision of loan and/or guarantee services is to be provided by the Company on normal commercial terms and as the Company has better knowledge of the operation of the connected subsidiaries of the Company partially owned by BEH (including but not limited to Shenzhen Jingneng Leasing) than commercial banks, under the same conditions, it's quicker and more convenient to get those services from the Company, and thus would save financial costs, thereby increasing the profitability of the Group and benefitting its Shareholders, including the minority Shareholders; and (iii) the financial assistance provided by the Company to the connected subsidiaries of the Company partially owned by BEH (including but not limited to Shenzhen Jingneng Leasing) would allow for more efficient deployment of funds of the Group.

As mentioned above, Shenzhen Jingneng Leasing primarily provides financial leasing services and commercial factoring business services in relation to financial leasing to the public, members of BEH and the members within the Group. As advised by the Management, the source of fund for Shenzhen Jingneng Leasing's business operation was from both equity financing and debt financing. In respect of debt financing, Shenzhen Jingneng Leasing obtained fund from independent commercial banks, BEH (before the Acquisition), and the Group previously.

As advised by the Management, the Company has been providing different types of financial assistance (including borrowing and guarantee as in this case) to its subsidiaries (including Shenzhen Jingneng Leasing) for years. Based on our research, we note that it is not uncommon for PRC-listed companies to provide financial assistance (including borrowing and guarantee) to its subsidiaries.

As discussed from sub-section "b. Reasons for and benefits of the transaction" under section "2.5 Finance Leasing Framework Agreement (II)" above, the Group is able to benefit from the tax relief of Shenzhen Jingneng Leasing provided that the source of fund of Shenzhen Jingneng Leasing is debt financing.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As further advised by the Management, after taking into consideration of the Group's asset size, reputation, listing status, should the Company provide guarantee to Shenzhen Jingneng Leasing, Shenzhen Jingneng Leasing would have a lower cost of borrowing on debt financing from other lenders as compared to the situation with no guarantee. On a consolidated basis, the Company will also benefit from Shenzhen Jingneng Leasing's debt financing through the Company from other lenders instead of Shenzhen Jingneng Leasing's debt financing from other lenders directly.

We are of the view that Finance Leasing Framework Agreement (II) and Financial Assistance Framework Agreement has synergy, as Shenzhen Jingneng Leasing primarily provides financial leasing services and commercial factoring business services, with its source of fund mainly from both equity financing and debt financing. As discussed above, Shenzhen Jingneng Leasing's debt financing through the Company (i.e. the financial assistance transactions) will benefit Shenzhen Jingneng Leasing and the Group, on a consolidated basis in two aspects: (i) the tax relief coincide with debt financing; and (ii) the lower cost of fund due to guarantee.

Therefore, we consider that the entering into of the Financial Assistance Framework Agreement is in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

*c. Pricing policy*

Pursuant to the Financial Assistance Framework Agreement, the Company agrees to provide loan services and guarantee services the connected subsidiaries of the Company partially owned by BEH according to the principal terms as below:

- in term of the loan services, the Group will provide loan services to the connected subsidiaries of the Company partially owned by BEH. The interest rate for loans to be granted to the connected subsidiaries of the Company partially owned by BEH by the Group will be agreed between BEH and the Group by reference to the applicable LPR, provided that such interest rates shall not be lower than the prevailing cost of financing of the fund by the Company for such loans or the market deposit interest rate (whichever is higher); and

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- in term of the guarantee services, the Group will provide the connected subsidiaries of the Company partially owned by BEH with a corporate guarantee for loans from a bank in accordance with the terms of the guarantee agreement entered into with the relevant bank, covering liabilities including but not limited to the principal, related accrued interest, compensation and other expenses. The guarantee provided by the Group to the connected subsidiaries of the Company partially owned by BEH shall be made on normal commercial terms and BEH will not be charged for any fees for the guarantee.

In evaluating the pricing policy of loan services, we note that the interest rate for loans to be granted to Shenzhen Jingneng Leasing by the Company shall be not be lower than, among other things, the prevailing cost of financing of the fund by the Company for such loans. As part of our due diligence work, we have obtained and reviewed three sets of transaction records of loans with aggregate principal amount of approximately RMB650.0 million granted by the Group to Shenzhen Jingneng Leasing which are randomly selected by the Company as per our request (the “Sample Loan Transactions”) during the Review Period. Given the aggregate principal amount of the Sample Loan Transactions accounts for more than 50% of the historical amounts under the current financial assistance framework agreement during the Review Period, we consider that the sample size of the Sample Loan Transactions obtained by us are sufficient and representative for our due diligence purpose. We have compared each of the Sample Loan Transactions with two sets of transaction records of the Group’s loan granted by independent PRC commercial banks in the same period with similar amount and maturity (the “Comparable Loan Transactions”), and note that the interest rate of Sample Loan Transactions was not lower than the interest rate of the Comparable Loan Transactions. Based on the above, we consider that the pricing policy of loan services under the Financial Assistance Framework Agreement are fair and reasonable.

As advised by the Management, the Company provided several guarantees for its subsidiaries. The Company did not charge any fees for the guarantees. Based on the above, we consider that the nil consideration for the guarantee services under the Financial Assistance Framework Agreement are fair and reasonable.

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LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In view of the above, we are of the view that the loan services and guarantee services under the Financial Assistance Framework Agreement are carried out on normal commercial terms and the respective pricing principles are fair and reasonable.

d. *Historical amounts, annual caps and basis of annual caps*

<i>RMB'million (except for utilisation rates)</i>	Existing annual caps for the years ended/ending 31 December			Proposed Annual Caps for the years ending 31 December		
	2023	2024	2025	2026	2027	2028
	Annual Caps	4,000.00	6,000.00	7,500.00	5,000.00	8,000.00
Historical Amounts	500.00	-	350.00 <i>Note 1</i>	-	-	-
Utilisation Rates	12.50%	0.00%	4.67% <i>Note 1</i>	-	-	-

*Note:*

- <sup>1.</sup> The utilisation rate for the year ending 31 December 2025 is computed based on the historical amounts for the nine months ended 30 September 2025.

As disclosed in the Letter from the Board, after taking account of the following factors, the Company estimates that the proposed annual caps for the Financial Assistance Framework Agreement for the three years ending 31 December 2028 (the “Financial Assistance Caps”) are RMB5,000.0 million, RMB8,000.0 million and RMB11,000.0 million, respectively:

- (i) the historical amounts of loans and guarantees provided by BEH to Shenzhen Jingneng Leasing; and
- (ii) the expected demand for flexible capital investment and management by the connected subsidiaries of the Company partially owned by BEH (including but not limited to Shenzhen Jingneng Leasing) in accordance with its current business.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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According to management of the Company, taking into account the Group's asset base, reputation, and listed status, the Company's provision of a guarantee to Shenzhen Jingneng Leasing would result in a lower cost of debt financing for Shenzhen Jingneng Leasing compared to the scenario without a guarantee. On a consolidated basis, the Group would also benefit by facilitating access to debt financing through the Company's guarantee, as opposed to Shenzhen Jingneng Leasing securing financing independently. The low utilisation of the annual caps does not indicate an absence of business demand; rather, it reflects that prevailing market interest rates and financing terms offered by independent third parties have generally been more favorable than those available from the Group. It is projected that the Group will undertake at least 12 to 18 photovoltaic, wind power and other projects per annum, with individual contract values ranging from RMB117 million to RMB2,500 million over the next three years, of which 9 to 14 projects with contract values ranging from RMB117 million to RMB2,500 million are expected to be allocated to Shenzhen Jingneng Leasing for financial leasing arrangements. Securing the necessary funding for investments of this scale presents considerable challenges. Therefore, the establishment of annual caps as an additional reserve and financing alternative is considered a prudent and reasonable measure to guarantee capital stability and sustain the Group's operations.

Pursuant to the Finance Leasing Framework Agreement (II), Shenzhen Jingneng Leasing will provide finance lease services to the Group, with SZ Leasing Caps of RMB3,500 million, RMB4,000 million, RMB5,000 million for the three years ending 31 December 2028, respectively. Therefore, the maximum cumulative amounts of SZ Leasing Caps would be not more than RMB3,500 million, RMB7,500 million, RMB12,500 million for the three years ending 31 December 2028, respectively, which are generally in line with the Financial Assistance Caps.

From 1 January to 30 September 2025, the outstanding amount of borrowings granted by the Group to Shenzhen Jingneng Leasing and the guarantee amounts provided by the Group to Shenzhen Jingneng Leasing was approximately RMB350.0 million in total. As advised by the Company, Shenzhen Jingneng Leasing mainly utilized self-owned funds to finance its operations in the past years, hence its demand for financial assistance remains relatively low.

Due to the reasons and benefits in the section "b. Reasons for and benefits of the transactions" above and the expected increase in Shenzhen Jingneng Leasing's business scale as per the SZ Leasing Caps, Shenzhen Jingneng Leasing would rely more on the financial assistance provided by the Company as its predominant source of funding in the future.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Shareholders should be reminded that the actual amount of transactions under the Financial Assistance Framework Agreement for the three years ending 31 December 2028 would eventually depend on, among others, the Group's internal cost of funding and demand for Shenzhen Jingneng Leasing's finance lease services. Therefore, we consider it difficult for the Management to determine the Financial Assistance Caps with high degree of certainty. Nonetheless, we consider that it is in the interest of the Group and the Shareholders to determine the Financial Assistance Caps which can provide financial flexibility to Shenzhen Jingneng Leasing and accommodate the continuous growth of the its finance lease business. We note that the annual increment of the Financial Assistance Caps during 2026 to 2028 is related to the amount of the SZ Leasing Caps for each of the three years ending 31 December 2028. Having considered our discussion and analysis on the fairness and reasonableness of the SZ Leasing Caps in the sub-section "d. Historical amounts, annual caps and basis of annual caps" under section "2.5 Finance Leasing Framework Agreement (II)" above, we are of the view that the Financial Assistance Caps is in the interest of the Shareholders and the Company as a whole.

*e. Conclusion*

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of Financial Assistance Framework Agreement are on normal commercial terms and are fair and reasonable; and (ii) entering into of the Financial Assistance Framework Agreement are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

### 3. Internal Control

The Company has formulated certain internal guidelines and policy specifications for the Transactions, details of which are included in each sub-section headed "Internal Control Measures" in the Letter from the Board. We have also obtained and reviewed the Company's internal procedures and systems for approving and monitoring such services and transactions, including the Measures of the Administration of Connected Transactions (關連交易管理辦法) and the Internal Control Management Manual (內部控制管理手冊). According to the internal procedures and systems, different departments will be involved in the internal control procedures, involving review and compare major terms offered to connected persons with major terms offered to members of the Company with similar qualification and (if applicable) terms obtained by the connected persons from other financial institutions.

Based on our review of the sample transaction documents as discussed in the subsections headed "c. pricing policy" under each of sections 2.1 to 2.6 above, we note that the Group had adhered to the aforementioned internal control policies, in particular, the pricing principles under the Transactions have been strictly complied.

We have also obtained and reviewed the list of historical amounts of the existing non-exempt continuing connected transactions from 1 January 2023 to 30 June 2025, and found that all the utilisation amount is within the annual caps which fully complied with the internal control policy of the Company. Therefore, we consider that the Company has an effective mechanism in place to monitor the transactions on an on-going basis under the Transactions to ensure that the transaction amount under the Transactions will not exceed the relevant annual caps.

