
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action to be taken, you should consult your stockbroker or other registered agent in writing, bank manager, solicitor, 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 hand the circular together with the enclosed proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the acquisition 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**

After from the Board of Director's resolution page 3 to 6 of this circular.

The G will be held by the company at 9:30 a.m. on Thursday, 2 February 2024 at meeting room 802, 8th floor, No. 6 Xibabe Road, Chaoyang District, Beijing, the PRC. The notice of the G is set out on page 17 to 18 of this circular. A proxy form for use at the G is enclosed with this circular and is available on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the company (<http://www.jnec.com>). Whether or not you are able to attend the G, you are requested to complete and return the proxy form in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the G (i.e., no later than 9:30 a.m. on Thursday, 1 February 2024) or any adjournment thereof (as the case may be).

Completion and return of the proxy form will not constitute a vote at the G and you should also attend the G.

Reference to time and date in this circular are to Hong Kong time and date.

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

- “Article of Association” the articles of association of the company
- “Beijing SAS” the state-owned Asset Servicing and Administration Commission of the Government of Beijing Municipality
- “Board” or “Board of Director” the board of director of the company
- “Company” (Beijing Jingneng Ean Energy Co., Limited), a joint stock company incorporated in the PRC with limited liability, whose shares are listed on the Hong Kong Stock Exchange
- “Director”) the director(s) of the company
- “G” the first extra ordinary general meeting of 2024 of the company to be held at 9:30 a.m. on Monday, 2 February 2024 at meeting room 802, 8th floor, 606 Xihai Road, Hanyang District, Beijing, the PRC
- “Grant” the rooftop grant by the company under the scheme
- “Share(s)” the oversea-listed foreign investment shares in the share capital of the company with a nominal value of HK\$1.00 each, which are subscribed for and traded in Hong Kong dollar
- “Hong Kong” the Hong Kong Special Administrative Region of the PRC
- “Hong Kong Stock Exchange” The Stock Exchange of Hong Kong Limited
- “Incentive Recipient”) person who are

DEFINITIONS

- “scheme” the share allocation right scheme of the company to be conferred upon, if thought fit, a row of the shareholder at the G
- “share allocation right” the share allocation right granted under the scheme, representing the right conferred to the Incentive recipient to receive the share earnings from the increase in share price of share, subject to specific time frame and condition
- “shareholder”) the holder of the share of the company
- “%” percent

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. Deng (Chairman)
Mr. Q. Q. (General Manager)
Mr. A. G. Wei
Mr. I. J. J.

Registered Office

Room 118, 11 Jang at /
Jiang economic development zone
Yangtze River, Jiang
the

Non-executive Directors

Mr. U. J. nu
Mr. S. G. J. ong
Mr. A. G. Yi

Principal Place of Business in Hong Kong

31 Tower Two, Time Square
Latham Street, AEWAN
ong Kong

Independent non-executive Directors

Mr. A. J.
Mr. W. A. G. ongxin
Mr. J. a. a. n
Mr. U. J. ong

17 January 2024

To the Shareholders

Dear Sirs,

**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 General Meeting with regard to, among other things, the proposed termination of the 2020 Share Appreciation Rights Scheme and the proposed adoption of the Scheme and the Grant to enable you to make informed decision on whether to vote for or against the resolution to be proposed at the General Meeting.

LETTER FROM THE BOARD

PROPOSED TERMINATION OF THE 2020 H SHARE APPRECIATION RIGHTS SCHEME

Reference is made to the company's annual general meeting held on 31 March 2020, the circular dated 9 April 2020, the official announcement dated 28 April 2020, and the annual general meeting held on 12 December 2023, in relation to the adoption of the share appreciation right scheme in 2020 (the "2020 H Share Appreciation Rights Scheme") and the resolution to grant the shares to the holders of the 2020 H Share Appreciation Right Scheme. The Board has resolved to approve, among other things, the termination of the 2020 H Share Appreciation Right Scheme on 12 December 2023, which will be submitted to the AGM for shareholder approval.

