t 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.

t all your shares in **B** **.,** **t** , 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

(Stock Code: 00579)

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"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the proposed transactions under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement)
"Independent Shareholders"	Shareholders other than BEH and its associates, and who are not involved in, or interested in the transactions contemplated under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement)
"Independent Third Parties"	parties who are not connected (within the meaning of the Listing Rules) with any Director, superviser, chief executive or substantial shareholder of the Company or any of its subsidiaries or any associate of any of them
"Latest Practicable Date"	22 November 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"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
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	the ordinary share(s) of RMB1.00 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the ordinary share(s) of the Company
"Supplemental Finance Lease Framework Agreement" or "Supplemental Agreement"	the supplemental agreement to the Finance Lease Framework Agreement entered into between BEH and the Company on 28 September 2021
"%"	per cent

[illegible]

Beijing Jingneng Clean Energy Co., Limited

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(Stock Code: 00579)

s:
Mr. ZHANG Fengyang
Mr. CHEN Dayu
Mr. GAO Yuming
Mr. CAO Mansheng

s:
Mr. REN Qigui
Ms. LI Juan
Mr. WANG Bangyi

s:
Mr. HUANG Xiang
Mr. CHAN Yin Tsung
Mr. XU Daping
Ms. ZHAO Jie

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

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

25 November 2021

Dear Sir/Madam,

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1.

We refer to the announcement of the Company dated 16 October 2019 in relation to, among other things, the Finance Lease Framework Agreement, the announcement of the Company dated 28 September 2021 in relation to the Supplemental Agreement, and the announcement of the Company dated 16 November 2021 in relation to the proposed amendment of the Articles of Association and the proposed change of domestic auditor of the Company. Unless the context requires otherwise, terms and expressions used in this circular shall have the same meaning as those defined in the above-mentioned announcements.

The purposes of this circular are, among other matters:

(a) to provide you with details regarding the proposed continuing connected transactions under the Supplemental Agreement;

(b) to provide you with details regarding the proposed amendment of the Articles of Association;

(c) to provide you with details regarding the proposed change of domestic auditor of the Company;

(d) to set out the recommendations from the Independent Board Committee in respect of proposed continuing connected transaction (including the Revised Caps) under the Supplemental Agreement;

(e) to set out the advice from Gram Capital in respect of the proposed continuing connected transaction (including the Revised Caps) contemplated under the Supplemental Agreement;

(f) to provide the Shareholders with other information required under the Listing Rules; and

(g) to provide the Shareholders with the notice of the EGM.

2. **A A A AB**
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A A

According to the Finance Lease Framework Agreement, BEH and/or its associates agreed to provide financial lease services, including direct leasing services, to the Group. The annual caps for the transactions under the Finance Lease Framework Agreement for the three years ending 31 December 2022 were previously set at RMB450 million per year (the "**t** ").

Considering the current business needs of the Company for direct leasing services, the Company expects that the Existing Caps will not be sufficient. On 28 September 2021, the Company entered into the Supplemental Agreement to revise the Existing Caps.

(1) t A t

The principal amendments pursuant to the Supplemental Agreement on the Finance Lease Framework Agreement are summarized as follows:

Finance lease services: **t**

Pursuant to the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement), in respect of the direct leasing service, as requested or instructed by the Group, BEH and/or its associates will provide financial leasing solutions to the Group for the purchase of equipment. BEH and/or its associates will make the payment for the equipment to the suppliers in accordance with the conditions set by the Group and charge the Group with the lease rental for such equipment according to the schedule.

Pursuant to the Supplemental Agreement, when the leasing period expires, the Group is entitled to purchase such equipment at a nominal consideration not exceeding RMB20,000 from BEH and/or its associates.

Pursuant to the Supplemental Agreement, the scope of the finance lease services to be provided by BEH and/or its associates under the Finance Lease Framework Agreement will be limited to direct leasing service only, since the Company intends to enter into separate sales and leaseback agreements in relation to the sales and leaseback services originally contemplated under the Finance Lease Framework Agreement. If any transactions under each separate sales and leaseback agreements to be carried falls under Chapter 14 or Chapter 14A of the Listing Rules, the Company will comply with the relevant requirements under the Listing Rules if applicable and make disclosures in relation to such transactions and any amendments to the terms of the sales and leaseback agreements as appropriate.

Revised annual caps: Pursuant to the Supplemental Agreement, the annual caps for the direct leasing transactions for the two years ending 31 December 2022 (the " ") will be increased to RMB2 billion and RMB3 billion, respectively.

The Supplemental Agreement shall become effective upon (i) being signed by the legal representatives or authorised representatives of BEH and the Company, and (ii) being approved at the general meeting of the Company, and will expire on 31 December 2022.

Save for the above amendments, all other terms and conditions of the Finance Lease Framework Agreement remain unchanged. For the principle terms and details of the Finance Lease Framework Agreement, please refer to the Announcement.

In respect of each finance lease, the relevant member(s) of the Group and BEH and/or its associates will enter into separate implementation contract(s). The terms of each implementation contract will be in line with the terms of the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement), and each implementation contract shall be subject to and conditional upon the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) continuing to be in force.

(2) 16 ( ) t t

The Company adopted, among others, International Financial Reporting Standards (" ") 16 (Leases) in its consolidated statement of financial position in connection with leases and finance leases with effect from the beginning of its accounting period on 1 January 2019.

