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.

邁時資本
MAXA CAPITAL

Unit 2602, 26/F, Golden Centre
188 Des Voeux Road Central
Sheung Wan
Hong Kong

5 December 2025

To the Independent Board Committee and the Independent Shareholders

Dear Sirs and Mesdames,

CONTINUING CONNECTED TRANSACTIONS
DISCLOSEABLE TRANSACTIONS
AND
MAJOR TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Finance Leasing Framework Agreement (I), the Framework Heat Sale and Purchase Agreement, the Finance Leasing Business Framework Agreement, the Finance Leasing Framework Agreement (II), the Financial Assistance Framework Agreement, and the proposed deposit service under the Financial Services Framework Agreement (collectively, the "**CCT Approval Agreements**") and the transaction contemplated thereunder (the "**Transactions**"), details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company 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 requires otherwise.

References are made to the announcements of the Company dated 8 November 2022, 5 September 2024 and the circular of the Company dated 12 December 2022, in relation to, among others, certain continuing connected transactions framework agreements entered into between the Company or Shenzhen Jingneng Leasing and BEH and/or its associate. As such continuing connected transactions framework agreements will expire on 31 December 2025, the Company entered into the Continuing Connected Transactions Framework Agreements on 12 November 2025 with BEH and/or its associates, including the CCT Approval Agreements. Each of the CCT Approval Agreements is for a term of three years commencing from 1 January 2026 and ending on 31 December 2028.

LISING 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.

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.

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.

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 ended 30 June**	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	*(audited)*	*(audited)*	*(unaudited)*	*(unaudited)*
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
Leases	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**

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 approximately 0.6% as compared to approximately RMB20,446.0 million for FY2023. The increase was mainly due to (i) increase in revenue from the wind power segment by approximately RMB197.4 million or 4.4%, from approximately RMB4,511.9 million for FY2023, to approximately RMB4,709.3 million for FY2024, which was mainly attributable to the increase in sales volume of electricity as a result of the increase in grid-connected installed capacity; and (ii) increase in revenue from the photovoltaic power segment of approximately RMB128.6 million or 4.3%, from approximately RMB2,957.8 million for FY2023 to approximately RMB3,086.4 million for FY2024, which was mainly attributable to the increase in sales volume of electricity as a result of the increase in grid-connected installed capacity.

The Group recorded profit from operations of approximately RMB5,261.1 million for FY2024, representing an increase of approximately RMB73.2 million or 1.4% as compared to approximately RMB5,187.9 million for FY2023. Such increase 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 RMB617.6 million or 54.8% from approximately RMB1,126.7 million for FY2023 to approximately RMB509.0 million for

FY2024 due to the downward tariff adjustment of the gas-fired power and heat energy generation segment, and the tariff subsidy for this segment has been transferred from other income to the operating income for accounting purposes; and (iii) other gains of approximately RMB130.1 million recorded by the Group for FY2024 as compared to other losses of approximately RMB283.5 million recorded for FY2023 due to compensation received by the Group during FY2024 for the shutdown of hydropower power plants. The Group recorded profit for the year of approximately RMB3,420.9 million for FY2024, representing an increase of approximately RMB185.7 million or 5.7% as compared to approximately RMB3,235.2 million for FY2023. Such increase was mainly due to (i) increase in the Group's profit from operations as discussed above; and (ii) decrease in finance costs by approximately RMB90.7 million or 7.3% from approximately RMB1,243.4 million for FY2023 to approximately RMB1,152.7 million for FY2024 due to the decrease in average financing costs, with the average interest rate decreasing by 0.18 percentage points from 2.85% for FY2023 to 2.67% for FY2024.

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.

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	*(audited)*	*(audited)*	*(unaudited)*
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**

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.

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 4,775 MW in Beijing and Yichang, Hubei. The annual power generation of the seven gas-fired cogeneration plants in Beijing accounts for over 47% of gas-fired power generation of Beijing and accounts for over 43% of centralized heating supply of

Beijing, being the leading gas-fired heat and power supplier in Beijing. In addition, we note that sales of heat energy is a stable source of revenue for the Company which generated income of RMB2,154.1 million, RMB2,106.1 million and RMB2,157.5 million for the three years ended 31 December 2024.

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 Commission of Development and Reform for the corresponding Prescribed Heat Supply Period.

