
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the content of this circular or to the action to be taken, you should consult a 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 contact your broker 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.

Jingneng Clean Energy Co., Limited and the stock exchange of Jingneng Clean Energy Co., Limited take no responsibility for the content of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss or damage arising from or in reliance upon the whole or in part of the content of this circular.



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 on the company's 9:30 am on Thursday, 21 June 2024 at Meeting Room 802, 8th Floor, No. 6 Xilie Road, Xilie District, 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 Jingneng Clean Energy Co., Limited (<http://www.kexnew.com>) 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 am on Thursday, 1 June 2024 or on any day immediately preceding that date.

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

Reference to time and date in this circular are to Jingneng Clean Energy Co., Limited.

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

- “Article” of A “Declaration” the article of “Declaration” of the company
- “Beijing A A” the state-owned A “State” supervision non-administrative
commission of People Government of Beijing Municipality
- “Board” or “Board of Director” the board of Director of the company
- “Company” Beijing Jingneng (Energy Co., Limited), joint stock company incorporated in the
People’s Republic of China, with limited liability, whose shares are registered on the
Shanghai Stock Exchange
- “Director” the Director of the company
- “General Meeting” the first extraordinary general meeting of 2024 of the company to be held at 9:30 am on April 2nd of 2024 at Meeting Room 802, 8th Floor, 606 Xiangyin Road, Chaoyang District, Beijing, the
People’s Republic of China
- “Grant” the proposed grant to the company under the scheme
- “Overseas” the overseas foreign investment received in the receipt of
the company with nominal value of RMB1.00 each, which are
issued for the purpose of Shanghai Stock Exchange
- “Shanghai” the Shanghai Special Administrative Region of the People’s Republic of China
- “Shanghai Stock Exchange” The stock exchange of Shanghai Limited
- “Incentive Recipient” person who are rewarded by the company

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. AG Meng (Chairman)
Mr. Jiu (General Manager)
Mr. AG Wei
Mr. Iingu

Registered Office

Room 118, 1st Floor, Tower Two, Time Square
Yanqing District, Beijing
People's Republic of China

Non-executive Directors

Mr. U Jilu
Mr. G Long
Mr. AG Yi

Principal Place of Business in Hong Kong

31st Floor, Tower Two, Time Square
1st Section, Yanting Street, Yanting
Hong Kong

Independent non-executive Directors

Mr. A Jie
Mr. WA Gongxin
Mr. I Lin
Mr. U Long

17 June 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 to provide you with the relevant information regarding the proposed termination of the 2020 H Share Appreciation Rights Scheme (the "Scheme") and the proposed adoption of the new H Share Appreciation Rights Scheme (the "New Scheme") and the Grant of the New Scheme. We would like to inform you of the details of the proposed termination of the 2020 H Share Appreciation Rights Scheme and the proposed adoption of the New Scheme and the Grant of the New Scheme, and to provide you with the information on whether to vote for or against the resolution to approve the proposed termination of the 2020 H Share Appreciation Rights Scheme and the proposed adoption of the New Scheme and the Grant of the New Scheme.

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 proposed annual general meeting held on 28 March 2020, and the annual general meeting held on 12 December 2023, in relation to the proposed termination of the 2020 H Share Appreciation Rights Scheme (the "Scheme") and the proposed grant of the 2020 H Share Appreciation Rights Scheme. The Board is pleased to announce, among other things, the termination of the 2020 H Share Appreciation Rights Scheme on 12 December 2023, which will be submitted to the General Meeting for the board's 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 proposed grant of the Scheme and the Grant of the 2020 H Share Appreciation Rights Scheme. The Board is pleased to announce, among other things, the termination of the 2020 H Share Appreciation Rights Scheme on 12 December 2023, which will be submitted to the General Meeting for the board's approval.

The Scheme and the Grant are subject to the approval of the General Meeting and will be submitted to the General Meeting for the board's approval.