Pursuant to the IFRS 16 (Leases), the Company recognises right-of-use assets at the commencement date of the lease period (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at the amount of cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. At the commencement date of the lease period, the Company recognises lease liabilities measured at the present value of lease payments that have not been paid. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Accordingly, under IFRS 16 (Leases), the Company will recognise the leased assets of relevant direct lease(s) representing its right to use the leased assets (except short-term leases and low-value leases), subject to the specific lease terms and conditions to be set out in each of the lease agreement.

(3) t A t

The Company did not engage BEH and/or its associates for finance lease service during the two years ended 31 December 2019.

According to the FAQs on Notifiable and Connected Transaction Rules relating to Lease Transactions of Listed Issuers adopting HKFRS/IFRS 16 "Leases" (or similar accounting standards in other jurisdictions) issued by the Hong Kong Stock Exchange, the annual caps for direct leases under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) should be determined based on the total value of right-of-use assets relating to the leases to be entered into by the Company in the corresponding period. The table below sets out the historical amounts of the direct leasing services for the year ended 31 December 2020, the Existing Caps for each of the three years ending 31 December 2022 and the proposed Revised Caps for each of the two years ending 31 December 2022:

	t	31 2021 (t)	t
	31 2020		31 2022
	m n	m n	m n
t			
– Historical amounts	247.7	–	–
– Existing Caps	450	450	450
– Proposed Revised Caps under the Supplemental Agreement	–	2,000	3,000

(4) B t

The proposed Revised Caps in relation to the Supplemental Agreement are determined with reference to, among other things.

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To maintain competitive advantages in the process of achieving "Carbon Peak and Carbon Neutral" (碳達峰及碳中和), the major competitors of the Company have announced the plan to install a considerable amount of equipment to increase their clean-energy generating capacity during the Fourteenth Five Year Plan of the PRC (十四五規劃). As the power generation business is a capital-intensive business and the development of the Group requires a lot of capital, in response to such fierce competition, the Company expects that there will be more direct lease arrangements with BEH and/or its associates in the next two years, as it is able to satisfy the Group's demand of funds for project construction in a timely manner and avoid large amount of capital expenditure for the purchase of machinery equipment.

The Company expects that (i) in 2021, there will be three wind power plants construction projects involving direct lease arrangement with BEH and/or its associates with a total installed capacity of approximately 350MW, of which two projects are currently under construction and the remaining one has already been approved by the competent authorities; and (ii) in 2022, there will be four power plants construction projects (including three wind power projects and one photovoltaic power project) involving direct lease arrangement with BEH and/or its associates with a total installed capacity of approximately 700MW, of which one project has already been approved by the competent authorities. The amounts of the Revised Caps represent the estimated total value of right-of-use assets relating to the direct leases involving the abovementioned three power plants construction projects in 2021 and four power plants construction projects in 2022, respectively.

According to the Company's annual reports, the consolidated installed capacity of wind power generation and photovoltaic power generation of the Group amounted to 5,709MW as at 31 December 2020 (4,470MW as at 31 December 2019 and 3,516MW as at 31 December 2018). The consolidated installed capacity of wind power generation and photovoltaic power generation of the Group as at 31 December 2020 and 31 December 2019 represented an increases of 1,239MW and 954MW as compared to that in the previous year, respective. Therefore, the Directors consider the above-mentioned possible increase of approximately 350MW and 700MW in the Group's consolidated installed capacity of wind power generation and photovoltaic power generation under the direct lease arrangement is justifiable.

(5) B

As disclosed in the Announcement, the lease consideration consists of the principal amount and lease interests. The lease consideration will be determined by the Group and BEH and/or its associates after arm's length negotiations and with reference to the market price of the same type of financial leasing assets. When determining the pricing standard, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered with or carried out by Independent Third Parties in the corresponding period of reference.

Cost in respect of such financing services of the Company (including relevant rent plus handling fees and excluding other costs may be saved according to favourable terms, such as deductible VAT) shall be not higher than the consolidated cost (including relevant rent plus handling fees and excluding other costs may be saved according to favourable terms, such as deductible VAT) incurred from similar transactions during the relevant period.

(6) B t t t t t A t

As BEH and/or its associates have been providing financial lease services to the Group and has a thorough understanding of the operations and development needs of the Group, it is expected that the revision of the Existing Caps will facilitate the Group to continue to receive efficient financial lease services from BEH and/or its associates. Engaging BEH and/or its associates to provide the direct leasing services is to avoid large amount of capital expenditure for the purchase of machinery equipment. Through entering into the direct leasing transactions, the Group will expand its financing channels and methods. It also enables the Company to control financing risks and satisfy the Group's demand of funds for project construction in a timely manner.

(7) t t

To safeguard the interests of the Company and the Shareholders as whole, including the minority shareholders, the Company has adopted internal approval and monitoring procedures relating to the transactions under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement), which include the followings:

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The finance management department of the Company (the "**t t**") is responsible for collecting and monitoring the information under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement). Prior to entering into individual lease contracts under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement), the Finance Management Department will compare the major terms and financing costs associated with such arrangements to, to the extent practicable, at least two similar and comparable transactions entered with or carried out by Independent Third Parties in the corresponding period of reference. Officers handling the relevant matters shall seek approval from the head of the Finance Management Department and the chief financial officer of the Group, which is subject to the preliminary and final review by them based on the relevant rules and regulations.