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

RMB'million (except for utilisation rates)	**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	2,351.80

Historical Amounts	1,800.20	1,808.60	1,215.19 Note 1	-	-	-
Utilisation Rates	76.55%	76.90%	51.67% Note 1	-	-	-

1. 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 factors (i) to (iii) above. We also note that the estimated unit heat price of RMB88.6/GJ is not significantly deviated from the range of the historical government-prescribed unit heat price of RMB90.4/GJ to RMB91.6/GJ during the Prescribed Heat Supply Period of 2023 and 2024.

Having considered that (i) the estimated heat supply volume and unit heat prices adopted for calculating the Heat Caps are generally in line with the historical heat supply volume and government-prescribed unit heat price; (ii) the historical transaction amount and utilisation rates of the annual caps for each of the three years ending 31 December 2025 remain relatively stable; and (iii) the Heat Caps are consistent with the historical annual caps amount, we are of the view that the Heat Caps are fair and reasonable.

e. Conclusion

Having taken into consideration the factors and reasons as discussed above, we are of the view that (i) the terms of the Framework Heat Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable; and (ii) entering into of the Framework Heat Sale and Purchase 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.

2.2 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.

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.

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). Alternatively, as the transaction nature of Finance Leasing Framework Agreement (I) and Finance Leasing Framework Agreement (II) are generally the same and there were similar internal control measures adopted for the Finance Leasing Framework Agreement (II), we consider that the results of our review on the pricing policy under the Finance Leasing Framework Agreement (II) during the Review Period would provide reasonable degree of comfort on the effectiveness of the internal control measures relating to the transactions under the Finance Leasing Framework Agreement (I). Although the counterparties under the Finance Leasing Framework Agreement (II) are different from that under the Finance Leasing Framework Agreement (I), the Management advises us that the counterparties under both agreements are connected persons of the Company and therefore the Company would apply the same standard and measures to monitor and scrutinise the terms of the underlying transactions under both framework agreements to safeguard the interests of the Company and its Shareholders. In addition, we have reviewed the internal control measures under both the Finance Leasing Framework Agreement (I) and the Finance Leasing Framework Agreement (II) and note that their approval and monitoring procedures are similar to ensure such transactions be conducted on normal commercial terms and fair and reasonable and comparable to those offered by Independent Third Parties. Given that we are not aware of any material deficiency on the implementation of the pricing policy of the transactions under the Finance Leasing Framework Agreement (II), details of which are set out in subsection headed "c. Pricing policy" under the section headed "2.5 Finance Leasing Framework Agreement (II)" below, we consider the Group should be able to implement effective internal control measures in monitoring the transactions under the Finance Leasing Framework Agreement (I).

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

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

RMB'million (except for utilisation rates)	**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	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Historical Amounts	-	-	-	-	-	-
Utilisation Rates	0.00%	0.00%	0.00% *Note 1*	-	-	-

1. 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, 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.

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.

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;

- 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;

- 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 accounted 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 favourble than Shenzhen Jingneng Leasing and Independent Third Parties.

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.

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
	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
	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 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, we consider that the duration of the specific agreements under the Finance Leasing Framework Agreement (I), 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 view that (i) the terms of the Finance Leasing Framework Agreement (I) are on normal commercial terms and are fair and reasonable; and (ii) entering into of the Finance Leasing Framework Agreement (I) 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.

2.3 Finance Leasing Business Framework 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 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.

We have obtained and reviewed both the current finance leasing business 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 Finance Leasing Business Framework Agreement, and note that the major terms of the aforementioned agreements are similar.

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 (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.

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.

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

RMB'million (except for utilisation rates)	**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	3,700.00	2,800.00	2,500.00	2,400.00	1,800.00	1,700.00
Historical Amounts	3,313.20	1,575.50	1,583.50 *Note 1*	-	-	-
Utilisation Rates	89.55%	56.27%	63.34% *Note 1*	-	-	-

Note:

1. 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 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 in 2026, each with a remaining principal amount ranging from approximately RMB4.6 million to approximately RMB583.5 million; 14 contracts in 2027, each with a remaining principal amount ranging from approximately RMB5.2 million to approximately RMB583.5 million; and 11 contracts in 2028, each with a remaining principal amount ranging from approximately RMB9.4 million to approximately RMB583.5 million. These projects 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.

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 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 view that (i) the terms of the Finance Leasing Business Framework Agreement are on normal commercial terms and are fair and reasonable; and (ii) entering into of the Finance Leasing Business 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.

2.4 Deposit Services under the Financial Services Framework 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 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.

