THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Beijing Jingneng Clean Energy Co., Limited, you should at once hand this circular together with the enclosed proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale 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 compan incorporated in the People's Republic of China ith limited liabilit)

(Stock Code: 00579)

GENERAL MANDATE TO ISSUE DOMESTIC SHARES AND H SHARES

GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS

PROPOSED ADOPTION OF H SHARE APPRECIATION RIGHTS SCHEME AND THE GRANT

PROPOSED ELECTION OF DIRECTORS IN THE FOURTH SESSION

AND

NOTICE OF THE ANNUAL GENERAL MEETING

A letter from the Board of the Company is set out on pages 3 to 13 of this circular.

The notice convening the AGM to be held at 10:00 a.m. on Thursday, 28 May 2020 at No. 2 Meeting Room, 2nd Floor, No. 6 Xibahe Road, Chaoyang District, Beijing, PRC, is set out on pages 49 to 54 of this circular. A proxy form for use at the AGM is enclosed with this circular and was also published on the website of the Hong Kong Stock Exchange (http://www.hkexnews.hk). Whether or not you are able to attend the AGM, 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 appointed for holding the AGM (i.e., no later than 10:00 a.m. on Wednesday, 27 May 2020) or any adjournment thereof (as the case may be).

Completion and return of the proxy form will not preclude you from attending and voting at the AGM should you so wish.

References to time and dates in this circular are to Hong Kong time and dates.

9 April 2020

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time
"PRC" or "China"	the People's Republic of China and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"Remuneration and Nomination Committee"	the remuneration and nomination committee of the Board
"RMB"	Renminbi, the lawful currency of the PRC
"Scheme"	the H Share Appreciation Rights Scheme of the Company
"Share(s)"	the ordinary share(s) of RMB1.00 each in the share capital of the Company
"Share Appreciation Rights"	the share appreciation rights granted under the Scheme, representing the rights conferred to the Incentive Recipients to receive stipulated earnings from the increase in share price of H Shares, subject to specific timeframe and conditions
"Shareholder(s)"	the holder(s) of the ordinary share(s) of the Company

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 compan incorporated in the People's Republic of China ith limited liabilit)
(Stock Code: 00579)

Non-executive Directors
LIU Haixia *(Chairman)*
REN Qigui
LI Juan
WANG Bangyi

Executive Directors
ZHANG Fengyang *(General Manager)*
ZHU Jun
CAO Mansheng

Independent non-executive Directors
HUANG Xiang
ZHANG Fusheng
CHAN Yin Tsung
HAN Xiaoping

Registered Office:
Room 118, 1 Ziguang East Road
Badaling Economic Development Zone
Yanqing District, Beijing
the PRC

Principal Place of Business in Hong Kong:
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

9 April 2020

To the Shareholders

Dear Sir/Madam,

GENERAL MANDATE TO ISSUE DOMESTIC SHARES AND H SHARES
GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS
PROPOSED ADOPTION OF H SHARE APPRECIATION RIGHTS SCHEME AND THE GRANT
PROPOSED ELECTION OF DIRECTORS IN THE FOURTH SESSION
AND
NOTICE OF THE ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to set out the notice of the AGM and to provide you with details regarding the Share Issue Mandate (as defined below), the Debt Financing Instruments Issue Mandate (as defined below), the proposed adoption of the proposed Scheme and the proposed Grant, and the proposed election of Directors in the fourth session so as to enable you to make informed decisions on whether to vote for or against the resolutions to be proposed at the AGM.

The Scheme and the Grant

A summary of the major terms of the Scheme and the Grant are set out below.

Effective Date	:	The date on which the Scheme and the Grant are approved by (i) the Beijing SASAC; and (ii) the Shareholders at the general meeting.
Duration	:	Six years from the date of grant of the Share Appreciation Rights.
Incentive Recipients	:	88 Incentive Recipients in total under the Grant, including certain Directors, senior management and division principals of the Company and key management staff of the Group, details of which are set out below in the section headed "Details of the Incentive Recipients under the Grant".
Number of the Share Appreciation Rights to be granted under the Grant	:	The total number of H Shares relating to the Share Appreciation Rights to be granted under the Grant is 82,445,000 H Shares, representing 1% of the total issued share capital of the Company as at the Latest Practicable Date. The number of H Shares relating to the Share Appreciation Rights to be granted to any Incentive Recipients under the Grant shall not in aggregate exceed 1% of the total share capital of the Company.
Exercise Price	:	The higher of: (i) the closing price of the H Shares as at the date of grant of the Share Appreciation Rights; (ii) the average closing price of the H Shares for the five consecutive trading days immediately preceding the date of grant of the Share Appreciation Rights; and (iii) the nominal value of the H Shares.
Lock-up period:		24 months following the date of granting the Share Appreciation Rights to the Incentive Recipients.

Effective Period Arrangement : In principle, the Share Appreciation Rights shall become effective in the following tranches and proportions:

Tranches of becoming effective	Effective period	Effective proportion
First tranche	from the first trading day after the second anniversary (24 months) from the date of grant and ending on the last trading day within the sixth anniversary from the date of grant	30%
Second tranche	from the first trading day after the third anniversary (36 months) from the date of grant and ending on the last trading day within the sixth anniversary from the date of grant	30%
Third tranche	from the first trading day after the fourth anniversary (48 months) from the date of grant and ending on the last trading day within the sixth anniversary from the date of grant	40%

Conditions Precedent for the Grant under the Scheme : The Company may grant the Share Appreciation Rights upon satisfaction of all the following conditions:

(i) none of the following events has occurred at the Company:

1. there being any negative opinion issued by the reporting accountants of the Company, or there being any situation where the reporting accountants of the Company was unable to express an opinion in respect of the annual financial reports of the Company, for the latest three years;

2. there being any administrative penalties imposed by the securities regulatory authorities on the Company for material non-compliance for the latest three years;

3. other circumstances where the securities regulatory authorities deem that the Scheme shall not be implemented.

(ii) the operating results of the Company at the time of the Share Appreciation Rights being granted shall achieve the following:

1. return on equity of the Company for 2019 shall not be less than 8% and the half of the Company's benchmark peers.

2. growth rate:

   (1) growth rate of the Company's consolidated installed capacity for 2019 shall not be less than 10%, and the half of benchmark peers;

   (2) growth rate of the Company's total assets for 2019 shall not be less than 7%, and the half of benchmark peers.

3. quality of income:

   (1) size of the projects acquired by the Company for 2019 shall not be less than 500 MW or the amount thereof shall not be less than RMB2 billion;

   (2) the proportion of the Company's wind power, photovoltaic power and renewable energy power generation for 2019 in total power generation of the Company shall not be less than 24%;

   (3) the proportion of the Company's offshore power generation for 2019 in total power generation of the Company shall not be less than 1.5%.

(iii) none of the following events has occurred to the Incentive Recipient:

1. being publicly criticized or announced as ineligible candidates by a stock exchange in the latest three years;

2. being imposed on administrative penalties by the securities regulatory authorities for material non-compliance for the latest three years;

3. being prohibited from serving as directors or senior management as stipulated in the Company Law of the People's Republic of China;

4. being rated E (unqualified) in the personal performance appraisal in the year prior to the implementation of the Scheme.

Administration of the Scheme : (i) The general meeting of the Company shall be the highest decision-making body for the Scheme and is responsible for the review, modification, suspension and termination of the Scheme and other matters subject to approval by the general meeting of the Company.

(ii) The Board shall be the management body of the Scheme and is responsible for:

1. considering the Scheme as formulated and modified by the Remuneration and Nomination Committee and submitting the same to the general meeting of the Company for approval;

2. considering and approving the supplementary regulations and rules to the Scheme as proposed and modified by the Remuneration and Nomination Committee as well as the annual grant under the Scheme;

3. other matters subject to approval by the Board.