The Scheme does not involve the grant of options over the existing or new or other new securities issued by the company or any of its subsidiaries and therefore, it is not subject to the requirement under Chapter 17 of the Listing Rules of the company to be included in the Appendix to the circular.

The English version of the Scheme and the Grant is provided 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 productivity and core competitiveness of the company; (ii) create favorable new opportunities for the company, boost the confidence in the company and market value of the company; and (iii) effectively utilize the company's resources and improve the management efficiency and the relationship between power and responsibility, and efficient decision-making, further optimize the performance of the company incentive mechanism, and improve the competitiveness of the company, and effectively attract the core talents necessary for the development of the company.

The Board considers that the proposed termination and grant of the Scheme and the Grant are in the best interests of the company and the shareholders.

LETTER FROM THE BOARD

General Information

The Incentive / Recipient^R shall not have the ownership of the shares, nor have the right to exercise, including but not limited to voting rights, dividend rights, Incentive / Recipient^R shall have no right to be, transfer, be a charge, pledge for settlement, annuity or create any interest whatsoever in favor of himself or in relation to himself or exercise Incentive / Recipient^R or enter into any agreement to do so, nor exercise or have the right to promote or undermine the interest of himself or in direct or indirect relation to the Incentive / Recipient^R.

The Incentive / Recipient^R shall be required to work for the company according to the requirements for their position. If the Incentive / Recipient^R is not competent to perform his position or function, the Incentive / Recipient^R shall not exercise the Incentive / Recipient^R clause. If the Incentive / Recipient^R violates the duty of confidentiality in the meaning of the Article of Association, or misuses the company's interest or reputation by using the work or confidential information, or by committing a crime or an offence, the Incentive / Recipient^R shall lose the right to recover or a portion of the gain obtained from the exercise of the right in case of termination.

The committee shall be authorized to take effective steps to improve the performance of the company.

For the purpose of carrying out specific matters relating to the committee, the Board shall recommend the company to:

- i) authorize the Board to grant the Incentive / Recipient^R to the Incentive / Recipient^R when, at the time the Incentive / Recipient^R meets the conditions for the grant, the necessary conditions for the grant of the Incentive / Recipient^R;
- ii) authorize the Board to review and confirm whether the company's Incentive / Recipient^R meets the conditions for the exercise of the Incentive / Recipient^R clause, the necessary conditions for the exercise of the Incentive / Recipient^R;
- iii) authorize the Board to adjust the exercise price of the Incentive / Recipient^R in accordance with the provisions of the committee in the event of dividend payment, stock dividend, conversion of capital reserves into shares, issue of new shares, merger and acquisition, etc., as provided for in the committee;
- iv) authorize the Board to determine the exercise or non-exercise of the Incentive / Recipient^R in accordance with the provisions of the committee in the event that the company or the Incentive / Recipient^R is subject to liquidation or a change of control from the company, retirement, death, etc., as provided for in the committee;
- v) authorize the Board to decide, in accordance with the provisions of the committee, whether or not to recover the gain obtained by the Incentive / Recipient^R received from the exercise of the Incentive / Recipient^R clause;

vi) u t or, e t e, r, to c rr a t ot er m n gement "nece" r

Proposed Adoption of the Scheme and the Grant

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

Incentive Instrument	<p>The scheme is a Share Appreciation Rights^R instrument in respect of the shares of the company as an incentive instrument, subject to the satisfaction of the exercise conditions in the exercise arrangement, the Incentive Recipient^R will have the right to receive the cash benefit of the difference in share price resulting from the increase in the price of the specific number of shares within the exercise period. An Incentive Recipient^R will own the shares or have rights in shares, and will not participate in voting rights, entitlement to dividends, etc. The Share Appreciation Rights^R will not be transferred non-exercisable for trading or reporting etc.</p>
Effective Conditions	<p>Approved by the Board of Directors and the shareholders at the general meeting.</p>
Duration	<p>Expires from the date of approval at the general meeting.</p>
Incentive Recipients	<p>1) scope of Incentive Recipient^R for the first grant</p> <p>113 Incentive Recipient^R in total under the Grant, including Director and Senior Management of the company and the management, technical and other core staff who will have direct effect on the operation result and the development of the company.</p> <p>2) scope of Incentive Recipient^R for the reserve grant</p> <p>The Incentive Recipient^R under the reserve grant under the scheme include 1) the company's new appointed and new recruited Senior Management; 2) the company's new recruited key technical, knowledge management personnel; and 3) the company's new recruited engineering expert, technical expert, or expert who enjoy special talents from the government of the province, even involve related to energy technology.</p>