## FINANCIAL INFORMATION OF THE GROUP

The unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2025 together with the relevant notes are set out from pages 26 to 56 in the interim report of the Company for the six months ended 30 June 2025, which was published on 25 September 2025. Please also see below the hyperlinks to the said document:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0925/2025092500429.pdf>

The audited consolidated financial statements of the Company for the years ended 31 December 2022, 2023 and 2024 together with the relevant notes can be found on pages 91 to 259 of the annual report of the Company for the year ended 31 December 2022, pages 96 to 247 of the annual report of the Company for the year ended 31 December 2023 and pages 96 to 247 of the annual report of the Company for the year ended 31 December 2024. Please also see below the hyperlinks to the said documents:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042703155.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042603437.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0430/2025043003493.pdf>

## STATEMENT OF INDEBTEDNESS

As at the close of business on 31 October 2025, being the most recent practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had the following indebtedness:

Indebtedness	As at 31 October 2025 RMB'000
Bank loans	
– Secured bank loans	4,623,930
– Guaranteed bank loans	3,343,399
– Unsecured and unguaranteed bank loans	31,115,964
	<u>39,083,293</u>
Medium-term notes	9,096,753
Short-term debentures	5,531,049
Lease liabilities	968,794
Other borrowings	1,096,745
	<u>1,096,745</u>
Total indebtedness	<u><u>55,776,634</u></u>

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As at 31 October 2025, the interest rates on secured bank loans ranged from 1.86% to 3.10%; guaranteed bank loans ranged from 2.00% to 3.15%; unsecured and unguaranteed bank loans ranged from 1.60% to 3.05%; medium-term notes ranged from 1.95% to 3.22%; short-term debentures ranged from 1.60% to 1.87%; and other borrowings ranged from 1.20% to 2.76%.

As of 31 October 2025, the Group's bank loans were secured by bank deposits of RMB262.3 million and accounts receivables of RMB2,435.7 million; fixed assets of RMB1,085.6 million were pledged as collateral for bank loans; and the entire equity in Ningxia Boyang New Energy Co., Ltd. and Ningxia Kaiyang New Energy Co., Ltd., were pledged to National Development Bank in China as collateral for bank loans. All of the Group's guaranteed bank loans were guaranteed by the Company to its subsidiaries.

Save as aforesaid or otherwise disclosed herein and apart from intra-group liabilities, at the close of business on 31 October 2025, none of the members of the Group had (a) any debt securities issued and outstanding, and authorized or otherwise created but unissued; (b) any term loans; (c) any borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptances credits or hire purchase commitments; (d) any debentures, mortgages or charges; or (e) any guarantee or other material contingent liabilities.

#### SUFFICIENCY OF WORKING CAPITAL

Taking into account the financial resources of the Group (including the internal resources and the present available facilities and perpetual notes to be raised in the future), and assuming the success renewal of bank loans and facilities upon maturity, the Directors are of the opinion that the Group will have sufficient working capital for at least twelve months from the date of this circular.

#### TRADING AND FINANCIAL PROSPECTS

2025 is the final year of the "14th Five-Year Plan" and an important year for achieving a comprehensive leap in the high-quality development of the Group. The Group will proactively adapt to new situations such as the accelerated construction of new power systems, the continuous deepening of power market-oriented reforms, the increasing pressure of new energy consumption and the heightening risk of market-oriented fluctuations in electricity tariffs, and will constantly adhere to the principle of seeking rapid and optimal progress while maintaining stability, continuously coordinate the relationship between quality and scale in development, further strengthen its market awareness, use market thinking and market mechanisms to plan new developments, and strive to create greater value for shareholders.

Continuously stepping up marketing efforts, and striving to ensure quantity and price

The Group will closely monitor the market supply and demand situation, rely on the data resources of the “three-tier integrated” intelligent management and control system, introduce artificial intelligence tools, realise the automatic capture of power plant marketing data, customise transaction models, dynamically optimise transaction strategies, and strive for transaction benefits. We will further deepen the synergy of heat and electricity, and strive to increase the proportion of heat supply of the central heating network. We will establish an electricity marketing platform, strengthen the construction of the marketing team, improve the marketing organisation, and refine the marketing incentive mechanism. We will develop spot electricity and green electricity transactions, coordinate to increase the proportion of high price transactions such as cross-provincial transmission, contracted electricity transfer and power generation rights swap, and maintain favorable average transaction price and on-grid electricity volume.

Rationally planning the development of new projects, and making every effort to speed up project investment and construction

Based on actual circumstances such as the regional differentiation in new energy consumption and the relationship between supply and demand in the electricity market, the Group will proactively control the pace of project development, scientifically guide new projects to tilt towards regions with good consumption and high electricity tariffs, rationally coordinate the development of strategic emerging projects, coordinate and balance the reasonable relationship between development quality and development speed, and explore incremental space through new business formats.

The Group will keep a close eye on the high-quality resources of “Green Power into Beijing”, and implement the “point-to-point” contract signed for the supply of green electricity to Beijing users in respect of the 1 million kW wind, photovoltaic, thermal and hydrogen storage demonstration project of the Jingneng Chagan Nur Power Plant. We will speed up the preliminary work of the Mentougou pumped storage project, complete the preparation of the special report as soon as practicable, and strive to obtain the project approval as soon as possible. We will seek to include the Chengde “Green Power into Beijing” project into the “15th Five-Year Plan” of Beijing and Hebei Province. We will start the preliminary preparation work for the “Green Power into Beijing” projects in Hulunbuir and Hinggan League.

The Group will accelerate the investment and construction of strategic emerging projects, facilitate the completion and grid connection of the first batch of the integrated wind and sand control project in Xilingol League, and strive to facilitate the landing of the second batch of construction quota. We will facilitate the completion of the feasibility study review and investment decision-making of the Shantou offshore wind power project, and strive to complete all the conditions for commencement of construction. We will accelerate the transformation of gas-fired power companies to integrated energy

Firmly adhering to the bottom line, and systematically promoting production safety and infrastructure construction safety

The Group will focus on ensuring a stable energy supply in the capital, systematically promote production safety management, continuously improve the safety risk classification management list, carry out targeted inspections for hazards, earnestly facilitate special rectification of safety management, and ensure the long-term stable operation of the power generation units. We will take proactive measures to address extreme weather, improve the contingency guarantee mechanisms, enhance the contingency plans, and strengthen contingency handling capabilities. We will establish and improve safety management systems and measures for new business formats such as offshore wind power and energy storage. We will orderly facilitate the convergence between unit maintenance and various tasks such as stable power generation and heat supply guarantee. We will systematically strengthen the control of the entire process of infrastructure construction, solidly carry out the special actions to “anti-three violations”, strengthen on-site management of high-risk operations such as working at heights, enhance risk prevention measures such as training of outsourced personnel, and strive to achieve the “six unifications” of safety, quality, progress, cost, efficiency and integrity. We will strengthen the efforts to promote safety through technology, make good use of the “digital safety management platform”, explore the integrated development of new technologies such as artificial intelligence and production safety, and continuously improve the level of intrinsic safety from the aspects of management optimization and technological innovation.

Making good use of the market value management “toolbox”, and actively maintaining the Company’s market value

The Group takes maximising shareholders’ interests as its core goal, and adopts proactive strategies to maintain and enhance the Company’s market value by using the market value management “toolbox”. The Group will proactively communicate with investors and enhance the transparency of information disclosure in the forms such as regular results releases, roadshows, ESG reports and voluntary announcements. We will assess the conditions for entering the “Hong Kong Stock Connect”, strive to increase our circulating market value and endeavour to enter the “Hong Kong Stock Connect” as soon as practicable. We will carefully study the stock repurchase plan to enhance market confidence and will explore future dividend planning to steadily increase our dividend ratio. The Group will make full use of the above “toolbox”, strive to build a virtuous cycle of “performance growth – valuation repair – shareholders’ returns”, and endeavour to achieve a spiral rise in market value and corporate value.

## I. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## II. DISCLOSURE OF INTERESTS

### (1) Directors' interests

As at the Latest Practicable Date, none of the Directors or members of the senior management of the Company had any interest or short position in the Shares and underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix C3 to the Listing Rules to be notified to the Company and the Hong Kong Stock Exchange.

Save as disclosed below, as at the Latest Practicable Date, none of the Directors was a director or an employee of any shareholders of the Company or a company which has an interest or short position in Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (a) Mr. Zhou Jianyu, a non-executive Director, is a director of Beijing Jingneng Power Co., Ltd. (a subsidiary of BEH);
- (b) Mr. Song Zhiyong, a non-executive Director, is the senior manager of the capital operation department of BSCOMC; and
- (c) Ms. Zhang Yi, a non-executive Director, is an executive director and the general manager of China Re Asset Management (Hong Kong) Co., Ltd.

(2) Substantial shareholders' interests

As at the Latest Practicable Date, so far as the Directors are aware, each of the following persons (other than a Director or chief executive of the Company or their respective associates) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholders	Types of shares	Capacity	Number of shares/ underlying shares held (share)	Percentage of relevant class of share capital
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*Notes:*

1. BEH directly held 5,174,447,731 domestic shares of the Company. Beijing District Heating (Group) Co., Ltd., a wholly-owned subsidiary of BEH, directly held 16,035,322 domestic shares of the Company. In accordance with the SFO, BEH was deemed to be interested in 16,035,322 domestic shares held by Beijing District Heating (Group) Co., Ltd. As such, BEH had/was deemed to be interested in an aggregate of 5,190,483,053 domestic shares of the Company.
2. BSCOMC directly held 224,348,291 domestic shares of the Company. As far as the Company is aware, BEH was wholly-owned by BSCOMC. In accordance with the SFO, BSCOMC had/was deemed to be interested in an aggregate of 5,414,831,344 domestic shares of the Company.
3. BEI (HK) directly held 471,612,800 H shares of the Company. As far as the Company is aware, BEI (HK) was wholly-owned by BEH, while BEH was wholly-owned by BSCOMC. In accordance with the SFO, BEH and BSCOMC were deemed to be interested in 471,612,800 H shares held by BEI (HK).
4. Beijing Enterprises Energy Technology Investment Co., Limited directly held 196,964,000 H shares of the Company. As far as the Company is aware, Beijing Enterprises Energy Technology Investment Co., Limited was wholly-owned by Beijing Enterprises Holdings Limited. In accordance with the SFO, Beijing Enterprises Holdings Limited was deemed to be interested in 196,964,000 H shares held by Beijing Enterprises Energy Technology Investment Co., Limited.
5. China Property & Casualty Reinsurance Company Ltd. directly held interests in 196,704,000 H shares of the Company. China Reinsurance (Group) Corporation held direct interests in 459,332,000 H shares of the Company. As far as the Company is aware, China Property & Casualty Reinsurance Company Ltd. was wholly-owned by China Reinsurance (Group) Corporation, while 71.56% interests of China Reinsurance (Group) Corporation was owned by Central Huijin Investment Ltd. In accordance with the SFO, China Reinsurance (Group) Corporation and Central Huijin Investment Ltd. were deemed to have interests in 656,036,000 H shares of the Company.

Save as disclosed above and as at the Latest Practicable Date, the Directors are not aware that there is any other persons who have an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or which were as recorded in the register required to be kept under Section 336 of the SFO.

BSCOMC, BEH, BDHG and BEI (HK) are required to abstain from voting on relevant resolutions in relation to the proposed continuing connected transactions contemplated under the Framework Heat Sale and Purchase Agreement, the Financial Assistance Framework Agreement, the Finance Leasing Framework Agreement (I), the Finance Leasing Business Framework Agreement, the Finance Leasing Framework Agreement (II) and the proposed deposit service under the Financial Services Framework Agreement, and the proposed annual caps thereof at the EGM.

### III. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Company and its subsidiaries since 31 December 2024, being the date to which the latest published audited accounts of the Company and its subsidiaries were made up to.

## IV. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or claims of material importance, and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any member of the Group.

