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Beijing Jingneng Clean Energy Co., Limited 北

Reference is made to the announcement of Beijing Jingneng Clean Energy Co., Limited (the “Company”) dated 10 May 2022 (the “Announcement”) in relation to the proposed swap of 20% equity interest in Jingneng International and cash held by the Company for 84.68% equity interest in Shenzhen Jingneng Leasing held by BEH. Unless stated otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, according to the Asset Valuation Report of Shenzhen Jingneng Leasing, the discounted cash flow method under the income approach was applied in preparing the value of the total shareholders’ equity of Shenzhen Jingneng Leasing, which constitutes a profit forecast (“Profit Forecast”) under Rule 14.61 of the Listing Rules. The Company has fully complied with the requirements of Rule 14.62 of the Listing Rules. Information in relation to the Profit Forecast required under Rule 14.60A of the Listing Rules is set out in this announcement.

In preparing the value of the total shareholders' equity of Shenzhen Jingneng Leasing, the following key assumptions were made:

- (1) Open market assumption;
- (2) Renewal of assets in situ;
- (3) Business Continuity;
- (4) No significant changes in the macro political, economic and social environment of the target company's location;
- (5) No significant changes in exchange rates, interest rates, tax burden, inflation, population, or industrial policies;
- (6) No significant changes in the existing laws, regulations, policies and socio-economic environment followed by the enterprise;
- (7) The market and technology of the industry and field in which the enterprise is located is in a normal state of development, and there are no major market or technological changes;
- (8) The main operating assets of the enterprise can be used effectively and will not be idle and have other inefficient use;
- (9) No significant changes in human resources and management team, and to maintain the current mode of business continuity;
- (10) The business plan formulated by the enterprise and the measures taken as well as the expansion of the scale of additional investment can be realized on schedule and in accordance with the scheduled time and progress, and achieve the expected benefits;

- (11) The occurrence of connected transactions at arm's length market prices;
- (12) Assuming that the accounting policies to be adopted by the Company in the future and the accounting policies used in the preparation of this report are substantially the same in all material respects;
- (13) Assuming that the appraised entity receives net cash flow equally during the year;
- (14) Assuming that the appraised entity may take appropriate adjustments to its business concentration and affiliation requirements in accordance with the Detailed Rules for the Implementation of Supervision and Management of Financial Leasing Companies in Guangdong (Consultation Paper) policy, taking into account its regulatory ratings;
- (15) Assuming that the future operation of the appraised entity can be carried out in accordance with the "14th Five-Year Plan" formulated by the Company;
- (16) The information provided by the client and the relevant parties is true, legal and complete;
- (17) There are no other force majeure factors that would have a significant impact on the operation of the business.

The professional valuers, in accordance with the requirements of the asset valuation, have determined that these hypothetical prerequisites are valid as of the Valuation Benchmark Date, and that the professional valuers will not assume any responsibility for deriving different valuation results due to changes in the prerequisites in the event of more significant changes in the future economic environment and changes in the prerequisites.

The Company's reporting accountants, Mazars CPA Limited ("Mazars"), have reviewed and issued a report on the accounting policies and methods of computation used in the Asset Valuation Report of Shenzhen Jingneng Leasing. The Board confirmed that the Profit Forecast has been made after due and careful enquiry.

Pursuant to Rule 14.62 of the Listing Rules, the letters from Mazars and the Board are set out in Appendix I and Appendix II to this announcement, respectively.

The qualification of the expert who has given the opinion and advice in this announcement is as follows:

Mazars reporting accountants

The expert mentioned above has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its letters, reports and/or opinions and the references to its name (including its qualification) included herein in the form and context in which it appears.

As at the date of this announcement, neither the expert mentioned above nor its subsidiaries has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Mazars is a third party independent of the Group and its connected persons.

By order of the Board

Deputy General Manager and Company Secretary

Beijing, the PRC
30 May 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Zhang Fengyang, Mr. Chen Dayu, Mr. Gao Yuming and Mr. Cao Mansheng; the non-executive Directors are Mr. Ren Qigui, Mr. Song Zhiyong and Mr. Wang Bangyi; the independent non-executive Directors are Mr. Huang Xiang, Mr. Chan Yin Tsung, Mr. Xu Daping and Ms. Zhao Jie.

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based, and to report solely to you, as a body, as required by Rule 14.62(2) of the Listing Rules, and for no other purpose. We do not assume responsibility toward or accept liability to any other person for the contents of this letter.

We conducted our work in accordance with the terms of our engagement and Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform our work to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled in accordance with the Assumptions made by the Directors. Our works consisted primarily of checking the arithmetical accuracy of the calculations of the discounted future estimated cash flows prepared based on the Assumptions made by the Directors. Our work does not constitute any valuation of Shenzhen Jingneng Financial Leasing Co., Ltd.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

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Based on the foregoing, in our opinion, so far as the calculations are concerned, the discounted future estimated cash flows have been properly compiled, in all material respects, in accordance with the Assumptions.

Certified Public Accountants

Hong Kong
30 May 2022

Listing Division
The Stock Exchange of Hong Kong Limited
12/F Two Exchange Square
8 Connaught Place, Central
Hong Kong

30 May 2022

Dear Sirs,

Dear Sirs,

We refer to the asset valuation report (“*Asset Valuation Report*”) dated 12 April 2022 prepared by China Faith Appraisers Co., Ltd. (“*China Faith Appraisers*”) in relation to Shenzhen Jingneng Financial Leasing Co., Ltd. (“*Jingneng*”), which constitutes a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

We have reviewed the bases and assumptions upon which China Faith Appraisers has prepared its valuation of Shenzhen Jingneng Leasing and for which China Faith Appraisers is responsible. We have also considered the report from the Reporting Accountants regarding whether the discounted cash flows, so far as the calculation are concerned, have been properly applied, in all material respects, in accordance with the respective bases and assumptions.

On the basis of the foregoing, we are of the view that the Asset Valuation Report prepared by China Faith Appraisers has been made after due and careful enquiry.

By order of the Board

Chairman