
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to this circular or its contents, or to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, broker, professional accountant or other professional adviser.

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

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Beijing Jingneng Clean Energy Co., Limited

北京京能清潔能源電力股份有限公司

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

(Stock Code: 00579)

PROPOSED TERMINATION OF THE 2020 H SHARE APPRECIATION RIGHTS SCHEME PROPOSED ADOPTION OF H SHARE APPRECIATION RIGHTS SCHEME AND THE GRANT AND NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

A letter from the Board of Directors is set out on pages 3 to 6 of this circular.

The General Meeting will be held at 9:30 a.m. on Thursday, 21 June 2024 at Meeting Room 802, 8th Floor, No. 6 Xijie Road, Xijie Subdistrict, Beijing, the People's Republic of China. The notice of the General Meeting is set out on pages 17 to 18 of this circular. A proxy form for the General Meeting is enclosed with this circular and will be available on the website of the Jong Jong stock exchange (<http://www.hkexnews.hk>) and the website of the company (<http://www.jnec.com>). Whether or not a shareholder attends the General Meeting, a shareholder is requested to complete and return the proxy form in accordance with the instructions printed thereon not later than 24 hours before the time fixed for holding the General Meeting, no later than 9:30 a.m. on Tuesday, 19 June 2024, or in any event before the time fixed for the meeting.

Completion and return of the proxy form will not preclude a shareholder from attending and voting at the General Meeting.

Reference to time in this circular is to Hong Kong time.

17 June 2024

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
APPENDIX – PROPOSED ADOPTION OF H SHARE APPRECIATION RIGHTS SCHEME AND THE GRANT	7
NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024	17

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

“Article” of Association	the article of association of the company
“Beijing A.A.”	the state-owned A-share supervision and administration commission of People’s Government of Beijing Municipality
“Board” or “Board of Directors”	the board of directors of the company
“Company”	Beijing Jingneng Chengneng (Group) Co., Ltd. (joint stock company incorporated in the PRC with limited liability, whose shares are registered on the Shanghai Stock Exchange)
“Director(s)”	the director(s) of the company
“EGM”	the first extraordinary general meeting of 2024 of the company to be held at 9:30 am on April 2 nd 2024 at Meeting Room 802, 8th Floor, 606 Xilue Road, Chaoyang District, Beijing, the PRC
“Grant”	the proposed grant to the company under the scheme
“Overseas”	the overseas foreign investment(s) in the share capital of the company with nominal value of RMB1.00 each, which are subscribed for in the Shanghai Stock Exchange
“Shanghai”	the Shanghai Special Administrative Region of the PRC
“Shanghai Stock Exchange”	The stock exchange of Shanghai
“Incentive Recipient(s)”	person(s) who are eligible to receive

DEFINITIONS

“ ceme	the the ^R re Appreciation / ight” ceme of the omp n to be con tere n, if t a g t fit, pprove the ^R re o er” t t e A. G v
“ re A ppreciation / ight” ^R	the re ^R ppreciation right” gr nte u n er the ceme, representing the right” conferre to the Incentive / ecipient” to receve the ^R re e rning” from the incre e in the ^R re price of the re ”, u bject to specific timefr me n con ition”
“ re o er %	the re o er % of the re % of the omp n
“%	per cent

LETTER FROM THE BOARD



Beijing Jingneng Clean Energy Co., Limited 北京京能清潔能源電力股份有限公司

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

(Stock Code: 00579)

Executive Directors

▼ Mr. A. G. eng ng (Chairman)
▼ Mr. A. u (General Manager)
▼ Mr. A. G. Wei
▼ Mr. I. ngu

Registered Office

Room 118, 1. ng. t / o -
ing. conomic eve opment one
Y ngng t rict, Beijing
t e R

Non-executive Directors

▼ Mr. U J. nu
▼ Mr. G. L. ong
▼ Mr. A. G. Y. L.

