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北京能源國際控股有限公司

Beijing Energy International Holding Co., Ltd.

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

**VERY SUBSTANTIAL DISPOSAL
IN RELATION TO THE PROPOSED ISSUANCE OF THE ABN
AND DISPOSAL OF EQUITY INTERESTS IN AND
CREDITOR'S RIGHTS AGAINST SUBSIDIARIES**

THE PROPOSED ISSUANCE OF THE ABN

The Company proposes to launch an ABN Issuance and expects to register the ABN with NAFMII and issue it on the CIBM in November 2026 or a later date to be determined for the purpose of investing in and securitizing the Underlying Assets held by BEIED, a subsidiary of the Company, and raising funds for the operation and development of the business of the Group. In order to issue the ABN, the Company will entrust China Railway Trust with the Underlying Assets as the trustee and administration agency of the ABN Trust for the benefit of the holders of the ABN for the purpose of the ABN Issuance.

THE EQUITY TRANSFER AGREEMENTS

For the purpose of the proposed issuance of the ABN, BEIED as the vendor and the original interest owner, the China Railway Trust as the trustee of the ABN Trust and the relevant Target Companies (i.e. Shengyang, Tongchuan, Kaineng, Zhuolang, Xundian and SPV), propose to enter into the Equity Transfer Agreement A, the Equity Transfer Agreement B, the Equity Transfer Agreement C, the Equity Transfer Agreement D, the Equity Transfer Agreement E and the Equity Transfer Agreement F, pursuant to which BEIED will conditionally agree to transfer the entire equity interests in these six Target Companies to the ABN Trust at a cash consideration of RMB627.73 million, RMB91.36 million, RMB113.15 million, RMB269.94 million, RMB171.17 million and RMB66.33 million, respectively.

THE DEBT ASSIGNMENT AGREEMENTS

In connection with the ABN Issuance, BEIED, the China Railway Trust and each of the six Project Companies will enter into the Debt Assignment Agreements to confirm and assign the Subject Debts (representing shareholder loans owed by each Project Company to BEIED) to the ABN Trust.

LISTING RULES IMPLICATIONS

As the highest percentage ratio applicable to the Company in respect of the disposal exceeds 75%, the disposal constitutes a very substantial disposal for the Company and is, therefore, subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The SGM will be convened by the Company to seek the Shareholders' approval of the disposal and the transactions contemplated thereunder.

A circular containing, among other things, (i) details of the proposed issuance of the ABN, the Equity Transfer Agreements, the Debt Assignment Agreements and the transactions contemplated thereunder; (ii) the notice of the SGM; (iii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 30 November 2026, as additional time is required to prepare and finalize the information to be contained in the circular.

THE ABN

The Company proposes to launch an ABN Issuance and expects to register the ABN with NAFMII and issue it on the CIBM in November 2026 or a later date to be determined for the purpose of investing in and securitizing the Underlying Assets held by BEIED, a subsidiary of the Company, and raising funds for the operation and development of the business of the Group. In order to issue the ABN, the Company will entrust China Railway Trust with the Underlying Assets as the trustee and administration agency of the ABN Trust for the benefit of the holders of the ABN for the purpose of the ABN Issuance.

The principal sum of the ABN to be issued is approximately RMB2,900 million, which is estimated based on the aggregate value of the equity interests of Target Companies and outstanding debts owed by the Project Companies.

The ABN will consist of: (i) a priority tranche with an aggregate principal amount of RMB2,830 million, representing 97.5% of the total issuance and expected to be rated AAA. The expected yield of the priority tranche will be determined through a book-building process and may be adjusted from time to time in accordance with the transaction documents. The priority tranche will mature on the final maturity date of the ABN and will be entitled to priority payment of principal and expected returns; and (ii) a subordinated tranche with an aggregate principal amount of RMB70 million, representing 2.5% of the total issuance. The subordinated tranche is unrated, has no fixed maturity date and will terminate upon the termination of the ABN. Holders of the subordinated tranche will be entitled to receive returns at a rate of not more than 7% per annum and repayment of principal and returns only after all payment obligations in respect of the priority tranche have been satisfied in full. Accordingly, the subordinated tranche provides credit enhancement to the priority tranche by absorbing first-loss risks associated with the Underlying Assets and ranking junior to the priority tranche in the payment waterfall.

The 2.5% subordinated tranche ratio was determined based on the prevailing approval requirements of the NAFMII and the accounting advice of the Company's auditors. BEIED will not subscribe for the subordinated tranche under the proposed ABN issuance. The holders of the ABN will be determined by the underwriter and the Company through bookbuilding, which has not yet been completed. The priority tranche of the ABN is expected to receive a credit rating from Lianhe Credit Rating Co., Ltd., an independent credit rating agency in the PRC.

The distribution to the holders of ABN will be primarily financed by the repayment of the principals and interest by the Project Companies, the dividends declared and distributed by the Project Companies and, where applicable, the arrangement under the Performance Support Agreement.

The term of the ABN shall be 18 years, i.e. up to 31 December 2044, which falls within the longest remaining operation period of the Project Companies. Details of the ABN Issuance are subject to NAFMII's approval.

Neither BEIED nor any member of the Group is under any obligation to repurchase the equity interests in the Target Companies or the Project Companies from China Railway Trust upon expiry of the term of the ABN or at any other time.

The ABN Trust Agreement does not require the Project Companies to be dissolved upon expiry of the term of the ABN. Upon termination of the ABN Trust, the trustee will liquidate the trust assets, being the equity interests in the Target Companies and the Subject Debts, by sale, auction or another method approved by the holders of the ABN. The Project Companies are expected to continue as going concerns under their then owner. Any decision to reduce capital, dispose of assets or liquidate a Project Company will rest with its shareholder at the relevant time, in accordance with PRC law.

EQUITY TRANSFER AGREEMENTS

For the purpose of the ABN Issuance, BEIED as the vendor and the original interest owner, the China Railway Trust as the trustee of the ABN Trust and the relevant Target Companies (i.e. Shengyang, Tongchuan, Kaineng, Zhuolang, Xundian and SPV), propose to enter into the Equity Transfer Agreement A, the Equity Transfer Agreement B, the Equity Transfer Agreement C, the Equity Transfer Agreement D, the Equity Transfer Agreement E and the Equity Transfer Agreement F, pursuant to which BEIED will conditionally agree to transfer the entire equity interests in these six Target Companies to the ABN Trust at a cash consideration of RMB627.73 million, RMB91.36 million, RMB113.15 million, RMB269.94 million, RMB171.17 million and RMB66.33 million, respectively.

Equity Transfer Agreement A (Shengyang)

BEIED will enter into the Equity Transfer Agreement A with China Railway Trust as the trustee of the ABN Trust, pursuant to which BEIED will transfer 100% equity interests in Shengyang to the ABN Trust.

Principal terms of Equity Transfer Agreement A are summarized as follows.

Parties:

- (i) BEIED, as the vendor and original interest owner;
- (ii) China Railway Trust, as the trustee and the administration agency of the ABN Trust, as the purchaser; and
- (iii) Shengyang, as the Target Company.

Subject Matter:

Pursuant to the Equity Transfer Agreement A, BEIED shall transfer 100% equity interests in Shengyang to the ABN Trust.

Consideration and Payment Terms:

The consideration for 100% equity interests in Shengyang is approximately RMB627.73 million (for the basis of the consideration, please refer to the paragraph headed “Appraised Values under the Valuation Reports and Profit Forecast” in this announcement below). The consideration will be payable by the ABN Trust upon satisfaction of certain conditions, including, but not limited to: (i) the equity transfer agreement has become effective; (ii) the transferor and the transferee have each approved the equity transfer through their respective necessary internal resolution procedures; (iii) the Target Company’s equity and project are not subject to any encumbrances or other restrictions on rights; and (iv) BEIED and the Target Company have fully performed all of their respective delivery obligations.

Conditions Precedent:

The Equity Transfer Agreement A shall become effective upon satisfaction of the following unwaivable conditions on or before the effective date of the Equity Transfer Agreement, among others:

- (a) the China Railway Trust has obtained the articles of association of the Target Company as amended to reflect the transfer of the subject equity;
- (b) the Target Company has prepared a register of shareholders and a capital contribution certificate designating the ABN Trust as its new shareholder;
- (c) the Target Company has duly cancelled the existing capital contribution certificate previously issued to BEIED; and
- (d) the legal representatives/executive partner or authorized representatives of all parties have signed (or sealed) and affixed their official seal.

As confirmed by the Company, the Equity Transfer Agreement A will only be executed by the parties after the approval by the Shareholders at the SGM and completion of the required Stock Exchange compliance process.

Completion of the Equity Transfer Agreement A:

Completion of the Equity Transfer Agreement A shall take place upon the full settlement of the consideration. Within 180 days after the completion date, the parties shall submit all relevant materials required for change of equity interests to the relevant registration authorities and complete the registration procedures for the change of equity interests.

Equity Transfer Agreement B (Tongchuan)

BEIED will enter into the Equity Transfer Agreement B with the China Railway Trust as the trustee of the ABN Trust, pursuant to which BEIED will transfer 100% equity interests in Tongchuan to the ABN Trust.

Principal terms of Equity Transfer Agreement B are summarized as follows.

Parties:

- (i) BEIED, as the vendor and original interest owner;
- (ii) China Railway Trust, as the trustee and the administration agency of the ABN Trust, as the purchaser; and
- (iii) Tongchuan, as the Target Company.

Subject Matter:

Pursuant to the Equity Transfer Agreement B, BEIED shall transfer 100% equity interests in Tongchuan to the ABN Trust.

Consideration and Payment Terms:

The consideration for 100% equity interests in Tongchuan is approximately RMB91.36 million (for the basis of the consideration, please refer to the paragraph headed “Appraised Values under the Valuation Reports and Profit Forecast” in this announcement below). The consideration will be payable by the ABN Trust upon satisfaction of certain conditions, including, but not limited to: (i) the equity transfer agreement has become effective; (ii) the transferor and the transferee have each approved the equity transfer through their respective necessary internal resolution procedures; (iii) the Target Company’s equity and project are not subject to any encumbrances or other restrictions on rights; and (iv) BEIED and the Target Company have fully performed all of their respective delivery obligations.

Conditions Precedent:

The Equity Transfer Agreement B shall become effective upon satisfaction of the following unwaivable conditions on or before the effective date of the Equity Transfer Agreement, among others:

- (a) the China Railway Trust has obtained the articles of association of the Target Company as amended to reflect the transfer of the subject equity;
- (b) the Target Company has prepared a register of shareholders and a capital contribution certificate designating the ABN Trust as its new shareholder;
- (c) the Target Company has duly cancelled the existing capital contribution certificate previously issued to BEIED; and
- (d) the legal representatives/executive partner or authorized representatives of all parties have signed (or sealed) and affixed their official seal.

As confirmed by the Company, the Equity Transfer Agreement B will only be executed by the parties after the approval by the Shareholders at the SGM and completion of the required Stock Exchange compliance process.

Completion of the Equity Transfer Agreement B:

Completion of the Equity Transfer Agreement B shall take place upon the full settlement of the consideration. Within 180 days after the completion date, the parties shall submit all relevant materials required for change of equity interests to the relevant registration authorities and complete the registration procedures for the change of equity interests.

Equity Transfer Agreement C (Kaineng)

BEIED will enter into the Equity Transfer Agreement C with China Railway Trust as the trustee of the ABN Trust, pursuant to which BEIED will transfer 100% equity interests in Kaineng to the ABN Trust.

Principal terms of Equity Transfer Agreement C are summarized as follows.

Parties:

- (i) BEIED, as the vendor and original interest owner;
- (ii) China Railway Trust, as the trustee and the administration agency of the ABN Trust, as the purchaser; and
- (iii) Kaineng, as the Target Company.

Subject Matter:

Pursuant to the Equity Transfer Agreement C, BEIED shall transfer 100% equity interests in Kaineng to the ABN Trust.

Consideration and Payment Terms:

The consideration for 100% equity interests in Kaineng is approximately RMB113.15 million (for the basis of the consideration, please refer to the paragraph headed “Appraised Values under the Valuation Reports and Profit Forecast” in this announcement below). The consideration will be payable upon satisfaction of certain conditions, including, but not limited to: (i) the equity transfer agreement has become effective; (ii) the transferor and the transferee have each approved the equity transfer through their respective necessary internal resolution procedures; (iii) the Target Company’s equity and project are not subject to any encumbrances or other restrictions on rights; and (iv) BEIED and the Target Company have fully performed all of their respective delivery obligations.

Conditions Precedent:

The Equity Transfer Agreement C shall become effective upon the satisfaction of the following unwaivable conditions on or before the effective date of the Equity Transfer Agreement, among others:

- (a) the China Railway Trust has obtained the articles of association of the Target Company as amended to reflect the transfer of the subject equity;
- (b) the Target Company has prepared a register of shareholders and a capital contribution certificate designating the ABN Trust as its new shareholder;

- (c) the Target Company has duly cancelled the existing capital contribution certificate previously issued to BEIED; and
- (d) the legal representatives/executive partner or authorized representatives of all parties have signed (or sealed) and affixed their official seal.

As confirmed by the Company, the Equity Transfer Agreement C will only be executed by the parties after the approval by the Shareholders at the SGM and completion of the required Stock Exchange compliance process.

Completion of the Equity Transfer Agreement C:

Completion of the Equity Transfer Agreement C shall take place upon the full settlement of the consideration. Within 180 days after the completion date, the parties shall submit all relevant materials required for change of equity interests to the relevant registration authorities and complete the registration procedures for the change of equity interests.

Equity Transfer Agreement D (Zhuolang)

BEIED will enter into the Equity Transfer Agreement D with China Railway Trust as the trustee of the ABN Trust, pursuant to which BEIED will transfer 100% equity interests in Zhuolang to the ABN Trust.

Principal terms of Equity Transfer Agreement D are summarized as follows.

Parties:

- (i) BEIED, as the vendor and original interest owner;
- (ii) China Railway Trust, as the trustee and the administration agency of the ABN Trust, as the purchaser; and
- (iii) Zhuolang, as the Target Company.

Subject Matter:

Pursuant to the Equity Transfer Agreement D, BEIED shall transfer 100% equity interests in Zhuolang to the ABN Trust.

Consideration and Payment Terms:

The consideration for 100% equity interests in Zhuolang is approximately RMB269.94 million (for the basis of the consideration, please refer to the paragraph headed “Appraised Values under the Valuation Reports and Profit Forecast” in this announcement below). The consideration will be payable upon satisfaction of certain conditions, including, but not limited to: (i) the equity transfer agreement has become effective; (ii) the transferor and the transferee have each approved the equity transfer through their respective necessary internal resolution procedures; (iii) the Target Company’s equity and project are not subject to any encumbrances or other restrictions on rights; and (iv) BEIED and the Target Company have fully performed all of their respective delivery obligations.

Conditions Precedent:

The Equity Transfer Agreement D shall become effective upon satisfaction of the following unwaivable conditions on or before the effective date of the Equity Transfer Agreement, among others:

- (a) the China Railway Trust has obtained the articles of association of the Target Company as amended to reflect the transfer of the subject equity;
- (b) the Target Company has prepared a register of shareholders and a capital contribution certificate designating the ABN Trust as its new shareholder;
- (c) the Target Company has duly cancelled the existing capital contribution certificate previously issued to BEIED; and
- (d) the legal representatives/executive partner or authorized representatives of all parties have signed (or sealed) and affixed their official seal.

As confirmed by the Company, the Equity Transfer Agreement D will only be executed by the parties after the approval by the Shareholders at the SGM and completion of the required Stock Exchange compliance process.

Completion of the Equity Transfer Agreement D:

Completion of the Equity Transfer Agreement D shall take place upon the full settlement of the consideration. Within 180 days after the completion date, the parties shall submit all relevant materials required for change of equity interests to the relevant registration authorities and complete the registration procedures for the change of equity interests.

Equity Transfer Agreement E (Xundian)

BEIED will enter into the Equity Transfer Agreement E with China Railway Trust as the trustee of the ABN Trust, pursuant to which BEIED will transfer 100% equity interests in Xundian to the ABN Trust.

Principal terms of Equity Transfer Agreement E are summarized as follows.

Parties:

- (i) BEIED, as the vendor and original interest owner;
- (ii) China Railway Trust, as the trustee and the administration agency of the ABN Trust, as the purchaser; and
- (iii) Xundian, as the Target Company.

Subject Matter:

Pursuant to the Equity Transfer Agreement E, BEIED shall transfer 100% equity interests in Xundian to the ABN Trust.

Consideration and Payment Terms:

The consideration for 100% equity interests in Xundian is approximately RMB171.17 million (for the basis of the consideration, please refer to the paragraph headed “Appraised Values under the Valuation Reports and Profit Forecast” in this announcement below). The consideration will be payable upon satisfaction of certain conditions, including, but not limited to: (i) the equity transfer agreement has become effective; (ii) the transferor and the transferee have each approved the equity transfer through their respective necessary internal resolution procedures; (iii) the Target Company’s equity and project are not subject to any encumbrances or other restrictions on rights; and (iv) BEIED and the Target Company have fully performed all of their respective delivery obligations.

Conditions Precedent:

The Equity Transfer Agreement E shall become effective upon satisfaction of the following unwaivable conditions on or before the effective date of the Equity Transfer Agreement, among others:

- (a) the China Railway Trust has obtained the articles of association of the Target Company as amended to reflect the transfer of the subject equity;
- (b) the Target Company has prepared a register of shareholders and a capital contribution certificate designating the ABN Trust as its new shareholder;
- (c) the Target Company has duly cancelled the existing capital contribution certificate previously issued to BEIED; and
- (d) the legal representatives/executive partner or authorized representatives of all parties have signed (or sealed) and affixed their official seal.

As confirmed by the Company, the Equity Transfer Agreement E will only be executed by the parties after the approval by the Shareholders at the SGM and completion of the required Stock Exchange compliance process.

Completion of the Equity Transfer Agreement E:

Completion of the Equity Transfer Agreement E shall take place upon the full settlement of the consideration. Within 180 days after the completion date, the parties shall submit all relevant materials required for change of equity interests to the relevant registration authorities and complete the registration procedures for the change of equity interests.

Equity Transfer Agreement F (SPV and Haidong)

BEIED will enter into the Equity Transfer Agreement F with China Railway Trust as the trustee of the ABN Trust, pursuant to which BEIED will transfer 100% equity interests in SPV to the ABN Trust.

Principal terms of Equity Transfer Agreement F are summarized as follows.

Parties:

- (i) BEIED, as the vendor and original interest owner;
- (ii) China Railway Trust, as the trustee and the administration agency of the ABN Trust, as the purchaser; and
- (iii) SPV, as the Target Company.

Subject Matter:

Pursuant to the Equity Transfer Agreement F, BEIED shall transfer 100% equity interests in SPV to the ABN Trust. SPV directly holds 100% of the equity interest in Haidong.

Consideration and Payment Terms:

The consideration for 100% equity interests in SPV is approximately RMB66.33 million (for the basis of the consideration, please refer to the paragraph headed “Appraised Values under the Valuation Reports and Profit Forecast” in this announcement below). The consideration will be payable upon satisfaction of certain conditions, including, but not limited to: (i) the equity transfer agreement has become effective; (ii) the transferor and the transferee have each approved the equity transfer through their respective necessary internal resolution procedures; (iii) the Target Company’s equity and project are not subject to any encumbrances or other restrictions on rights; and (iv) BEIED and Target Company have fully performed all of their respective delivery obligations.

Conditions Precedent:

The Equity Transfer Agreement F shall become effective upon satisfaction of the following unwaivable conditions on or before the effective date of the Equity Transfer Agreement, among others:

- (a) the China Railway Trust has obtained the articles of association of the Target Company as amended to reflect the transfer of the subject equity;
- (b) the Target Company has prepared a register of shareholders and a capital contribution certificate designating the ABN Trust as its new shareholder;
- (c) the Target Company has duly cancelled the existing capital contribution certificate previously issued to BEIED; and
- (d) the legal representatives/executive partner or authorized representatives of all parties have signed (or sealed) and affixed their official seal.

As confirmed by the Company, the Equity Transfer Agreement F will only be executed by the parties after the approval by the Shareholders at the SGM and completion of the required Stock Exchange compliance process.

Completion of the Equity Transfer Agreement F:

Completion of the Equity Transfer Agreement F shall take place upon the full settlement of the consideration. Within 180 days after the completion date, the parties shall submit all relevant materials required for change of equity interests to the relevant registration authorities and complete the registration procedures for the change of equity interests.

DEBT ASSIGNMENT AGREEMENTS

In connection with the ABN Issuance, BEIED, the China Railway Trust and each of the six Project Companies will enter into the Debt Assignment Agreements to confirm and assign the Subject Debts (representing shareholder loans owed by each Project Company to BEIED) to the ABN Trust.

The principal terms of the Debt Assignment Agreements are summarized as follows.

Parties:

- (i) BEIED, as the original creditor and assignor;
- (ii) China Railway Trust, as the trustee and the administration agency of the ABN Trust, as the assignee of the Subject Debts; and
- (iii) the relevant Project Company, as the debtor.

Subject Debts:

The Subject Debts under each Debt Assignment Agreement represent the Subject Debts (representing shareholder loans owed by the relevant Project Company to BEIED). Before the ABN Issuance, all amounts of outstanding debts recorded by Project Companies will be converted to shareholder loans due to BEIED, after the BEIED's settlement of such outstanding debts. The amounts of the outstanding debts recorded by the relevant Project Companies as at the Valuation Benchmark Date and 30 September 2026 are as follows:

- (i) Shengyang: Its outstanding debts as at the Valuation Benchmark Date represented external bank borrowings of RMB412.35 million, with interest rates ranging from 2.0% to 2.1%. Such bank borrowings were secured by a pledge over receivables of RMB157.06 million and were not guaranteed, with an original maturity date of 10 December 2037. As at 30 September 2026, Shengyang recorded above bank borrowings outstanding in the amount of RMB391.95 million.

Prior to the ABN Issuance, all external debts of the Project Company will be replaced by shareholder loans from BEIED, with an estimated amount of RMB342.27 million. Such loans are interest-free shareholder loans, unsecured and not guaranteed, and have no specific maturity date.

- (ii) Tongchuan: Its outstanding debts as at the Valuation Benchmark Date represented external bank borrowings of RMB286 million and shareholder loans from BEIED of RMB10.72 million. The bank borrowings bore an interest rate of 2.32% and were unsecured without guarantee, with an original maturity date of 1 March 2034. The shareholder loans were interest-free, unsecured and not guaranteed, and had no specific maturity date. As at 30 September 2026, Tongchuan recorded the above bank borrowings outstanding in the amount of RMB285 million and no shareholder loans outstanding.

Prior to the ABN Issuance, all external debts of the Project Company will be replaced by shareholder loans from BEIED, resulting in an estimated aggregate shareholder loan balance of RMB262.64 million. Such loans are interest-free shareholder loans, unsecured and not guaranteed, and have no specific maturity date.

- (iii) Kaineng: Its outstanding debts as at the Valuation Benchmark Date represented outstanding external bank borrowings of RMB91.09 million, with an interest rate of 2.35%. Such borrowings were secured by a pledge over receivables of RMB45.40 million and were not guaranteed, with an original maturity date of 28 July 2034. As at 30 September 2026, Kaineng recorded the above bank borrowings outstanding in the amount of RMB86.05 million.

Prior to the ABN Issuance, all external debts of the Project Company will be replaced by shareholder loans from BEIED, with an estimated amount of RMB76.85 million. Such loans are interest-free shareholder loans, unsecured and not guaranteed, and have no specific maturity date.

- (iv) Zhuolang: Its outstanding debts as at the Valuation Benchmark Date represented outstanding shareholder loans from BEIED of RMB248.84 million, which were interest-free, unsecured and not guaranteed, and had no specific maturity date. As at 30 September 2026, the Zhuolang recorded the above shareholder loans outstanding in the amount of RMB50.71 million and external bank borrowings of RMB250 million. Such bank borrowings bore an interest rate of 2.85% and were unsecured without guarantee, with an original maturity date of 11 February 2041.

Prior to the ABN Issuance, all external debts of the Project Company will be replaced by shareholder loans from BEIED, resulting in an estimated aggregate shareholder loan balance of RMB320.06 million (inclusive of existing shareholder loans). Such loans are interest-free shareholder loans, unsecured and not guaranteed, and have no specific maturity date.

- (v) Xundian: Its outstanding debts as at the Valuation Benchmark Date represented an outstanding finance lease of RMB37.97 million and outstanding shareholder loans from BEIED of RMB234.24 million. The finance lease borrowings, with interest rates ranging from 2.5% to 2.6%, were secured by a pledge over receivables of RMB0.22 million and a pledge over fixed assets of RMB67.94 million, and were not guaranteed. The original maturity date was 16 January 2029. The shareholder loans were interest-free, unsecured and not guaranteed, and had no specific maturity date. As at 30 September 2026, Xundian recorded the above finance lease borrowings outstanding in the amount of RMB34.07 million, shareholder loans outstanding in the amount of RMB135.79 million and bank borrowings outstanding in the amount of RMB95 million. Such bank borrowings bore an interest rate of 2.65% and were secured by a pledge over receivables of RMB4.5 million and were not guaranteed, with an original maturity date of 16 March 2036.

Prior to the ABN Issuance, all external debts of the Project Company will be replaced by shareholder loans from BEIED, resulting in an estimated aggregate shareholder loan balance of RMB328.83 million (inclusive of existing shareholder loans). Such loans are interest-free shareholder loans, unsecured and not guaranteed, and have no specific maturity date.

- (vi) Haidong: Its outstanding debts as at the Valuation Benchmark Date represented outstanding external bank borrowings of RMB148.47 million and outstanding shareholder loans from BEIED of RMB91.09 million. The bank borrowings bore an interest rate of 2.2% and were secured by a pledge over receivables of RMB51.15 million and were not guaranteed, with an original maturity date of 31 December 2036. The shareholder loans were interest-free, unsecured and not guaranteed, and had no specific maturity date. As at 30 September 2026, Haidong recorded the above bank borrowings outstanding in the amount of RMB144.55 million and shareholder loans outstanding in the amount of RMB67.46 million.

Prior to the ABN Issuance, all external debts of the Project Company will be replaced by shareholder loans from BEIED, resulting in an estimated aggregate shareholder loan balance of RMB229.67 million (inclusive of existing shareholder loans). Such loans are interest-free shareholder loans, unsecured and not guaranteed, and have no specific maturity date.

Assignment of Subject Debts:

Pursuant to each Debt Assignment Agreement, BEIED shall assign its creditor's rights of the Subject Debts to the ABN Trust at a consideration equal to the carrying value of the Subject Debts on the date the Debt Assignment Agreement is executed. Upon completion of such transfer, the ABN Trust will become the creditor of the relevant Project Company in respect of the Subject Debts.

Conditions Precedent:

Each Debt Assignment Agreement shall become effective upon satisfaction of the following unwaivable conditions precedent:

- (a) authorized representatives of all parties having signed (or sealed) and affixed their official seal onto the agreement. Each Debt Assignment Agreement will only be executed by the parties after the approval by the Shareholders at the SGM and completion of the required Stock Exchange compliance process; and
- (b) ABN Trust has become effective.

UNDERLYING ASSETS OF THE ABN ISSUANCE

The Underlying Assets of the ABN Issuance consist of: (a) the entire equity interests in the Target Companies, being Shengyang, Tongchuan, Kaineng, Zhuolang, Xundian and SPV; and (b) the Subject Debts (being the outstanding debts owed by each Project Company to BEIED as confirmed under the Debt Assignment Agreements). Upon completion of the Equity Transfer Agreements and Debt Assignment Agreements, the ABN Trust will hold the entire equity interests in the Target Companies and the creditor's rights under the Subject Debts.

After completion of the above, the Target Companies and the Project Companies will cease to be subsidiaries of the Company and their equity and Subject Debts will form the Underlying Assets of the ABN Issuance.

In selecting the Target Companies, the Project Companies and the Subject Debts as the Underlying Assets, the Company applied the following criteria: (i) BEIED holds clear and lawful title, and the assets are free from encumbrances, disputes and third-party rights; (ii) each project has been completed, connected to the grid and is in stable commercial operation; (iii) each project benefits from an established tariff arrangement, including national renewable energy subsidy catalog pricing or a mechanism-based tariff, with a track record of electricity sales; and (iv) the projected cash flows, taken together, are sufficient to service the Subject Debts and the distributions on the ABN with the credit quality required for the priority tranche to obtain an “AAA” rating. The Underlying Assets also provide a diversified portfolio of photovoltaic and wind power projects across six provinces and autonomous regions.

The Subject Debts are shareholder loans and other payables owed by the Project Companies to BEIED, assigned at their carrying value of approximately RMB1,560.32 million. Together with the equity interests, they form the basis of the ABN principal of approximately RMB2,900 million. Repayment of the Subject Debts from each Project Company’s supervised account is the main source of distributions on the ABN, and the repayment schedule may be adjusted by the trustee to match those distributions.

APPRAISED VALUES UNDER THE VALUATION REPORTS AND PROFIT FORECAST

The consideration of the equity transfers of the Target Companies under the Equity Transfer Agreements was determined with reference to the appraised total shareholders’ equity value in the Target Companies as at the Valuation Benchmark Date (being 31 December 2025) determined by the Valuer (the “**Valuations**”), which amounted to approximately RMB627.73 million, RMB91.36 million, RMB113.15 million, RMB269.94 million, RMB171.17 million and RMB66.33 million, respectively, for (i) Shengyang, (ii) Tongchuan, (iii) Kaineng, (iv) Zhuolang, (v) Xundian, and (vi) SPV and Haidong, with an aggregate appraised value of approximately RMB1,339.69 million, as set out in the Valuation Reports.

The Parties agree that any profits accrued or losses incurred by Target Companies during the period from the Valuation Benchmark Date to the closing date shall not result in any adjustment to the consideration. The Directors confirmed that, as at the date of the announcement, there was no material adverse change in the financial position of the Target Companies and Project Companies since the Valuation Benchmark Date.

The Valuer appraised the total shareholders' equity value of the (i) Shengyang, Tongchuan, Kaineng, Zhuolang and Xundian by using the income approach and market approach; and (ii) SPV by using the asset-based approach (with reference to the appraised value of its subsidiary, Haidong, determined using the income approach). Pursuant to the Valuation Reports, having taken into account the applicability of the appraisal methodology and the purpose of such appraisals, the Valuer chose the income approach as the final valuations for each of Shengyang, Tongchuan, Kaineng, Zhuolang and Xundian, and the asset-based approach for SPV (with reference to the appraised value of its subsidiary, Haidong, determined using the income approach).

Since the income approach was adopted for the Valuations of the Project Companies, such Valuations constitute profit forecast under Rule 14.61 of the Listing Rules. This announcement is made by the Company to disclose details of the profit forecast in relation to the Valuations in compliance with Rule 14.60A of the Listing Rules.

Details of the Valuations under the asset-based approach and income approach and the principal assumptions adopted by the Valuer in relation to the Valuations are set out in Appendix I to this announcement.

Grant Thornton Hong Kong Limited, acting as the reporting accountants of the Company, has performed an assurance engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants to obtain reasonable assurance on whether the discounted future estimated cash flows under the income approach on which the Valuations are based, so far as the calculations are concerned, have been properly compiled in accordance with the bases and assumptions on which the discounted future estimated cash flows and the Valuations are prepared.

Grant Thornton Hong Kong Limited reported that the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the assumptions on which the discounted future estimated cash flows and the Valuations are prepared.

The Directors confirm that the Valuations of the entire shareholders' equity interests of Target Companies in the Valuation Reports, which constitute a profit forecast under Rule 14.61 of the Listing Rules, have been made after due and careful enquiry by the Board.

The letters issued by Grant Thornton Hong Kong Limited and the Board are set out in Appendix II and Appendix III to this announcement, respectively.

Experts and Consents

The qualifications of the experts who have made representations or provided opinions in this announcement are as follows:

Name	Qualification	Date of representation or opinion
ChungRui World Union Appraisal Group Co., Ltd. (中瑞世聯資產評估集團有限公司)	An independent valuer qualified in the PRC	27 September 2026
Grant Thornton Hong Kong Limited	Certified Public Accountants	26 October 2026

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, each of the experts, being an Independent Third Party, had no direct or indirect shareholdings in any member of the Group, and had no direct or indirect rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the experts has given and has not withdrawn its written consent to the publication of this announcement with the inclusion herein of its letter, representations and/or opinions and references to its name in the context.

OTHER AGREEMENTS AND LETTERS

(i) ABN Trust Agreement

BEIED (as the settlor and originator) and China Railway Trust (as the trustee) will enter into the ABN Trust Agreement, which sets out the rights and obligations between the trustee and the holders of the ABN, including the arrangement of distributions under the ABN, the management of trust assets, and the overall structure of the ABN Trust.

The ABN Issuance is subject to the ABN Trust becoming effective. If the ABN Trust Agreement is not duly executed, the ABN Issuance will not proceed, and the Equity Transfer Agreements and the Debt Assignment Agreements will not become effective.

(ii) Performance Support Agreement

BEH (as the performance support provider), China Railway Trust (as the trustee on behalf of the ABN Trust), and each of the Project Companies will enter into the Performance Support Agreement, pursuant to which BEH shall provide performance support in respect of the Project Companies for the duration of the ABN Issuance. Under the Performance Support Agreement, if the cash balance in any Project Company's supervised account is insufficient to meet its payment obligations on the next payment date, BEH shall provide performance support funds to the relevant Project Company to cover the shortfall.

The performance support obligation of BEH is a phased support obligation. BEH is entitled to recover from the Project Companies the performance support funds it has paid, subject to the priority of payments under the ABN Trust and the Project Company supervised account arrangements. BEH shall not be required to directly assume any payment obligation on behalf of any Project Company, and the performance support does not constitute a guarantee or debt assumption by BEH in respect of the obligations of any Project Company.

(iii) Operation Management Agreement

China Railway Trust (on behalf of the ABN Trust), the Project Companies, SPV and BEIED will enter into the operation management agreement, pursuant to which the ABN Trust will appoint BEIED as the operational management agent to furnish administrative, operation and management services in relation to the Project Companies and their infrastructure projects.

(iv) Right of First Refusal Agreement

China Railway Trust (on behalf of the ABN Trust), each of the Project Companies, and BEIED will enter into the right of first refusal agreement, which forms an integral part of the ABN structure under the ABN Trust Agreement. It gives BEIED (or its designated entity) the opportunity, but not the obligation, to reacquire either (a) the equity interests in the Target Companies and the Subject Debts held by the ABN Trust, or (b) the infrastructure projects held by the Project Companies, before they are disposed of to third parties.

The right therefore allows the Group to retain the possibility of resuming ownership of these clean energy assets at fair value. The right does not assure that the Group will reacquire the Underlying Assets. Any exercise would be subject to BEIED's decision at that time, to holder acceptance of the price, and to the Company's compliance with the applicable requirements of the Listing Rules.

The put dates fall on the 3rd, 6th, 9th, 12th and 15th annual distribution dates after the ABN Trust takes effect. The exercise period runs from the 90th to the 80th business day before each put date. China Railway Trust will notify BEIED in writing at the start of the period. If BEIED gives notice of exercise, an independent appraisal will be completed by the 65th business day before the put date, followed by a consent solicitation by way of vote of the holders of the ABN. If the price is determined, the consideration must be paid by the 6th business day (equity and debts) or the 8th business day (projects) before the put date.

(v) Underwriting Agreement

In connection with the ABN Issuance, BEIED proposes to enter into an underwriting agreement with China Railway Trust and the underwriter(s), pursuant to which, the underwriter(s) will be responsible for the issuance of the ABN on CIBM. To the best of the Directors' information, knowledge and belief, BEIED is in the process of identifying and appointing qualified financial institution(s) established in the PRC, which is/are expected to be Independent Third Party(ies) of the Company, to act as the underwriter(s) of the ABN Issuance. As at the date of this announcement, BEIED has neither entered into any underwriting agreement, nor entered into any binding or non-binding term sheet, in respect of the ABN Issuance. The underwriting fee payable by BEIED is expected to be approximately RMB2.9 million per year, the calculation based on an underwriting charge ratio of approximately 0.1% per year and 18-year issuance period, which is expected to be determined by arm's length negotiations between BEIED and the underwriter(s) with reference to the issue size of the ABN, the relevant PRC regulations and the prevailing market rate in relation to service fee payable to the underwriter(s) in an asset securitisation project.

In case of any discrepancy between the above and the actual terms of the underwriting agreement, the Company will make further announcement(s) as and when appropriate to fully comply with the requirements under the Listing Rules.

FINANCIAL EFFECT AND USE OF PROCEEDS FROM THE PROPOSED ISSUANCE OF THE ABN

Upon completion under the Equity Transfer Agreements, each of the Target Companies and the Project Companies will cease to be a subsidiary of the Company and the financial results and assets and liabilities of each of the Target Companies and the Project Companies will cease to be consolidated into the accounts of the Group.

The Company is expected to recognize an unaudited estimated gain of approximately RMB430.61 million on a consolidated basis from the proposed issuance of the ABN, which represents the difference between the consideration under the Equity Transfer Agreements of approximately RMB1,339.69 million and the unaudited carrying value of the Underlying Assets of approximately RMB909.07 million as at the Valuation Benchmark Date as adjusted in accordance with the Company's accounting policy. As the Subject Debts are to be transferred at carrying value on the date of execution of the Debt Assignment Agreements, the Company is not expected to recognize any gain from their disposal.

Shareholders should note that the financial effect shown above is for reference only and the actual amount of gain or loss resulting from the issuance of the ABN will eventually be recognised in the consolidated financial statements of the Group.

The Group intends to apply 100% of the proceeds from the ABN Issuance to repay existing indebtedness primarily comprising bank borrowings maturing within 18 months, including principal of approximately RMB3,440 million and interest of approximately RMB69 million. These bank borrowings bear interest rates ranging from 1.98% to 2.80%. Among these borrowings, (i) loans of RMB282 million are supported by guarantees provided by the Group; (ii) a loan of RMB305 million is secured by a pledge over receivables; and all other bank borrowings are unsecured and not guaranteed. The remaining balance of the maturing indebtedness will be settled by internal resources and/or bank borrowings of the Company. With reference to the cash level of RMB5.53 billion of the Group recorded as at 30 June 2026, the Group has sufficient internal funds for settlement of the remaining balances.

INFORMATION OF THE COMPANY AND BEIED

The Company is a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 686) and is an investment holding company operating its business through its subsidiaries. The Group is principally engaged in the development, investment, operation and management of power plants and other clean energy projects.

BEIED is a company established in the PRC with limited liability and a subsidiary of the Company. It is principally engaged in the investment, development and operation of solar energy and other clean energy.