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The Securities & Capital Management of the Company and other relevant operation departments of the Company are jointly responsible for conducting reviews on compliance with relevant laws, regulations, the Group's internal policies and the Listing Rules in respect of both continuing connected transactions and connected transactions. They are also jointly responsible for evaluating the transaction terms under each underlying agreement of the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement), in particular, the fairness and reasonableness of the pricing terms under each agreement, before each separate agreement under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) is entered into.

Independent non-executive Directors have also reviewed and will continue to review the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) and the transactions thereunder on a quarterly basis to ensure that the agreements are entered into on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

The Finance Management Department will monitor the direct lease transactions under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) on a monthly basis. Meanwhile, the business planning department of the Company (the "**B t t**") will be in close contact with the Group's business teams responsible for direct lease so that the Business Planning Department will be able to reasonably anticipate expected transaction amount in advance.

Independent non-executive Directors and auditors of the Company will conduct annual review of the transactions under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) (including the rates and fees charged in respect of the transactions) and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the agreements and the Group's pricing policy measures, and to confirm if the price and terms offered are fair and reasonable and comparable to those offered by Independent Third Parties.

As the Group has adopted a set of effective internal control measures to supervise the continuing connected transactions of the Group, the Directors consider that the procedures in place will ensure such transactions be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

(8) t t

As BEH directly and indirectly holds approximately 68.68% of the issued share capital of the Company as at the date of this announcement, BEH is a controlling shareholder of the Company and thus a connected person of the Company. Accordingly, the transactions between the Group and BEH and/or its associates constitute continuing connected transactions of the Company under the Listing Rules.

As the highest percentage ratio applicable to the annual caps for the direct leasing transactions under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) exceeds 5%, such transactions are subject to the reporting, announcement, circular (including independent financial advice), Shareholders' approval and annual review requirements under the Chapter 14A of the Listing Rules.

In addition, as the highest applicable percentage ratio in respect of the transactions contemplated under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) exceeds 5% but is less than 25%, such transactions, if carried out, constitute discloseable transactions of the Company which are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

To comply with the requirements of the Listing Rules, the Independent Board Committee comprising all of the independent non-executive Directors has been formed to advise the Independent Shareholders on the proposed transaction under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) and the proposed Revised Annual Caps thereof.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the terms in respect of the direct leasing (including the Revised Annual Caps) contemplated under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement), and whether it is in the interests of the Company and its Shareholders as a whole.

The letter from Gram Capital to the Independent Board Committee and the Independent Shareholders and the letter from the Independent Board Committee to the Independent Shareholders are included in this circular.

Independent Shareholders are advised to read this circular carefully for details of the continuing connected transactions before making decision as regards voting.

(9) B [illegible] [illegible]t

The Board (including the independent non-executive Directors) are of the view that the terms of the Supplemental Agreement are arrived at after arm's length negotiations between the parties, entered into in the ordinary and usual course of business of the Group

As of the Latest Practicable Date, save as disclosed below, none of the Directors is a director or employee of the companies which have an interest or short position in the Shares and underlying shares of the Company.

Mr. Ren Qigui	Non-executive Director	Employee of BEH (Full-time expatriate director)
Ms. Li Juan	Non-executive Director	Senior manager of the second department of investment management of BSCOML

Due to their positions in BEH or BSCOML (the sole shareholder of BEH), Mr. Ren Qigui and Ms. Li Juan have all abstained from voting on the Board resolution approving the Supplemental Agreement. Other than Mr. Ren Qigui and Ms. Li Juan, no other Director has material interest and is required to abstain from voting on the Board resolution approving the Supplemental Agreement.

(10) B

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The Company is a clean energy company focusing on gas-fired power and heat energy generation, wind power, photovoltaic power, small to medium hydropower and other clean energy generation businesses, which helps claim the Company the titles of the internationally well-known clean energy enterprise, industry-leading clean energy brand and largest gas-fired power supplier in Beijing and the leading wind power operator in China.

a k un n ma n

BEH is a limited liability company incorporated in the PRC which principally engages in the businesses of generation and supplying of electricity and heat, production and sale of coal and development of real estate. BEH is wholly owned by BSCOML. BEH is the controlling shareholder of the Company, directly and indirectly holds approximately 68.68% of the issued share capital of the Company, and therefore is a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules.

3. A A A A

The Board resolved to amend certain provision of the Articles of Association on 16 November 2021, subject to the approval of the Shareholders.

The proposed amendments to the Articles of Association are made in accordance with the Notice on Matters Related to Strengthening the Construction of the Board of Directors of Subsidiaries of the Municipal Enterprises (Exposure Draft) (《關於市管企業加強子企業董事會建設有關事項的通知(徵求意見稿)》) issued by the State-owned Asset Supervision and Administration of People Government of Beijing Municipality and the development needs of the Company for the purpose of enhancing the construction of the Board, implementing the functions and powers of the Board and improving the decision-making efficiency of the Company.