(iii) The Remuneration and Nomination Committee is responsible for:

1. formulating and modifying the Scheme;

2. formulating and modifying the supplementary regulations and rules to the Scheme;

3. formulating annual implementation proposal of the Scheme and conducting routine management of the Scheme;

LETTER FROM THE BOARD

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 Latest Practicable Date (%)	Approximate percentage to the total number of Share Appreciation Rights to be granted under the Scheme (%)
Director and Senior Management					
Zhang Fengyang	Secretary of the Party Committee, Executive Director and General Manager	1	3,192,600	0.04%	3.87%
Zhu Jun	Executive Director and Deputy General Manager	1	2,868,000	0.03%	3.48%
Cao Mansheng	Executive Director and Deputy General Manager	1	2,868,000	0.03%	3.48%
Yang Huixian	Deputy Secretary of the Party Committee and Union President	1	2,868,000	0.03%	3.48%
Liu Fengge	Secretary of Committee for Discipline Inspection	1	2,868,000	0.03%	3.48%
Wang Gang	Deputy General Manager	1	2,868,000	0.03%	3.48%
Fang Xiujun	Chief Accountant	1	2,868,000	0.03%	3.48%
Kang Jian	Deputy General Manager and Secretary to the Board	1	2,868,000	0.03%	3.48%
Other Key Employees		80	59,176,400	0.72%	71.78%
Total		**88**	**82,445,000**	**1.00%**	**100.00%**

A further meeting of the Board will be held to formally approve the Grant after the Scheme becomes effective.

Reasons for the Adoption of the Scheme

The Board is of the view that the Scheme will be able to: (i) synchronize the behaviours of the Incentive Recipients with the strategic direction of the Company to secure a stable and long-term development of the Group; (ii) to further improve the Company's corporate governance structure and to unify the interests among the Incentive Recipients and the Shareholders; and (iii) provide a more competitive remuneration in the talent market, effectively attracting, retaining and motivating the core staff necessary for the development of the Company.

The Board considers that the proposed terms and conditions of the Scheme and the Grant are fair and reasonable and in the best interests of the Company and Shareholders as a whole.

General Information

The Share Appreciation Rights are to be settled by cash. The Scheme does not involve the grant of options over new Shares or other new securities issuable by the Company (or any of its subsidiaries) and therefore, it is not subject to the requirements under Chapter 17 of the Listing Rules.

The Scheme and the Grant shall only take effect upon being approved by the Shareholdings and the Beijing SASAC.

All Directors who are also the Incentive Recipients under the Scheme, i.e. Mr. ZHANG Fengyang, Mr. ZHU Jun and Mr. CAO Mansheng, have abstained from voting on the resolution approving the Scheme and the Grant.

5. PROPOSED ELECTION OF DIRECTORS IN THE FOURTH SESSION

Reference is made to the Company's announcement dated 31 March 2020 in relation to, among others, the proposed election of Directors in the fourth session.

As at the Latest Practicable Date, the Board comprised eleven Directors, namely Mr. LIU Haixia, Mr. REN Qigui, Ms. LI Juan and Mr. WANG Bangyi as the non-executive Directors; Mr. ZHANG Fengyang, Mr. ZHU Jun and Mr. CAO Mansheng as the executive Directors; Mr. HUANG Xiang, Mr. ZHANG Fusheng, Mr. CHAN Yin Tsung and Mr. HAN Xiaoping as the independent non-executive Directors. Pursuant to the Articles of Association, a director may be re-elected upon the expiry of his or her term.

The terms of all incumbent Directors have expired. Among them, Mr. ZHU Jun will not participate in the re-election of Directors due to other work arrangements and will resign after conclusion of the AGM. Mr. ZHU Jun has confirmed that he had no disagreement with the Board and there are no other matters in relation to his resignation that should be brought to the attention of the shareholders. The Board extended sincere gratitude to Mr. ZHU Jun for his long-term contributions to the Company.

The Board resolved to propose the re-election and appointment of Mr. LIU Haixia, Mr. REN Qigui, Ms. LI Juan and Mr. WANG Bangyi as candidates for non-executive Directors, Mr. ZHANG Fengyang and Mr. CAO Mansheng as candidates for executive Directors, Mr. HUANG Xiang, Mr. ZHANG Fusheng, Mr. CHAN Yin Tsung and Mr. HAN Xiaoping as candidates for independent non-executive Directors (the "**Director Candidates**") (the "**Proposed Appointment of Directors**"). The Proposed Appointment of Directors will be submitted to the Shareholders for review and approval by way of ordinary resolutions at the AGM. If the Proposed Appointment of Directors is approved at the AGM, the terms of office of the Director Candidates will commence from the date on which the relevant resolutions being approved by the Shareholders at the AGM until the date of expiry of the term of the fourth session of the Board. To ensure normal operation of the Board, Directors of the current session of the Board shall continue to diligently discharge their responsibilities as Directors in accordance with the Articles of Association till the formation of the next session of the Board. Upon approval of their appointments by the Shareholders at the AGM, each of the Director Candidates will enter into a service contract with the Company. The biographical and other details of the Director Candidates as at the Latest Practicable Date are set out in the Appendix II to this circular.

Save as disclosed in this circular, none of the Director Candidates have held any directorship in any other listed companies or taken up any post in any group members of the Company in the past three years, nor have any relationship with any other Directors, supervisors, senior management, substantial shareholder (as defined in the Listing Rules) or controlling shareholder (as defined in the Listing Rules) of the Company. Furthermore, none of the Director Candidates have any equity interest in the Company within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.

Mr. LIU Haixia, Mr. REN Qigui, Ms. LI Juan, Mr. WANG Bangyi, Mr. ZHANG Fengyang and Mr. CAO Mansheng will not receive any Directors' fee from the Company during their term. Mr. ZHANG

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6. THE AGM

The notice convening the AGM to be held at 10:00 a.m. on Thursday, 28 May 2020 at No. 2 Meeting Room, 2nd Floor, No. 6 Xibahe Road, Chaoyang District, Beijing, PRC is set out on pages 49 to 54 of this circular and has been despatched to the Shareholders on 9 April 2020. A proxy form for use at the AGM has been despatched to the Shareholders together with this circular and was also published on the website of the Hong Kong Stock Exchange (http://www.hkexnews.hk).

Holders of H Shares whose names appear on the register of members of the Company on the close of business on Tuesday, 28 April 2020 are entitled to attend the AGM and vote at the AGM. The share register for H Shares of the Company will be closed from Tuesday, 28 April 2020 to Thursday, 28 May 2020 (both days inclusive), during which period no share transfer of H Shares will be registered.

Whether or not you are able to attend the AGM, 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 appointed for holding the AGM (i.e., no later than 10:00 a.m., Wednesday, 27 May 2020) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending the AGM and voting in person if you so wish. Shareholders who intend to attend the AGM in person or by proxy should complete and deliver the reply slip to the Company's H Share Registrar in Hong Kong in accordance with the instructions printed thereon on or before Friday, 8 May 2020.

7. VOTES TO BE TAKEN BY POLL

The resolutions to be proposed at the AGM will be voted by poll. No Shareholder is required to abstain from voting in respect of the resolutions proposed at the AGM.

8. RECOMMENDATION

The Directors believe that the proposed resolutions in respect of the Share Issue Mandate, the Debt Financing Instruments Issue Mandate, the proposed adoption of the proposed Scheme and the proposed Grant and the proposed election of Directors in the fourth session are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of the relevant resolutions set out in the AGM Notice.

By Order of the Board
Beijing Jingneng Clean Energy Co., Limited
KANG Jian
Company Secretary

SHARE APPRECIATION RIGHTS SCHEME OF BEIJING JINGNENG CLEAN ENERGY CO., LIMITED (DRAFT)

The following is a summary of the major terms of the Scheme to be proposed to general meeting for approval and implementation. The following is not and will not constitute part of the terms of the Scheme, and hence does not affect any interpretation of the terms of the Scheme.

CHAPTER 1 DEFINITIONS

In this Scheme, the following words and expressions shall have the following meanings:

"Company"	also referred to as the "Listed Company" or "BJCE", Beijing Jingneng Clean Energy Co., Limited
"Beijing SASAC"	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality
"General Meeting(s)"	the general meeting(s) of the Company
"Board" or "Board of Directors"	the board of directors of the Company
"Supervisory Committee"	the supervisory committee of the Company
"Scheme"	also referred to as the Share Appreciation Rights Scheme, is the Share Appreciation Rights Scheme of Beijing Jingneng Clean Energy Co., Limited
"Incentive Tool"	the Share Appreciation Rights under the Scheme with H shares of the Company as the underlying shares
"Incentive Recipient(s)"	Directors, senior managements, assistant to general managers and middle-level managers of the Company and senior management of the Company's subsidiaries who are eligible to participate in the Scheme
"Share(s)"	also referred to as "ordinary share(s)", are the Company's overseas-listed foreign shares (H shares), which are listed on the main board of the Stock Exchange of Hong Kong Limited and denominated in Hong Kong dollars