THE PROPOSED H SHARE APPRECIATION RIGHTS SCHEME AND THE GRANT

Reference is made to the company's annual general meeting held on 12 December 2023 in relation to, among other things, the resolution to adopt the scheme and the Grant. Mr. A. G. G. G. G. G., Mr. A. G. G. G. G., Mr. I. I. I. I. I., being the Independent Director under the scheme, have abstained from voting on the resolution approving the scheme and the Grant at the Board meeting.

The scheme and the Grant are subject to the approval of the AGM and will be submitted to the AGM for shareholder approval.

The scheme does not involve the grant of options over the existing shares, new shares or other new equity issued by the company (or any of its subsidiaries) and therefore, it is not subject to the requirement under Article 17 of the Listing Rules. A summary of the scheme and the Grant is set out in the Appendix to this circular.

The English version of the scheme is a non-official translation and for reference only. In case of any discrepancy between the Chinese and the English version, the Chinese version shall prevail.

Reasons for the Adoption of the Scheme

The Board is of the view that the scheme will be able to (i) enhance corporate competitiveness, create common interests, improve the corporate, regional and creativity of outstanding talent and core staff, improve the operation and core competitiveness of the company and help to the long-term and sustainable development of the company; (ii) create favorable new to the capital market, bolster the confidence in the capital market and maintain the market value of the company; and (iii) effectively help to attract and continue to improve the management talent with clear function between power and responsibility and efficient decision-making, further improve the performance-based compensation incentive mechanism, help to the market-based talent incentive system in line with the development needs of the company, and effectively help to attract the core staff and for the development of the company.

The Board considers that the resolution to grant the scheme and the Grant are fair and reasonable and, in the best interests of the company and the shareholders as a whole.

LETTER FROM THE BOARD

General Information

The Share Allocation Right are to be entitled by a holder of Incentive Recipient at all times have the ownership of the shares, nor have any right that shareholder have, including but not limited to voting right, allotment and dividend right. Incentive Recipient have no right to sell, transfer, reuse, charge, mortgage, pledge, hypothecate, encumber or create any interest whatsoever, in favour of any third party over or in relation to any of his or her Share Allocation Right or enter into any agreement to do so, nor will he or she have the right to promote or otherwise pursue the interest of any third party, directly or indirectly related to the Share Allocation Right.

The Incentive Recipient are required to work for the company according to the requirement for their position. If the Incentive Recipient are not competent at his or her position or fulfil the criteria, the Incentive Recipient unexercised Share Allocation Right can be cancelled. If the Incentive Recipient violate the duty of loyalty or in the judgment of the Board of Directors of the company, or manage the company, interest or reputation by violating the law, breaching professional ethics, causing the company secret or committing misconduct or malfeasance, the unexercised Share Allocation Right will be cancelled, and the Board shall have the right to recover all or a portion of the gain obtained from the exercise of the right in case of extraordinary circumstance.

The scheme and the Grant shall only take effect on being approved by the shareholder meeting.

For the purpose of carrying out specific matter relating to the scheme, the Board recommends the shareholder to:

- (i) authorize the Board to grant the Share Allocation Right to the Incentive Participant when both the company and the Incentive Recipient meet the condition for the Grant, and to handle all matter necessary for the grant of the Share Allocation Right;
- (ii) authorize the Board to review and confirm whether the company and the Incentive Recipient meet the condition for the exercise of the Share Allocation Right, and to handle all matter necessary for the exercise by the Incentive Recipient;
- (iii) authorize the Board to adjust the number and the exercise price of the Share Allocation Right in accordance with the provision of the scheme in the event of a dividend payout, stock dividend, conversion of convertible preferred into the common stock, issuance of new shares, merger and share exchange, etc., as provided for in the scheme;
- (iv) authorize the Board to handle the unexercised Share Allocation Right granted to the Incentive Recipient in accordance with the provision of the scheme in the event that the company or the Incentive Recipient are subject to extraordinary circumstance such as acquisition from the company, restructure, etc., as provided for in the scheme;
- (v) authorize the Board to decide, in accordance with the provision of the scheme, whether or not to recover the gain that the Incentive Recipient have received from the exercise of the Share Allocation Right;

