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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

Beijing Jingneng Clean Energy Co., Limited

北京京能清潔能源電力股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00579)

(1) CONTINUING CONNECTED TRANSACTION AND MAJOR TRANSACTION IN RELATION TO THE DEPOSIT SERVICES
(2) CONTINUING CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION IN RELATION TO THE PROVISION OF FINANCE LEASING SERVICES
AND
(3) NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING OF 2022

Independent Financial Adviser

to the Independent Board Committee and the Independent Shareholders

A letter from the Board is set out on pages 5 to 17 of this circular. A letter from the Independent Board Committee is set out on pages 18 and 19 of this circular. A letter from Gram Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 40 of this circular.

A notice convening the EGM to be held at No.2 Meeting Room, 8th Floor, No. 6 Xibahe Road, Chaoyang District, Beijing, the PRC on Tuesday, 6 September 2022 at 10:00 a.m. is set out on pages 47 to 48 of this circular. A proxy form for use at the EGM is enclosed with the notice 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 EGM, you are requested to complete and return the

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

"Acquisition"	the transfer of 84.68% equity interest in Shenzhen Jingneng Leasing by BEH to the Company pursuant to the absorption and merger agreement entered into among the Company, BEH, Beijing Jingneng International Power Co., Ltd. ( ) and Shenzhen Jingneng Leasing on 10 May 2022
"BEH"	(Beijing Energy Holding Co., Ltd.), a limited liability company incorporated in the PRC and the controlling shareholder of the Company
"BEH Finance"	(BEH Finance Co., Ltd.), a limited liability company incorporated in the PRC and held as to 60% by BEH, 20% by the Company and 20% by Beijing Jingneng Electric Co., Ltd., a company held by BEH directly and indirectly as to 66.83%
"BEI (HK)"	Beijing Energy Investment Holding (Hong Kong) Co., Limited ( ), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of BEH
"BHEG"	(Beijing Heat Energy Group Co., Ltd.), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of BEH
"BIEE"	(Beijing International Electric Engineering Co., Ltd.), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of BEH
"Board"	the board of Directors of the Company
"BSCOML"	(Beijing State-owned Capital Operation and Management Co., Limited), a Shareholder which directly held 2.72% of the total issued share capital of the Company as at the Latest Practicable Date. BSCOML is the sole shareholder of BEH
"Company", "we", "our" or "us"	(Beijing Jingneng Clean Energy Co., Limited), a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the Hong Kong Stock Exchange
"Director(s)"	the director(s) of the Company

"EGM"	the third extraordinary general meeting of 2022 of the Company to be held at 10:00 a.m. on Tuesday, 6 September 2022 at No.2 Meeting Room, 8th Floor, No.6 Xibahe Road, Chaoyang District, Beijing, the PRC
"Existing Annual Cap"	the existing annual cap of RMB5,000.0 million for the year ending 31 December 2022 for the deposit services under the Financial Services Framework Agreement
"Financial Services Framework Agreement"	(Financial Services Framework Agreement), entered into between BEH Finance and the Company on 16 October 2019
"Group"	the Company and its subsidiaries
"H Shares"	the overseas-listed foreign invested share(s) 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
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Board Committee"	a committee of the Board comprising Mr. Huang Xiang, Mr. Chan Yin Tsung, Mr. Xu Daping and Ms. Zhao Jie, the independent non-executive Directors
"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 Revised Annual Cap under the Supplemental Agreement, proposed transactions under the SZ Finance Leasing Framework Agreement and the proposed annual cap thereunder
"Independent Shareholders"	Shareholders who are not required to abstain from voting at the EGM
"Latest Practicable Date"	12 August 2022, 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

"LPR"	Loan Prime Rate published on the 20th of each month by the National Interbank Funding Center under the authorization of the PBOC
"PBOC"	The People's Bank of China, the central bank of the PRC
"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
"Revised Annual Cap"	the revised annual cap for the maximum transaction amount in respect of the deposit services between the Group and BEH Finance for the year ending 31 December 2022 pursuant to the Supplemental Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the ordinary share(s) of RMB1.00 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s) of the Company
"Shenzhen Jingneng Leasing"	(Shenzhen Jingneng Financial Leasing Co., Ltd.), a limited liability company incorporated in the PRC and held as to 84.68% by the Company and as to 15.32% by Beijing Energy Investment Holding (Hong Kong) Co., Limited ( ), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of BEH
"Supplemental Agreement"	the supplemental agreement to the Financial Services Framework Agreement dated 27 July 2022 entered into between BEH Finance and the Company to revise the annual cap for the year ending 31 December 2022 in relation to the deposits services to be provided by BEH Finance to the Company pursuant to the Financial Services Framework Agreement
"SZ Finance Leasing Framework Agreement"	(Finance Leasing Framework Agreement) entered into between BEH and Shenzhen Jingneng Leasing on 27 July 2022
"%"	per cent

The terms "associate", "connected person", "connected transaction", "continuing connected transaction", "controlling shareholder", "subsidiary" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless otherwise defined above or where the context otherwise requires.

Beijing Jingneng Clean Energy Co., Limited
北京京能清

xecut ve D rector
Mr. ZHANG Fengyang *(ha rma)*
Mr. CHEN Dayu *(Ge era a ager)*
Mr. GAO Yuming
Mr. CAO Mansheng

o execut ve D rector
Mr. REN Qigui
Mr. SONG Zhiyong
Mr. WANG Bangyi

I e t o execut ve D rector
Mr. HUANG Xiang
Mr. CHAN Yin Tsung
Mr. XU Daping
Ms. ZHAO Jie

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

r c a ace of Bu e o g o g
31/F, Tower Two, Times Square
1 Matheson Street, Causeway Bay
Hong Kong

17 August 2022

o the Shareho r

Dear Sir/Madam,

(1) CONTINUING CONNECTED TRANSACTION AND MAJOR TRANSACTION IN RELATION TO THE DEPOSIT SERVICES
(2) CONTINUING CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION IN RELATION TO THE PROVISION OF FINANCIAL ASSISTANCE

The purposes of this circular are, among other matters:

(a) to provide you with details regarding the Supplemental Agreement and the Revised Annual Cap;

(b) to provide you with details regarding the SZ Finance Leasing Framework Agreement and the proposed annual cap;

(c) to set out the recommendations from the Independent Board Committee in relation to the Revised Annual Cap under the Supplemental Agreement and proposed transactions contemplated under the SZ Finance Leasing Framework Agreement and the proposed annual cap;

(d) to set out the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Revised Annual Cap under the Supplemental Agreement and the proposed transactions contemplated under the SZ Finance Leasing Framework Agreement and the proposed annual cap;

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

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

CONTINUING CONNECTED TRANSACTION AND MAJOR TRANSACTION IN RELATION TO THE DEPOSIT SERVICES

Background

On 16 October 2019, the Company entered into the Financial Services Framework Agreement with BEH Finance, pursuant to which BEH Finance has agreed to provide the Group with, among others, deposit services. The annual cap for the deposit services (maximum daily deposit balance (including any interest accrued thereon)) under the Financial Services Framework Agreement for the three years ending 31 December 2022 were previously set at RMB3,000.0 million, RMB4,000.0 million and RMB5,000.0 million, respectively.