"Share Appreciation Rights"	referred to as SARs, are rights given to an Incentive Recipient to receive earnings drawn from the increase in share price of a given number of shares over a certain period of time and under certain conditions. The Incentive Recipient does not have the ownership of these shares, nor the rights as a shareholder of the Company, including but not limited to voting rights, preemptive rights, and dividend rights. Share Appreciation Rights cannot be transferred, hypothecated or used for debt repayment
"Grant"	the grant of the Share Appreciation Rights by the Company to the Incentive Recipient under the Scheme
"Grant Conditions"	the conditions which shall be satisfied by the Company and the Incentive Recipient for granting Share Appreciation Rights under the Scheme
"Grant Date"	the date on which the Company grants Share Appreciation Rights to the Incentive Recipient upon satisfaction of conditions for granting Share Appreciation Rights in accordance with the Scheme. The Grant Date shall be determined by the Board of Directors. The Grant Date must be a Trading Day
"Take effect"	Upon the satisfaction of Effective Conditions and effective arrangements, Share Appreciation Rights take effect and can be exercised during the effective period in accordance with the relevant provisions
"Effective Conditions"	the company performance conditions and personal performance conditions which should be satisfied by the Incentive Recipient for the exercise of Share Appreciation Rights after the Grant
"Effective Date"	the first working day (which must be a Trading Day) after the Exercise Restriction Period when Share Appreciation Rights can be exercised
"Effective Portion"	the number of Share Appreciation Rights held by the Incentive Recipient which have satisfied the Effective Conditions and can be exercised at any time
"Non-effective Portion"	the number of Share Appreciation Rights held by the Incentive Recipient that do not meet the Effective Conditions

"Exercise"	the receipt cash of a value equal to the appreciation of the Company's stock price at a predetermined Exercise Price and condition during a specified time period under the Scheme by the Incentive Recipient
"Exercise Date"	the date on which the Incentive Recipient exercises the right, as granted by Share Appreciation Rights, to receive cash according to the exercise conditions stipulated in the Scheme. The Exercise Date may be any working day within the effective period of Share Appreciation Rights
"Exercise Price"	the price used to calculate the return on Share Appreciation Rights, as pre-determined by the Company when the Company grants Share Appreciation Rights to the Incentive Recipient
"fair value"	the expected market value calculated using the Black-Scholes option pricing model, that is, the price of the market expectation or share appreciation rights that could bring returns to the future
"Exercise Restriction Period"	the period during which exercise restrictions are imposed under the Scheme, commending on the date of grant of Share Appreciation Rights and ending on the Effective Date
"Effective Period of Share Appreciation Rights"	the effective period of the Share Appreciation Rights, which is a period of six years starting on the date of grant of Share Appreciation Rights. At the expiration of the effective period of Share Appreciation Rights, all unexercised Share Appreciation Rights shall expire
"Fair Market Value"	Unless otherwise defined in the Scheme, the fair market value of the Company's tradable shares on a particular Trading Day means the closing price of the Company's shares on the Stock Exchange of Hong Kong Limited on that day
"Trading Day"	the date on which securities are traded on the Stock Exchange of Hong Kong Limited
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
"Articles of Association"	the articles of association of Beijing Jingneng Clean Energy Co., Limited, as amended from time to time

"China" or "PRC"	the People's Republic of China
"Hong Kong"	Hong Kong Special Administrative Region of China
"RMB" or "Renminbi"	Renminbi, the legal currency in China
"HK$" or "Hong Kong Dollars"	Hong Kong dollar, the legal currency in Hong Kong
"Termination of Employment"	the termination of the employment contract between a regular employee and the Company

CHAPTER 2 BASIS AND PURPOSE OF FORMULATION

Article 1

The Scheme has been formulated in accordance with the Company Law of the People's Republic of China, the Trial Measures for the Implementation of Equity Incentives (Outside China) by State-controlled Listed Companies promulgated by the State Owned Assets Supervision and Administration Commission of the State Council, the Notice on Issues Related to Regulating the Implementation of the Equity Incentive System by State-controlled Listed Companies, the Listing Rules and other relevant laws, administrative regulations and regulatory documents, as well as the relevant provisions of the Articles of Association.

Article 2

The purpose of the Scheme is to establish a long-term incentive mechanism that is closely linked to the Company's performance and long-term strategy, so as to improve the overall compensation structure and create a competitive advantage in human resources for the long-term sustainability of the performance of the Company. The Company expects to:

(1) link the compensation of Incentive Recipients to the Company's performance through the creation of a long-term incentive mechanism, so as to align the behavior of Incentive Recipients with the Company's strategic objectives and promote the realization of the Company's long-term strategic objectives;

(2) closely link the interests of shareholders and Incentive Recipients through equity incentives to promote the maximization of shareholder value;

(3) ensure that an overall compensation package that is competitive in the domestic talent market is provided to attract, retain and motivate personnel in key positions who are needed to achieve the Company's strategic objectives.

Article 3

Share Appreciation Rights are rights given to an Incentive Recipient by the Listed Company to receive earnings from the increase in share price of a given number of shares over a certain period of time and under certain conditions. The Incentive Recipient does not have ownership of these shares, nor the rights as a shareholder of the Company, including but not limited to voting rights and preemptive rights. Share Appreciation Rights cannot be transferred, hypothecated or used for debt repayment.

(3) The supervisors, non-executive directors and independent directors of the Company shall not participate in the Scheme;

(4) Employees who have been punished by the securities regulator for major violations of laws and regulations in the last three years, or who have been publicly condemned or declared unsuitable by the Stock Exchange shall not participate in the Scheme;

(5) Employees who have taken advantage of their powers to accept bribes or other illegal income or have embezzled the Company's property in the last three years shall not participate in the Scheme;

(6) Employees who have taken advantage of their positions to steal business opportunities from the Company or runs a business similar to that of the Company for themselves or for someone else in the last three years shall not participate in the Scheme;

(7) Employees who have disclosed the Company's secrets without authorization in the last three years shall not participate in the Scheme;

(8) Employees who have violated laws, administrative regulations or the Articles of Association while performing their duties at the Company and thereby caused significant losses to the Company in the last three years shall not participate in the Scheme;

(9) Employees who were rated incompetent (with a score of less than 60) in performance appraisal in 2019 shall not participate in the Scheme;

(10) Persons who are disqualified, by provisions of relevant laws, regulations or regulatory documents or otherwise, from becoming Incentive Recipients;

(11) Other circumstances where the Board of Directors has determined not to be qualified as Incentive Recipients.

CHAPTER 4 TOTAL NUMBER OF SHARE APPRECIATION RIGHTS GRANTED AND ALLOCATION UNDER THE INITIAL GRANT

Article 7 Limit on the total number of Share Appreciation Rights granted under the initial grant

According to the regulatory requirements, the number of Share Appreciation Rights granted under the initial grant must not exceed 1% of the Company's total share capital. See the next article for the specific number of Share Appreciation Rights granted.

Article 8 Number of Share Appreciation Rights granted under the first tranche

The total number of H shares of the Company's common shares granted under the Scheme is 82,445,000, accounting for 1% of the Company's total shares (8,244,508,144 shares). The detailed allocation is shown in the table below:

No.	Name	Position	Equity granted *(shares)*	As a percentage of the total grant number *(%)*	As a percentage of the total share capital *(%)*
1	Zhang Fengyang	Secretary of the Party Committee, Director, General Manager	3,192,600	3.87%	0.04%
2	Yang Huixian	Deputy Secretary of the Party Committee, Union President	2,868,000	3.48%	0.03%
3	Liu Fengge	Secretary of the Commission for Discipline Inspection	2,868,000	3.48%	0.03%
4	Zhu Jun	Deputy General Manager	2,868,000	3.48%	0.03%
5	Cao Mansheng	Deputy General Manager	2,868,000	3.48%	0.03%
6	Wang Gang	Deputy General Manager	2,868,000	3.48%	0.03%
7	Fang Xiujun	Chief Accountant	2,868,000	3.48%	0.03%
8	Kang Jian	Deputy General Manager, Secretary of the Board of Directors	2,868,000	3.48%	0.03%
Other Key Employees (80)			59,176,400	71.78%	0.72%
Total (88)			82,445,000	100.00%	1.00%

Note: The expected return on equity incentives of the Company's senior management shall not exceed 40% of their total compensation (including the expected return on Share Appreciation Rights) when Share Appreciation Rights are granted.

Article 9 The total number of shares (including exercised and unexercised) of the Company granted to any Incentive Recipient under the Scheme shall not exceed 1% of the Company's total share capital.