Principal Place of Business in Hong Kong

31. Tower Two, Time. q re
1 t e on treet, u ew
ong ong

Independent non-executive Directors

▼ Mr. A. Jie
▼ Mr. WA. G. ongxin
▼ Mr. I. L. n
▼ Mr. U. L. ung

17 J u r 2024

To the Shareholders

▼ e r ▼ m,

PROPOSED TERMINATION OF THE 2020 H SHARE APPRECIATION RIGHTS SCHEME PROPOSED ADOPTION OF H SHARE APPRECIATION RIGHTS SCHEME AND THE GRANT AND NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

INTRODUCTION

The purpose of this circular is to set out the notice of the G. n to provide a with set L. reg r. ing.
among other things, the proposed termination of the 2020 H Share Appreciation Rights Scheme (hereinafter referred to as the "Scheme") and the proposed adoption of the Scheme and the Grant to enable the Board to make informed decisions on whether to vote for or against the resolution to the proposed termination of the G. n.

PROPOSED TERMINATION OF THE 2020 H SHARE APPRECIATION RIGHTS SCHEME

THE PROPOSED H SHARE APPRECIATION RIGHTS SCHEME AND THE GRANT

The angular velocity of the composite is nonofficially taken for reference on θ . In case of non-creep, no relative motion between the composite and the angular velocity of the composite is preserved.

The Board considers that the proposed term is in conjunction of the elements of the Grant referred to in the above-mentioned interest of the company in the proposed work.

LETTER FROM THE BOARD

General Information

The Share Appreciation Rights^R relate to the future exercise of Incentive Recipient^R at the expense of the owner^R of the shares, nor do we have the right to exercise the shares, including but not limited to voting rights, entitlement to dividends, rights of Incentive Recipient^R have no right to be transferred, be assigned, be pledged for debt repayment, and may or create an interest with or without favor of the shareholder or in relation to the shareholder. Share Appreciation Rights^R or enter into an agreement to do so, nor do we or the Shareholder have the right to promote or undermine the interest of the shareholder direct or indirect relation to the Share Appreciation Rights^R.

The Incentive Recipient^R are required to work for the company according to the requirements for their position. If the Incentive Recipient^R are not competent to perform their position or fulfill the position, the Incentive Recipient^R may not exercise the Share Appreciation Rights^R in accordance with the Incentive Recipient^R agreement. If the Incentive Recipient^R violate the duty of confidentiality in the company or the Article of Association, or misappropriate the company's interest or reputation, violating the work-related professional ethics, leaking the company's secret or committing misconduct or malfeasance, the Incentive Recipient^R may not exercise the Share Appreciation Rights^R with the company, and the Board may have the right to recover all or part of the gain obtained from the exercise of the rights in case of breach of confidentiality.

The elements of the Grant will only take effect upon being approved by the Board of Directors.

For the purpose of carrying out specific matters relating to the elements, the Board recommends the Board of Directors to:

- i) authorize the Board to grant the Share Appreciation Rights^R to the Incentive Recipient^R when the company and the Incentive Recipient^R meet the conditions for the Grant, and to handle the matters necessary for the grant of the Share Appreciation Rights^R;
- ii) authorize the Board to review and confirm whether the company and the Incentive Recipient^R meet the conditions for the exercise of the Share Appreciation Rights^R, and to handle the matters necessary for the exercise of the Incentive Recipient^R;
- iii) authorize the Board to adjust the exercise price of the Share Appreciation Rights^R in accordance with the provisions of the elements in the event of dividend payment, stock dividend, conversion of capital reserve into share capital, allotment, issuance of new shares, merger and acquisition, etc., and provide for the elements;
- iv) authorize the Board to handle the exercise and non-exercise of the Share Appreciation Rights^R granted to the Incentive Recipient^R in accordance with the provisions of the elements in the event that the company or the Incentive Recipient^R is subject to liquidation, business closure, or other reasons from the company, retirement, death, etc., and provide for the elements;
- v) authorize the Board to decide, in accordance with the provisions of the elements, whether or not to recover the gain that the Incentive Recipient^R have received from the exercise of the Share Appreciation Rights^R, and

vi) u t o r l e e h o r t o c r r a t o t e r m n g e m e n t " n e c e s s a r y