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

The total number of shares reserved 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 reserved 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 condition of the Grant of the Share Appreciation Rights in accordance with the scheme, the date of grant shall be determined by the Board. The date of grant shall be the date on which the scheme is approved at the general meeting of the company.

Exercise Price

The exercise price of the shares reserved to the Share Appreciation Rights shall be the exercise price of the shares for the five consecutive trading days immediately preceding the 82X 771/1 shares, 281XX shares, 271 shares, TrC

14) Reserve grant

Tranches of exercise	Exercise period	Exercise proportion
1st tranche	from the first trading day after 24 months from the date of the Reserve grant in connection with the trading day within 36 months from the date of the Reserve grant	33
2nd tranche	from the first trading day after 36 months from the date of the Reserve grant in connection with the trading day within 48 months from the date of the Reserve grant	33
3rd tranche	from the first trading day after 48 months from the date of the Reserve grant in connection with the trading day within 60 months from the date of the Reserve grant	34

Conditions precedent for the Grant under the Scheme

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 independent firm to conduct auditing work in accordance with the prescribed procedure and requirement;
2. the regulator or trustee of the self-owned trust, 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 unprocessable due to regulator or trustee or other relevant trustee's refusal;
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 test accounting error certificate and account;

5. profit contribution in violation of the written regulation, the Article of Association or provision of the company's articles within 36 months;
 6. production from implementing the incentive by the written regulation;
 7. other circumstances to be determined by the relevant regulatory authority;
- ii) none of the following events shall occur to the Incentive Recipient:
1. the receipt of the economic responsibility audit or other report proving the failure to perform duties effectively or involvement in illegal misconduct or malfeasance;
 2. non-compliance with the relevant written regulation of the Company or the provision of the Article of Association;
 3. arising from the office, involvement in acceptance or disclosure of bribe, corruption, theft, leakage of the company's trade secret, confidentially connected transaction or other unlawful misconduct, which may give rise to a negative impact to the image of the company or to the company's reputation;
 4. failure to discharge, or failure to discharge properly, duties in the relevant period or involvement in other illegal or unethical conduct;
 5. determination of the long-term stock exchange or relevant regulatory authority to be an inappropriate person in the next 12 months;
 6. imposition by the relevant regulatory authority with administrative penalty or measure by the stock exchange up to the market in the next 12 months due to material non-compliance of the relevant regulation;

- 7. pro Lition from ctung b Director or mem er of t e enior m n gement of t e omp n b req ure - t e Lting /u e;
- 8. pro Lition from p rticu tng in b re ientive b of t e omp n b req ure - w b n reg tion;
- 9. ot er cur m t nce b b _etermine - re ev nt reg tor u t or t e b

Conditions precedent for exercise under the Scheme

T e - re A p p r e c i a t i o n / i g t b g r n t e - to I n c e n t i v e / e c u i e n t b b - e e x e r c i s e u p o n t e i m t n e a b b t i f c t i o n o f t e f o o w i n g c o n d i t i o n b