CHAPTER 5 GRANT OF SHARE APPRECIATION RIGHTS

Article 10

According to the relevant regulations and the Share Appreciation Rights Scheme adopted by the Company, the Exercise Price of the H share appreciation rights granted this time shall be the highest of the following three prices:

(1) The closing price of the Company's H shares on the Grant Date as stated in the daily quotation sheet of the Stock Exchange of Hong Kong Limited;

(2) The average of the daily closing prices of the Company's H shares for the five consecutive Trading Days immediately preceding the Grant Date as stated in the daily quotation sheets of the Stock Exchange of Hong Kong Limited;

(3) The nominal value of the Company's H shares.

Article 11

Share Appreciation Rights shall be granted upon satisfaction of all the following performance conditions:

(I) None of the following has occurred to the Company:

1. there being any negative opinion issued by the reporting accountants of the Company, or there being any situation where the reporting accountants of the Company was unable to express an opinion in respect of the annual financial reports of the Company, for the latest three years;

2. there being any administrative penalties imposed by the securities regulatory authorities on the Company for material non-compliance for the latest three years;

3. other circumstances where the securities regulatory authorities deem that the Scheme shall not be implemented.

(II) Operating performance conditions for the Company to grant Share Appreciation Rights

The Company shall reasonably determine the Grant Conditions in the light of the operating trends and the industry's operating cycle and based on the Company's disclosed average performance level for the last three years and the average performance in the industry (or the half of the Company's benchmark peers). With 2019 as the performance benchmark year for grant, the specific operating performance conditions for the Company to grant Share Appreciation Rights are as follows:

1. The first category composites indicators reflecting shareholder returns and company value creation:

   The ROE for 2019 shall not be less than 8%, and the half of the Company's benchmark peers.

2. The second category is growth indicators reflecting the Company's profitability and market value:

   (1) Growth rate of the Company's consolidated installed capacity for 2019 shall not be less than 10%,, that is, the Company's consolidated installed capacity for 2019 shall not be less than 9,540 MW, and the half of benchmark peers';

   (2) The growth rate of the Company's total assets in 2019 shall not be less than 7%, that is, the Company's total assets shall not be less than RMB58.8 billion, and the half of benchmark peers.

3. The third category is indicators reflecting the quality of corporate earnings:

   (1) Size of the projects acquired by the Company for 2019 shall not be less than 500 MW or the amount thereof shall not be less than RMB2 billion

   (2) The proportion of the Company's wind power, photovoltaic power and renewable energy power generation for 2019 in total power generation of the Company shall not be less than 24%;

   (3) The proportion of the Company's offshore power generation for 2019 in total power generation of the Company shall not be less than 1.5%.

Note:

1. According to relevant regulations, the return on equity (ROE) under the Scheme is calculated using the financial data of

Article 12 Performance results disclosure

The financial performance disclosed at the most recent point in time shall be used as performance benchmark at the time of the Grant.

CHAPTER 6 TAKING EFFECT OF SHARE APPRECIATION RIGHTS

Article 13 The effective period of the H share appreciation rights granted this time is six years from the Grant Date. At the expiration of the term of the Scheme, all unexercised Share Appreciation Rights shall expire, and shall be recovered and cancelled by the Company.

Article 14 Share Appreciation Rights granted under the Scheme is subject to a 24-month Exercise Restriction Period from the Grant Date, and Incentive Recipients shall not exercise their Share Appreciation Rights within the Exercise Restriction Period. Subject to the satisfaction of relevant performance conditions, the H share appreciation rights granted this time shall become effective in batches according to the following arrangements:

Batch	Effective period	Exercisable rights as a percentage of the total rights granted
First tranche	from the first Trading Day after the second anniversary (24 months) from the date of grant and ending on the last Trading Day within the sixth anniversary from the date of grant	30%
Second tranche	from the first Trading Day after the third anniversary (36 months) from the date of grant and ending on the last Trading Day within the sixth anniversary from the date of grant	30%
Third tranche	from the first Trading Day after the fourth anniversary (48 months) from the date of grant and ending on the last trading day within the sixth anniversary from the date of grant	40%

Article 15

The following conditions must be satisfied in order for the H share appreciation rights granted to Incentive Recipients to take effect:

(I) None of the following occurs to the Company:

1. there being any negative opinion issued by the reporting accountants of the Company, or there being any situation where the reporting accountants of the Company was unable to express an opinion in respect of the annual financial reports of the Company, for the latest years;

2. there being any administrative penalties imposed by the securities regulatory authorities on the Company for material non-compliance for the latest years;

3. other circumstances where the securities regulatory authorities deem that the Scheme shall not be implemented.

(II) Performance conditions for the Share Appreciation Rights granted to take effect

Under the Scheme, there are three categories of performance conditions: 1. composite indicators reflecting shareholder returns and Company's value creation; 2. growth indicators reflecting the Company's profitability and market value; 3. indicators reflecting the quality of earnings of the Company.

(III) None of the following occurs to the Incentive Recipient:

1. being publicly criticized or announced as ineligible candidates by any stock exchange in the latest three years;

2. being imposed on administrative penalties by the securities regulatory authorities for material non-compliance for the latest three years;

3. being prohibited from serving as directors or senior management as stipulated in the Company Law of the People's Republic of China;

(IV) If the grantee received a rating of D or above in the performance appraisal in the previous year, the Share Appreciation Rights granted shall take effect according to the Company's performance and the relevant provisions of the schedule, and the effective percentage shall be determined according to the rating the grantee has received in the performance appraisal; if the grantee received a rating below D, the Company will deprive the Incentive Recipient of the exercise quota for Share Appreciation Rights for the current period in accordance with the provisions of the Scheme, and the corresponding Share Appreciation Rights will be cancelled by the Company.

Ratings	A, B	C, D	E
Scores	80 and above	60-79	59 and below
Results	Excellent, good	Average, basically competent	Incompetent
Adjustment factors	1.0	0.8	0.0

The individual's actual exercise quota for the current year = adjustment factor × the individual's planned exercise quota for the current year

CHAPTER 7 EXERCISE OF SHARE APPRECIATION RIGHTS

Article 16

According to the Scheme, during the Effective Period of Share Appreciation Rights, effective Share Appreciation Rights may be exercised on a date besides the relevant securities trading restriction period prescribed by the Stock Exchange (or any other applicable trading restriction period). Meanwhile, the time of exercise shall conform to the relevant regulations of the Company.

Article 17

After the conditions for the exercise of Share Appreciation Rights are met, the Incentive Recipient may request an exercise of Share Appreciation Rights on the effective exercisable date (or within the window period), and the Company will confirm the exercise according to the following procedures:

(1) A written notice stating the number of Share Appreciation Rights to be exercised signed and delivered by the grantee or his or her legal representative or personal representative is received. The date of issuing notice is the Exercise Date, so the notice shall be sent on a Trading Day of the Stock Exchange;

CHAPTER 8 ADJUSTMENT OF SHARE APPRECIATION RIGHTS

Article 19 Method for adjusting the number of Share Appreciation Rights

If there is a conversion of capital reserves into share capital, stock dividend distribution, stock split, shares issue or reduction of shares at the Company prior to an exercise, the number of Share Appreciation Rights shall be adjusted accordingly. The adjustment method is as follows:

(1) Conversion of capital reserves into share capital, stock dividend distribution or stock split

$Q=Q_0*(1+n)$

Where: Q_0 is the number of Share Appreciation Rights before adjustment; n is the ratio for the conversion of capital reserves into share capital, stock dividend distribution or stock split for each share (i.e., the number of additional shares resulting from the conversion of capital reserves into share capital, stock dividend distribution or stock split for each share); Q is the number of Share Appreciation Rights after adjustment.

(2) Reduction of shares

$Q=Q_0*n$

Where: Q_0 is the number of Share Appreciation Rights before adjustment; n is the ratio for the reduction of shares (that is, each share of the company's stock is reduced to n shares); Q is the number of Share Appreciation Rights after adjustment.

(3) Shares issue

$Q=Q_0*(1+n)$

Where: Q_0 is the number of Share Appreciation Rights before adjustment; n is the ratio for the rights issue (i.e., the ratio of the number of shares issued to the Company's total share capital before the issue); Q is the number of Share Appreciation Rights after adjustment.

Article 20 Method for adjusting the Exercise Price of Share Appreciation Rights

If there is a dividend payout, conversion of capital reserves into share capital, stock dividend distribution, stock split, shares issue or reduction of shares at the Company prior to an exercise, the Exercise Price shall be adjusted accordingly. The adjustment method is as follows:

(1) Conversion of capital reserves into share capital, stock dividend distribution or stock split

$P=P_0 / (1+n)$

Where: P_0 is the Exercise Price before adjustment; n is the ratio for the conversion of capital reserves into share capital, stock dividend distribution or stock split for each share; P is the Exercise Price after adjustment.