The proposed amendments to the Articles of Association are set out as follows:

t	**t t t**
A t 13 The operational objectives of the Company are: optimize industrial structure and improve enterprise efficiency with advanced technology and management experience, achieve good investment returns for the shareholders of the Company, and promote the development of clean energy and environmental protection in the capital.	**A t 13** The operational objectives of the Company are: optimize industrial structure and improve enterprise efficiency with advanced technology and management experience, achieve good investment returns for the shareholders of the Company, and promote the development of clean energy and environmental protection ~~in the capital~~.
A t 21 …… Beijing State-owned Capital Operation and Management Center holds 224,348,291 domestic investment shares, representing 2.721% in the Company's total share capital; ……	**A t 21** …… Beijing State-owned Capital Operation and Management ~~Center~~ **t** holds 224,348,291 domestic investment shares, representing 2.721% in the Company's total share capital; ……

[illegible]	[illegible]
A t 66 The following external guarantees of the Company must be reviewed and passed at the general meeting: (1) Any external guarantee by the Company or its subsidiary and any subsequent guarantee, whose total amount is equal to or more than 50% of the Company's audited net assets; (2) Any external guarantee by the Company and any subsequent guarantee, whose total amount is equal to or more than 30% of the Company's latest audited total assets; (3) To provide guarantee to entities with more than 70% debt equity ratio; (4) A single guarantee whose amount exceeds 10% of the latest audited net assets; (5) To provide guarantee for shareholders, actual controller and its associates; (6) Other guarantees which shall be passed at the general meeting as prescribed by the local stock exchange where the Company's shares are listed and this Articles of Association.	**A t 66** The following external guarantees of the Company must be reviewed and passed at the general meeting: (1) Any external guarantee by the Company or its subsidiary and any subsequent guarantee, whose total amount is equal to or more than 50% of the Company's audited net assets; (2) Any external guarantee by the Company and any subsequent guarantee, whose total amount is equal to or more than 30% of the Company's latest audited total assets; (3) To provide guarantee to entities with more than 70% debt equity ratio; (4) A single guarantee whose amount exceeds 10% of the latest audited net assets; (5) To provide guarantee for shareholders, actual controller and its associates; (6) Other guarantees which shall be passed at the general meeting as prescribed by the local stock exchange where the Company's shares are listed and this Articles of Association. [illegible]

[illegible] t	[illegible] t [illegible] t t [illegible] t
A t 138 The board of directors exercises the following functions and powers: (1) to be responsible for the convening of general meetings and report its work to the general meetings; (2) to implement resolutions of the general meetings; (3) to decide on the Company's business plans and investment plans; (4) to formulate the annual financial budgets and final accounts of the Company; (5) to formulate the Company's profit distribution plans and plans on making up losses; (6) to formulate proposal for the Company to increase or decrease of its registered capital, issue corporate bonds or other securities and listing thereof; (7) to formulate plans for mergers, divisions, dissolution and alteration of corporate form of the Company; (8) to formulate plans for the Company's substantial acquisitions and purchase of shares of the Company;	**A t 138** The board of directors exercises the following functions and powers: (1) to be responsible for the convening of general meetings and report its work to the general meetings; (2) to implement resolutions of the general meetings; (3) to decide on the Company's t t [illegible] t , [illegible] t t [illegible] , business plans and investment plans; (4) to formulate the annual financial budgets and final accounts of the Company; (5) to formulate the Company's profit distribution plans and plans on making up losses; (6) to formulate proposal for the Company to increase or decrease of its registered capital, issue corporate bonds or other securities and listing thereof; (7) to formulate plans for mergers, divisions, dissolution and alteration of corporate form of the Company; (8) to formulate plans for the Company's substantial acquisitions and purchase of shares of the Company;

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(9) within the scope authorized by the general meeting, to decide, among others, the Company's external inendmide,489…Lpurchasede,489…	Landde,489…Lsalede,489…Lofnal

[illegible] t	[illegible] t [illegible] t t [illegible] t
A t 140 The board of directors may set up specialized committees such as the Strategic Committee, Audit Committee, Remuneration and Nomination Committee to advise the board of directors on major decisions.	**A t 140** The board of directors may set up specialized committees such as the Strategic Committee, Audit Committee, Remuneration and Nomination Committee [illegible] t tt to advise the board of directors on major decisions.
A t 145 The notice of board meetings may be delivered in the manners as set out in Article 244 of the Articles of Association. …….	**A t 145** The notice of board meetings may be delivered in the manners as set out in Article 244~~4~~**6** of the Articles of Association. …….
A t 148 Except for the consideration on the related party transactions by the board of directors as set out in Article 151, the board meeting shall not be held unless more than one half of the directors are present. …….	**A t 148** Except for the consideration on the related party transactions by the board of directors as set out in Article 15~~1~~**0**, the board meeting shall not be held unless more than one half of the directors are present. …….

▩ ▩ t	▩ t ▩ t t ▩ t
A t 161 The Company's general manager shall be accountable to the Board of Directors and shall exercise the following functions and powers: (1) lead the Company's production, operation and management, and report to the board of directors; (2) organize resources to carry out the Board's resolutions; (3) organize the implementation of the Company's annual business plan and investment plan formulated by the board of directors; (4) draft plans for the establishment of the Company's internal management structure; (5) draft the basic management system of the Company; (6) formulate detailed rules and regulations of the Company; (7) propose the appointment or dismissal of the Company's deputy general manager(s), chief accountant and the general counsel to the Board;	**A t 161** The Company's general manager shall be accountable to the Board of Directors and shall exercise the following functions and powers: (1) lead the Company's production, operation and management, and report to the board of directors; (2) organize resources to carry out the Board's resolutions; (3) organize the implementation of the Company's annual business plan and investment plan formulated by the board of directors; (4) draft plans for the establishment of the Company's internal management structure; (5) draft the basic management system of the Company; (6) formulate detailed rules and regulations of the Company; (7) propose the appointment or dismissal of the Company's deputy general manager(s), chief accountant and the general counsel to the Board;

[illegible]	[illegible]
(8) appoint or dismiss other management members other than those required to be appointed or dismissed by the Board; (9) exercise other powers conferred by the Articles of Association or the board of directors. ……	(8) appoint or dismiss other management members other than those required to be appointed or dismissed by the Board; **(9)** [illegible]; (9**10**) exercise other powers conferred by the Articles of Association or the board of directors. ……

/ : The above table does not include the revised content of the clauses whose serial numbers have been changed due to new or deleted clauses; if there are new or deleted clauses, other serial numbers will be adjusted accordingly.

