
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the contents of this circular or to the action to be taken, you should consult your stockbroker or other registered intermediary in Hong Kong, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all or part of your holding in the Company, you should immediately advise the person(s) to whom you have sold or transferred your holding(s) in writing (by post or by electronic means) and the person(s) to whom you have sold or transferred your holding(s) should immediately advise the Company in writing.

Long Hong Exchange Limited is the stock exchange of Long Hong Exchange Limited. The Company is listed on the stock exchange of Long Hong Exchange Limited. The Company is also listed on the stock exchange of Long Hong Exchange Limited. The Company is also listed on the stock exchange of Long Hong Exchange Limited. The Company is also listed on the stock exchange of Long Hong Exchange Limited.



Beijing Jingneng Clean Energy Co., Limited
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**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**

All other from the board of directors is set out on pages 3 to 6 of this circular.

The AGM will be held at the company at 9:30 a.m. on Tuesday, 2 April 2024, at the meeting Room 802, 8th floor, No. 6 Xilong Road, Longfeng District, Beijing, P.R.C. The notice of the AGM is set out on pages 17 to 18 of this circular. A proxy form for the AGM is enclosed with this circular and will be available on the website of the Long Hong Stock Exchange (<http://www.ksehk.com>) and the website of the company (<http://www.bjce.com>). Whether or not you are entitled to attend the AGM, you are 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 AGM (i.e. no later than 9:30 a.m. on Monday, 1 April 2024) or in any event not later than the time specified).

Completion and return of the proxy form will not preclude you from attending and voting at the AGM in person.

Reference to the company in this circular is to Long Hong Exchange Limited.

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

“Article of Association	the article of association of the company
“Company	the state-owned enterprise provision in the Administration Commission of the People's Government of the Hong Kong Special Administrative Region
“Director or “Director of the company	the director of the company
“Company	the company registered in the Hong Kong Companies Registry, including joint stock companies incorporated in the People's Republic of China, with limited liability, whether or not listed on the Hong Kong 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 a.m. on Friday, 2 February 2024 at the Meeting Room 802, 8th floor, 606 Xuhui Road, Tsimshatsui District, Hong Kong
“Grant	the proposed grant to the company in the scheme
“Share	the over-allotment for the subscription in the company of the company with a nominal value of HK\$1.00 each, which are reserved for the subscription in the Hong Kong offer
“Hong Kong	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange	the Stock Exchange of Hong Kong Limited
“Incumbent Representative	the person who

DEFINITIONS

“Company”

the Share Appreciation Right Scheme of the Company to
control Share, if it is to be provided to Shareholder of the
Company

“Share Appreciation Right”

the Share Appreciation Right grant Notice Scheme,
representing the right conferred to the Incumbent Recipient to
receive the Share arising from the increase in price of the
Share subject to specific terms and conditions

“Shareholder”

the Shareholder of the Company

“%”

percent

LETTER FROM THE BOARD



Beijing Jingneng Clean Energy Co., Limited
北

Executive Directors

- r. Mr. Gao Jing (Chairman)
- r. Mr. (General Manager)
- r. Mr. Gao W.
- r. Mr. I.

Registered Office

Room 118, 1st Floor, 1st Floor, 1st Floor,
Ying Economic Development Zone,
Ying District, Ying
100000 R

Non-executive Directors

- r. Mr. U J.
- r. Mr. G.
- r. Mr. G Y.

Principal Place of Business in Hong Kong

31st Floor, Tower Two, Times Square,
1st Floor, 1st Floor, 1st Floor,
Hong Kong

Independent non-executive Directors

- r. Mr. J.
- r. Mr. Wang Longxin
- r. Mr. I.
- r. Mr. U.

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 provide notice of the General Meeting to provide information regarding the proposed termination of the 2020 H Share Appreciation Rights Scheme (the "Scheme") and the proposed adoption of the Scheme and the grant of the Scheme to the Shareholders. The Board is pleased to announce that the Shareholders are invited to attend the General Meeting to discuss and vote on the proposed termination of the Scheme and the proposed adoption of the Scheme and the grant of the 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 on 31 March 2020, the circular dated 9 April 2020, the poll result of the annual general meeting on 28 April 2020, the annual general meeting on 12 December 2023, in relation to the option of the Share Appreciation Rights Scheme in 2020 (the "2020 H Share Appreciation Rights Scheme"), and the proposed grant of the new Share Appreciation Rights Scheme. The Board is resolved to propose, among other things, the termination of the 2020 H Share Appreciation Rights Scheme on 12 December 2023, which will be subject to the approval of the Shareholders.