INFORMATION OF THE TARGET COMPANIES AND THE PROJECT COMPANIES

Shengyang

Shengyang is a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement. Shengyang is principally engaged in the development, investment and operation of a 150MW floating photovoltaic power station project in Fengtai County, Anhui Province, the PRC.

According to the unaudited financial statement of Shengyang as at 30 September 2026, the net asset value of Shengyang was RMB399.41 million. According to the audited financial information of Shengyang for the year ended 31 December 2025, the net asset value of Shengyang as at 31 December 2025 was approximately RMB472.49 million.

	Year Ended 31 December 2024 (audited) (RMB' million) Approximately	Year Ended 31 December 2025 (audited) (RMB' million) Approximately	Nine Months Ended 30 September 2026 (unaudited) (RMB' million) Approximately
Revenue	129	125	86
Profit before taxation	60	69	46
Profit after taxation	45	48	35

Tongchuan

Tongchuan is a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement. Tongchuan is principally engaged in the development, investment and operation of wind and solar power generation projects in Mulei County, Xinjiang Autonomous Region, the PRC.

According to the unaudited financial statement of Tongchuan as at 30 September 2026, the net asset value of Tongchuan was RMB73.15 million. According to the audited financial information of Tongchuan for the year ended 31 December 2025, the net asset value of Tongchuan as at 31 December 2025 was approximately RMB62.82 million. A summary of the financial information of Tongchuan is set out below:

	Year Ended 31 December 2024 (audited) (RMB' million) Approximately	Year Ended 31 December 2025 (audited) (RMB' million) Approximately	Nine Months Ended 30 September 2026 (unaudited) (RMB' million) Approximately
Revenue	48	41	35
Profit before taxation	15	8	13
Profit after taxation	14	7	10

Kaineng

Kaineng is a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement. Kaineng is principally engaged in the development, investment and operation of photovoltaic power generation projects in Yanchi County, Ningxia Autonomous Region, the PRC.

According to the unaudited financial statement of Kaineng as at 30 September 2026, the net asset value of Kaineng was RMB70.10 million. According to the audited financial information of Kaineng for the year ended 31 December 2025, the net asset value of Kaineng as at 31 December 2025 was approximately RMB62.04 million. A summary of the financial information of Kaineng is set out below:

	Year Ended 31 December 2024 (audited) <i>(RMB' million)</i> <i>Approximately</i>	Year Ended 31 December 2025 (audited) <i>(RMB' million)</i> <i>Approximately</i>	Nine Months Ended 30 September 2026 (unaudited) <i>(RMB' million)</i> <i>Approximately</i>
Revenue	24	25	19
Profit before taxation	11	14	12
Profit after taxation	10	12	10

Zhuolang

Zhuolang is a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement. Zhuolang is principally engaged in the development, investment and operation of new energy projects in Qian'an County, Jilin Province, the PRC.

According to the unaudited financial statement of Zhuolang as at 30 September 2026, the net asset value of Zhuolang was RMB197.59 million. According to the audited financial information of Zhuolang for the year ended 31 December 2025, the net asset value of Zhuolang as at 31 December 2025 was approximately RMB198.93 million. A summary of the financial information of Zhuolang is set out below:

	Year Ended 31 December 2024 (audited) (RMB' million) <i>Approximately</i>	Year Ended 31 December 2025 (audited) (RMB' million) <i>Approximately</i>	Nine Months Ended 30 September 2026 (unaudited) (RMB' million) <i>Approximately</i>
Revenue	–	21	26
(Loss)/Profit before taxation	(0.03)	6	(1.61)
(Loss)/Profit after taxation	(0.03)	6	(1.61)

Xundian

Xundian is a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement. Xundian is principally engaged in the development, investment and operation of photovoltaic power generation projects in Xundian County, Yunnan Province, the PRC.

According to the unaudited financial statement of Xundian as at 30 September 2026, the net asset value of Xundian was RMB125.80 million. According to the audited financial information of Xundian for the year ended 31 December 2025, the net asset value of Xundian as at 31 December 2025 was approximately RMB90.05 million. A summary of the financial information of Xundian is set out below:

	Year Ended 31 December 2024 (audited) (RMB' million) <i>Approximately</i>	Year Ended 31 December 2025 (audited) (RMB' million) <i>Approximately</i>	Nine Months Ended 30 September 2026 (unaudited) (RMB' million) <i>Approximately</i>
Revenue	7	7	27
Profit before taxation	1	3	13
Profit after taxation	1	3	12

SPV

SPV is a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement. SPV holds 100% of the equity interests in Haidong. Haidong owns, operates and manages the 40MW Distributed Wind Power Generation Project located in Ledu District, Haidong City, Qinghai Province.

According to the unaudited financial statement of SPV as at 30 September 2026, the net asset value of SPV was RMB5.61 million. According to the audited financial information of SPV for the year ended 31 December 2025, the net asset value of SPV as at 31 December 2025 was approximately RMB22.72 million. A summary of the financial information of SPV is set out below:

	Year Ended 31 December 2024 (audited) (RMB'000) <i>Approximately</i>	Year Ended 31 December 2025 (audited) (RMB'000) <i>Approximately</i>	Nine Months Ended 30 September 2026 (unaudited) (RMB'000) <i>Approximately</i>
Revenue	–	–	–
Profit before taxation	0.2	33,100	50
Profit after taxation	0.2	33,100	50

According to the unaudited financial statement of Haidong as at 30 September 2026, the net asset value of Haidong was RMB92.48 million. According to the audited financial information of Haidong for the year ended 31 December 2025 prepared in accordance with PRC accounting standards, the net asset value of Haidong as at 31 December 2025 was approximately RMB78.82 million. A summary of the financial information of Haidong is set out below:

	Year Ended 31 December 2024 (audited) (RMB' million) <i>Approximately</i>	Year Ended 31 December 2025 (audited) (RMB' million) <i>Approximately</i>	Nine Months Ended 30 September 2026 (unaudited) (RMB' million) <i>Approximately</i>
Revenue	33	37	27
Profit before taxation	10	16	14
Profit after taxation	10	15	13

INFORMATION OF CHINA RAILWAY TRUST

China Railway Trust is a company incorporated in the PRC with limited liability which is a non-banking financial institution and is principally engaged in trust business. It is in aggregate held directly and indirectly as to approximately 93.01% by China Railway Group Limited, the shares of which are listed on the Stock Exchange (stock code: 390) and the Shanghai Stock Exchange (stock code: 601390).

The remaining 9 shareholders of China Railway Trust collectively hold the remaining 6.99% equity interest, as illustrated below:

- (1) Chengdu Industrial Capital Holdings Group Co., Ltd.* (成都產業資本控股集團有限公司) holds a 3.4952% equity interest in China Railway Trust;
- (2) Shenzhen Tongqian Investment Co., Ltd.* (深圳通乾投資有限責任公司) holds a 1.1187% equity interest in China Railway Trust;
- (3) PanGang Group Chengdu Iron&Steel Co., Ltd* (攀鋼集團成都鋼鐵有限責任公司) holds a 0.8262% equity interest in China Railway Trust;
- (4) Chengdu Hi-Tech Development Co., Ltd* (成都高新發展股份有限公司) holds a 0.6922% equity interest in China Railway Trust;
- (5) Maoye Commercial Co., Ltd.* (茂業商業股份有限公司) holds a 0.2939% equity interest in China Railway Trust;
- (6) DELONG Composite ENERGY Group Co., Ltd.* (德龍匯能集團股份有限公司) holds a 0.2269% equity interest in China Railway Trust;
- (7) China Railway Chengdu Bureau Group Co., Ltd.* (中國鐵路成都局集團有限公司) holds a 0.2078% equity interest in China Railway Trust;
- (8) Chengdu Chengshi Industrial (Group) Co., Ltd.* (成都成實實業(集團)有限責任公司) holds a 0.0661% equity interest in China Railway Trust; and
- (9) Sichuan International Trust and Investment Company* (四川省國際信託投資公司) holds a 0.065% equity interest in China Railway Trust.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, China Railway Trust and its ultimate beneficial owner(s) are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE PROPOSED ISSUANCE OF THE ABN

The Directors believe that the proposed issuance of the ABN will enhance asset utilization, improve the overall turnover of the Company's assets and increase the overall operating capital of the Company. It also helps to lower the financing cost and promote the investment and financing capabilities of the Company. The ABN is expected to be issued at an interest rate of no more than 2%, which is significantly lower than the Company's average financing rate of 2.54% as at 30 June 2026, thereby enabling an effective reduction in the Company's overall financing costs. As detailed in the paragraph headed "Financial Effect and Use of Proceeds from the Proposed Issuance of the ABN", 100% of the proceeds from the ABN Issuance will be used for the repayment of existing debts, in effect optimising the gearing ratio and debt-to-asset ratio of the Group. Upon the disposal for the purpose of ABN Issuance, the Directors believe that it will accelerate the overall turnover of the Group's assets and increase the overall profits by reducing financing costs, as the lower-cost ABN funding replaces more expensive existing borrowings and thereby lowers the Group's interest expense. Furthermore, the entering into of the Debt Assignment Agreements through this arrangement will accelerate the realisation of the Subject Debts of the Company. For illustration purpose only and subject to final audit, by virtue of the aforesaid, it is expected that the total assets on consolidated basis of the Company would decrease by approximately RMB2.801 million, total liabilities of the Company would decrease by approximately RMB1.892 million, owner's equity of the Company would increase by approximately RMB431 million, and the debt-to-asset ratio will decrease by approximately 1.12%. In addition, during the subsistence of the ABN, it is expected that the Company will receive certain direct gains, including the one-off gain from the disposal of the Target Companies pursuant to the Equity Transfer Agreements (for details, please refer to the paragraph headed "Financial Effect and Use of Proceeds from the Proposed Issuance of ABN") and the management fee from providing administrative, operation and management services in relation to the Project Companies and their infrastructure projects pursuant to the operation management agreement. The proposed ABN Issuance represents an innovative financing channel for the Company's clean energy assets, leveraging asset securitization to unlock value from the Group's portfolio of solar and wind power generation projects.

The Directors are of the view that the terms of the proposed ABN Issuance, the Equity Transfer Agreements, the Debt Assignment Agreements and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest percentage ratio applicable to the Company in respect of the disposal exceeds 75%, the disposal constitutes a very substantial disposal for the Company and is, therefore, subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, none of the Shareholders is materially interested in the Equity Transfer Agreements, the debt assignments and the transactions contemplated thereunder. As such, no Shareholder is required to abstain from voting at the SGM to be convened by the Company to approve the Equity Transfer Agreements, the debt assignments and the transactions contemplated thereunder.

A circular containing, among other things, details of the proposed issuance of the ABN, the Equity Transfer Agreements, the Debt Assignment Agreements and the transactions contemplated thereunder, is expected to be despatched to the Shareholders on or before 30 November 2026, as additional time is required to prepare and finalize the information to be contained in the circular.

The credit rating in relation to the ABN mentioned herein is strictly for information purposes only. Such rating does not constitute a recommendation to buy, sell or hold any securities of the Company.

Shareholders and potential investors of the Company are advised not to rely solely on the information contained herein and should exercise caution when dealing in the securities of the Company. When in doubt, the Shareholders and potential investors of the Company are advised to seek professional advice from their own professional or financial advisers.

DEFINITIONS

In this announcement, unless the context specifies otherwise, the following defined expressions have the following meanings:

“ABN”	the asset-backed note(s) to be issued in connection with the ABN Issuance backed by the Underlying Assets in the expected total principal amount of RMB2.9 billion
“ABN Issuance”	the proposed issuance of the ABN by China Railway Trust based on the Underlying Assets
“ABN Trust”	the trust under the ABN Trust Agreement in relation to the Underlying Assets for the purpose of ABN Issuance
“ABN Trust Agreement”	the trust agreement to be entered into between BEIED and China Railway Trust in respect of the formation of the Trust and the transfer of the Underlying Assets for the purpose of the ABN Issuance
“BEH”	Beijing Energy Holding Co., Ltd.* (北京能源集團有限責任公司), a company established in the PRC with limited liability and a controlling Shareholder holding 717,694,349 shares of the Company, representing approximately 32.64% of the issued share capital of the Company as at the date of this announcement (excluding Shares held by the Company as Treasury Shares)
“BEIED”	BEI Energy Development (Beijing) Co., Ltd.* (京能國際能源發展(北京)有限公司), a company established in the PRC with limited liability and a subsidiary of the Company
“Board”	the board of Directors
“CIBM”	the interbank bond market in the PRC, through which ABN and other debt financing instruments may be issued and traded following registration with the NAFMII

“China Railway Trust”	China Railway Trust Co., Ltd.* (中鐵信託有限責任公司), a company established in the PRC with limited liability, the trustee of the ABN Trust
“Company”	Beijing Energy International Holding Co., Ltd., a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 686)
“Debt Assignment Agreement(s)”	the debt assignment agreement(s) to be entered into among BEIED, China Railway Trust as trustee of the ABN Trust and each Project Company to confirm and assign the Subject Debts
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement A”	the equity transfer agreement to be entered into among BEIED, China Railway Trust as the trustee of the ABN Trust and Shengyang, pursuant to which BEIED will transfer 100% equity interests in Shengyang to the ABN Trust
“Equity Transfer Agreement B”	the equity transfer agreement to be entered into among BEIED, China Railway Trust as the trustee of the ABN Trust and Tongchuan, pursuant to which BEIED will transfer 100% equity interests in Tongchuan to the ABN Trust
“Equity Transfer Agreement C”	the equity transfer agreement to be entered into among BEIED, China Railway Trust as the trustee of the ABN Trust and Kaineng, pursuant to which BEIED will transfer 100% equity interests in Kaineng to the ABN Trust
“Equity Transfer Agreement D”	the equity transfer agreement to be entered into among BEIED, China Railway Trust as the trustee of the ABN Trust and Zhuolang, pursuant to which BEIED will transfer 100% equity interests in Zhuolang to the ABN Trust

“Equity Transfer Agreement E”	the equity transfer agreement to be entered into among BEIED, China Railway Trust as the trustee of the ABN Trust and Xundian, pursuant to which BEIED will transfer 100% equity interests in Xundian to the ABN Trust
“Equity Transfer Agreement F”	the equity transfer agreement to be entered into among BEIED, China Railway Trust as the trustee of the ABN Trust and SPV, pursuant to which BEIED will transfer 100% equity interests in SPV to the ABN Trust
“Equity Transfer Agreement(s)”	the Equity Transfer Agreement A, the Equity Transfer Agreement B, the Equity Transfer Agreement C, the Equity Transfer Agreement D, the Equity Transfer Agreement E and the Equity Transfer Agreement F
“Grant Thornton”	Grant Thornton Hong Kong Limited, the reporting accountants of the Company
“Group”	the Company and its subsidiaries
“Haidong”	Haidong City Ledu District Rongzhi New Energy Development Co., Ltd.* (海東市樂都區融智新能源開發有限公司), a company established in the PRC with limited liability, a subsidiary of the Company as at the date of this announcement and a company directly wholly-owned by SPV
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company or its connected persons (as defined in the Listing Rules)

“Kaineng”	Ningxia Yanchi Kaineng Photovoltaic Power Generation Co., Ltd.* (寧夏鹽池凱能光伏發電有限公司), a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“NAFMII”	National Association of Financial Market Institutional Investors
“percentage ratio”	has the meaning ascribed to it under Rule 14.04(9) of the Listing Rules
“Performance Support Agreement”	the performance support agreement to be entered into among BEH, China Railway Trust as the trustee of the ABN Trust and the Project Companies in relation to the performance support obligations of BEH
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Project Company(ies)”	Shengyang, Tongchuan, Kaineng, Zhuolang, Xundian and Haidong
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened and held at which resolution(s) will be proposed to consider, and, if thought fit, to approve, among other things, the Equity Transfer Agreements, the Debt Assignment Agreements and the transactions contemplated thereunder

“Shareholder(s)”	holder(s) of the share(s) of the Company
“Shengyang”	Fengtai Shengyang New Energy Power Generation Co., Ltd.* (鳳台縣晟陽新能源發電有限公司), a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement
“SPV”	Qinghai Sixun New Energy Co., Ltd.* (青海思迅新能源有限公司), a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Debts”	the shareholder loans owed by each Project Company to BEIED, as confirmed under the Debt Assignment Agreements
“Subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Companies”	Shengyang, Tongchuan, Kaineng, Zhuolang, Xundian and SPV
“Tongchuan”	Mulei County Tongchuan Fengguang New Energy Co., Ltd.* (木壘縣通川風光新能源有限公司), a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement
“Underlying Assets”	the entire equity interests in the Target Companies and the creditor’s rights under the Subject Debts
“Valuation Benchmark Date”	31 December 2025
“Valuation Report A”	the valuation report dated 27 September 2026 prepared by the Valuer commissioned by the Company in relation to the entire equity interests of Shengyang

“Valuation Report B”	the valuation report dated 27 September 2026 prepared by the Valuer commissioned by the Company in relation to the entire equity interests of Tongchuan
“Valuation Report C”	the valuation report dated 27 September 2026 prepared by the Valuer commissioned by the Company in relation to the entire equity interests of Kaineng
“Valuation Report D”	the valuation report dated 27 September 2026 prepared by the Valuer commissioned by the Company in relation to the entire equity interests of Zhuolang
“Valuation Report E”	the valuation report dated 27 September 2026 prepared by the Valuer commissioned by the Company in relation to the entire equity interests of Xundian
“Valuation Report F”	the valuation report dated 27 September 2026 prepared by the Valuer commissioned by the Company in relation to the entire equity interests of SPV
“Valuation Reports”	the valuation reports prepared by the Valuer commissioned by the Company in relation to the entire shareholders’ equity interests of the Target Companies as at the Valuation Benchmark Date
“Valuer”	ChungRui World Union Appraisal Group Co., Ltd.* (中瑞世聯資產評估集團有限公司), an independent valuer appointed by the Company in respect of the Target Companies
“Xundian”	Jingneng (Xundian) New Energy Co., Ltd.* (京能(尋甸)新能源有限公司), a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement

“Zhuolang”

Jilin Zhuolang New Energy Co., Ltd.* (吉林卓朗新能源有限公司), a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement

“%”

per cent

For and on behalf of
Beijing Energy International Holding Co., Ltd.
Li Yuhai
Chairman of the Board

Hong Kong, 26 October 2026

As at the date of this announcement, the executive director of the Company is Mr. Zhang Ping (Chief Executive Officer); the non-executive directors of the Company are Mr. Li Yuhai (Chairman), Mr. Lu Zhenwei, Mr. Liu Guoxi, Mr. Li Hao, Mr. Huang Jiao, Mr. Wang Cheng and Ms. Xie Yi; and the independent non-executive directors of the Company are Ms. Jin Xinbin, Mr. Zhu Jianbiao, Mr. Zeng Ming and Mr. Liu Jingwei.

* For identification purpose only

APPENDIX I – VALUATION CONCLUSIONS AND PRINCIPAL ASSUMPTIONS OF THE VALUATIONS UNDER THE VALUATION REPORTS

VALUATION REPORT A

The Valuer appraised the value of the entire shareholders' equity interest of Shengyang by using the discounted cash flow method under income approach.

1. PRINCIPAL ASSUMPTIONS

According to the Valuation Report A prepared by the Valuer, details of the principal assumptions on which the entire shareholders' equity interest of Shengyang is based, are set out as follows:

(i) Basic Assumptions

1. Open Market Assumption

The Open Market Assumption is a hypothesis regarding the market conditions into which the assets are proposed to enter and the impact the assets would experience under such conditions. An open market refers to fully developed and well-established market conditions. It is a competitive market comprising willing and able buyers and sellers, where both parties act at arm's length and have equal standing, as well as adequate time and opportunity to access sufficient market information. In this market, transactions are conducted willingly, rationally, and without compulsion or restriction. The Open Market Assumption is predicated on the premise that the assets can be traded freely and publicly in the market.

2. Finite-Term Going Concern Assumption

The Finite-Term Going Concern Assumption hypothesizes that the business operations of an operating entity will continue consecutively, and its operational activities will neither be suspended nor terminated within the foreseeable future.

3. *Existing Use Assumption*

The Existing Use Assumption is a hypothesis regarding the market conditions into which the assets are proposed to enter and the status of their intended use under such market conditions. It primarily assumes that the assets within the scope of valuation are currently in active use. Furthermore, it assumes that these assets will continue to be used in their current manner and for their existing purpose, without taking into account the conversion of asset use or the Highest and Best Use (HABU) premise.

4. *Transaction Assumption*

The Transaction Assumption presumes that all subject assets to be valued are already in the process of being transacted. The Valuer conducts the valuation by simulating a market based on the transaction conditions of the subject assets.

(ii) General Assumptions

1. It is assumed that following the Valuation Benchmark Date, there will be no material changes in the prevailing relevant national laws, regulations, policies, or macroeconomic conditions, nor will there be any material changes in the political, economic, and social environments of the regions where the parties to the transaction are located;
2. It is assumed that following the Valuation Benchmark Date, the management of the appraised entity is responsible, stable, and competent to perform the duties;
3. It is assumed that following the Valuation Benchmark Date, no force majeure events or unforeseeable factors will have a material adverse impact on the appraised entity;
4. It is assumed that the relevant foundational and financial information provided by BEI Energy Development (Beijing) Co., Ltd. and the appraised entity is true, accurate, and complete;

5. It is assumed that the financial reports, transaction data, and other information of the comparable companies relied upon by the Valuer are authentic and reliable.

(iii) Specific Assumptions

1. It is assumed that following the Valuation Benchmark Date, based on the existing management mode and level, the business scope and operation methods of the appraised entity will remain consistent with their current direction;
2. It is assumed that following the Valuation Benchmark Date, the accounting policies to be adopted by the appraised entity will remain consistent in all material respects with those adopted upon the preparation of this report;
3. It is assumed that following the Valuation Benchmark Date, there will be no material changes in the interest rates, taxation bases and tax rates, and policy-based levies applicable to the appraised entity;
4. It is assumed that the appraised entity is in full compliance with all relevant laws and regulations;
5. This valuation assumes that the net cash flows of the appraised entity are generated evenly throughout the year;
6. It is assumed that following the Valuation Benchmark Date, the products or services of the appraised entity will maintain their current competitive position in the market.
7. Asset valuation professionals have not conducted technical testing of the technical parameters and performance of various equipment as at the Valuation Benchmark Date. On the premise of assuming that the relevant technical materials and operating records provided by Fengtai Shengyang New Energy Power Generation Co., Ltd. are true and valid, judgments are made through on-site inspection;

8. In the revenue forecast, the revenue growth rate is affected by a number of factors, including the annual degradation rate of available utilisation hours, the PV curtailment rate and the subsidised electricity volume. The revenue growth rate from 2026 to 2028 will be affected by movements in the above factors, and thereafter will be principally affected by the annual degradation rate of available utilisation hours and the subsidised electricity volume. As the available utilisation hours in 2026 are expected to decrease significantly due to weather conditions and other factors, and the forecast for 2027 is prepared with reference to historical average available utilisation hours and reflects a recovery in generation, it is assumed for the purpose of this valuation that the available utilisation hours for 2026 will be forecast based on actual projected operating data, the available utilisation hours for 2027 will be forecast by reference to historical average available utilisation hours, and the forecast for subsequent years will be made by reference to the degradation rate set out in the feasibility study. The PV curtailment rate is determined by reference to the curtailment situation in the industry and in Anhui Province, taking into account the actual PV curtailment rate of the Target Company. It is assumed that the PV curtailment rate will gradually converge to the average level in Anhui Province in the future. The subsidised electricity volume is determined by reference to the electricity tariff policies of Anhui Province. It is assumed that, in accordance with the applicable arrangements for existing projects and PV Top Runner Base projects regarding available utilisation hours, the project will no longer be entitled to national renewable energy subsidies after 27 November 2037.
9. The gross profit margin of the project being valued is primarily affected by revenue. By reference to the electricity tariff policies of Anhui Province, it is assumed that, in accordance with the applicable arrangements for existing projects and PV Top Runner Base projects regarding available utilisation hours, the project will no longer be entitled to national renewable energy subsidies after 27 November 2037. Accordingly, the gross profit margin is expected to remain relatively stable during the period from 2026 to 2037 and then decrease significantly to 22.50% from 2038 through the end of the forecast period.

10. The operation of the projects being valued will gradually mature. It is assumed that O&M costs, lease expenses, insurance premiums, employee compensation, depreciation and amortization and other expenses will remain stable in the future. The cost of grid-purchased electricity is related to revenue and is assumed to be forecast in future years on the basis of its proportion of revenue. Security expenses are related to the accrual standards prescribed by the industry and are assumed to be incurred in accordance with the prescribed standards in the future. Finance costs are determined by reference to the principal of the borrowings and the repayment schedule and are assumed to be incurred as scheduled.
11. The project being valued is subject to a finite forecast period. The economic useful lives of the principal operating assets of the project substantially correspond to the forecast period adopted for this valuation. Accordingly, it is assumed for the purpose of this valuation that no capital expenditures will be required during the forecast period.
12. The discount rate for the projects being valued is determined using the WACC model, and the factors adopted are determined comprehensively based on the risk-free rate of return, the excess risk premium, the company-specific excess risk return rate and the expected return on debt. The risk-free rate of return is generally taken as the annual yield to maturity, as of the Valuation Benchmark Date, of government bonds with a maturity of 10 years or more, and it is assumed for the purposes of this valuation that there will be no change in the future. The excess risk premium is determined by measuring the market risk premium using, as the underlying data, the backward-adjusted closing prices of the constituent stocks of the CSI 300 Index published by the Wind Information data system, and it is assumed for the purposes of this valuation that there will be no change in the future. The company-specific excess risk return rate is determined by scoring, based on an assessment of the differences between the appraised entity and listed companies in terms of factors such as enterprise scale, stage of operation, historical performance, financial risk and internal management and control mechanisms, and it is assumed for the purposes of this valuation that there will be no change in the future. The expected return on debt is determined by adjusting the benchmark medium- and long-term bank loan interest rate for 2025, and it is assumed for the purposes of this valuation that there will be no change in the future.

The valuation conclusion of this report is derived subject to the above assumptions and limiting conditions. In the event of any circumstances inconsistent with the aforementioned assumptions and limiting conditions, the valuation results will generally become invalid.

2. INCOME APPROACH

The dividend discount model is a specific method that discounts expected dividends to determine the value of the valuation subject, and is generally applicable to the valuation of partial equity interests of shareholders lacking control. Based on a comprehensive analysis of the industry in which the appraised entity operates, its capital structure and its development trends, the dividend discount model determines the value of the valuation subject on the basis of the future dividend distribution pattern and requires a consistent and stable dividend policy. However, the dividends of the Target Company are determined having regard to a variety of factors and are not fixed. Accordingly, the use of the dividend discount model is subject to significant subjective judgement and whether or not dividends are distributed has little bearing on the value of the enterprise. The model is applicable to the valuation of partial equity interests of shareholders lacking control. Therefore, dividend discount model was not adopted.

Based on the purpose and characteristics of this project, the Valuer adopts the Discounted Free Cash Flow to Firm (FCFF) model under the Discounted Cash Flow (DCF) method. The discounted FCFF model is as follows:

Total Shareholders' Equity Value = Firm Value – Value of Interest-bearing Debt

2.1. Firm Value

Firm Value refers to the sum of the net asset value and the value of interest-bearing debt. Based on the asset allocation and utilization of the appraised entity, the formula for calculating the Firm Value is as follows:

Firm Value = Value of Operating Assets + Value of Surplus Assets + Value of Non-Operating Assets and Liabilities

(1) *Value of Operating Assets*

Operating assets refer to the assets and liabilities related to the production and operation of the appraised entity, which are involved in the projection of the Free Cash Flow to Firm (FCFF) subsequent to the Valuation Benchmark Date. The formula for calculating the value of operating assets is as follows:

$$P = \sum_{i=1}^n \frac{R_i}{(1+r)^i} + \frac{R_{n+1}}{(1+r)^n}$$

Where: P – Value of operating assets;

i – Projection year;

r – Discount rate;

R_i – FCFF in year i;

n – Number of years in the projection period;

R_{n+1} – Recovery of residual value (Terminal value).

Among them, the formula for calculating FCFF is as follows:

$$\text{FCFF} = \text{Net Profit} + \text{After-tax Interest Expenses} + \text{Depreciation and Amortization} - \text{Capital Expenditures} - \text{Changes in Working Capital}$$

Among them, the formula for calculating the discount rate (Weighted Average Cost of Capital, WACC) is as follows:

$$\text{WACC} = R_e \frac{E}{D + E} + R_d \frac{D}{D + E} (1 - T)$$

Where: R_e – Cost of equity capital;

R_d – Cost of debt capital;

$E/(D + E)$ – Weight of equity capital in total capital;

$D/(D + E)$ – Weight of debt capital in total capital;

T – Income tax rate.

Where the cost of equity capital (R_e) is calculated using the Capital Asset Pricing Model (“**CAPM**”), with the formula as follows:

$$R_e = R_f + \beta \times \text{MRP} + R_s$$

Where: R_e – Return on equity;

R_f – Risk-free rate;

β – Enterprise risk coefficient (Beta);

MRP – Market Risk Premium;

R_s – Company-specific risk adjustment premium.

(2) *Value of Surplus Assets*

Surplus assets refer to assets that exceed the production and operational requirements of the company as of the Valuation Benchmark Date and are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date.

(3) *Value of Non-Operating Assets and Liabilities*

Non-operating assets and liabilities refer to assets and liabilities unrelated to the production and operation of the appraised entity, which are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date. These include other receivables, other payables, accounts payable, etc.

2.2. Determination of Income Period and Projection Period

The main business of the appraised entity is photovoltaic (PV) power generation. As of the Valuation Benchmark Date, the PV power plant project of the appraised entity has been constructed and connected to the grid, operating continuously for many years. The economic life of the main equipment of PV power generation units is generally 25 years. This valuation determines a finite income period by comprehensively considering the economic life of the PV power generation unit assets and the actual grid-connection and commissioning date of the project. Therefore, the income period of the appraised entity is a finite term. The project was connected to the grid on 28 November 2017, and the projection period for this project extends to 27 November 2042.

2.3. Operating Revenue

(1) *Projection of Electricity Tariff*

This project is a centralized PV project. The feed-in tariff is executed at RMB0.8/kWh (inclusive of subsidies), comprising a settlement tariff of RMB0.3844/kWh and a subsidy tariff of RMB0.4156/kWh. According to the latest policies of Anhui Province, existing projects commissioned before 1 June 2025, shall be executed based on the benchmark price of coal-fired power generation, which is expected to remain unchanged in the future.

(2) *Projection of Annual Settlement Electricity Volume*

Annual theoretical electricity volume = Actual installed capacity × Effective utilization hours

Annual power generation = Annual theoretical electricity volume × (1 – PV curtailment rate)

Annual feed-in electricity volume = Annual power generation × (1 – Comprehensive plant auxiliary power rate)

The annual theoretical electricity volume is determined based on available utilisation hours and installed capacity.

(3) *Determination of Reward and Penalty Fees*

Reward and penalty fees are projected based on their historical proportions.

(4) *Projection of Power Generation Revenue*

Operating revenue = Settlement tariff × Annual settlement electricity volume – Reward and penalty fees

2.4. Operating Costs

In the historical period, operating costs mainly included depreciation and amortization, operation and maintenance (O&M) expenses, comprehensive management expenses, cost of grid-purchased electricity, lease expenses, security expenses, insurance premiums, etc. With reference to the historical actual power generation and operation data of the power plant and industry levels, this valuation determines the cost and expense expenditures for the future operating period. The specific projections are as follows:

(1) *Depreciation and Amortization*

These mainly consist of the depreciation expenses of the power plant's fixed assets. This valuation projects these expenses based on the original book value of various fixed assets and other assets of the company as of the Valuation Benchmark Date, in accordance with the depreciation and amortization policies.

(2) *O&M Costs*

O&M expenses are mainly incurred for the safe and economical operation and maintenance of production equipment in the PV power plant, including expenditures for: module cleaning, in-depth inverter maintenance, bracket and foundation inspection, fire protection and safety facility maintenance, emergency repair services, etc.

(3) *Lease Expenses*

According to the land lease contract, the land lease fee is RMB500/mu/year. Starting from the sixth year, the land lease fee is paid annually. This valuation projects these expenses with reference to the amortization policy for right-of-use assets.

(4) *Cost of Grid-Purchased Electricity*

Based on the analysis of historical actual power generation and operation data, the cost of grid-purchased electricity is projected based on its proportion to revenue.

(5) *Other Expenses*

Combined with historical actual power generation and operation data and market levels, these are projected based on their proportion to revenue.

(6) *Security Expenses*

Security expenses are calculated with reference to the security protection fee measurement rules. Historically, there was no significant difference from the accrued data; the projection for future years is based on charging data.

(7) *Comprehensive Management Expenses*

Comprehensive management expenses are fees charged by the Group. They occurred in historical years. In this valuation, the projection is based on contractual amounts.

(8) *Insurance Premiums*

Historically, there was no significant difference between the insurance premiums and the accrued data, and they are expected to remain basically stable in the future.

2.5. Projection of FCFF

$$\text{FCFF} = \text{Net Profit} + \text{After-tax Interest Expenses} + \text{Depreciation and Amortization} + \text{After-tax Asset Impairment Loss} - \text{Capital Expenditures} - \text{Increase in Working Capital}$$

(1) *Projection of Net Profit*

Based on the projected values of the above income indicators, the net profit for each future year can be directly calculated.

$$\text{Net Profit} = \text{Operating Revenue} - \text{Operating Costs} - \text{Taxes and Surcharges} - \text{Selling Expenses} - \text{Administrative Expenses} - \text{Financial Expenses} + \text{Non-operating Income} - \text{Non-operating Expenses} - \text{Income Tax}$$

(2) *Projection of Depreciation and Amortization*

Depreciation of fixed assets includes the depreciation of newly constructed fixed assets. It is accrued based on the book balance and original entry value as of the Valuation Benchmark Date, in accordance with the established amortization method of the appraised entity.

(3) *Determination of Additional Working Capital*

The formula for projecting additional working capital is:

Additional working capital for the year = Working capital at the end of the year – Working capital at the end of the previous year

Working capital = Operating cash + Receivables

Operating cash participating in operations for the projected year = (Operating costs for the year + Taxes for the year + Expenses for the year – Depreciation and amortization for the year)/Average cash turnover frequency for the year

Accounts receivable mainly consist of electricity fee receivables. The accounts receivable for future years are projected on a monthly settlement basis according to the current month settlement method with the State Grid. Securitization or factoring took effect in December 2026. In this valuation, the projection for 2026 is based on a turnover period of two years, while the projection for 2027 onwards is based on a turnover period of one year.

Other current assets and other non-current assets are mainly pending deductible input VAT, which are projected with reference to the deduction amount in the future.

Minimum operating cash is projected with reference to the cash out-of-pocket costs.

2.6. Determination of Discount Rate

The discount rate used in this valuation report is the weighted average cost of capital (WACC), which is the expected total return on investment – the weighted average of the expected return on equity and the return on debt adjusted for income taxes.

2.7. Determination of Return on Equity

The return on equity is determined using the Capital Asset Pricing Model (“CAPM”), and the formula is as follows:

$$R_e = R_f + \beta \times \text{MRP} + R_s$$

Where: R_e = Return on equity; R_f = Risk-free rate; β = Enterprise risk coefficient; MRP = Market risk premium; R_s = Company-specific risk adjustment coefficient

(1) *Risk-Free Rate (R_f)*

Government bond yields are generally considered risk-free because the risk of default on the bond at maturity is negligible and can be ignored. According to the information disclosed by the Wind Information system, the annual yield-to-maturity of government bonds with a maturity of 10 years or more as of the Valuation Benchmark Date was 1.85%, which is adopted as the risk-free rate in this valuation report.