## V. MATERIAL CONTRACTS

The members of the Group have entered into the following material contract within the two years immediately preceding the date of this circular:

- (a) the trust agreement (信託合同) dated 24 November 2025 entered into between the Company and China Resources SZITIC Trust Co., Ltd. (華潤深國投信託有限公司) (“CR Trust”) in respect of the formation of the Trust and the transfer of the underlying assets for the purpose of the second ABCP issuance;
- (b) the assets management service agreement (服務合同) dated 24 November 2025 entered into between the Company and CR Trust in respect of the assets management services for the underlying assets for the purpose of the second ABCP issuance;
- (c) underwriting agreement dated 24 November 2025 entered into among the Company, CR Trust and China Merchants Bank Co., Ltd. (招商銀行股份有限公司) (“CM Bank”) in respect of the underwriting of the second ABCP issuance;
- (d) the liquidity support undertaking (流動性支持承諾函) dated 24 November 2025 issued by the Company in respect of the liquidity support to be provided by the Company for the purpose of the second ABCP issuance;
- (e) the fund supervision agreement (資金監管合同) dated 24 November 2025 entered into among the Company, CR Trust and the Beijing branch of CM Bank, in respect of the fund supervision of recovery payments of the underlying assets for the purpose of the second ABCP issuance;

- (f) the fund supervision agreement (資金監管合同) dated 24 April 2025 entered into among the Company, CR Trust and the Beijing branch of CM Bank, in respect of the fund supervision of recovery payments of the underlying assets for the purpose of the issuance of the first tranche asset-backed commercial papers which are backed by the underlying assets (“ABCP Issuance”);
- (g) the trust agreement (信託合同) dated 24 April 2025 entered into between the Company and CR Trust in respect of the formation of the Trust and the transfer of the underlying assets for the purpose of the ABCP Issuance;
- (h) the assets management service agreement (服務合同) dated 24 April 2025 entered into between the Company and CR Trust in respect of the assets management services for the underlying assets for the purpose of the ABCP Issuance;
- (i) the underwriting agreement dated 24 April 2025 entered into among the Company, CR Trust and CM Bank in respect of the underwriting of the ABCP Issuance;
- (j) the liquidity support undertaking (流動性支持承諾函) dated 24 April 2025 issued by the Company in respect of the liquidity support to be provided by the Company for the purpose of the ABCP Issuance;
- (k) the capital increase agreement dated 24 March 2025 entered into among BEH, the Company, Beijing Jingneng Power Co., Ltd. (北京京能電力股份有限公司) and BEH Finance in relation to the capital increase of BEH Finance in an aggregate amount of RMB5 billion;
- (l) the share sale and purchase agreement entered into by Beijing Jingneng Clean Energy (Hong Kong) Co., Limited (北京京能清潔能源電力股份(香港)有限公司) (“BJCE HK”), Beijing Energy International (Australia) Holding Pty Ltd (北京能源國際(澳大利亞)控股有限公司) (“BJEI Australia”) and Beijing Jingneng Clean Energy (Australia) Holding Pty Ltd (北京京能清潔能源(澳大利亞)控股有限公司) (the “Target Company”) on 20 August 2024 in relation to the disposal of the 40% equity interest in the Target Company by BJCE HK to BJEI Australia.

Save as disclosed above, no material contract (not being a contract entered into in the ordinary course of business) has been entered into by any member of the Group within the two years immediately preceding the issue of this circular.

#### VI. QUALIFICATIONS AND CONSENT OF EXPERT

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

As at the Latest Practicable Date, none of the Directors and the above expert had any interest, direct or indirect in any asset which have been, since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

## IX. DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save for Mr. Zhou Jianyu holding positions in BEH and Mr. Song Zhiyong holding position in BSCOMC, in so far as the Directors are aware, as at the Latest Practicable Date, none of the Directors or their respective close associates (as defined in the Listing Rules) had an interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules).

## X. MISCELLANEOUS

### Company Secretary

Mr. Zhang Wei ("Mr. Zhang"), an executive Director, and Mr. Chung Ming Fai ("Mr. Chung") currently serve as the joint company secretaries of the Company. Mr. Zhang graduated from the department of infrastructure economics of the Central Institute of Finance and Economics (中央財政金融學院), majoring in infrastructure finance and credit, and obtained a bachelor's degree in economics. Mr. Zhang holds the professional technical qualifications of senior economist and accountant. Mr. Chung obtained a Bachelor of Commerce degree in December 2003 from the

## XI. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Hong Kong Stock Exchange at (<http://www.hkexnews.hk>) and the website of the Company (<https://www.jncec.com>) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the Framework Heat Sale and Purchase Agreement;
- (b) the Financial Assistance Framework Agreement;
- (c) the Finance Leasing Framework Agreement (I);
- (d) the Finance Leasing Business Framework Agreement;
- (e) the Finance Leasing Framework Agreement (II);
- (f) the Financial Services Framework Agreement;
- (g) the letter from Maxa Capital to tS1.V8CY9Yindependeent ommiettS1.V8CY9Y(and)-408.8(tS1)

Details of the proposed amendments are set out below (text to be deleted is indicated by strikethrough, text to be added is indicated by underline and bold font). Due to deletions of articles, the serial number of relevant articles of the Rules of Procedures for General Meetings and the Rules of Procedures for Board of Directors have been adjusted accordingly without separate presentation. Certain amendments to expressions in the Chinese version or the English version of the Rules of Procedures for General Meetings and the Rules of Procedures for Board of Directors are not applicable to the other version, as the case may be. The Rules of Procedure for General Meetings and the Rules of Procedure for Board of Directors are written in Chinese. The English versions of the following provisions are unofficial translations of their Chinese counterparts. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

1. PROPOSED AMENDMENTS TO RULES OF PROCEDURE FOR GENERAL MEETINGS

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>Article 1 In order to protect the legitimate rights and interests of the shareholders, further clarify the responsibilities and authorities of the shareholders' general meeting of Beijing Jingneng Clean Energy Co., Limited (the "Company"), standardize its organization and behaviors, ensure that the shareholders' general meeting perform their functions according to laws, and improve the procedure efficiency of the shareholders' general meeting, the Rules of Procedure is formulated in accordance with relevant laws and regulations, such as the Company Law of the People's Republic of China (the "Company Law"), the Guidelines for the Articles of Association of Chinese Listed Companies and relevant provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association of Beijing Jingneng Clean Energy Co., Limited (the "Articles of Association").</p>	<p>Article 1 In order to protect the legitimate rights and interests of the shareholders, further clarify the responsibilities and authorities of the <del>shareholders'</del> general meeting of Beijing Jingneng Clean Energy Co., Limited (the "Company"), standardize its organization and behaviors, ensure that the <del>shareholders'</del> general meeting perform their functions according to laws, and improve the procedure efficiency of the <del>shareholders'</del> general meeting, the Rules of Procedure is formulated in accordance with relevant laws and regulations, such as the Company Law of the People's Republic of China (the "Company Law"), the Guidelines for the Articles of Association of Chinese Listed Companies and relevant provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association of Beijing Jingneng Clean Energy Co., Limited (the "Articles of Association").</p>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>Article 2 The Rules of Procedure apply to the Company's general meetings and are binding upon the Company, its shareholders, proxies attending general meetings, directors and supervisors of the Company, as well as other relevant persons attending general meetings.</p>	<p>Article 2 The Rules of Procedure apply to the Company's general meetings and are binding upon the Company, its shareholders, proxies attending general meetings, <del>directors and supervisors of the Company</del>, as well as <u>directors of the Company and</u> other relevant persons attending general meetings.</p>
<p>Chapter 2 Rules for the General Meeting</p>	<p>Chapter 2 Rules for the General Meeting</p>
<p>Article 3 The general meetings shall include annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once a year and shall be held within six months from the end of the preceding fiscal year.</p>	<p>Article 3 The general meetings shall include annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once a year and shall be held within six months from the end of the preceding fiscal year.</p>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>Article 4 Extraordinary shareholders' meetings will be held on an ad hoc basis. The board of directors shall convene an extraordinary shareholders' meeting within two months upon the occurrence of any of the following circumstances:</p> <p>(1) The number of directors is less than the number provided for in the Company Law or less than two-thirds prescribed in the Articles of Association of the Company;</p> <p>(2) The losses of the Company that have not been made up reach one-third of the total paid-in share capital of the Company;</p> <p>(3) Shareholders who individually or together hold more than 10% of the shares of the Company required in writing an extraordinary shareholders' meeting to be convened;</p> <p>(4) Whenever the board of directors considers necessary;</p> <p>(5) When the board of supervisors suggests a meeting;</p> <p>(6) Other circumstances prescribed by the law, administrative regulations, departmental regulations or the Articles of Association.</p>	<p>Article 4 Extraordinary shareholders' meetings will be held on an ad hoc basis. The board of directors shall convene an extraordinary shareholders' meeting within two months upon the occurrence of any of the following circumstances:</p> <p>(1) The number of directors is less than the number provided for in the Company Law or less than two-thirds prescribed in the Articles of Association of the Company;</p> <p>(2) The losses of the Company that have not been made up reach one-third of the total <del>paid-in</del> share capital of the Company;</p> <p>(3) Shareholders who individually or together hold more than 10% of the shares of the Company required in writing an extraordinary shareholders' meeting to be convened;</p> <p>(4) Whenever the board of directors considers necessary;</p> <p>(5) When the <del>board of supervisors</del><u>audit committee</u> suggests a meeting;</p> <p>(6) Other circumstances prescribed by the law, administrative regulations, departmental regulations or the Articles of Association.</p>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>Article 5 The venue to hold a shareholders' meeting of the Company shall be the domicile of the Company or other specific location informed by the convener of the shareholders' meeting.</p> <p>The general meeting shall have a venue and be held on-site. The Company shall also provide internet or other means required by relevant securities regulatory authorities for the convenience of shareholders attendance. A shareholder who participated in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.</p>	<p>Article 5 The venue to hold a shareholders' meeting of the Company shall be the domicile of the Company or other specific location informed by the convener of the shareholders' meeting.</p> <p>The general meeting shall have a venue and be held on-site. The Company <del>shall also provide internet or other means required by relevant securities regulatory authorities for the</del>, <u>under the premise of ensuring the legality and validity of the shareholders' meeting, through various ways and means, including the provision of modern information technology means such as communication and voting platforms in the form of internet, shall provide convenience of</u> for shareholders attendance. A shareholder who participated in a shareholders' meeting in the aforesaid manners shall be deemed to have been present at the meeting.</p>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
Chapter 3 Functions and Powers of the General Meeting	Chapter 3 Functions and Powers of the General Meeting
<p>Article 6 The general meeting shall exercise the following functions and powers:</p> <p>(1) Decide the operational policy and investment plan of the Company;</p> <p>(2) Elect and replace directors and supervisors who are not staff representatives. Make decisions on matters in relation to the salary of the relevant directors and supervisors;</p> <p>(3) Review and approve the reports of the board of directors;</p> <p>(4) Review and approve the reports of the board of supervisors;</p> <p>(5) Review and approve the annual financial budgets and final accounting of the Company;</p> <p>(6) Review and approve the profit distribution plan and loss compensation plan of the Company;</p> <p>(7) Decide on increasing or reducing the registered capital of the Company;</p> <p>(8) Decide on merger, division, winding up, liquidation or changing the form of the Company;</p> <p>(9) Pass resolutions on the issuance of bonds or listing plan of other securities by the Company;</p>	<p>Article 6 The general meeting shall exercise the following functions and powers:</p> <p><del>(1) Decide the operational policy and investment plan of the Company;</del></p> <p><del>(2)</del> Elect and replace directors <del>and supervisors who are not staff representatives</del>. Make decisions on matters in relation to the salary of the relevant directors <del>and supervisors</del>;</p> <p><del>(3)</del> Review and approve the reports of the board of directors;</p> <p><del>(4)</del> Review and approve the reports of the board of supervisors;</p> <p><del>(5)</del> Review and approve the annual financial budgets and final accounting of the Company;</p> <p><del>(6)</del> Review and approve the profit distribution plan and loss compensation plan of the Company;</p> <p><del>(7)</del> Decide on increasing or reducing the registered capital of the Company;</p> <p><del>(8)</del> Decide on merger, division, winding up, liquidation or changing the form of the Company;</p> <p><del>(9)</del> Pass resolutions on the issuance of bonds or listing plan of other securities by the Company;</p>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
(10) Pass resolutions on the employment and dismissal of accounting firms by the Company;	<del>(107)</del> Pass resolutions on the employment and dismissal of accounting firms <u>that undertakes the Company's auditing business</u> by the Company;
(11) Amend the Articles of Association;	<del>(118)</del> Amend the Articles of Association;
(12) Review and approve the external guarantee issues which shall be reviewed at the general meeting as prescribed in Article 7 of the Rules of Procedure;	<del>(129)</del> Review and approve the external guarantee issues which shall be reviewed at the general meeting as prescribed in Article 7 of the Rules of Procedure;
(13) Review purchases and sales of significant assets within a year exceeding 30% of the latest audited total assets of the Company;	<del>(1310)</del> Review purchases and sales of significant assets within a year exceeding 30% of the latest audited total assets of the Company;
(14) Review and approve changes in the usage of raised funds;	<del>(114)</del> Review and approve changes in the usage of raised funds;
(15) Review share incentive plans and employee stock ownership plan;	<del>(125)</del> Review share incentive plans and employee stock ownership plan;
(16) Review proposals of the shareholders who represent 3% or more of the Company's voting shares;	<del>(136)</del> Review proposals of the shareholders who, <u>individually or together, hold represent 31%</u> or more of the Company's <del>voting</del> shares;
(17) Review the Company's external donations and sponsorships whose single amount reaches 0.1% or more of the Company's latest audited net assets and are included in profit or loss for the current period;	<del>(147)</del> Review the Company's external donations and sponsorships whose single amount reaches 0.1% or more of the Company's latest audited net assets and are included in profit or loss for the current period;