(2) Reduction of shares

$P=P_0 / n$

Where: P_0 is the Exercise Price before adjustment; n is the ratio for the reduction of shares; P is the Exercise Price after adjustment.

(3) Dividend payout

$P=P_0 – V$

Where: P_0 is the Exercise Price before adjustment; V is the dividend payout per share; P is the Exercise Price after adjustment.

(4) Shares issue

$P=P_0*(P_1+P_2*n) / [P_1*(1+n)]$

Where: P_0 is the Exercise Price before adjustment; P_1 is the closing price on the record date; P_2 is the shares issue price; n is the ratio for the shares issue (i.e., the ratio of the number of shares issued to the Company's total share capital before the issue); P is the Exercise Price after adjustment.

CHAPTER 9 TREATMENT UNDER SPECIAL CIRCUMSTANCES

Article 21 Termination of Employment with personnel subject to a normal transfer

Personnel subject to a normal transfer are persons who are transferred out of the Company or its subsidiaries by an order of the superior authority in charge of the Company and is agreed by such personnel. Transfers of any other kind shall not be deemed to be normal transfers, and the provisions of this paragraph of this article shall not apply to them.

For Share Appreciation Rights received by personnel subject to a normal transfer:

(1) Effective Share Appreciation Rights shall be exercised within six months from the date of transfer, and after that date, any unexercised Share Appreciation Rights will expire;

(2) Non-effective Share Appreciation Rights shall, in principle, not be exercised after the date of transfer.

Article 22 Termination of Employment due to voluntary resignation

If an Incentive Recipient has his or her employment terminated due to voluntary resignation, granted but unexercised and/or effective but unexercised Share Appreciation Rights will expire automatically and immediately.

Article 23 Termination of Employment due to retirement

If an Incentive Recipient has his or her employment terminated due to retirement:

(1) Effective Share Appreciation Rights shall be exercised within six months from the date of retirement, and after that date, any unexercised Share Appreciation Rights will expire;

(2) Non-effective Share Appreciation Rights shall, in principle, not be exercised after the date of retirement.

Article 24 Termination of Employment due to accidental injury or death or loss of civil capacity

If an Incentive Recipient has his or her employment terminated due to accidental injury or death or loss of civil capacity while employed by the Company:

(1) Effective Share Appreciation Rights shall be exercised within six months from the date of Termination of Employment, and after that date, any unexercised Share Appreciation Rights will expire. In the event of the death of the grantee, his or her legal representative may exercise in accordance with the above provisions;

(2) Non-effective Share Appreciation Rights shall, in principle, not be exercised after the date of Termination of Employment.

Article 25 Termination of Employment due to dismissal

If an Incentive Recipient is dismissed for misconduct, gross negligence or violation of relevant national laws and regulations or the Articles of Association, granted but unexercised and/or effective but unexercised Share Appreciation Rights will expire automatically and immediately. The Incentive Recipient's misconduct, gross negligence or violation of relevant national laws and regulations or the Articles of Association shall be determined by the Board of Directors in accordance with the authority prescribed in the Articles of Association.

Article 26 Termination of Employment for any reason attributable to the Company

If an Incentive Recipient is dismissed for any reason attributable to the Company (e.g., layoffs, business transformation, etc.) and there is no gross negligence or misconduct of the Incentive Recipient, the Share Appreciation Rights he or she holds shall be treated as follows:

(1) Non-effective Share Appreciation Rights will expire immediately upon dismissal.

(2) Effective Share Appreciation Rights shall be exercised within six months from the date of dismissal, and after that date, any unexercised Share Appreciation Rights will expire.

Article 27 Termination of Employment due to the expiration of the term of the labor contract or employment contract and the Incentive Recipient does not agree to renew the contract

If an Incentive Recipient has his or her employment terminated due to the expiration of the term of the labor contract or employment contract and the Incentive Recipient does not agree to renew the contract, granted but unexercised and/or effective but unexercised Share Appreciation Rights will expire automatically and immediately.

Article 28 Termination of Employment for any other reason

If an Incentive Recipient has his or her employment terminated for any reason other than those mentioned above, unless otherwise specified by the Board of Directors, granted but unexercised and/or effective but unexercised Share Appreciation Rights will expire automatically and immediately. The date of Termination of Employment shall be the last actual working day at the Company or subsidiary, regardless of whether wages have been paid or not.

Article 29 Change of control of the Company

"Change of Control" means any of the following:

(1) The Company's largest shareholder registered with China Securities Depository and Clearing Corporation Limited has changed;

(2) The de facto controller of the Company has changed;

(3) Before the term of the Board of Directors expires, the General Meeting votes to replace half or more of the members of the Board of Directors.

In the event of Change of Control, all granted but unexercised Share Appreciation Rights are still effective, but the exercise thereof shall not be accelerated.

Article 30 Continuation and change of the equity incentive plan in the case of return to the A-share market

During the term of the equity incentive plan, if the Company returns from the H-share market to the A-share market, the equity incentive plan shall be treated as follows:

(1) Return under the H+A mode

If the Company returns to the A-share market in the future, but its shares continue to be traded on the H-share market, the equity incentive plan that has been implemented in the H-share market shall not be affected, and the Scheme shall remain unchanged and continue to be implemented. However, if the company implements a new equity incentive plan in the A-share market, the equity incentive plan in the H-share market shall automatically terminate on the day of the announcement by the Board of Directors of the equity incentive plan in the A-share market.

(2) Return upon an exit from the H-share market

If the Company exits the H-share market and chooses to be listed on the A– share market, the equity incentive plan shall be terminated after the announcement by the Board of Directors and the approval of the de-listing plan by the General Meeting.

Before the termination of the equity incentive plan, Share Appreciation Rights that are exercisable but not yet exercised can be exercised in a centralized manner. The settlement price is the market price on the day of the announcement by the Board of Directors. Other unexercised Share Appreciation Rights shall be cancelled. The Company shall, within 20 Trading Days after the announcement, exercise at the determined settlement price in a centralized manner.

Article 31 Force majeure

(1) If it is impossible to act or stop acting according to the provisions concerning a period under the Scheme due to a force majeure event, the period shall be extended for a period equal to the duration of the force majeure event.

(2) The scope of force majeure shall be determined by referring to the

CHAPTER 10 TRANSFER OF SHARE APPRECIATION RIGHTS

Article 32

Incentives shall be retained by Incentive Recipients and are non-transferable. The grantee has no right to sell, transfer, hypothecate, charge, pledge, use for debt repayment, encumber or create any interest whatsoever in favor of any third party over or in relation to any of his or her stock appreciation right or enter into any agreement to do so, nor does the he or she have the right to promote or undermine the interests of any third party directly or indirectly related to the stock appreciation right. If the grantee violates any of the foregoing provisions, the transferred equity incentive will terminate automatically, and the Company shall have the right to cancel any other equity incentives it holds (to the extent not already exercised).

Article 33

Transfer under special circumstances

Equity incentives can only be exercised personally by the grantee before his or her death. However, under the following circumstances, equity incentives can be transferred after the grantee's death:

(1) Equity incentives can be transferred by the will of the grantee or the Law of Succession;

(2) Equity incentives can be transferred to an eligible heir under the relevant laws and regulations of China, subject to the relevant provisions of the equity incentive plan;

(3) Share Appreciation Rights transferred under such circumstances shall be exercised in accordance with the provisions of Articles 18 and 24 of the Scheme.

CHAPTER 11 ACCOUNTING COST ANALYSIS

Article 34

Accounting costs

(I) Valuation of Share Appreciation Rights: Share Appreciation Rights are valued using the Black-Scholes option pricing model when granting Share Appreciation Rights. The option pricing model needs the following four parameters as inputs. The selection and calculation of relevant parameters are as follows:

1. Risk-free interest rate: The interest rate on a government bond with a maturity equal to the expected term of the stock appreciation right shall be used. If there is no government bond with a maturity equal to the expected term, the interest rate on a government bond with a shorter maturity shall be used, with the interest rate beyond the maturity date being extrapolated based on the yield curve of the government bond.

2. Stock price volatility: be based on publicly available information, use the historical data of the Company and companies in the same industry, and refer to the historical data of comparable companies in the same industry in the comparable period with the Company. The calculation interval shall be equivalent to the expected term of the stock appreciation right.

3. Expected term: Expected term = 0.5 × (weighted expected vesting period + total vesting period), weighted expected vesting period = Σ vesting percentage of each batch × expected vesting period of the batch.