Considering the current needs of the Company and Shenzhen Jingneng Leasing becoming a subsidiary of the Company, the Company expects that the Existing Annual Cap will not be sufficient. On 27 July 2022, the Company entered into the Supplemental Agreement with BEH Finance to revise the Existing Annual Cap.

The Supplemental Agreement

Date: 27 July 2022

Parties: The Company
BEH Finance

Pursuant to the Supplemental Agreement, the annual cap for the deposit services (maximum daily deposit balance (including any interest accrued thereon)) for the year ending 31 December 2022 will be increased from RMB5,000.0 million to RMB6,500.0 million.

The Supplemental Agreement shall become effective upon being signed by the legal representatives or authorized representatives of BEH Finance and the Company and approved by the Shareholders at the EGM, and will expire on 31 December 2022.

Save for the above amendment, all other terms and conditions of the Financial Services Framework Agreement remain unchanged. For the principle terms and details of the Financial Services Framework Agreement, please refer to the announcement published by the Company on 16 October 2019 and the circular published by the Company on 29 November 2019.

Pricy Policy

The terms (including the interest rates) offered by BEH Finance in respect of the deposit services under the Financial Services Framework Agreement and the Supplemental Agreement shall be no less favourable than those offered by independent domestic commercial banks for provision of similar services to the Group and the interest rate to be paid by BEH Finance for the Group's deposits with BEH Finance shall not be lower than the same level deposit interest rate as published by the PBOC for the same periods.

Historical Transaction Amounts

The maximum daily deposit balance (including any interest accrued thereon) in relation to the deposit services under the Financial Services Framework Agreement for the two years ended 31 December 2021 and the six months ended 30 June 2022 were RMB2,892.9 million, RMB3,986.4 million and RMB4,713.2 million, respectively.

Revised Annual Cap and Basis of Determination

Pursuant to the Supplemental Agreement, the maximum daily deposit balance (including any interest accrued thereon) in relation to the deposit services at any time from the effective date of the Supplemental Agreement to 31 December 2022 shall not exceed RMB6,500.0 million.

In arriving at the Revised Annual Cap of RMB6,500.0 million, the Company has taken into account the following:

(a) the maximum daily deposit balance (including any interest accrued thereon) placed by the Group with BEH Finance for the six months ended 30 June 2022 were RMB4,713.2 million, which had indicated that the Existing Annual Cap is insufficient to cover the need of the Group;

(b) as a result of the Acquisition, Shenzhen Jingneng Leasing becomes a subsidiary of the Company and deposits placed by Shenzhen Jingneng Leasing with BEH Finance was not taken into account in the Existing Annual Cap. For the two years ended 31 December 2021, the maximum daily deposit balance of Shenzhen Jingneng Leasing with BEH Finance was approximately RMB256.8 million and RMB305.5 million, respectively;

(c) the anticipated increase in the daily outstanding balances of deposits of the Group attributable to the expected increase in revenue, which is in line with the expected increase of the Group's business operation in 2022; and

(d) the cash and equivalents and trade and bills receivable (which will convert into cash if such trade receivables are settled) of our Group as of 31 December 2021 of approximately RMB5,097.3 million and RMB11,678.3 million, respectively, due to the nature of business, the concentrated settlement arrangements and internal funds allocation requirements of the Group.

Reasons and Benefits of the Revision of Annual Cap

The Directors have been closely monitoring the deposit services under the Financial Services Framework Agreement. However, in light of the increase in the amount of deposits actually required to be placed by the Group with BEH Finance which exceeds the original projection and Shenzhen Jingneng Leasing becomes a non-wholly owned subsidiary of the Company, the Existing Annual Cap will no longer be sufficient to cover the maximum daily balance of the deposits to be placed by the Group with BEH Finance during the remaining term of the Financial Services Framework Agreement. Accordingly, the Company and BEH Finance entered into the Supplemental Agreement on 27 July 2022 to revise the annual cap for the period from the effective date of the Supplemental Agreement to 31 December 2022 from RMB5,000.0 million to RMB6,500.0 million in order to comply with Rule 14A.54 of the Listing Rules.

As BEH Finance has been providing deposit services to the Group and has a more thorough understanding of the business development and capital needs of the Group, it is expected that the revision of the Existing Annual Cap will facilitate the Group to continue to use the deposit services by BEH Finance.

BEH Finance is under the supervision of the China Banking and Insurance Regulatory Commission and has been maintaining satisfactory operating results and financial position with good risks control and well-regulated management in the past years. The interest rate on the money deposited by the Group with BEH Finance are no less favourable than the rate payable by normal commercial banks in the PRC for comparable deposits. This arrangement allows the Group to achieve a more efficient use of its current capital, since the

Internal Control Measures

To safeguard the interests of the Shareholders as a whole, including the minority Shareholders, the Company has adopted internal approval and monitoring procedures relating to the deposit services, which include the followings:

- before entering into any deposit arrangements with BEH Finance, the Company will negotiate with BEH Finance on an arm's length basis in respect of the deposit interest rate of the deposit services, and ensure that such interest rate shall not be lower than the same level deposit interest rate as published by the PBOC for similar deposits for a similar term and the deposit interest rates offered by other independent commercial banks in the PRC for similar deposit services on normal commercial terms. In this way, the Company will be able to ensure the deposit interest rate of the deposit services will not be less favourable than that published by the PBOC for similar deposits for a similar term and that offered by other independent commercial banks in the PRC for similar deposits for a similar term;

- the Finance Management Department of the Company has been and will continue to monitor the daily balance of the deposits placed with BEH Finance and report to the management of the Company, giving an update of the deposit arrangements entered into with BEH Finance on a monthly basis;

- independent non-executive Directors will review the Financial Services Framework Agreement and the Supplemental Agreement and the transactions contemplated thereunder on a quarterly basis to ensure that the arrangements are entered into on normal commercial terms and in the interests of the Company and its Shareholders as a whole; and

- independent non-executive Directors and auditors of the Company will conduct annual review of the transactions under the Financial Services Framework Agreement and the Supplemental Agreement and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the Financial Services Framework Agreement and the Supplemental Agreement 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.

Financial Impact on the Company

The Company expects increase in earnings due to interest income from the funds deposited to BEH Finance. The transactions under the Supplemental Agreement will not affect the assets or liabilities of the Company.

Pursuant

Historical Transaction Amounts

As of the completion of the Acquisition, the outstanding principal amount of the sale and leaseback services and direct finance leasing services by Shenzhen Jingneng Leasing to BEH's associates is approximately RMB3,018.9 million.