(2) *Comparable Companies*

We conducted a screening using Tonghuashun iFinD and ultimately selected the following five listed companies as comparable companies:

1) *Comparable Company 1*

Company name: Jinkai New Energy Co., Ltd. (金開新能源股份有限公司)

Stock code: 600821.SH

Stock short name: Jinkai New Energy

Listing date: 28 January 1994

Date of establishment: 27 March 1997

Registered capital: RMB1,997.2635 million

Registered address: Room 411, Longtong Building, No. 4 Guizhou Road, Heping District, Tianjin

Business scope: General items: energy-saving service management; energy performance contracting; solar power generation technical services; research and development of resource recycling technologies; research and development of wind farm-related systems; technical services, technical development, technical consulting, technical exchange, technology transfer, technology promotion; sales of solar thermal utilisation equipment; sales of wind farm-related equipment; sales of offshore wind power-related equipment; sales of special-purpose environmental protection equipment; sales of photovoltaic equipment and components; sales of smart power transmission, distribution and control equipment; sales of generators and generating sets; sales of coal and coal products; research and development of carbon emission reduction, carbon conversion, carbon capture and carbon sequestration technologies; information consultancy services (excluding licensed information consultancy services); sales of chemical products (excluding licensed chemical products); sales of integrated circuit chips and products; retail of computer software, hardware and auxiliary equipment; sales of communication equipment; wholesale of electronic components; sales of power electronic components (Except for items that must be approved in accordance with the law, the company may engage in business activities in accordance with the law based on its business license)

Principal products: power generation from PV power stations, power generation from wind power stations, energy storage, hydrogen energy and integrated smart energy services

2) *Comparable Company 2*

Company name: CECEP Solar Energy Co., Ltd. (中節能太陽能股份有限公司)

Stock code: 000591.SZ

Stock short name: Solar Energy

Listing date: 8 February 1996

Date of establishment: 12 April 1993

Registered capital: RMB3,904.853 million

Registered address: 19G, Hilton Business Centre, No. 131 Zhongshan 3rd Road, Yuzhong District, Chongqing

Business scope: solar power generation and power storage; research and development, application, transfer and sales of solar technology and related ancillary products; consultancy services in respect of solar application technology; development, design, construction organisation, maintenance and business management of solar power generation projects; research and development, manufacture and sales of electronic system equipment for solar power generation; research and development, manufacture and sales of energy storage technology equipment and materials; development, construction organisation and operational management of PV agriculture, PV forestry, PV animal husbandry and PV fishery projects; development, construction organisation and operational management of distributed PV projects; intelligent energy business management; import and export of goods and technology; property management. (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

Principal products: solar power generation, solar products

3) *Comparable Company 3*

Company name: Zhejiang Sunoren Solar Technology Co., Ltd. (浙江芯能光伏科技股份有限公司)

Stock code: 603105.SH

Stock short name: Sunoren Technology

Listing date: 9 July 2018

Date of establishment: 9 July 2008

Registered capital: RMB500.0065 million

Registered address: No. 23 Shidai Road, Haining City, Zhejiang Province

Business scope: General items: research and development of resource recycling technologies; research and development of power distribution switch control equipment; manufacture of power distribution switch control equipment; sales of power distribution switch control equipment; integration of intelligent control systems; sales of mechanical and electrical equipment; manufacture of transformers, rectifiers and inductors; manufacture of smart on-board equipment; manufacture of digital video surveillance systems; import and export of technology; import and export of goods (Except for items that must be approved in accordance with the law, the company may engage in business activities in accordance with the law based on its business license)

Principal products: power generation from self-owned distributed PV power stations, EPC services for PV power stations, PV module products, commercial and industrial energy storage, and charging pile operation services

4) *Comparable Company 4*

Company name: Zhejiang Provincial New Energy Investment Group Co., Ltd. (浙江省新能源投資集團股份有限公司)

Stock code: 600032.SH

Stock short name: Zhejiang Xinneng

Listing date: 25 May 2021

Date of establishment: 1 August 2002

Registered capital: RMB2,404.6753 million

Registered address: No. 8 Fengqi East Road, Kaixuan Street, Shangcheng District, Hangzhou City, Zhejiang Province

Business scope: industrial investment; development and operation of wind power, hydro power and solar power generation; engineering project management; collection and distribution of natural water; technical development, technical consulting and technical services in respect of renewable energy technologies; equipment repair; testing technical services (operated under licence); water supply services; and power supply services (operated under licence). (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

Principal products: hydro power generation, PV power generation and wind power generation

5) *Comparable Company 5*

Company name: Jinko Power Technology Co., Ltd. (晶科電力科技股份有限公司)

Stock code: 601778.SH

Stock short name: Jinko Power

Listing date: 19 May 2020

Date of establishment: 28 July 2011

Registered capital: RMB3,557.8855 million

Registered address: No. 188 Fenghuang East Avenue, Xinzhou District, Shangrao City, Jiangxi Province

Business scope: General items: power generation business, power transmission business, and power supply (distribution) business; solar power generation technical services; technical services, technical development, technical consulting, technical exchange, technology transfer, technology promotion; repair of electrical equipment; repair of general-purpose equipment; leasing of machinery and equipment; leasing of non-residential real estate; energy storage technical services; research and development of carbon emission reduction, carbon conversion, carbon capture and carbon sequestration technologies; energy performance contracting; sales of photovoltaic equipment and components; sales of power electronic components; sales of electrical and mechanical equipment (Except for items that must be approved in accordance with the law, the company may engage in business activities in accordance with the law based on its business license)

Principal products: development and operation of centralized and distributed PV power stations, EPC general contracting for PV power stations, intelligent O&M of PV power stations, integrated energy services and green electricity sales

(3) *Determination of β*

For this valuation, we used the β calculator available on the Tonghuashun iFinD data terminal to calculate the β values of the comparable companies. The β values of the comparable companies are levered β values (reflecting their own capital structures), which are then converted into unlevered β values (excluding the effect of their own capital structures) as follows:

1) *Calculation of the β_u of the Comparable Companies*

$$\beta_U = \beta_L / [1 + (1 - T) \times D/E]$$

where: D = Debt value; E = Equity value; T = Applicable income tax rate.

After calculating the β_U of the comparable companies, their average is used as the β_U for the appraised entity.

2) *Calculation of the β_L of the Appraised Entity*

The β_L of the appraised entity is calculated using the following formula:

$$\beta_L = \beta_U \times [1 + (1 - T) \times D/E]$$

The β_L of the appraised entity is used as the β in calculating the WACC for the appraised entity.

(4) *Capital Structure*

Under the income approach, the capital structure adopted is either the average capital structure of the comparable companies (used as the target capital structure) or the actual capital structure of the appraised entity.

By analyzing the differences between the appraised entity and comparable companies in terms of financing capacity, financing costs, and other factors, and taking into account the appraised entity's financing plans for future years, the target capital structure is ultimately adopted as the capital structure for the appraised entity. In determining the target capital structure, market values are used to calculate the weightings of debt and equity.

(5) *Determination of Market Risk Premium*

MRP refers to the Market Risk Premium, which represents the excess return over the risk-free rate that investors require for a fully diversified market portfolio. The market return on investment is calculated using the year-end closing prices of the constituent stocks of the CSI 300 Index as the basis for the data. Since the returns on the constituent stocks should include returns from annual cash dividends, stock dividends, bonus shares, and other distributions, the year-end closing prices of the constituent stocks of the CSI 300 Index we selected are adjusted prices incorporating such returns. It is generally believed that the geometric average return better reflects stock market returns. Based on the backward-adjusted closing prices of the constituent stocks of the CSI 300 Index published by the Wind Information data system, our firm has calculated the market risk premium to be 6.46%. Accordingly, the market risk premium for this valuation is set at 6.46%.

(6) *Determination of Company-Specific Risk Adjustment Coefficient (R_s)*

The Capital Asset Pricing Model (“CAPM”) is generally used to estimate the return on an investment portfolio. Since the CAPM cannot be used directly to estimate the return on a single company, and it is generally accepted that the investment risk of a single company is higher than that of an investment portfolio, the return on a single company or stock should be evaluated by considering the excess return arising from all the company-specific risks relative to the investment portfolio.

The company-specific risk premium primarily refers to a risk premium or discount arising from certain unsystematic, company-specific factors. Based on the above factors and the company's current operating conditions, the company-specific risk adjustment coefficient for this valuation is determined to be 1.50%.

2.8. Determination of Return on Debt

For this valuation, the expected return on debt is determined at 2.97% by referencing and making adjustments to the medium- and long-term bank loan interest rates in 2025.

2.9. Determination of Discount Rate for the Appraised Entity

The weighted average rate of return is calculated using the following formula:

$$WACC = R_e \frac{E}{D + E} + R_d \frac{D}{D + E} (1 - T)$$

Where: WACC = Weighted average rate of return; E = Equity value; R_e = Return on equity; D = Value of interest-bearing debt; R_d = Return on debt; T = Corporate income tax rate.

Based on the above calculations, the weighted average rate of return for the appraised entity is 5.53%, which is used as the discount rate for the appraised entity.

2.10. Determination of Period-End Recovery Value

Based on the analysis in this valuation, equipment is generally recovered at its residual value upon the expiry of the operating period, which is determined by discounting the residual amount after full depreciation and amortization. Intangible assets are projected based on their amortized balances, and working capital is recovered at its period-end amount.

2.11. Valuation of the Non-Operating Assets, Liabilities and Interest-Bearing Debt

Non-operating assets and liabilities refer to assets and liabilities unrelated to the principal business of the appraised entity, which are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date. Surplus assets refer to assets that exceed the principal production and operating requirements of the company as of the Valuation Benchmark Date and are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date.

3. MARKET APPROACH

3.1 Applicable Conditions of the Market Approach

The application of the market approach involves placing the valuation subject in a complete and realistic operating process and market environment. Since this approach relies on property rights transactions and securities markets, the following prerequisites must be met when using the market approach to value an entire set of assets:

1. The property rights trading market and the securities trading market are mature and active, with relevant transaction information being publicly available and complete;
2. It is possible to identify a sufficient number of comparable cases that are similar to the valuation subject in terms of the nature of the transaction targets, disposal methods, market conditions, and other factors;
3. In terms of the elements and technical aspects of asset valuation, the differences between the valuation subject and the comparables can be broken down into specific factors, and these differences can be quantified.

3.2 Valuation Process

(1) Selection of Transaction Cases

First, recent market transaction cases in the same industry are selected based on factors such as the industry, business operations and products of the valuation subject;

Second, multiple comparable transaction cases are identified by analyzing factors including the level of detail of available information on transaction cases, case comparability and transaction progress.

Third, a detailed analysis is conducted on the specific circumstances of the target companies in the transactions, covering aspects such as business operations, scale, accounting policies, growth prospects and operational risks. Suitable transaction cases are finally selected through comparative analysis with the appraised entity.

(2) *Selection of the Value Ratio*

The subject of this valuation is the value of the shareholders' equity interests. Considering that the appraised entity operates in the new energy power generation industry, a typical asset-heavy industry where depreciation and amortization have a significant impact on earnings, and that the project is a photovoltaic "Top Runner" project with favorable earnings performance, it is appropriate for the company to use profit- or revenue-based ratios. Therefore, the earnings-based ratio (EV/EBITDA) is selected for this valuation. The formula for the earnings-based ratio is as follows:

Earnings-based ratio multiple = Equity value/Earnings-based parameter

Necessary adjustments and modifications are made to the value ratios with respect to, among other things, transaction timing, transaction terms, and surplus and non-operating assets (liabilities) included in the transaction price.

(3) *Valuation and Estimation*

The appraised value is determined by multiplying the adjusted value ratios by the corresponding parameters of the appraised entity.

Appraised equity value = Adjusted value ratio × Corresponding parameter of the appraised entity.

(4) *Selection of Transaction Cases*

Criteria for selecting transaction cases: Since the appraised entity operates in the photovoltaic power generation industry, we selected merger and acquisition transaction cases in the photovoltaic and related industries from the Tonghuashun Information Database. Three transaction cases were ultimately selected based on the following criteria. The specific criteria are as follows:

- A. Transactions occurring within three years prior to the Valuation Benchmark Date;
- B. Targets engaged in the photovoltaic power generation business;
- C. Cases with complete basic information on transaction details and financial data.

The specific details of comparable cases are as follows:

(1) Case 1

Name: Weishan Xinneng Photovoltaic Power Co., Ltd.

Business scope: System integration and operational management of photovoltaic power plant construction and sale of electricity; consulting services and technology transfer in relation to photovoltaic power-related projects; development, construction, and investment in solar energy resources; sale of emissions reduction credits; cultivation and sale of vegetables, fruits, trees, flowers, and medicinal herbs; farming and sale of aquatic products; agricultural leisure and tourism services; agricultural technology development, technical services, technical consultancy and technology transfer. (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

(2) Case 2

Name: Huzhu Haoyang Photovoltaic Electric Power Co., Ltd.

Business scope: Construction and operation of photovoltaic power plants; investment, development, construction, and operational management of new energy, including solar, wind, and natural gas; procurement and maintenance of related materials and equipment, as well as technical consulting and services (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

(3) *Case 3*

Name: Shaanxi Dingbian Solar Power Generation Co., Ltd.

Business scope: new energy (including wind power, solar power, distributed energy, gas power, biomass and nuclear power) power generation, project development, construction, production, operation, installation, technical consulting and training services; power plant inspection, overhaul and operation and maintenance services; construction, maintenance, and operational management of distribution networks; construction, operation and management services for automobile charging pile facilities (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

4. VALUATION CONCLUSION

4.1 Valuation Conclusion and Analysis of the Reasons for Value Appreciation and Depreciation

This asset valuation adopted the market approach and the income approach respectively to determine the value of the entire shareholders' equity interest of Fengtai Shengyang New Energy Power Generation Co., Ltd.. Based on the above valuation work, the following valuation conclusion is drawn:

(a) Valuation Results under the Market Approach

As of the Valuation Benchmark Date, Fengtai Shengyang New Energy Power Generation Co., Ltd. had total assets with a book value of RMB863.48 million, total liabilities with a book value of RMB500.4533 million, and the entire shareholders' equity interest with a book value of RMB363.0267 million. The appraised value was RMB537.6 million, representing an appreciation amount of RMB174.5733 million and an appreciation rate of 48.09%.

(b) *Valuation Results under the Income Approach*

As of the Valuation Benchmark Date, Fengtai Shengyang New Energy Power Generation Co., Ltd. had total assets with a book value of RMB863.48 million, total liabilities with a book value of RMB500.4533 million, and the entire shareholders' equity interest with a book value of RMB363.0267 million. The appraised value was RMB627.7304 million, representing an appreciation amount of RMB264.7037 million and an appreciation rate of 72.92%.

(c) *Valuation Conclusion and Analysis of the Reasons for Value Appreciation and Depreciation*

The appraised value of the entire shareholders' equity interest of Fengtai Shengyang New Energy Power Generation Co., Ltd. under the income approach is RMB627.7304 million, and the appraised value under the market approach is RMB537.6 million. The difference between the valuation results under the two approaches is RMB90.1304 million, representing a discrepancy ratio of 14.36%. The main reasons for the difference between the two valuation methods are:

The market approach and the income approach differ in valuation perspective and path. The valuation under the income approach uses the expected income of assets as the standard of value, reflecting the degree of the operating capability (profitability) of the assets. The market approach estimates the value of the appraised entity by analyzing market transactions in the same or similar industries, reflecting the open market assessment of enterprise value under normal and fair transaction conditions. This method is typically subject to the impacts of comparable companies and the adjustment system, resulting in the difference between the two valuation methods.

The appraised entity is an enterprise engaged in new energy power generation projects, and its enterprise value is primarily reflected in the equity value of the new energy power generation project companies in which it invests and which it manages. When conducting a market approach valuation, although the Valuer has made adequate and necessary adjustments to the differences between the appraised entity and comparable listed companies, there may still be factors unique to the comparable listed companies that have not been considered by the Valuer or cannot be quantified, giving rise to the risk that the valuation results may deviate significantly from the actual enterprise value. Since the commencement of grid-connected power generation, the appraised entity has maintained stable and normal operation. The photovoltaic power plant is located in a region with favorable natural resource conditions. Coupled with factors such as policies of the new energy industry, tariff mechanisms, operating costs and industry risks, a relatively reliable basis can be obtained for forecasting the power generation of the photovoltaic power plant for future years; future returns and risks can be estimated and projected in a relatively reasonable and reliable manner. Therefore, the valuation results of the income approach can reflect the market value of the entire shareholders' equity interest of the appraised entity in an objective way as at the Valuation Benchmark Date. Hence, the result under the income approach is adopted as the valuation conclusion for this valuation.

In view of the above, the valuation results of the income approach can better reflect the value of the entire shareholders' equity interest of Fengtai Shengyang New Energy Power Generation Co., Ltd., and therefore the valuation results of the income approach are used as the final conclusion of this valuation.

Analysis of Value Appreciation and Depreciation:

The appreciation in value is attributable to the fact that the appraised entity was invested and constructed in 2016 as a photovoltaic "Top Runner" construction project. The project enjoys high tariffs and is less affected by power curtailment, which is sufficient to cover the original investment costs. Its returns exceed those of typical power plants in the industry; therefore, the appreciation in value is normal.

“Top Runner” is a national programme launched by the National Energy Administration to promote the use of high-efficiency PV technology. Under that programme, project capacity was awarded through competitive tenders based on technical standards and tariff. Since 2021, newly registered centralized photovoltaic power projects have generally ceased to receive central government subsidies and are subject to grid-parity tariffs. In contrast, the Project is a “Top Runner” photovoltaic project and benefits from the awarded feed-in tariff, national subsidy support and an additional 10% of reasonable utilisation hours over its full life cycle.

Although the Project is subject to a prudently assumed PV curtailment rate ranging from 9.39% to 4.60%, the negative impact of such curtailment is more than offset by the Project’s preferential economic benefits as a national “Top Runner” photovoltaic project, including (i) a higher on-grid tariff of RMB0.80/kWh (inclusive of subsidies), compared with the grid-parity tariff applicable to most newly approved photovoltaic projects, (ii) continued entitlement to national renewable energy subsidies, and (iii) an additional 10% of subsidized utilisation hours over its full life cycle. Accordingly, the higher revenue generated from the preferential tariff and extended subsidized hours compensates for the loss of electricity sales resulting from power curtailment, enabling the Project to achieve returns above the industry average.

That is, the value of the entire shareholders’ equity interest of Fengtai Shengyang New Energy Power Generation Co., Ltd. is RMB627.7304 million.

VALUATION REPORT B

The Valuer appraised the value of the entire shareholders' equity interest of Tongchuan by using the discounted cash flow method under income approach.

1. PRINCIPAL ASSUMPTIONS

According to the Valuation Report B prepared by the Valuer, details of the principal assumptions on which the entire shareholders' equity interest of Tongchuan is based, are set out as follows:

(i) Basic Assumptions

1. *Open Market Assumption*

The Open Market Assumption is a hypothesis regarding the market conditions into which the assets are proposed to enter and the impact the assets would experience under such conditions. An open market refers to fully developed and well-established market conditions. It is a competitive market comprising willing and able buyers and sellers, where both parties act at arm's length and have equal standing, as well as adequate time and opportunity to access sufficient market information. In this market, transactions are conducted willingly, rationally, and without compulsion or restriction. The Open Market Assumption is predicated on the premise that the assets can be traded freely and publicly in the market.

2. *Finite-Term Going Concern Assumption*

The Finite-Term Going Concern Assumption is a valuation assumption established by taking the overall assets of a company as the valuation subject. This means that it, as an operating entity, will continue to operate as a going concern throughout the projection period, and will cease operations upon the conclusion of the projection period.

3. *Existing Use Assumption*

The Existing Use Assumption is a hypothesis regarding the market conditions into which the assets are proposed to enter and the status of their intended use under such market conditions. It primarily assumes that the assets within the scope of valuation are currently in active use. Furthermore, it assumes that these assets will continue to be used in their current manner and for their existing purpose, without taking into account the conversion of asset use or the highest and best use (HABU) premise.

4. *Transaction Assumption*

The Transaction Assumption presumes that all subject assets to be valued are already in the process of being transacted. The Valuer conducts the appraisal by simulating a market based on the transaction conditions of the subject assets.

(ii) General Assumptions

1. It is assumed that following the Valuation Benchmark Date, there will be no material changes in the prevailing relevant national laws, regulations, policies, or macroeconomic conditions, nor will there be any material changes in the political, economic, and social environments of the regions where the parties to the transaction are located;
2. It is assumed that following the Valuation Benchmark Date, the management of the appraised entity is responsible, stable, and competent to perform the duties;
3. It is assumed that following the Valuation Benchmark Date, no force majeure events or unforeseeable factors will have a material adverse impact on the appraised entity;
4. It is assumed that the relevant foundational and financial information provided by the client and the appraised entity is true, accurate, and complete;

5. It is assumed that the financial reports, transaction data, and other information of the comparable companies relied upon by the Valuer are authentic and reliable;
6. It is assumed that following the Valuation Benchmark Date, based on the existing management mode and level, the business scope and operation methods of the appraised entity will remain consistent with their current direction;
7. It is assumed that following the Valuation Benchmark Date, there will be no material changes in the interest rates, exchange rates, taxation bases and tax rates, and policy-based levies applicable to the appraised entity;
8. It is assumed that the appraised entity is in full compliance with all relevant laws and regulations;
9. It is assumed that the leases executed by the appraised entity are legal and valid; that the executed leases have been duly performed and will not be modified or terminated without cause; and that the operational status of the leased buildings will not undergo any material changes;
10. It is assumed that following the Valuation Benchmark Date, the accounting policies to be adopted by the appraised entity will remain consistent in all material respects with those adopted upon the preparation of this report.

(iii) Specific Assumptions

1. This valuation assumes that the net cash flows of the appraised entity are generated evenly throughout the year;
2. It is assumed that following the Valuation Benchmark Date, the products or services of the appraised entity will maintain their current competitive position in the market;

3. Based on the estimated useful lives of the relevant equipment and information obtained from interviews with the management of the company, the income period of the wind power plant in this valuation is determined to be 20 years, with the grid-connection date adopted as the commencement date of the operating cycle. The Mulei Laojunmiao Wind Farm Phase II 49.5MW Wind Power Project was connected to the grid for power generation on 26 December 2020, and is projected to operate through the end of 2040 (subject to normal liquidation upon the expiration of the operational term). The income period determined in this valuation is consistent with the operating period.
4. It is assumed that the financial reports, transaction data and other information of the comparable transaction cases relied upon by the Valuer are true and reliable, and that the financial and operating data of such comparable transaction cases can truly reflect their value at the time of the transaction;
5. In the revenue forecast, the revenue growth rate is affected by a number of factors, including the annual degradation rate of available utilisation hours, the wind curtailment rate and the subsidised electricity volume. The revenue growth rate for 2026 to 2029 will be affected by movements in the above factors, and thereafter will be principally affected by the annual available utilisation hours and the subsidised electricity volume. The available utilisation hours have not changed significantly over the historical years; the slight decrease in the available utilisation hours in 2025 was mainly attributable to wind speed. Taking into account the actual power generation in the first half of 2026, it is assumed for the purposes of this valuation that the available utilisation hours for 2026 and subsequent years will be forecast by reference to those of 2025. The wind curtailment rate is determined by reference to the curtailment situation in the industry and in Xinjiang and taking into account the actual wind curtailment rate of the Target Company, and is assumed to approach the industry wind curtailment rate level gradually in the future. The subsidised electricity volume is determined by reference to the tariff policy of Xinjiang and, on the assumption that the terms agreed for existing projects apply, on the principle of taking the shorter of the remaining reasonable utilisation hours over the full life cycle of the project and 20 years from commencement of operation. It is expected that the agreed utilisation hours will be reached in 2038, after which no subsidy will be considered;

6. The gross profit margin of the projects being valued is principally and significantly affected by revenue. By reference to the tariff policy of Xinjiang and on the assumption that the terms agreed for existing projects apply, on the principle of taking the shorter of the remaining reasonable utilisation hours over the full life cycle of the project and 20 years from commencement of operation, it is expected that the agreed utilisation hours will be reached in 2038, after which no subsidy will be considered. The gross profit margin will remain relatively stable from 2026 to 2038 and will decline to -4.51% from 2039 to the end of the forecast period;
7. The projects being valued are in mature operation. It is assumed that security expenses (O&M costs), comprehensive service fees, insurance premiums, employee compensation, depreciation and amortization will remain stable in the future. The cost of grid-purchased electricity and other expenses are related to revenue and are assumed to be forecast in future years on the basis of their proportion of revenue. The operation and management fee arises from the allocation of comprehensive service fees and is assumed to be forecast within comprehensive service fees in the future. The intermediary service fee is assumed to be determined by reference to the historical years, taking into account a certain growth rate. Finance costs are determined by reference to the principal of the borrowings and the repayment schedule and are assumed to be incurred as scheduled;
8. The projects being valued are subject to a limited-term forecast, and the economic useful lives of the principal assets operated by the projects are broadly similar to the forecast period adopted in this valuation. It is assumed for the purposes of this valuation that no capital expenditure needs to be considered for the principal equipment during the forecast period. The long-term prepaid expenses will expire in October 2039 and on 31 May 2035 respectively, and it is assumed that future capital expenditure will be forecast by reference to a lease term ending at the end of the forecast period of the projects;

9. The discount rate for the projects being valued is determined using the WACC model, and the factors adopted are determined comprehensively based on the risk-free rate of return, the excess risk premium, the company-specific excess risk return rate and the bond yield. The risk-free rate of return is generally taken as the annual yield to maturity, as of the Valuation Benchmark Date, of government bonds with a maturity of 10 years or more, and it is assumed for the purposes of this valuation that there will be no change in the future. The excess risk premium is determined by measuring the market risk premium using, as the underlying data, the backward-adjusted closing prices of the constituent stocks of the CSI 300 Index published by the Wind Information data system, and it is assumed for the purposes of this valuation that there will be no change in the future. The company-specific excess risk return rate is determined by scoring, based on an assessment of the differences between the appraised entity and listed companies in terms of factors such as enterprise scale, stage of operation, historical performance, financial risk and internal management and control mechanisms, and it is assumed for the purposes of this valuation that there will be no change in the future. The bond yield is determined by adjusting the benchmark medium- and long-term bank loan interest rate for 2025 to determine the expected return on debt, and it is assumed for the purposes of this valuation that there will be no change in the future.

The valuation conclusion of this report is derived subject to the above assumptions and limiting conditions. In the event of any circumstances inconsistent with the aforementioned assumptions and limiting conditions, the valuation results will generally become invalid.

2. INCOME APPROACH

The income approach refers to a valuation method that determines the value of the valuation subject by capitalizing or discounting expected income.

Commonly applied specific methods under the income approach include the dividend discount model, the Discounted Free Cash Flow to Equity (FCFE) method, and the Discounted Free Cash Flow to Firm (FCFF) method.

Commonly applied specific methods under the income approach include the dividend discount model, the FCFE method, and the FCFF method. The dividend discount model is generally applicable to the valuation of partial equity interests of shareholders lacking control. Based on a comprehensive analysis of the industry in which the appraised entity operates, its operating model, its capital structure and its development trends, and given that the dividend discount model determines the value of the valuation subject on the basis of the future dividend distribution pattern and requires a consistent and stable dividend policy. However, the dividends of the Target Company are determined having regard to a variety of factors and are not fixed. Accordingly, the use of the dividend discount model is subject to significant subjective judgement and whether or not dividends are distributed has little bearing on the value of the enterprise. The model is applicable to the valuation of partial equity interests of shareholders lacking control. Therefore, dividend discount model was not adopted.

The dividend discount model is generally applicable to the valuation of partial equity interests of shareholders lacking control.

In the discounted FCFE method, the cash flow definition represents the cash flows attributable to shareholders, the corresponding discount rate is the cost of equity capital, and the appraised value reflects the entire shareholders' equity interests. The formula for calculating cash flow is:

FCFE = Net Profit + Depreciation and Amortization – Capital Expenditures – Increase in Working Capital – Principal Repayments of Interest-Bearing Debt + Principal of New Interest-Bearing Debt

In the discounted FCFF method, the cash flow definition represents cash flows attributable to all investors, including shareholders and interest-bearing debt holders; the corresponding discount rate is the Weighted Average Cost of Capital (WACC), and the appraised value reflects the Firm Value. The formula for calculating cash flow is:

FCFF = Net Profit + Depreciation/Amortization + After-tax Interest Expenses – Increase in Working Capital – Capital Expenditures

This valuation adopts the discounted FCFF model.

The basic formula is:

$$E = B - D$$

where: E: Market total shareholders' equity value of the appraised entity; D: Market value of interest-bearing debt; B: Firm value.

$$B = P + \sum C_i$$

where: P: Value of operating assets; $\sum C_i$: Value of non-operating assets and liabilities (including surplus assets) existing as of the Valuation Benchmark Date.

$$P = \sum_{i=1}^n \frac{R_i}{(1+r)^i} + \frac{R_n \times (1+g)}{(r-g) \times (1+r)^n}$$

Where: R_i : Expected Free Cash Flow to Firm in the year i following the Valuation Benchmark Date;

r: Discount rate;

n: Projection period;

g: Expected annual growth rate of future returns beyond the discrete projection period, which is set to 0 in this valuation.

The respective parameters are determined as follows:

1. Determination of Free Cash Flow (R_i)

$R_i = \text{Net Profit} + \text{Depreciation/Amortization} + \text{After-tax Interest Expenses} - \text{Increase in Working Capital} - \text{Capital Expenditures}$

2. The discount rate (r) is determined using the Weighted Average Cost of Capital (WACC), with the formula as follows:

$$WACC = R_e \frac{E}{D + E} + R_d \frac{D}{D + E} (1 - T)$$

Where: R_e : Cost of equity capital;

R_d : Cost of interest-bearing debt capital;

T : Income tax rate.

3. The cost of equity capital (R_e) is calculated using the Capital Asset Pricing Model (“CAPM”), with the formula as follows:

$$R_e = R_f + \beta \times \text{MRP} + R_s$$

Where: R_e : Return on equity;

R_f : Risk-free rate;

β : Risk coefficient;

MRP: Market risk premium;

R_s : Company-specific risk adjustment coefficient

4. The determination and calculation process of the key parameters of the discount rate are as follows:

1) Risk-Free Rate

Government bond yields are generally considered risk-free because the risk of default on the bond at maturity is negligible and can be ignored. According to the Ministry of Finance – China Government Bond Yield Curve data published on the website of the China Appraisal Society, the annual yield-to-maturity of government bonds with a maturity of 10 years or more as of the Valuation Benchmark Date was 1.85%, which is adopted as the risk-free rate in this valuation report.

2) Equity Market Risk Premium

MRP refers to the Market Risk Premium, which represents the excess return over the risk-free rate that investors require for a fully diversified market portfolio. The market return on investment is calculated using the year-end closing prices of the constituent stocks of the CSI 300 Index as the basis for the data. Since the returns on the constituent stocks should include returns from annual cash dividends, stock dividends, bonus shares, and other distributions, the year-end closing prices of the constituent stocks of the CSI 300 Index we selected are adjusted prices incorporating such returns. It is generally believed that the geometric average return better reflects stock market returns. Based on the backward-adjusted closing prices of the constituent stocks of the CSI 300 Index published by the Wind Information data system, our firm has calculated the market risk premium to be 6.46%. Accordingly, the market risk premium for this valuation is set at 6.46%.

3) *Selection of Comparable Companies*

Based on the principal business, operating results, and other circumstances of the appraised entity, we have preliminarily adopted the following basic criteria as the selection criteria for screening comparable companies in this valuation:

- The comparable companies have been profitable over the past two years;
- The comparable companies must have a listing history of at least two years;
- The comparable companies issue only A-shares;
- The comparable companies operate in an industry or have a principal business identical or similar to that of the appraised entity, or are subject to the same economic factors, with an operating history in that principal industry of no less than two years.

In accordance with the above four principles, we conducted screening using the Tonghuashun iFinD financial data terminal. Taking into comprehensive consideration various factors between the comparable companies and the appraised entity, such as business type, scale, profitability, growth profile, industry competitiveness, and development stage, we ultimately selected and determined the comparable listed companies.

4) *Capital Structure*

By analyzing the differences between the appraised entity and comparable companies in terms of financing capacity, financing costs, and other factors, and taking into account the appraised entity's financing plans for future years, we adopted ultimately the target capital structure as the capital structure for the appraised entity. In determining the target capital structure, market values are used to calculate the weightings of debt and equity.

5) *Beta Coefficient*

- ① For the listed companies identified based on the aforementioned selection criteria, we utilized the β Calculator provided by iFinD to calculate the β values of the comparable companies. The aforementioned β values incorporate the comparable companies' own capital structures.
- ② Based on the following formula, we can calculate the Unlevered β for each comparable company:

$$\text{Unlevered } \beta = \text{Levered } \beta / [1 + (1 - T) \times D/E]$$

where: D: Debt value; E: Equity value; T: Applicable income tax rate.

After calculating the Unlevered β of the comparable companies, their average value is taken as the Unlevered β of the appraised entity.

- ③ Then, we substitute the determined capital structure ratio of the appraised entity into the following formula to calculate the Levered β of the appraised entity:

$$\text{Levered } \beta = \text{Unlevered } \beta \times [1 + (1 - T) \times D/E]$$

where: D: Debt value; E: Equity value; T: Applicable income tax rate.

6) *Specific Risk Adjustment Coefficient*

The Capital Asset Pricing Model (“CAPM”) is generally used to estimate the return on an investment portfolio. Since the CAPM cannot be used directly to estimate the return on a single company, and it is generally accepted that the investment risk of a single company is higher than that of an investment portfolio, the return on a single company or stock should be evaluated by considering the excess return arising from all the specific risks relative to the investment portfolio.

The specific risk adjustment coefficient primarily refers to a risk premium or discount arising from certain unsystematic, company-specific factors. We determined the specific risk adjustment coefficient by evaluating the company's risk profile, operating scale, business model, stage of development, core competitiveness, and reliance on major customers and suppliers, supported by our valuation experience and professional judgment.

7) *Expected Return on Debt*

The expected return on debt represents the expected return of the appraised entity's debt investors.

Debt-servicing capacity varies across companies depending on their operational performance and capital structure, leading to differing expected return of debt investors. Consequently, a company's return on debt is closely linked to its financial risk, namely its capital structure.

Taking into account the appraised entity's operating performance, capital structure, credit risk, collateral, and guarantees, we determined the expected return on debt by referencing and making adjustments to the medium- and long-term bank loan interest rates in 2025.

5. *Value of Non-Operating Assets and Liabilities (Including Surplus Assets), ΣC_i*

Non-operating assets and liabilities refer to assets and liabilities unrelated to the production and operation of the appraised entity, which are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date.

Surplus assets refer to assets that exceed the production and operating requirements of the company as of the Valuation Benchmark Date and are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date.

The non-operating assets and liabilities were appraised using the asset-based approach in this valuation.

5. Notes on Income Projection

5.1 Determination of Income Period

Based on a comprehensive evaluation of the company's revenue and cost structure, capital structure, capital expenditures, investment returns, and risk profile, while taking into account macroeconomic policies, industry cycles, and factors influencing its transition to a steady state, the income period of the wind power plant in this valuation is determined to be 20 years, with the grid-connection date adopted as the commencement date of the operating cycle. The Mulei Laojunmiao Wind Farm Phase II 49.5MW Wind Power Project was connected to the grid for power generation on 26 December 2020, and is projected to operate through 25 December 2040 (subject to normal liquidation upon the expiration of the operational term). The income period determined in this valuation is consistent with the operating period.

5.2 Projection of Future Income

The income projection for future years was provided by the management of the appraised entity based on its medium- and long-term strategic plans. The Valuer reviewed these projection figures, discussed the underlying assumptions, premises, and projection process with management, and largely adopted management's projections.

1. Projection of Revenue

Mulei Tongchuan is primarily engaged in power generation.

The revenue from its principal business is derived from wind power generation, comprising market-traded electricity revenue and tariff subsidies. Specifically:

The Mulei Laojunmiao Wind Farm Phase II 49.5MW Wind Power Project is equipped with twenty-four 2.0MW wind turbine units and one 1.5MW unit, representing a total installed capacity of 49.5MW.

(1) *Future Projections*

1) Feed-in Electricity Volume

Annual Theoretical Power Generation = Annual Feed-in Electricity Volume + Plant Auxiliary Power Consumption + Curtailed Wind Power Generation

Annual Theoretical Utilization Hours = Annual Theoretical Power Generation/Installed Capacity, given historical fluctuations in the project's available utilisation hours, projections for future years are based on the 2025 available utilisation hours on a prudent basis.

- A. Curtailed Wind Power Generation. The historical wind curtailment rates for the project from 2023 to 2025 were 11.43%, 11.43%, and 19.50%, respectively. According to the National Energy Administration, the wind power utilization rate in Xinjiang was 91% in 2025, corresponding to a curtailment rate of 9%.
- B. Plant Auxiliary Power Consumption. Auxiliary power consumption remained relatively stable over historical years; projections for future years are based on the historical average plant auxiliary power rate.

2) Subsidized Electricity Volume

Pursuant to the Supplementary Notice on Relevant Matters Concerning the “Several Opinions on Promoting the Healthy Development of Non-Hydro Renewable Energy Power Generation” (Cai Jian [2020] No. 426) issued by the Ministry of Finance, the Full Lifecycle Subsidized Electricity Volume = Project Capacity × Full Lifecycle Reasonable Utilization Hours

3) Electricity Tariffs

A. Market Tariff

The benchmark tariff is projected at a tax-inclusive price of RMB250/MWh.

B. Subsidy Tariff

The Mulei Tongchuan Wind Power Project is located in a Class I wind resource zone. As a newly approved subsidized project in 2018 that achieved full-capacity grid connection prior to 31 December 2020, it is subject to a benchmark feed-in tariff of RMB0.49/kWh. This comprises a desulfurized coal benchmark tariff of RMB0.25/kWh and a renewable energy subsidy of RMB0.24/kWh.

4) Auxiliary Electricity Charges and Grid Assessment Penalties

These charges are projected based on their historical proportion to revenue.

2. *Projection of Operating Costs*

Mulei Tongchuan's principal operating costs are outlined below:

Principal operating costs comprise depreciation and amortization, employee compensation, the cost of grid-purchased electricity, operation and management fees, safety expenses, and insurance premiums. The specific projections are as follows:

- ① Depreciation and Amortization: Future depreciation and amortization within principal operating costs are projected based on the calculations in the Schedule of Projected Depreciation and Amortization.
- ② Employee Compensation: From 2023 to September 2025, the company had two O&M staff, who were dispatched from other power plants of the same group. From October 2025, such expenses were incurred by the original power plants instead. As of the Valuation Benchmark Date, such staff actually worked at the site of the Project Company. Prudently, the projection for future years is based on the salary level for 2024.

- ③ Grid-Purchased Electricity and Other Expenses: These expenses are projected based on their historical average proportion to revenue.
- ④ Safety Expenses and Insurance Premiums: Given that the project operates stably, safety expenses and insurance premiums are relatively stable and are projected to remain constant for the future.
- ⑤ Operation and Management Fees: These fees represent charges levied by the Group, are relatively stable and are projected to remain constant for the future.

6. Projection of Free Cash Flow to Firm (FCFF)

Free Cash Flow to Firm = Net Profit + Interest Expense $\times$ (1 – Income Tax Rate) + Depreciation and Amortization – Annual Capital Expenditures – Annual Increase in Working Capital

1. Projection of Depreciation and Amortization

Assets arising from future annual capital expenditures are depreciated in accordance with the company's consistent accounting policies, using the aforementioned depreciation periods.

2. Projection of Capital Expenditures

Capital expenditures represent the annual investment in long-term assets required to support the normal ongoing development of operations. In this valuation, capital expenditures are projected as follows:

There are no planned capital expenditures to expand production capacity during the projection period. The difference between the economic useful lives of existing equipment and intangible assets and their accounting depreciation and amortization periods is immaterial. Consequently, the capital expenditure required to sustain existing capacity for each year throughout the projection period are set equal to the depreciation and amortization amount of operational long-term assets for that year.

3. *Projection of Increase in Working Capital*

The increase in working capital represents the incremental working capital required to sustain ongoing operations without altering the current principal business.

Working capital primarily includes minimum operating cash required for normal operations; fundamental funding for inventory procurement and advances on customer purchases (accounts receivable and prepayments); and accounts payable and receipts in advance. Typically, the balances of these accounts maintain a relatively stable relationship with revenue and costs. Other receivables and other payables are individually screened based on their estimated operational relevance, with non-operational or temporary balances classified as non-operating items. In this report, the increase in working capital is defined as:

Increase in Working Capital = Current Working Capital – Prior Working Capital

where: Working Capital = Operating Cash + Accounts Receivable + Prepayments + Inventory + Other Receivables – Accounts Payable – Receipts in Advance – Employee Compensation Payable – Taxes Payable – Other Payables

Operating Cash: To sustain normal operations, a company must maintain a baseline cash buffer. This cash fulfills scheduled, time-sensitive obligations such as payroll and taxes, while providing liquidity for subsequent operational funding. Based on the company's historical cash turnover, operating cash in this valuation is derived from the monthly cash operating expenses.

Monthly Cash Operating Expenses = (Operating Costs + Taxes Payable + Selling, Administrative, and Financial Expenses (excluding interest expense) – Depreciation and Amortization)/12

Other working capital accounts are typically projected using relevant turnover ratios. Based on an analysis of the appraised entity's historical turnover ratios, the average turnover ratio of the past two years was applied to project working capital accounts such as inventory and accounts payable over the projection period.