Proposed Adoption of the Scheme and the Grant

A summary of the major terms of the scheme are set out below:

Incentive Instrument

" The scheme is the Share Appreciation Rights^R instrument in respect of the shares of the company in an incentive instrument, subject to the satisfaction of the exercise conditions in the exercise arrangement, the Incentive Recipient^R shall have the right to receive the cash benefit of the difference in share price arising from the increase in the price of the specified number of shares within the exercise period. No Incentive Recipient^R shall own the shares or have right to shares or other financial rights not relating to voting rights, entitlement to dividends, etc. The Share Appreciation Rights^R shall not be transferred, nor be subject to trading or repurchasing.

Effective Conditions

" Approved by the Board of Directors and the shareholders at the general meeting.

Duration

" Existing from the date of approval at the general meeting.

Incentive Recipients

" Scope of Incentive Recipient^R for the first grant

113 Incentive Recipient^R in total under the Grant, including Director and Senior Management of the company in the management, technical and other core staff who have direct effect on the operation and development of the company.

ii) Scope of Incentive Recipient^R for the reserve grant

The Incentive Recipient^R under the reserve grant under the scheme include 1) the company's new appointed new recruit Senior Management; 2) the company's new recruit key technical, management personnel; and 3) the company's new training expert, technical expert or expert who enjoy special allowance from the government of the province, even above related to energy technology.

**Number of the Share
Appreciation Rights to be
granted**

The total number of share^Rs relating to the share appreciation rights to be granted under the scheme is 123,675,000 shares, representing approximately 1.5% of the total share capital of the company at the date of the circular. The number of shares relating to the share appreciation rights to be granted to any individual incentive recipient under the scheme shall not exceed 0.1% of the total share capital of the company.

Date of Grant

Upon satisfaction of the conditions of the Grant of the share appreciation rights in accordance with the scheme, the date of grant under the scheme shall be determined by the Board. The date of grant shall be the trading date. The date of grant is, in principle, the same as the date on which the scheme is considered and approved at the general meeting of the company.

Exercise Price

The right of the holder of the share appreciation rights to the date of grant of the share appreciation rights; (ii) the average closing price of the shares for the five consecutive trading days immediately preceding the

14) Reserve grant

Tranches of exercise	Exercise period	Exercise proportion
First tranche	from the first trading day after 24 months from the date of the reserve grant to the end of the trading day within 36 months from the date of the reserve grant	33
Second tranche	from the first trading day after 36 months from the date of the reserve grant to the end of the trading day within 48 months from the date of the reserve grant	33
Third tranche	from the first trading day after 48 months from the date of the reserve grant to the end of the trading day within 60 months from the date of the reserve grant	34

Conditions precedent for the Grant under the Scheme

15) The company may grant the Reserve Appreciation Rights upon the fulfilment of the following condition:

1) none of the following event(s) shall occur to the company:

1. failure to engage an accounting firm to conduct auditing work in accordance with the prescribed procedure(s) requirement;
2. the regulator(s) of the state-owned bank(s), the board of supervisors or auditing department(s) have material objection in respect of the financial performance or the annual financial report of the company;
3. material records of the company were unprocessable due to the regulator(s) not other relevant authorities' audit;
4. failure of auditor's report with negative opinion or indicating the inability to give an opinion on the financial report or the effectiveness of internal control for the tested accounting period certificate period accounting;