Proposed Annual cap and Basis of Determination

The proposed annual cap for the financial leasing services to be provided by Shenzhen Jingneng Leasing to BEH and/or its associates under the SZ Finance Leasing Framework Agreement for 2022 is proposed to be RMB2,500.0 million (including principal, interest payment and other fees if any). In terms of finance leasing agreements entered into between Shenzhen Jingneng Leasing and BEH's associates before the completion of the Acquisition, the principal amount refers to the outstanding principal amount when varying or amending or terminating the financial leasing agreements. In terms of new finance leasing agreements after the completion of the Acquisition, the principal amount refers to the amount set out in the finance leasing agreements. Interest income refers to the interest income accrued from the financial leasing agreements varied or amended or terminated after the completion of the Acquisition and any new financial leasing agreements to be received by Shenzhen Jingneng Leasing in 2022.

In arriving at the proposed annual cap, the Company has taken into account the following:

- since the market interest rate is in a continuous downward stage and may fluctuate frequently in the near future, Shenzhen

demands of BEH and/or its associates and the provision of finance leasing services to BEH and/or its associates provides stable and low-risk income to Shenzhen Jingneng Leasing; on the other hand, the provision of finance leasing services is able to facilitate BEH and/or its associates to continue to receive efficient financial leasing services from Shenzhen Jingneng Leasing.

Internal Control Measures

To safeguard the interests of the Shareholders as a whole, including the minority Shareholders, the Company has adopted internal approval and monitoring procedures relating to the transactions under the SZ Finance Leasing Framework Agreement, which include the followings:

- the business departments of Shenzhen Jingneng Leasing are responsible for collecting information and initiating a transaction under the SZ Finance Leasing Framework Agreement and will also conduct due diligence. The risk control department and financial management department of Shenzhen Jingneng Leasing will review the details of the transaction and compare the major terms to finance leasing services in relation to similar underlying assets provided to members of the Company with similar qualification and terms obtained by the lessee from other financial institutions if applicable at the relevant time. The transaction shall be submitted to the general manager's office meeting of Shenzhen Jingneng Leasing for approval. When assessing a specific transaction, the risk control department and financial management department of Shenzhen Jingneng Leasing will take into account factors including regulatory compliance, ownership and operation of the leased properties, litigations involved by the lessee, procurement conditions of the leased equipment, financial condition, cash flow, solvency and control on trade receivables of the lessee, capital resource of Shenzhen Jingneng Leasing for such transaction, financial costs and return to Shenzhen Jingneng Leasing;

- the Securities & Capital Operation Department 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 SZ Finance Leasing Framework Agreement, in particular, the fairness and reasonableness of the pricing terms under each agreement, before each separate agreement under the SZ Finance Leasing Framework Agreement is entered into;

- the Financial Management Department of the Company will monitor the finance leasing transactions under the SZ Finance Leasing Framework Agreement on a monthly basis;

- independent non-executive Directors will review the SZ Finance Leasing Framework Agreement and the transactions contemplated 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; and

- independent non-executive Directors and auditors of the Company will conduct annual review of the transactions under the SZ Finance Leasing Framework 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 SZ Finance Leasing Framework Agreement 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.

Financial Impact of the SZ Finance Leasing Framework Agreement

The transactions under the SZ Finance Leasing Framework Agreement will increase the assets and liabilities of the Group. However, the Company expected that such transactions would not cause material impact on the cash flow of the Group or its business operation. Save as disclosed above, it is expected that such transactions would not cause material impact on the profit, assets and liabilities of the Group.

Implications Under the Listing Rules

BEH is the controlling shareholder of the Company, directly and indirectly holding approximately 68.68% of the issued share capital of the Company as at the Latest Practicable Date and thus a connected person of the Company. Shenzhen Jingneng Leasing, upon completion of the Acquisition, has become a non-wholly owned subsidiary of the Company. Accordingly, the transactions contemplated under the SZ Finance Leasing Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratios for the proposed annual cap of the SZ Finance Leasing Framework Agreement are more than 5%, the transactions contemplated under the SZ Finance Leasing Framework Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios for the proposed annual cap of the SZ Finance Leasing Framework Agreement are more than 5% but less than 25%, the transactions contemplated under the SZ Finance Leasing Framework Agreement constitute discloseable transaction of the Company under Chapter 14 of the Listing Rules, and are subject to the announcement requirement, but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

The term of specific agreements to be entered into between Shenzhen Jingneng Leasing and BEH and/or its associates pursuant to the SZ Finance Leasing Framework Agreement generally ranges from one year to ten years. Since the duration of certain specific agreements under the SZ Finance Leasing Framework Agreement may be longer than three years, pursuant to Rule 14A.52 of the Listing Rules, the Company must appoint an independent financial adviser to explain why the specific agreements require a longer period and to confirm that it is normal business practice for agreements of this type to be of such duration. For this purpose, the Company has engaged Gram Capital as the Independent Financial Adviser. Gram Capital, after considering that (i) Shenzhen Jingneng Leasing entered into certain finance lease agreements with members of BEH with duration of five to ten years; (ii) their observation on companies

listed on the Hong Kong Stock Exchange entered into finance lease agreements with duration longer than three years; and (iii) the underlying assets of the specific agreements are expected to have useful lives longer than three years, is of view that the duration of the specific agreements under the SZ Finance Leasing Framework Agreement, which are expected to be longer than three years, is required and it is normal business practice for agreements of this type to be of such duration.

GRAM CAPITAL AND INDEPENDENT BOARD COMMITTEE

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 Revised Annual Cap in respect of the deposit services under the Supplemental Agreement and proposed transactions under the SZ Finance Leasing Framework Agreement and the proposed annual cap 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 deposit services under the Supplemental Agreement and proposed transactions under the SZ Finance Leasing Framework Agreement and the proposed annual cap thereof, 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 decisions as regards voting.

SHAREHOLDERS' VOTING ARRANGEMENT

As at the Latest Practicable Date, BEH, BEI (HK), BSCOML, BIEE and BHEG directly held 61.64%, 5.72%, 2.72%, 1.12% and 0.19% of the issued share capital of the Company, respectively. As BSCOML, BEI (HK), BIEE and BHEG are associates of BEH as defined P/TFTTdo9Bte,ADIEGXNj)jMHGTJONKPPTETTNdD9XHHEGXXJTvN

the ordinary course of business of the Group and are of the view that the transactions under the Supplemental Agreement and the SZ Finance Leasing Framework Agreement and the revised or proposed annual cap are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As of the Latest Practicable Date, save for Mr. Cao Mansheng and Mr. Ren Qigui holding positions in BEH and Mr. Song Zhiyong holding position in BSCOML, 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.

Due to their positions in BEH or BSCOML, Mr. Cao Mansheng, Mr. Ren Qigui and Mr. Song Zhiyong have all abstained from voting on the Board resolutions approving the Revised Annual Cap in respect of the deposit services under the Supplemental Agreement and proposed transactions under the SZ Finance Leasing Framework Agreement and the proposed annual cap thereof.

