THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt

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

Beijing Jingneng Clean Energy Co., Limited

北京京能清潔能源電力股份有限公司

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

(Stock Code: 00579)

(1) DISCLOSEABLE TRANSACTIONS AND CONNECTED TRANSACTIONS — PROPOSED SWAP OF 20% EQUITY INTEREST IN JINGNENG INTERNATIONAL AND CASH HELD BY THE COMPANY FOR 84.68% EQUITY INTEREST IN SHENZHEN JINGNENG LEASING HELD BY BEH AND (2) NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2022

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

嘉林資本有限公

CONTENTS

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DEFINITIONS

DEFINITIONS

DEFINITIONS

DEFINITIONS

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[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

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

(1) DISCLOSEABLE TRANSACTIONS AND CONNECTED TRANSACTIONS — PROPOSED SWAP OF 20% EQUITY INTEREST IN JINGNENG INTERNATIONAL AND CASH HELD BY THE COMPANY FOR 84.68% EQUITY INTEREST IN SHENZHEN JINGNENG LEASING HELD BY BEH AND (2) NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2022

I. INTRODUCTION

II. PROPOSED SWAP OF 20% EQUITY INTEREST IN JINGNENG INTERNATIONAL AND CASH HELD BY THE COMPANY FOR 84.68% EQUITY INTEREST IN SHENZHEN JINGNENG LEASING HELD BY BEH

1. Absorption and Merger Agreement

Parties

Method of Merger

Determination of the Consideration for and Closing of the Merger

Succession of Creditors' Rights and Debts

Employees Placement Plan

Disposal of Branches and Subsidiaries of the Merged Party

Transition Period

2. Equity Transfer Agreement

Equity Transfer of Shenzhen Jingneng Leasing

Name of shareholders	Committed capital (RMB0'000)	Paid-up capital (RMB0'000)	Shareholding Percentage (%)	Capital contribution method
			%	
			%	
Total			%	

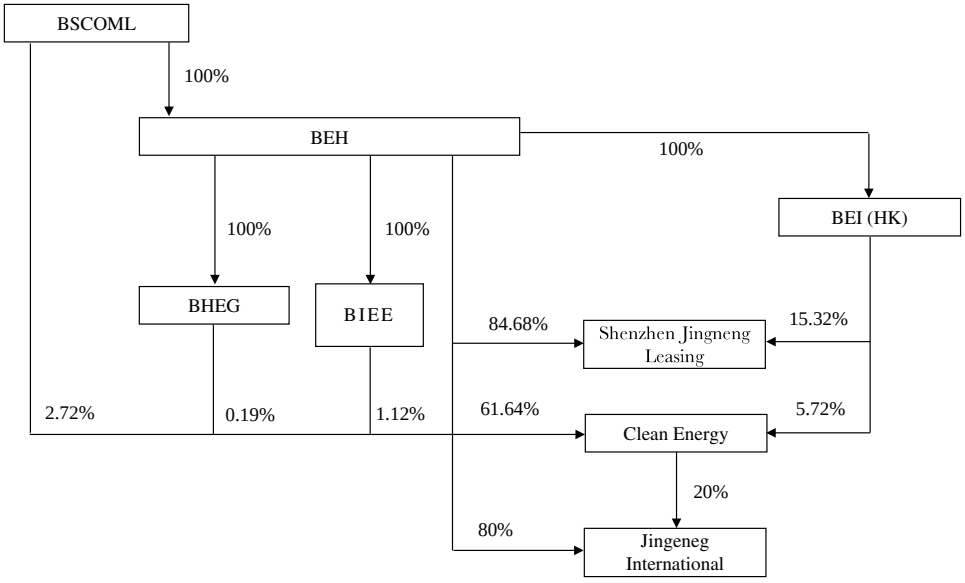
Consideration and Closing of Equity Transfer