- 1. none of t e f o o w i n g e v e n t b b o c c u r r e - t o t e o m p n b
 - 1. f u r e t o e n g g e n c c a n t i n g f i r m t o c o n u c t u - i t i n g w o r k i n c c o r - n c e w i t t e p r e b r l e p r o c e u r e b n r e q u r e m e n t b;
 - 2. t e r e g t o r u t o r i t e b o f t e t t e - o w n e b b e t b t e b o r - o f u p e r v i s o r b o r u - i t d e p a r t m e n t b - v e m t e r l o j e c t i o n i n r e p e c t o f t e f i n n c l p e r f o r m n c e o r t e n n f i n n c l r e p o r t o f t e o m p n b;
 - 3. m t e r l - r e c o f u e b n p e n t i e b w e r e u n p o b e - b e a r t i e b r e g t o r u t o r i t e b n o t e r r e e v n t u t o r i t e b b r e i t b;
 - 4. L t t e o f n u - i t o r b r e p o r t w i t n b v e r b e o p i n i o n o r i n - i c t i n g t e i n - L i t t o g i v e n o p i n i o n o n t e f i n n c l r e p o r t o r t e b e b m e n t o f i n t e r n c o n t r o l f o r t e t e t c c a n t i n g e r - c e r t i f i e p - i c c a n t n t b;
 - 5. p r o f i t - L t r i u t i o n i n v i o t i o n o f t e w b n r e g t i o n b t e A r t i c e b o f A b b o c i a t i o n o r p - i c u n e r t k i n g b u r i n g t e t 36 m o n t b;
 - 6. p r o L i t i o n f r o m i m p e m e n t i n g b r e i n c e n t i v e b - t e w b n r e g t i o n b;

3) per employee profit creation of the company from 2024 to 2026 is not expected to be RMB1.16 million, RMB1.25 million and RMB1.28 million, respectively.

Notes:

1. During the reporting period of the completion carried out financing raising non-public offering of shares, the new increase in net assets from the financing activities is not the net profit generated from the net assets will not be equal to the investment contribution of rational equity structure to the parent company. It is calculated as follows:
2. Total profit represents profit before tax.
3. The highest value of the entire power generation unit for each year is based on the best performance value of the unit. It is the total owned. As the unit operation in the unit operation of the total unit. If the total owned. As the unit operation in the unit operation of the total unit no longer exists, the best performance value of the unit is not the best performance value of the unit. It is the best performance value of the unit no longer exists.
4. Per employee 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 new energy, renewable energy, the present, wind energy, solar energy, hydroelectric energy, tidal energy, geothermal energy, ocean energy, biomass energy for geothermal energy, energy for geothermal energy, etc.
6. Non-fossil energy includes the control of non-fossil energy units of control or control units. It is the non-fossil energy units of control units in proportion to their respective.
7. The non-fossil energy units growth rate is based on the unit in the "Annual Electric Production" of the unit. If the unit electric production no longer exists, the "Annual Electric Production" of the unit is replaced with the unit power generation capacity growth rate in the "Annual Electric Production" of the unit. The unit energy unit operation to ensure the exercise condition to be determined in the unit average.
8. The cost is calculated as follows:

3. during the tenure of office, involvement in acceptance or abdication of office, corruption, theft, leakage of the company's trade secret, disclosure of confidential information, or other unwholesome conduct, which prejudice the interest and reputation of the company; significant negative impact to the image of the company due to pending litigation;
 4. failure to discharge, or failure to discharge properly, the duties and responsibilities entrusted upon him by the company or other person in a position of trust or confidence;
 5. determination that long standing stock exchange or relevant regulatory authority is in appropriate position in the next 12 months;
 6. imposition of relevant regulatory with multiplicity of penalties or measures prohibiting access into the market in the next 12 months due to material non-compliance of work or regulation;
 7. prohibition from acting as director or member of the senior management of the company require the listing rules;
 8. prohibition from participating in the incentive of the company require work non-regulation;
 9. other circumstances to determine relevant regulatory authority;
- (y) the performance period of the Incentive Recipient