BACKGROUND AND GENERAL INFORMATION OF THE PARTIES OF THE SUPPLEMENTAL AGREEMENT AND THE SZ FINANCE LEASING FRAMEWORK AGREEMENT

The Company

The Company is the largest gas-fired power provider in Beijing and a leading wind power and photovoltaic power operator in the PRC, with a diversified clean energy portfolio including gas-fired power and heat energy, wind power, photovoltaic power, small to medium hydropower and other clean energy projects. The Company is directly and indirectly held as to approximately 68.68% by BEH.

BEH

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 which was established and wholly-owned by State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality ( ). BEH is the controlling shareholder of the Company, directly and indirectly holding approximately 68.68% of the issued share capital of the Company as at the Latest Practicable Date.

BEH Finance

BEH Finance, a limited liability company incorporated in the PRC, principally engages in providing financial services such as financial consulting, payment, insurance agency, bill acceptance and discounting, entrusted loans to its member units. BEH Finance was held as to 60% by BEH, 20% by the Company and 20% by Beijing Jingneng Electric Co., Ltd., a joint stock company incorporated in the PRC with limited liability, listed on the Shanghai Stock Exchange with stock code 600578 and held by BEH directly and indirectly as to 66.83%.

Shenzhen Jingneng Leasing

Shenzhen Jingneng Leasing was incorporated in the PRC with limited liability. As of the Latest Practicable Date, Shenzhen Jingneng Leasing was directly held as to approximately 84.68% by the Company and as to approximately 15.32% by BEI (HK), a wholly-owned subsidiary of BEH. Shenzhen Jingneng Leasing primarily provides financial leasing services and commercial factoring business services in relation to financial leasing to the public and members of BEH.

RECOMMENDATIONS

The Directors (including the independent non-executive Directors) consider that the ordinary resolutions in relation to: (i) the Revised Annual Cap for the deposit services under the Supplemental Agreement between the Company and BEH Finance; and (ii) the proposed transactions (including the annual cap) contemplated under the SZ Finance Leasing Framework Agreement between Shenzhen Jingneng Leasing and BEH are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that the Independent Shareholders vote in favour of such resolutions to be proposed at the EGM.

THE EGM

A notice convening the EGM to be held at No.2 Meeting Room, 8th Floor, No. 6 Xibahe Road, Chaoyang District, Beijing, the PRC on Tuesday, 6 September 2022 at 10:00 a.m. has been despatched to the Shareholders on 17 August 2022. A proxy form for use at the EGM has been despatched to the Shareholders on 17 August 2022 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 Wednesday, 31 August 2022 are entitled to attend the EGM and vote at the EGM. The share register for H Shares will be closed from Thursday, 1 September 2022 to Tuesday, 6 September 2022 (both days inclusive), during which period no share transfer of H Shares will be registered.

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 fixed for holding the EGM 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
Beijing Jingneng Clean Energy Co., Limited
KANG Jian
Deputy General Manager and Company Secretary

Beijing Jingneng Clean Energy Co., Limited
北京京能清

17 August 2022

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION AND MAJOR TRANSACTION IN RELATION TO THE DEPOSIT SERVICES CONTINUING CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION IN RELATION TO THE PROVISION OF FINANCE LEASING SERVICES

We refer to the circular issued by the Company on 17 August 2022 (the "**Circular**") which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

We have been appointed to consider the fairness and reasonableness of (i) the Revised Annual Cap for the deposit services under the Supplemental Agreement and (ii) the SZ Finance Leasing Framework Agreement, and whether it is in the interests of the Company and its Shareholders as a whole.

Details of the Revised Annual Cap for the deposit services under the Supplemental Agreement and the SZ Finance Leasing Framework Agreement and the proposed transactions contemplated thereunder, are set out in the "Letter from the Board" on pages 5 to 17 of the Circular.

Gram Capital has been appointed as our Independent Financial Adviser to advise us on the Revised Annual Cap for the deposit services under the Supplemental Agreement and the proposed transactions contemplated under the SZ Finance Leasing Framework Agreement and the proposed annual cap thereunder. 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 20 to 40 of the Circular.

Having taken into account the advice and recommendation of Gram Capital, we consider that (i) the Revised Annual Cap under the Supplemental Agreement, and (ii) the entering into of the SZ Finance Leasing Framework Agreement, are conducted in the ordinary and usual course of business, on normal commercial

terms, and in the interests of the Company and the Shareholders as a whole and the terms are fair and reasonable. 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 of
Beijing Jingneng Clean Energy Co., Limited

Mr. HUANG Xiang	**Mr. CHAN Yin Tsung**	**Mr. XU Daping**	**Ms. ZHAO Jie**
Independent non-executive Director	***Independent non-executive Director***	***Independent non-executive Director***	***Independent non-executive Director***

Set out e ow the text of a etter rece ve from Gram ap ta the I dpe d t a c a d er to the I dpe d t Boar d omm ttee a the I dpe d t Shareho dr re pect of the ra act o for the purpo e of c u o the rcu ar.

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

17 August 2022

o. he dpe d t oar dcomm ttee a the dpe d t hareho dr of Be g g e g ea ergy o. m te d

Dear Sir/Madam,

(1) CONTINUING CONNECTED TRANSACTION AND MAJOR TRANSACTION IN RELATION TO THE DEPOSIT SERVICES; AND (2) CONTINUING CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION IN RELATION TO THE PROVISION OF FINANCE LEASE SERVICES

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the transactions contemplated under the Supplemental Agreement (the "**Deposit Cap Revision**"); and (ii) the transactions contemplated under the SZ Finance Leasing Framework Agreement (the "**Finance Lease Services**", together with the Deposit Cap Revision, the "**Transactions**"), details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 17 August 2022 (the "**Circular**") issued by the Company to the holders of shares of the Company (the "**Shareholders**"), 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.

The Deposit Cap Revision

On 16 October 2019, the Company entered into the Financial Services Framework Agreement with BEH Finance, pursuant to which BEH Finance has agreed to provide the Group with, among others, deposit services (the "**Deposit Services**"). The annual cap for the Deposit Services (maximum daily deposit balance (including any interest accrued thereon)) under the Financial Services Framework Agreement for the three years ending 31 December 2022 were previously set at RMB3,000.0 million, RMB4,000.0 million and RMB5,000.0 million, respectively.

Considering the current needs of the Company and transactions between Shenzhen Jingneng Leasing and members of BEH will become connected transactions as a result of the Acquisition, the Company expects that the Existing Annual Cap will not be sufficient. On 27 July 2022, the Company entered into the Supplemental Agreement with BEH Finance to revise the Existing Annual Cap.

With reference to the Board Letter, the Deposit Cap Revision constitutes non-exempted continuing connected transactions and major transactions and are subject to the annual review, reporting, announcement and the independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

The Finance Lease Services

References are made to the Board Letter and the announcements of the Company dated 20 June 2022 and 15 July 2022 in relation to, among others, the sale and leaseback agreements, direct finance leasing agreements and factoring agreements between Shenzhen Jingneng Leasing and BEH's associates which become continuing connected transactions of the Company after the completion of the Acquisition of 84.68% equity interest in Shenzhen Jingneng Leasing by the Company and the announcement of the Company dated 27 July 2022.