(vi) all those the ~~to~~ to carry out other management activities

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 Right in respect of the shares of the company and an incentive instrument. It is subject to the authority of the exercise committee and the exercise arrangement. The Incentive Recipient has the right to receive the cash benefit of the difference in share price resulting from the increase in the price of a specified number of shares within the exercise period. An Incentive Recipient shall own the shares or have right as shareholder, including but not limited to voting right, dividend right, etc. The Share Appreciation Right shall not be transferred, nor used for pledging or repaying debt.
- Effective Conditions** : Approved by (i) the existing SSS and (ii) the shareholder at the general meeting.
- Duration** : Six years from the date of approval at the general meeting.
- Incentive Recipients** :
- (i) Score of Incentive Recipient for the first grant

113 Incentive Recipient in total under the Grant, including Director and senior management of the company and the management, technical staff who have direct effect on the operation and sustainability of the company.
 - (ii) Score of Incentive Recipient for the reserved grant

The Incentive Recipient under the reserved grant under the scheme include 1) the company new recruit and new recruit senior management; 2) the company new recruit key technical, knowledge and management personnel; and 3) the company new recruit high-ranking expert, technical and technological expert or expert who enjoy subsidy from the government at the provincial level and above related to energy technology.

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

The total number of Share Appreciation Rights to be granted under the scheme is 123,675,000 Share Appreciation Rights representing approximately 1.5% of the total share capital of the company at the date of this circular. The number of 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 a fulfilment of the condition 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 a trading day. The date of grant shall, in principle, be the same as the date on which the scheme is considered and approved at the general meeting of the company.

Exercise Price

The highest of (i) the closing price of the Share at the date of grant of the Share Appreciation Rights; (ii) the average closing price of the Share for the five consecutive trading days immediately preceding the 82X 771/1_v / Tr 2,XXX 11X rG Tr

(1) ^R exercise grant

Tranches of exercise	Exercise period	Exercise proportion
First tranche	from the first triggering date after 24 month from the date of the exercise grant to the first triggering date within 36 month from the date of the exercise grant	33
Second tranche	from the first triggering date after 36 month from the date of the exercise grant to the first triggering date within 48 month from the date of the exercise grant	33
Third tranche	from the first triggering date after 48 month from the date of the exercise grant to the first triggering date within 60 month from the date of the exercise grant	34

Conditions precedent for the Grant under the Scheme

The company may grant the Share Appreciation Right to an employee as a condition of a following condition:

- (1) none of the following event has occurred to the company:
1. the company to engage an accounting firm to conduct auditing work in accordance with the applicable requirements;
 2. the majority authority of the shareholder and, the board of director or audit committee have not raised objection in respect of the financial performance or the annual financial report of the company;
 3. not a breach of any applicable law were imposed by executive director authority and other relevant authority authority;
 4. the use of a director report with a name were opinion or inquiring the ability to give an opinion on the financial report or the agreement of internal control for the first accounting year by a certified public accountant;

5. forfeiture of the award in violation of the award agreement, the Article of Association or applicable law during the first 36 months;
6. prohibition from implementing the incentive by the award agreement;
7. other circumstance as determined by relevant regulatory authority.

(ii) none of the following event has occurred to the Incentive recipient:

1. the receipt of the economic sanction, including any other report reveals that he has failed to perform due effective or is involved in corrupt or malfeasance;
2. non-compliance with the relevant award agreement of the Board or the revision of the Article of Association;
3. during his tenure of office, involvement in a case or conviction of bribery, corruption, theft, leakage of the company trade secret, confidential information and other unlawful acts or misconduct, which results the negative impact to the image of the company or to the reputation of him;
4. failure to discharge, or failure to discharge properly, his duties as the beneficiary in relation to the company and other related consequences;
5. determination by the Hong Kong Stock Exchange or relevant regulatory authority as an insider in the first 12 months;
6. imposition by relevant regulatory authority with a punitive order or measure prohibiting access into the market in the first 12 months due to malfeasance or non-compliance of award agreement;

7. prohibition from acting as a director or a member of the senior management of the company as required by the Listing Rules;
8. prohibition from participating in the incentive of the company as required by the Law and Regulation;
9. other circumstances as determined by relevant regulatory authority.