THE PROPOSED H SHARE APPRECIATION RIGHTS SCHEME AND THE GRANT

Reference is made to the company's annual general meeting on 12 December 2023 in relation to, among other things, the proposed option of the Scheme and the Grant of the New Share Appreciation Rights Scheme, and the proposal from voting on the resolution approving the Scheme and the Grant of the New Share Appreciation Rights Scheme.

The Scheme and the Grant of the New Share Appreciation Rights Scheme will be subject to the approval of the Shareholders.

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

The English version of the Scheme is an official translation and for reference only. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Reasons for the Adoption of the Scheme

The Board of the view that the Scheme will be able to (i) enhance corporate competitiveness, create common interests, fully utilize the positive productivity and creativity of the outstanding talents, create a better working environment, improve the operational performance and competitiveness of the company, and (ii) facilitate the long-term development of the company, (iii) create favorable conditions for the capital market, and (iv) reduce the influence of the capital market on the market value of the company, and (v) effectively improve the management structure with clear functions between power and responsibility, improve the efficiency of the management, and (vi) improve the performance of the company incentive mechanism, and (vii) improve the market value of the company, and (viii) improve the management and development of the company, and (ix) effectively reduce the cost of capital for the development of the company.

The Board considers that the proposed termination of the Scheme and the Grant of the New Share Appreciation Rights Scheme is in the best interests of the company and the Shareholders.

LETTER FROM THE BOARD

General Information

The Share Appreciation Right is not to be exercised by the Incumbent until the vesting of the shares, nor is the right to exercise, including but not limited to voting right, allotment, dividend right, Incumbent's voting right to call, transfer, exchange, pledge, forfeiture, payment, non-renewal or creation of a new contract or agreement or in relation to the shares, Share Appreciation Right or not into a company, nor to exercise the right to promote or remove the contract of the contract or in relation to the Share Appreciation Right.

The Incumbent is required to work for the company according to the requirement for the position. If the Incumbent is not competent to perform the position or fails to perform, the Incumbent's exercise of Share Appreciation Right is cancelled. If the Incumbent violates the terms of the contract, including the relevant Articles of Association, or the company's contract or performance violating the law, including professional conduct, including the company's contract or committing misconduct or malfeasance, the exercise of Share Appreciation Right will be cancelled, and the vesting right to recover all or portion of the gain obtained from the exercise of the right in case of the company's termination.

The Share Appreciation Right is not to be exercised until the Share Appreciation Right is approved by the Shareholders.

or the purpose of carrying out the specific matters relating to the Share Appreciation Right or the Shareholders' comments.

- i) The Shareholders are to grant the Share Appreciation Right to the Incumbent when the company's contract with the Incumbent is terminated for the Share Appreciation Right, and the Shareholders are to grant the Share Appreciation Right;
- ii) The Shareholders are to review and confirm with the company's contract with the Incumbent is terminated for the exercise of the Share Appreciation Right, and the Shareholders are to grant the Share Appreciation Right;
- iii) The Shareholders are to determine the exercise price of the Share Appreciation Right in accordance with the provision of the Shareholders' contract with the company, lock-up period, conversion of convertible shares into shares, and the exercise price, etc., provided for in the Shareholders' contract;
- iv) The Shareholders are to determine the exercise price or non-exercise price of the Share Appreciation Right granted to the Incumbent in accordance with the provision of the Shareholders' contract with the company or the Incumbent is related to the company's contract with the company, and the Shareholders are to provide for in the Shareholders' contract;
- v) The Shareholders are to determine the exercise price in accordance with the provision of the Shareholders' contract with the company, with or without the recovery of the gain of the Incumbent's exercise from the exercise of the Share Appreciation Right, and

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Proposed Adoption of the Scheme and the Grant

A summary of the major terms of the Scheme is set out below.

Incentive Instrument

The Scheme is the Share Appreciation Rights instrument of the Company of the company in incentive instrument. Subject to the satisfaction of the exercise condition in the exercise instrument, the Incentive Recipient is entitled to receive the economic benefit of the difference in share price resulting from the increase in the price of the shares of the company within the exercise period. The Incentive Recipient shall own the shares or exercise rights. Shareholder, including but not limited to voting rights, dividend rights, etc. The Share Appreciation Rights shall not transfer nor be used for charging or pledging.

Effective Conditions

Approved by the Board of Directors, the Shareholder to the general meeting.

Duration

Exercise from the date of approval to the general meeting.

Incentive Recipients

- 1) Scope of Incentive Recipient for the first grant

113 Incentive Recipient in total number of Grant, including director and non-management of the company and management, technical in core staff who have direct effect on the operation, result and development of the company.
- 2) Scope of Incentive Recipient for the reserve grant

The Incentive Recipient in the reserve grant number of the scheme include 1) the company's new appoint and new recruitment and management, 2) the company's new recruitment, technical, key management personnel, 3) the company's new recruitment in engineering, operation, technology, export or export work, personnel from the government at the provincial level, over limit to management.