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>(18) Review other matters to be approved at the general meeting as prescribed by the law, administrative regulations, department regulations, listing rules of the local stock exchange where the Company's shares are listed or the Articles of Association.</p>	<p>(15<del>8</del>) Review other matters to be approved at the general meeting as prescribed by the law, administrative regulations, department regulations, listing rules of the local stock exchange where the Company's shares are listed or the Articles of Association.</p> <p><u>The shareholders' meeting may authorize the board of directors to make resolutions regarding the issuance of corporate bonds.</u></p>
<p>Article 7 The following external guarantees of the Company must be reviewed and passed at the general meeting:</p> <p>(1) Any external guarantee by the Company or its subsidiary and any subsequent external guarantee, whose total amount is equal to or more than 50% of the Company's audited net assets;</p> <p>(2) Any external guarantee by the Company and any subsequent external guarantee, whose total amount is equal to or more than 30% of the Company's latest audited total assets;</p> <p>(3) Any external guarantee by the Company within one year whose amount is more than 30% of the Company's latest audited total assets for the most recent period;</p> <p>(4) To provide external guarantee to entities with more than 70% debt equity ratio;</p>	<p>Article 7 The following external guarantees of the Company must be reviewed and passed at the general meeting:</p> <p>(1) Any external guarantee by the Company or its subsidiary and any subsequent external guarantee, whose total amount is <del>equal to or</del> more than 50% of the Company's audited net assets;</p> <p>(2) Any external guarantee by the Company and any subsequent external guarantee, whose total amount is <del>equal to or</del> more than 30% of the Company's latest audited total assets;</p> <p>(3) Any external guarantee by the Company within one year whose amount is more than 30% of the Company's latest audited total assets for the most recent period;</p> <p>(4) To provide external guarantee to entities with more than 70% debt equity ratio;</p>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>(5) A single external guarantee whose amount exceeds 10% of the latest audited net assets;</p> <p>(6) To provide guarantee for shareholders, actual controller and its associates;</p> <p>(7) Other external guarantees which shall be passed at the general meeting as prescribed by the local stock exchange TetheAD.0924ion.</p>	

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
Chapter 4 Proposing and Convening of General Meeting	Chapter 4 Proposing and Convening of General Meeting
<p>Article 9 Independent directors are entitled to propose an extraordinary shareholders’ meeting to the board of directors. Concerning the above request, the board of directors shall, in accordance with the law, administrative regulations and the Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary shareholders’ meeting within 10 days upon receipt of the proposal.</p> <p>If the board of directors agrees to convene the extraordinary shareholders’ meeting, it shall issue a notice of shareholders’ meeting within 5 days upon making the decision. If the board of directors does not agree to convene an extraordinary shareholders’ meeting, it shall explain the reasons and make an announcement accordingly.</p>	<p>Article 9 <u>The board of directors shall convene a shareholders’ meeting within the prescribed timeframe.</u> Independent directors are entitled to propose an extraordinary shareholders’ meeting to the board of directors <u>with the approval of more than half of all the independent directors.</u> Concerning the above request, the board of directors shall, in accordance with the law, administrative regulations and the Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary shareholders’ meeting within 10 days upon receipt of the proposal.</p> <p>If the board of directors agrees to convene the extraordinary shareholders’ meeting, it shall issue a notice of shareholders’ meeting within 5 days upon making the decision. If the board of directors does not agree to convene an extraordinary shareholders’ meeting, it shall explain the reasons and make an announcement accordingly.</p>

PROPOSED AMENDMENTS TO RULES OF  
PROCEDURE FOR GENERAL MEETINGS AND  
RULES OF PROCEDURE FOR BOARD OF DIRECTORS

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>Article 10 The board of supervisors may propose to the board of directors to convene an extraordinary general meeting. Such proposal shall be made in writing to the board of directors. The board of directors shall, in accordance with the law, administrative regulations and the Articles of Association, give a written reply within 10 days after its receipt of such proposal, to state whether it agrees or disagrees to convene an extraordinary general meeting.</p> <p>If the board of directors agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days after the board resolution for this purpose is adopted. Any changes made by such notice to the proposal of the supervisory committee shall be approved by the board of supervisors.</p> <p>If the board of directors disagrees to convene the extraordinary general meeting, or fails to reply in writing within 10 days after its receipt of the proposal, the board of directors shall be deemed as unable to or failing to perform its duties to convene the general meeting, and the board of supervisors may convene and preside over the meeting.</p>	<p>Article 10 <del>The board of supervisors</del> <u>audit committee</u> may propose to the board of directors to convene an extraordinary general meeting. Such proposal shall be made in writing to the board of directors. The board of directors shall, in accordance with the law, administrative regulations and the Articles of Association, give a written reply within 10 days after its receipt of such proposal, to state whether it agrees or disagrees to convene an extraordinary general meeting.</p> <p>If the board of directors agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days after the board resolution for this purpose is adopted. Any changes made by such notice to the proposal of the supervisory committee shall be approved by the <del>board of supervisors</del> <u>audit committee</u>.</p> <p>If the board of directors disagrees to convene the extraordinary general meeting, or fails to reply in writing within 10 days after its receipt of the proposal, the board of directors shall be deemed as unable to or failing to perform its duties to convene the general meeting, and the <del>board of supervisors</del> <u>audit committee</u> may convene and preside over the meeting.</p>



Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>(4) If the board of supervisors agrees to convene the extraordinary general meeting, it shall issue a notice of meeting within 5 days upon making the decision. Any changes made to the original request in the notice shall be agreed by the relevant shareholders.</p> <p>(5) If the board of supervisors does not issue the notice of general meeting within the prescribed period, it shall be deemed as the board of supervisors not convening and not holding the general meeting. Then the shareholders who individually or together hold more than 10% of the shares for more than 90 days consecutively may convene and hold the meeting themselves. Before publicly announcing the resolution(s) of the general meeting, the convening shareholders shall hold no less than 10% of the shares of the Company. When the convening shareholder issues the notice for general meeting and publicly announces the resolution(s) of the general meeting, they shall submit the relevant proof materials to the CSRC sub-office at the Company's residence and the stock exchange.</p>	<p>(4) If the <del>board of supervisors</del> <u>audit committee</u> agrees to convene the extraordinary general meeting, it shall issue a notice of meeting within 5 days upon making the decision. Any changes made to the original request in the notice shall be agreed by the relevant shareholders.</p> <p>(5) If the <del>board of supervisors</del> <u>audit committee</u> does not issue the notice of general meeting within the prescribed period, it shall be deemed as the <del>board of supervisors</del> <u>audit committee</u> not convening and not holding the general meeting. Then the shareholders who individually or together hold more than 10% of the shares for more than 90 days consecutively may convene and hold the meeting themselves. Before publicly announcing the resolution(s) of the general meeting, the convening shareholders shall hold no less than 10% of the shares of the Company. When the convening shareholder issues the notice for general meeting and publicly announces the resolution(s) of the general meeting, they shall submit the relevant proof materials to the CSRC sub-office at the Company's residence and the stock exchange.</p>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>Article 12 Where the board of supervisors or shareholders convenes a meeting in accordance with the provisions of this section, a written notice shall be sent to the board of directors and filed with the securities regulatory authorities where the Company is located and relevant stock exchange. The board of directors and the board secretary shall cooperate. The board of directors shall provide the register of shareholders on the shareholding record date. All reasonable fees incurred for the meeting shall be borne by the Company, and be deducted from the amounts due to the director(s) who breaches the duty.</p>	<p>Article 12 Where the <del>board of supervisors</del> <u>audit committee</u> or shareholders convenes a meeting in accordance with the provisions of this section, a written notice shall be sent to the board of directors and filed with the securities regulatory authorities where the Company is located and relevant stock exchange. The board of directors and the board secretary shall cooperate. The board of directors shall provide the register of shareholders on the shareholding record date. All reasonable fees incurred for the meeting shall be borne by the Company, and be deducted from the amounts due to the director(s) who breaches the duty.</p>
<p>Chapter 5 Proposals and Notices of General Meeting</p>	<p>Chapter 5 Proposals and Notices of General Meeting</p>
<p>Article 13 The contents of the proposals to be raised shall be within the scope of duties of the shareholders' meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations and the Articles of Association.</p>	<p>Article 13 The contents of the proposals to be raised shall be within the scope of duties of the shareholders' meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations and the Articles of Association.</p>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>Article 14 When a general meeting is held by the Company, the board of directors, board of supervisors or shareholders who individually or together holding more than 3% of the shares of the Company may propose resolutions to the Company.</p> <p>Shareholders who individually or together holding more than 3% of the shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the holding of the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals.</p> <p>Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, cannot revise the proposals stated in the notice of general meetings or add new proposals.</p> <p>If a notice of general meeting does not specify the proposed resolutions or does not comply with Article 13 herein, no voting for decision should be held at the general meeting.</p>	<p>Article 14 When a general meeting is held by the Company, the board of directors, <del>board of supervisors</del> <u>the audit committee</u> or shareholders who individually or together holding more than <del>3</del><u>31</u>% of the shares of the Company may propose resolutions to the Company.</p> <p>Shareholders who individually or together holding more than <del>3</del><u>31</u>% of the shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the holding of the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days upon receipt of the proposals <del>and</del>, announce the contents of the ad hoc proposals, <u>and submit ad hoc proposals to the shareholders' meeting for approval. However, the ad hoc proposal that is in violation of laws, administrative regulations or the provisions of the Articles of Association, or is not within the scope of duties of the shareholders' meeting shall be excluded.</u></p> <p>Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, cannot revise the proposals stated in the notice of general meetings or add new proposals.</p> <p>If a notice of general meeting does not specify the proposed resolutions or does not comply with Article 13 herein, no voting for decision should be held at the general meeting.</p>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>Article 15 Where an annual general meeting is convened by the Company, it shall issue a written notice 20 clear business days prior to the meeting to notify all the registered shareholders of the matters proposed to be considered as well as the date and place of the meeting. Where an extraordinary general meeting is convened by the Company, it shall issue a notice 15 natural days or 10 clear business days (whichever is longer) prior to the meeting to notify all the registered shareholders. The “business day(s)” mentioned in the Rules of Procedure shall be the statutory business days announced by the Hong Kong government.</p> <p>When calculating the time limit of the notice shall exclude the date of the meeting and the date of issuing the meeting notice.</p>	<p>Article 15 Where an annual general meeting is convened by the Company, it shall issue a written notice 20 clear business days prior to the meeting to notify all the registered shareholders of the matters proposed to be considered as well as the date and place of the meeting. Where an extraordinary general meeting is convened by the Company, it shall issue a notice 15 natural days or 10 clear business days (whichever is longer) prior to the meeting to notify all the registered shareholders. The “business day(s)” mentioned in the Rules of Procedure shall be the statutory business days announced by the Hong Kong government.</p> <p>When calculating the time limit of the notice shall exclude the date of the meeting and the date of issuing the meeting notice.</p>