4. Exercise Price and market price: determined according to the Fair Market Value. The valuation date shall in principle be no later than five Trading Days before the final submission of the plan.

(II) Determine the cost of Share Appreciation Rights granted under the initial grant based on the unit cost of Share Appreciation Rights and the total number of Share Appreciation Rights granted under the initial grant. Assume that 18 September 2019 is the base date for valuation, Share Appreciation Rights are worth RMB0.36 each, and the total number of Share Appreciation Rights granted under the initial grant is 82,445,000, then the accounting cost of the initial grant is RMB29,680,200. (Figures in the announcement on the grant of the Board of Directors shall be final)

Article 35 Amortization of accounting costs

The cost of Share Appreciation Rights granted under the Scheme shall be amortized during the period between the Grant Date and the Vesting Date. Therefore, the amortization of the cost of Share Appreciation Rights will have a certain impact on the Company's operating performance. Assume that the Company takes 18 September 2019 as the base date for the grant, then the amortization of costs within the vesting period of equity incentives will be as shown in the table below:

Unit: RMB

Year	2020	2021	2022	2023	2024	Total
Amortized cost	2,959,888	10,388,070	9,119,546	5,090,358	2,122,338	29,680,200

In addition, since Share Appreciation Rights are used as an Incentive Tool and payment is made in cash rather than in the Company's shares, the fair value of Share Appreciation Rights can be re-evaluated on the balance sheet date of each fiscal year based on the current stock price and other valuation factors, the amount of accounting costs amortized can be adjusted based on the evaluation results.

CHAPTER 12 MANAGEMENT OF SHARE APPRECIATION RIGHTS

Article 36 Management of Share Appreciation Rights

Under the Scheme, the company will designate the relevant department or set up a body to be responsible for the management of the Share Appreciation Rights Scheme. Meanwhile, the Company will bring in a third-party Share Appreciation Rights management body with required management qualifications, entrusting it with the management of day-to-day matters related to Share Appreciation Rights.

CHAPTER 13 RIGHTS AND OBLIGATIONS OF THE COMPANY AND INCENTIVE RECIPIENTS

Article 37 Rights and obligations of the Company

(1) The Company shall have the right to require Incentive Recipients to work for the Company according to the requirements for their positions. If an Incentive Recipient is not competent at his or her job or fails the appraisal, after obtaining the approval of the Remuneration and Nomination Committee of the Board of Directors and filing a report thereon with the Board of Directors, the Company may cancel his or her unexercised Share Appreciation Rights;

(2) If an Incentive Recipient breaches the duty of loyalty stipulated in the Company Law of the People's Republic of China, the Articles of Association, etc., or undermines the Company's interests or reputation by breaking the law, violating professional ethics, disclosing the Company's secrets or committing misconduct in office or dereliction of duty, his or her unexercised Share Appreciation Rights shall be cancelled. If the circumstances are serious, the Board of Directors shall have the right to recover all or part of the proceeds from his or her exercise.

(3) The Company shall withhold and pay individual income tax and other taxes payable by Incentive Recipients according relevant tax regulation of the country;

(4) Other relevant rights and obligations as prescribed by laws and regulations.

Article 38 Rights and obligations of Incentive Recipients

(1) Incentive Recipients shall, in accordance with the Company's requirements for their positions, be diligent and responsible, observe professional ethics and make due contributions to the development of the Company;

(2) Incentive Recipients are entitled to and shall exercise their rights in accordance with the provisions of the Scheme and shall comply with the relevant obligations under the Scheme;

(3) Share Appreciation Rights granted to Incentive Recipients shall not be transferred, hypothecated or used for debt repayment;

(4) Cash proceeds from the exercise of Share Appreciation Rights are personal income, and the exerciser must pay the relevant taxes with respect to such proceeds in accordance with the law; the legal heir of the Incentive Recipient shall pay taxes such as inheritance tax in accordance with the provisions of relevant laws and regulations;

(5) Other relevant rights and obligations as prescribed by laws and regulations.

CHAPTER 14 MANAGEMENT, REVISION AND TERMINATION OF THE SCHEME

Article 39

Internal management bodies for the Scheme are as follows:

(1) The General Meeting as the highest authority in the Company is responsible for examining and approving the implementation, modification and termination of the Scheme.

(2) The Board of Directors as the executive management body for the Scheme is responsible for the management and implementation of the Scheme within the scope of authority delegated by the General Meeting.

(3) Independent directors shall express independent opinions on whether the Scheme is conducive to the sustainable development of the Company and whether it harms the interests of the Company and all shareholders.

(4) The Supervisory Board as the supervisory body for the Scheme is responsible for supervising the implementation of the Scheme.

Article 40

The General Meeting as the highest authority in the Company is responsible for examining and approving the Scheme. The General Meeting authorizes the Board of Directors to implement and manage the Scheme, as follows:

(1) The General Meeting authorizes the Board of Directors to grant Share Appreciation Rights to Incentive Recipients when both the Company and Incentive Recipients meet the Grant Conditions, and to handle all matters necessary for the grant of Share Appreciation Rights.

(2) The General Meeting authorizes the Board of Directors to review and confirm whether the Company and Incentive Recipients meet the Vesting Conditions, and to handle all matters necessary for exercises by Incentive Recipients.

(3) The General Meeting authorizes the Board of Directors to adjust the number of shares under the Scheme and Exercise Price of Share Appreciation Rights in accordance with the provisions of the Scheme in the event of a dividend payout, stock dividend, conversion of capital reserves into share capital, rights issue, new offering, merger, share exchange, etc. as provided for in the Scheme.

(4) The General Meeting authorizes the Board of Directors to handle Incentive Recipients' vested or non-vested, or exercised or unexercised Share Appreciation Rights in accordance with the provisions of the Scheme in the event of exceptional circumstances as stipulated in the Scheme happening to the Company or Incentive Recipients such as Incentive Recipients' resignation, retirement or death of Incentive Recipient.

(5) The General Meeting authorizes the Board of Directors to decide, in accordance with the provisions of the Scheme, whether or not to recover proceeds that Incentive Recipients have received from exercises.

(6) The General Meeting authorizes the Board of Directors to carry out other management as necessary for the Scheme.

Article 41 Revision of the Scheme

Subject to the above conditions, the Board of Directors may, if it deems necessary, revise the Scheme, and it shall file a report thereon with Beijing SASAC and the Stock Exchange of Hong Kong Limited in accordance with relevant laws and regulations. In the event of any discrepancy between the terms of the Scheme and relevant laws, regulations or agreements or the requirements of the Stock Exchange of Hong Kong Limited, or any change in relevant laws, regulations or agreements or the requirements of the Stock Exchange of Hong Kong Limited, the relevant laws, regulations or agreements or the requirements of the Stock Exchange of Hong Kong Limited shall prevail. If required by relevant laws, regulations or agreements or the Stock Exchange of Hong Kong Limited that certain amendments to the Scheme to be approved by the General Meeting, Beijing SASAC or the Stock Exchange of Hong Kong Limited, the Board of Directors must obtain such approval for such amendments.

For Incentive Recipients who have been granted Share Appreciation Rights under the Scheme, modifying or suspending the Scheme without their consent shall not change or diminish their existing rights and obligations.

Article 42 Termination of the Scheme

The Scheme will automatically terminate six years after the Grant Date hereunder.

During the term of the Scheme, the Board of Directors may, if it deems necessary, request the General Meeting to adopt a resolution terminating the Scheme early. If the General Meeting decides to terminate the Scheme early, the Company shall no longer grant any Share Appreciation Rights under the Scheme. Unless otherwise specified, Share Appreciation Rights granted before the termination of the Scheme shall continue to vest and can still be exercised in accordance with the provisions of the Scheme.

CHAPTER 15 INFORMATION DISCLOSURE

Article 43 The Company will disclose information on the implementation of the Scheme during specific periods in its periodical reports, including:

(1) The scope of Incentive Recipients during the reporting period;

(2) The number of Share Appreciation Rights granted, exercised and lapsed during the reporting period;

(3) The cumulative number of Share Appreciation Rights granted but not yet exercised by the end of the reporting period;

(4) Previous adjustments to the number of shares granted and Exercise Price of Share Appreciation Rights and the latest number of shares granted and Exercise Price of Share Appreciation Rights after adjustment;

(5) The names and positions of the directors and senior managers of the Company as well as Share Appreciation Rights granted to them and exercises thereof during the reporting period;

(6) Accounting treatment of equity incentives;

(7) Other information that should be disclosed in the periodic report.