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

The total number of Share Appreciation Rights to be granted under Section 123,675,000 Shares, representing approximately 1.5% of the total number of Shares of the Company outstanding as of the date hereof. The number of Shares relating to the Share Appreciation Rights to be granted to the individual Incentive Recipient under Section 123 will not exceed 0.1% of the total number of Shares of the Company.

Date of Grant

Upon satisfaction of the condition of the Grant of the Share Appreciation Rights in accordance with the terms and conditions of the grant under Section 123, the terms and conditions of the grant shall be as follows. The terms of the grant shall be subject to the principal terms and conditions on which the Company controls and approves the general management of the Company.

Exercise Price

The exercise price of the Share Appreciation Rights to be granted under Section 123 shall be the fair market value of the Shares of the Company as of the date of grant of the Share Appreciation Rights, or the exercise price of the Shares for the fifty consecutive trading days immediately preceding the date of grant.

1) Reserve grant

Tranches of exercise	Exercise period	Exercise proportion
First tranche	from the first day of the first 24 months from the date of the grant, and on the last day of the first 36 months from the date of the grant	33
Second tranche	from the first day of the first 36 months from the date of the grant, and on the last day of the first 48 months from the date of the grant	33
Third tranche	from the first day of the first 48 months from the date of the grant, and on the last day of the first 60 months from the date of the grant	34

Conditions precedent for the Grant under the Scheme

The company may grant the Share Appreciation Rights upon the fulfilment of the following conditions:

1) none of the following events occur to the company:

1. failure to engage an accounting firm to conduct auditing work in accordance with the prescribed requirements;
2. the resignation or departure of the chief financial officer or other key personnel involved in the preparation of the financial statements or the annual financial report of the company;
3. material breach of relevant provisions of the company's articles of association or other relevant documents;
4. lack of necessary support with necessary opinion or indicating that the company should give an opinion on the financial report or the management of internal control for the internal accounting records.

- 5. profit attribution in violation of the law or regulation, the Article of Association or the articles of the company within 36 months;
- 6. provision from implementing the law or regulation;
- 7. other circumstances determined by the relevant regulator or authority.

(ii) none of the following events occur to the Incentive Recipient:

- 1. the receipt of the economic report provided to perform the duties or involvement in any misconduct or malfeasance;
- 2. non-compliance with the relevant law or regulation of the R or the provision of the Article of Association;
- 3. being a director of office, involvement in acceptance or solicitation of bribe, corruption, theft, leakage of the company's trade secrets, contact connection with other individuals, misconduct, which is significant impact to the company or to the public interest;
- 4. failure to discharge, or failure to discharge properly, the duties or responsibilities in any role in the company or other relevant consequences;
- 5. determination of the Hong Kong Stock Exchange or the relevant regulator or authority in appropriate period within 12 months;
- 6. imposition of relevant regulator or authority with mandatory penalty or measure proceeding into the market within 12 months to mitigate non-compliance of law or regulation;

7. prohibition from acting as director or member of the managing committee of the company or participating in the Scheme;
8. prohibition from participating in the incentive of the company or participating in the award agreement;
9. other circumstances that may be relevant to the grant of the award.

Conditions precedent for exercise under the Scheme

The Share Appreciation Right grant to Incentive Recipient shall be exercisable upon the fulfilment of the following conditions:

- 1) none of the following events occur to the company:
 1. failure to engage an accounting firm to conduct auditing work in accordance with the prescribed requirements;
 2. the director or trustee of the self-owned trust, the director or shareholder or participant in violation of section 10 of the financial reform or the annual financial report of the company;
 3. material breach of relevant provisions or other relevant provisions;
 4. lack of independent report with an adverse opinion or indicating the inability to give an opinion on the financial report or the management of internal control for the latest accounting reference period;
 5. profit distribution in violation of the award agreement, the Article of Association or the relevant regulations within 36 months;
 6. prohibition from implementing the incentive of the award agreement;