The Incentive Recipient's minimum performance score of 80 points or above for the previous year. If the performance period score of the Incentive Recipient for the previous year is below 80 points, the company's exercise of the Incentive Recipient's share appreciation right is subject to the provisions of the scheme. The share appreciation right thereof will be invalid to 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					
Mr. Wang Meng	Secretary of the Board, Chairman of the Board, Independent Director	1	2,485,430	0.03%	2.01%
Mr. Chen Yu	Independent Director of the Board, Chairman of the Board, Independent Director, General Manager	1	2,485,430	0.03%	2.01%
Mr. Zhang Hong	Independent Director of the Board, Chairman of the Board, Independent Director	1	2,236,887	0.03%	1.81%
Mr. Wang Wei	Independent Director, Independent Director, General Manager	1	2,236,887	0.03%	1.81%
Mr. Wang Peng	Secretary of the Board, Chairman of the Board, Independent Director	1	2,236,887	0.03%	1.81%
Mr. Luo Jun	Independent Director, General Manager	1	2,236,887	0.03%	1.81%
Mr. Wang Xun	Independent Director, General Manager, Chief Accountant	1	2,236,887	0.03%	1.81%
Mr. Wang Gang	Independent Director, General Manager	1	2,236,887	0.03%	1.81%
Mr. Wang Guo	Independent Director, Independent 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 Incentive Scheme and to 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 the Incentive Recipient from the incentive shall not exceed 40% of the fair market value of the shares underlying the grant (including expected gain from the share appreciation right) during the exercise period of the scheme, the fair market value of the shares underlying the Incentive Recipient shall be 60% of the fair market value of the shares underlying the grant.



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NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting (the "EGM") of Beijing Jingneng Clean Energy Co., Limited (the "Company") will be held at 9:30 a.m. on April 2, 2024 at Meeting Room 802, 8th Floor, No. 6 Xilie Road, Chaoyang District, Beijing, the purpose of which is to discuss and approve the following resolutions:

SPECIAL RESOLUTIONS

- To consider and approve the termination of the share repurchase right scheme approved on 28 April 2020;
- To consider and approve the option of the 1r827

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

Notes:

Set forth in the "Special Notice" re: the date of the meeting of the company on June 17, 2024 (the "Circular"), Under the provisions of the company's articles of association, the meeting of the company will be held on June 17, 2024 (the "Meeting").

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 of the company to attend the meeting from June 30, 2024 to July 2, 2024 (both inclusive). The register will be closed for the purpose of determining the eligibility of members of the company to attend the meeting on June 29, 2024 (the "Meeting").

The register of members of the company will be closed for the purpose of determining the eligibility of members of the company to attend the meeting on July 2, 2024 (the "Meeting"). The register will be closed for the purpose of determining the eligibility of members of the company to attend the meeting on July 2, 2024 (the "Meeting").

2. PROXY

The register of members of the company will be closed for the purpose of determining the eligibility of members of the company to attend the meeting on July 2, 2024 (the "Meeting").

The instrument appointing a proxy must be in writing under the hand of the member or his attorney-in-fact or other authorized person, if the member is a corporation, the proxy form must be either executed under the common seal or under the hand of its director or other authorized person. If the proxy form is signed by an attorney-in-fact or other authorized person, the power of attorney relating to the appointment must be produced.

The instrument appointing a proxy must be in writing under the hand of the member or his attorney-in-fact or other authorized person, if the member is a corporation, the proxy form must be either executed under the common seal or under the hand of its director or other authorized person. If the proxy form is signed by an attorney-in-fact or other authorized person, the power of attorney relating to the appointment must be produced.

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

Address: 78, No. 6 Xie Road, Songjiang District, Shanghai, P.R.C.

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

4. PROCEDURES FOR VOTING AT THE EGM

A notice of the meeting of the company will be sent to the members of the company.

5. OTHER BUSINESS

The members of the company (or their proxies) attending the meeting will be responsible for their own transportation and other expenses. The members of the company (or their proxies) attending the meeting will be responsible for their own transportation and other expenses.

6. Reference to the notice of the meeting of the company