5. profit contribution in violation of the written regulation, the Articles of Association or the undertaking during the first 36 months;
 6. production from implementing the incentive scheme the written regulation;
 7. other circumstances to be determined by the relevant regulator or the court;
- ii) none of the following events shall occur to the Incentive Recipient:
1. the receipt of the economic responsibility audit or other report prove that the officer failed to perform duties effectively or involved in bribery, misconduct or malfeasance;
 2. non-compliance with the relevant written regulation of the Board or the provision of the Articles of Association;
 3. during the tenure of office, involvement in acceptance or solicitation of bribe, corruption, theft, leakage of the company's trade secret, conspiracy, collusion, connection or other unlawful conduct, which may cause the negative impact to the image of the company or to the company's reputation;
 4. failure to discharge, or failure to discharge properly, duties and therefore resulting in bribery or involvement in the company's other bribery or other illegal conduct;
 5. determination that the long-term stock exchange or relevant regulator or the court is in inappropriate position in the first 12 months;
 6. imposition of relevant regulator or the court with disciplinary penalty or measure prohibiting access to the market in the first 12 months due to material non-compliance of work or regulation;

7. pro-portion from acting as director or member of the senior management of the company as required by the Listing Rules;
8. pro-portion from participating in any incentive of the company as required by the Listing Rules;
9. other circumstances as determined by the relevant regulatory authority;

**Conditions precedent for
exercise under the Scheme**

4. The Share Appreciation Rights granted to Incentive Recipient shall be exercisable upon the fulfilment of the following conditions:

(i) none of the following events shall occur to the company:

1. failure to engage an accounting firm to conduct auditing work in accordance with the prescribed procedure as required;
2. the regulatory authority of the state-owned asset, the board of supervisors or auditing department have material objection in respect of the financial performance or the annual financial report of the company;
3. material records of the company were impounded by the regulatory authority or other relevant authority;
4. failure of auditor's report with a negative opinion or indicating the inability to give an opinion on the financial report or the effectiveness of internal control for the test accounting and certified as not clean;
5. profit distribution in violation of the relevant regulation, the Article of Association or the undertaking during the last 36 months;
6. pro-portion from implementing any incentive of the company;

3. during the tenure of office, involvement in acceptance or distribution of shares, corruption, theft, leakage of the company's trade secret, confidential information or other confidential matters, which may prejudice the interest and reputation of the company in negative impact to the image of the company and to the company's growth;
 4. failure to discharge, or failure to discharge properly, the duties and responsibilities entrusted upon him by the company or other persons in the service of the company;
 5. determination of the long term stock exchange or relevant regulatory authorities to be in proper compliance with the relevant provisions of the Companies Act;
 6. imposition of relevant regulatory authorities with disciplinary penalties or measures for disciplinary action into the market within 12 months due to material non-compliance of with the relevant provisions;
 7. prohibition from acting as director or member of the managing committee of the company require the relevant authorities;
 8. prohibition from participating in the incentive of the company require the relevant provisions;
 9. other circumstances to be determined by the relevant regulatory authorities.
- iv) the performance of the Incentive Recipient
- The Incentive Recipient's merit in the performance of 80 points or above for the previous year. If the performance of the Incentive Recipient for the previous year is below 80 points, the company will exercise the right of the Incentive Recipient to the Share Appreciation Right pursuant to the provisions of the scheme. The Share Appreciation Right shall be exercised within the period of 12 months from the date of the exercise of the right.

Details of the Incentive Recipients under the Grant:

Name	Position	Number	Maximum number of the Share Appreciation Rights to be granted	Approximate percentage to the total issued share capital of the Company as at the date of this circular (%)	Approximate percentage to the total number of Share Appreciation Rights to be granted under the Scheme (%)
Director and Senior Management					
Mr. Cheng	Member of the Board, Chairman of the Board, Executive Director	1	2,485,430	0.03%	2.01%
Mr. Wu	Executive Director, Member of the Board, Executive Director, General Manager	1	2,485,430	0.03%	2.01%
Mr. Hong	Executive Director, Member of the Board, Chairman of the Board, Executive Director	1	2,236,887	0.03%	1.81%
Mr. Wei	Executive Director, Executive Director, General Manager, Member of the Board	1	2,236,887	0.03%	1.81%
Mr. Peng	Executive Director, Chairman of the Board, Executive Director	1	2,236,887	0.03%	1.81%
Mr. Jin	Executive Director, General Manager	1	2,236,887	0.03%	1.81%
Mr. Xu	Executive Director, General Manager	1	2,236,887	0.03%	1.81%
Mr. Gong	Executive Director, General Manager	1	2,236,887	0.03%	1.81%
Mr. Gu	Executive Director, General Manager	1	2,236,887	0.03%	1.81%
Core staff		104	82,433,442	1.00%	66.65%
Total of the first grant		113	103,062,511	1.25%	83.33%
Reserved grant		-	20,612,489	0.25%	16.67%
Total			123,675,000	1.50%	100%