Article 44 Under any of the following circumstances, the Company shall disclose relevant information on the day on which the circumstance occurs or before the start of the next trading session:

(1) The Scheme is approved by the Board of Directors or the Scheme is subsequently modified;

(2) The Company undergoes an acquisition, merger or separation, resulting in changes in the Scheme.

CHAPTER 16 SUPPLEMENTARY PROVISIONS

Article 45 The Scheme shall be examined and approved by the Board of Directors of the Company, and shall come into force after being reviewed and approved by Beijing SASAC and approved by the General Meeting.

Article 46 The power of final interpretation of the Scheme shall be vested in the Board of Directors.

NON-EXECUTIVE DIRECTORS

Mr. LIU Haixia (劉海峽), aged 58, is the Chairman of the Board and a non-executive Director of our Company. Mr. Liu was appointed as technician and assistant engineer of the thermal power plant of Beijing Electric Power Company from July 1983 to August 1985, and engineer and deputy chief engineer of the Equipment Installation Company of Beijing Electric Power Company from August 1985 to May 1991. He served as deputy director of the technical equipment department of Beijing Electric Power Company from May 1991 to March 1994. He served as manager assistant and deputy manager of Beijing Electric Power Company from March 1994 to August 1998. He served as assistant to the general manager of Beijing International Power Development and Investment Company from August 1998 to February 2000. He served as the assistant to general manager of Beijing International Power Development and Investment Company and chairman of the board of Beijing Jingneng Thermal Power Co., Ltd. from February 2000 to April 2000. He served as assistant to general manager of Beijing International Power Development and Investment Company, chairman of the board of Beijing Jingneng Thermal Power Co., Ltd. and chairman of the board of Beijing Jingxi Power Generation Co., Ltd. from April 2000 to March 2004. He served as assistant to general manager of Beijing International Power Development and Investment Company, secretary of the party committee and chairman of the board of Beijing Jingneng Thermal Power Co., Ltd., and chairman of the board of Beijing Jingxi Power Generation Co., Ltd. from March 2004 to December 2004. He served as assistant to general manager of Beijing Energy Investment, secretary of the party committee, chairman of the board of Beijing Jingneng Thermal Power Co., Ltd. and chairman of the board of Beijing Jingxi Power Generation Co., Ltd., from December 2004 to May 2009. He served as deputy general manager of Beijing Energy Investment and secretary of the party committee and chairman of the board of Beijing Jingneng Thermal Power Co., Ltd., from May 2009 to December 2014. He has been serving as deputy general manager of BEH since December 2014. Mr. Liu also served as a non-executive director of Datang International Power Generation Co., Ltd. (a company listed on the Main Board of the Hong Kong Stock Exchange, stock code: 991; and the Shanghai Stock Exchange, stock code: 601991) from April 2000 to March 2018. Mr. Liu graduated from Department of Engineering in North China Electric Power University majoring in power plant thermal energy in July 1983, and graduated from the School of Business Administration in Renmin University of China in July 1998 and obtained a Master degree in Business Administration.

Mr. REN Qigui (任啟貴), aged 57, is a non-executive Director of the Company. Mr. Ren served as an engineer of the Department of Energy and Power of Chinese Academy of Agricultural Mechanization Sciences (中國農業機械化科學研究所能源動力所) from August 1986 to June 1995; a cadre, manager of information division, manager of investment division and information division, assistant to general manager and deputy general manager of Beijing Energy Investment Company (北京市能源投資公司) from June 1995 to July 2006; deputy general manager and general manager of Beijing Jingneng Energy Technology Investment Co., Ltd. (北京京能能源科技投資有限公司) from July 2006 to June 2010; general manager of Beijing Jingneng Energy Technology Investment Co., Ltd., secretary of the party committee and deputy general manager of the Company from June 2010 to June 2011; secretary of the party committee and deputy general manager of the Company from June 2011 to August 2012; secretary of the party committee of the Company and general manager of Beijing Huayuan Heating Pipeline Co., Ltd. (北京華源熱力管網有限公司) from August 2012 to September 2012; secretary of the party committee of the Company and secretary of the party committee and general manager of Beijing Huayuan Heating Pipeline Co., Ltd. from September 2012 to November 2013; secretary of the party committee of the Company and general manager of Beijing Huayuan Heating Pipeline Co., Ltd. from November 2013 to March 2017; provisional deputy secretary of the party committee and general manager of Beijing Huayuan Heating Pipeline Co., Ltd. from March 2017 to July 2017; deputy secretary of the party committee and general manager of Beijing Huayuan Heating Pipeline Co., Ltd. from July 2017 to November 2017; secretary of the party committee and executive director of Beijing Huayuan Heating Pipeline Co., Ltd. from November 2017 to March 2019; a full-time investment director of Beijing Energy Holding Co., Ltd (北京能源集團有限責任公司) and a director of Beijing District Heating (Group) Co., Ltd (北京市熱力集團有限責任公司) since March 2019; a director of Beijing Jingmei Group Co., Ltd (北京京煤集團有限責任公司) since April 2019; the director of Beijing Jingneng Power Co., Ltd. (a company listed on the Main Board of Shanghai Stock Exchange, stock code: 600578) since June 2019. Mr. Ren graduated from Department of Agricultural Mechanical Engineering of Beijing Agricultural Engineering University (北京農業工程大學) in July 1986 majoring in internal combustion engine and obtained a bachelor's degree in engineering, and graduated from School of Management of Xiamen University in June 2008 majoring in business administration and obtained a master's degree in business administration.

Ms. LI Juan (李娟), aged 35, is a non-executive Director of our Company. Ms. Li served as business assistant of the financing management department of BSCOMC from January 2010 to January 2015, business supervisor of the financing management department of BSCOMC and senior vice president of Beijing Equity Investment Development Management Co., Ltd. from January 2015 to November 2016, senior manager of the financing management department of BSCOMC from November 2016 to August 2017, senior manager of the third department of investment management of BSCOMC from August 2017 to March 2018 and senior manager of the second department of investment management of BSCOMC since March 2018. Ms. Li graduated from the University of Aberdeen in the United Kingdom majoring in finance in September 2007, and graduated from the Robert Gordon University in the United Kingdom majoring in financial management in June 2009 and obtained a Master degree in financial management.

Mr. HAN Xiaoping (韓曉平), aged 62, is an independent non-executive Director of our Company. Mr. Han worked as an editor and reporter at CAAC Journal and CAAC Inflight Magazine for the General Administration of Civil Aviation of China (CAAC) from 1986 to 1988. He has been a committee member of the new technology committee under the Cogeneration Professional Committee of the Chinese Society for Electrical Engineering since 1988. He established China Energy Net in 2000 and has served as its managing director and chief information officer since then. Mr. Han currently serves as the chief writer of Energy Review, chief researcher of China Energy Net Research Center, a senior expert of China City Gas Association Distributed Energy Professional Committee, a Sinopec social supervisor, an expert at the Policies & Regulations Department of National Energy Administration, a deputy director of China Energy Research Society Distributed Energy Professional Committee, an executive committee member of the Chinese Enterprises Investment Association and deputy director of Financial Enterprises Investment Committee, and the deputy governor of China's Natural Gas Industry Association. Mr. Han is an independent non-executive director, a member of the audit committee and nomination committee of Longitech Smart Energy Holding Limited (a company listed on the Main Board of Hong Kong Stock Exchange, stock code: 1281) since June 2016; an independent non-executive director of Tianjin Tianbao Energy Co., Ltd. (a company listed on the Main Board of the Hong Kong Stock Exchange, stock code: 1671) since March 2017; and an independent director, the chairman of the nomination committee and the chairman of the remuneration and appraisal committee of GCL Energy Technology Co., Ltd. (協鑫能源科技股份有限公司) (a company listed on the Main Board of the Shenzhen Stock Exchange, stock code: 002015) since June 2019.

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 compan incorporated in the People's Republic of China ith limited liabilit)
(Stock Code: 00579)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the "**AGM**") of Beijing Jingneng Clean Energy Co., Limited (the "**Company**") will be held at 10:00 a.m. on Thursday, 28 May 2020 at No.2 Meeting Room, 2nd Floor, No. 6 Xibahe Road, Chaoyang District, Beijing, PRC for the purposes of considering and, if thought fit, passing the following resolutions:

AS ORDINARY RESOLUTIONS

1. To consider and approve the work report of the board of directors of the Company (the "**Board**") for the year ended 31 December 2019.

2. To consider and approve the work report of the supervisory committee of the Company for the year ended 31 December 2019.