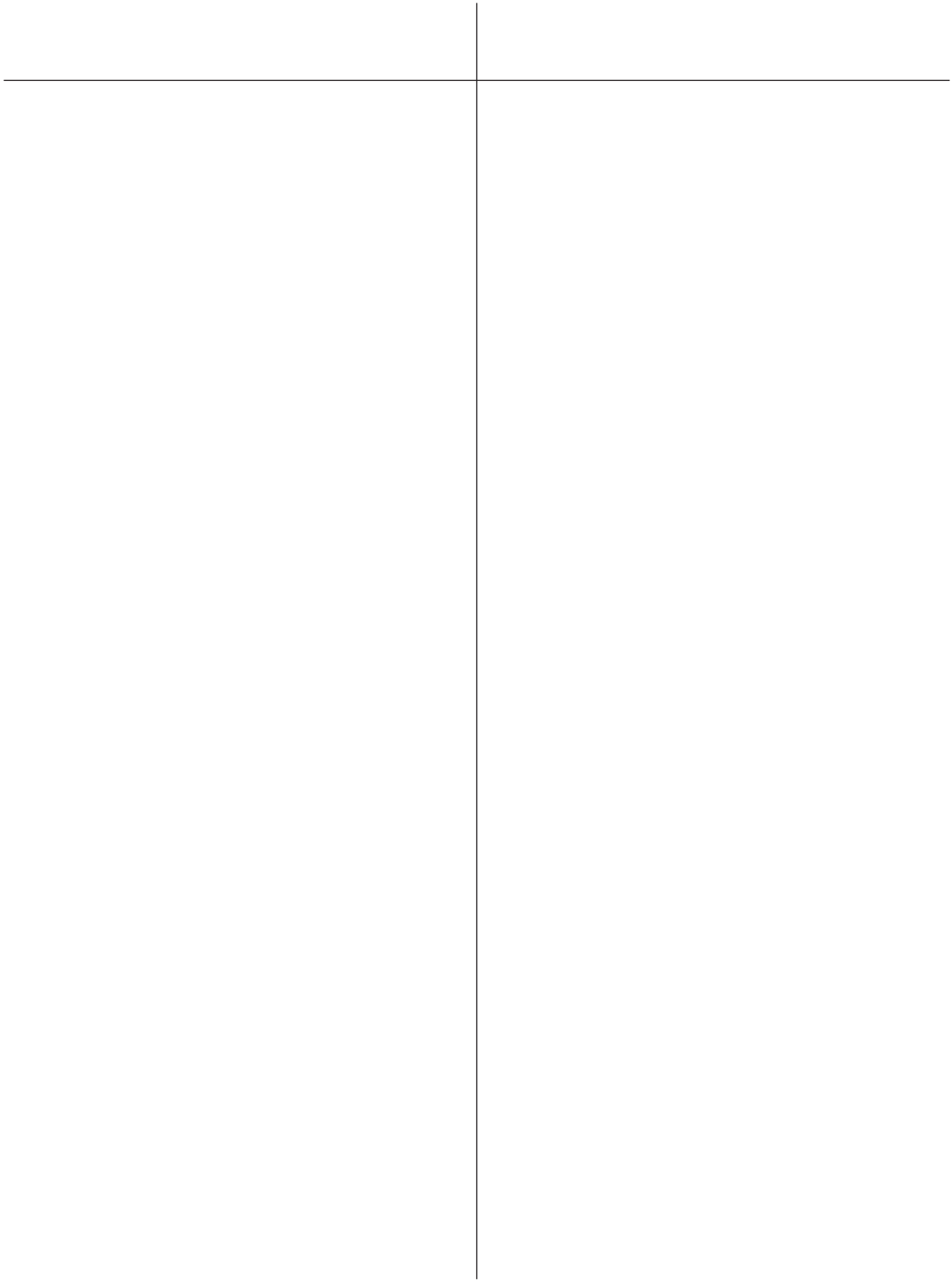
Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>Article 16 A notice of general meeting shall include the followings:</p> <ol style="list-style-type: none"> <li>(1) the time, place and duration of the meeting;</li> <li>(2) the matters and proposals to be submitted for consideration at the meeting;</li> <li>(3) a clear statement that all ordinary shareholders (including shareholders of preferred shares with restored voting rights) are entitled to attend at the general meeting, and may appoint a proxy or more in writing to attend and vote at the meeting and that such proxies need not be a shareholder of the Company;</li> <li>(4) the record date for shareholders who are entitled to attend the general meeting;</li> <li>(5) the names and telephone numbers of the contact persons who handles the meeting affairs;</li> <li>(6) time and procedures of the voting through network or by any other means;</li> <li>(7) other contents stipulated in laws, administrative regulations, competent departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association.</li> </ol>	<p>Article 16 A notice of general meeting shall include the followings:</p> <ol style="list-style-type: none"> <li>(1) the time, place and duration of the meeting;</li> <li>(2) the matters and proposals to be submitted for consideration at the meeting;</li> <li>(3) a clear statement that all ordinary shareholders (including shareholders of preferred shares with restored voting rights) <u>and shareholders who hold shares with special voting rights</u> are entitled to attend at the shareholders' meeting, and may appoint a proxy in writing to attend and vote at the meeting and vote on his/her behalf and such proxy is not necessarily be a shareholder of the Company;</li> <li>(4) the record date for shareholders who are entitled to attend the general meeting;</li> <li>(5) the names and telephone numbers of the contact persons who handles the meeting affairs;</li> <li>(6) time and procedures of the voting through network or by any other means;</li> <li>(7) other contents stipulated in laws, administrative regulations, competent departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association.</li> </ol>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>Article 17 If a general meeting shall discuss the election of directors or supervisors, the notice of general meeting shall disclose full information of the candidates for directors and supervisors. It shall at least include the following:</p> <ol style="list-style-type: none"> <li>(1) Personal particulars such as: education background, work experience and other appointments;</li> <li>(2) Whether he/she has any related relationship with the Company or the controlling shareholder and actual controller of the Company;</li> <li>(3) The number of shares of the Company he/she held;</li> <li>(4) Whether he/she is subject to any punishment by CSRC and other relevant securities regulatory authorities and sanctions by the stock exchange;</li> <li>(5) Other information subject to disclosure as required by the securities regulatory authorities and the listing rules of the places where the Company's shares are listed.</li> </ol> <p>Each candidate of director or supervisor shall be individually proposed.</p>	<p>Article 17 If a general meeting shall discuss the election of directors <del>or supervisors</del>, the notice of general meeting shall disclose full information of the candidates for directors <del>and supervisors</del>. It shall at least include the following:</p> <ol style="list-style-type: none"> <li>(1) Personal particulars such as: education background, work experience and other appointments;</li> <li>(2) Whether he/she has any related relationship with the Company or the controlling shareholder and actual controller of the Company;</li> <li>(3) The number of shares of the Company he/she held;</li> <li>(4) Whether he/she is subject to any punishment by <del>CSRC</del> <u>China Securities Regulatory Commission</u> and other relevant securities regulatory authorities and sanctions by the stock exchange;</li> <li>(5) Other information subject to disclosure as required by the securities regulatory authorities and the listing rules of the places where the Company's shares are listed.</li> </ol> <p>Each candidate of director <del>or supervisor</del> shall be individually proposed.</p>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p data-bbox="245 439 780 913">Article 18 Notice of shareholders' meeting shall be served to any shareholder (whether has voting right on shareholders' meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his registered address as shown in the register of members, or by publication on the Company's website or other website designated by stock exchange where the Company's shares are listed. For holders of domestic-invested shares, the notice of a shareholders' meeting may also be given by public announcement.</p> <p data-bbox="245 958 780 1209">The public announcement referred to in the preceding paragraph shall be published on one or more newspapers or periodicals designated by the securities regulatory authority under the State Council 15 days or 10 clear business days (whichever is longer) (the extraordinary shareholders' meeting)</p>	

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
Chapter 6 Convening General Meeting	Chapter 6 Convening General Meeting
<p data-bbox="245 488 780 703">Article 21 All shareholders on the register of members on the shareholding record date shall be entitled to attend the shareholders' meeting, and vote in accordance with the provisions of relevant law, regulations and the Articles of Association.</p> <p data-bbox="245 748 780 927">Any shareholder entitled to attend and vote at a shareholders' meeting have the right to appoint one or more persons (who may not be a shareholder) as his proxies to attend and vote on his behalf.</p> <p data-bbox="245 972 780 1039">Such proxies may exercise the following rights as entrusted by the shareholder:</p> <ol data-bbox="245 1084 780 1294" style="list-style-type: none"> <li data-bbox="245 1084 780 1151">(1) The shareholder's right to speak at the shareholders' meeting;</li> <li data-bbox="245 1196 780 1294">(2) The right to demand by himself or jointly with others, in demanding a poll;</li> </ol>	<p data-bbox="813 488 1348 703">Article 21 All shareholders on the register of members on the shareholding record date shall be entitled to attend the shareholders' meeting, and vote in accordance with the provisions of relevant law, regulations and the Articles of Association.</p> <p data-bbox="813 748 1348 927">Any shareholder entitled to attend and vote at a shareholders' meeting have the right to appoint one or more persons (who may not be a shareholder) as his proxies to attend and vote on his behalf.</p> <p data-bbox="813 972 1348 1039">Such proxies may exercise the following rights as entrusted by the shareholder:</p> <ol data-bbox="813 1084 1348 1294" style="list-style-type: none"> <li data-bbox="813 1084 1348 1151">(1) The shareholder's right to speak at the shareholders' meeting;</li> <li data-bbox="813 1196 1348 1294">(2) The right to demand by himself or jointly with others, in demanding a poll;</li> </ol>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>(3) Unless otherwise provided in the applicable listing rules or other securities laws and regulations, the right to vote may be exercised either by a show of hands or on a poll, except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights on a poll.</p>	<p>(3) Unless otherwise provided in the applicable listing rules or other securities laws and regulations, the right to vote may be exercised either by a show of hands or on a poll, except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights on a poll.</p> <p><u>The board of directors of the Company or other conveners shall take necessary precautions to ensure the normal order of the shareholders' meeting. With respect to acts of interfering with shareholders' meetings, picking quarrels and provoking trouble and infringing upon the legitimate rights and interests of shareholders, measures will be taken to restrain such acts and reported to the relevant authorities for investigation and action in a timely manner.</u></p>
<p>Article 22 An individual shareholder who attends the general meeting in person shall present valid proof which can confirm his shareholder's identity. If a proxy is appointed to attend the meeting, in addition to present the proxy's identity card, the proxy shall also present the shareholder's identity proof together with the authorization letter from the shareholder.</p>	<p>Article 22 An individual shareholder who attends the general meeting in person shall present valid proof which can confirm his <u>shareholder's identity or other valid document or proof of his identity</u>. <del>If a proxy is appointed to attend the meeting, in addition to present the proxy's identity card, the proxy shall also present the shareholder's identity proof together with the authorization letter from the shareholder.</del> <u>The person who attend the meeting on behalf of the others should produce his/her valid identity document and shareholders' power of attorney.</u></p>



Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>Article 23 The instrument appointing a proxy shall be in writing under the hand of the appointing Shareholder or his attorney duly authorized in writing; where the appointing shareholder is a legal person, such instrument shall be under its seal or under the hand of its director or attorney duly authorized.</p> <p>The instrument issued by the shareholder to authorize another person to attend the shareholders' meeting shall state the following contents:</p> <p>(1) Name of the proxy;</p> <p>(2) Whether the proxy has voting rights;</p> <p>(3) Indication of consent, objection or abstention concerning each proposal on the general meeting agenda;</p> <p>(4) Date of signing of instrument and term of validity;</p> <p>(5) Signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person shall be affixed;</p> <p>(6) Specifying the number of shares represented by such proxy;</p> <p>(7) If more than one proxy is appointed, the instrument shall specify the number of shares represented by each proxy respectively.</p>	<p>Article 23 The instrument appointing a proxy shall be in writing under the hand of the appointing Shareholder or his attorney duly authorized in writing; where the appointing shareholder is a legal person, such instrument shall be under its seal or under the hand of its director or attorney duly authorized.</p> <p>The instrument issued by the shareholder to authorize another person to attend the shareholders' meeting shall state the following contents:</p> <p>(1) <u>Name of the principal, and the class and number of shares held in the Company;</u></p> <p>(12) Name of the proxy;</p> <p>(2) <del>Whether the proxy has voting rights;</del></p> <p>(3) <u>Shareholders' specific indication, including</u> indication of consent, objection or abstention concerning each proposal on the general meeting agenda <u>etc.;</u></p> <p>(4) Date of signing of instrument and term of validity;</p> <p>(5) Signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person shall be affixed;</p> <p>(6) <del>Specifying the number of shares represented by such proxy;</del></p> <p>(7) <del>If more than one proxy is appointed, the instrument shall specify the number of shares represented by each proxy respectively.</del></p>



PROPOSED AMENDMENTS TO RULES OF  
PROCEDURE FOR GENERAL MEETINGS AND  
RULES OF PROCEDURE FOR BOARD OF DIRECTORS

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>Article 26 An registration record for attendants at the meeting shall be compiled by the Company. The registration record shall contain the names of attendants (or names of organizations), identity card numbers, residential addresses, the number of shares held or representing the voting rights and names (or name of organizations) of the proxies.</p>	<p>Article <del>256</del> An registration record for attendants at the meeting shall be compiled by the Company. The registration record shall contain the names of attendants (or names of organizations), identity card numbers, <del>residential addresses</del>, the number of shares held or representing the voting rights and names (or name of organizations) of the proxies.</p>
<p>Article 28 When holding a general meeting, all the directors, supervisors and secretaries to the board of directors shall attend. The general manager and other senior management members shall present at the meeting except with proper reasons for absence.</p>	<p>Article <del>278</del> <del>When holding a general meeting, all the directors, supervisors and secretaries to the board of directors shall attend. The general manager and other senior management members shall present at the meeting except with proper reasons for absence.</del> <u>If the shareholders' meeting requests the directors and senior management to attend the meeting, the directors and senior management shall attend the meeting and accept the shareholders' questions.</u></p>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>Article 29 The general meeting shall be presided over and chaired by the chairman of the board of directors. Where the chairman of the board of directors is unable to discharge the duty or will not discharge his duty, the meeting shall be presided over and chaired by the vice chairman of the board (articles in relation to vice chairman under the Rules only applicable if there is a vice chairman, same applies to below), or if there are two or more vice chairmen, by the one elected by at least half of the directors. Where the vice chairman of the board is unable to discharge the duty or will not discharge the duty, the meeting shall be presided over and chaired by a director elected by at least half of the directors. Where no director can be elected by at least half of the directors to preside over and chair a general meeting, the shareholders attending the meeting may elect one person to chair such meeting. If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (whether in person or by proxy) shall chair the meeting.</p> <p>If a general meeting is convened by board of supervisors, the chairman of the board of supervisors shall preside over the meeting. If the chairman of the board of supervisors is unable to or will not discharge his duties, more than one half of the supervisors shall nominate a supervisor to preside over the meeting.</p>	<p>Article 289 The general meeting shall be presided over and chaired by the chairman of the board of directors. Where the chairman of the board of directors is unable to discharge the duty or will not discharge his duty, the meeting shall be presided over and chaired by the vice chairman of the board (<del>articles in relation to vice chairman under the Rules only applicable if there is a vice chairman, same applies to below</del>), or if there are two or more vice chairmen, by the one elected by <u>at least half more than half</u> of the directors. Where the vice chairman of the board is unable to discharge the duty or will not discharge the duty, the meeting shall be presided over and chaired by a director elected by <u>at least half more than half</u> of the directors. Where no director can be elected by <u>at least half more than half</u> of the directors to preside over and chair a general meeting, the shareholders attending the meeting may elect one person to chair such meeting. If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (whether in person or by proxy) shall chair the meeting.</p> <p>If a general meeting is convened by <del>board of supervisors</del> <u>the audit committee</u>, the <del>chairman of the board of supervisors</del> <u>convener of the audit committee</u> shall preside over the meeting. If the <del>chairman of the board of supervisors</del> <u>convener of the audit committee</u> is unable to or will not discharge his duties, more than one half <u>of the members of the audit committee</u> <del>of the supervisors</del> shall nominate a <del>supervisor</del> <u>member of the audit committee</u> to preside over the meeting.</p>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.</p> <p>In a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the meeting impossible to proceed, with consent from more than one half of the attendant shareholders with voting rights, the shareholders may nominate one person to serve as the chairman and continue with the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.</p>	<p>If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.</p> <p>In a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the meeting impossible to proceed, with consent from more than one half of the attendant shareholders with voting rights, the shareholders may nominate one person to serve as the chairman and continue with the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.</p>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>Article 33 The general meeting shall have minutes prepared by the secretary to the board of directors. The minutes shall state the following contents:</p> <ol style="list-style-type: none"> <li data-bbox="245 622 783 689">(1) Time, venue and agenda of the meeting and names of the convener;</li> <li data-bbox="245 734 783 913">(2) The name of the meeting chairman and the names of the directors, supervisors and senior management members attending or present at the meeting;</li> <li data-bbox="245 958 783 1249">(3) The numbers of shareholders (including domestic-invested shareholders and overseas shareholders (if any)) and proxies attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;</li> <li data-bbox="245 1294 783 1395">(4) The process of review and discussion, summary of any speech and voting results of each proposal;</li> <li data-bbox="245 1440 783 1552">(5) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;</li> <li data-bbox="245 1597 783 1664">(6) Names of vote counters and scrutinizer of the voting;</li> <li data-bbox="245 1709 783 1809">(7) Other contents to be included as specified in the Articles of Associations.</li> </ol>	

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>Article 34 The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretaries to the board of directors, conveners and their representatives and the meeting chairman attending the meeting shall sign on the minutes. The minutes shall be kept together with the registration record of attendant shareholders, authorization letters of proxies, valid record on internet voting and</p>	

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
Chapter 7 Voting and Resolutions at General Meetings	Chapter 7 Voting and Resolutions at General Meetings
<p>Article 36 Resolutions of the shareholders' meeting include ordinary resolutions or special resolutions.</p> <p>Ordinary resolution at a shareholders' meeting shall be passed by more than one half of the voting shares held by shareholders (including their proxies) attending the shareholders' meeting.</p> <p>Special resolution at a shareholders' meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the shareholders' meeting.</p>	<p>Article <del>35</del><sup>6</sup> Resolutions of the shareholders' meeting include ordinary resolutions or special resolutions.</p> <p>Ordinary resolution at a shareholders' meeting shall be passed by more than one half of the voting shares held by shareholders (including their proxies) attending the shareholders' meeting.</p> <p>Special resolution at a shareholders' meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the shareholders' meeting.</p>
<p>Article 37 When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.</p> <p>Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.</p>	<p>Article <del>36</del><sup>7</sup> When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.</p> <p>Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.</p>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
Subject to and conditional upon compliance with applicable laws, regulations and/or	

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>In accordance with the applicable laws, regulations and listing rules of the place where the Company's shares are listed, where any shareholder shall abstain from voting for any particular resolution, or is restricted to vote only for or against such resolution, any votes in violation of such requirement or restriction by the shareholders (or their proxies) shall not be counted in the voting results.</p>	<p>In accordance with the applicable laws, regulations and listing rules of the place where the Company's shares are listed, where any shareholder shall abstain from voting for any particular resolution, or is restricted to vote only for or against such resolution, any votes in violation of such requirement or restriction by the shareholders (or their proxies) shall not be counted in the voting results.</p>
<p>Article 38 Voting at general meeting will record the name of the voter.</p>	<p>Article <del>37</del><u>8</u> Voting at general meeting will record the name of the voter.</p>
<p>Article 39 As for the powers to be exercised by the general meeting of shareholders, except for such matters as set out in paragraphs (1), (2), (3), (4), (5), (6), (10), (12), (14), (17) and (18) in Article 6 of the Rules of Procedure or other matters in need of going through the special resolutions in accordance with the laws, administrative regulations or the Articles of Association, the other matters shall be passed by ordinary resolutions at a general meeting.</p>	<p>Article <del>38</del><u>9</u> As for the powers to be exercised by the general meeting of shareholders, except for such matters as set out in paragraphs (1), (2), (3), <del>(4), (5)</del>, (6), <del>(7), (9)</del>, <del>(11)</del><u>10</u>, <del>(12)</del>, (14), <del>(17)</del> and <del>(18)</del> <u>(15)</u> in Article 6 of the Rules of Procedure or other matters in need of going through the special resolutions in accordance with the laws, administrative regulations or the Articles of Association, the other matters shall be passed by ordinary resolutions at a general meeting.</p>

Original article of the Rules of Procedure for General Meetings	Amended article of the Rules of Procedure for General Meetings
<p>Article 40 As for the powers to be exercised by the general meeting of shareholders, such items as set out paragraphs (7), (8), (9), (11), (13) and (15) in Article 6 of the Rules of Procedure or matters required by the laws, administrative regulations or the Articles of Association, or such matters resolved by the general meeting by ordinary resolutions to be of significant impact to the Company and thereby shall be passed by special resolutions, shall be passed by special resolutions at a general meeting. And such matters set out in paragraph (16) shall respectively apply the above mentioned provisions on the ordinary resolutions and special resolutions in accordance with the specific content of shareholder's proposals.</p>	<p>Article <del>39</del><sup>40</sup> As for the powers to be exercised by the general meeting of shareholders, such items as set out paragraphs <u>(4), (5), (7), (8), (10) and (12)</u>,<del>(9), (11), (13) and (15)</del> in Article 6 of the Rules of Procedure or matters required by the laws, administrative regulations or the Articles of Association, or such matters resolved by the general meeting by ordinary resolutions to be of significant impact to the Company and thereby shall be passed by special resolutions, shall be passed by special resolutions at a general meeting. And such matters set out in paragraph <u>(13)</u> shall respectively apply the above mentioned provisions on the ordinary resolutions and special resolutions in accordance with the specific content of shareholder's proposals.</p>
<p>Article 41 The physical meetings of the general meeting shall not end any earlier than that held through network or by any other means. The presider of the meeting shall declare the voting and result of each resolution at the meeting, and announce whether the resolution has been adopted according to poll results.</p>	<p>Article <del>40</del><sup>41</sup> The physical meetings of the general meeting shall not end any earlier than that held through network or by any other means. The presider of the meeting shall declare the voting and result of each resolution at the meeting, and announce whether the resolution has been adopted according to poll results.</p>
<p>Article 43 The Rules of Procedure shall be formulated by the board of directors and as an appendix attached to the Articles of Association, shall come into effect on the date of approval by the general meeting. Any amendment to the Rules of Procedure shall be proposed by the board of directors in the form of an amendment proposal and shall come into effect upon approval by the general meeting.</p>	<p>Article <del>42</del><sup>43</sup> The Rules of Procedure shall be formulated by the board of directors and as an appendix attached to the Articles of Association, shall come into effect on the date of approval by the general meeting. Any amendment to the Rules of Procedure shall be proposed by the board of directors in the form of an amendment proposal and shall come into effect upon approval by the general meeting.</p>
<p>Article 45</p>	