[illegible]

4. A A U

Grant Thornton LLP (Special General Partnership) (the "**t t**") retired as the domestic auditor of the Company due to the expiry of contract. Pursuant to the relevant regulations issued by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality, the Company's auditing service was put out to invited tendering and Baker Tilly International Certified Public Accountants (Special General Partnership) (the "**B**") won the bidding. The Board resolved to propose the appointment of Baker Tilly as the domestic auditor of the Company for the year of 2021, to hold office until the conclusion of the next annual general meeting of the Company, and to authorize the Board to determine their remuneration. The above resolution is subject to the approvals of the Shareholders.

The international auditor of the Company, Deloitte Touche Tohmatsu, remains unchanged.

Grant Thornton has confirmed that there are no matters in relation to the change of the domestic auditor of the Company which should be brought to the attention of the Shareholders. The Board and the audit committee of the Company are not aware of any matters in relation to the change of Domestic Auditor that need to be brought to the attention of the Shareholders. The Board and the audit committee of the Company have also confirmed that there is no disagreement or outstanding matters between Grant Thornton and the Company.

5. A

The Directors (including the independent non-executive Directors) consider that the proposed resolutions in relation to, among other things: (i) the Supplemental Agreement; (ii) the proposed transaction (including the proposed Revised Annual Caps) contemplated under Supplemental Agreement between the Company and BEH; (iii) the proposed amendment of the Articles of Association; and (iv) the proposed change of the domestic auditor of the Company are in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that Independent Shareholders vote in favour of such resolutions to be proposed at the EGM.

6.

A notice convening the EGM to be held at 10:00 a.m. on Wednesday, 22 December 2021 at No. 2 Meeting Room, 8th Floor, No. 6 Xibahe Road, Chaoyang District, Beijing, PRC, is set out on pages 37 to 38 of this circular. A proxy form for use at the EGM 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).

The above resolutions proposed at the EGM will be voted by poll.

As of the date of this circular, Beijing International Electric Engineering Co., Ltd., Beijing District Heating (Group) Co., Ltd. and Beijing Energy Investment Holding (Hong Kong) Co., Limited are wholly-owned subsidiaries of BEH and BEH is wholly-owned by BSCOML. Therefore, BEH (directly holding approximately 61.64% of the equity interests in the Company), Beijing International Electric Engineering Co., Ltd. (directly holding approximately 1.12% of the equity interests in the Company), BSCOML (directly holding approximately 2.72% of the equity interests in the Company), Beijing District Heating (Group) Co., Ltd. (directly holding approximately 0.19% of the equity interests in the Company) and Beijing Energy Investment Holding (Hong Kong) Co., Limited (directly holding approximately 5.7% of the equity interests in the Company), holding an aggregate of 5,886,444,144 Shares and representing approximately 71.4% of the equity interests in the Company, are required to abstain from voting on the resolution to be proposed at the EGM to approve the Supplemental Agreement. Other than disclosed above, no other Shareholder is required to abstain from voting on the resolutions to be proposed at the EGM.

Holders of the H Shares whose names appear on the register of members of the Company on the close of business on Thursday, 16 December 2021 are entitled to attend the EGM and vote at the EGM. In order to determine the holders of H Shares who are entitled to attend the EGM, the H Share register of members of the Company will be closed from Friday, 17 December 2021 to Wednesday, 22 December 2021 (both days inclusive). Holders of H Shares who wish to attend the EGM 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 by no later than 4:30 p.m. on Thursday, 16 December 2021.

Whether or not you are able to attend the EGM, 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 EGM (i.e., no later than 10:00 a.m., Tuesday, 21 December 2021) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending the EGM and voting in person if you so wish.

By Order of the Board

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Beijing Jingneng Clean Energy Co., Limited

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(Stock Code: 00579)

25 November 2021

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Dear Sir/Madam,

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We refer to the circular of the Company dated 25 November 2021 (the " "), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context requires otherwise.

We have been appointed to consider the fairness and reasonableness of the terms of the proposed transaction (including the proposed Revised Annual Caps) under the Supplemental Agreement, and whether it is in the interests of the Company and its Shareholders as a whole.

Details of the Supplemental Agreement and the proposed transactions contemplated thereunder are set out in the "Letter from the Board" on pages 3 to 22 of the Circular.

Gram Capital has been appointed as our Independent Financial Adviser to advise us on the proposed transaction under the Supplemental Agreement. Details of the relevant advice and recommendation of Gram Capital, together with the principal factors and reasons taken into account by it in arriving at its advice and recommendation, are set out on pages 24 to 33 of the Circular.

Having taken into account the advice and recommendation of Gram Capital, we consider that (i) the proposed transaction under the Supplemental Agreement has been entered into in ordinary and usual course of business of the Company, and (ii) the proposed transactions under the Supplemental Agreement are on normal commercial terms and that relevant terms and annual caps are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favor of the resolutions proposed at the EGM.