With respect to accounts receivable, electricity tariffs are settled monthly in line with the company's reality, corresponding to an annual turnover ratio of 12 times. Regarding the appraised entity's collection of renewable energy subsidies as of the Valuation Benchmark Date, BEI will coordinate diversified financial instruments, including asset securitization and commercial factoring, to continue and accelerate the monetization of national subsidy receivables of the project company and shorten their monetization cycle to approximately one year, thereby ensuring stable operating cash flows, which is expected to be implemented in December 2026. The projection for 2027 onwards is based on a recovery period of 12 months of the historical book balances of renewable energy subsidies of the appraised entity.

Prepayments that are not closely tied to revenue are assumed to roll over at their current scale in future years.

Other current assets and other non-current assets are determined based on their balances after value-added tax deductions each year.

7. Determination of Discount Rate

The discount rate represents the expected return on investment and serves as a key parameter to determine the appraised value under the income approach. Because the appraised entity is not publicly listed, its discount rate cannot be calculated directly. Accordingly, this valuation estimates the expected return on investment through analysis and calculation against comparable companies. This process involves two steps: first, selecting comparable listed companies and estimating their Levered Betas; second, deriving the expected return on investment for the appraised entity based on the comparable companies' capital structures and β , and the capital structure of the appraised entity, which then serves as the discount rate.

1. Selection of Comparable Companies

Given that the appraised entity is a profitable enterprise and its principal business is in the renewable energy power generation industry, we have preliminarily adopted the following basic criteria as the selection criteria for screening comparable companies in this valuation:

- The comparable companies have been profitable over the past two years;

- The comparable companies must have a listing history of at least two years;
- The comparable companies issue only A-shares;
- The comparable companies operate in, or derive their principal business from, the renewable energy power generation industry, or are subject to the same economic factors, with an operating history in that principal industry of no less than two years.

In accordance with the above four principles, we conducted a screening using Tonghuashun iFinD and ultimately selected the following four listed companies as comparable companies:

① *Comparable Company 1*

Company name: Jiaze Renewables Corporation Limited (嘉澤新能源股份有限公司)

Stock code: 601619.SH

Stock short name: Jiaze New Energy

Listing date: 20 July 2017

Date of establishment: 16 April 2010

Registered capital: RMB2,912.8376 million

Registered address: Ya'aizi, Dahe Township, Hongsibao District, Wuzhong City, Ningxia Hui Autonomous Region

Business scope: General items: investment, construction, operation and sale of new energy power stations (including solar, wind and biomass energy) and smart microgrids; general contracting for power engineering construction (Grade 3); installation (repair and testing) of power facilities (Grade 4); technical development, technology transfer, technical services and technical consulting relating to new energy (excluding industries in which foreign investment is prohibited or restricted by laws and regulations; goods subject to quota and licence administration or special provisions shall be dealt with in accordance with the relevant provisions of the State) (in addition to licensed business, items not prohibited or restricted by laws and regulations may be operated independently in accordance with the law)

Principal products: development-construction-operation-sale of new energy power stations, O&M management services for new energy power stations, rooftop distributed PV, new energy industry funds, and new energy equipment manufacturing industrial parks

② *Comparable Company 2*

Company name: Zhejiang Provincial New Energy Investment Group Co., Ltd. (浙江省新能源投資集團股份有限公司)

Stock code: 600032.SH

Stock short name: Zhejiang Xinneng

Listing date: 25 May 2021

Date of establishment: 1 August 2002

Registered capital: RMB2,404.6753 million

Registered address: No. 8 Fengqi East Road, Kaixuan Street, Shangcheng District, Hangzhou City, Zhejiang Province

Business scope: industrial investment; development and operation of wind power, hydro power and solar power generation; engineering project management; collection and distribution of natural water; technical development, technical consulting and technical services in respect of renewable energy technologies; equipment repair; testing technical services (operated under licence); water supply services; and power supply services (operated under licence). (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

Principal products: hydro power generation, PV power generation and wind power generation

③ *Comparable Company 3*

Company name: Jiangsu New Energy Development Co., Ltd. (江蘇省新能源開發股份有限公司)

Stock code: 603693.SH

Stock short name: Jiangsu New Energy

Listing date: 3 July 2018

Date of establishment: 17 October 2002

Registered capital: RMB891.4759 million

Registered address: Room 2213, No. 88 Changjiang Road, Xuanwu District, Nanjing, Jiangsu Province

Business scope: development of new energy such as wind energy, solar energy, biomass energy, geothermal energy, ocean energy and natural gas hydrates; industrial investment; investment management; investment consultancy; engineering supervision and engineering construction; and domestic trade. (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

Principal products: wind power generation, PV power generation, biomass power generation, steam and water supply, and energy storage

④ *Comparable Company 4*

Company name: CECEP Wind-power Corporation Co., Ltd. (中節能風力發電股份有限公司)

Stock code: 601016.SH

Stock short name: CECEP Wind-Power

Listing date: 29 September 2014

Date of establishment: 6 January 2006

Registered capital: RMB6,544.4873 million

Registered address: 12/F, Tower A, Energy Saving Building, No. 42 Xizhimen North Street, Haidian District, Beijing

Business scope: development, investment management, construction, operation and maintenance and equipment upgrading of wind power generation projects; related business consultancy and technical development; import and export business. (Market entities may independently select their business items in accordance with the law and carry out business operations; for items requiring approval in accordance with the law, business operations shall be carried out in accordance with the approved contents after approval by the relevant authorities; business operations prohibited or restricted by national and municipal industrial policies shall not be carried out.)

Principal products: electricity

2. *Determination of Weighted Average Cost of Capital (WACC)*

WACC represents the expected total return on investment. It is the weighted average of the expected return on equity and the return on debt adjusted for income taxes.

In calculating the total return on investment, the first step is to calculate the return on equity capital and calculate the return on debt capital using public market data, as of the Valuation Benchmark Date. The second step is to calculate the weighted average of the return on equity and the return on debt.

1) *Determination of Return on Equity*

To determine the return on equity, we utilize the Capital Asset Pricing Model (“CAPM”). CAPM is a method commonly used to estimate investors’ expected return and subsequently derive the company’s return on equity. It can be expressed by the following formula:

$$R_e = R_f + \beta \times \text{MRP} + R_s$$

where: R_e is the return on equity; R_f is the risk-free rate; β is the risk coefficient; MRP is the market risk premium; R_s is the company-specific risk adjustment coefficient.

(1) *Determination of Risk-Free Rate*

Government bond yields are generally considered risk-free because the risk of default on the bond at maturity is negligible and can be ignored. According to the Ministry of Finance – China Government Bond Yield Curve data published on the website of the China Appraisal Society, the annual yield-to-maturity of government bonds with a maturity of 10 years or more as of the Valuation Benchmark Date is used as the risk-free rate in this valuation report. We adopt the average of the foresaid government bond yields, which is 1.85%, as the risk-free rate for this valuation.

(2) Determination of Market Risk Premium

MRP refers to the Market Risk Premium, which represents the excess return over the risk-free rate that investors require for a fully diversified market portfolio. The market return on investment is calculated using the year-end closing prices of the constituent stocks of the CSI 300 Index as the basis for the data. Since the returns on the constituent stocks should include returns from annual cash dividends, stock dividends, bonus shares, and other distributions, the year-end closing prices of the constituent stocks of the CSI 300 Index we selected are adjusted prices incorporating such returns. It is generally believed that the geometric average return better reflects stock market returns. Based on the backward-adjusted closing prices of the constituent stocks of the CSI 300 Index published by the Wind Information data system, our firm has calculated the market risk premium to be 6.46%. Accordingly, the market risk premium for this valuation is set at 6.46%.

(3) Determination of Comparable Companies' Risk Coefficient Relative to the Stock Market (Levered β)

Tonghuashun iFinD is a company engaged in β research and provides formulas for β calculation. Its selected stock market index is the CSI 300 Index, which is consistent with the CSI 300 Index we adopted when estimating the ERP of the domestic equity market.

In this valuation, we utilize the β Calculator published by Tonghuashun iFinD to calculate the β values of the comparable companies. The aforementioned β values incorporate the comparable companies' own capital structures.

- (4) Calculation of the Comparable Companies' Unlevered β and Estimation of the Appraised Entity's Unlevered β

Based on the following formula, we can calculate the Unlevered β for each comparable company:

$$\text{Unlevered } \beta = \text{Levered } \beta / [1 + (1 - T) \times D/E]$$

where: D: Debt value; E: Equity value; T: Applicable income tax rate.

After calculating the Unlevered β of the comparable companies, their average value is taken as the Unlevered β of the appraised entity.

- (5) Determination of Capital Structure Ratio of the Appraised Entity

By analyzing the differences between the appraised entity and comparable companies in terms of financing capacity, financing costs, and other factors, and taking into account the appraised entity's financing plans for future years, we adopted the target capital structure as the capital structure for the appraised entity. In determining the target capital structure, market values are used to calculate the weightings of debt and equity.

- (6) Estimation of Levered β under the Foresaid Capital Structure Ratio of the Appraised Entity

We substitute the determined capital structure ratio of the appraised entity into the following formula to calculate the Levered β of the appraised entity:

$$\text{Levered } \beta = \text{Unlevered } \beta \times [1 + (1 - T) \times D/E]$$

where: D: Debt value; E: Equity value; T: Applicable income tax rate.

(7) Estimation of Company-specific Risk Adjustment Coefficient (R_s)

The specific risk return primarily refers to a risk premium or discount arising from certain unsystematic, company-specific factors. We determined the specific risk return by evaluating the company's risk profile, operating scale, business model, stage of development, core competitiveness, and reliance on major customers and suppliers, supported by our valuation experience and professional judgment. The Capital Asset Pricing Model ("CAPM") is generally used to estimate the return on an investment portfolio. Since the CAPM cannot be used directly to estimate the return on a single company, and it is generally accepted that the investment risk of a single company is higher than that of an investment portfolio, the return on a single company or stock should be evaluated by considering the excess return arising from all the specific risks relative to the investment portfolio.

The company-specific risk premium primarily refers to a risk premium or discount arising from certain unsystematic, company-specific factors. Taking the aforementioned factors into comprehensive consideration, the company-specific risk adjustment coefficient is projected at 1.00%.

(8) Calculation of the Current Return on Equity

By substituting the appropriate data into the CAPM formula, we can calculate the expected return on equity for the appraised entity.

2) *Determination of Return on Debt*

The expected return on debt represents the expected return of the appraised entity's debt investors.

Debt-servicing capacity varies across companies depending on their operational performance and capital structure, leading to differing expected return of debt investors. Consequently, a company's return on debt is closely linked to its financial risk, namely its capital structure.

Taking into account the appraised entity's operating performance, capital structure, credit risk, collateral, and guarantees, we determined the expected return on debt by referencing and making adjustments to the medium- and long-term bank loan interest rates in 2025.

3) *Determination of Discount Rate of the Appraised Entity*

The expected return on equity and the return on debt can be used to calculate the weighted average return on total capital utilizing the weighted average method. The weights are determined based on the actual equity and debt structure ratio of the appraised entity. The weighted average return on total capital is calculated using the following formula:

$$WACC = R_e \frac{E}{D + E} + R_d \frac{D}{D + E} (1 - T)$$

where:

WACC: Weighted average return on total capital; E: Equity value; R_e: Expected return on equity; D: Value of interest-bearing debt; R_d: Expected return on debt; T: Corporate income tax rate.

Based on the above calculations, the weighted average return on total capital of the appraised entity is derived as 5.76% (T = 15%), and 5.48% (T = 25%), which we adopt as the discount rate of the appraised entity.

For the detailed calculation of the WACC, please refer to the Schedule of Weighted Average Cost of Capital Calculation.

8. Valuation of Non-Operating Assets and Liabilities

The valuation process for non-operating assets and liabilities is detailed in the valuation schedule under the asset-based approach.

For non-operating assets and liabilities such as other receivables, other current assets, accounts payable, and other payables, their appraised values are determined based on their audited book values.

9. Valuation of Interest-Bearing Debt

The interest-bearing debt comprises bank borrowings amounting to RMB286.2027 million, with an appraised value of RMB286.2027 million.

10. Recovery of Period-end Assets

Period-end assets primarily consist of working capital, fixed assets, and intangible assets, which are projected to be recovered based on their ending balances.

3. MARKET APPROACH

The specific basic steps of the market comparison approach are as follows:

First, selecting publicly listed companies with actively traded shares operating in the same industry as the appraised entity as comparable companies, or selecting comparable transaction cases through property rights transaction markets, and then calculating the market values of the comparable companies or transaction cases based on trading share prices;

Selecting one or more earnings ratios, asset ratios, revenue ratios, or other specific ratio parameters of the comparable companies or transaction cases, such as the price-to-book ratio (P/B), price-to-earnings ratio (P/E), enterprise value-to-sales ratio (EV/S), price-to-research ratio (P/RR), or enterprise value multiples (EV/EBIT, EV/EBITDA), as “analysis parameters”, and calculating the ratios of the market values of the comparable companies or transaction cases to the selected analysis parameters, which are referred to as multiples;

Performing necessary adjustments to the aforementioned multiples to reflect differences between the comparable companies or transaction cases and the appraised entity;

Applying the adjusted multiples to the corresponding analysis parameters of the appraised entity to derive the market value of the valuation subject.

The valuation subject is the value of the entire shareholders' equity interest of Mulei County Tongchuan Fengguang New Energy Co., Ltd.

The application of the market approach involves placing the valuation subject in a complete and realistic operating process and market environment. Since this approach relies on property rights transactions and securities markets, the following prerequisites must be met when using the market approach to value an entire set of assets:

1. The property rights trading market and the securities trading market are mature and active, with relevant transaction information being publicly available and complete;
2. It is possible to identify a sufficient number of comparable cases that are similar to the valuation subject in terms of the nature of the transaction targets, disposal methods, market conditions, and other factors;
3. In terms of the elements and technical aspects of asset valuation, the differences between the valuation subject and the comparables can be broken down into specific factors, and these differences can be quantified.

The principal business of the appraised entity is the investment in and operation of wind power plants. Although there is a certain number of listed companies in the securities market with business operations similar to those of the appraised entity, the comparable listed company approach is considered inappropriate when considering factors such as the power plant's operating duration and discounts for lack of marketability. In the property rights transaction market, there is an ample number of transaction cases resulting from active trading in the renewable energy sector in recent years, with publicly disclosed transaction details and financial data as well as sufficient information available. Therefore, the comparable transaction cases method was adopted under the market approach in this valuation.

Selection of Transaction Cases:

Through a review of publicly available information, the valuer collected three equity transaction cases in the same industry that were completed in the past two years. The basic details and value ratios for these cases are as follows:

(I) CSSC Science & Technology's Project to Transfer 100% of the Equity Interests in Shengyuan Wind Power

CSSC Wind Power Clean Energy Technology (Beijing) Co., Ltd. (中船風電清潔能源科技(北京)有限公司) and CSSC Wind Power (Zhangye) New Energy Investment Co., Ltd. (中船風電(張掖)新能源投資有限公司), both being subsidiaries of China State Shipbuilding Group Wind Power Development Co., Ltd. (中國船舶集團風電發展有限公司) (in turn a subsidiary of CSSC Science & Technology Co., Ltd. (中船科技股份有限公司)), intended to transfer equity interests in certain of wind farm products and the related creditor's rights on a property rights exchange by way of public listing, in accordance with the relevant provisions of the Measures for the Supervision and Administration of State-owned Enterprise Assets Transactions (SASAC and MOF Order No. 32) (《企業國有資產交易監督管理辦法》(國資委、財政部第32號)), being 100% equity interests in Zhengxiangbaiqi Shengyuan Wind Power Generation Co., Ltd. (正鑲白旗盛元風力發電有限公司, hereinafter referred to as "**Shengyuan Wind Power**") and the related creditor's rights. On 31 December 2024, Huadian Northern New Energy Co., Ltd. (華電北方新能源有限公司) became the transferee of such 100% equity interests and related creditor's rights of Shengyuan Wind Power, with a transaction price of RMB366,792,779 (of which RMB271,000,000 was for the equity interests and RMB95,792,800 was for the creditor's rights).

The value ratios and basic information are as follows:

Specific Metrics	Case 1
Shengyuan Wind Power	
Enterprise value (EV)	97,834.28
Earnings before interest, taxes, depreciation and amortization (EBITDA)	6,831.15
Value ratio EV/EBITDA	14.32
Differences by industry segment	Wind power
Remaining operating life	15.60

(II) 60 % Equity Interests in Zhangbei Ertai Wind Power Generation Co., Ltd.

Windey Energy Technology Group Co., Ltd. intended to transfer a 60% equity interest in Zhangbei Ertai Wind Power Generation Co., Ltd. (張北二廳風力發電有限公司) on the Zhejiang Property & Stock Exchange by way of public listing.

The value ratios and basic information are as follows:

Specific Metrics	Case 2
Zhangbei Ertai	
Enterprise value (EV)	80,275.59
Earnings before interest, taxes, depreciation and amortization (EBITDA)	6,189.82
Value ratio EV/EBITDA	12.97
Differences by industry segment	Wind power
Remaining operating life	17.35

(III) The Value of the Entire Shareholders' Equity Interest of Hamihai New Energy Co., Ltd. Involved in the Proposed Transfer of 100 % Equity Interests in Hamihai New Energy Co., Ltd. by CSSC Haiwei (Xinjiang) New Energy Co., Ltd.

CSSC Science & Technology Co., Ltd. (中船科技股份有限公司) has approved the transfer by its wholly-owned subsidiary, CSSC Haiwei (Xinjiang) New Energy Co., Ltd. (中船海為(新疆)新能源有限公司), of the 100% equity interests it holds in Hamihai New Energy Co., Ltd. (哈密海新能源有限公司) at the China Beijing Equity Exchange by way of public listing, at an initial listing price no lower than the appraised value.

The value ratios and basic information are as follows:

Specific Metrics	Case 3
Hamihai New Energy	
Enterprise value (EV)	94,398.35
Earnings before interest, taxes, depreciation and amortization (EBITDA)	6,918.92
Value ratio EV/EBITDA	13.64
Differences by industry segment	Wind power
Remaining operating life	14.59

4. VALUATION RESULTS:

In this valuation, both the income approach and the market approach were employed to appraise the entire shareholders' equity interest of Mulei County Tongchuan Fengguang New Energy Co., Ltd.

As of the Valuation Benchmark Date of 31 December 2025, the audited book value of assets of Mulei County Tongchuan Fengguang New Energy Co., Ltd. was RMB409.2409 million, total liabilities were RMB346.4175 million, and net assets were RMB62.8234 million.

(I) Valuation Results under the Income Approach

As of the Valuation Benchmark Date of 31 December 2025, Mulei County Tongchuan Fengguang New Energy Co., Ltd. had total assets with a book value of RMB409.2409 million, total liabilities of RMB346.4175 million, and the entire shareholders' equity interest with a book value of RMB62.8234 million. The appraised value of the entire shareholders' equity interest was RMB91.3643 million. Compared with the book value of net assets, the valuation result represents an appreciation amount of RMB28.5409 million and an appreciation rate of 45.43%.

(II) Valuation Results under the Market Approach

As of the Valuation Benchmark Date of 31 December 2025, Mulei County Tongchuan Fengguang New Energy Co., Ltd. had total assets with a book value of RMB409.2409 million, total liabilities of RMB346.4175 million, and the entire shareholders' equity interest with a book value of RMB62.8234 million. The appraised value of the entire shareholders' equity interest was RMB85.8 million, representing an appreciation amount of RMB22.9766 million and an appreciation rate of 36.57%.

(III) Selection of the Valuation Conclusion

The appraised value under the income approach is RMB91.3643 million, and the appraised value under the market approach is RMB85.8 million. The difference between the valuation results under the two approaches is RMB5.5643 million, representing a discrepancy ratio of 6.09%.

The difference among the valuation results under different approaches is primarily attributable to the differing perspectives from which the asset value is considered under each approach. Under the asset-based approach, estimation is made from the perspective of the current replacement of the company's individual assets. Under the income approach, the future comprehensive earning capacity of the company is considered. Under the market approach, value is derived from the perspective of prevailing market comparable pricing. As a result, the valuation results under different approaches differ.

Based on the following factors, the result under the income approach was selected as the final valuation conclusion: the appraised value of the entire shareholders' equity interest of Mulei County Tongchuan Fengguang New Energy Co., Ltd. is RMB91.3643 million.

The market approach and the income approach differ in valuation perspective and path. The valuation under the income approach uses the expected income of assets as the standard of value, reflecting the degree of the operating capability (profitability) of the assets. The market approach estimates the value of the appraised entity by analyzing market transactions in the same or similar industries, reflecting the open market assessment of enterprise value under normal and fair transaction conditions. This method is typically subject to the impacts of comparable companies and the adjustment system, resulting in the difference between the two valuation methods.

The appraised entity is an enterprise engaged in new energy power generation projects, and its enterprise value is primarily reflected in the equity value of the new energy power generation project companies in which it invests and which it manages. When conducting a market approach valuation, although the Valuer has made adequate and necessary adjustments to the differences between the appraised entity and comparable listed companies, there may still be factors unique to the comparable listed companies that have not been considered by the Valuer or cannot be quantified, giving rise to the risk that the valuation results may deviate significantly from the actual enterprise value. Since the commencement of grid-connected power generation, the appraised entity has maintained stable and normal operation. The wind power plant is located in a region with favorable natural resource conditions. Coupled with factors such as policies of the new energy industry, tariff mechanisms, operating costs and industry risks, a relatively reliable basis can be obtained for forecasting the power generation of the wind power plant for future years; future returns and risks can be estimated and projected in a relatively reasonable and reliable manner. Therefore, the valuation results of the income approach can reflect the market value of the entire shareholders' equity interest of the appraised entity in an objective way as at the Valuation Benchmark Date. Hence, the result under the income approach is adopted as the valuation conclusion for this valuation.

VALUATION REPORT C

1. PRINCIPAL ASSUMPTIONS

According to the Valuation Report C prepared by the Valuer, details of the principal assumptions on which the entire shareholders' equity interest of Kaineng is based, are set out as follows:

(i) Basic Assumptions

1. *Open Market Assumption*

The Open Market Assumption is a hypothesis regarding the market conditions into which the assets are proposed to enter and the impact the assets would experience under such conditions. An open market refers to fully developed and well-established market conditions. It is a competitive market comprising willing and able buyers and sellers, where both parties act at arm's length and have equal standing, as well as adequate time and opportunity to access sufficient market information. In this market, transactions are conducted willingly, rationally, and without compulsion or restriction. The Open Market Assumption is predicated on the premise that the assets can be traded freely and publicly in the market.

2. *Finite-Term Going Concern Assumption*

The Finite-Term Going Concern Assumption hypothesizes that the business operations of an operating entity will continue consecutively, and its operational activities will neither be suspended nor terminated within the foreseeable future.

3. *Existing Use Assumption*

The Existing Use Assumption is a hypothesis regarding the market conditions into which the assets are proposed to enter and the status of their intended use under such market conditions. It primarily assumes that the assets within the scope of valuation are currently in active use. Furthermore, it assumes that these assets will continue to be used in their current manner and for their existing purpose, without taking into account the conversion of asset use or the Highest and Best Use (HABU) premise.

4. *Transaction Assumption*

The Transaction Assumption presumes that all subject assets to be valued are already in the process of being transacted. The Valuer conducts the valuation by simulating a market based on the transaction conditions of the subject assets.

(ii) General Assumptions

1. It is assumed that following the Valuation Benchmark Date, there will be no material changes in the prevailing relevant national laws, regulations, policies, or macroeconomic conditions, nor will there be any material changes in the political, economic, and social environments of the regions where the parties to the transaction are located;
2. It is assumed that following the Valuation Benchmark Date, the management of the appraised entity is responsible, stable, and competent to perform the duties;
3. It is assumed that following the Valuation Benchmark Date, no force majeure events or unforeseeable factors will have a material adverse impact on the appraised entity;
4. It is assumed that the relevant foundational and financial information provided by BEI Energy Development (Beijing) Co., Ltd. and the appraised entity is true, accurate, and complete;
5. It is assumed that the financial reports, transaction data, and other information of the comparable companies relied upon by the Valuer are authentic and reliable.

(iii) Specific Assumptions

1. It is assumed that following the Valuation Benchmark Date, based on the existing management mode and level, the business scope and operation methods of the appraised entity will remain consistent with their current direction;

2. It is assumed that following the Valuation Benchmark Date, the accounting policies to be adopted by the appraised entity will remain consistent in all material respects with those adopted upon the preparation of this report;
3. It is assumed that following the Valuation Benchmark Date, there will be no material changes in the interest rates, taxation bases and tax rates, and policy-based levies applicable to the appraised entity;
4. It is assumed that the appraised entity is in full compliance with all relevant laws and regulations;
5. This valuation assumes that the net cash flows of the appraised entity are generated evenly throughout the year;
6. It is assumed that following the Valuation Benchmark Date, the products or services of the appraised entity will maintain their current competitive position in the market.
7. It is assumed that the statutory tax rate of 25% will apply after the corporate income tax incentive expires.
8. Asset valuation professionals have not conducted technical testing of the technical parameters and performance of various equipment as at the Valuation Benchmark Date. On the premise of assuming that the relevant technical materials and operating records provided by Ningxia Yanchi Kaineng Photovoltaic Power Generation Co., Ltd. are true and valid, judgments are made through on-site inspection;

9. In the revenue forecast, the revenue growth rate is affected by a number of factors, including the annual degradation rate of available utilisation hours, the PV curtailment rate and the subsidised electricity volume, and it is assumed for the purposes of this valuation that the forecast will be made by reference to the degradation rate set out in the feasibility study. The PV curtailment rate is determined by reference to the curtailment situation in the industry and in Ningxia Autonomous Region and in conjunction with the actual PV curtailment rate of the Target Company, and, taking into account the provision of the Ningxia Autonomous Region that PV projects constructed on idle open spaces of livestock breeding facilities and other sites are managed as guaranteed grid-connection projects, it is assumed that no PV curtailment rate will be taken into account in the future; the subsidised electricity volume is determined by reference to the tariff policy of the Ningxia Autonomous Region and, on the assumption that the terms agreed for existing projects regarding available utilisation hours apply, it is expected that it will no longer be eligible for the state subsidy after 30 June 2036;
10. The gross profit margin of the projects being valued is principally affected by revenue. By reference to the tariff policy of the Ningxia Autonomous Region and on the assumption that the terms agreed for existing projects regarding available utilisation hours apply, it is expected that it will no longer be eligible for the state subsidy after 30 June 2036. The gross profit margin will remain relatively stable from 2026 to 2035 and will decline significantly to -29.66% from 2036 to the end of the forecast period;
11. The projects being valued are in mature operation. It is assumed that O&M costs, comprehensive service fees, lease expenses, insurance premiums, employee compensation, depreciation and amortization will remain stable in the future. The cost of grid-purchased electricity and other expenses are related to revenue and are assumed to be forecast in future years on the basis of their proportion of revenue. The security expenses are related to the accrual standards prescribed by the industry and are assumed to be incurred in accordance with the prescribed standards in the future. The consulting service fee is formed by the allocation of comprehensive service fees and is assumed to be forecast within comprehensive service fees in the future. Finance costs are determined by reference to the principal of the borrowings, the repayment schedule, the lease contracts and lease payment schedule and the lease liabilities, and are assumed to be incurred as scheduled;

12. The projects being valued are subject to a limited-term forecast, and the economic useful lives of the principal assets operated by the projects are broadly similar to the forecast period adopted in this valuation. The economic lives of electronic equipment and vehicles are shorter than the forecast period and it is therefore assumed for the purposes of this valuation that capital expenditure will be taken into account for electronic equipment and vehicles, while no capital expenditure needs to be taken into account for other assets during the forecast period;
13. The discount rate for the projects being valued is determined using the WACC model, and the factors adopted are determined comprehensively based on the risk-free rate of return, the excess risk premium, the company-specific excess risk return rate and the bond yield. The risk-free rate of return is generally taken as the annual yield to maturity, as of the Valuation Benchmark Date, of government bonds with a maturity of 10 years or more, and it is assumed for the purposes of this valuation that there will be no change in the future. The excess risk premium is determined by measuring the market risk premium using, as the underlying data, the backward-adjusted closing prices of the constituent stocks of the CSI 300 Index published by the Wind Information data system, and it is assumed for the purposes of this valuation that there will be no change in the future. The company-specific excess risk return rate is determined by scoring, based on an assessment of the differences between the appraised entity and listed companies in terms of factors such as enterprise scale, stage of operation, historical performance, financial risk and internal management and control mechanisms, and it is assumed for the purposes of this valuation that there will be no change in the future. The bond yield is determined by adjusting the benchmark medium- and long-term bank loan interest rate for 2025 to determine the expected return on debt, and it is assumed for the purposes of this valuation that there will be no change in the future.

The valuation conclusion of this report is derived subject to the above assumptions and limiting conditions. In the event of any circumstances inconsistent with the aforementioned assumptions and limiting conditions, the valuation results will generally become invalid.

2. INCOME APPROACH

Based on a comprehensive analysis of the industry in which the appraised entity operates, its operating model, its capital structure and its development trends, and given that the dividend discount model determines the value of the valuation subject on the basis of the future dividend distribution pattern and requires a consistent and stable dividend policy. However, the dividends of the Target Company are determined having regard to a variety of factors and are not fixed. Accordingly, the use of the dividend discount model is subject to significant subjective judgement and whether or not dividends are distributed has little bearing on the value of the enterprise. The model is applicable to the valuation of partial equity interests of shareholders lacking control. Therefore, dividend discount model was not adopted.

Based on the purpose and characteristics of this project, the Valuer adopts the Discounted Free Cash Flow to Firm (FCFF) model under the Discounted Cash Flow (DCF) method. The discounted FCFF model is as follows:

Total Shareholders' Equity Value = Firm Value – Value of Interest-bearing Debt

2.1 Firm Value

Firm Value refers to the sum of the net asset value and the value of interest-bearing debt. Based on the asset allocation and utilization of the appraised entity, the formula for calculating the Firm Value is as follows:

Firm Value = Value of Operating Assets + Value of Surplus Assets + Value of Non-Operating Assets and Liabilities

(1) Value of Operating Assets

Operating assets refer to the assets and liabilities related to the production and operation of the appraised entity, which are involved in the projection of the Free Cash Flow to Firm (FCFF) subsequent to the Valuation Benchmark Date. The formula for calculating the value of operating assets is as follows:

$$P = \sum_{i=1}^n \frac{R_i}{(1+r)^i} + \frac{R_{n+1}}{(1+r)^n}$$

Where: P – Value of operating assets;

i – Projection year;

r – Discount rate;

R_i – FCFF in year i;

n – Number of years in the projection period;

R_{n+1} – Recovery of residual value (Terminal value).

Among them, the formula for calculating FCFF is as follows:

FCFF = Net Profit + After-tax Interest Expenses + Depreciation and Amortization – Capital Expenditures – Changes in Working Capital

Among them, the formula for calculating the discount rate (Weighted Average Cost of Capital, WACC) is as follows:

$$WACC = R_e \frac{E}{D + E} + R_d \frac{D}{D + E} (1 - T)$$

Where: R_e – Cost of equity capital;

R_d – Cost of debt capital;

$E/(D + E)$ – Weight of equity capital in total capital;

$D/(D + E)$ – Weight of debt capital in total capital;

T – Income tax rate.

where: the cost of equity capital (R_e) is calculated using the Capital Asset Pricing Model (“**CAPM**”), with the formula as follows:

$$R_e = R_f + \beta \times MRP + R_s$$

Where: R_e – Return on equity;

R_f – Risk-free rate;

β – Enterprise risk coefficient (Beta);

MRP – Market Risk Premium;

R_s – Company-specific risk adjustment premium.

(2) *Value of Surplus Assets*

Surplus assets refer to assets that exceed the production and operational requirements of the company as of the Valuation Benchmark Date and are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date.

(3) *Value of Non-Operating Assets and Liabilities*

Non-operating assets and liabilities refer to assets and liabilities unrelated to the production and operation of the appraised entity, which are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date. These include other receivables, other payables, accounts payable, etc.

2.2 Determination of Income Period and Projection Period

The main business of the appraised entity is photovoltaic (PV) power generation. As of the Valuation Benchmark Date, the PV power plant project of the appraised entity has been constructed and connected to the grid, operating continuously for many years. The economic life of the main equipment of PV power generation units is generally 25 years. This valuation determines a finite income period by comprehensively considering the economic life of the PV power generation unit assets and the actual grid-connection and commissioning date of the project. Therefore, the income period of the appraised entity is a finite term. The project was connected to the grid on 30 June 2016, and the projection period for this project extends to 30 June 2041.

2.3 Operating Revenue

(1) *Projection of Electricity Tariff*

This project is a distributed photovoltaic project. It follows the national benchmark feed-in tariff for renewable energy generation (RMB0.9/kWh), which consists of a benchmark tariff of RMB0.2595/kWh and a subsidy tariff of RMB0.6405/kWh. According to New Energy Cloud, the project was included in the subsidy catalog on 28 February 2020, with a tariff of RMB0.9/kWh. The project's settlement tariff remains unchanged and is expected to remain so in the future.

(2) *Projection of Annual Settlement Electricity Volume*

Annual theoretical electricity volume = Actual installed capacity × Effective utilization hours

Annual power generation = Annual theoretical electricity volume × (1 – PV curtailment rate)

Annual feed-in electricity volume = Annual power generation × (1 – Comprehensive plant auxiliary power rate)

The annual theoretical electricity volume is determined based on available utilisation hours and installed capacity.

PV Curtailment Rate: Based on an analysis of historical data, this project has had no curtailment, and curtailment is not anticipated in the future.

The comprehensive power rate has no significant difference from previous years; it is therefore determined based on the 2025 comprehensive power rate. The comprehensive plant auxiliary power rate is taken as 2.37% in this valuation.

(3) *Determination of Reward and Penalty Fees*

Reward and penalty fees are determined based on their historical annual proportions. Stability will be maintained in the future.

(4) *Projection of Power Generation Revenue*

Operating revenue = Settlement tariff × Annual settlement electricity volume – Reward and penalty fees

2.4 Operating Costs

In the historical period, operating costs mainly included depreciation and amortization, operation and maintenance (O&M) expenses, electricity costs, lease expenses, security expenses, employee compensation, comprehensive service fees, insurance premiums, etc. With reference to the feasibility study report and industry levels, this valuation determines the cost and expense expenditures for the future operating period. The specific projections are as follows:

(1) Depreciation and Amortization

These mainly consist of the depreciation expenses of the power plant's fixed assets. This valuation projects these expenses based on the original book value of various fixed assets of the company as of the Valuation Benchmark Date, in accordance with the depreciation and amortization policies

(2) O&M Expenses

O&M expenses are mainly incurred for the safe and economical operation and maintenance of production equipment in the PV power plant, including expenditures for: module cleaning, in-depth inverter maintenance, bracket and foundation inspection, fire protection and safety facility maintenance, emergency repair services, etc. As such services were outsourced in 2025, O&M expenses will remain relatively stable in the future. Growth is not anticipated in the future.

(3) Employee Compensation

Due to changes in the business model, labor costs have decreased significantly and are expected to remain largely stable in the future. Growth is not anticipated in the future.

(4) Lease Expenses

According to the feasibility study report, the land lease fee is RMB600/mu/year, and is paid on an annual basis during the operational period. This valuation projects these expenses with reference to the amortization policy for right-of-use assets.

(5) *Electricity Costs*

Based on the analysis of historical actual power generation and operation data, the cost of grid-purchased electricity is projected based on its proportion to revenue.

(6) *Other Expenses*

With reference to historical data, the amount is not significant; future projections will be based on the proportion of revenue.

(7) *Security Expenses*

Security expenses are calculated with reference to the security protection fee measurement rules. The projection is based on charging standards.

(8) *Comprehensive Management Expenses*

Comprehensive management expenses are fees charged by the Group. The projection is based on contractual amounts. Growth is not anticipated in the future.

(9) *Insurance Premiums*

Insurance premiums have remained relatively stable and are expected to remain stable in the future.

2.5 Projection of FCFF

$$\text{FCFF} = \text{Net Profit} + \text{After-tax Interest Expenses} + \text{Depreciation and Amortization} + \text{After-tax Asset Impairment Loss} - \text{Capital Expenditures} - \text{Increase in Working Capital}$$

1. *Projection of Net Profit*

Based on the projected values of the above income indicators, the net profit for each future year can be directly calculated.

$$\text{Net Profit} = \text{Operating Revenue} - \text{Operating Costs} - \text{Taxes and Surcharges} - \text{Selling Expenses} - \text{Administrative Expenses} - \text{Financial Expenses} + \text{Non-operating Income} - \text{Non-operating Expenses} - \text{Income Tax}$$

2. *Projection of Depreciation and Amortization*

Depreciation of fixed assets includes the depreciation of newly constructed fixed assets. The provision for depreciation for fixed assets is forecast based on the scale of fixed assets under construction and the company's depreciation policy. It is accrued based on the book balance and original entry value as of the Valuation Benchmark Date, in accordance with the established amortization method of the appraised entity.

3. *Projection of Capital Expenditures*

The PV power plant of the appraised entity has already been constructed and is in operation. Future capital expenditures will primarily consist of expenditures for equipment upgrades and renovations, as forecast in the asset renewal plan.

4. *Determination of Additional Working Capital*

The formula for projecting additional working capital is:

Additional working capital for the year = Working capital at the end of the year – Working capital at the end of the previous year

Working capital = Operating cash + Receivables

Operating cash participating in operations for the projected year = (Operating costs for the year + Taxes for the year + Expenses for the year – Depreciation and amortization for the year)/Average cash turnover frequency for the year

Accounts receivable mainly consist of electricity fee receivables. The accounts receivable for future years are projected on a monthly settlement basis according to the current month settlement method with the State Grid. The projection for 2026 is based on a turnover period of two years. Considering the recovery cycle of national subsidies, measures such as factoring will be adopted to accelerate the turnover of national subsidies, with an estimated turnover period of one year from 2027 onwards.

Other current assets and other non-current assets are mainly pending deductible input VAT, which are projected with reference to the deduction amount in the future.

Minimum operating cash is projected with reference to the cash out-of-pocket costs.

2.6 Determination of Discount Rate

The discount rate used in this valuation report is the weighted average cost of capital (WACC), which is the expected total return on investment – the weighted average of the expected return on equity and the return on debt adjusted for income taxes.