2. PROPOSED AMENDMENTS TO RULES OF PROCEDURE FOR BOARD OF DIRECTORS

Original article of the Rules of Procedure for Board of Directors	Amended article of the Rules of Procedure for Board of Directors
<p>Article 4 Regular meetings of the board of directors shall be held at least four times a year, about once every quarter. Meetings of the board of directors shall be convened by the chairman of the board of directors by giving a written notice to all directors and supervisors 14 days before the meeting is held.</p>	<p>Article 4 Regular meetings of the board of directors shall be held at least four times a year, about once every quarter. Meetings of the board of directors shall be convened by the chairman of the board of directors by giving a written notice to all directors <del>and supervisors</del> 14 days before the meeting is held.</p>
<p>Article 5 The Party Committee, chairman of the board of directors, specialized committee of the board of directors, any shareholder holding more than one-tenth voting rights, more than one third of the directors or the board of supervisors, the general manager may propose the holding of an extraordinary meeting of the board of directors. The chairman of the board of directors shall convene and preside over the extraordinary meeting of the board of directors within 10 days upon receipt of the proposal.</p> <p>Where an extraordinary meeting of the board of directors is convened according to the preceding paragraph, a written proposal signed or sealed by the proposer shall be submitted either through the office of the board of directors or directly to the chairman of the board of directors. Such written proposal shall specify:</p> <p>(1) the name of the proposer;</p> <p>(2) the reason for the proposal or the objective circumstances on which the proposal is based;</p>	<p>Article 5 The Party Committee, chairman of the board of directors, specialized committee of the board of directors, any shareholder holding more than one-tenth voting rights, more than one third of the directors or <del>the board of supervisors</del>, the general manager may propose the holding of an extraordinary meeting of the board of directors. The chairman of the board of directors shall convene and preside over the extraordinary meeting of the board of directors within 10 days upon receipt of the proposal, <u>and provide written notice to all directors at least 5 days prior to the convening of the meeting.</u></p> <p>Where an extraordinary meeting of the board of directors is convened according to the preceding paragraph, a written proposal signed or sealed by the proposer shall be submitted either through the office of the board of directors or directly to the chairman of the board of directors. Such written proposal shall specify:</p> <p>(1) the name of the proposer;</p> <p>(2) the reason for the proposal or the objective circumstances on which the proposal is based;</p>

Original article of the Rules of Procedure for Board of Directors	Amended article of the Rules of Procedure for Board of Directors
<p>(3) the time or time limit, venue and form of the meeting proposed to be held;</p> <p>(4) well-defined and specific proposals; and</p> <p>(5) contact information of the proposer and the date of the proposal.</p> <p>The proposal shall cover only matters falling within the scope of the scope of duties of the board of directors set forth in the Articles of Association, and all materials related with such proposal shall be submitted together.</p> <p>The office of the board of directors shall submit the written proposal and related materials to the chairman of the board of directors immediately on the same day upon receipt. The chairman of the board of directors may request the proposer to modify or supplement the proposal if he/she thinks that the proposal is not sufficiently clear or specific or the supporting materials provided not adequate.</p>	<p>(3) the time or time limit, venue and form of the meeting proposed to be held;</p> <p>(4) well-defined and specific proposals; and</p> <p>(5) contact information of the proposer and the date of the proposal.</p> <p>The proposal shall cover only matters falling within the scope of the scope of duties of the board of directors set forth in the Articles of Association, and all materials related with such proposal shall be submitted together.</p> <p>The office of the board of directors shall submit the written proposal and related materials to the chairman of the board of directors immediately on the same day upon receipt. The chairman of the board of directors may request the proposer to modify or supplement the proposal if he/she thinks that the proposal is not sufficiently clear or specific or the supporting materials provided not adequate.</p>

Original article of the Rules of Procedure for Board of Directors	Amended article of the Rules of Procedure for Board of Directors
<p>Article 6 The meeting of the board of directors shall be convened and presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable to discharge the duty or will not discharge his duty, the duty shall be discharged by the vice chairman of the board of directors (Provisions herein in relation to a vice chairman are applicable only when the Company has a vice chairman; the same herein after), or if there are two or more vice chairmen, by the one elected by at least half of the directors. Where the vice chairman of the board of directors is unable to discharge the duty or will not discharge the duty, the meeting shall be presided over and chaired by a director elected by at least half of the directors.</p>	<p>Article 6 The meeting of the board of directors shall be convened and presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable to discharge the duty or will not discharge his duty, the duty shall be discharged by the vice chairman of the board of directors <del>(Provisions herein in relation to a vice chairman are applicable only when the Company has a vice chairman; the same herein after)</del>, or if there are two or more vice chairmen, by the one elected by <u>more than half</u> <del>at least half</del> of the directors. Where the vice chairman of the board of directors is unable to discharge the duty or will not discharge the duty, the meeting shall be presided over and chaired by a director elected by <u>more than half</u> <del>at least half</del> of the directors.</p>
<p>Article 7 For a regular meeting of the board of directors, the office of the board of directors shall give a notice to all directors, supervisors, the general manager and secretary to the board of directors (not being a director) 14 days in advance. For an extraordinary meeting of the board of directors, the chairman of the board of directors shall instruct the secretary to the board of directors to give a notice 5 days in advance. For the notice not sent by hand, the office shall confirm receipt through phone and keep relevant records.</p> <p>Where there is an urgent matter, the extraordinary meeting of the board of directors may be held upon approval by the chairman of the board of directors, which is not subject to the requirement of meeting notice as set out in the paragraph 1 of this Article, provided that a proper notice shall be given to the directors, supervisors and the general manager.</p>	<p>Article 7 For a regular meeting of the board of directors, the office of the board of directors shall give a notice to all directors, <del>supervisors</del>, the general manager and secretary to the board of directors (not being a director) 14 days in advance. For an extraordinary meeting of the board of directors, the chairman of the board of directors shall instruct the secretary to the board of directors to give a notice 5 days in advance. For the notice not sent by hand, the office shall confirm receipt through phone and keep relevant records.</p> <p>Where there is an urgent matter, the extraordinary meeting of the board of directors may be held upon approval by the chairman of the board of directors, which is not subject to the requirement of meeting notice as set out in the paragraph 1 of this Article, provided that a proper notice shall be given to the directors, <del>supervisors</del> and the general manager.</p>

Original article of the Rules of Procedure for Board of Directors	Amended article of the Rules of Procedure for Board of Directors
<p>Article 11 Except for circumstances where the board of directors considers related party transactions as set out in Article 121 of the Articles of Association and Article 24 hereof, the meeting of the board of directors shall not be held unless more than one half of the directors are present.</p> <p>A supervisor can be present at a meeting of the board of directors. The general manager, secretary to the board of directors and the general counsel (not being a director) shall be in attendance at the meetings of the board of directors. The chairman presiding over the meeting may notify other relevant persons to be in attendance at the meetings of the board of directors if he thinks necessary.</p>	<p>Article 11 Except for circumstances where the board of directors considers related party transactions as set out in Article <del>121</del><u>125</u> of the Articles of Association and Article 24 hereof, the meeting of the board of directors shall not be held unless more than one half of the directors are present.</p> <p><del>A supervisor can be present at a meeting of the board of directors.</del>The general manager, secretary to the board of directors and the general counsel (not being a director) shall be in attendance at the meetings of the board of directors. The chairman presiding over the meeting may notify other relevant persons to be in attendance at the meetings of the board of directors if he thinks necessary.</p>
<p>Article 16 As for the major issues or matters to be deliberated by the board of directors in accordance with Article 110 in the Articles of Association, the board of directors should listen to the opinions of the Party Committee of the Company in advance in accordance with the Articles of Association and the implementation measures of “Three Important and One Great” Decision-Making System before making a resolution.</p>	<p>Article 16 As for the major issues or matters to be deliberated by the board of directors in accordance with Article <del>110</del><u>114</u> in the Articles of Association, the board of directors should listen to the opinions of the Party Committee of the Company in advance in accordance with the Articles of Association and the implementation measures of “Three Important and One Great” Decision-Making System before making a resolution.</p>

PROPOSED AMENDMENTS TO RULES OF  
PROCEDURE FOR GENERAL MEETINGS AND  
RULES OF PROCEDURE FOR BOARD OF DIRECTORS

Original article of the Rules of Procedure for Board of Directors	Amended article of the Rules of Procedure for Board of Directors
<p>Article 21 For any material matters to be determined by the board of directors of the Company, sufficient information shall be provided to the directors and the directors are entitled to request supplementary materials. When at least one-fourth of the directors or at least two external directors (an external director means a director who hold positions in the Company) consider that the provided materials insufficient or the reasoning is unclear, they may jointly propose to postpone the meeting of the board of directors or defer the consideration on the relevant matters, the board of directors shall accept such proposal accordingly. Save for proposed directly at the meeting of the board of directors, the secretary to the board of directors shall, upon receiving such request jointly proposed in writing by directors to postpone the meeting of the board of directors or postpone the consideration of certain matters on agenda at the meeting, dispatch a notice to directors, supervisors and attendees on a timely basis.</p>	<p>Article 21 For any material matters to be determined by the board of directors of the Company, sufficient information shall be provided to the directors and the directors are entitled to request supplementary materials. When at least one-fourth of the directors or at least two external directors (an external director means a director who hold positions in the Company) consider that the provided materials insufficient or the reasoning is unclear, they may jointly propose to postpone the meeting of the board of directors or defer the consideration on the relevant matters, the board of directors shall accept such proposal accordingly. Save for proposed directly at the meeting of the board of directors, the secretary to the board of directors shall, upon receiving such request jointly proposed in writing by directors to postpone the meeting of the board of directors or postpone the consideration of certain matters on agenda at the meeting, dispatch a notice to directors, <del>supervisors</del> and attendees on a timely basis.</p>

Original article of the Rules of Procedure for Board of Directors	Amended article of the Rules of Procedure for Board of Directors
<p>Article 22 The chairman of the meeting shall ask all directors present at the meeting of the board of directors to give their express and definite opinions about all the proposals.</p> <p>For proposals requiring prior approval by independent directors as stipulated, the chairman of the meeting shall designate an independent director to read aloud the written approval opinion reached by the independent directors before discussing the relevant proposal.</p> <p>Unless approved by all the directors attending the meeting, the meeting of the board of directors shall not vote on the proposals not included in the notice of meeting. A director attending the meeting as a proxy for another director shall not cast votes on behalf of that director in respect of any proposal that is not included in the meeting notice.</p>	<p>Article 22 The chairman of the meeting shall ask all directors present at the meeting of the board of directors to give their express and definite opinions about all the proposals.</p> <p><del>For proposals requiring prior approval by independent directors as stipulated, the chairman of the meeting shall designate an independent director to read aloud the written approval opinion reached by the independent directors before discussing the relevant proposal.</del></p> <p>Unless approved by all the directors attending the meeting, the meeting of the board of directors shall not vote on the proposals not included in the notice of meeting. A director attending the meeting as a proxy for another director shall not cast votes on behalf of that director in respect of any proposal that is not included in the meeting notice.</p>