Conditions precedent for exercise under the Scheme

The Share Appreciation Right granted to Incentive Recipient shall be exercisable on the immediate expiration of a following condition:

- (1) none of the following event has occurred to the company:
 1. failure to engage an accounting firm to conduct auditing work in accordance with the respective regulatory requirement;
 2. the regulatory authority of the state-owned asset, the board of supervisor or audit department have not raised objection in respect of the financial performance or the annual financial report of the company;
 3. material breach of the applicable laws were imposed by relevant regulatory authority and other relevant authority as a result;
 4. issue of an auditor report with a severe opinion or rejecting the ability to give an opinion on the financial report or the agreement of internal control for the related accounting year by a certified public accountant;
 5. profit distribution in violation of the Law and Regulation, the Article of Association or applicable law regarding during the past 36 month;
 6. prohibition from implementing the incentive by the Law and Regulation;

(3) The incremental profit creation of the company from 2024 to 2026 shall not be less than R 1.16 million, R 1.25 million and R 1.28 million, respectively.

Notes:

1. During the validity period of the scheme, if the company exercises its financing through non-utility offering of shares, the new profit increment shall be calculated from the financing activity and the net profit generated from such activity shall not be included in the assessment calculation of remuneration attributable to the agent company as a result of its contribution.
2. Total profit is meant profit before tax.
3. The high-tier value of the entire power generation portfolio for each year shall be on the “merit order performance” valuation shall be determined by the state-owned Asset Service Company and the regulatory commission of the state council. If the state-owned Asset Service Company and the regulatory commission of the state council no longer use the “merit order performance” valuation shall be benchmark value of the portfolio, the benchmark of such portfolio shall no longer be considered.
4. Incremental profit creation = profit before tax * 2, total number of employees at the beginning of the year + total number of employees at the end of the year).
5. Non-fossil energy includes the new energy such as renewable energy at the present, including clean energy, wind energy, solar energy, hydroelectric energy, biomass energy, geothermal energy, ocean energy, urban gas-fired electric energy, energy storage and other renewable energy sources.
6. Non-fossil energy in the local area city includes all non-fossil energy in the local area city of controlled or controlled urban gas-fired and non-fossil energy in the local area city of electric-gas-fired urban gas-fired in proportion to their shareholding.
7. The proportion of non-fossil energy in the local area city growth shall be determined by the company in the “Annual Electricity Supply and Demand” plan determined by the local electricity council. If the local electricity council no longer use the “Annual Electricity Supply and Demand” plan, it is recommended that the proportion of local area city power generation in the local area city growth shall be in the “Annual Electricity Supply and Demand” plan determined by the local area city regulatory commission to ensure the exercise contribution to be higher than the portfolio average.
8. The cost shall be based on

3. During his tenure of office, involvement in a case of bribery or offence of bribery, commission, theft, leakage of the company's trade secrets, confidential, commercial, connected transaction and other unlawful acts and misconduct, which results in the material reduction of assets of significant negative impact to the management of the company and to enhance its performance;
4. Failure to discharge, or failure to discharge properly, his duties as the Board member in the period of the company and other period and its consequences;
5. Determination by the Hong Kong Stock Exchange or relevant regulatory authority and/or other relevant authority in the last 12 months;
6. Imposition by relevant regulatory authority with disciplinary or measure prohibiting access into the market in the last 12 months due to market non-compliance of law or regulation;
7. Prohibition from acting as a director or a member of the senior management of the company as required by the relevant law;
8. Prohibition from participating in the incentive of the company as required by law and regulation;
9. Other circumstances as determined by relevant regulatory authority.

(iv) annual performance appraisal of the Incentive Recipient

The Incentive Recipient must obtain an annual appraisal score of 80 point or above for the review year. If the performance appraisal score of the Incentive Recipient for the review year is below 80 point, the company shall cancel the exercise right for the current period of the Incentive Recipient share Allocation right pursuant to the provision of the Scheme and the share Allocation right thereof will be invalidly made by the company.