At the first meeting of the Board, the Board resolved to form the proposed Grant after the scheme becomes effective.

APPENDIX

PROPOSED ADOPTION OF H SHARE APPRECIATION RIGHTS SCHEME AND

At the time of the Grant, the expected gain of the Incentive Recipient from the Incentive will not exceed 40% of the or greater total remuneration payable to the Incentive Recipient from the Share Appreciation Rights, during the exercise period of the Scheme, the per unit of the expected gain of the Incentive Recipient is 60% of the or greater total remuneration payable to the Incentive Recipient at the time of the Grant.



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NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**EGM**”) of Beijing Jingneng Clean Energy Co., Limited (the “**Company**”) will be held at 9:30 am on April 2, 2024 at the meeting room 802, 8th floor, No. 6 Xijie Road, Dongcheng District, Beijing, the PRC, for the purpose of considering, if it is so agreed, the following resolutions:

SPECIAL RESOLUTIONS

1. To consider and approve the termination of the share repurchase right scheme approved on 28 April 2020;
JinncleanmvfA 3.4 ne
2. To consider and approve the option of the mvfA 3.4 ne

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

Notes:

Let us of the "Special Resolution" referred to in the circular of the company dated 17 June 2024 (the "Circular"). Under the provisions of the law, the company has the right to convene the meeting to discuss the matters mentioned in the Circular.

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

The register of members of the company will be closed for the purpose of determining the eligibility of members to attend the EGM from Tuesday, 30 June 2024 to Tuesday, 2 July 2024 (both days inclusive). The register will be open for the purpose of determining the eligibility of members of the company on the date of the EGM on Wednesday, 29 June 2024, relating to the matters mentioned in the Circular.

The register of members of the company will be closed to attend the EGM if the members have not registered the transfer documents required to effect the transfer of shares together with the relevant certificate of the company in Hong Kong, completed by the Hong Kong Investor Service Unit, at Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road West, New Territories, Hong Kong, no later than 4:30 p.m. on Wednesday, 29 June 2024 for registration.

2. PROXY

The members entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote in their stead. A proxy need not be a member of the company.

The instrument appointing a proxy must be in writing under the hand of the member or its attorney duly authorized in writing. If the member is a corporate body, the proxy form must be duly executed under its common seal or under the hand of its director or its attorney. If the proxy form is signed by an attorney of the member, the power of attorney authorizing the attorney to sign or otherwise authorize the member to do so must be produced to the company.

For members of the company, the proxy form together with the power of attorney or other authorization document (if any) must be deposited with the company's Hong Kong Investor Service Unit, at Room 1712-16, Hopewell Centre, 183 Queen's Road West, New Territories, Hong Kong, in person or by post not later than 24 hours before the time fixed for holding the EGM, no later than 9:30 a.m. on Tuesday, 1 July 2024) or in any manner thereof (to be determined by the company) in order to be valid. The members' votes will be counted upon completion and ratification of the proxy form.

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

Address: 78, 6th Floor, Rongsheng Building, Beijing, China

Telephone: (86 10) 8740 7010 (86 10) 8740 7065

4. PROCEDURES FOR VOTING AT THE EGM

A member of the company may vote at the EGM in person or by proxy.

5. OTHER BUSINESS

The members in person or by proxy attending the EGM will be responsible for their own transportation and accommodation expenses. The members or their proxies attending the EGM will be provided with lunch.

6. Reference to the notice of the meeting to the Hong Kong Investor Service Unit