1. *Determination of Return on Equity*

The return on equity is determined using the Capital Asset Pricing Model (“CAPM”), and the formula is as follows:

$$R_e = R_f + \beta \times MRP + R_s$$

where: R_e = Return on equity; R_f = Risk-free rate; β = Enterprise risk coefficient; MRP = Market risk premium; R_s = Company-specific risk adjustment coefficient

(1) *Risk-Free Rate (R_f)*

Government bond yields are generally considered risk-free because the risk of default on the bond at maturity is negligible and can be ignored. According to the information disclosed by the Wind Information system, the annual yield-to-maturity of government bonds with a maturity of 10 years or more as of the Valuation Benchmark Date was 1.85%, which is adopted as the risk-free rate in this valuation report. For details, see the Risk-Free Rate Calculation Table.

(2) *Comparable Companies*

We conducted a screening using Tonghuashun iFinD and ultimately selected the following five listed companies as comparable companies:

1) Comparable Company 1

Company name: Jinkai New Energy Co., Ltd. (金開新能源股份有限公司)

Stock code: 600821.SH

Stock short name: Jinkai New Energy

Listing date: 28 January 1994

Date of establishment: 27 March 1997

Registered capital: RMB1,997.2635 million

Registered address: Room 411, Longtong Building, No. 4 Guizhou Road, Heping District, Tianjin

Business scope: General items: energy-saving service management; energy performance contracting; solar power generation technical services; research and development of resource recycling technologies; research and development of wind farm-related systems; technical services, technical development, technical consulting, technical exchange, technology transfer, technology promotion; sales of solar thermal utilisation equipment; sales of wind farm-related equipment; sales of offshore wind power-related equipment; sales of special-purpose environmental protection equipment; sales of photovoltaic equipment and components; sales of smart power transmission, distribution and control equipment; sales of generators and generating sets; sales of coal and coal products; research and development of carbon emission reduction, carbon conversion, carbon capture and carbon sequestration technologies; information consultancy services (excluding licensed information consultancy services); sales of chemical products (excluding licensed chemical products); sales of integrated circuit chips and products; retail of computer software, hardware and auxiliary equipment; sales of communication equipment; wholesale of electronic components; sales of power electronic components (Except for items that must be approved in accordance with the law, the company may engage in business activities in accordance with the law based on its business license)

Principal products: power generation from PV power stations, power generation from wind power stations, energy storage, hydrogen energy and integrated smart energy services

2) Comparable Company 2

Company name: CECEP Solar Energy Co., Ltd. (中節能太陽能股份有限公司)

Stock code: 000591.SZ

Stock short name: Solar Energy

Listing date: 8 February 1996

Date of establishment: 12 April 1993

Registered capital: RMB3,904.853 million

Registered address: 19G, Hilton Business Centre, No. 131 Zhongshan 3rd Road, Yuzhong District, Chongqing

Business scope: solar power generation and power storage; research and development, application, transfer and sales of solar technology and related ancillary products; consultancy services in respect of solar application technology; development, design, construction organisation, maintenance and business management of solar power generation projects; research and development, manufacture and sales of electronic system equipment for solar power generation; research and development, manufacture and sales of energy storage technology equipment and materials; development, construction organisation and operational management of PV agriculture, PV forestry, PV animal husbandry and PV fishery projects; development, construction organisation and operational management of distributed PV projects; intelligent energy business management; import and export of goods and technology; property management. (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

Principal products: solar power generation, solar products

3) Comparable Company 3

Company name: Zhejiang Sunoren Solar Technology Co., Ltd. (浙江芯能光伏科技股份有限公司)

Stock code: 603105.SH

Stock short name: Sunoren Technology

Listing date: 9 July 2018

Date of establishment: 9 July 2008

Registered capital: RMB500.0065 million

Registered address: No. 23 Shidai Road, Haining City, Zhejiang Province

Business scope: General items: research and development of resource recycling technologies; research and development of power distribution switch control equipment; manufacture of power distribution switch control equipment; sales of power distribution switch control equipment; integration of intelligent control systems; sales of mechanical and electrical equipment; manufacture of transformers, rectifiers and inductors; manufacture of smart on-board equipment; manufacture of digital video surveillance systems; import and export of technology; import and export of goods (Except for items that must be approved in accordance with the law, the company may engage in business activities in accordance with the law based on its business license)

Principal products: power generation from self-owned distributed PV power stations, EPC services for PV power stations, PV module products, commercial and industrial energy storage, and charging pile operation services

4) Comparable Company 4

Company name: Zhejiang Provincial New Energy Investment Group Co., Ltd. (浙江省新能源投資集團股份有限公司)

Stock code: 600032.SH

Stock short name: Zhejiang Xinneng

Listing date: 25 May 2021

Date of establishment: 1 August 2002

Registered capital: RMB2,404.6753 million

Registered address: No. 8 Fengqi East Road, Kaixuan Street, Shangcheng District, Hangzhou City, Zhejiang Province

Business scope: industrial investment; development and operation of wind power, hydro power and solar power generation; engineering project management; collection and distribution of natural water; technical development, technical consulting and technical services in respect of renewable energy technologies; equipment repair; testing technical services (operated under licence); water supply services; and power supply services (operated under licence). (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

Principal products: hydro power generation, PV power generation and wind power generation

5) Comparable Company 5

Company name: Jinko Power Technology Co., Ltd. (晶科電力科技股份有限公司)

Stock code: 601778.SH

Stock short name: Jinko Power

Listing date: 19 May 2020

Date of establishment: 28 July 2011

Registered capital: RMB3,557.8855 million

Registered address: No. 188 Fenghuang East Avenue, Xinzhou District, Shangrao City, Jiangxi Province

Business scope: General items: power generation business, power transmission business, and power supply (distribution) business; solar power generation technical services; technical services, technical development, technical consulting, technical exchange, technology transfer, technology promotion; repair of electrical equipment; repair of general-purpose equipment; leasing of machinery and equipment; leasing of non-residential real estate; energy storage technical services; research and development of carbon emission reduction, carbon conversion, carbon capture and carbon sequestration technologies; energy performance contracting; sales of photovoltaic equipment and components; sales of power electronic components; sales of electrical and mechanical equipment (Except for items that must be approved in accordance with the law, the company may engage in business activities in accordance with the law based on its business license)

Principal products: development and operation of centralized and distributed PV power stations, EPC general contracting for PV power stations, intelligent O&M of PV power stations, integrated energy services and green electricity sales

(3) *Determination of β*

For this valuation, we used the β calculator available on the Wind data terminal to calculate the β values of the comparable companies. The β values of the comparable companies are levered β values (reflecting their own capital structures), which are then converted into unlevered β values (excluding the effect of their own capital structures) as follows:

1) Calculation of the β_u of the Comparable Companies

$$\beta_U = \beta_L / [1 + (1 - T) \times D/E]$$

where: D = Debt value; E = Equity value; T = Applicable income tax rate.

After calculating the β_U of the comparable companies, their average is used as the β_U for the appraised entity.

2) Calculation of the β_L of the Appraised Entity

The β_L of the appraised entity is calculated using the following formula:

$$\beta_L = \beta_U \times [1 + (1 - T) \times D/E]$$

The β_L of the appraised entity is used as the β in calculating the WACC for the appraised entity.

(4) *Capital Structure*

Under the income approach, the capital structure adopted is either the average capital structure of the comparable companies (used as the target capital structure) or the actual capital structure of the appraised entity.

By analyzing the differences between the appraised entity and comparable companies in terms of financing capacity, financing costs, and other factors, and taking into account the appraised entity's financing plans for future years, the target capital structure is ultimately adopted as the capital structure for the appraised entity. In determining the target capital structure, market values are used to calculate the weightings of debt and equity.

(5) *Determination of Market Risk Premium*

MRP refers to the Market Risk Premium, which represents the excess return over the risk-free rate that investors require for a fully diversified market portfolio. The market return on investment is calculated using the year-end closing prices of the constituent stocks of the CSI 300 Index as the basis for the data. Since the returns on the constituent stocks should include returns from annual cash dividends, stock dividends, bonus shares, and other distributions, the year-end closing prices of the constituent stocks of the CSI 300 Index we selected are adjusted prices incorporating such returns. It is generally believed that the geometric average return better reflects stock market returns. Based on the backward-adjusted closing prices of the constituent stocks of the CSI 300 Index published by the Wind Information data system, our firm has calculated the market risk premium to be 6.46%. Accordingly, the market risk premium for this valuation is set at 6.46%.

(6) *Determination of Company-Specific Risk Adjustment Coefficient (R_s)*

The Capital Asset Pricing Model (“CAPM”) is generally used to estimate the return on an investment portfolio. Since the CAPM cannot be used directly to estimate the return on a single company, and it is generally accepted that the investment risk of a single company is higher than that of an investment portfolio, the return on a single company or stock should be evaluated by considering the excess return arising from all the company-specific risks relative to the investment portfolio.

The company-specific risk premium primarily refers to a risk premium or discount arising from certain unsystematic, company-specific factors. Based on the above factors and the company's current operating conditions, the company-specific risk adjustment coefficient for this valuation is determined to be 1.50%.

2.8 Determination of Return on Debt

For this valuation, the expected return on debt is determined at 2.97% by referencing and making adjustments to the medium- and long-term bank loan interest rates in 2025.

2.9 Determination of Discount Rate for the Appraised Entity

The weighted average rate of return is calculated using the following formula:

$$WACC = R_e \frac{E}{D + E} + R_d \frac{D}{D + E} (1 - T)$$

where: WACC = Weighted average rate of return; E = Equity value; R_e = Return on equity; D = Value of interest-bearing debt; R_d = Return on debt; T = Corporate income tax rate.

Based on the above calculations, the total capital-weighted average rate of return for the appraised entity is 5.88% (T = 15%) and 5.53% (T = 25%)

For details on the WACC calculation, please refer to the Weighted Average Cost of Capital Calculation Worksheet.

2.10 Determination of Period-End Recovery Value

Based on the analysis in this valuation, equipment is generally recovered at its residual value upon the expiry of the operating period, which is determined by discounting the residual amount after full depreciation and amortization. Intangible assets are projected based on their amortized balances, and working capital is recovered at its period-end amount.

2.11 Valuation of the Non-Operating Assets, Liabilities and Interest-Bearing Debt

Non-operating assets and liabilities refer to assets and liabilities unrelated to the principal business of the appraised entity, which are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date. Surplus assets refer to assets that exceed the principal production and operating requirements of the company as of the Valuation Benchmark Date and are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date.

3. MARKET APPROACH:

3.1 Applicable Conditions of the Market Approach

The application of the market approach involves placing the valuation subject in a complete and realistic operating process and market environment. Since this approach relies on property rights transactions and securities markets, the following prerequisites must be met when using the market approach to value an entire set of assets:

1. The property rights trading market and the securities trading market are mature and active, with relevant transaction information being publicly available and complete;
2. It is possible to identify a sufficient number of comparable cases that are similar to the valuation subject in terms of the nature of the transaction targets, disposal methods, market conditions, and other factors;
3. In terms of the elements and technical aspects of asset valuation, the differences between the valuation subject and the comparables can be broken down into specific factors, and these differences can be quantified.

3.2 Valuation Process

1. Selection of Transaction Cases

First, recent market transaction cases in the same industry are selected based on factors such as the industry, business operations and products of the valuation subject;

Second, multiple comparable transaction cases are identified by analyzing factors including the level of detail of available information on transaction cases, case comparability and transaction progress;

Third, a detailed analysis is conducted on the specific circumstances of the target companies in the transactions, covering aspects such as business operations, scale, accounting policies, growth prospects and operational risks. Suitable transaction cases are finally selected through comparative analysis with the appraised entity.

2. *Selection of the Value Ratio*

The subject of this valuation is the value of the shareholders' equity interests. Considering that the appraised entity operates in the new energy power generation industry, a typical asset-heavy industry where depreciation and amortization have a significant impact on earnings, it is appropriate for the company to use profit- or revenue-based ratios. Therefore, the earnings-based ratio (EV/EBITDA) is selected for this valuation. The formula for the earnings-based ratio is as follows:

Earnings-based ratio multiple = Equity value/Earnings-based parameter

Necessary adjustments and modifications are made to the value ratios with respect to, among other things, transaction timing, transaction terms, and surplus and non-operating assets (liabilities) included in the transaction price.

3. *Valuation and Estimation*

The appraised value is determined by multiplying the adjusted value ratios by the corresponding parameters of the appraised entity.

Appraised equity value = Adjusted value ratio × Corresponding parameter of the appraised entity.

4. *Selection of Transaction Cases*

Since the appraised entity operates in the photovoltaic power generation industry, we selected merger and acquisition transaction cases in the photovoltaic and related industries from the Tonghuashun Information Database. Three transaction cases were ultimately selected based on the following criteria. The specific criteria are as follows:

- A. Transaction occurring within three years prior to the Valuation Benchmark Date;
- B. Targets engaged in the photovoltaic power generation business;
- C. Cases with complete basic information on transaction details and financial data.

The specific details of comparable cases are as follows:

(1) Case 1

Name: Luohe Xierun New Energy Co., Ltd. (漯河協潤新能源有限公司)

Business scope: power generation business, power transmission business, and power supply (distribution) business (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence; specific business items are subject to the approval documents or permits issued by the relevant authorities). General items: solar power generation technical services; technical services, technical development, technical consulting, technical exchange, technology transfer, technology promotion; engineering and technical services (excluding planning management, surveying, design, and construction supervision); engineering management services; business management consulting; sales of photovoltaic equipment and components; research and development of emerging energy technologies (Except for items that must be approved in accordance with the law, the company may engage in business activities in accordance with the law based on its business license)

(2) *Case 2*

Name: Shanwei GCL Photovoltaic Power Co., Ltd. (汕尾市協鑫光伏電力有限公司)

Business scope: development of new energy technologies; investments in photovoltaic power generation, investment consulting, and business management consulting; technical development, technology transfer, and technical consulting for photovoltaic power projects; sales of photovoltaic materials and equipment. (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

(3) *Case 3*

Name: Gaotang Xiechen Photovoltaic Power Generation Co., Ltd. (高唐協辰光伏發電有限公司)

Business scope: investment in, construction, operation, maintenance and business management of solar power generation projects. (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

4. VALUATION RESULTS:

Valuation Conclusion and Analysis of the Reasons for Value Appreciation and Depreciation

This asset valuation adopted the market approach and the income approach respectively to determine the value of the entire shareholders' equity interest of Ningxia Yanchi Kaineng Photovoltaic Power Generation Co., Ltd. Based on the above valuation work, the following valuation conclusion is drawn:

(a) Valuation Results under the Market Approach

As of the Valuation Benchmark Date, Ningxia Yanchi Kaineng Photovoltaic Power Generation Co., Ltd. had total assets with a book value of RMB187.0372 million, total liabilities with a book value of RMB127.5571 million, and the entire shareholders' equity interest with a book value of RMB59.4801 million. The appraised value of the entire shareholders' equity interest was RMB113.4 million, representing an appreciation amount of RMB53.9199 million and an appreciation rate of 90.65%.

(b) Valuation Results under the Income Approach

As of the Valuation Benchmark Date, Ningxia Yanchi Kaineng Photovoltaic Power Generation Co., Ltd. had total assets with a book value of RMB187.0372 million, total liabilities with a book value of RMB127.5571 million, and the entire shareholders' equity interest with a book value of RMB59.4801 million. The appraised value of the entire shareholders' equity interest was RMB113.1532 million, representing an appreciation amount of RMB53.6731 million and an appreciation rate of 90.24%.

For details on the valuation under income approach, see the Statement of Valuation under the Income Approach.

(c) Valuation Conclusion and Analysis of the Reasons for Value Appreciation and Depreciation

The appraised value of the entire shareholders' equity interest of Ningxia Yanchi Kaineng Photovoltaic Power Generation Co., Ltd. under the income approach is RMB113.1532 million, and the appraised value under the market approach is RMB113.4 million. The difference between the valuation results under the two approaches is RMB0.2468 million, representing a discrepancy ratio of 0.22%. The main reasons for the difference between the two valuation methods are:

The market approach and the income approach differ in valuation perspective and path. The valuation under the income approach uses the expected income of assets as the standard of value, reflecting the degree of the operating capability (profitability) of the assets. The market approach estimates the value of the appraised entity by analyzing market transactions in the same or similar industries, reflecting the open market assessment of enterprise value under normal and fair transaction conditions. This method is typically subject to the impacts of comparable companies and the adjustment system, resulting in the difference between the two valuation methods.

The appraised entity is an enterprise engaged in new energy power generation projects, and its enterprise value is primarily reflected in the equity value of the new energy power generation project companies in which it invests and which it manages. When conducting a market approach valuation, although the Valuer has made adequate and necessary adjustments to the differences between the appraised entity and comparable listed companies, there may still be factors unique to the comparable listed companies that have not been considered by the Valuer or cannot be quantified, giving rise to the risk that the valuation results may deviate significantly from the actual enterprise value. Since the commencement of grid-connected power generation, the appraised entity has maintained stable and normal operation. The photovoltaic power plant is located in a region with favorable natural resource conditions. Coupled with factors such as policies of the new energy industry, tariff mechanisms, operating costs and industry risks, a relatively reliable basis can be obtained for forecasting the power generation of the photovoltaic power plant for future years; future returns and risks can be estimated and projected in a relatively reasonable and reliable manner. Therefore, the valuation result of the income approach can reflect the market value of the entire shareholders' equity interest of the appraised entity in an objective way as at the Valuation Benchmark Date. Hence, the result under the income approach is adopted as the valuation conclusion for this valuation.

In view of the above, the valuation result of the income approach can better reflect the value of the entire shareholders' equity interest of Ningxia Yanchi Kaineng Photovoltaic Power Generation Co., Ltd., and therefore the valuation result of the income approach is used as the final conclusion of this valuation.

That is, the value of the entire shareholders' equity interest of Ningxia Yanchi Kaineng Photovoltaic Power Generation Co., Ltd. is RMB113.1532 million.

VALUATION REPORT D

1. PRINCIPAL ASSUMPTIONS

According to the Valuation Report D prepared by the Valuer, details of the principal assumptions on which the entire shareholders' equity interest of Zhuolang is based, are set out as follows:

(i) Basic Assumptions

1. *Open Market Assumption*

The Open Market Assumption is a hypothesis regarding the market conditions into which the assets are proposed to enter and the impact the assets would experience under such conditions. An open market refers to fully developed and well-established market conditions. It is a competitive market comprising willing and able buyers and sellers, where both parties act at arm's length and have equal standing, as well as adequate time and opportunity to access sufficient market information. In this market, transactions are conducted willingly, rationally, and without compulsion or restriction. The Open Market Assumption is predicated on the premise that the assets can be traded freely and publicly in the market.

2. *Finite-Term Going Concern Assumption*

The Finite-Term Going Concern Assumption hypothesizes that the business operations of an operating entity will continue consecutively, and its operational activities will neither be suspended nor terminated within the foreseeable future.

3. *Existing Use Assumption*

The Existing Use Assumption is a hypothesis regarding the market conditions into which the assets are proposed to enter and the status of their intended use under such market conditions. It primarily assumes that the assets within the scope of valuation are currently in active use. Furthermore, it assumes that these assets will continue to be used in their current manner and for their existing purpose, without taking into account the conversion of asset use or the Highest and Best Use (HABU) premise.

4. *Transaction Assumption*

The Transaction Assumption presumes that all subject assets to be valued are already in the process of being transacted. The Valuer conducts the valuation by simulating a market based on the transaction conditions of the subject assets.

(ii) General Assumptions

1. It is assumed that following the Valuation Benchmark Date, there will be no material changes in the prevailing relevant national laws, regulations, policies, or macroeconomic conditions, nor will there be any material changes in the political, economic, and social environments of the regions where the parties to the transaction are located;
2. It is assumed that following the Valuation Benchmark Date, the management of the appraised entity is responsible, stable, and competent to perform the duties;
3. It is assumed that following the Valuation Benchmark Date, no force majeure events or unforeseeable factors will have a material adverse impact on the appraised entity;
4. It is assumed that the relevant foundational and financial information provided by BEI Energy Development (Beijing) Co., Ltd. and the appraised entity is true, accurate, and complete;
5. It is assumed that the financial reports, transaction data, and other information of the comparable companies relied upon by the Valuer are authentic and reliable.

(iii) Specific Assumptions

1. It is assumed that following the Valuation Benchmark Date, based on the existing management mode and level, the business scope and operation methods of the appraised entity will remain consistent with their current direction;

2. It is assumed that following the Valuation Benchmark Date, the accounting policies to be adopted by the appraised entity will remain consistent in all material respects with those adopted upon the preparation of this report;
3. It is assumed that following the Valuation Benchmark Date, there will be no material changes in the interest rates, taxation bases and tax rates, and policy-based levies applicable to the appraised entity;
4. It is assumed that the appraised entity is in full compliance with all relevant laws and regulations;
5. This valuation assumes that the net cash flows of the appraised entity are generated evenly throughout the year;
6. It is assumed that following the Valuation Benchmark Date, the products or services of the appraised entity will maintain their current competitive position in the market.
7. Asset valuation professionals have not conducted technical testing of the technical parameters and performance of various equipment as at the Valuation Benchmark Date. On the premise of assuming that the relevant technical materials and operating records provided by Jilin Zhuolang New Energy Co., Ltd. are true and valid, judgments are made through a review of the relevant documents;
8. In the revenue forecast, the revenue growth rate is affected by a number of factors, including the annual available utilisation hours, the wind curtailment rate, the guaranteed electricity volume and the market electricity volume. As 2026 is the second year of operation of the target project, its operating model has not yet matured and its power generation utilisation hours have not yet reached a stable level. It is assumed for the purposes of this valuation that the available utilisation hours for 2026 will be calculated by reference to actual data, that the power generation utilisation hours set out in the feasibility study will be reached in 2027 and that the power generation utilisation hours will remain unchanged thereafter. The wind curtailment rate is determined by reference to the curtailment situation in the industry and in Jilin Province and

in conjunction with the actual wind curtailment rate of the Target Company, and is assumed to approach the wind curtailment rate level of Jilin Province gradually in the future. The guaranteed electricity volume is determined by reference to the tariff policy of Jilin Province and, on the assumption that the available utilisation hours agreed for existing projects apply from 1 January 2027, it is expected that the agreed utilisation hours will be reached in 2041, after which the mechanism electricity tariff will no longer apply. The market electricity volume is assumed to apply upon the expiry of the guaranteed electricity volume and to enjoy the market tariff, which is determined on the basis of the market tariff in 2026 and will remain unchanged in the future. As the Target Company has not yet implemented the guaranteed electricity volume policy in 2026, the forecast for 2026 is made by reference to the existing trading model in 2026;

9. The gross profit margin of the projects being valued is principally affected by revenue. Existing policies will be followed in 2026; by reference to the tariff policy of Jilin and on the assumption that the available utilisation hours agreed for existing projects apply from 1 January 2027, it is expected that the agreed utilisation hours will be reached in 2041, after which the mechanism electricity tariff will no longer apply. As operation has not yet matured in 2026, the gross profit margin will be only -1.70%. The gross profit margin will remain relatively stable from 2027 to 2040 and will decline significantly to -3.89% from 2041 to the end of the forecast period;
10. The operation of the projects being valued will gradually mature. It is assumed that employee compensation, outsourcing service fees, energy storage costs, comprehensive service fees, insurance premiums, other expenses, depreciation and amortization will remain stable in the future. Vehicle expenses and the cost of grid-purchased electricity are related to revenue and are assumed to be forecast in future years on the basis of their proportion of revenue. Security expenses are related to the accrual standards prescribed by the industry and are assumed to be incurred in accordance with the prescribed standards in the future. Finance costs are determined by reference to the principal of the borrowings and the repayment schedule and are assumed to be incurred as scheduled;

11. The projects being valued are subject to a limited-term forecast, and the economic useful lives of the principal assets operated by the projects are broadly similar to the forecast period adopted in this valuation. The economic life of vehicles is shorter than the forecast period and it is therefore assumed for the purposes of this valuation that capital expenditure will be taken into account for vehicles during the forecast period, while no capital expenditure needs to be taken into account for other assets;
12. The discount rate for the projects being valued is determined using the WACC model, and the factors adopted are determined comprehensively based on the risk-free rate of return, the excess risk premium, the company-specific excess risk return rate and the bond yield. The risk-free rate of return is generally taken as the annual yield to maturity, as of the Valuation Benchmark Date, of government bonds with a maturity of 10 years or more, and it is assumed for the purposes of this valuation that there will be no change in the future. The excess risk premium is determined by measuring the market risk premium using, as the underlying data, the backward-adjusted closing prices of the constituent stocks of the CSI 300 Index published by the Wind Information data system, and it is assumed for the purposes of this valuation that there will be no change in the future. The company-specific excess risk return rate is determined by scoring, based on an assessment of the differences between the appraised entity and listed companies in terms of factors such as enterprise scale, stage of operation, historical performance, financial risk and internal management and control mechanisms, and it is assumed for the purposes of this valuation that there will be no change in the future. The bond yield is determined by adjusting the benchmark medium- and long-term bank loan interest rate for 2025 to determine the expected return on debt, and it is assumed for the purposes of this valuation that there will be no change in the future.

The valuation conclusion of this report is derived subject to the above assumptions and limiting conditions. In the event of any circumstances inconsistent with the aforementioned assumptions and limiting conditions, the valuation results will generally become invalid.

2. INCOME APPROACH

The dividend discount model is a specific method that discounts expected dividends to determine the value of the valuation subject, and is generally applicable to the valuation of partial equity interests of shareholders lacking control. Based on a comprehensive analysis of the industry in which the appraised entity operates, its capital structure and its development trends, the dividend discount model determines the value of the valuation subject on the basis of the future dividend distribution pattern and requires a consistent and stable dividend policy. However, the dividends of the Target Company are determined having regard to a variety of factors and are not fixed. Accordingly, the use of the dividend discount model is subject to significant subjective judgement and whether or not dividends are distributed has little bearing on the value of the enterprise. The model is applicable to the valuation of partial equity interests of shareholders lacking control. Therefore, dividend discount model was not adopted.

Based on the purpose and characteristics of this project, the Valuer adopts the Discounted Free Cash Flow to Firm (FCFF) model under the Discounted Cash Flow (DCF) method. The discounted FCFF model is as follows:

Total Shareholders' Equity Value = Firm Value – Value of Interest-bearing Debt

2.1 Firm Value

Firm Value refers to the sum of the net asset value and the value of interest-bearing debt. Based on the asset allocation and utilization of the appraised entity, the formula for calculating the Firm Value is as follows:

Firm Value = Value of Operating Assets + Value of Surplus Assets + Value of Non-Operating Assets and Liabilities

(1) Value of Operating Assets

Operating assets refer to the assets and liabilities related to the production and operation of the appraised entity, which are involved in the projection of the Free Cash Flow to Firm (FCFF) subsequent to the Valuation Benchmark Date. The formula for calculating the value of operating assets is as follows:

$$P = \sum_{i=1}^n \frac{R_i}{(1+r)^i} + \frac{R_{n+1}}{(1+r)^n}$$

Where: P – Value of operating assets;

i – Projection year;

r – Discount rate;

R_i – FCFF in year i;

n – Number of years in the projection period;

R_{n+1} – Recovery of residual value (Terminal value).

Among them, the formula for calculating FCFF is as follows:

FCFF = Net Profit + After-tax Interest Expenses + Depreciation and Amortization – Capital Expenditures – Changes in Working Capital

Among them, the formula for calculating the discount rate (Weighted Average Cost of Capital, WACC) is as follows:

$$WACC = R_e \frac{E}{D + E} + R_d \frac{D}{D + E} (1 - T)$$

Where: R_e – Cost of equity capital;

R_d – Cost of debt capital;

$E/(D + E)$ – Weight of equity capital in total capital;

$D/(D + E)$ – Weight of debt capital in total capital;

T – Income tax rate.

Where the cost of equity capital (R_e) is calculated using the Capital Asset Pricing Model (“**CAPM**”), with the formula as follows:

$$R_e = R_f + \beta \times MRP + R_s$$

Where: R_e – Return on equity;

R_f – Risk-free rate;

β – Enterprise risk coefficient (Beta);

MRP – Market Risk Premium;

R_s – Company-specific risk adjustment premium.

(2) *Value of Surplus Assets*

Surplus assets refer to assets that exceed the production and operational requirements of the company as of the Valuation Benchmark Date and are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date.

(3) *Value of Non-Operating Assets and Liabilities*

Non-operating assets and liabilities refer to assets and liabilities unrelated to the production and operation of the appraised entity, which are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date. These include other receivables, other payables, accounts payable, etc.

2. Value of Interest-Bearing Debt

Interest-bearing debt refers to debt that requires interest payment as of the Valuation Benchmark Date. In this valuation, the appraised value is determined based on the verified book value.

2.2 Determination of Income Period and Projection Period

The main business of the appraised entity is wind power generation. As of the Valuation Benchmark Date, the wind power plant project of the appraised entity has been constructed and connected to the grid. The economic life of the main equipment of wind power generation units is generally 20 years. This valuation determines a finite income period by comprehensively considering the economic life of the wind power generation unit assets and the actual grid-connection and commissioning date of the project. Therefore, the income period of the appraised entity is a finite term. The project was connected to the grid on 28 May 2025, and the projection period for this project extends to 27 May 2045.

2.3 Operating Revenue

(1) *Projection of Electricity Tariff*

This project is a centralized wind power project. According to the power purchase and sale contract entered into with State Grid Jilin Electric Power Co., Ltd., this project is a wind power project, with a feed-in tariff of RMB0.3721/kWh.

The mechanism-based electricity tariff implemented is RMB0.3710/kWh.

(2) *Projection of Annual Settlement Electricity Volume*

Annual theoretical electricity volume = Actual installed capacity × Effective utilization hours

Annual power generation = Annual theoretical electricity volume × (1 – PV curtailment rate)

Annual feed-in electricity volume = Annual power generation × (1 – Comprehensive plant auxiliary power rate)

The annual theoretical electricity volume is determined based on available utilisation hours and installed capacity.

(3) *Determination of Reward and Penalty Fees*

The reward and penalty fees for 2026 are determined based on the aggregate of the respective proportion of the allocated compensation tariff for the first half of 2026 to the medium- and long-term market revenue and to the market settlement revenue for January to June 2026. This calculation model will continue to apply in the future.

(4) *Projection of Power Generation Revenue*

Operating revenue = Settlement tariff × Annual settlement electricity volume – Reward and penalty fees

2.4 Operating Costs

In the historical period, operating costs mainly included depreciation and amortization, employee compensation, vehicle expenses, cost of grid-purchased electricity, outsourced service fees, energy storage service fees, comprehensive service fees, safety expenses, insurance premiums, etc. With reference to the historical actual power generation and operation data of the power plant and industry levels, this valuation determines the cost and expense expenditures for the future operating period. The specific projections are as follows:

(1) *Depreciation and Amortization*

These mainly consist of the depreciation expenses of the power plant's fixed assets. This valuation projects these expenses based on the original book value of various fixed assets of the company as of the Valuation Benchmark Date, in accordance with the depreciation and amortization policies.

(2) *Employee Compensation*

These mainly consist of the remuneration expenses for personnel related to the operation and maintenance of the wind farm, and are projected by combining historical personnel costs and the remuneration level of the local wind power industry. The remuneration level for 2026 is determined based on the annualized data for January to August 2026, which will remain relatively stable in the future. Growth in labor costs is not anticipated.

(3) *Vehicle Expenses*

They mainly consist of expenditures on fuel, maintenance and insurance for the operation and maintenance vehicles of the station. They are projected at a certain proportion of revenue by combining the historical level of occurrence and the operation and maintenance needs.

(4) *Cost of Grid-Purchased Electricity*

Based on the analysis of historical actual power generation and operation data, the cost of grid-purchased electricity is projected at a certain proportion of revenue.

(5) *Outsourced Service Fees*

They mainly consist of irregular service fee expenses for the wind farm, mainly including fees of RMB244,200 for the patrol inspection for 35KV and 220 wire, which are considered to be stable in the future. Growth is not anticipated.

(6) *Energy Storage Service Fees*

They mainly consist of service expenditures related to the operation and maintenance and dispatching of the supporting energy storage facilities. Based on the supporting energy storage agreements and the shared energy storage service fee confirmation sheet, the shared energy storage service fees for 2026 amounted to RMB4,704,900, which is expected to remain stable in the future. Growth is not anticipated.

(7) *Comprehensive Service Fees*

They mainly consist of relevant fees paid to the Group, which did not occur in historical years. The projection for future years is based on the costs of comparable projects. Such fees are expected to remain relatively stable and are projected to remain constant for the future.

(8) *Other Expenses*

Combined with historical actual power generation and operation data and market levels, they are projected at a certain proportion of revenue.

(9) *Safety Expenses*

Security expenses are generally accrued by reference to standard rates. As centralized PV will be newly added in 2026, they are projected by reference to the applicable charging standards in the future.

(10) *Insurance Premiums*

As the project was only connected to the grid in 2026, insurance premiums incurred in historical years were relatively low. They are projected by reference to the actual figures for the first half of 2026, and are expected to remain basically stable in the future.

2.5 Projection of FCFF

FCFF = Net Profit + After-tax Interest Expenses + Depreciation and Amortization + After-tax Asset Impairment Loss – Capital Expenditures – Increase in Working Capital

1. *Projection of Net Profit*

Based on the projected values of the above income indicators, the net profit for each future year can be directly calculated.

Net Profit = Operating Revenue – Operating Costs – Taxes and Surcharges – Selling Expenses – Administrative Expenses – Financial Expenses + Non-operating Income – Non-operating Expenses – Income Tax

2. *Projection of Depreciation and Amortization*

Depreciation of fixed assets includes the depreciation of newly constructed fixed assets. It is accrued based on the book balance and original entry value as of the Valuation Benchmark Date, in accordance with the established amortization method of the appraised entity.

3. *Determination of Additional Working Capital*

The formula for projecting additional working capital is:

Additional working capital for the year = Working capital at the end of the year – Working capital at the end of the previous year

Working capital = Operating cash + Receivables

Operating cash participating in operations for the projected year = (Operating costs for the year + Taxes for the year + Expenses for the year – Depreciation and amortization for the year)/Average cash turnover frequency for the year

Accounts receivable mainly consist of electricity fee receivables. The accounts receivable for future years are projected on a monthly settlement basis according to the current month settlement method with the State Grid.

Other current assets and other non-current assets are mainly pending deductible input VAT, which are projected with reference to the deduction amount in the future.

Minimum operating cash is projected with reference to the cash out-of-pocket costs.

2.6 Determination of Discount Rate

The discount rate used in this valuation report is the weighted average cost of capital (WACC), which is the expected total return on investment – the weighted average of the expected return on equity and the return on debt adjusted for income taxes.

1. Determination of Return on Equity

The return on equity is determined using the Capital Asset Pricing Model (“CAPM”), and the formula is as follows:

$$R_e = R_f + \beta \times \text{MRP} + R_s$$

Where: R_e = Return on equity; R_f = Risk-free rate; β = Enterprise risk coefficient; MRP = Market risk premium; R_s = Company-specific risk adjustment coefficient

(1) Risk-Free Rate (R_f)

Government bond yields are generally considered risk-free because the risk of default on the bond at maturity is negligible and can be ignored. According to the information disclosed by the Wind Information system, the annual yield-to-maturity of government bonds with a maturity of 10 years or more as of the Valuation Benchmark Date was 1.85%, which is adopted as the risk-free rate in this valuation report. For details, please refer to the Risk-Free Rate Calculation Table.

(2) *Comparable Companies*

We conducted a screening using Tonghuashun iFinD and ultimately selected the following four listed companies as comparable companies:

① Comparable Company 1

Company name: Jiaze Renewables Corporation Limited (嘉澤新能源股份有限公司)

Stock code: 601619.SH

Stock short name: Jiaze New Energy

Listing date: 20 July 2017

Date of establishment: 16 April 2010

Registered capital: RMB2,912.8376 million

Registered address: Ya'aizi, Dahe Township, Hongsibao District, Wuzhong City, Ningxia Hui Autonomous Region

Business scope: General items: investment in, construction, operation and sale of new energy power stations (including solar, wind and biomass energy) and smart microgrids; general contracting for power engineering construction (Grade 3); installation (repair and testing) of power facilities (Grade 4); technical development, technology transfer, technical services and technical consulting relating to new energy (excluding industries in which foreign investment is prohibited or restricted by laws and regulations; goods subject to quota and licence administration or special provisions shall be dealt with in accordance with the relevant provisions of the State) (in addition to licensed business, items not prohibited or restricted by laws and regulations may be operated independently in accordance with the law)

Principal products: development-construction-operation-sale of new energy power stations, O&M management services for new energy power stations, rooftop distributed PV, new energy industry funds, and new energy equipment manufacturing industrial parks

② Comparable Company 2

Company name: Zhejiang Provincial New Energy Investment Group Co., Ltd. (浙江省新能源投資集團股份有限公司)

Stock code: 600032.SH

Stock short name: Zhejiang Xinneng

Listing date: 25 May 2021

Date of establishment: 1 August 2002

Registered capital: RMB2,404.6753 million

Registered address: No. 8 Fengqi East Road, Kaixuan Street, Shangcheng District, Hangzhou City, Zhejiang Province

Business scope: industrial investment; development and operation of wind power, hydro power and solar power generation; engineering project management; collection and distribution of natural water; technical development, technical consulting and technical services in respect of renewable energy technologies; equipment repair; testing technical services (operated under licence); water supply services; and power supply services (operated under licence). (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

Principal products: hydro power generation, PV power generation and wind power generation

③ Comparable Company 3

Company name: Jiangsu New Energy Development Co., Ltd. (江蘇省新能源開發股份有限公司)

Stock code: 603693.SH

Stock short name: Jiangsu New Energy

Listing date: 3 July 2018

Date of establishment: 17 October 2002

Registered capital: RMB891.4759 million

Registered address: Room 2213, No. 88 Changjiang Road, Xuanwu District, Nanjing, Jiangsu Province

Business scope: development of new energy such as wind energy, solar energy, biomass energy, geothermal energy, ocean energy and natural gas hydrates; industrial investment; investment management; investment consultancy; engineering supervision and engineering construction; and domestic trade. (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

Principal products: wind power generation, PV power generation, biomass power generation, steam and water supply, and energy storage

④ Comparable Company 4

Company name: CECEP Wind-power Corporation Co., Ltd. (中節能風力發電股份有限公司)

Stock code: 601016.SH

Stock short name: CECEP Wind-Power

Listing date: 29 September 2014

Date of establishment: 6 January 2006

Registered capital: RMB6,544.4873 million

Registered address: 12/F, Tower A, Energy Saving Building, No. 42 Xizhimen North Street, Haidian District, Beijing

Business scope: development, investment management, construction, operation and maintenance and equipment upgrading of wind power generation projects; related business consultancy and technical development; import and export business. (Market entities may independently select their business items in accordance with the law and carry out business operations; for items requiring approval in accordance with the law, business operations shall be carried out in accordance with the approved contents after approval by the relevant authorities; business operations prohibited or restricted by national and municipal industrial policies shall not be carried out.)