Yours faithfully,
For and on behalf of
Independent Board Committee

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Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

25 November 2021

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Dear Sirs,

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We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Supplemental Agreement (the "[illegible] **t** "), details of which are set out in the letter from the Board (the "**B** [illegible] **tt** ") contained in the circular dated 25 November 2021 issued by the Company to the Shareholders (the "[illegible] "), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 16 October 2019, the Company entered into, among other things, the Finance Lease Framework Agreement with BEH, pursuant to which, BEH and/or its associates agreed to provide financial lease services, including direct leasing services, to the Group. The existing annual caps for the transactions under the Finance Lease Framework Agreement for the three years ending 31 December 2022 were previously set at RMB450 million per year (the "[illegible] **t** [illegible] ").

Considering the current business needs of the Company for the direct leasing services, the Company expects that the Existing Caps will not be sufficient. On 28 September 2021, the Company entered into the Supplemental Agreement with BEH to revise the Existing Caps.

With reference to the Board Letter, the transactions contemplated under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) constitute discloseable and continuing connected transactions of the Company and are subject to the reporting and announcement, annual review and the independent shareholders' approval requirement under the Listing Rules.

The Independent Board Committee comprising Mr. Huang Xiang, Mr. Chan Yin Tsung, Mr. Xu Daping and Ms. Zhao Jie (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

Gram Capital was engaged as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to (i) an update on discloseable and connected transaction; and continuing connected transactions and major transaction (details of which are set out in the Company's circular dated 29 November 2019); and (ii) voluntary conditional offer and proposed voluntary withdrawal of listing of H Shares (details of which are set out in the Company's composite document dated 31 December 2020). Save for the aforesaid engagements, there was no other service provided by Gram Capital to the Company during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the aforesaid engagements, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

Having considered the above, in particular (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagements were only independent financial adviser engagements and will not affect our independence to act as the Independent Financial Adviser, we are of the view that we are independent to act as the Independent Financial Adviser.

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In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied

understanding with anyone concerning the Finance Lease Framework Agreement and the Supplemental Agreement. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, BEH, and each of their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us

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BEH is a limited liability company incorporated in the PRC and is principally engaged in the businesses of generation and supplying of electricity and heat, production and sale of coal and development of real estate. BEH is wholly owned by BSCOMC. BEH is the controlling shareholder of the Company.

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With reference to the Board Letter, as BEH and/or its associates have been providing financial lease services to the Group and has a thorough understanding of the operations and development needs of the Group, it is expected that the revision of the Existing Caps will facilitate the Group to continue to receive efficient financial lease services from BEH and/or its associates. Engaging BEH and/or its associates to provide the direct leasing services is to avoid large amount of capital expenditure for the purchase of machinery equipment. Through entering into the direct leasing transactions, the Group will expand its financing channels and methods.

Pursuant to the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement), cost in respect of such financing services of the Company (including relevant rent plus handling fees and excluding other costs may be saved according to favourable terms, such as deductible VAT) shall be not higher than the consolidated cost (including relevant rent plus handling fees and excluding other costs may be saved according to favourable terms, such as deductible VAT) incurred from similar transactions during the relevant period.

We also understood from the Directors that by using the direct lease transactions, the Group would be able to improve the initial cash flow of the projects and therefore n(tht-360(projects)-36060(projec7n60(

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Set out below are the key terms of the Transactions, details of which are set out under the section headed "THE SUPPLEMENTAL AGREEMENT" of the Board Letter.

t t	28 September 2021
A t:	
t :	(1) The Company; and (2) BEH
: t	Pursuant to the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement), in respect of the direct leasing service, as requested or instructed by the Group, BEH and/or its associates will provide financial leasing solutions to the Group for the purchase of equipment. BEH and/or its associates will make the payment for the equipment to the suppliers in accordance with the conditions set by the Group and charge the Group with the lease rental for such equipment according to the schedule. Pursuant to the Supplemental Agreement, when the leasing period expires, the Group is entitled to purchase such equipment at a nominal consideration not exceeding RMB20,000 from BEH and/or its associates.
	Pursuant to the Supplemental Agreement, the scope of the finance lease services to be provided by BEH and/or its associates under the Finance Lease Framework Agreement will be limited to direct leasing service only.
:	Pursuant to the Supplemental Agreement, the annual caps for the direct leasing transactions for the two years ending 31 December 2022 (the " ") will be increased to RMB2 billion and RMB3 billion, respectively.

The Supplemental Agreement shall become effective upon (i) being signed by the legal representatives or authorised representatives of BEH and the Company, and (ii) being approved at the general meeting of the Company, and will expire on 31 December 2022.

Save for the above amendments, all other terms and conditions of the Finance Lease Framework Agreement remain unchanged.

Pursuant to the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement), the lease consideration consists of the principal amount and lease interests. The lease consideration will be determined by the Group and BEH and/or its associates after arm's length negotiations and with reference to the market price of the same type of financial leasing assets. When determining the pricing standard, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered with or carried out by Independent Third Parties in the corresponding period of reference.

Cost in respect of such financing services of the Company (including relevant rent plus handling fees and excluding other costs may be saved according to favourable terms, such as deductible VAT) shall be not higher than the consolidated cost (including relevant rent plus handling fees and excluding other costs may be saved according to favourable terms, such as deductible VAT) incurred from similar transactions during the relevant period.