On 27 July 2022, Shenzhen Jingneng Leasing and BEH entered into the SZ Finance Leasing Framework Agreement and set up the annual cap for the continuing connected transactions under such framework agreement for 2022.

With reference to the Board Letter, the Finance Lease Services constitute discloseable and continuing connected transactions of the Company and are subject to the annual review, reporting, announcement, and the independent shareholders' approval requirement under the Listing Rules.

In addition, Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with all applicable reporting, disclosure and independent shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the finance leasing agreements entered into by Shenzhen Jingneng Leasing and BEH's associates prior to the completion of the Acquisition.

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 resolutions to approve 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.

In addition, since the duration of certain specific agreements under the SZ Finance Leasing Framework Agreement may be longer than three years, pursuant to Rule 14A.52 of the Listing Rules, the Company must appoint an independent financial adviser to explain why the specific agreements require a longer period and to confirm that it is normal business practice for agreements of this type to be of such duration. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser in relation to the above matters.

INDEPENDENCE

Gram Capital was engaged as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to (i) 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); (ii) continuing connected transactions and discloseable transactions of the Company (details of which are set out in the Company's circular dated 25 November 2021); and (iii) discloseable transactions and connected transactions of the Company (details of which are set out in the Company's circular dated 30 May 2022). 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 and that (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.

BASIS OF OUR OPINION

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 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, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) and the SZ Finance Leasing Framework 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 in this 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 Finance, Shenzhen Jingneng Leasing, BEH or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Deposit Cap Revision and the Finance Lease Services, we have taken into consideration the following principal factors and reasons:

Business overview of the Group

With reference to the Board Letter, the Company is the largest gas-fired power provider in Beijing and a leading wind power and photovoltaic power operator in the PRC, with a diversified clean energy portfolio including gas-fired power and heat energy, wind power, photovoltaic power, small to medium hydropower and other clean energy projects. The Company is directly and indirectly held as to approximately 68.68% by BEH.

Set out below are the audited consolidated financial information of the Group for the two years ended 31 December 2021 as extracted from the annual report of the Company for the year ended 31 December 2021 (the "**2021 Annual Report**"):

	For the year ended 31 December 2021	**For the year ended 31 December 2020**	**Change from 2020 to 2021**
	B 000	*B 000*	*%*
Total operating income	18,358,832	17,003,306	7.97
Profit attributable to owners of the Company	2,368,131	2,303,390	2.81

	As at 31 December 2021	As at 31 December 2020	Change from 2020 to 2021
	B 000	*B 000*	*%*
Cash and cash equivalents	5,097,300	4,297,450	18.61
Net assets	29,663,370	26,366,847	12.50

As illustrated by the above table, the Group recorded an increase of approximately 7.97% in revenue for the year ended 31 December 2021 ("**FY2021**") as compared to that for the year ended 31 December 2020 ("**FY2020**"). With reference to the 2021 Annual Report, the increase in revenue was mainly due to an increase in installed capacity of wind power and photovoltaic power segments, resulting in an increase in revenue from sales of electricity. The Group also recorded a slight increase of approximately 2.81% in profit for the year attributable to equity holders of the Company from approximately RMB2,303.4 million for FY2020 to approximately RMB2,368.1 million for FY2021.

As at 31 December 2021, the Group recorded cash and cash equivalents and net assets of approximately RMB5.10 billion and RMB29.66 billion respectively.

As further advised by the Directors, BEH Finance is required to operate in compliance with the (Administrative Measures for the Group Finance Companies*, the "**Administrative Measures**") promulgated by China Banking Regulatory Commission (now known as CBIRC) to regulate the operation of group finance companies and reduce the possible financial risk, and other regulations promulgated by the PBOC and CBIRC (e.g. (Assessment Measures for Risk Control Indicators for the Group Finance Company*, the "**Assessment Measures**"). We noted that the Administrative Measures and the Assessment Measures set out certain compliance and risk control requirements/measures in relation to the operation of group financing companies, including but not limited to maintaining certain financial ratios at all times.

Pursuant to the Administrative Measures, in the event that a group finance company faces any difficulty in making payment, its controlling shareholder(s) will increase such group finance company's capital accordingly based on the actual need. We noted from BEH Finance's articles of association that BEH, being the controlling shareholder of the BEH Finance, undertook that in the event that BEH Finance experiences any urgent payment difficulties BEH will provide funding to BEH Finance to satisfy its capital needs according to BEH Finance's actual needs for solving the difficulties.

Reasons for and benefit of the Deposit Cap Revision

We understood that the Directors believe that BEH Finance has a more thorough understanding of the business development and capital needs of the Company and its fellow subsidiaries of the Company at a lower cost and in a more timely manner. As such, BEH Finance has an advantage in communicating information on capital needs and business development of the Company and its fellow subsidiaries.

As advised by the Directors, the entering into of the Financial Services Framework Agreement will not prevent the Group from using services offered by other independent PRC commercial banks. The Group may select other major and independent PRC commercial banks to act as its financial services providers as it thinks fit and appropriate for the benefits of the Group.

Pursuant to the Financial Services Framework Agreement, the terms (including the interest rates) offered by BEH Finance in respect of the deposit services under the Financial Services Framework Agreement shall be no less favourable than those offered by independent domestic commercial banks for provision of similar services to the Group and the interest rate to be paid by BEH Finance for the Group's deposits with BEH Finance shall not be lower than the same level deposit interest rate as published by the PBOC for the same periods.

In light of the above, we consider that the Deposit Services are in the interests of the Company and the Shareholders as a whole.

The Directors have been closely monitoring the deposit services under the Financial Services Framework Agreement. After Shenzhen Jingneng Leasing's demand of Deposit Services becoming continuing connected transactions of the Company as a result of the Acquisition, the Existing Annual Cap will no longer be sufficient to cover the maximum daily balance of the deposits to be placed by

the Group with BEH Finance during the remaining term of the Financial Services Framework Agreement. Therefore, the revision of the annual cap of the Deposit Services for the year ending 31 December 2022 is necessary.

Having considered the above and (i) Deposit Services are in the interests of the Company and the Shareholders as a whole; and (ii) the revision of the annual cap of the Deposit Services for the year ending 31 December 2022 is necessary, we are of the view the Deposit Cap Revision is conducted in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

Principal terms of the Deposit Cap Revision

Set out below are the key terms of the Deposit Cap Revision, details of which are set out under the section headed "The Supplemental Agreement" of the Board Letter.

Date: 27 July 2022

Parties:
(i) BEH Finance; and
(ii) The Company

Pursuant to the Supplemental Agreement, the annual cap for the deposit services (maximum daily deposit balance (including any interest accrued thereon)) for the year ending 31 December 2022 will be increased from RMB5,000.0 million to RMB6,500.0 million.