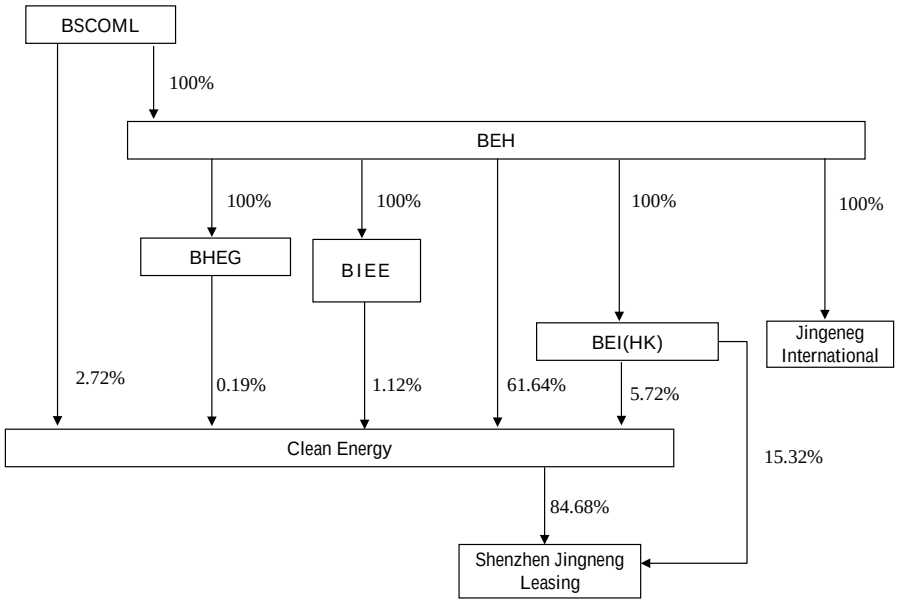
Transitional Arrangements

Liabilities for Breach of Contract

Validity of the Agreement

3. Shareholding Structure before and after the Transactions





[illegible]

4. Information of the Parties

%

M

	As of 31 December 2020	As of 31 December 2021
	[illegible]	[illegible]
	[illegible]	[illegible]
	[illegible]	[illegible]

	For the year ended 31 December 2020	For the year ended 31 December 2021
	[illegible]	[illegible]
	[illegible]	[illegible]
	[illegible]	[illegible]
	[illegible]	[illegible]

1.3

	of	As of
	31 December 20	31 December 1

6. Financial Effect of the Transactions

7. Reasons for and Benefits of the Transactions

8. Listing Rules Implications

III. THE EGM

IV. VOTING BY POLL

V. RECOMMENDATIONS

VI. OTHER INFORMATION

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

Circular

Beijing Jingneng Clean Energy Co., Limited

Huang Xiang	Chan Yin Tsung	Xu Daping	Zhao Jie

DISCLOSEABLE TRANSACTIONS AND CONNECTED TRANSACTIONS

INTRODUCTION

INDEPENDENCE

BASIS OF OUR OPINION

Valuation Reports

PRINCIPAL FACTORS AND REASONS CONSIDERED

Information on the Company

IFRSs IASB 2021 Annual Report

For the year ended 31 December 2021

ab

[illegible]

[illegible] %

Jingneng Power [illegible]

[illegible]

	For the three months ended 31 March 2022	For the three months ended 31 March 2021	For the year ended 31 December 2021	For the year ended 31 December 2020	Change from 2020 to 2021
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] %

[illegible] %

[illegible]

[illegible]

[illegible]

Information on Shenzhen Jingneng Leasing

[illegible]

[illegible]

[illegible]

	For the year ended 31 December 2021 *000*	**For the year ended 31 December 2020** *000*	**Change from 2020 to 2021** %
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

	As at 31 December 2021 *000*	**As at 31 December 2020** *000*	%
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

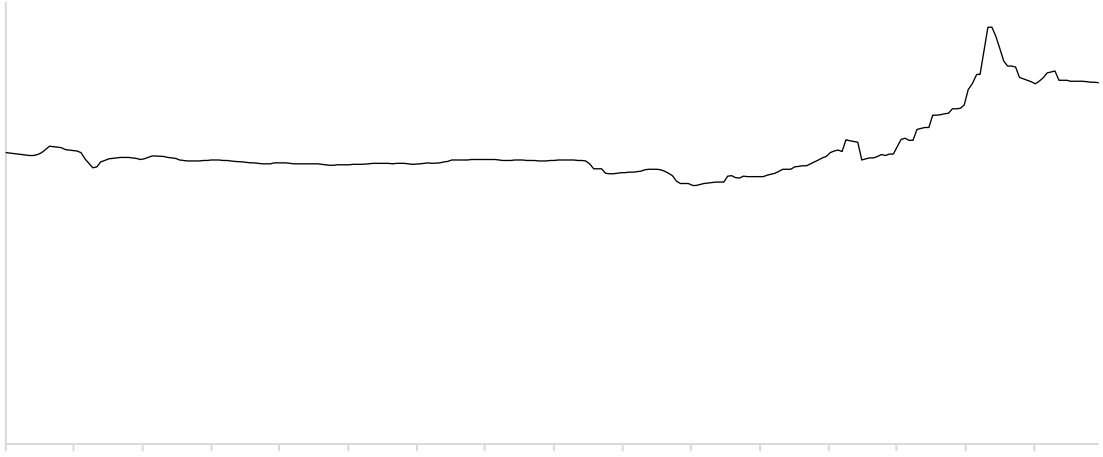
[illegible]