Principal products: electricity

(3) *Determination of β*

For this valuation, we used the β calculator available on the Tonghuashun iFinD data terminal to calculate the β values of the comparable companies. The β values of the comparable companies are levered β values (reflecting their own capital structures), which are then converted into unlevered β values (excluding the effect of their own capital structures) as follows:

1) Calculation of the β_u of the Comparable Companies

$$\beta_U = \beta_L / [1 + (1 - T) \times D/E]$$

where: D = Debt value; E = Equity value; T = Applicable income tax rate.

After calculating the β_U of the comparable companies, their average is used as the β_U for the appraised entity.

2) Calculation of the β_L of the Appraised Entity

The β_L of the appraised entity is calculated using the following formula:

$$\beta_L = \beta_U \times [1 + (1 - T) \times D/E]$$

The β_L of the appraised entity is used as the β in calculating the WACC for the appraised entity.

(4) *Capital Structure*

Under the income approach, the capital structure adopted is either the average capital structure of the comparable companies (used as the target capital structure) or the actual capital structure of the appraised entity.

By analyzing the differences between the appraised entity and comparable companies in terms of financing capacity, financing costs, and other factors, and taking into account the appraised entity's financing plans for future years, the target capital structure is ultimately adopted as the capital structure for the appraised entity. In determining the target capital structure, market values are used to calculate the weightings of debt and equity.

(5) *Determination of Market Risk Premium*

MRP refers to the Market Risk Premium, which represents the excess return over the risk-free rate that investors require for a fully diversified market portfolio. The market return on investment is calculated using the year-end closing prices of the constituent stocks of the CSI 300 Index as the basis for the data. Since the returns on the constituent stocks should include returns from annual cash dividends, stock dividends, bonus shares, and other distributions, the year-end closing prices of the constituent stocks of the CSI 300 Index we selected are adjusted prices incorporating such returns. It is generally believed that the geometric average return better reflects stock market returns. Based on the backward-adjusted closing prices of the constituent stocks of the CSI 300 Index published by the Wind Information data system, our firm has calculated the market risk premium to be 6.46%. Accordingly, the market risk premium for this valuation is set at 6.46%.

(6) *Determination of Company-Specific Risk Adjustment Coefficient (R_s)*

The Capital Asset Pricing Model (“CAPM”) is generally used to estimate the return on an investment portfolio. Since the CAPM cannot be used directly to estimate the return on a single company, and it is generally accepted that the investment risk of a single company is higher than that of an investment portfolio, the return on a single company or stock should be evaluated by considering the excess return arising from all the company-specific risks relative to the investment portfolio.

The company-specific risk premium primarily refers to a risk premium or discount arising from certain unsystematic, company-specific factors. Based on the above factors and the company’s current operating conditions, the company-specific risk adjustment coefficient for this valuation is determined to be 1.00%.

2.8 Determination of Return on Debt

For this valuation, the expected return on debt is determined at 2.97% based on the medium- and long-term bank loan interest rates in 2025 with adjustments.

2.9 Determination of Discount Rate for the Appraised Entity

The weighted average rate of return is calculated using the following formula:

$$WACC = R_e \frac{E}{D + E} + R_d \frac{D}{D + E} (1 - T)$$

Where: WACC = Weighted average rate of return; E = Equity value; R_e = Return on equity; D = Value of interest-bearing debt; R_d = Return on debt; T = Corporate income tax rate.

Based on the above calculations, the weighted average rates of return of the appraised entity are 5.83% (T=12.5%)、6.19% (T=0%)、5.48% (T=25%), which are used as the discount rates for the appraised entity.

2.10 Determination of Period-End Recovery Value

Based on the analysis in this valuation, equipment is generally recovered at its residual value upon the expiry of the operating period, which is determined by discounting the residual amount after full depreciation and amortization. Intangible assets are projected based on their amortized balances, and working capital is recovered at its period-end amount.

Non-operating assets and liabilities refer to assets and liabilities unrelated to the principal business of the appraised entity, which are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date. Surplus assets refer to assets that exceed the principal production and operating requirements of the company as of the Valuation Benchmark Date and are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date.

3. MARKET APPROACH:

3.1 Applicable Conditions of the Market Approach

The application of the market approach involves placing the valuation subject in a complete and realistic operating process and market environment. Since this approach relies on property rights transactions and securities markets, the following prerequisites must be met when using the market approach to value an entire set of assets:

1. The property rights trading market and the securities trading market are mature and active, with relevant transaction information being publicly available and complete;
2. It is possible to identify a sufficient number of comparable cases that are similar to the valuation subject in terms of the nature of the transaction targets, disposal methods, market conditions, and other factors;
3. In terms of the elements and technical aspects of asset valuation, the differences between the valuation subject and the comparables can be broken down into specific factors, and these differences can be quantified.

3.2 Valuation Process

1. Selection of Transaction Cases

First, recent market transaction cases in the same industry are selected based on factors such as the industry, business operations and products of the valuation subject;

Second, multiple comparable transaction cases are identified by analyzing factors including the level of detail of available information on transaction cases, case comparability and transaction progress;

Third, a detailed analysis is conducted on the specific circumstances of the target companies in the transactions, covering aspects such as business operations, scale, accounting policies, growth prospects and operational risks. Suitable transaction cases are finally selected through comparative analysis with the appraised entity.

2. *Selection of the Value Ratio*

The subject of this valuation is the value of the shareholders' equity interests. Considering that the appraised entity operates in the new energy power generation industry, a typical asset-heavy industry where depreciation and amortization have a significant impact on earnings, it is appropriate for the company to use profit- or revenue-based ratios. Therefore, the earnings-based ratio (EV/EBITDA) is selected for this valuation. The formula for the earnings-based ratio is as follows:

Earnings-based ratio multiple = Equity value/Earnings-based parameter

Necessary adjustments and modifications are made to the value ratios with respect to, among other things, transaction timing, transaction terms, and surplus and non-operating assets (liabilities) included in the transaction price.

3. *Valuation and Estimation*

The appraised value is determined by multiplying the adjusted value ratios by the corresponding parameters of the appraised entity.

Appraised equity value = Adjusted value ratio × Corresponding parameter of the appraised entity.

4. *Selection of Transaction Cases*

Through a review of publicly available information, the valuer collected three equity transaction cases in the same industry that were completed in the past two years. The basic details and value ratios for these cases are as follows:

(I) *CSSC Science & Technology's Project to Transfer 100% of the Equity Interests in Runze Guyuan*

The value ratios and basic information are as follows:

Specific Metrics	Case 1
Runze Guyuan	
Enterprise value (EV)	41,091.52
Earnings before interest, taxes, depreciation and amortization (EBITDA)	3,706.28
Value ratio EV/EBITDA	11.09
Differences by industry segment	Wind power
Remaining operating life	18.51

(II) *Project for Asset Valuation Report on the Value of the Entire Shareholders' Equity Interest of Xianghuangqi Shengshi Xinyuan Wind Power Co., Ltd. Involved in the Proposed Transfer of the Equity Interest therein by CSSC Wind Power Clean Energy Technology (Beijing) Co., Ltd.*

Specific Metrics	Case 2
Xianghuangqi Shengshi Xinyuan	
Enterprise value (EV)	119,552.23
Earnings before interest, taxes, depreciation and amortization (EBITDA)	13,053.63
Value ratio EV/EBITDA	9.16
Transaction index	1,308
Differences by industry segment	Wind power
Remaining operating life	16.35

(III) Announcement of the Project Involving the Entire Shareholders' Equity Interest of Haicheng Ruihai New Energy Wind Power Generation Co., Ltd. in respect of the Proposed Acquisition of Assets by Cash Payment by Dongfang New Energy (Beijing) Enterprise Management Center (Limited Partnership), a subsidiary of Beijing Orient EcoEnergy Co., Ltd. (北京東方生態新能源股份有限公司)

The EV/EBITDA and basic information are as follows:

Specific Metrics	Case 3
Haicheng Ruihai	
Enterprise value (EV)	32,280.14
Earnings before interest, taxes, depreciation and amortization (EBITDA)	2,887.42
Value ratio EV/EBITDA	11.18
Differences by industry segment	Wind power
Remaining operating life	17.84

4. VALUATION RESULTS:

4.1 Valuation Conclusion and Analysis of the Reasons for Value Appreciation and Depreciation

This asset valuation adopted the market approach and the income approach respectively to determine the value of the entire shareholders' equity interest of Jilin Zhuolang New Energy Co., Ltd. Based on the above valuation work, the following valuation conclusion is drawn:

(a) *Valuation Results under the Market Approach*

As of the Valuation Benchmark Date, Jilin Zhuolang New Energy Co., Ltd. had total assets with a book value of RMB567.513 million, total liabilities with a book value of RMB368.5754 million, and the entire shareholders' equity interest with a book value of RMB198.9376 million. The appraised value of the entire shareholders' equity interest was RMB276 million, representing an appreciation amount of RMB77.0624 million and an appreciation rate of 38.74%.

(b) *Valuation Results under the Income Approach*

As of the Valuation Benchmark Date, Jilin Zhuolang New Energy Co., Ltd. had total assets with a book value of RMB567.513 million, total liabilities with a book value of RMB368.5754 million, and the entire shareholders' equity interest with a book value of RMB198.9376 million. The appraised value of the entire shareholders' equity interest was RMB269.9443 million, representing an appreciation amount of RMB71.0067 million and an appreciation rate of 35.69%.

(c) *Valuation Conclusion and Analysis of the Reasons for Value Appreciation and Depreciation*

The appraised value of the entire shareholders' equity interest of Jilin Zhuolang New Energy Co., Ltd. under the income approach is RMB269.9443 million, and the appraised value under the market approach is RMB276 million. The difference between the valuation results under the two approaches is RMB6.0557 million, representing a discrepancy ratio of 2.24%. The main reasons for the difference between the two valuation methods are:

The market approach and the income approach differ in valuation perspective and path. The valuation under the income approach uses the expected income of assets as the standard of value, reflecting the degree of the operating capability (profitability) of the assets. The market approach estimates the value of the appraised entity by analyzing market transactions in the same or similar industries, reflecting the open market assessment of enterprise value under normal and fair transaction conditions. This method is typically subject to the impacts of comparable companies and the adjustment system, resulting in the difference between the two valuation methods.

The appraised entity is an enterprise engaged in new energy power generation projects, and its enterprise value is primarily reflected in the equity value of the new energy power generation project companies in which it invests and which it manages. When conducting a market approach valuation, although the Valuer has made adequate and necessary adjustments to the differences between the appraised entity and comparable listed companies, there may still be factors unique to the comparable listed companies that have not been considered by the Valuer or cannot be quantified, giving rise to the risk that the valuation results may deviate significantly from the actual enterprise value. Since the commencement of grid-connected power generation, the appraised entity has maintained stable and normal operation. The power plant is located in a region with favorable natural resource conditions. Coupled with factors such as policies of the new energy industry, tariff mechanisms, operating costs and industry risks, a relatively reliable basis can be obtained for forecasting the power generation of the power plant for future years; future returns and risks can be estimated and projected in a relatively reasonable and reliable manner. Therefore, the valuation results of the income approach can reflect the market value of the entire shareholders' equity interest of the appraised entity in an objective way as at the Valuation Benchmark Date. Hence, the result under the income approach is adopted as the valuation conclusion for this valuation.

In view of the above, the valuation results of the income approach can better reflect the value of the entire shareholders' equity interest of Jilin Zhuolang New Energy Co., Ltd., and therefore the valuation results of the income approach are used as the final conclusion of this valuation.

Analysis of Value Appreciation and Depreciation:

The appreciation in value is attributable to the fact that the appraised entity is a project that was connected to the grid in 2025 and is an existing project entitled to a customized tariff. In addition, its high power generation volume brings high returns, hence the appreciation in value.

That is, the value of the entire shareholders' equity interest of Jilin Zhuolang New Energy Co., Ltd. is RMB269.9443 million (in words: Renminbi two hundred and sixty-nine million nine hundred and forty-four thousand three hundred yuan only).

VALUATION REPORT E

The Valuer appraised the value of the entire shareholders' equity interest of Xundian by using the discounted cash flow method under income approach.

1. PRINCIPAL ASSUMPTIONS

According to the Valuation Report E prepared by the Valuer, details of the principal assumptions on which the entire shareholders' equity interest of Xundian is based, are set out as follows:

(i) Basic Assumptions

1. *Open Market Assumption*

The Open Market Assumption is a hypothesis regarding the market conditions into which the assets are proposed to enter and the impact the assets would experience under such conditions. An open market refers to fully developed and well-established market conditions. It is a competitive market comprising willing and able buyers and sellers, where both parties act at arm's length and have equal standing, as well as adequate time and opportunity to access sufficient market information. In this market, transactions are conducted willingly, rationally, and without compulsion or restriction. The Open Market Assumption is predicated on the premise that the assets can be traded freely and publicly in the market.

2. *Finite-Term Going Concern Assumption*

The Finite-Term Going Concern Assumption hypothesizes that the business operations of an operating entity will continue consecutively, and its operational activities will neither be suspended nor terminated within the foreseeable future.

3. *Existing Use Assumption*

The Existing Use Assumption is a hypothesis regarding the market conditions into which the assets are proposed to enter and the status of their intended use under such market conditions. It primarily assumes that the assets within the scope of valuation are currently in active use. Furthermore, it assumes that these assets will continue to be used in their current manner and for their existing purpose, without taking into account the conversion of asset use or the Highest and Best Use (HABU) premise.

4. *Transaction Assumption*

The Transaction Assumption presumes that all subject assets to be valued are already in the process of being transacted. The Valuer conducts the valuation by simulating a market based on the transaction conditions of the subject assets.

(ii) General Assumptions

1. It is assumed that following the Valuation Benchmark Date, there will be no material changes in the prevailing relevant national laws, regulations, policies, or macroeconomic conditions, nor will there be any material changes in the political, economic, and social environments of the regions where the parties to the transaction are located;
2. It is assumed that following the Valuation Benchmark Date, the management of the appraised entity is responsible, stable, and competent to perform the duties;
3. It is assumed that following the Valuation Benchmark Date, no force majeure events or unforeseeable factors will have a material adverse impact on the appraised entity;
4. It is assumed that the relevant foundational and financial information provided by BEI Energy Development (Beijing) Co., Ltd. and the appraised entity is true, accurate, and complete;

5. It is assumed that the financial reports, transaction data, and other information of the comparable companies relied upon by the Valuer are authentic and reliable.

(iii) Specific Assumptions

1. It is assumed that following the Valuation Benchmark Date, based on the existing management mode and level, the business scope and operation methods of the appraised entity will remain consistent with their current direction;
2. It is assumed that following the Valuation Benchmark Date, the accounting policies to be adopted by the appraised entity will remain consistent in all material respects with those adopted upon the preparation of this report;
3. It is assumed that following the Valuation Benchmark Date, there will be no material changes in the interest rates, taxation bases and tax rates, and policy-based levies applicable to the appraised entity;
4. It is assumed that the appraised entity is in full compliance with all relevant laws and regulations;
5. This valuation assumes that the net cash flows of the appraised entity are generated evenly throughout the year;
6. It is assumed that following the Valuation Benchmark Date, the products or services of the appraised entity will maintain their current competitive position in the market;
7. Asset valuation professionals have not conducted technical testing of the technical parameters and performance of various equipment as at the Valuation Benchmark Date. On the premise of assuming that the relevant technical materials and operating records provided by BEI Energy Development (Beijing) Co., Ltd. are true and valid, judgments are made through on-site inspection;

8. The comparable companies and the appraised entity are both able to continue operating as a going concern in accordance with the operating model, business structure and capital structure publicly disclosed at the time of the transaction;
9. The information disclosed by the comparable companies is true, accurate, and complete, and there are no false statements, erroneous records or material omissions that would affect the value judgment;
10. The Valuer selected the comparison dimensions and indicators solely on the basis of the publicly disclosed information of the comparable companies, without taking into account the effect of any other non-public matters on the value of the appraised entity;
11. In the revenue forecast, the revenue growth rate is affected by a number of factors, including the annual degradation rate of available utilisation hours, the PV curtailment rate, the mechanism electricity volume and the line lease. The revenue growth rate for 2026 to 2029 will be affected by movements in the above factors, and thereafter will be principally affected by the annual degradation rate of available utilisation hours and the mechanism electricity volume. The projects being valued comprise the Huataoqing Project in Xundian, Yunnan and the Xundian Phase I (21.36MWp) Project in Yunnan. The Xundian Phase I (21.36MWp) Project in Yunnan already has an actual operating history, and the available utilisation hours are assumed to be forecast by reference to the degradation rate set out in the feasibility study. The Huataoqing centralized PV project will have been in operation for less than one year in 2026 and its operation has not yet matured. It is therefore assumed that the annual available utilisation hours for 2026 will be calculated by reference to the actual data for 2026, that operation will gradually mature in 2027 and the available utilisation hours will be forecast by reference to the available utilisation hours set out in the feasibility study, and that in subsequent years the forecast will be made by reference to the degradation rate set out in the feasibility study. The PV curtailment rate is determined by reference to the curtailment situation in the industry and in Yunnan Province and taking into account the actual PV curtailment rate of the Target Company. The PV curtailment rate is assumed to decline gradually in the future, with that of the Huataoqing centralized PV project approaching that of the Xundian Phase I (21.36MWp) Project in Yunnan. The mechanism

electricity volume is determined by reference to the new energy tariff policy of Yunnan Province. It is assumed that, in accordance with the bidding results for the mechanism electricity tariff, 75% of the electricity volume will be subject to the mechanism electricity tariff and 25% of the electricity volume will be subject to the market trading tariff. It is expected that the mechanism electricity tariff will no longer apply after 30 April 2038, when all of the electricity volume will participate in electricity market trading. The on-grid tariff is determined by reference to the actual market tariff in 2026 and will remain unchanged thereafter. The Xundian Phase I (21.36MWp) Project in Yunnan is a distributed PV project and, as an existing project, its mechanism electricity tariff will remain unchanged. The line lease mainly relates to the sharing of transmission lines with two other parties, in respect of which an agreement has been entered into, and it is assumed for the purposes of this valuation that the agreement will be performed as scheduled, with revenue recognised in a lump sum at the end of 2028.

12. The gross profit margin of the projects being valued is principally and significantly affected by revenue. By reference to the new energy tariff policy of Yunnan Province, it is assumed that, in accordance with the bidding results for the mechanism electricity tariff, 75% of the electricity volume will be subject to the mechanism electricity tariff and 25% of the electricity volume will be subject to the market trading tariff. It is expected that the mechanism electricity tariff will no longer apply after 30 April 2038, when all of the electricity volume will participate in electricity market trading. The on-grid tariff is determined by reference to the actual market tariff in 2026 and will remain unchanged thereafter. The Xundian Phase I (21.36MWp) Project in Yunnan is a distributed PV project and, as an existing project, its mechanism electricity tariff will remain unchanged. The gross profit margin will remain relatively stable from 2026 to 2037 and will decline significantly to 28.92% from 2038 to the end of the forecast period.
13. The operation of the projects being valued will gradually mature. It is assumed that O&M costs, lease expenses, insurance premiums, employee compensation, depreciation and amortization and other expenses will remain stable in the future. The cost of grid-purchased electricity is related to revenue and is assumed to be forecast in future years on the basis of its proportion of revenue. Security expenses are related to the accrual standards prescribed by the industry and are assumed to be incurred in accordance

with the prescribed standards in the future. Finance costs are determined by reference to the principal of the borrowings and the repayment schedule and are assumed to be incurred as scheduled.

14. The projects being valued are subject to a limited-term forecast, and the economic useful lives of the principal assets operated by the projects are broadly similar to the forecast period adopted in this valuation. Part of the construction costs will be transferred to fixed assets in 2026, and additional expenditure will be required upon the expiry of the right-of-use assets in 2045. It is therefore assumed for the purposes of this valuation that the transfer to fixed assets will take place as scheduled in 2026, that the right-of-use assets in 2045 will be forecast on the basis of the original lease terms, and that no capital expenditure will be considered for other assets.
15. The discount rate for the projects being valued is determined using the WACC model, and the factors adopted are determined comprehensively based on the risk-free rate of return, the excess risk premium, the company-specific excess risk return rate and the expected return on debt. The risk-free rate of return is generally taken as the annual yield to maturity, as of the Valuation Benchmark Date, of government bonds with a maturity of 10 years or more, and it is assumed for the purposes of this valuation that there will be no change in the future. The excess risk premium is determined by measuring the market risk premium using, as the underlying data, the backward-adjusted closing prices of the constituent stocks of the CSI 300 Index published by the Wind Information data system, and it is assumed for the purposes of this valuation that there will be no change in the future. The company-specific excess risk return rate is determined by scoring, based on an assessment of the differences between the appraised entity and listed companies in terms of factors such as enterprise scale, stage of operation, historical performance, financial risk and internal management and control mechanisms, and it is assumed for the purposes of this valuation that there will be no change in the future. The expected return on debt is determined with reference to adjustments to the benchmark medium- and long-term bank loan interest rate for 2025, and it is assumed for the purposes of this valuation that there will be no change in the future.

The valuation conclusion of this report is derived subject to the above assumptions and limiting conditions. In the event of any circumstances inconsistent with the aforementioned assumptions and limiting conditions, the valuation results will generally become invalid.

2. INCOME APPROACH

The dividend discount model is a specific method that discounts expected dividends to determine the value of the valuation subject, and is generally applicable to the valuation of partial equity interests of shareholders lacking control. Based on a comprehensive analysis of the industry in which the appraised entity operates, its capital structure and its development trends, the dividend discount model determines the value of the valuation subject on the basis of the future dividend distribution pattern and requires a consistent and stable dividend policy. However, the dividends of the Target Company are determined having regard to a variety of factors and are not fixed. Accordingly, the use of the dividend discount model is subject to significant subjective judgement and whether or not dividends are distributed has little bearing on the value of the enterprise. The model is applicable to the valuation of partial equity interests of shareholders lacking control. Therefore, dividend discount model was not adopted.

Based on the purpose and characteristics of this project, the Valuer adopts the Discounted Free Cash Flow to Firm (FCFF) model under the Discounted Cash Flow (DCF) method. The discounted FCFF model is as follows:

Total Shareholders' Equity Value = Firm Value – Value of Interest-bearing Debt

2.1 Firm Value

Firm Value refers to the sum of the net asset value and the value of interest-bearing debt. Based on the asset allocation and utilization of the appraised entity, the formula for calculating the Firm Value is as follows:

Firm Value = Value of Operating Assets + Value of Surplus Assets + Value of Non-Operating Assets and Liabilities

(1) Value of Operating Assets

Operating assets refer to the assets and liabilities related to the production and operation of the appraised entity, which are involved in the projection of the Free Cash Flow to Firm (FCFF) subsequent to the Valuation Benchmark Date. The formula for calculating the value of operating assets is as follows:

$$P = \sum_{i=1}^n \frac{R_i}{(1+r)^i} + \frac{R_{n+1}}{(1+r)^n}$$

Where: P – Value of operating assets;

i – Projection year;

r – Discount rate;

R_i – FCFF in year i;

n – Number of years in the projection period;

R_{n+1} – Recovery of residual value (Terminal value).

Among them, the formula for calculating FCFF is as follows:

FCFF = Net Profit + After-tax Interest Expenses + Depreciation and Amortization – Capital Expenditures – Changes in Working Capital

Among them, the formula for calculating the discount rate (Weighted Average Cost of Capital, WACC) is as follows:

$$WACC = R_e \frac{E}{D + E} + R_d \frac{D}{D + E} (1 - T)$$

Where: R_e – Cost of equity capital;

R_d – Cost of debt capital;

$E/(D + E)$ – Weight of equity capital in total capital;

$D/(D + E)$ – Weight of debt capital in total capital;

T – Income tax rate.

Where the cost of equity capital (R_e) is calculated using the Capital Asset Pricing Model (“**CAPM**”), with the formula as follows:

$$R_e = R_f + \beta \times MRP + R_s$$

Where: R_e – Return on equity;

R_f – Risk-free rate;

β – Enterprise risk coefficient (Beta);

MRP – Market Risk Premium;

R_s – Company-specific risk adjustment premium.

(2) *Value of Surplus Assets*

Surplus assets refer to assets that exceed the production and operational requirements of the company as of the Valuation Benchmark Date and are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date.

(3) *Value of Non-Operating Assets and Liabilities*

Non-operating assets and liabilities refer to assets and liabilities unrelated to the production and operation of the appraised entity, which are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date. These include other receivables, other payables, accounts payable, etc.

2. Value of Interest-Bearing Liabilities

Interest-bearing liabilities refer to the debts that bear interest as at the Valuation Benchmark Date. The appraised value in this valuation is determined based on the verified book value.

2.2 Determination of Income Period and Projection Period

The main business of the appraised entity is photovoltaic (PV) power generation. As of the Valuation Benchmark Date, the PV power plant project of the appraised entity has been constructed and connected to the grid. The economic life of the main equipment of PV power generation units is generally 25 years. This valuation determines a finite income period by comprehensively considering the economic life of the PV power generation unit assets and the actual grid-connection and commissioning date of the project. Therefore, the income period of the appraised entity is a finite term. The project was connected to the grid on 20 December 2025, and the projection period for this project extends to 19 December 2050.

2.3 Operating Revenue

(1) *Projection of Electricity Tariff*

Centralized PV project: the market clearing tariff is RMB0.33/kWh, with mechanism electricity volume accounting for 75%.

(2) *Projection of Annual Settlement Electricity Volume*

Annual theoretical electricity volume = Installed capacity × Effective utilization hours

Annual power generation = Annual theoretical electricity volume × (1 – PV curtailment rate)

Annual feed-in electricity volume = Annual power generation × (1 – Comprehensive plant auxiliary power rate)

1) *Distributed PV:*

The annual theoretical electricity volume is determined based on available utilisation hours and installed capacity.

(3) *Determination of Reward and Penalty Fees*

Reward and penalty fees are projected based on their historical annual proportions. Given that there were no reward and penalty fees in prior years, no projection is made for the future.

(4) *Projection of Power Generation Revenue*

Operating revenue = Settlement tariff × Annual settlement electricity volume – Reward and penalty fees

Annual theoretical electricity volume = Actual installed capacity × Effective utilization hours

Annual power generation = Annual theoretical electricity volume × (1 – PV curtailment rate)

Annual feed-in electricity volume = Annual power generation ×
(1 – Comprehensive plant auxiliary power rate)

For detailed forecasts of operating revenue for future years, please refer to the “Table of Operating Revenue Forecast.”

2.4 Operating Costs

In the historical period, operating costs mainly included depreciation and amortization, operation commissioning fees, employee compensation, lease expenses, insurance premiums, cost of grid-purchased electricity, comprehensive services fees and other expenses, etc. With reference to the historical actual power generation and operation data of the power plant and industry levels, this valuation determines the cost and expense expenditures for the future operating period. The specific projections are as follows:

(1) Depreciation and Amortization

These mainly consist of the depreciation expenses of the power plant’s fixed assets. This valuation projects these expenses based on the original book value of various fixed assets of the company as of the Valuation Benchmark Date, in accordance with the depreciation and amortization policies.

(2) O&M Costs

O&M expenses are mainly incurred for the safe and economical operation and maintenance of production equipment in the PV power plant, including expenditures for: module cleaning, in-depth inverter maintenance, bracket and foundation inspection, fire protection and safety facility maintenance, emergency repair services, etc. O&M costs are determined based on historical actual power generation and operation data and market level. For 2025, such costs only represent the O&M expenses for distributed PV. For 2026, such costs newly include expenses for centralized PV which are projected based on certain criteria. The projection for future years is based on the data for 2026. Operational stability is anticipated for future years.

(3) *Lease Expenses*

According to the land lease contract, this valuation projects these expenses with reference to the amortization policy for right-of-use assets.

(4) *Cost of Grid-Purchased Electricity*

Based on the analysis of historical actual power generation and operation data, the cost for 2026 is based on the actual data from January to June, and the cost of grid-purchased electricity in the future is projected based on its proportion of revenue.

(5) *Other Expenses*

It is determined in accordance with historical actual power generation and operation data and market levels.

(6) *Security Expenses*

Security expenses are generally accrued based on standard rates. Due to the addition of new centralized PV in 2026, future projections will be based on the charging standards.

(7) *Insurance Premiums*

Due to the addition of new centralized PV, there are significant increases of expenses, and insurance premiums are projected with reference to feasibility study data. The projection for future years is based on the insurance premiums of 2026.

(8) *Employee Compensation*

Due to the addition of new centralized PV in 2026, employee compensation for 2026 is projected based on the compensation for the previous years together with a growth of a certain percentage, while the projection for future years is based on the compensation level of 2026.

2.5 Projection of FCFF

FCFF = Net Profit + After-tax Interest Expenses + Depreciation and Amortization + After-tax Asset Impairment Loss – Capital Expenditures – Increase in Working Capital

1. *Projection of Net Profit*

Based on the projected values of the above income indicators, the net profit for each future year can be directly calculated.

Net Profit = Operating Revenue – Operating Costs – Taxes and Surcharges – Selling Expenses – Administrative Expenses – Financial Expenses + Non-operating Income – Non-operating Expenses – Income Tax

2. *Projection of Depreciation and Amortization*

Depreciation of fixed assets includes the depreciation of newly constructed fixed assets. It is accrued based on the book balance and original entry value as of the Valuation Benchmark Date, in accordance with the established amortization method of the appraised entity.

3. *Determination of Additional Working Capital*

The formula for projecting additional working capital is:

Additional working capital for the year = Working capital at the end of the year – Working capital at the end of the previous year

Working capital = Operating cash + Receivables

Operating cash participating in operations for the projected year = (Operating costs for the year + Taxes for the year + Expenses for the year – Depreciation and amortization for the year)/Average cash turnover frequency for the year

Accounts receivable mainly consist of electricity fee receivables. The accounts receivable for future years are projected on a monthly settlement basis according to the current month settlement method with the State Grid.

Other current assets and other non-current assets are mainly pending deductible input VAT, which are projected with reference to the deduction amount in the future.

Minimum operating cash is projected with reference to the cash out-of-pocket costs.

2.6 Determination of Discount Rate

The discount rate used in this valuation report is the weighted average cost of capital (WACC), which is the expected total return on investment – the weighted average of the expected return on equity and the return on debt adjusted for income taxes.

2.7 Determination of Return on Equity

The return on equity is determined using the Capital Asset Pricing Model (“CAPM”), and the formula is as follows:

$$R_e = R_f + \beta \times \text{MRP} + R_s$$

Where: R_e = Return on equity; R_f = Risk-free rate; β = Enterprise risk coefficient; MRP = Market risk premium; R_s = Company-specific risk adjustment coefficient

(1) Risk-Free Rate (R_f)

Government bond yields are generally considered risk-free because the risk of default on the bond at maturity is negligible and can be ignored. According to the information disclosed by the Wind Information system, the annual yield-to-maturity of government bonds with a maturity of 10 years or more as of the Valuation Benchmark Date was 1.85%, which is adopted as the risk-free rate in this valuation report.

(2) Comparable Companies

1) Comparable Company 1

Company name: Jinkai New Energy Co., Ltd. (金開新能源股份有限公司)

Stock code: 600821.SH

Stock short name: Jinkai New Energy

Listing date: 28 January 1994

Date of establishment: 27 March 1997

Registered capital: RMB1,997.2635 million

Registered address: Room 411, Longtong Building, No. 4 Guizhou Road, Heping District, Tianjin

Business scope: General items: energy-saving service management; energy performance contracting; solar power generation technical services; research and development of resource recycling technologies; research and development of wind farm-related systems; technical services, technical development, technical consulting, technical exchange, technology transfer, technology promotion; sales of solar thermal utilisation equipment; sales of wind farm-related equipment; sales of offshore wind power-related equipment; sales of special-purpose environmental protection equipment; sales of photovoltaic equipment and components; sales of smart power transmission, distribution and control equipment; sales of generators and generating sets; sales of coal and coal products; research and development of carbon emission reduction, carbon conversion, carbon capture and carbon sequestration technologies; information consultancy services (excluding licensed information consultancy services); sales of chemical products (excluding licensed chemical products); sales of integrated circuit chips and products; retail of computer software, hardware and auxiliary equipment; sales of communication equipment; wholesale of electronic components; sales of power electronic components (Except for items that must be approved in accordance with the law, the company may engage in business activities in accordance with the law based on its business license)

Principal products: power generation from PV power stations, power generation from wind power stations, energy storage, hydrogen energy and integrated smart energy services

2) *Comparable Company 2*

Company name: CECEP Solar Energy Co., Ltd. (中節能太陽能股份有限公司)

Stock code: 000591.SZ

Stock short name: Solar Energy

Listing date: 8 February 1996

Date of establishment: 12 April 1993

Registered capital: RMB3,904.853 million

Registered address: 19G, Hilton Business Centre, No. 131 Zhongshan 3rd Road, Yuzhong District, Chongqing

Business scope: solar power generation and power storage; research and development, application, transfer and sales of solar technology and related ancillary products; consultancy services in respect of solar application technology; development, design, construction organisation, maintenance and business management of solar power generation projects; research and development, manufacture and sales of electronic system equipment for solar power generation; research and development, manufacture and sales of energy storage technology equipment and materials; development, construction organisation and operational management of PV agriculture, PV forestry, PV animal husbandry and PV fishery projects; development, construction organisation and operational management of distributed PV projects; intelligent energy business management; import and export of goods and technology; property management. (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

Principal products: solar power generation, solar products

3) *Comparable Company 3*

Company name: Zhejiang Sunoren Solar Technology Co., Ltd. (浙江芯能光伏科技股份有限公司)

Stock code: 603105.SH

Stock short name: Sunoren Technology

Listing date: 9 July 2018

Date of establishment: 9 July 2008

Registered capital: RMB500.0065 million

Registered address: No. 23 Shidai Road, Haining City, Zhejiang Province

Business scope: General items: research and development of resource recycling technologies; research and development of power distribution switch control equipment; manufacture of power distribution switch control equipment; sales of power distribution switch control equipment; integration of intelligent control systems; sales of mechanical and electrical equipment; manufacture of transformers, rectifiers and inductors; manufacture of smart on-board equipment; manufacture of digital video surveillance systems; import and export of technology; import and export of goods (Except for items that must be approved in accordance with the law, the company may engage in business activities in accordance with the law based on its business license)

Principal products: power generation from self-owned distributed PV power stations, EPC services for PV power stations, PV module products, commercial and industrial energy storage, and charging pile operation services

4) *Comparable Company 4*

Company name: Zhejiang Provincial New Energy Investment Group Co., Ltd. (浙江省新能源投資集團股份有限公司)

Stock code: 600032.SH

Stock short name: Zhejiang Xinneng

Listing date: 25 May 2021

Date of establishment: 1 August 2002

Registered capital: RMB2,404.6753 million

Registered address: No. 8 Fengqi East Road, Kaixuan Street, Shangcheng District, Hangzhou City, Zhejiang Province

Business scope: industrial investment; development and operation of wind power, hydro power and solar power generation; engineering project management; collection and distribution of natural water; technical development, technical consulting and technical services in respect of renewable energy technologies; equipment repair; testing technical services (operated under licence); water supply services; and power supply services (operated under licence). (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

Principal products: hydro power generation, PV power generation and wind power generation

5) *Comparable Company 5*

Company name: Jinko Power Technology Co., Ltd. (晶科電力科技股份有限公司)

Stock code: 601778.SH

Stock short name: Jinko Power

Listing date: 19 May 2020

Date of establishment: 28 July 2011

Registered capital: RMB3,557.8855 million

Registered address: No. 188 Fenghuang East Avenue, Xinzhou District, Shangrao City, Jiangxi Province

Business scope: General items: power generation business, power transmission business, and power supply (distribution) business; solar power generation technical services; technical services, technical development, technical consulting, technical exchange, technology transfer, technology promotion; repair of electrical equipment; repair of general-purpose equipment; leasing of machinery and equipment; leasing of non-residential real estate; energy storage technical services; research and development of carbon emission reduction, carbon conversion, carbon capture and carbon sequestration technologies; energy performance contracting; sales of photovoltaic equipment and components; sales of power electronic components; sales of electrical and mechanical equipment (Except for items that must be approved in accordance with the law, the company may engage in business activities in accordance with the law based on its business license)

Principal products: development and operation of centralized and distributed PV power stations, EPC general contracting for PV power stations, intelligent O&M of PV power stations, integrated energy services and green electricity sales

(3) *Determination of β*

For this valuation, we used the β calculator available on the Tonghuashun iFinD data terminal to calculate the β values of the comparable companies. The β values of the comparable companies are levered β values (reflecting their own capital structures), which are then converted into unlevered β values (excluding the effect of their own capital structures) as follows:

1) *Calculation of the β_u of the Comparable Companies*

$$\beta_U = \beta_L / [1 + (1 - T) \times D/E]$$

where: D = Debt value; E = Equity value; T = Applicable income tax rate.

After calculating the β_U of the comparable companies, their average is used as the β_U for the appraised entity.

2) *Calculation of the β_L of the Appraised Entity*

The β_L of the appraised entity is calculated using the following formula:

$$\beta_L = \beta_U \times [1 + (1 - T) \times D/E]$$

The β_L of the appraised entity is used as the β in calculating the WACC for the appraised entity.

(4) *Capital Structure*

Under the income approach, the capital structure adopted is either the average capital structure of the comparable companies (used as the target capital structure) or the actual capital structure of the appraised entity.

By analyzing the differences between the appraised entity and comparable companies in terms of financing capacity, financing costs, and other factors, and taking into account the appraised entity's financing plans for future years, the target capital structure is ultimately adopted as the capital structure for the appraised entity. In determining the target capital structure, market values are used to calculate the weightings of debt and equity.

(5) *Determination of Market Risk Premium*

MRP refers to the Market Risk Premium, which represents the excess return over the risk-free rate that investors require for a fully diversified market portfolio. The market return on investment is calculated using the year-end closing prices of the constituent stocks of the CSI 300 Index as the basis for the data. Since the returns on the constituent stocks should include returns from annual cash dividends, stock dividends, bonus shares, and other distributions, the year-end closing prices of the constituent stocks of the CSI 300 Index we selected are adjusted prices incorporating such returns. It is generally believed that the geometric average return better reflects stock market returns. Based on the backward-adjusted closing prices of the constituent stocks of the CSI 300 Index published by the Wind Information data system, our firm has calculated the market risk premium to be 6.46%. Accordingly, the market risk premium for this valuation is set at 6.46%.