Upon our request, we obtained an individual finance lease (direct lease) contract entered into between the Group and a member of BEH (the "**2020 t t**") in 2020 with quotations from three independent third parties. As confirmed by the Directors, the aforesaid individual finance lease (direct lease) contract is the only one contract in respect of direct lease arrangement entered into between the Group and member of BEH from 1 January 2020 to the date of the Supplemental Agreement. According to the aforesaid documents, the cost of finance lease offered by members of BEH were not higher than those offered by independent third parties.

To safeguard the interests of the Company and the Shareholders as whole, including the minority shareholders, the Company has adopted internal approval and monitoring procedures relating to the transactions under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement). Details of the internal approval and monitoring procedures are set out under the section headed "Internal control measures" of the Board Letter. Having considered that there will be procedures for comparison with independent quotations prior to entering into individual lease contracts under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement), we are of the view that the effective implantation of the procedures would help to ensure fair pricing of the transactions contemplated under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) according to the pricing policies. Having also considered our findings on the costs of individual finance lease contract as mentioned above, we do not doubt the effectiveness of the measures.

In light of the above, we are of the view that the terms of the Transactions are on normal commercial terms and are fair and reasonable.

The table below set out are (i) the Existing Caps; and (ii) revised annual caps for the two years ending 31 December 2022:

	t 31 2020 'm n	t 31 2021 'm n	t 31 2022 'm n
t A	450	450	450

	t 31 2021 'm n	t 31 2022 'm n
(t ( ))	2,000	3,000

With reference to the Board Letter, the Revised Caps for the two years ending 31 December 2022 are determined after taking into account of various factors, details of which were set out under the section headed "BASIS FOR THE REVISED CAPS" in the Board Letter.

As the Revised Caps represented significant increases as compared to the Existing Caps for the two years ending 31 December 2022, we conducted following analyses to assess the fairness and reasonableness of the Revised Caps:

- As advised by the Directors, power generation business is a capital-intensive business and the development of the Group requires a lot of capital.

  The underlying asset of the proposed finance lease will be power plant machineries/equipment/parts.

- Upon our request, the Directors provided breakdowns of estimated contract values for each individual finance lease arrangement for FY2021 and FY2022, which will be further converted to right-of-use assets.

  For FY2021, the Directors expected there will be three wind power plants construction projects with total installed capacity of approximately 350MW involving direct lease arrangement with BEH. Two of the projects were under construction (the "**U t t t**") and the remaining one was approved (核准) (the "**A t**").

  The Directors further provided us the equipment amounts and total investment amounts for the Under Construction Projects. According to the documents, we noted the amounts of power plant equipment and parts of each project. The estimated contract values of each individual finance lease arrangement of the Under Construction Projects are in line with the amounts of power plant equipment and parts of relevant projects. In addition, the implied wind power per installed capacity

finance lease amounts (calculated by estimated contract value of finance lease amounts over the installed capacity of such project) for the Approved Project is close to the implied wind power per installed capacity finance lease amounts of the Under Construction Projects.

Accordingly, we consider the estimated contract values for finance lease arrangement for FY2021 to be justifiable.

For FY2022, the Directors assumed that there will be four power plants construction projects (including three wind power projects and one photovoltaic power project) with total installed capacity of approximately 700MW involving direct lease arrangement with BEH.

According to the Company's previous annual reports, as at 31 December 2020, the consolidated installed capacity of wind power generation and photovoltaic power generation amounted to 5,709MW (as at 31 December 2019: 4,470MW; as at 31 December 2018: 3,516MW). The consolidated installed capacity of wind power generation and photovoltaic power generation as at 31 December 2020 and 31 December 2019 represented increases of 1,239MW and 954MW as compared to their respective previous year. Therefore, we consider the possible increase of 700MW in wind power generation and photovoltaic power generation to be justifiable.

Based on the estimated contract values of each individual finance lease arrangement with installed capacity of wind power generation, the implied wind power per installed capacity finance lease amounts for FY2022 was less than the implied wind power per installed capacity finance lease amounts of the Under Construction Projects *(n : as h nan as a an m n un h 2020 n a s h a w ass s, w ns ha h m a s n h m w n w w ns a a y nan as am un s 2022 w h ha h n ns u n P s (h n w n w s) m a a)*. As advised by the Directors, the aforesaid lower amount was mainly took into account the decreasing trend in wind turbines price from 2020. Therefore, we consider the estimated contract values for finance lease arrangement of wind power projects for FY2022 to be justifiable.

In respect of the anticipated photovoltaic power plants construction project involving direct lease arrangement with BEH in FY2022, we noted that the implied photovoltaic power per installed capacity finance lease amounts for FY2022 was higher than that of implied photovoltaic power per installed capacity finance lease amounts according to the 2020 Contract. As advised by the Directors, the aforesaid higher amount was mainly took into account the increasing trend in the cost of major materials for the photovoltaic power assets from 2020.

Accordingly, we consider the estimated contract values for FY2022 to be justifiable.

- With reference to the Board Letter, pursuant to the IFRS 16 (Leases), the Company recognises right-of-use assets at the commencement date of the lease period (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at the amount of cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. At the commencement date of the lease period, the Company recognises lease liabilities measured at the present value of lease payments that have not been paid. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

  For our due diligence purpose, we enquired into the Directors the assumptions for the converting of the estimated cost of wind power and photovoltaic power equipment/parts into the Revised Cap (in terms of right-of-use assets). We consider the assumptions for the aforesaid conversion to be reasonable.