We have obtained and reviewed both the current financial services 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 Finance Services Framework Agreement, and note that the major terms of the aforementioned agreements, including the scope of the transaction, pricing policy and representation and warranties relating to the deposit services, are similar.

b. Reasons for and benefits of the transactions

As disclosed in the Letter from the Board, 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. In addition, the Board believes that 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.

In addition, 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 for the deposits as it thinks fit and appropriate for the benefits of the Group.

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 respectively 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 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

RMB'million (except for utilisation rates)	**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 *Note 1*	-	-	-
Utilisation Rates	80.42%	89.97%	83.66% *Note 1*	-	-	-

Note:

1. 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 billon 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 determined at higher level than the existing level of the Group's cash and cash equivalents to cope with the sudden increase in deposit balance resulting from the issuance of debt instruments.

Having considered that (i) historical utilization rates of existing annual caps during the three years ending 31 December 2025 are at relatively high level; (ii) the growth rate of proposed Deposit Caps is generally in line with the growth rate of the Group's demand for deposit services; and (iii) the sudden increase in deposit balance resulting from the Group's financing activities, we are of the view that the Deposit Caps are fair and reasonable.

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.

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.

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.

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.

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

RMB'million (except for utilisation rates)	**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	5,000.00
Historical Amounts	551.90	674.70	1,238.90 Note 1	-	-	-
Utilisation Rates	18.40%	22.49%	41.30% Note 1	-	-	-

Note:

1. 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.

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, 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 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;

- 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.

The Shareholders should be reminded that the actual amount of finance lease transactions under the Finance Leasing Framework Agreement (II) 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 SZ 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 SZ Leasing Caps which can provide flexibility and option of entering into finance lease agreements with Shenzhen Jingneng Leasing and accommodate the continuous growth of the Group's installed capacity of wind and photovoltaic power projects.

Having considered that (i) the SZ Leasing Caps enable the Company to expand the Group's financing channels and benefit from tax relief and effectively lower the Group's overall financing cost from the finance lease arrangement with Shenzhen Jingneng Leasing; (ii) the Company has scaled up its financing from Shenzhen Jingneng Leasing and entered into finance leasing contracts with an aggregate principal amount of approximately RMB3.20 billion from 1 January 2025 to 30 September 2025; (iii) the Company has relevant internal control measures in place to ensure that the underlying transactions under the Finance Leasing Framework Agreement (II) be conducted on normal commercial terms and fair and reasonable and comparable to those offered by Independent Third Parties; and (iv) the SZ 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 Shenzhen Jingneng Leasing, we are of the view that the SZ 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 (II)

With reference to the Letter from the Board, the duration of the certain specific agreements under the Finance Leasing Framework Agreement (II) 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 (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 (II) 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 (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.

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.

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

- 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 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.

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

RMB'million (except for utilisation rates)	**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	11,000.00
Historical Amounts	500.00	-	350.00 *Note 1*	-	-	-
Utilisation Rates	12.50%	0.00%	4.67% *Note 1*	-	-	-

Note:

1. 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.

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 over the next three years, wind power and other projects per annum, 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.

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.

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.

Pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the independent non-executive Directors and auditor of the Company will conduct annual review and issue confirmations regarding the continuing connected transactions of the Company each year. We have reviewed the Company’s 2023 AR and 2024 AR and note that the independent non-executive Directors and the auditor of the Company have reviewed the Transactions, including the current financing and asset transactions framework agreement, during such years and provided the relevant confirmations. As confirmed with the Company, the Company will continue to comply with the relevant annual review requirement under the Listing Rules on an on-going basis.

Based on the above, we concur with the Directors’ view that the Group has effective internal policies in place to continue to monitor the continuing connected transactions under the Transactions and relevant proposed Annual Caps, and hence the interest of the Independent Shareholders would be safeguard.

RECOMMENDATION

Having considered the above factors and reasons, we are of the opinion that (i) the Transactions are conducted in the ordinary and usual course of business of the Group and on normal commercial terms; and (ii) the terms of the Transactions (including the proposed Annual Caps thereto) are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend and we also recommend the Independent Shareholders to vote in favour of the resolution in relation to the CCT Approval Agreements and the proposed Annual Caps to be proposed at the EGM.

Yours faithfully,
For and on behalf of
Maxa Capital Limited

Sammy Leung
Managing Director

Mr. Sammy Leung is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Maxa Capital to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 14 years of experience in the corporate finance industry.