Reasons for and benefits of the Transactions

[illegible]

[illegible] BSPI

Review Period



[illegible]

Principal terms of the Transactions

Date:

Parties:

Method of merger

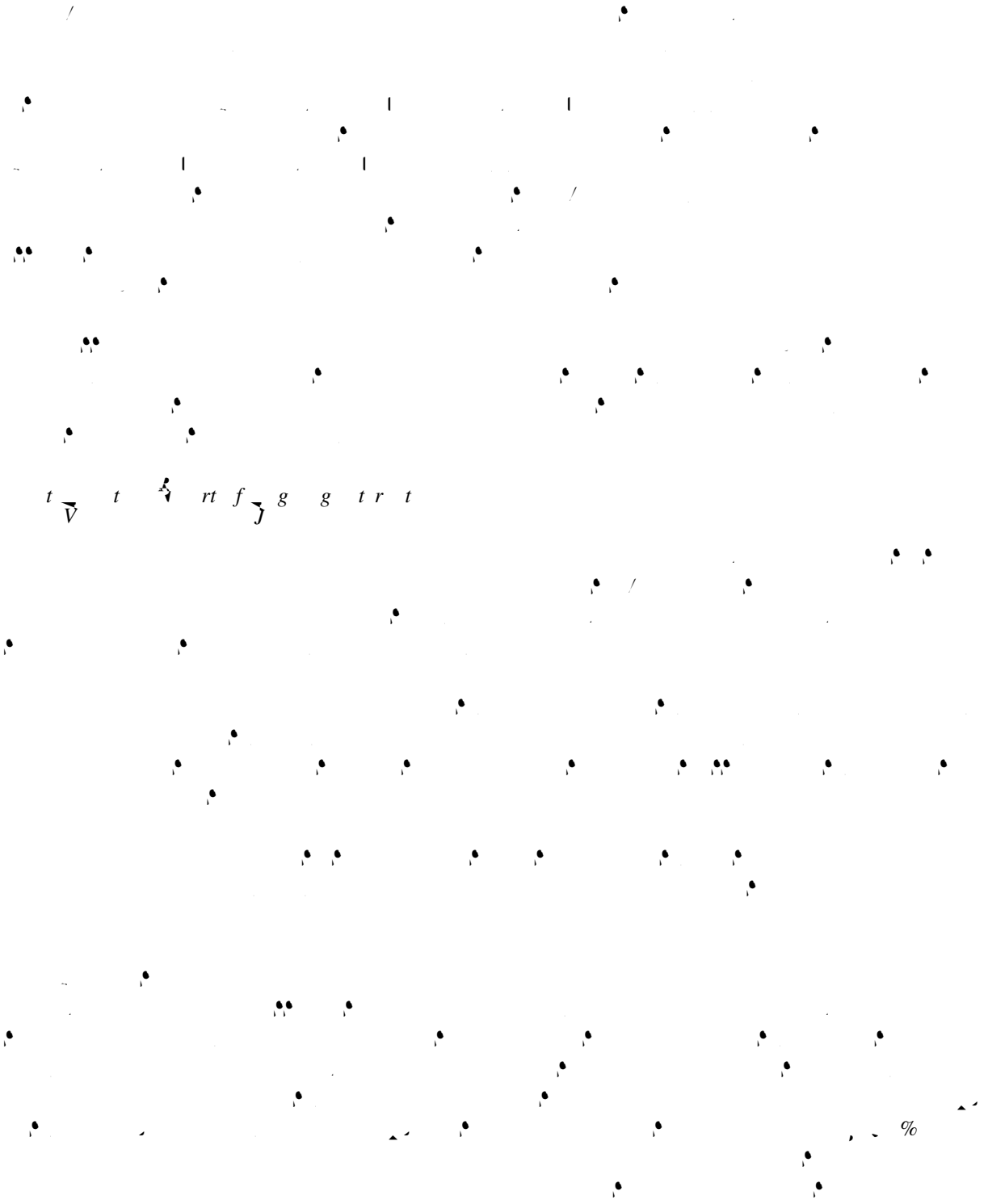
Determination

Our assessment on the consideration for the Merger

Valuations

Valuers

Valuation Standards



Current assets:

Long-term investment:

Administrative Measures

Fixed assets:

Intangible asset:

Liabilities:

CAPM

Succession of Creditors' Rights and Debts

Employees Placement Plan

Disposal of Branches and Subsidiaries of the Merged Party

Transition Period

Validity of the Agreement

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

Our conclusion on terms of the Transactions

Possible financial effects of the Transactions

RECOMMENDATION

[illegible]

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

SUMMARY OF THE ASSET VALUATION REPORT

I. THE PURPOSE OF VALUATION

[illegible]

II. THE TARGET OF VALUATION AND THE SCOPE OF VALUATION

[illegible]

(I) Valuation of major assets

1. Long-term equity investments

(1)

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

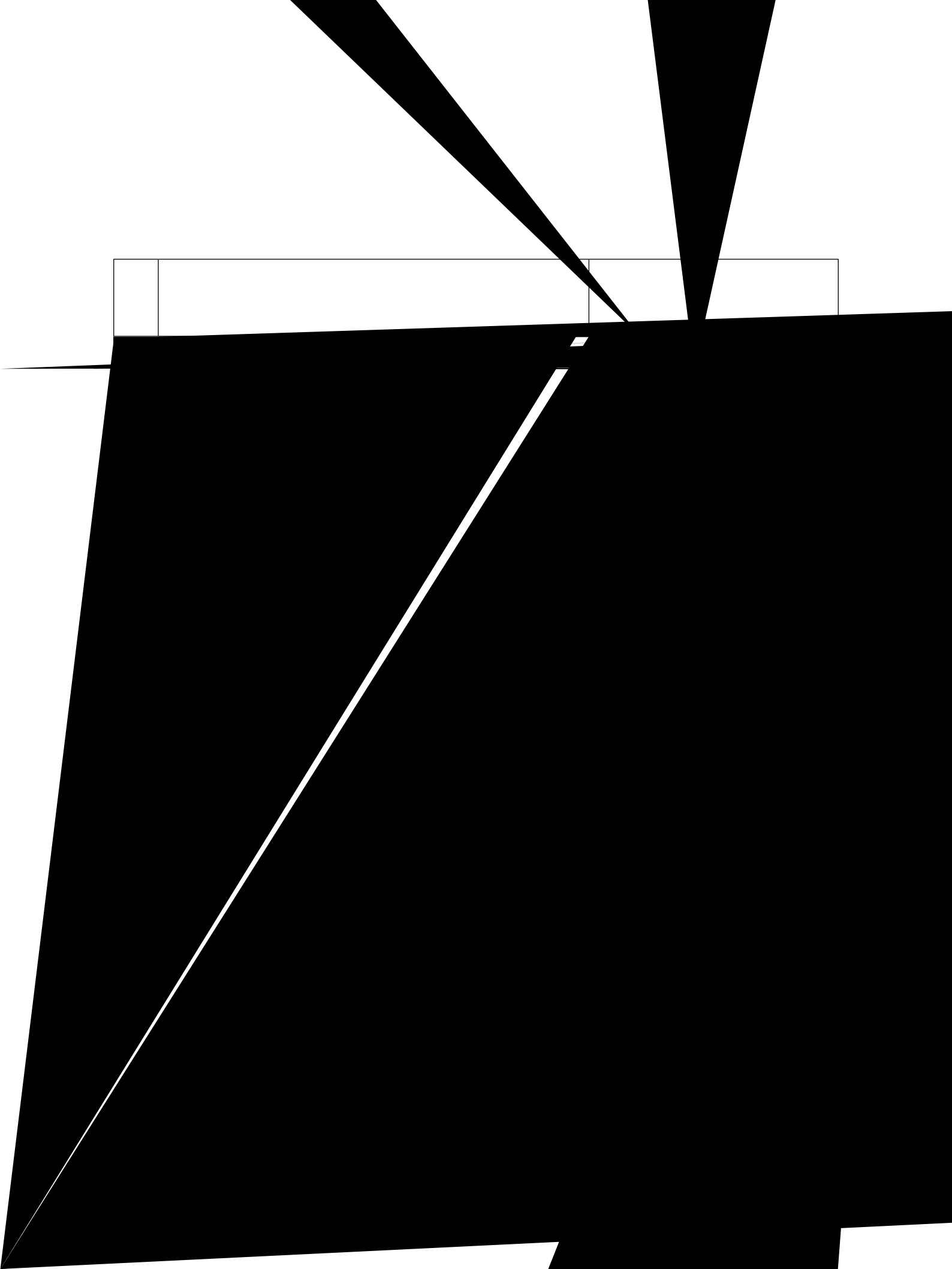


Table 3 Assets, liabilities and financial position of the Company

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

2. Physical assets

[illegible] %

1) [illegible]