With reference to the Board Letter, the Supplemental Agreement shall become effective upon being signed by the legal representatives or authorized representatives of BEH Finance and the Company and approved by the Shareholders at the EGM, and will expire on 31 December 2022.

We reviewed the Supplemental Agreement and the Financial Services Framework Agreement. Save for the above amendment, all other terms and conditions of the Financial Services Framework Agreement remain unchanged.

Pricing Policy

The terms (including the interest rates) offered by BEH Finance in respect of the deposit services under the Financial Services Framework Agreement and the Supplemental Agreement shall be no less favourable than those offered by independent domestic commercial banks for provision of similar services to the Group and the interest rate to be paid by BEH Finance for the Group's deposits with BEH Finance shall not be lower than the same level deposit interest rate as published by the PBOC for the same periods.

With reference to the Board Letter, to safeguard the interests of the Shareholders as whole, including the minority shareholders, the Company has adopted internal approval and monitoring procedures relating to the deposit services, details of which are set out under the sub-section headed "Internal Control Measures" under the section headed "CONTINUING CONNECTED TRANSACTION AND MAJOR TRANSACTION IN RELATION TO THE DEPOSIT SERVICES"

of the Board Letter. Having considered that there would be deposits rate negotiation procedures, we consider that the implementation of the aforesaid measures would help to ensure fair pricing of the Deposit Services according to the pricing policies.

To assess the effectiveness of the internal control measures, we obtained over 20 copies of deposit records of the Company's deposits in BEH Finance (the "**Deposit Records**") and in independent commercial bank for the period from 2020 to 2022. We noted from the Deposit Records that the deposit rates as shown in the Deposit Records are not lower than the deposit rates as announced by PBOC for the same type of deposits and offered by the independent commercial bank(s) ("**Our Findings on Deposit Records**").

Having considered Our Findings on Deposit Records, we do not doubt the effectiveness of the implementation of the internal procedures for the Deposit Services.

Revised Annual Cap

Set out below are (i) the historical maximum daily deposit balance (including any interest accrued thereon) in relation to the Deposit Services for the two years ended 31 December 2021 and the six months ended 30 June 2022 with existing annual caps; and (ii) the revised annual cap for the period commencing from the date on which it is considered and passed at the EGM of the Company and expire on 31 December 2022:

Historical transaction amounts	**For the year ended 31 December 2020** *(Bmo)*	**For the year ended 31 December 2021** *(Bmo)*	**For the year ending 31 December 2022** *(Bmo)*
Maximum daily deposit balance (including any interest accrued thereon)	2,892.9	3,986.4	4,713.2 *(ote)*
Existing annual caps	3,000	4,000	5,000
Utilisation rate (%)	96.4	99.7	94.3

	For the period from the date of the EGM to 31 December 2022 *(Bmo)*
Revised annual caps	6,500

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Details of the bases for determining the Revised Annual Cap are set out under the section headed "Revised Annual Cap and Basis of Determination" of the Board Letter.

According to the above table, we noted that the relevant utilisation rates of the existing annual caps were approximately 96.4%, 99.7% and 94.3% for the two years ended 31 December 2021 and the six months ended 30 June 2022 respectively. The Existing Annual Caps were almost fully utilised.

We noted that the Revised Annual Cap for FY2022 represented an increase of RMB1,500 million as compared to the Existing Annual Cap for FY2022. To assess the fairness and reasonableness of the Revised Annual Cap for FY2022, in particular, the increase of RMB1,500 million, we conducted the following works:

- As confirmed by the Directors, the Existing Annual Caps for the three years ending 31 December 2022 were determined with reference to various factors. However, Shenzhen Jingneng Leasing was not a member of the Group as at the date of the Financial Services Framework Agreement and therefore the demand of deposit services of Shenzhen Jingneng Leasing was not considered and included in the Existing Annual Caps for the three years ending 31 December 2022. As a result of the Acquisition, Shenzhen Jingneng Leasing's demand of Deposit Services will become connected transactions of the Company.

- We obtained financial information of Shenzhen Jingneng Leasing for the six months ended 30 June 2022. According to the aforesaid information, Shenzhen Jingneng Leasing recorded monetary fund of approximately RMB1,112.02 million and account receivable of approximately RMB107.00 million as at 30 June 2022.

Having considered that (i) the Existing Annual Cap for the year ending 31 December 2022 was almost fully utilised and the maximum daily deposit balance (including any interest accrued thereon) placed by the Group with BEH Finance for the six months ended 30 June 2022 did not include Shenzhen Jingneng Leasing's deposits with BEH Finance; (ii) the cash position of Shenzhen Jingneng Leasing as at 30 June 2022; (iii) when determining the Existing Annual Caps, the demand of deposit services of Shenzhen Jingneng Leasing was not considered and included; and (iv) as a result of the Acquisition, Shenzhen Jingneng Leasing's demand of Deposit Services will become connected transactions of the Company, we are of the view that the Revised Annual Cap is fair and reasonable.

As further advised by the Directors, should there be any substantial increase in total cash of the Group, the Group may deposit larger portion of cash in commercial banks or re-comply with the applicable provisions of the Listing Rules governing continuing connected transaction to further revise the proposed annual cap.

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

B. THE FINANCE LEASE SERVICES

Information on BEH

With reference to the Board Letter, 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 which was established and wholly-owned by State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality (

). BEH is the controlling shareholder of the Company, directly and indirectly holding approximately 68.68% of the issued share capital of the Company as at the Latest Practicable Date.

Reasons for and benefit of the Finance Lease Services

With reference to the Board Letter, Shenzhen Jingneng Leasing primarily provides financial leasing services and commercial factoring business services in relation to

Furthermore, as a result of the Acquisition, the transactions between Shenzhen Jingneng Leasing and BEH and/or its associates will become connected transactions of the Company. As the Finance Lease Services will be conducted in the ordinary and usual course of business of the Group and may be conducted on a frequent basis, it would be costly and impractical to make regular disclosure of each of the relevant transactions and obtain the prior approval from the independent Shareholders as required by the Listing Rules, if necessary. Accordingly, we concur with the Directors that the Finance Lease Services will be beneficial to the Company and the Shareholders as a whole.

In light of the above factors, we consider that the Finance Lease Services are in the interests of the Company and the Shareholders as a whole and will be conducted in the ordinary and usual course of business of the Group.

Principal terms of the Finance Lease Services

Set out below are the key terms of the Finance Lease Services, details of which are set out under the section headed "SZ Finance Leasing Framework Agreement" of the Board Letter.

Date: 27 July 2022

Parties: Shenzhen Jingneng Leasing and BEH

Subject matter: Shenzhen Jingneng Leasing will provide finance leasing services, including sale and leaseback services and direct finance leasing services to BEH and/or its associates and receive rental income from BEH and/or its associates for the provision of such finance leasing services. It is anticipated that [illegible] to the finance leases contemplated under the SZ Finance Leasing Framework Agreement mainly include thermal power equipment and power generation equipment for [illegible]

Since the duration of certain specific agreements (the "**Specific Agreements**") under the SZ Finance Leasing Framework Agreement may be longer than three years, pursuant to Rule 14A.52 of the Listing Rules, the Company must appoint an independent financial adviser to explain why the specific agreements require a longer period and to confirm that it is normal business practice for agreements of this type to be of such duration.