Original article of the Rules of Procedure for Board of Directors	Amended article of the Rules of Procedure for Board of Directors
<p>Article 23 Each resolution proposed shall be put to vote at an appropriate time, by the chairman of the meeting upon being sufficiently discussed.</p> <p>The meeting of the board of directors shall vote by way of disclosed ballot. Provided that the directors can fully express their opinions at the extraordinary meeting, resolutions may be adopted by means of personal delivery, post, fax or other means of communication and signed by attending directors.</p> <p>As for the voting on a resolution of the board of directors, each director shall have one vote only. If the number of votes against equals the number of votes for, the chairman of the board of directors shall have the right to cast an additional vote.</p> <p>A director may vote for or against or abstain from voting. The directors present at the meeting shall select one of the foregoing options. If a director fails to select one of the foregoing options or selects two or more of the foregoing options, he shall be deemed to waive his voting right. If a director leaves the meeting midway without returning and fails to make an option, he shall be deemed to waive his voting right.</p>	<p>Article 23 Each resolution proposed shall be put to vote at an appropriate time, by the chairman of the meeting upon being sufficiently discussed.</p> <p>The meeting of the board of directors shall vote by way of disclosed ballot. Provided that the directors can fully express their opinions at the extraordinary meeting, resolutions may be adopted by means of personal delivery, post, fax or other means of communication and signed by attending directors.</p> <p>As for the voting on a resolution of the board of directors, each director shall have one vote only. <del>If the number of votes against equals the number of votes for, the chairman of the board of directors shall have the right to cast an additional vote.</del></p> <p>A director may vote for or against or abstain from voting. The directors present at the meeting shall select one of the foregoing options. If a director fails to select one of the foregoing options or selects two or more of the foregoing options, he shall be deemed to waive his voting right. If a director leaves the meeting midway without returning and fails to make an option, he shall be deemed to waive his voting right.</p>

Original article of the Rules of Procedure for Board of Directors	Amended article of the Rules of Procedure for Board of Directors
<p>Article 24 When a director is related to companies involved in the resolution to be decided at a meeting of the board of directors, the director shall not vote on that resolution, and shall not vote on behalf of other directors on such resolution. Such board meeting shall be deemed as having a quorum if more than one half of the non-related directors attend the meeting. Resolutions made by the board meeting shall be passed by more than one half of the non-related directors. If the number of non-related directors attending the board meeting is less than three, the matter shall be submitted to the general meeting for consideration.</p>	<p>Article 24 When a director is related to companies <u>or individuals</u> involved in the resolution to be decided at a meeting of the board of directors, the director <u>shall report to the board of directors in writing in a timely manner and</u> shall not vote on that resolution, and shall not vote on behalf of other directors on such resolution. Such board meeting shall be deemed as having a quorum if more than one half of the non-related directors attend the meeting. Resolutions made by the board meeting shall be passed by more than one half of the non-related directors. If the number of non-related directors attending the board meeting is less than three, the matter shall be submitted to the general meeting for consideration.</p>
<p>Article 25 After the directors present at the meeting have voted on the proposals, personnel of the office of the board of directors shall collect the votes cast by the directors, and deliver to the secretary to the board of directors for counting the votes under the supervision of a supervisor or an independent director.</p> <p>When the meeting is held on-site, the chairman of the meeting shall announce the voting result on the spot; in other circumstances, the chairman of the meeting shall request the secretary of the board of directors to notify the directors of the voting results before the end of the next working day following the specified time for voting.</p> <p>Where a director votes after the chairman of the meeting announces the voting result or after expiry of specified time limit, such vote shall not be counted.</p>	<p>Article 25 After the directors present at the meeting have voted on the proposals, personnel of the office of the board of directors shall collect the votes cast by the directors, and deliver to the secretary to the board of directors for counting the votes under the supervision of <del>a supervisor or</del> an independent director.</p> <p>When the meeting is held on-site, the chairman of the meeting shall announce the voting result on the spot; in other circumstances, the chairman of the meeting shall request the secretary of the board of directors to notify the directors of the voting results before the end of the next working day following the specified time for voting.</p> <p>Where a director votes after the chairman of the meeting announces the voting result or after expiry of specified time limit, such vote shall not be counted.</p>

Original article of the Rules of Procedure for Board of Directors	Amended article of the Rules of Procedure for Board of Directors
<p>Article 26 The board of directors must obtain the consent of at least the following number of directors to consider the following matters and pass effective resolutions:</p> <p>(1) Paragraphs (6), (7) and (14) of Article 110 of the Articles of Association must be passed by at least two-thirds of the directors;</p> <p>(2) Matters authorized by the board of directors to the management shall be passed by at least two-thirds of the directors;</p> <p>(3) Related party transactions as stated in Article 24 hereof shall be passed by more than one half of the non-related directors;</p> <p>(4) Matters other than as stated above shall be passed by over half of directors.</p> <p>A resolution of the board of directors shall be passed by more directors if such requirement is stipulated by laws, regulations, listing rules prevailing in places where shares of the Company are listed or the Articles of Association.</p> <p>Where the substance or implications conflict with each other among resolutions, the resolutions passed at the latter time shall prevail.</p>	<p>Article 26 The board of directors must obtain the consent of at least the following number of directors to consider the following matters and pass effective resolutions:</p> <p>(1) Paragraphs (6), (7) and (14) of Article <u>110</u> of the Articles of Association must be passed by at least two-thirds of the directors;</p> <p>(2) Matters authorized by the board of directors to the management shall be passed by at least two-thirds of the directors;</p> <p>(3) Related party transactions as stated in Article 24 hereof shall be passed by more than one half of the non-related directors;</p> <p>(4) Matters other than as stated above shall be passed by over half of directors.</p> <p>A resolution of the board of directors shall be passed by more directors if such requirement is stipulated by laws, regulations, listing rules prevailing in places where shares of the Company are listed or the Articles of Association.</p> <p>Where the substance or implications conflict with each other among resolutions, the resolutions passed at the latter time shall prevail.</p>

Original article of the Rules of Procedure for Board of Directors	Amended article of the Rules of Procedure for Board of Directors
<p>Article 29 The minutes of the meetings of the board of directors shall contain the following information:</p> <ol style="list-style-type: none"> <li>(1) the date and venue of the meeting and the name of the convener;</li> <li>(2) the names of the directors present and names of directors (proxy) acting for other directors to attend the meeting;</li> <li>(3) the agenda;</li> <li>(4) Proposals considered at the meeting, along with the main points of each directors' speeches and their principal views on the relevant matters, and their voting intentions on each proposal;</li> <li>(5) the voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining)</li> </ol>	<p>Article 29 The minutes of the meetings of the board of directors shall contain the following information:</p> <ol style="list-style-type: none"> <li>(1) the date and venue of the meeting and the name of the convener;</li> <li>(2) the names of the directors present and names of directors (proxy) acting for other directors to attend the meeting;</li> <li>(3) the agenda;</li> <li>(4) <del>Proposals considered at the meeting, along with the main points of each directors' speeches and their principal views on the relevant matters, and their voting intentions on each proposal;</del></li> <li>(5) the voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining).</li> </ol>
<p>Article 35 The meeting files of the board of directors, including the meeting notice, meeting documents, meeting signature book, letter of proxy, audio records, ballots, meeting minutes and summary and resolutions signed and confirmed by the directors present at the meeting, and the resolution announcement, shall be kept by the secretary to the board of directors.</p> <p>The meeting files of the Board shall be kept for over ten years.</p>	<p>Article 35 The meeting files of the board of directors, including the meeting notice, meeting documents, meeting signature book, letter of proxy, audio records, ballots, meeting minutes and summary and resolutions signed and confirmed by the directors present at the meeting, and the resolution announcement, shall be kept by the secretary to the board of directors.</p> <p>The meeting files of the Board shall be kept for <del>over</del> <u>not less than</u> ten years.</p>

PROPOSED AMENDMENTS TO RULES OF  
PROCEDURE FOR GENERAL MEETINGS AND  
RULES OF PROCEDURE FOR BOARD OF DIRECTORS

Original article of the Rules of Procedure for Board of Directors	Amended article of the Rules of Procedure for Board of Directors
<p>Article 37 The Rules of Procedure shall be formulated by the board of directors and as an appendix attached to the Articles of Association, shall come into effect on the date of approval by the general meeting. Any amendment to the Rules of Procedure shall be proposed by the board of directors in the form of an amendment proposal and shall come into effect upon approval by the general meeting.</p>	<p>Article 37 The Rules of Procedure shall be formulated by the board of directors and as an appendix attached to the Articles of Association, shall come into effect on the date of approval by the general meeting. Any amendment to the Rules of Procedure shall be proposed by the board of directors in the form of an amendment proposal and shall come into effect upon approval by the general meeting.</p>
<p>Article 39 The Rules of Procedure shall be construed by the board of directors of the Company as authorized by the general meeting.</p>	<p>Article 39 The Rules of Procedure shall be construed by the board of directors of the Company as authorized by the general meeting</p>



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## NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING OF 2025

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8. To consider and approve the amendments to Rules of Procedure for General Meetings of the Company; and
9. To consider and approve the amendments to Rules of Procedure for the Board of Directors of the Company.

By Order of the Board  
Beijing Jingneng Clean Energy Co., Limited  
CHEN Dayu  
*Chairman*

Beijing, the PRC  
5 December 2025

*As at the date of this notice, the executive Directors are Mr. Chen Dayu, Mr. Li Minghui and Mr. Zhang Wei; the non-executive Directors are Mr. Zhou Jianyu, Mr. Song Zhiyong and Ms. Zhang Yi; the independent non-executive Directors are Ms. Zhao Jie, Mr. Wang Hongxin, Mr. Qin Haiyan and Ms. Hu Zhiying.*

*Notes:*

Details of the resolutions are set out in the circular of the Company dated 5 December 2025 (the “Circular”). Unless otherwise defined, capitalized terms used in this notice shall have the same meanings as defined in the Circular.

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

Holders of H Shares are advised that the share register for H Shares will be closed from Thursday, 18 December 2025 to Tuesday, 23 December 2025 (both days inclusive). The Shareholders whose names appear on the register of members of the Company on the close of business on Tuesday, 23 December 2025 are entitled to attend and vote at the EGM.

Holders of H Shares of the Company who wish to attend the EGM but have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at the H share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Wednesday, 17 December 2025 for registration.

2. PROXY

Shareholders entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote in their stand. A proxy need not be a Shareholder.

The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorized in writing. If the Shareholder is a corporate body, the proxy form must be either executed under its common seal or under the hand of its director(s) or duly authorized attorney(s). If the proxy form is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorizations document must be notarized.

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## NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING OF 2025

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For holders of H Shares, the proxy form together with the power of attorney or other authorization document (if any) must be lodged at the H share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in person or by post not less than 24 hours before the time fixed for holding the EGM (i.e. by no later than 10:00 a.m. on Monday, 22 December 2025 or any adjournment thereof (as the case may be). Shareholders can still attend and vote at the EGM upon completion and return of the proxy form.

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

Address: 7-9/F, No. 6 Xibahe Road, Chaoyang District, Beijing, the PRC

Telephone: (86 10) 8740 7188

4. PROCEDURES FOR VOTING AT THE EGM

Any vote of Shareholders at the EGM must be taken by poll.

5. OTHER BUSINESS

Shareholders (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the EGM shall produce their identity documents.

6. References to time and dates in this notice are to Hong Kong time and dates.