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					
Trần Đăng Khoa	Secretary of the Board of Directors, Chairman of the Remuneration Committee, Executive Director	1	2,485,430	0.03%	2.01%
Trần Văn Tuấn	Deputy Secretary of the Board of Directors, Executive Director and General Manager	1	2,485,430	0.03%	2.01%
Đỗ Văn Long	Deputy Secretary of the Board of Directors and Union Representative	1	2,236,887	0.03%	1.81%
Trần Văn Việt	Executive Director, Deputy General Manager and Secretary of the Board	1	2,236,887	0.03%	1.81%
Nguyễn Văn Ngọc	Secretary of the Remuneration Committee for the Full-time Incentive	1	2,236,887	0.03%	1.81%
Trần Văn Tuấn	Deputy General Manager	1	2,236,887	0.03%	1.81%
Trần Văn Xuân	Deputy General Manager and Chief Accountant	1	2,236,887	0.03%	1.81%
Trần Văn Cường	Deputy General Manager	1	2,236,887	0.03%	1.81%
Trần Văn Hùng	Executive Director and Deputy 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 next meeting of the Board, it will be held to formally approve the Grant under the Scheme to become effective.

APPENDIX

PROPOSED ADOPTION OF H SHARE APPRECIATION RIGHTS SCHEME AND

At the time of the Grant, the expected gain of each Incentive Recipient from the incentive shall not exceed 40% of his or her total remuneration level at the time of the Grant, including expected gain from the Share Appreciation Right). During the exercise period of the Scheme, the upper limit of the expected gain of each Incentive Recipient shall not exceed 60% of his or her total remuneration level at the time of the Grant.



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北京京能清潔能源電力股份有限公司

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(Stock Code: 00579)

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "EGM") of Beijing Jingneng Clean Energy Co., Limited (the "Company") will be held at 9:30 a.m. on Monday, 2 February 2024 at meeting room 802, 8th floor, No. 6 Xitaihe Road, Chaoyang District, Beijing, the P.R.C., for the purpose of considering and, if thought fit, adopting the following resolutions:

SPECIAL RESOLUTIONS

- To consider and approve the termination of the share repurchase right scheme approved on 28 August 2020.
- To consider and approve the appointment of the Jingchun

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

Notes:

Each of the definitions of the terms used in the circular of the company dated 17 January 2024 (the "Circular"). Unless otherwise defined, the terms used herein shall have the same meaning as defined in the Circular.

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

Order of the Board of the company is that the share register for shares of the company will be closed from Tuesday, 30 January 2024 to Tuesday, 2 February 2024 (both days inclusive). The shareholder whose name appears on the register of members of the company on the close of business on Monday, 29 January 2024 are entitled to attend and vote at the G.M.

Order of the Board of the company who wish to attend the G.M. but have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificate at the share register of the company in Hong Kong, namely Hong Kong Investor Service Limited, at Shop 1712-16, 17th Floor, One Well Street, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 a.m. on Monday, 29 January 2024 for registration.

2. PROXY

Shareholder entitled to attend and vote at the G.M. may appoint one or more proxies to attend and vote in their stead. A proxy need not be a shareholder of the company.

The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney-in-fact authorized in writing. If the shareholder is a corporation, the proxy form must be either executed by its authorized officer or under the hand of its director or its attorney-in-fact. If the proxy form is signed by an attorney of the shareholder, the power of attorney authorizing the attorney to sign or other authorization must be notified.

Order of the Board of the company, the proxy form together with the power of attorney or other authorization (if any) must be deposited at the company share register in Hong Kong, namely Hong Kong Investor Service Limited, at 17th Floor, One Well Street, 183 Queen's Road East, Wanchai, Hong Kong in person or by post not later than 24 hours before the time fixed for holding the G.M. by no later than 9:30 a.m. on Thursday, 1 February 2024) or any adjournment thereof (if applicable) in order to be valid. Shareholder can still attend and vote at the G.M. on completion and return of the proxy form.

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

Address: 78/F,
6 Xitaihe Road,
Huangpu District,
Beijing, the P.R.C.

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

4. PROCEDURES FOR VOTING AT THE EGM

Any vote of shareholder at the G.M. must be taken by poll.

5. OTHER BUSINESS

Shareholder (in person or by proxy) attending the G.M. are responsible for their own transportation and accommodation expenses. Shareholder or their proxy attending the G.M. shall receive their entitlements.

6. Reference to time and date in this notice are to Hong Kong time and date.