2) [illegible]

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

[illegible]

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

[illegible]

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

[illegible]

V. THE BASIS OF VALUATION

(I) The Economic Behavior Basis

(II) The Legal Basis

(III) Evaluation Criteria Basis

(IV) The Property Right Basis

(V) The Price Basis

(VI) Other Basis

VI. THE METHODS OF VALUATION

(I) Introduction of the methods of valuation

(II) Selection of valuation methods

(2) [illegible]

2. Long-term equity investments

[illegible]

Table 4 List of methods of valuation used by the appraised entity

No.	Name of investee	Shareholding ratio	Methods of valuation used
[illegible]	[illegible]	[illegible] %	[illegible]

3. Fixed assets – equipment assets

(1) [illegible]

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

(3) *t rm t f r -d v*

4. ***Intangible assets – others***

5. ***Liabilities***

VII. THE IMPLEMENTATION OF THE VALUATION PROCESS

(I) Preparation phase of valuation

(II) On-site valuation phase

(III) Summary phase of valuation

(IV) Report submission phase

Table 5 Summary of valuation results

Items		Book Value	Appraised Value	Increase or Decrease in Value	Increase ratio (%)
		B	C	D=C-B	E=D/B×100%

X. SPECIAL INSTRUCTIONS

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

(II) Incomplete ownership information or ownership defects

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

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

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

(VI) Significant Subsequent Events

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

(VIII) Other matters to be noted

[illegible]

[illegible]

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

SUMMARY OF THE ASSET VALUATION REPORT

[illegible]

I. THE PURPOSE OF VALUATION

[illegible]

II. THE TARGET OF VALUATION AND THE SCOPE OF VALUATION

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

[illegible]

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

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

III. TYPE OF VALUE AND ITS DEFINITION

IV. THE VALUATION BENCHMARK DATE

V. THE BASIS OF VALUATION

(I) The Economic Behavior Basis

(II) The Legal Basis

(III) Evaluation Criteria Basis

(IV) The Property Right Basis

(V) The price basis of valuation

VI. VALUATION METHODS

2. Non-current assets

3. Liabilities

3. *Valuation model*

$$E = P + \sum C_i$$

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

%

%

ε

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

ε

(2) v f r t g r t x t g t t t m r t f t r t t Σ t w t t f w g f rm

$$\sum C_i = C_1 + C_2$$

I

VII. THE IMPLEMENTATION OF THE VALUATION PROCESS

(I) Pre-valuation preparation stage

(II) On-site verification and evaluation stage

(III) Preparation of preliminary asset valuation report stage

(IV) Submission of asset valuation report stage

(V) Asset valuation file archiving

VIII. THE ASSUMPTIONS OF VALUATION

IX. THE CONCLUSION OF VALUATION

(I) Asset-based approach

[illegible]

Summary of valuation results

[illegible]

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

(II) Income approach

[illegible]

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

(II) Capital Increase

(III) Legal and regulatory issues

(IV) Assets with restricted ownership and use rights

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

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

[illegible]

(VI) [illegible]

(VII) [illegible]

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

Company

Valuation

Listing Rules

Circular

Directors' Responsibility for the discounted future estimated cash flows

Directors

Assumptions

Our Independence and Quality Control

HKICPA

Reporting Accountant's Responsibility

Opinion

Mazars CPA Limited

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

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

Asset Valuation Report
China Faith Appraisers
Shenzhen Jingneng Leasing

Beijing Jingneng Clean Energy Co., Limited
Zhang Fengyang
rm

1. RESPONSIBILITY STATEMENT

2. DISCLOSURE OF INTERESTS

Name	Qualification

6. SERVICE CONTRACTS

7. INTERESTS IN THE ASSETS OR CONTRACTS OF THE GROUP

8. DIRECTORS' INTERESTS IN COMPETING BUSINESS

9. MISCELLANEOUS

Company Secretary

Registered Office

10. DOCUMENTS AVAILABLE FOR INSPECTION

Beijing Jingneng Clean Energy Co., Limited

北京京能清

NOTICE OF THE

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

2.

3. **APPOINTMENT OF PROXY**

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

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

6. **OTHER BUSINESS**

7.