Based on the above factors, we consider that the Revised Caps for the two years ending 31 December 2022 to be fair and reasonable.

Shareholders should note that as the Revised Caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2022, and it does not represent forecasts of revenue to be recorded from the transactions contemplated under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement). Consequently, we express no opinion as to how closely the actual revenue, purchase or income to be incurred under the transactions contemplated under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) will correspond with the Revised Caps.

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The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of transactions contemplated under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) must be restricted by the Revised Caps for the period concerned under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement); (ii) the terms of the transactions contemplated under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the transactions contemplated under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the transactions contemplated under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the Revised Caps.

In the event that the total amounts of the transactions contemplated under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) are anticipated to exceed the Revised Caps, or that there is any proposed material amendment to the terms of the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement), as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the transactions contemplated under the Finance Lease Framework Agreement (as supplemented by the Supplemental Agreement) and thus the interest of the Independent Shareholders would be safeguarded.

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Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions (including the Revised Caps) are on normal commercial terms and are fair and reasonable; and (ii) the Transactions (including the Revised Caps) are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Transactions (including the Revised Caps) and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
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1. B A

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. ,

As at the Latest Practicable Date, none of the Directors, supervisors or member of the senior management of the Company had any interest or short position in the Shares and underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

Save for Mr. Ren Qigui and Ms. Li Juan concurrently serving as Directors and directors and/or management members of BEH or BSCOML, as at the Latest Practicable Date, none of the Directors was a director or an employee of any shareholders of the Company or a company which has an interest or short position in shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

BEH, Beijing International Electric Engineering Co., Ltd., Beijing District Heating (Group) Co., Ltd., Beijing Energy Investment Holding (Hong Kong) Co., Ltd. and BSCOML are required to abstain from voting on relevant resolutions in relation to the Supplemental Agreement and the transactions (including the proposed annual caps thereof) contemplated thereunder at the EGM.

3. A A A A

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Company and its subsidiaries since 31 December 2020, being the date to which the latest published audited accounts of the Company and its subsidiaries were made up to.

4. A A A

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or claims of material importance, and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any member of the Group.

5. A A A

7. A A

As at the Latest Practicable Date, none of the Directors, the supervisors of the Company and the above expert had any interest, direct or indirect in any asset which have been, since 31 December 2020, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors and the supervisors of the Company was materially interested, directly or indirectly, in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

8. ' B

Save for Mr. Ren Qigui and Ms. Li Juan concurrently serving as Directors and directors and/or management members of BEH or BSCOML, in so far as the Directors are aware, as at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any businesses that constitutes or may constitute a competing business of the Company.

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Mr. Kang Jian is the company secretary of the Company. He holds a bachelor's degree in international trading, and a master's degree in business administration. He's a member of the Hong Kong Institute of Chartered Secretaries.

The registered office of the Company is situated at Room 118, No. 1 Ziguang East Road, Badaling Economic Development Zone, Yanqing District, Beijing, PRC. The head office of the Company is situated at 7-9 Floor, No. 6 Xibahe Road Chaoyang District, Beijing, PRC.

10. A

Copies of the Finance Lease Framework Agreement and the Supplemental Agreement will be published for display on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.jncec.com) from the date of this circular up to and including the date of the EGM.

Beijing Jingneng Clean Energy Co., Limited

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(Stock Code: 00579)

A A A 2021

B that the second extraordinary general meeting of 2021 (the "") of Beijing Jingneng Clean Energy Co., Limited (the "") will be held at 10:00 a.m. on Wednesday, 22 December 2021 at No. 2 Meeting Room, 8th Floor, No. 6 Xibahe Road, Chaoyang District, Beijing, PRC for the purposes of considering and, if thought fit, passing the following resolution:

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1. To consider and approve the continuing connected transaction of the Company under the Supplemental Agreement and the proposed Revised Annual Caps thereof.

2. To consider and approve the change of domestic auditor of the Company.

3. To consider and approve the adjustment to the annual investment and operation plan of the Company for 2021.

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4. To consider and approve the amendment of the articles of association of the Company.

By Order of the Board

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Beijing, the PRC
25 November 2021

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1. **A , B A**

Holders of H Shares are advised that the share register for H Shares will be closed from Friday, 17 December 2021 to Wednesday, 22 December 2021 (both days inclusive). The Shareholders whose names appear on the register of members of the Company on the close of business on Thursday, 16 December 2021 are entitled to attend and vote at the EGM. Holders of H Shares of the Company who wish to attend the EGM but have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at the H Share Registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Thursday, 16 December 2021 for registration.

2.

Shareholders entitled to attend and vote at the EGM 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 or his attorney duly authorised in writing. If the Shareholder 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 authorised attorney(s). If the proxy form is signed by an attorney of the Shareholder, the power of attorney authorising that attorney to sign or other authorisations document must be notarized.

For holders of H Shares, the proxy form together with the power of attorney or other authorisation document (if any) must be lodged at the H Share Registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in person or by post not less than 24 hours before the time fixed for holding the EGM (i.e. by no later than 10:00 a.m. on Tuesday, 21 December 2021) or any adjournment thereof (as the case may be). Shareholders can still attend and vote at the EGM upon completion and return of the proxy form.

3. **A A B A ' A A B**

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

Telephone: (86 10) 8740 7009/(86 10) 8740 7062

4. **A**

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

5. **B**

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 shall produce their identity documents.

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