3) per mple profit creation of the company from 2024 to 2026 will 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 company's certificate of functioning for non-public offering of shares, the company will not receive dividends from the functioning activities. The total profit generated from the company will not include the minimum contribution of the company to the profit of the company.
2. Total profit represents profit for tax.
3. The long-term value of the company's power generation unit for the company is based on the "integrated reform and development strategy" of the State-owned Assets Supervision and Administration Commission of the State Council. If the State-owned Assets Supervision and Administration Commission of the State Council no longer implements the "integrated reform and development strategy" of the company, the company's market value of the unit will not be affected, and the company's market value of the unit will no longer be affected.
4. Per mple profit creation = profit for tax * 2 / (total number of mple units + number of mple units of the company).
5. Non-fuel energy includes natural gas, wind energy, solar energy, hydro energy, geothermal energy, ocean energy, biomass energy, solar energy, and other renewable energy sources.
6. Non-fuel energy unit capacity includes all non-fuel energy unit capacity of the company or its subsidiaries. The company's non-fuel energy unit capacity of the company is calculated in proportion to the company's total capacity.
7. The company's non-fuel energy unit capacity growth rate is based on the company's "Annual Electricity Production and Consumption Statistics" of the company. If the company's electricity production and consumption statistics are no longer available, the company's electricity production and consumption statistics will be based on the company's electricity production and consumption statistics. The company's electricity production and consumption statistics will be based on the company's electricity production and consumption statistics. The company's electricity production and consumption statistics will be based on the company's electricity production and consumption statistics.
8. Total capacity is 2B4.

3. being a director of office, involvement in acceptance or objection of order, corruption, theft, leakage of the company's trade secrets, contract - contract transaction, other financial, contractual, which are significant part of the report of the significant negatively impact to the company's ability to continue to exist,
4. failure to discharge, or failure to discharge properly, duties entrusted relating in relation to the company's other related business,
5. termination of long term stock exchange or relevant regulatory authority in appropriate period within 12 months,
6. imposition of relevant regulatory authority with mandatory penalty or immediate prohibition of the market within 12 months to meet the non-compliance of law or regulation,
7. prohibition from acting as director or member of the managing committee of the company or other relevant R I,
8. prohibition from participating in the activity of the company or other relevant law or regulation,
9. other circumstances that may be relevant regulatory authority.

(v) Annual performance appraisal of the Incentive Recipient

The Incentive Recipient must obtain a appraisal score of 80 point or above for the period. If the performance appraisal score of the Incentive Recipient for the period is below 80 point, the company shall cancel the exercise of the right of the Incentive Recipient's Share Appreciation Right pursuant to the provision of the company's Share Appreciation Right terms and conditions of the company.

APPENDIX

PROPOSED ADOPTION OF H SHARE APPRECIATION RIGHTS SCHEME AND

At the time of the Grant, the expected gain of the Incentive Right will not exceed 40% of the current remuneration level at the time of the Grant (including expected gain from the Share Appreciation Right). The exercise price of the Share Right will be the expected gain of the Incentive Right, 60% of the current remuneration level at the time of the Grant.



Beijing Jingneng Clean Energy Co., Limited
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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 a.m. on April 2, 2024 at Meeting Room 802, 8th floor, No. 6 Xiliao Road, Chaoyang District, Beijing, P.R. for the purpose of conducting the following resolutions:

SPECIAL RESOLUTIONS

- To convene and approve the termination of the current participation right commitment provision on 28 2020.
- To convene and approve the adoption of the 2020. For 2024, 17rGJingneng 12X 17rGJingneng

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

Notes:

This notice of the first extraordinary general meeting of the company is dated 17 January 2024 (the "Circular"). Unless otherwise specified, all references in this notice are to the company.

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 January 2024 to Friday, 2 February 2024 (both days inclusive). The register will be closed for the purpose of determining the eligibility of members to attend the EGM on Monday, 29 January 2024, until the commencement of 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 January 2024 to Friday, 2 February 2024 (both days inclusive). The register will be closed for the purpose of determining the eligibility of members to attend the EGM on Monday, 29 January 2024, until the commencement of the EGM.

2. PROXY

Shareholders 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 shareholder of the company.

The instrument appointing a proxy must be in writing under the hand of the shareholder or his attorney-in-fact or other person authorized to sign on his behalf. If the shareholder is a corporation, the proxy form must be signed by a duly authorized officer or director of the corporation or its attorney-in-fact. If the proxy form is signed by an attorney-in-fact, the power of attorney authorizing the attorney-in-fact to sign or otherwise to act on behalf of the shareholder must be produced to the company.

The proxy form must be deposited with the company at its principal place of business in Hong Kong, at the office of the company's Hong Kong stock exchange listing agent, at the 17th floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 9:30 a.m. on Tuesday, 1 February 2024 or, in the event of a public holiday, on the next business day after the date specified above. The proxy form must be completed and returned to the company in accordance with the instructions set out in the proxy form.

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

Address: 78, No. 6 Xiangyang Road, Longfeng District, Beijing, P.R.C.

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

4. PROCEDURES FOR VOTING AT THE EGM

An oral vote of shareholders at the EGM will be taken by poll.

5. OTHER BUSINESS

Shareholders (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the EGM will be provided with lunch.

6. Reference to the notice of the EGM to Longfeng Investment