(6) *Determination of Company-Specific Risk Adjustment Coefficient (R_s)*

The Capital Asset Pricing Model (“CAPM”) is generally used to estimate the return on an investment portfolio. Since the CAPM cannot be used directly to estimate the return on a single company, and it is generally accepted that the investment risk of a single company is higher than that of an investment portfolio, the return on a single company or stock should be evaluated by considering the excess return arising from all the company-specific risks relative to the investment portfolio.

The company-specific risk premium primarily refers to a risk premium or discount arising from certain unsystematic, company-specific factors. Based on the above factors and the company's current operating conditions, the company-specific risk adjustment coefficient for this valuation is determined to be 1.5%.

2.8 Determination of Return on Debt

For this valuation, the expected return on debt is determined at 2.97% by referencing and making adjustments to the medium- and long-term bank loan interest rates in 2025.

2.9 Determination of Discount Rate for the Appraised Entity

The weighted average rate of return is calculated using the following formula:

$$WACC = R_e \frac{E}{D + E} + R_d \frac{D}{D + E} (1 - T)$$

Where: WACC = Weighted average rate of return; E = Equity value; R_e = Return on equity; D = Value of interest-bearing debt; R_d = Return on debt; T = Corporate income tax rate.

Based on the above calculations, the weighted average return on total capital for equity interest holders is 6.13% (T = 12.5%), 5.88% (T = 15%) and 5.53% (T = 25%), which are used as the discount rate for the appraised entity.

2.10 Determination of Period-End Recovery Value

Based on the analysis in this valuation, equipment is generally recovered at its residual value upon the expiry of the operating period, which is determined by discounting the residual amount after full depreciation and amortization. Intangible assets are projected based on their amortized balances, and working capital is recovered at its period-end amount.

2.11 Valuation of the Non-Operating Assets, Liabilities and Interest-Bearing Debt

Non-operating assets and liabilities refer to assets and liabilities unrelated to the principal business of the appraised entity, which are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date. Surplus assets refer to assets that exceed the principal production and operating requirements of the company as of the Valuation Benchmark Date and are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date.

3. MARKET APPROACH:

3.1 Applicable Conditions of the Market Approach

The application of the market approach involves placing the valuation subject in a complete and realistic operating process and market environment. Since this approach relies on property rights transactions and securities markets, the following prerequisites must be met when using the market approach to value an entire set of assets:

1. The property rights trading market and the securities trading market are mature and active, with relevant transaction information being publicly available and complete;
2. It is possible to identify a sufficient number of comparable cases that are similar to the valuation subject in terms of the nature of the transaction targets, disposal methods, market conditions, and other factors;
3. In terms of the elements and technical aspects of asset valuation, the differences between the valuation subject and the comparables can be broken down into specific factors, and these differences can be quantified.

3.2 Valuation Process

1. Selection of Transaction Cases

First, recent market transaction cases in the same industry are selected based on factors such as the industry, business operations and products of the valuation subject;

Second, multiple comparable transaction cases are identified by analyzing factors including the level of detail of available information on transaction cases, case comparability and transaction progress.

Third, a detailed analysis is conducted on the specific circumstances of the target companies in the transactions, covering aspects such as business operations, scale, accounting policies, growth prospects and operational risks. Suitable transaction cases are finally selected through comparative analysis with the appraised entity.

2. *Selection of the Value Ratio*

The subject of this valuation is the value of the shareholders' equity interests. Considering that the appraised entity operates in the new energy power generation industry, a typical asset-heavy industry where depreciation and amortization have a significant impact on earnings, it is appropriate for the company to use profit- or revenue-based ratios. Therefore, the earnings-based ratio (EV/EBITDA) is selected for this valuation. The formula for the earnings-based ratio is as follows:

Earnings-based ratio multiple = Equity value/Earnings-based parameter

Necessary adjustments and modifications are made to the value ratios with respect to, among other things, transaction timing, transaction terms, and surplus and non-operating assets (liabilities) included in the transaction price.

3. *Valuation and Estimation*

The appraised value is determined by multiplying the adjusted value ratios by the corresponding parameters of the appraised entity.

Appraised equity value = Adjusted value ratio × Corresponding parameter of the appraised entity.

4. *Selection of Transaction Cases*

Since the appraised entity operates in the photovoltaic power generation industry, we selected merger and acquisition transaction cases in the photovoltaic and related industries from the Tonghuashun iFinD. Three transaction cases were ultimately selected based on the following criteria. The specific criteria are as follows:

- A. Transactions occurring within three years prior to the Valuation Benchmark Date;
- B. Targets engaged in the photovoltaic power generation business;
- C. Cases with complete basic information on transaction details and financial data.

The specific details of comparable cases are as follows:

(1) *Case 1*

Name: Tongliao Tongfa New Energy Co., Ltd. (通遼通發新能源有限責任公司)

Business scope: development, construction, operation, management and technical services for wind power and photovoltaic power generation projects

(2) *Case 2*

Name: Huzhu Haoyang Photovoltaic Electric Power Co., Ltd. (互助昊陽光伏發電有限公司)

Business scope: construction and operation of photovoltaic power plants; investment, development, construction, and operational management of new energy sources, including solar, wind, and natural gas; procurement, maintenance of related materials and equipment, as well as technical consulting and services (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

(3) *Case 3*

Name: Weishan Xinneng Photovoltaic Power Co., Ltd. (微山鑫能光伏電力有限公司)

Unified social credit code: 91370826MA3CRXGY05

Type: limited liability company (sole proprietorship by a legal person, not invested or controlled by natural persons)

Domicile: No. 261 Fuyuan Road, Fucun Subdistrict, Weishan County, Jining City, Shandong Province

Legal representative: Han Linshan

Registered capital: RMB75,000,000

Date of establishment: 28 August 2016

Operating period: 28 August 2016 to no fixed term

Business scope: construction system integration and operation management of PV power stations; electricity sales; consulting services and technology transfer for PV power-related projects; development, construction and investment of solar energy resources; sale of emission reduction credits; planting and sale of vegetables, fruits, trees, flowers and Chinese medicinal herbs; breeding and sale of aquatic products; agricultural leisure and sightseeing services; agricultural technology development, technical services, technical consulting and technology transfer. (Items that require approval in accordance with the law must be approved by the relevant authorities before operations can commence)

4. VALUATION RESULTS:

4.1 Valuation Conclusion and Analysis of the Reasons for Value Appreciation and Depreciation

This asset valuation adopted the market approach and the income approach respectively to determine the value of the entire shareholders' equity interest of Jingneng (Xundian) New Energy Co., Ltd. Based on the above valuation work, the following valuation conclusion is drawn:

(a) Valuation Results under the Market Approach

As of the Valuation Benchmark Date, Jingneng (Xundian) New Energy Co., Ltd. had total assets with a book value of RMB424.3677 million, total liabilities with a book value of RMB334.3088 million, and the entire shareholders' equity interest with a book value of RMB90.0589 million. The appraised value of the entire shareholders' equity interest was RMB140.6 million, representing an appreciation amount of RMB50.5411 million and an appreciation rate of 56.12%.

(b) Valuation Results under the Income Approach

As of the Valuation Benchmark Date, Jingneng (Xundian) New Energy Co., Ltd. had total assets with a book value of RMB424.3677 million, total liabilities with a book value of RMB334.3088 million, and the entire shareholders' equity interest with a book value of RMB90.0589 million. The appraised value of the entire shareholders' equity interest was RMB171.1682 million, representing an appreciation amount of RMB81.1093 million and an appreciation rate of 90.06%.

(c) Valuation Conclusion and Analysis of the Reasons for Value Appreciation and Depreciation

The appraised value of the entire shareholders' equity interest of Jingneng (Xundian) New Energy Co., Ltd. under the income approach is RMB171.1682 million, and the appraised value under the market approach is RMB140.6 million. The difference between the valuation results under the two approaches is RMB30.5682 million, representing a discrepancy ratio of 17.86%. The main reasons for the difference between the two valuation methods are:

The market approach and the income approach differ in valuation perspective and path. The valuation under the income approach uses the expected income of assets as the standard of value, reflecting the degree of the operating capability (profitability) of the assets. The market approach estimates the value of the appraised entity by analyzing market transactions in the same or similar industries, reflecting the open market assessment of enterprise value under normal and fair transaction conditions. This method is typically subject to the impacts of comparable companies and the adjustment system, resulting in the difference between the two valuation methods.

The appraised entity is an enterprise engaged in new energy power generation projects, and its enterprise value is primarily reflected in the equity value of the new energy power generation project companies in which it invests and which it manages. When conducting a market approach valuation, although the Valuer has made adequate and necessary adjustments to the differences between the appraised entity and comparable listed companies, there may still be factors unique to the comparable listed companies that have not been

considered by the Valuer or cannot be quantified, giving rise to the risk that the valuation results may deviate significantly from the actual enterprise value. Since the commencement of grid-connected power generation, the appraised entity has maintained stable and normal operation. The photovoltaic power plant is located in a region with favorable natural resource conditions. Coupled with factors such as policies of the new energy industry, tariff mechanisms, operating costs and industry risks, a relatively reliable basis can be obtained for forecasting the power generation of the photovoltaic power plant for future years; future returns and risks can be estimated and projected in a relatively reasonable and reliable manner. Therefore, the valuation result of the income approach can reflect the market value of the entire shareholders' equity interest of the appraised entity in an objective way as at the Valuation Benchmark Date. Hence, the result under the income approach is adopted as the valuation conclusion for this valuation.

In view of the above, the valuation results of the income approach can better reflect the value of the entire shareholders' equity interest of Jingneng (Xundian) New Energy Co., Ltd., and therefore the valuation result of the income approach is used as the final conclusion of this valuation.

Analysis of Value Appreciation and Depreciation:

The appreciation is attributable to the fact that the investment in and construction of the appraised entity were just completed in 2025, the equipment is brand-new with a high degree of newness and no pressure for overhaul, and the project has obtained the incremental new energy project for on-grid connection from June to December in 2025 and has obtained eligibility for the mechanism electricity tariff; therefore, the appreciation is normal.

That is, the value of the entire shareholders' equity interest of Jingneng (Xundian) New Energy Co., Ltd. is RMB171.1682 million.

VALUATION REPORT F

The Valuer appraised the value of the entire shareholders' equity interest of SPV by using the asset-based approach.

1. PRINCIPAL ASSUMPTIONS

(i) Basic Assumptions

1. *Open Market Assumption*

The Open Market Assumption is a hypothesis regarding the market conditions into which the assets are proposed to enter and the impact the assets would experience under such conditions. An open market refers to fully developed and well-established market conditions. It is a competitive market comprising willing and able buyers and sellers, where both parties act at arm's length and have equal standing, as well as adequate time and opportunity to access sufficient market information. In this market, transactions are conducted willingly, rationally, and without compulsion or restriction. The Open Market Assumption is predicated on the premise that the assets can be traded freely and publicly in the market.

2. *Existing Use Assumption*

The Existing Use Assumption is a hypothesis regarding the market conditions into which the assets are proposed to enter and the status of their intended use under such market conditions. It primarily assumes that the assets within the scope of valuation are currently in active use. Furthermore, it assumes that these assets will continue to be used in their current manner and for their existing purpose, without taking into account the conversion of asset use or the Highest and Best Use (HABU) premise.

3. *Transaction Assumption*

The Transaction Assumption presumes that all subject assets to be valued are already in the process of being transacted. The Valuer conducts the valuation by simulating a market based on the transaction conditions of the subject assets.

(ii) General Assumptions

1. It is assumed that following the Valuation Benchmark Date, there will be no material changes in the prevailing relevant national laws, regulations, policies, or macroeconomic conditions, nor will there be any material changes in the political, economic, and social environments of the regions where the parties to the transaction are located;
2. It is assumed that following the Valuation Benchmark Date, the management of the appraised entity is responsible, stable, and competent to perform the duties;
3. It is assumed that following the Valuation Benchmark Date, no force majeure events or unforeseeable factors will have a material adverse impact on the appraised entity;
4. It is assumed that the relevant foundational and financial information provided by the client and the appraised entity is true, accurate, and complete;
5. It is assumed that the financial reports, transaction data, and other information of the comparable companies relied upon by the Valuer are authentic and reliable;
6. It is assumed that following the Valuation Benchmark Date, based on the existing management mode and level, the business scope and operation methods of the appraised entity will remain consistent with their current direction;
7. It is assumed that following the Valuation Benchmark Date, there will be no material changes in the interest rates, taxation bases and tax rates, and policy-based levies applicable to the appraised entity;
8. It is assumed that the appraised entity is in full compliance with all relevant laws and regulations;
9. It is assumed that following the Valuation Benchmark Date, the accounting policies to be adopted by the appraised entity will remain consistent in all material respects with those adopted upon the preparation of this report.

(iii) Specific Assumptions

1. It is assumed that following the Valuation Benchmark Date, the products or services of the appraised entity will maintain their current competitive position in the market;
2. The comparable companies and the appraised entity are both able to continue operating as a going concern in accordance with the operating model, business structure and capital structure publicly disclosed at the time of the transaction;
3. The information disclosed by the comparable companies is true, accurate, and complete, and there are no false statements, erroneous records or material omissions that would affect the value judgment;
4. The Valuer selected the comparison dimensions and indicators solely on the basis of the publicly disclosed information of the comparable companies, without taking into account the effect of any other non-public matters on the value of the appraised entity;
5. This valuation assumes that the net cash flows of the appraised entity are generated evenly throughout the year;
6. It is assumed that following the Valuation Benchmark Date, the products or services of the appraised entity will maintain their current competitive position in the market;
7. It is assumed that the leases executed by the appraised entity are legal and valid; that the executed leases have been duly performed and will not be modified or terminated without cause;

8. Based on the estimated useful lives of the relevant equipment and information obtained from interviews with the management of the company, the income period of the wind power plant in this valuation is determined to be 20 years, with the grid-connection date adopted as the commencement date of the operating cycle. The Ledu District 40MW Distributed Wind Power Generation Project was connected to the grid for power generation on 20 December 2021 and is expected to operate until 19 December 2041. The income period determined in this valuation is consistent with the operating period;
9. The revenue growth rate of the Ledu District 40MW Distributed Wind Power Generation Project is affected by factors such as the available utilisation hours, the curtailed wind volume and the subsidised electricity volume. The target project is in stable operation and it is assumed for the purposes of this valuation that the available utilisation hours will remain stable in 2026 and subsequent years; taking into account the actual wind curtailment situation in the industry, in Qinghai Province and of the Target Company, and given that there was no curtailed wind volume in the historical period, it is assumed that there will be no curtailed wind power generation in the future; the subsidised electricity volume is determined by reference to the tariff policy of Qinghai Province and, on the assumption that the terms agreed for existing projects and for wind power projects in Class IV wind resource zones apply on the principle of taking the shorter of the available utilisation hours and 20 years from commencement of operation, it is expected that the available utilisation hours will be reached in 2039, after which no state subsidy will be taken into account;
10. The gross profit margin of the Ledu District 40MW Distributed Wind Power Generation Project is significantly affected by revenue. By reference to the tariff policy of Qinghai Province and on the assumption that the terms agreed for existing projects and for wind power projects in Class IV wind resource zones apply on the principle of taking the shorter of the available utilisation hours and 20 years from commencement of operation, it is expected that the available utilisation hours will be reached in 2039, after which no state subsidy will be taken into account. The gross profit margin will remain broadly stable from 2026 to 2039 and will decline to -14.06% by the end of the forecast period;

11. The projects being valued are in mature operation. It is assumed that employee compensation and comprehensive service fees will remain stable in the future. The cost of grid-purchased electricity, office expenses, outsourcing service fees and other expenses are related to revenue and are assumed to be forecast in future years on the basis of their proportion of revenue. Security expenses are related to the accrual standards prescribed by the industry and are assumed to be incurred in accordance with the prescribed standards in the future. The operation and management fee is an allocated comprehensive service fee and is assumed to be taken into account within comprehensive services in the future. Finance costs are determined by reference to the principal of the borrowings and the repayment schedule and are assumed to be incurred as scheduled;
12. The projects being valued are subject to a limited-term forecast, and the economic lives of the principal assets of the Target Company are broadly similar to the forecast period adopted in this valuation. The economic useful lives of other assets and transportation equipment are shorter than the forecast period. It is assumed for the purposes of this valuation that capital expenditure will be taken into account for other assets and transportation equipment by reference to their economic lives, while no capital expenditure will be taken into account for other assets;
13. The discount rate for the projects being valued is determined using the WACC model, and the factors adopted are determined comprehensively based on the risk-free rate of return, the excess risk premium, the company-specific excess risk return rate and the bond yield. The risk-free rate of return is generally taken as the annual yield to maturity, as of the Valuation Benchmark Date, of government bonds with a maturity of 10 years or more, and it is assumed for the purposes of this valuation that there will be no change in the future. The excess risk premium is determined by measuring the market risk premium using, as the underlying data, the backward-adjusted closing prices of the constituent stocks of the CSI 300 Index published by the Wind Information data system, and it is assumed for the purposes of this valuation that there will be no change in the future. The company-specific excess risk return rate is determined by scoring, based on an assessment of the differences between the appraised entity and listed companies in terms of factors such as enterprise scale, stage of operation, historical performance, financial risk and internal management and control mechanisms, and it is assumed for the

purposes of this valuation that there will be no change in the future. The bond yield is determined by adjusting the benchmark medium- and long-term bank loan interest rate for 2025 to determine the expected return on debt, and it is assumed for the purposes of this valuation that there will be no change in the future;

14. It is assumed that the customers remain in existence and that the transaction background is genuine, and that the current assets will be recovered and the current liabilities settled as scheduled;
15. It is assumed that the long-term asset, being the entity in which the equity investment is held, operates normally and as expected.

The valuation conclusion of this report is derived subject to the above assumptions and limiting conditions. In the event of any circumstances inconsistent with the aforementioned assumptions and limiting conditions, the valuation results will generally become invalid.

2. ASSET-BASED APPROACH

2.1 Technical Description of Valuation of Current Assets

I. Cash and Cash Equivalents

1. Scope of Valuation

Cash and cash equivalents includes bank deposits, with one RMB bank deposit account.

2. Verification Process

The Valuer reviewed the bank journals, bank statements, and bank reconciliation statements to determine whether there were any significant long-outstanding reconciling items and whether they affected net assets.

3. *Valuation Method*

The appraised value of the RMB portion of each cash and cash equivalents item shall be its verified book value.

4. *Valuation Results*

The appraised value of cash and cash equivalents was RMB215,194.62, with no valuation appreciation or depreciation.

II. *Other Receivables – Dividends Receivable*

1. *Scope of Valuation*

Dividends receivable represent dividend amounts that a company is entitled to receive based on the operating results of the investee, in proportion to its equity interest, but has not yet received them.

2. *Verification Process*

(1) For dividends receivable included in other receivables, the Valuer reviewed the financial reports for the relevant fiscal year, the audit reports for the same period, and the dividend distribution resolutions of the investee, and reconciled them with the book records.

3. *Valuation Method*

For dividends receivable included in other receivables, the verified book value is adopted as the appraised value.

4. *Valuation Results*

The appraised value of other receivables – dividends receivable is RMB33,100,000.00, with no valuation appreciation or depreciation.

2.2 Technical Description of Valuation of Non-Current Assets

I. Long-term Equity Investments

1. Scope of Valuation

The book value of the long-term equity investments within the scope of valuation was RMB60,000,000.00, with no provision for impairment made. There is a total of 1 long-term equity investment, including 1 wholly-owned subsidiary.

2. Verification Process

The Valuer first verified the records supporting the carrying value of long-term equity investments, by reviewing the appraised entity's detailed ledgers, general ledgers, and accounting vouchers for long-term equity investments, and by collecting materials such as investment agreements, resolutions of the shareholders' meeting, articles of association, relevant accounting records, financial statements, and accounting methods of each investee, to determine the authenticity, completeness, and accuracy of the long-term equity investment book records; second, for long-term equity investees over which the company had control and significant influence, the Valuer was dispatched to conduct in-depth verification, to understand the specific assets, liabilities, and operating conditions as at the Valuation Benchmark Date, and issued valuation schedules and arranged for earnings forecasts in preparation for the overall valuation.

3. Valuation Method

Appropriate valuation methods are adopted for each long-term equity investment based on its specific circumstances:

For long-term equity investments over which the company has control and the investee is in normal operation, the investee is appraised as a whole on the same Valuation Benchmark Date using the income approach and the market approach, respectively, and the appraised value is determined by multiplying the value of the appraised total shareholders' equity by the actual percentage of shareholding.

4. Valuation Results

An overall valuation of Haidong City Ledu District Rongzhi New Energy Development Co., Ltd. was conducted using the market approach and the income approach. The valuation result based on the income approach was ultimately selected, with the appraised value of RMB120,767,700.

For details regarding the overall valuation description of Haidong City Ledu District Rongzhi New Energy Development Co., Ltd., please refer to the Valuation Notes for Haidong City Ledu District Rongzhi New Energy Development Co., Ltd.

2.3 Technical Description of Valuation of Current Liabilities

1. Scope of Valuation

Other payables primarily consist of non-core business current account balances with other entities, as well as dividends payable, with a book value of RMB87,756,000.00, all aged within one year.

2. Verification Process

For other payables, the Valuer inquired with the financial personnel to understand the nature and contents of the transactions, and reviewed contracts, deposit slips, and ledgers to verify the reliability of the accounting records.

With regard to dividends payable, the Valuer reviewed relevant materials such as the investment agreement, articles of association, audited annual financial statements, profit distribution plan report, and resolutions of the company's board of directors. Upon verification, the accounting records comply with the requirements, and the balances are correct.

3. *Valuation Method*

For the valuation of payables, if the creditor actually exists, the appraised value shall be determined based on the verified book value; where there is conclusive evidence that the liability is no longer required to be paid, the appraised value shall be determined to be zero.

4. *Valuation Result*

The appraised value of other payables is RMB87,756,000.00, with no valuation appreciation or depreciation.

3. VALUATION CONCLUSION:

This valuation adopted the asset-based approach to determine the value of the entire shareholders' equity interest of Qinghai Sixun New Energy Co., Ltd.

This valuation adopts the asset-based approach to appraise the entire shareholders' equity interest of Qinghai Sixun New Energy Co., Ltd. As of the Valuation Benchmark Date of 31 December 2025, the audited book value of the assets of Qinghai Sixun New Energy Co., Ltd. was RMB93.3152 million, the liabilities were RMB87.756 million, and the value of the entire shareholders' equity interest was RMB5.5592 million.

Valuation Results under the Asset-Based Approach

As of the Valuation Benchmark Date, the total assets of Qinghai Sixun New Energy Co., Ltd. had a book value of RMB93.3152 million, with an appraised value of RMB154.0829 million, an appreciation amount of RMB60.7677 million, and an appreciation rate of 65.12%; the book value of liabilities was RMB87.756 million, and its appraised value was RMB87.756 million, so there was no valuation appreciation or depreciation; and the entire shareholders' equity interest had a book value of RMB5.5592 million, with an appraised value of RMB66.3269 million, an appreciation amount of RMB60.7677 million, and an appreciation rate of 1,093.10%.

VALUATION REPORT G

The Valuer appraised the value of the entire shareholders' equity interest of Haidong by using the discounted cash flow method under income approach.

The assumptions adopted for the income forecast in this valuation statement are as follows:

(I) Basic Assumptions

1. *Open Market Assumption*

The Open Market Assumption is a hypothesis regarding the market conditions into which the assets are proposed to enter and the impact the assets would experience under such conditions. An open market refers to fully developed and well-established market conditions. It is a competitive market comprising willing and able buyers and sellers, where both parties act at arm's length and have equal standing, as well as adequate time and opportunity to access sufficient market information. In this market, transactions are conducted willingly, rationally, and without compulsion or restriction. The Open Market Assumption is predicated on the premise that the assets can be traded freely and publicly in the market.

2. *Finite-Term Going Concern Assumption*

The Finite-Term Going Concern Assumption hypothesizes that the business operations of an operating entity will continue consecutively, and its operational activities will neither be suspended nor terminated within the foreseeable future.

3. *Existing Use Assumption*

The Existing Use Assumption is a hypothesis regarding the market conditions into which the assets are proposed to enter and the status of their intended use under such market conditions. It primarily assumes that the assets within the scope of valuation are currently in active use. Furthermore, it assumes that these assets will continue to be used in their current manner and for their existing purpose, without taking into account the conversion of asset use or the Highest and Best Use (HABU) premise.

4. *Transaction Assumption*

The Transaction Assumption presumes that all subject assets to be valued are already in the process of being transacted. The Valuer conducts the valuation by simulating a market based on the transaction conditions of the subject assets.

(II) General Assumptions

1. It is assumed that following the Valuation Benchmark Date, there will be no material changes in the prevailing relevant national laws, regulations, policies, or macroeconomic conditions, nor will there be any material changes in the political, economic, and social environments of the regions where the parties to the transaction are located;
2. It is assumed that following the Valuation Benchmark Date, the management of the appraised entity is responsible, stable, and competent to perform the duties;
3. It is assumed that following the Valuation Benchmark Date, no force majeure events or unforeseeable factors will have a material adverse impact on the appraised entity;
4. It is assumed that the relevant foundational and financial information provided by Qinghai Sixun New Energy Co., Ltd. and the appraised entity is true, accurate, and complete;
5. It is assumed that the financial reports, transaction data, and other information of the comparable companies relied upon by the Valuer are authentic and reliable.

(III) Specific Assumptions

1. It is assumed that following the Valuation Benchmark Date, based on the existing management mode and level, the business scope and operation methods of the appraised entity will remain consistent with their current direction;
2. It is assumed that following the Valuation Benchmark Date, the accounting policies to be adopted by the appraised entity will remain consistent in all material respects with those adopted upon the preparation of this report;

3. It is assumed that following the Valuation Benchmark Date, there will be no material changes in the interest rates, taxation bases and tax rates, and policy-based levies applicable to the appraised entity;
4. It is assumed that the appraised entity is in full compliance with all relevant laws and regulations;
5. This valuation assumes that the net cash flows of the appraised entity are generated evenly throughout the year;
6. It is assumed that following the Valuation Benchmark Date, the products or services of the appraised entity will maintain their current competitive position in the market;
7. The Valuer did not conduct technical inspections of the technical parameters and performance of the various equipment as of the Valuation Benchmark Date; the judgments were made on the basis of a review of the relevant documents, on the assumption that the relevant technical data and operating records provided by the appraised entity are true and valid;
8. The revenue growth rate of the Ledu District 40MW Distributed Wind Power Generation Project is affected by factors such as the available utilisation hours, the curtailed wind volume and the subsidised electricity volume. The target project is in stable operation and it is assumed for the purposes of this valuation that the available utilisation hours will remain stable in 2026 and subsequent years; taking into account the actual wind curtailment situation in the industry, in Qinghai Province and of the Target Company, and given that there was no curtailed wind volume in the historical period, it is assumed that there will be no curtailed wind power generation in the future; the subsidised electricity volume is determined by reference to the tariff policy of Qinghai Province and, on the assumption that the terms agreed for existing projects and for wind power projects in Class IV wind resource zones apply on the principle of taking the shorter of the available utilisation hours and 20 years from commencement of operation, it is expected that the available utilisation hours will be reached in 2039, after which no state subsidy will be taken into account;

9. The gross profit margin of the Ledu District 40MW Distributed Wind Power Generation Project is significantly affected by revenue. By reference to the tariff policy of Qinghai Province and on the assumption that the terms agreed for existing projects and for wind power projects in Class IV wind resource zones apply on the principle of taking the shorter of the available utilisation hours and 20 years from commencement of operation, it is expected that the available utilisation hours will be reached in 2039, after which no state subsidy will be taken into account. The gross profit margin will remain broadly stable from 2026 to 2039 and will decline to -14.06% by the end of the forecast period;
10. The projects being valued are in mature operation. It is assumed that employee compensation and comprehensive service fees will remain stable in the future; the cost of grid-purchased electricity, office expenses, outsourcing service fees and other expenses are related to revenue and are assumed to be forecast in future years on the basis of their proportion of revenue; security expenses are related to the accrual standards prescribed by the industry and are assumed to be incurred in accordance with the prescribed standards in the future; the operation and management fee is an allocated comprehensive service fee and is assumed to be taken into account within comprehensive services in the future; financial expenses are determined by reference to the principal of the borrowings and the repayment schedule and are assumed to be incurred as scheduled;
11. The projects being valued are subject to a limited-term forecast, and the economic lives of the principal assets of the Target Company are broadly similar to the forecast period adopted in this valuation. The economic useful lives of other assets and transportation equipment are shorter than the forecast period; it is assumed for the purposes of this valuation that capital expenditure will be taken into account for other assets and transportation equipment by reference to their economic lives, while no capital expenditure will be taken into account for other assets;

12. The discount rate for the projects being valued is determined using the WACC model, and the factors adopted are determined comprehensively by the risk-free rate of return, the excess risk premium, the company-specific excess risk return rate and the bond yield. The risk-free rate of return is generally taken as the annual yield to maturity, as of the Valuation Benchmark Date, of government bonds with a maturity of 10 years or more, and it is assumed for the purposes of this valuation that there will be no change in the future; the excess risk premium is determined by measuring the market risk premium using, as the underlying data, the backward-adjusted closing prices of the constituent stocks of the CSI 300 Index published by the Wind Information data system, and it is assumed for the purposes of this valuation that there will be no change in the future; the company-specific excess risk return rate is determined by scoring, based on an assessment of the differences between the appraised entity and listed companies in terms of factors such as enterprise scale, stage of operation, historical performance, financial risk and internal management and control mechanisms, and it is assumed for the purposes of this valuation that there will be no change in the future; the bond yield is determined with reference to adjustments to the benchmark medium- and long-term bank loan interest rate for 2025 to determine the expected return on debt, and it is assumed for the purposes of this valuation that there will be no change in the future.

The valuation conclusion of this report is derived subject to the above assumptions and limiting conditions. In the event of any circumstances inconsistent with the aforementioned assumptions and limiting conditions, the valuation results will generally become invalid.

1. INCOME APPROACH

1.1 Reasons for Adopting the Income Approach

The valuation subject is the entire shareholders' equity interest of Ledu Rongzhi. Given that the future income period and amount of the appraised entity can be projected and measured in monetary terms, and that the risks associated with achieving the expected income can be quantified, the income approach was adopted for this valuation.

1.2 Overview of the Income Approach

The income approach refers to a valuation method that determines the value of the valuation subject by capitalizing or discounting expected income.

The dividend discount model is a specific method that discounts expected dividends to determine the value of the valuation subject, and is generally applicable to the valuation of partial equity interests of shareholders lacking control. Based on a comprehensive analysis of the industry in which the appraised entity operates, its capital structure and its development trends, and given that the dividend discount model determines the value of the valuation subject on the basis of the future dividend distribution pattern and requires a consistent and stable dividend policy, whereas the dividends of the Target Company are determined having regard to a variety of factors and are not fixed, so that the use of the dividend discount model is subject to significant subjective judgement and whether or not dividends are distributed has little bearing on the value of the enterprise, and given that the model is applicable to the valuation of partial equity interests of shareholders lacking control, the dividend discount model was not adopted.

Commonly applied specific methods under the income approach include the dividend discount model, the Discounted Free Cash Flow to Equity (FCFE) method, and the Discounted Free Cash Flow to Firm (FCFF) method.

The dividend discount model is generally applicable to the valuation of partial equity interests of shareholders lacking control.

In the discounted FCFE method, the cash flow definition represents the cash flows attributable to shareholders, the corresponding discount rate is the cost of equity capital, and the appraised value reflects the entire shareholders' equity interests. The formula for calculating cash flow is:

$$\text{FCFE} = \text{Net Profit} + \text{Depreciation and Amortization} - \text{Capital Expenditures} - \text{Increase in Working Capital} - \text{Principal Repayments of Interest-Bearing Debt} + \text{Principal of New Interest-Bearing Debt}$$

In the discounted FCFF method, the cash flow definition represents cash flows attributable to all investors, including shareholders and interest-bearing debt holders; the corresponding discount rate is the Weighted Average Cost of Capital (WACC), and the appraised value reflects the Firm Value. The formula for calculating cash flow is:

$$\text{FCFF} = \text{Net Profit} + \text{Depreciation/Amortization} + \text{After-tax Interest Expenses} - \text{Increase in Working Capital} - \text{Capital Expenditures}$$

This valuation adopts the discounted FCFF model.

The basic formula is:

$$E = B - D$$

Where: E: Market total shareholders' equity value of the appraised entity; D: Market value of interest-bearing debt; B: Firm value.

$$B = P + \sum C_i$$

Where: P: Value of operating assets; $\sum C_i$: Value of non-operating assets and liabilities (including surplus assets) existing as of the Valuation Benchmark Date.

$$P = \sum_{i=1}^n \frac{R_i}{(1+r)^i} + \frac{R_n \times (1+g)}{(r-g) \times (1+r)^n}$$

Where: R_i : Expected Free Cash Flow to Firm in the year i following the Valuation Benchmark Date;

r: Discount rate;

n: Projection period;

g: Expected annual growth rate of future returns beyond the discrete projection period, which is set to 0 in this valuation.

The respective parameters are determined as follows:

1. *Determination of Free Cash Flow (R_i)*

$R_i = \text{Net Profit} + \text{Depreciation/Amortization} + \text{After-tax Interest Expenses} - \text{Increase in Working Capital} - \text{Capital Expenditures}$

2. *The discount rate (r) is determined using the Weighted Average Cost of Capital (WACC), with the formula as follows:*

$$WACC = R_e \frac{E}{D + E} + R_d \frac{D}{D + E} (1 - T)$$

Where: R_e : Cost of equity capital;

R_d : Cost of interest-bearing debt capital;

T : Income tax rate.

3. *The cost of equity capital (R_e) is calculated using the Capital Asset Pricing Model ("CAPM"), with the formula as follows:*

$$R_e = R_f + \beta \times \text{MRP} + R_s$$

Where: R_e : Return on equity;

R_f : Risk-free rate;

β : Risk coefficient;

MRP: Market risk premium;

R_s : Company-specific risk adjustment coefficient

4. *The determination and calculation process of the key parameters of the discount rate are as follows:*

1) *Risk-Free Rate*

Government bond yields are generally considered risk-free because the risk of default on the bond at maturity is negligible and can be ignored. According to the Ministry of Finance – China Government Bond Yield Curve data published on the website of the China Appraisal Society, the annual yield-to-maturity of government bonds with a maturity of 10 years or more as of the Valuation Benchmark Date was 1.85%, which is adopted as the risk-free rate in this valuation report.

2) *Equity Market Risk Premium*

MRP refers to the Market Risk Premium, which represents the excess return over the risk-free rate that investors require for a fully diversified market portfolio. The market return on investment is calculated using the year-end closing prices of the constituent stocks of the CSI 300 Index as the basis for the data. Since the returns on the constituent stocks should include returns from annual cash dividends, stock dividends, bonus shares, and other distributions, the year-end closing prices of the constituent stocks of the CSI 300 Index we selected are adjusted prices incorporating such returns. It is generally believed that the geometric average return better reflects stock market returns. Based on the backward-adjusted closing prices of the constituent stocks of the CSI 300 Index published by the Wind Information data system, our firm has calculated the market risk premium to be 6.46%. Accordingly, the market risk premium for this valuation is set at 6.46%.

3) *Selection of Comparable Companies*

Based on the principal business, operating results, and other circumstances of the appraised entity, we have preliminarily adopted the following basic criteria as the selection criteria for screening comparable companies in this valuation:

- The comparable companies have been profitable over the past two years;
- The comparable companies must have a listing history of at least two years;
- The comparable companies issue only A-shares;
- The comparable companies operate in an industry or have a principal business identical or similar to that of the appraised entity, or are subject to the same economic factors, with an operating history in that principal industry of no less than two years.

In accordance with the above four principles, we conducted screening using the Tonghuashun iFinD financial data terminal. Taking into comprehensive consideration various factors between the comparable companies and the appraised entity, such as business type, scale, profitability, growth profile, industry competitiveness, and development stage, we ultimately selected and determined the comparable listed companies.

4) *Capital Structure*

By analyzing the differences between the appraised entity and comparable companies in terms of financing capacity, financing costs, and other factors, and taking into account the appraised entity's financing plans for future years, we adopted ultimately the target capital structure as the capital structure for the appraised entity. In determining the target capital structure, market values are used to calculate the weightings of debt and equity.

5) *Beta Coefficient*

① For the listed companies identified based on the aforementioned selection criteria, we utilized the β Calculator provided by iFinD to calculate the β values of the comparable companies. The aforementioned β values incorporate the comparable companies' own capital structures.

② Based on the following formula, we can calculate the Unlevered β for each comparable company:

$$\text{Unlevered } \beta = \text{Levered } \beta / [1 + (1 - T) \times D/E]$$

where: D: Debt value; E: Equity value; T: Applicable income tax rate.

After calculating the Unlevered β of the comparable companies, their average value is taken as the Unlevered β of the appraised entity.

③ Then, we substitute the determined capital structure ratio of the appraised entity into the following formula to calculate the Levered β of the appraised entity:

$$\text{Levered } \beta = \text{Unlevered } \beta \times [1 + (1 - T) \times D/E]$$

where: D: Debt value; E: Equity value; T: Applicable income tax rate.

- ④ The purpose of estimating the β coefficient is to determine the discount rate used to discount expected future income. Because the discount rate should reflect future expectation, the estimated β coefficient must likewise be an expected future β coefficient.

Our β coefficient estimation method relies on historical data; consequently, the β coefficient we actually estimate is a historical β coefficient rather than an expected future β coefficient. To estimate the expected future β coefficient, we apply the Blume adjustment to the β coefficient estimated from historical data.

The rationale and methodology of the Blume adjustment are as follows:

$$\beta_a = 0.35 + 0.65\beta_h$$

where: β_a is the adjusted β value; β_h is the historical β value.

6) *Specific Risk Adjustment Coefficient*

The Capital Asset Pricing Model (“CAPM”) is generally used to estimate the return on an investment portfolio. Since the CAPM cannot be used directly to estimate the return on a single company, and it is generally accepted that the investment risk of a single company is higher than that of an investment portfolio, the return on a single company or stock should be evaluated by considering the excess return arising from all the specific risks relative to the investment portfolio.

The specific risk adjustment coefficient primarily refers to a risk premium or discount arising from certain unsystematic, company-specific factors. We determined the specific risk adjustment coefficient by evaluating the company’s risk profile, operating scale, business model, stage of development, core competitiveness, and reliance on major customers and suppliers, supported by our valuation experience and professional judgment.

7) *Expected Return on Debt*

The expected return on debt represents the expected return of the appraised entity's debt investors.

Debt-servicing capacity varies across companies depending on their operational performance and capital structure, leading to differing expected return of debt investors. Consequently, a company's return on debt is closely linked to its financial risk, namely its capital structure.