In considering whether it is normal business practice for agreements of similar nature with the Specific Agreements to have a term of such duration, we noted from the Company's announcements dated 20 June 2022 and 15 July 2022 that there were 42 individual finance lease agreements between Shenzhen Jingneng Leasing and members of BEH with duration ranged from 2 to 10 years. Duration of 28 out of 42 individual finance lease agreements exceed three years (being 5 to 10 years).

In addition, we identified and reviewed over ten transactions involving finance lease arrangements, entered into by companies listed on the Stock Exchange, with duration of more than three years.

Having considered that (i) Shenzhen Jingneng Leasing entered into certain finance lease agreements with members of BEH with duration of five to ten years; (ii) our observation on companies listed on the Stock Exchange entered into finance lease agreements with duration longer than 3 years; and (iii) as advised by the Directors, the underlying assets of the Specific Agreements are expected to have useful lives longer than three years, we consider that the duration of the Specific Agreements, which are expected to be longer than three years, is required and it is normal business practice for agreements of this type to be of such duration.

Pricing policy:

The transaction price and credit structure under the SZ Finance Leasing Framework Agreement are determined based on normal commercial terms after arm's length negotiation between both parties following the principles of good faith and fairness for their respective benefits. In determining the comprehensive interests to be charged against BEH and/or its associates, Shenzhen Jingneng Leasing has considered, among others, (i) the terms and conditions which are no more favourable to BEH and/or its associates than those offered to members of the Group of similar qualification with the lessee; and (ii) the LPR published by the National Interbank Funding Center with the authorization from the PBOC as may be

adjusted from time to time; and (iii) the credit evaluation of the lessee, term of the finance leasing agreements, the principal amount, regulatory policy orientation, the Group's strategy on industry development, and business model and credit enhancement measures of the lessee.

- In terms of the sale and leaseback services, Shenzhen Jingneng Leasing will purchase the leased properties from BEH and/or its associates and then lease the same back for an agreed term and receive lease payment on a periodic basis. The basis for determining the value of the leased properties follows the market practice and the lease amount will not exceed the net book value or appraised value of the leased properties.

- In terms of the direct finance leasing services, Shenzhen Jingneng Leasing will purchase the leased properties from suppliers upon the instructions and selection of BEH and/or its associates, and then lease the properties to BEH and/or its associates for an agreed term and receive lease payment on a periodic basis. The principal amount is the purchase price of the leased properties from the supplier which is negotiated by the lessee with the supplier on normal commercial terms and by reference to the market price of such properties.

Shenzhen Jingneng Leasing may also charge management fees for the finance leasing services, which is not lower than one over ten thousand of the principal amount and payable in instalments or in a lump sum. Shenzhen Jingneng Leasing generally determines the actual amount of the management fees based on the project scale and complexity, qualification of the lessee and negotiation with the lessee.

To assess the fairness and reasonableness of the pricing policy of the Finance Lease Services, we searched over the Stock Exchange's website to identify similar finance lease arrangement in the form of framework agreement by companies listed on the Stock Exchange with principal business of the provision of finance lease services. To the best of our knowledge, we identified following companies which met the aforesaid criteria and are exhaustive (the "**Comparables**"). Details of our findings are set out as follows:

Company and principal business	Date of announcement	Pricing policy
Shougang Concord Grand (Group) Limited (730) (now known as Capital Industrial Financial Services Group Ltd)	23 August 2021	The interest rate payable by the relevant lessee shall be at a rate equal to the cost of lending of the listed issuer group plus 1% to 5%, subject to not being more than 10%.
r c»a u e . An investment holding company mainly engaged in collateral financing business.		The listed issuer group shall be entitled to charge the relevant lessee for each finance lease a non-refundable handling fee of not more than 1.5% of the principal amount of the finance lease. Such handling fee shall be payable at least five business days before the drawdown of the fund.

Company and principal business	Date of announcement	Pricing policy
China Development Bank Financial Leasing Co., Ltd. (1606) *r c*/*a u e .* A China-based company mainly engaged in leasing business.	11 May 2020	As the basis of determining the value of the leased equipment is the fair market value of the leased properties, the lease amount will not exceed the fair market value of the leased properties. In determining the comprehensive interests to be charged against lease company, the listed issuer has considered, among others, (1) the terms and conditions which are no less favorable to the listed issuer than those offered to independent third parties; (2) the over 5-year loan prime rate published by the National Interbank Funding Center with the authorization from the PBOC as may be adjusted from time to time. In terms of the sale-and-leaseback services and direct lease service, the interest of the contract shall not deviate from its fair market value (i.e. within the range of over 5-year LPR plus or minus 100BP published by the National Interbank Funding Center with the authorization from the PBOC).

Company and principal business	Date of announcement	Pricing policy
Overseas Chinese Town (Asia) Holdings Limited (3366) *r c*℘*a u e .* An investment holding company principally engaged in the comprehensive development, equity investment, and fund management businesses.	18 May 2020	The interest rate and relevant fees to be agreed in an implementation agreement for the finance leases and/or factoring services shall be on normal commercial terms or better and the interest rate determined thereby must not be lower than the benchmark lending rates published by PBOC at the time of entering into of the relevant implementation agreement. In particular, the effective interest rate of the relevant implementation agreement shall not be lower than (i) the secured lending rate for the borrowings granted to lessee(s) by other general financial institutions; or (ii) if the lessor is unable to reasonably obtain the information required under (i) for reference, the capital costs incurred by the lessor at the time of entering into of the relevant implementation agreement, which may be adjusted according to the adjustment of the benchmark lending rates published or quoted by PBOC for the same period. When deciding the mechanism for determining the effective interest rate as mentioned in the paragraph above, the board of directors of the listed issuer and the lessor take into account the following, if applicable, factors to ensure the effective interest rate so determined is fair and reasonable and on normal commercial terms: (i) the benchmark lending rates published by PBOC; (ii) the capital cost of the listed issuer, whichM6NjFFDTTdoame(pTFTTdo9accjTFTTdo9j oFN/FTTdo