3. To consider and approve the report of the Company's auditors and the audited financial statements of the Company prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2019.

4. To consider and approve the profit distribution proposal and the plan of distribution of Final Dividends of the Company for the year ended 31 December 2019.

5. To consider and approve the annual report of the Company for the year ended 31 December 2019.

6. To consider and approve the budget report of the Company for the year 2020.

7. To consider and approve the investment business plan of the Company for the year 2020.

8. To consider and approve the proposed re-election of Mr. Liu Haixia as a non-executive director of the Board in the fourth session.

9. To consider and approve the proposed re-election of Mr. Zhang Fengyang as an executive director of the Board in the fourth session.

10. To consider and approve the proposed re-election of Mr. Cao Mansheng as an executive director of the Board in the fourth session.

11. To consider and approve the proposed re-election of Mr. Ren Qigui as a non-executive director of the Board in the fourth session.

12. To consider and approve the proposed re-election of Mr. Wang Bangyi as a non-executive director of the Board in the fourth session.

13. To consider and approve the proposed re-election of Ms. Li Juan as a non-executive director of the Board in the fourth session.

14. To consider and approve the proposed re-election of Mr. Huang Xiang as an independent non-executive director of the Board in the fourth session.

15. To consider and approve the proposed re-election of Mr. Zhang Fusheng as an independent non-executive director of the Board in the fourth session.

16. To consider and approve the proposed re-election of Mr. Chan Yin Tsung as an independent non-executive director of the Board in the fourth session.

17. To consider and approve the proposed re-election of Mr. Han Xiaoping as an independent non-executive director of the Board in the fourth session.

AS SPECIAL RESOLUTIONS

1. To consider and approve the following:

   "**THAT**:

   generally and unconditionally authorise the Board (or Director(s) delegated by the Board), within the amount approved and in light of the demand of business operation and capital expenditures, as well as the market condition, to determine the specific provisions and related matters regarding the issuance of debt financing instruments such as inbound short-term financing bonds, mid-term notes, offshore bonds, etc., including, but not limited to the issue size, interest rate, validity period, purchaser, use of proceeds as well as all necessary documents to be made, executed or disclosed (the "**Debt Financing Instruments Issue Mandate**").

   The effective period of the Debt Financing Instruments Issue Mandate is 24 months from the date of the passing of the resolution at the AGM."

2. To consider and approve the following:

"**THAT**:

(1) the Board be granted an unconditional general mandate to issue, allot or otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options in respect thereof, subject to the following conditions:

(a) such mandate shall not exceed beyond the Relevant Period save that the Board may during the Relevant Period make or grant offers, agreements, or options which might require the exercise of such powers after the end of the Relevant Period;

(b) the aggregate amount of shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Board shall not exceed:

(i) 20 per cent of the aggregate number of Domestic Shares of the Company in issue as of the passing date of this resolution; and/or

(ii) 20 per cent of the aggregate number of H Shares of the Company in issue as of the passing date of this resolution; and

(c) the Board will only exercise its power under such mandate in accordance with the Company Law of the People's Republic of China (the "**PRC**") and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") (as the same may be amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained;

For the purpose of this resolution:

"Domestic Shares" means ordinary shares issued by the Company in the PRC, with a nominal value of RMB1.00 each, which are subscribed for in Renminbi ("**RMB**");

"H Shares" means the overseas-listed foreign invested shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong Dollars;

"Relevant Period" means the period from the passing of this resolution until the earliest of:

(A) the conclusion of the next annual general meeting of the Company following the passing of this resolution; or

(B) the expiration of the 12-month period following the passing of this resolution; or

(C) the date on which the authority set out in this resolution is revoked or varied by a special resolution of the shareholders of the Company in a general meeting; and

(2) subject to the Board resolving to issue shares pursuant to sub-paragraph (1) of this resolution, the Board be authorized to:

(a) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares including, without limitation, determining the time and place of issue, making all necessary applications to the relevant authorities, and entering into an underwriting agreement (or any other agreements);

(b) determine the use of proceeds and to make all necessary filings and registrations with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdictions (as appropriate); and

(c) increase the registered capital of the Company in accordance with the actual increase of capital by issuing shares pursuant to sub-paragraph (1) of this resolution, to register the increase of capital with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdiction (as appropriate) and to make such amendments to the articles of association of the Company as it thinks fit so as to reflect the increase and any other resultant changes in the registered capital of the Company."

3. To consider and approve the adoption of the H share appreciation rights scheme and the grant under such scheme.

By Order of the Board
Beijing Jingneng Clean Energy Co., Limited
KANG Jian
Company Secretary

Beijing, the PRC
9 April 2020

As at the date of this notice, the non-executive directors of the Company are Mr. Liu Haixia, Mr. Ren Qigui, Ms. Li Juan and Mr. Wang Bangyi; the executive directors of the Company are Mr. Zhang Fengyang, Mr. Zhu Jun and Mr. Cao Mansheng; and the independent non-executive directors of the Company are Mr. Huang Xiang, Mr. Zhang Fusheng, Mr. Chan Yin Tsung and Mr. Han Xiaoping.

Notes:

1. **DETAILS OF ORDINARY RESOLUTIONS NO. 1 TO 7 ABOVE ARE SET OUT IN THE 2019 ANNUAL REPORT OF THE COMPANY. DETAILS OF ORDINARY RESOLUTIONS NO. 8 TO 17 AND SPECIAL RESOLUTIONS NO. 1 TO 3 ABOVE ARE SET OUT IN THE CIRCULAR OF THE COMPANY DATED 9 APRIL 2020.**

2. **CLOSURE OF REGISTER FOR H SHARES, ELIGIBILITY FOR ATTENDING THE AGM**

   Holders of H Shares are advised that the share register for H Shares will be closed from Tuesday, 28 April 2020 to Thursday, 28 May 2020 (both days inclusive). The Shareholders whose names appear on the register of members of the Company on the close of business on Tuesday, 28 April 2020 are entitled to attend and vote at the AGM. Holders of H Shares of the Company who wish to attend the AGM but have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 27 April 2020 for registration.

3. **CLOSURE OF REGISTER FOR H SHARES, ELIGIBILITY FOR THE ENTITLEMENT TO THE PROPOSED FINAL DIVIDENDS (SUBJECT TO THE APPROVAL BY THE SHAREHOLDERS AT THE AGM)**

   Holders of H Shares are advised that the share register for H Shares will be closed from Thursday, 4 June 2020 to Tuesday, 9 June 2020 (both days inclusive). In order to qualify for the proposed Final Dividends (subject to the approval by the shareholders at the AGM), holders of the H Shares whose transfers have not been registered shall deposit all transfer documents together with the relevant share certificates at the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 3 June 2020 for registration. The Final Dividends will be paid to the shareholders whose names appear on the register of members on Tuesday, 9 June 2020.

4. The Directors (including the chairman of the Board) may attend the AGM remotely through video or telephone conference facilities if needed. The chairman of the Board and chairmen of the special committees under the Board will be available either in person or through video or telephone conference facilities to answer questions from shareholders of the Company at the AGM. Depending on the evolvement of the COVID-19 outbreak, the Company may adjust or reschedule the AGM in accordance with the applicable laws and regulations.

5. **PROXY**

   Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote in their stand. 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 of the Company or his attorney duly authorized in writing. If the shareholder of the Company is a corporate body, the proxy form must be either executed under its common seal or under the hand of its director(s) or duly authorized attorney(s). If the proxy form is signed by an attorney of the shareholder of the Company, the power of attorney authorizing that attorney to sign or any other authorization document must be notarized.

   For holders of H Shares, the proxy form together with the power of attorney or any other authorization document (if any) must be lodged at the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by hand or by post not less than 24 hours before the time appointed for the above AGM (i.e., not later than 10:00 a.m., Wednesday, 27 May 2020) or any adjournment thereof (as the case may be). Holders of H Shares can still attend and vote at the AGM in person upon completion and return of the proxy form.

6. **REPLY SLIP**

Holders of H Shares who intend to attend the AGM in person or by proxy should deliver the reply slip to the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before Friday, 8 May 2020.

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

Address: 7/8F
No. 6 Xibahe Road, Chaoyang District
Beijing, the PRC

Telephone: (86 10) 6446 9988

8. **PROCEDURES FOR VOTING AT THE AGM**

Any vote of shareholders at the AGM must be taken by poll.

9. **OTHER BUSINESS**

Shareholders (in person or by proxy) attending the AGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the AGM shall produce their identity documents.

10. References to time and dates in this notice are to Hong Kong time and dates.