Taking into account the appraised entity's operating performance, capital structure, credit risk, collateral, and guarantees, we determined the expected return on debt by referencing and making adjustments to the loan prime rate (LPR) published by the National Interbank Funding Center.

5. *Value of Non-Operating Assets and Liabilities (Including Surplus Assets), ΣC_i*

Non-operating assets and liabilities refer to assets and liabilities unrelated to the production and operation of the appraised entity, which are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date.

Surplus assets refer to assets that exceed the production and operating requirements of the company as of the Valuation Benchmark Date and are not involved in the projection of the FCFF subsequent to the Valuation Benchmark Date.

The non-operating assets and liabilities were appraised using the asset-based approach in this valuation.

1.3 Notes on Income Projection

(i) *Determination of Income Period*

Based on the estimated useful lives of the relevant equipment and information obtained from interviews with the management of the company, the income period of the wind power plant in this valuation is determined to be 20 years, with the grid-connection date adopted as the commencement date of the operating cycle. The Ledu District 40MW Distributed Wind Power Generation Project was connected to the grid for power generation on 20 December 2021, and is projected to operate through 19 December 2041 (subject to normal liquidation upon the expiration of the operational term). The income period determined in this valuation is consistent with the operating period.

(ii) *Projection of Future Income*

The income projection for future years was provided by the management of the appraised entity based on its medium- and long-term strategic plans. The Valuer reviewed these projection figures, discussed the underlying assumptions, premises, and projection process with management, and largely adopted management's projections.

1. *Projection of Revenue*

The revenue from its principal business is derived from wind power generation, comprising benchmark tariff revenue and tariff subsidies. Specifically:

Principal Business Revenue = Annual Power Generation Revenue (Benchmark Tariff) + Annual Power Generation Revenue (National Subsidy) = (Tax-Exclusive Benchmark Tariff) × Annual Feed-in Electricity Volume + (Tax-Exclusive Subsidy Tariff) × Annual Subsidized Electricity Volume

The Ledu District 40MW Distributed Wind Power Generation Project is equipped with 11 wind turbine units, representing a total installed capacity of 40 MW.

(1) Projection of Tariff

According to the relevant electricity sales standards, the electricity tariff consists of the benchmark tariff and the subsidy tariff.

A. Benchmark Tariff

Pursuant to the electricity sales contract, the project is subject to a benchmark tariff of RMB0.2277/kWh (tax-inclusive). According to the Notice on the Issuance of the “Implementation Plan for Deepening the Market-Oriented Reform of Feed-in Tariffs for New Energy in Qinghai Province” issued by the Qinghai Provincial Development and Reform Commission, for existing projects, distributed wind power is subject to the new energy subsidy benchmark price of RMB0.2277/kWh.

B. Subsidy Tariff

The Ledu District 40MW Distributed Wind Power Generation Project has been included in the national subsidy catalog. According to the catalog price, the feed-in tariff is RMB0.52/kWh (tax-inclusive), consisting of a benchmark tariff of RMB0.2277/kWh (tax-inclusive) and a subsidy tariff of RMB0.2923/kWh (tax-inclusive). Future subsidy tariffs are projected based on this price.

(2) Projection of Electricity Volume

Annual Theoretical Power Generation = Annual Feed-in Electricity Volume + Plant Auxiliary Power Consumption + Curtailed Wind Power Generation

Annual Theoretical Utilization Hours = Annual Theoretical Power Generation/Installed Capacity, given historical fluctuations in the project’s available utilisation hours, projections for future years are based on the 2025 available utilisation hours on a prudent basis.

- A. Curtailed Wind Power Generation. There was no curtailment from 2023 to 2025. Curtailed wind power generation will not be considered for future years.
- B. Plant Auxiliary Power Consumption. Auxiliary power consumption remained relatively stable over historical years; projections for future years are based on the historical average plant auxiliary power rate.
- C. Feed-in Electricity Volume

In this valuation, on the basis of actual historical feed-in electricity volume and in conjunction with future operational plans, the company projected the feed-in electricity volume for future years. The actual number of installed units and installed capacity of the Ledu District 40MW Distributed Wind Power Generation Project are consistent with the feasibility study. The annual equivalent full-load hours range between 1,895.85 and 2,119.71 hours, which is lower than projected in the feasibility study; this difference is attributable to the early preparation of the feasibility study, which led to discrepancies between the actual equipment models and operational status and those set forth in the feasibility study. In this valuation, power generation volume is determined based on available utilisation hours and installed capacity, and feed-in electricity volume is determined by deducting curtailed wind power generation and plant auxiliary power consumption.

- D. Subsidized Electricity Volume

Full Lifecycle Subsidized Electricity Volume = Project Capacity × Full Lifecycle Reasonable Utilization Hours

(3) Grid Assessment Penalties

These charges are projected based on their historical proportion of revenue.

2. *Projection of Operating Costs*

Ledu Rongzhi's principal operating costs of various products for the previous years are outlined below:

Depreciation and Amortization: Future depreciation and amortization within principal operating costs are projected based on the calculations in the Projection Schedule of Depreciation and Amortization.

Employee Compensation: For future years, projections are made on a full-year basis based on the 2025 wage standards. Growth is not anticipated.

Grid-Purchased Electricity Charges: Future projections are based on their proportion of revenue over the past three years.

Comprehensive Service Fees: Historically, these fees represented payments made to the Group. The projection for future years is based on the data of the previous years. Growth is not anticipated.

Safety Expenses: Security expenses represent maintenance expenditures. Historically, actual security expenses were lower than standard statutory accruals. Projections are calculated according to standards. Growth is not anticipated.

Office Expenses, Outsourcing Service Fees, and Other Expenses: Future projections are based on their proportion of revenue over the past three years.

For detailed projection of operating costs, please refer to the Projection Schedule of Operating Costs.

3. *Projection of Taxes and Surcharges*

The taxes and surcharges of Ledu Rongzhi comprise urban maintenance and construction tax, education surcharge, and local education surcharge.

Taxes and surcharges for future years are determined based on projected annual operating revenue in conjunction with the tax rates applicable as of the Valuation Benchmark Date.

The tax rates applicable to Ledu Rongzhi as of the Valuation Benchmark Date are detailed in the table below:

Tax Type	Tax Rate
Value-added tax (vat)	Output tax is calculated at a rate of 13% on taxable revenue, and VAT is payable based on the difference after deducting allowable input tax for the current period.
Urban maintenance and construction tax	Paid at 7% of actual turnover tax paid.
Education surcharge	Paid at 3% of actual turnover tax paid.
Local education surcharge	Paid at 2% of actual turnover tax paid.
Corporate income tax	Paid at 7.5% of taxable income.

Other taxes are projected based on historical years.

Stamp duty is projected by multiplying taxable contract amounts by the applicable stamp duty rate.

For detailed projection of taxes and surcharges, please refer to the Projection Schedule of Taxes and Surcharges.

4. *Projection of Administrative Expenses*

Administrative expenses primarily include consulting service fees, comprehensive service fees, and operation management fees.

Consulting Service Fees, Comprehensive Service Fees, and Operation Management Fees: These expenses represent allocated group fees. Because they have already been projected within comprehensive cost management, no separate projections are made for future administrative expenses.

5. *Projection of Financial Expenses*

Financial expenses primarily comprise interest income generated from bank deposits, other expenses, and interest expenses. Because the time value of money of operating cash is already reflected in the appraised value, interest income is no longer projected. Interest expenses are closely linked to the company's loan principal and interest rates; therefore, the valuation projects future interest expenses based on projected borrowing balances for each year with reference to prevailing loan interest rate levels as of the Valuation Benchmark Date. Other expenses are immaterial and are not projected for future years.

6. *Projection of Non-Operating Income and Expenses*

The company has no historical non-operating income or expenses, and no projection is made for future years.

7. *Projection and Reasonableness Analysis of Income Tax and Net Profit*

The corporate income tax rate is 7.5% for 2026-2027, 15% for 2028-2030, and 25% for 2031 and subsequent years.

1.4 Projection of Free Cash Flow to Firm (FCFF)

Free Cash Flow to Firm = Net Profit + Interest Expense $\times$ (1 – Income Tax Rate) + Depreciation and Amortization – Annual Capital Expenditures – Annual Increase in Working Capital

1. *Projection of Depreciation and Amortization*

Assets arising from future annual capital expenditures are depreciated in accordance with the company's consistent accounting policies, using the aforementioned depreciation periods.

2. *Projection of Capital Expenditures*

Capital expenditures represent the annual investment required to support the normal ongoing development of operations.

With respect to capital expenditures required by the company to renew existing fixed assets and equipment to meet future operational plans, potential future additions to capital expenditures, and those for long-term assets exceeding one year, projection in this valuation is based on the capital expenditure plan provided by the company.

The company has no plans for future expansionary capital expenditures, and no projection is made for future years.

For detailed projection of capital expenditures, please refer to the Projection Schedule of Capital Expenditures.

3. *Projection of Increase in Working Capital*

The increase in working capital represents the incremental working capital required to sustain ongoing operations without altering the current principal business.

Working capital primarily includes minimum operating cash required for normal operations; fundamental funding for inventory procurement and advances on customer purchases (accounts receivable and prepayments); and accounts payable and receipts in advance. Typically, the balances of these accounts maintain a relatively stable relationship with revenue and costs. Other receivables and other payables are individually screened based on their estimated operational relevance (with non-operational or temporary balances classified as non-operating items). In this report, the increase in working capital is defined as:

Increase in Working Capital = Current Working Capital – Prior Working Capital

where: Working Capital = Operating Cash + Accounts Receivable + Prepayments + Inventory + Other Receivables – Accounts Payable – Receipts in Advance – Employee Compensation Payable – Taxes Payable – Other Payables

Operating Cash: To sustain normal operations, a company must maintain a baseline cash buffer. This cash fulfills scheduled, time-sensitive obligations such as payroll and taxes, while providing liquidity for subsequent operational funding. Based on the company's historical cash turnover, operating cash in this valuation is derived from the monthly cash operating expenses.

Monthly Cash Operating Expenses = (Operating Costs + Taxes Payable + Selling, Administrative, and Financial Expenses (excluding interest expense) – Depreciation and Amortization)/12

Other working capital accounts are typically projected using relevant turnover ratios. Based on an analysis of the appraised entity's historical turnover ratios, the average turnover ratio of the past two years was applied to project working capital accounts such as inventory and accounts payable over the projection period.

With respect to accounts receivable, electricity tariffs are settled monthly in line with the company's reality, corresponding to an annual turnover ratio of 12 times. Regarding the appraised entity's collection of renewable energy subsidies as of the Valuation Benchmark Date, BEI will coordinate diversified financial instruments, including asset securitization and commercial factoring, to continue and accelerate the monetization of national subsidy receivables of the project company and shorten their monetization cycle to approximately one year, thereby ensuring stable operating cash flows. Historical book balances of renewable energy subsidies of the appraised entity are projected to be recovered within 12 months following the Valuation Benchmark Date.

Prepayments that are closely tied to revenue are projected with reference to turnover rate.

Other current assets and other non-current assets are determined based on their balances after value-added tax deductions each year.

1.5 Determination of Discount Rate

The discount rate represents the expected return on investment and serves as a key parameter to determine the appraised value under the income approach. Because the appraised entity is not publicly listed, its discount rate cannot be calculated directly. Accordingly, this valuation estimates the expected return on investment through analysis and calculation against comparable companies. This process involves two steps: first, selecting comparable listed companies and estimating their Levered Betas; second, deriving the expected return on investment for the appraised entity based on the comparable companies' capital structures and Betas, and the capital structure of the appraised entity, which then serves as the discount rate.

1. Selection of Comparable Companies

Given that the appraised entity is a profitable enterprise and its principal business is in the renewable energy power generation industry, we have preliminarily adopted the following basic criteria as the selection criteria for screening comparable companies in this valuation:

- The comparable companies have been profitable over the past two years;

- The comparable companies must have a listing history of at least two years;
- The comparable companies issue only A-shares;
- The comparable companies operate in, or derive their principal business from, the renewable energy power generation industry, or are subject to the same economic factors, with an operating history in that principal industry of no less than two years.

In accordance with the above four principles, we conducted a screening using Tonghuashun iFinD and ultimately selected the following four listed companies as comparable companies:

① *Comparable Company 1*

Company name: Jiaze Renewables Corporation Limited (嘉澤新能源股份有限公司)

Stock code: 601619.SH

Stock short name: Jiaze New Energy

Listing date: 20 July 2017

Date of establishment: 16 April 2010

Registered capital: RMB2,912.8376 million

Registered address: Ya'aizi, Dahe Township, Hongsibao District, Wuzhong City, Ningxia Hui Autonomous Region

Business scope: General items: investment in, construction, operation and sale of new energy power stations (including solar, wind and biomass energy) and smart microgrids; general contracting for power engineering construction (Grade 3); installation (repair and testing) of power facilities (Grade 4); technical development, technology transfer, technical services and technical consulting relating to new energy (excluding industries in which foreign investment is prohibited or restricted by laws and regulations; goods subject to quota and licence administration or special provisions shall be dealt with in accordance with the relevant provisions of the State) (in addition to licensed business, projects not prohibited or restricted by laws and regulations may be operated independently in accordance with the law)

Principal products: development-construction-operation-sale of new energy power stations, O&M management services for new energy power stations, rooftop distributed PV, new energy industry funds, and new energy equipment manufacturing industrial parks

② *Comparable Company 2*

Company name: Zhejiang Provincial New Energy Investment Group Co., Ltd. (浙江省新能源投資集團股份有限公司)

Stock code: 600032.SH

Stock short name: Zhejiang Xinneng

Listing date: 25 May 2021

Date of establishment: 1 August 2002

Registered capital: RMB2,404.6753 million

Registered address: No. 8 Fengqi East Road, Kaixuan Street, Shangcheng District, Hangzhou City, Zhejiang Province

Business scope: industrial investment; development and operation of wind power, hydro power and solar power generation; engineering project management; collection and distribution of natural water; technical development, technical consulting and technical services in respect of renewable energy technologies; equipment repair; testing technical services (operated under licence); water supply services; and power supply services (operated under licence). (For projects requiring approval in accordance with the law, business operations may only commence after approval has been obtained from the relevant authorities)

Principal products: hydro power generation, PV power generation and wind power generation

③ *Comparable Company 3*

Company name: Jiangsu New Energy Development Co., Ltd. (江蘇省新能源開發股份有限公司)

Stock code: 603693.SH

Stock short name: Jiangsu New Energy

Listing date: 3 July 2018

Date of establishment: 17 October 2002

Registered capital: RMB891.4759 million

Registered address: Room 2213, No. 88 Changjiang Road, Xuanwu District, Nanjing, Jiangsu Province

Business scope: development of new energy such as wind energy, solar energy, biomass energy, geothermal energy, ocean energy and natural gas hydrates; industrial investment; investment management; investment consultancy; engineering supervision and engineering construction; and domestic trade. (For projects requiring approval in accordance with the law, business operations may only commence after approval has been obtained from the relevant authorities)

Principal products: wind power generation, PV power generation, biomass power generation, steam and water supply, and energy storage

④ *Comparable Company 4*

Company name: CECEP Wind-power Corporation Co., Ltd. (中節能風力發電股份有限公司)

Stock code: 601016.SH

Stock short name: CECEP Wind-Power

Listing date: 29 September 2014

Date of establishment: 6 January 2006

Registered capital: RMB6,544.4873 million

Registered address: 12/F, Tower A, Energy Saving Building, No. 42 Xizhimen North Street, Haidian District, Beijing

Business scope: development, investment management, construction, operation and maintenance and equipment upgrading of wind power generation projects; related business consultancy and technical development; import and export business. (Market entities may independently select their business items in accordance with the law and carry out business operations; for projects requiring approval in accordance with the law, business operations shall be carried out in accordance with the approved contents after approval by the relevant authorities; business operations prohibited or restricted by national and municipal industrial policies shall not be carried out.)

Principal products: electricity

2. *Determination of Weighted Average Cost of Capital (WACC)*

WACC represents the expected total return on investment. It is the weighted average of the expected return on equity and the return on debt adjusted for income taxes.

In calculating the total return on investment, the first step is to calculate the return on equity capital and calculate the return on debt capital using public market data, as of the Valuation Benchmark Date. The second step is to calculate the weighted average of the return on equity and the return on debt.

1) *Determination of Return on Equity*

To determine the return on equity, we utilize the Capital Asset Pricing Model (“CAPM”). “CAPM” is a method commonly used to estimate investors’ expected return and subsequently derive the company’s return on equity. It can be expressed by the following formula:

$$R_e = R_f + \beta \times MRP + R_s$$

where: R_e is the return on equity; R_f is the risk-free rate; β is the risk coefficient; MRP is the market risk premium; R_s is the company-specific risk adjustment coefficient.

(1) Determination of Risk-Free Rate

Government bond yields are generally considered risk-free because the risk of default on the bond at maturity is negligible and can be ignored. According to the Ministry of Finance – China Government Bond Yield Curve data published on the website of the China Appraisal Society, the annual yield-to-maturity of government bonds with a maturity of 10 years or more as of the Valuation Benchmark Date is used as the risk-free rate in this valuation report. We adopt the average of the foresaid government bond yields, which is 1.85%, as the risk-free rate for this valuation.

(2) Determination of Market Risk Premium

MRP refers to the Market Risk Premium, which represents the excess return over the risk-free rate that investors require for a fully diversified market portfolio. The market return on investment is calculated using the year-end closing prices of the constituent stocks of the CSI 300 Index as the basis for the data. Since the returns on the constituent stocks should include returns from annual cash dividends, stock dividends, bonus shares, and other distributions, the year-end closing prices of the constituent stocks of the CSI 300 Index we selected are adjusted prices incorporating such returns. It is generally believed that the geometric average return better reflects stock market returns. Based on the backward-adjusted closing prices of the constituent stocks of the CSI 300 Index published by the Wind Information data system, our firm has calculated the market risk premium to be 6.46%. Accordingly, the market risk premium for this valuation is set at 6.46%.

(3) Determination of Comparable Companies' Risk Coefficient Relative to the Stock Market (Levered β)

Tonghuashun iFinD is a company engaged in β research and provides formulas for β calculation. Its selected stock market index is the CSI 300 Index, which is consistent with the CSI 300 Index we adopted when estimating the ERP of the domestic equity market.

In this valuation, we utilize the β Calculator published by Tonghuashun iFinD to calculate the β values of the comparable companies. The aforementioned β values incorporate the comparable companies' own capital structures.

(4) Calculation of the Comparable Companies' Unlevered β and Estimation of the Appraised Entity's Unlevered β

Based on the following formula, we can calculate the Unlevered β for each comparable company:

$$\text{Unlevered } \beta = \text{Levered } \beta / [1 + (1 - T) \times D/E]$$

where: D: Debt value; E: Equity value; T: Applicable income tax rate.

After calculating the Unlevered β of the comparable companies, their average value is taken as the Unlevered β of the appraised entity.

(5) Determination of Capital Structure Ratio of the Appraised Entity

By analyzing the differences between the appraised entity and comparable companies in terms of financing capacity, financing costs, and other factors, and taking into account the appraised entity's financing plans for future years, we adopted the target capital structure as the capital structure for the appraised entity. In determining the target capital structure, market values are used to calculate the weightings of debt and equity.

(6) Estimation of Levered β under the Foresaid Capital Structure Ratio of the Appraised Entity

We substitute the determined capital structure ratio of the appraised entity into the following formula to calculate the Levered β of the appraised entity:

$$\text{Levered } \beta = \text{Unlevered } \beta \times [1 + (1 - T) \times D/E]$$

where: D: Debt value; E: Equity value; T: Applicable income tax rate.

(7) Estimation of Company-specific Risk Adjustment Coefficient (R_s)

The specific risk return primarily refers to a risk premium or discount arising from certain unsystematic, company-specific factors. We determined the specific risk return by evaluating the company's risk profile, operating scale, business model, stage of development, core competitiveness, and reliance on major customers and suppliers, supported by our valuation experience and professional judgment. The Capital Asset Pricing Model ("CAPM") is generally used to estimate the return on an investment portfolio. Since the CAPM cannot be used directly to estimate the return on a single company, and it is generally accepted that the investment risk of a single company is higher than that of an investment portfolio, the return on a single company or stock should be evaluated by considering the excess return arising from all the specific risks relative to the investment portfolio.

The company-specific risk adjustment coefficient is projected at 1.00%.

(8) Calculation of the Current Return on Equity

By substituting the appropriate data into the CAPM formula, we can calculate the expected return on equity for the appraised entity.

2) *Determination of Return on Debt*

The expected return on debt represents the expected return of the appraised entity's debt investors.

Debt-servicing capacity varies across companies depending on their operational performance and capital structure, leading to differing expected return of debt investors. Consequently, a company's return on debt is closely linked to its financial risk, namely its capital structure.

Taking into account the appraised entity's operating performance, capital structure, credit risk, collateral, and guarantees, we determined the expected return on debt to be 2.97% by referencing and making adjustments to the medium- and long-term bank loan interest rates in 2025.

3) *Determination of Discount Rate of the Appraised Entity*

The expected return on equity and the return on debt can be used to calculate the weighted average return on total capital utilizing the weighted average method. The weights are determined based on the actual equity and debt structure ratio of the appraised entity. The weighted average return on total capital is calculated using the following formula:

$$WACC = R_e \frac{E}{D + E} + R_d \frac{D}{D + E} (1 - T)$$

Where: WACC: Weighted average return on total capital; E: Equity value; R_e : Expected return on equity; D: Value of interest-bearing debt; R_d : Expected return on debt; T: Corporate income tax rate.

Based on the above calculations, the weighted average return on total capital of the asset owner is derived as 5.98% (T=7.5%), 5.76% (T = 15%), and 5.48% (T = 25%), which we adopt as the discount rate of the asset owner.

For the detailed calculation of the WACC, please refer to the Schedule of Weighted Average Cost of Capital Calculation.

1.6 Valuation of Interest-Bearing Debt

The interest-bearing debt comprises bank borrowings amounting to RMB148.4680 million, with an appraised value of RMB148.4680 million.

1.7 Net Realizable Value of Assets upon Expiration of Operations

As of the income period, annual cash flows subsequent to the Valuation Benchmark Date have already been discounted in the valuation, and a 5% net residual value is factored in for fixed assets upon expiration. Therefore, the assets upon expiration of operations represent the sum of closing working capital and the residual value of fixed assets, with a net present value of RMB10.9264 million as of the Valuation Benchmark Date.

The net realizable value of assets upon expiration of operations is RMB10.9264 million.

2. MARKET APPROACH:

2.1 Definition and Calculation Models of the Market Approach

The market approach refers to a valuation method that determines the value of the valuation subject by comparing it with comparable listed companies or comparable transaction cases. The theoretical foundation of the market approach is that companies of the same category, of similar operating scale, and with identical profitability possess identical (or similar) market values. The two specific methods commonly used under the market approach are the comparable listed companies method and the comparable transaction cases method.

The comparable listed companies method refers to a specific method that obtains and analyzes the operational and financial data of comparable listed companies, calculates value ratios, and determines the value of the valuation subject on the basis of a comparative analysis with the appraised entity. Comparable companies under the comparable listed companies method should be listed companies traded normally in the open market. Where practically feasible, the valuation conclusion should consider the impact of control and liquidity on the value of the valuation subject.

The comparable transaction cases method refers to a specific method that obtains and analyzes transaction data concerning the purchase, sale, acquisition, and merger of comparable companies, calculates value ratios, and determines the value of the valuation subject on the basis of a comparative analysis with the appraised entity. Control and transaction volume may affect the transaction prices of comparable companies under the comparable transaction cases method. Where practically feasible, consideration should be given to differences in control and liquidity between the valuation subject and transaction cases, as well as their impact on the value of the valuation subject.

The specific basic steps of the market comparison approach are as follows:

First, selecting publicly listed companies with actively traded shares operating in the same industry as the appraised entity as comparable companies, or selecting comparable transaction cases through property rights transaction markets, and then calculating the market values of the comparable companies or transaction cases based on trading share prices;

Selecting one or more earnings ratios, asset ratios, revenue ratios, or other specific ratio parameters of the comparable companies or transaction cases, such as the price-to-book ratio (P/B), price-to-earnings ratio (P/E), enterprise value-to-sales ratio (EV/S), price-to-research ratio (P/RR), or enterprise value multiples (EV/EBIT, EV/EBITDA), as “analysis parameters”, and calculating the ratios of the market values of the comparable companies or transaction cases to the selected analysis parameters, which are referred to as multiples;

Performing necessary adjustments to the aforementioned multiples to reflect differences between the comparable companies or transaction cases and the appraised entity;

Applying the adjusted multiples to the corresponding analysis parameters of the appraised entity to derive the market value of the valuation subject.

2.2 Reasons for Adopting Market Approach for this Valuation

The valuation subject is the value of the entire shareholders' equity interest of Haidong City Ledu District Rongzhi New Energy Development Co., Ltd.

The application of the market approach involves placing the valuation subject in a complete and realistic operating process and market environment. Since this approach relies on property rights transactions and securities markets, the following prerequisites must be met when using the market approach to value an entire set of assets:

1. The property rights trading market and the securities trading market are mature and active, with relevant transaction information being publicly available and complete;
2. It is possible to identify a sufficient number of comparable cases that are similar to the valuation subject in terms of the nature of the transaction targets, disposal methods, market conditions, and other factors;
3. In terms of the elements and technical aspects of asset valuation, the differences between the valuation subject and the comparables can be broken down into specific factors, and these differences can be quantified.

The principal business of the appraised entity is the investment in and operation of wind power plants. Although there is a certain number of listed companies in the securities market with business operations similar to those of the appraised entity, the comparable listed company approach is considered inappropriate when considering factors such as the power plant's operating duration and discounts for lack of marketability. In the property rights transaction market, there is an ample number of transaction cases resulting from active trading in the renewable energy sector in recent years, with publicly disclosed transaction details and financial data as well as sufficient information available. Therefore, the comparable transaction cases method was adopted under the market approach in this valuation.

2.3 Selection of Transaction Cases

Since the industry to which the appraised entity belongs is classified by the China Securities Regulatory Commission (CSRC) as “new energy power generation enterprises” within the “electricity and heat production and supply” sector, the primary criterion for selecting cases for this study was similarity in business operations and business models. The comparable cases are all concentrated in the wind power generation industry which are all project companies engaged in the construction and operation of wind power plants, and all are in the operational phase – either having recently completed construction or having been in operation for a short period of time.

Through a review of publicly available information, the valuer collected three equity transaction cases in the same industry that were completed in the past two years. The basic details and value ratios for these cases are as follows:

(I) *Valuation of All Shareholder Equity Interests of CSSC Runze Guyuan New Energy Co., Ltd. Involved in Proposed Transfer of 65% Equity Interests of CSSC Runze Guyuan New Energy Co., Ltd. by CSSC Wind Power Clean Energy Technology (Beijing) Co., Ltd.*

The value ratios and basic information are as follows:

Specific Metrics	Case 1
Runze Guyuan	
Enterprise value (EV)	41,091.52
Earnings before interest, taxes, depreciation and amortization (EBITDA)	3,706.28
Value ratio EV/EBITDA	11.09
Differences by industry segment	Wind power
Remaining operating life	18.51

(II) Asset Valuation Report on All Shareholder Equity Interests of Xianghuangqi Shengshi Xinyuan Wind Power Co., Ltd. Involved in the Proposed Transfer of Equity Interest in Xianghuangqi Shengshi Xinyuan Wind Power Co., Ltd. by CSSC Wind Power Clean Energy Technology (Beijing) Co., Ltd.

The value ratios and basic information are as follows:

Specific Metrics	Case 2
Xianghuangqi Shengshi Xinyuan	
Enterprise value (EV)	119,552.23
Earnings before interest, taxes, depreciation and amortization (EBITDA)	13,053.63
Value ratio EV/EBITDA	9.16
Differences by industry segment	Wind power
Remaining operating life	16.35

(III) Valuation of All Shareholder Equity Interests of Haicheng Ruihai New Energy Wind Power Generation Co., Ltd. Involved in Proposed Cash Purchase of Assets by Dongfang New Energy (Beijing) Enterprise Management Center (Limited Partnership), a subsidiary of Beijing Orient EcoEnergy Co., Ltd.

The value ratios and basic information are as follows:

Specific Metrics	Case 3
Haicheng Ruihai	
Enterprise value (EV)	32,280.14
Earnings before interest, taxes, depreciation and amortization (EBITDA)	2,887.42
Value ratio EV/EBITDA	11.18
Differences by industry segment	Wind power
Remaining operating life	17.84

3. VALUATION RESULTS:

Valuation Conclusion and Analysis

In this valuation, both the income approach and the market approach were employed to appraise the entire shareholders' equity interest of Haidong City Ledu District Rongzhi New Energy Development Co., Ltd.

As of the Valuation Benchmark Date of 31 December 2025, the audited book value of assets of Haidong City Ledu District Rongzhi New Energy Development Co., Ltd. was RMB293.4981 million, total liabilities were RMB214.6739 million, and net assets were RMB78.8242 million.

(I) Valuation Results under the Income Approach

As of the Valuation Benchmark Date of 31 December 2025, Haidong City Ledu District Rongzhi New Energy Development Co., Ltd. had total assets with a book value of RMB293.4981 million, total liabilities of RMB214.6739 million, and the entire shareholders' equity interest with a book value of RMB78.8242 million. The value of entire shareholders' equity interest was RMB120.7677 million. Compared with the book value of net assets, the valuation result represents an appreciation amount of RMB41.9434 million and an appreciation rate of 53.21%.

(II) Valuation Results under the Market Approach

As of the Valuation Benchmark Date of 31 December 2025, Haidong City Ledu District Rongzhi New Energy Development Co., Ltd. had total assets with a book value of RMB293.4981 million, total liabilities of RMB214.6739 million, and the entire shareholders' equity interest with a book value of RMB78.8242 million. The value of entire shareholders' equity interest was RMB130.2 million, representing an appreciation amount of RMB51.3757 million and an appreciation rate of 65.18%.

(III) Selection of the Valuation Conclusion

The appraised value under the income approach is RMB120.7677 million, and the appraised value under the market approach is RMB130.2 million. The difference between the valuation results under the two approaches is RMB9.4323 million, representing a discrepancy ratio of 7.81%.

The market approach and the income approach differ in valuation perspective and path. The valuation under the income approach uses the expected income of assets as the standard of value, reflecting the degree of the operating capability (profitability) of the assets. The market approach estimates the value of the appraised entity by analyzing market transactions in the same or similar industries, reflecting the open market assessment of enterprise value under normal and fair transaction conditions. This method is typically subject to the impacts of comparable companies and the adjustment system, resulting in the difference between the two valuation methods.

The appraised entity is an enterprise engaged in new energy power generation projects, and its enterprise value is primarily reflected in the equity value of the new energy power generation project companies in which it invests and which it manages. When conducting a market approach valuation, although the Valuer has made adequate and necessary adjustments to the differences between the appraised entity and comparable listed companies, there may still be factors unique to the comparable listed companies that have not been considered by the Valuer or cannot be quantified, giving rise to the risk that the valuation results may deviate significantly from the actual enterprise value. Since the commencement of grid-connected power generation, the appraised entity has maintained stable and normal operation. The wind power plant is located in a region with favorable natural resource conditions. Coupled with factors such as policies of the new energy industry, tariff mechanisms, operating costs and industry risks, a relatively reliable basis can be obtained for forecasting the power generation of the wind power plant for future years; future returns and risks can be estimated and projected in a relatively reasonable and reliable manner. Therefore, the valuation results of the income approach can reflect the market value of the entire shareholders' equity interest of the appraised entity in an objective way as at the Valuation Benchmark Date. Hence, the result under the income approach is adopted as the valuation conclusion for this valuation.

Based on the valuation, the appraised value of the entire shareholders' equity interest of Haidong City Ledu District Rongzhi New Energy Development Co., Ltd. is RMB120.7677 million.

Analysis of Reasons for Appreciation and Depreciation:

The appraised entity operates in the renewable energy power generation sector, which is characterized by advantages such as low carbon emissions and environmental sustainability. It is encouraged by national initiatives and supported by multiple preferential policies. The company has demonstrated robust profitability in recent years and enjoys promising future development prospects. Benefiting from the prompt collection of electricity sales revenues and renewable energy subsidies, its future profits and cash flows are expected to be substantial and stable, reflecting a strong overall cash flow position. Consequently, the appraised value derived under the income approach is higher than the book value.

In compliance with Rule 14.60A of the Listing Rules, the text of the letter from Grant Thornton to the Directors confirming it has examined the calculations of the discounted future estimated cash flows for the Valuation Reports, and the letter from the Board confirming that the Valuation Reports have been made after due and careful enquiry, both dated 26 October 2026, for the purpose of, among others, inclusion in this announcement are reproduced below:

APPENDIX II – LETTER FROM GRANT THORNTON

The following is the text of a report from the Company's reporting accountants, Grant Thornton Hong Kong Limited, for inclusion in this announcement.

The Board of Directors

Beijing Energy International Holding Co., Ltd. Unit 1012, 10th Floor

West Tower, Shun Tak Centre

168–200 Connaught Road Central Hong Kong

26 October 2026

Dear Sirs,

REPORT ON CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATIONS OF EQUITY INTEREST IN FENGTAI SHENGYANG NEW ENERGY POWER GENERATION CO., LTD. MULEI COUNTY TONGCHUAN FENGGUANG NEW ENERGY CO., LTD NINGXIA YANCHI KAINENG PHOTOVOLTAIC POWER GENERATION CO., LTD JILIN ZHUOLANG NEW ENERGY CO., LTD. JINGNENG (XUNDIAN) NEW ENERGY CO., LTD AND QINGHAI SIXUN NEW ENERGY CO., LTD.

To the board of directors of Beijing Energy International Holding Co., Ltd. (the “Company”)

We have examined the calculations of the discounted future estimated cash flows on which the valuations dated 27 September 2026 prepared by ChungRui World Union Appraisal Group Co., Ltd. (中瑞世聯資產評估集團有限公司) in respect of the entire equity interest in Fengtai Shengyang New Energy Power Generation Co., Ltd. (鳳台縣晟陽新能源發電有限公司), Mulei County Tongchuan Fengguang New Energy Co., Ltd. (木壘縣通川風光新能源有限公司), Ningxia Yanchi Kaineng Photovoltaic Power Generation Co., Ltd. (寧夏鹽池凱能光伏發電有限公司), Jilin Zhuolang New Energy Co., Ltd. (吉林卓朗新能源有限公司), Jingneng (Xundian) New Energy Co., Ltd. (京能(尋甸)新能源有限公司), and Qinghai Sixun New Energy Co., Ltd. (青海思迅新能源有限公司), (the “**Target Companies**”), respectively as at 31 December 2025 are based (the “**Valuations**”). The Valuations based on the discounted future estimated cash flows are regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and reference to the Valuations will be included in an announcement dated 26 October 2026 issued by the Company in connection with the proposed issuance of the ABN, the equity transfer and debt assignment of the Target Companies (the “**Announcement**”).

Directors' Responsibilities

The directors of the Company are responsible for the reasonableness and validity of the assumptions as set out in the Announcement (the “**Assumptions**”), based on which the discounted future estimated cash flows and the Valuations are prepared.

Professional Ethics and Quality Management

We have complied with the ethical requirements in “Code of Ethics for Professional Accountants” issued by HKICPA. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements”, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

It is our responsibility to form an opinion on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuations are based and to report solely to you, as a body, as required by Rule 14.60A(2) of the Listing Rules, and for no other purpose. The discounted future estimated cash flows does not involve the adoption of accounting policies. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the arithmetical calculations are concerned, have been properly compiled in accordance with the Assumptions.

Our work does not constitute any valuation of the equity interests in the Target Companies. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuations and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

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

Grant Thornton Hong Kong Limited

Certified Public Accountants

Hong Kong

APPENDIX III – LETTER FROM THE BOARD IN RELATION TO THE PROFIT FORECAST

26 October 2026

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

Dear Sirs,

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE PROPOSED ISSUANCE OF THE ABN AND DISPOSAL OF EQUITY INTERESTS IN AND CREDITOR’S RIGHTS AGAINST SUBSIDIARIES

We refer to the announcement of Beijing Energy International Holding Co., Ltd. (the “**Company**”) dated 26 October 2026 in relation to the captioned transactions (the “**Announcement**”). Unless the context otherwise requires, terms defined in the announcement shall have the same meanings in this letter when used herein.

We refer to (i) the Valuation Report A dated 27 September 2026 prepared by ChungRui World Union Appraisal Group Co., Ltd. (the “**Independent Valuer**”), an independent valuer, which shows that the appraised value of the entire equity interest in Shengyang is approximately RMB627,730,400 based on the income approach; (ii) the Valuation Report B dated 27 September 2026 prepared by the Independent Valuer, which shows that the appraised value of the entire equity interest in Tongchuan is approximately RMB91,364,300 based on the income approach; and (iii) the Valuation Report C dated 27 September 2026 prepared by the Independent Valuer, which shows that the appraised value of the entire equity interest in Kaineng is approximately RMB113,153,200 based on the income approach (iv) the Valuation Report D dated 27 September 2026 prepared by the Independent Valuer, which shows that the appraised value of the entire equity interest in Zhuolang is approximately RMB269,944,300 based on the income approach (v) the Valuation Report E dated 27 September 2026 prepared by the Independent Valuer, which shows that the appraised value of the entire equity interest in Xundian is approximately RMB171,168,200 based on the income approach (vi) the Valuation Report F dated 27 September 2026 prepared by the Independent Valuer, which shows that the appraised value of the entire equity interest in SPV is approximately RMB66,326,900 based on the asset-based approach.

The aforesaid valuations of Shengyang, Tongchuan, Kaineng, Zhuolang, Xundian and Haidong (whose valuation underlies the appraised value of SPV) (the “**Valuations**”) are deemed as profit forecasts under Rule 14.61 of the Listing Rules (the “**Forecasts**”).

We hereby confirm that we have considered various aspects including the bases and assumptions based upon which the discounted cash flows in the Valuations have been prepared, and reviewed the Valuations for which the Independent Valuer is responsible. We have also reviewed the calculations for the discounted cash flows in the Valuation Reports. We have also considered the report from Grant Thornton Hong Kong Limited, the Reporting Accountants of the Company, as set out in Appendix II to the Announcement regarding the calculations of the discounted cash flows in the Valuations upon which the Forecasts have been made.

On the basis of the foregoing, in accordance with the requirements of the Listing Rules, we confirm that the Forecasts have been made after due and careful enquiry by us.

Yours faithfully,
For and on behalf of the Board
Beijing Energy International Holding Co., Ltd.
Zhang Ping
Executive Director