Company and principal business	Date of announcement	Pricing policy
International Alliance Financial Leasing Co., Ltd. (1563) *r c*/*a u e .* An investment holding company mainly engaged in finance leasing business.	20 September 2019	The interest rate and relevant fees to be agreed for the finance leasing service shall be fair and reasonable and on normal commercial terms or better. In particular, when determining the effective interest rate, the listed issuer group shall make reference to the following non-exhaustive factors: (1) the benchmark lending rates published by PBOC; (2) the effective interest rate of the relevant individual agreement shall not be lower than the secured lending rate for the borrowings granted to the lessee by financial institutions; (3) in the event that the listed issuer group is unable to reasonably obtain the relevant information in relation to the secured lending rate for the borrowings granted to lessee by financial institutions, the funding costs incurred by the listed issuer group at the time of entering into of the relevant individual agreement; (4) the quotations for similar finance leasing services offered by the listed issuer to at least two or three independent third party customers, so as to ensure that the relevant effective interest rate and fees of the finance leasing service provided by the listed issuer to the lessee shall not be lower than the average effective interest rates and fees offered by the listed issuer to its other customers who are independent third parties at the prevailing time;

Company and principal business	Date of announcement	Pricing policy
		(5) the risk premium of lessee estimated based on the evaluation of applicable industry that it belongs to, its business and financial performance; and/or (6) all other relevant fees, including the handling fees and security deposit (if applicable). The listed issuer will consider the above factors and ensure that the overall terms and conditions for providing the finance leasing service, including the effective interest rates and fees as well as payment conditions and other material terms, are no less favourable to the listed issuer group than the same offered by the listed issuer group to independent third parties for comparable finance leasing service.

In addition, we noted from prospectus of three companies (which were listed on the Stock Exchange since 1 January 2019 and were mainly engaged in the provision of finance lease services) with their pricing policies as set out below:

Company and principal business	Date of prospectus	Pricing policy of lease arrangements/contracts
Zhongguancun Science-Tech Leasing Co., Ltd. (1601) *r c*/*a u e .* A China-based company that provides services to Chinese technology and new economic companies. The company focuses on providing efficient financing leasing solutions and diversified consulting services for technology and new economy companies.	31 December 2019	The value of the leased asset is determined by the purchase price. The listed issuer determines the principal amount the listed issuer can release under the lease agreement with reference to such value and a target coverage ratio. The interest rate applicable to the lease is determined as a multiple of the benchmark interest rate of the PBOC, taking into account of the customers' financial and business performances and the industries in which they operate. Lease payment amount is subject to change after the PBOC adjusts its benchmark interest rate.
CSSC (Hong Kong) Shipping Company Limited (3877) *r c*/*a u e .* The company is principally engaged in the provision of ship leasing services.	28 May 2019	The amount payable by the lessee on each payment date is generally (i) a pre-determined amounts; or (ii) a pre-determined amount plus interest accrued on the outstanding principal, which is calculated with reference to the applicable interest rate (i.e. fixed rate or LIBOR plus a margin).
Haitong Unitrust International Financial Leasing Co Ltd (1905) (formerly Haitong UniTrust International Leasing Co Ltd) *r c*/*a u e .* A China-based company mainly engaged in financial leasing business.	21 May 2019	The lease is priced based either on floating rate or fixed rate. The listed issuer group determines the applicable interest rate of lease contracts based on the PBOC benchmark interest rates as well as a comprehensive assessment of the lessee's creditworthiness and probability of default and conditions of the industry in which the lessee operates. In respect of a floating rate lease, after the lease term begins, if the PBOC benchmark interest rates have changed on any scheduled payment date as compared to the last payment date, the lessor have the right to adjust the applicable interest rate accordingly in accordance with the lease contracts.

Based on the above table, we noted that the interest rates will be generally determined based on the benchmark lending rates and there may also be other fee (i.e. handling fee). Accordingly, we consider the pricing policy of the Finance Lease Services to be fair and reasonable.

With reference to the Board Letter, to safeguard the interests of the Shareholders as whole, including the minority Shareholders, the Company has adopted internal approval and monitoring procedures relating to the transactions under the SZ Finance Leasing Framework Agreement. Having considered that different departments will be involved in the internal control procedures, involving review and compare major terms offered to connected persons with major terms offered to members of the Company with similar qualification and (if applicable) terms obtained by the connected persons from other financial institutions, we are of the view that the effective implementation of the internal approval and monitoring procedures will ensure the fair pricing of the Finance Lease Services.

The proposed annual cap

The proposed annual cap for the financial leasing services to be provided by Shenzhen Jingneng Leasing to BEH and/or its associates under the SZ Finance Leasing Framework Agreement for 2022 is proposed to be RMB2,500.0 million (including principal, interest payment and other fees if any).

To assess the fairness and reasonableness of the proposed annual cap for the period from the Effective Date to 31 December 2022, we obtained a calculation for the proposed annual cap. According to the calculation, the majority part of the proposed annual cap (i.e. over 95%) were principal amounts of finance lease arrangements (i.e. (i) the outstanding principal amount when varying or amending or terminating the financial leasing agreements in terms of existing finance lease arrangement before the Acquisition; or (ii) the amount set out in the finance leasing agreements in terms of the new finance leasing agreements after the completion of the Acquisition). For determination of the proposed annual cap only, the Company determined the estimated principal amounts of finance lease arrangements for the period from the Effective Date to 31 December 2022 (the "**2022 Estimated Principal Amounts**") with reference to the outstanding principal amounts of relevant finance lease, the terms (interest rate or principal amount) of which may be varied or amended.

Upon our further request, we obtained all existing individual finance lease agreements which are subject to the possible varying or amending of terms, together with further detailed information (e.g. outstanding principal amounts). The summation of the outstanding principal amounts and post-adjusted principal amounts of the relevant individual finance lease agreements are in line with the 2022 Estimated Principal Amounts. Accordingly, we consider the 2022 Estimated Principal Amounts to be reasonable.

In addition, we also enquired into the Directors regarding the interest expenses and other costs of the aforesaid individual finance lease agreements.

As (A) the proposed annual cap represented the summation of (i) the 2022 Estimated Principal Amounts; (ii) the cost of the aforesaid individual finance lease from the Effective Date to 31 December 2022; and (B) the summation of (i) and (ii) was close to (with difference of less than 5%) the outstanding principal amounts of relevant finance lease (the terms of which may be varied or amended) together with their interest expenses for the period from the Effective Date to 31 December 2022, we are of the view that the proposed annual cap for the Effective Date to 31 December 2022 to be fair and reasonable.

Listing Rules implication

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 maximum/actual values of the Deposit Services and the Finance Lease Services must be restricted by their respective annual caps for the period concerned under the Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) and SZ Finance Leasing Framework Agreement; (ii) the terms of the Deposit Services and the Finance Lease Services must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Deposit Services and the Finance Lease Services 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 Deposit Services and Finance Lease Services (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the annual caps.

In the event that the maximum amounts of the Deposit Services and/or the Finance Lease Services are anticipated to exceed the Revised Annual Cap and/or the proposed annual cap for the Finance Lease Services Cap, or that there is any proposed material amendment to the terms of the Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) and/or SZ Finance Leasing Framework 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 Deposit Services and the Finance Lease Services and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

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 Annual Cap of the Deposit Services and the proposed annual cap of the Finance Lease Services) are on normal commercial terms and are fair and reasonable; and (ii) 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. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Transactions (including the Revised Annual Cap of the Deposit Services and the proposed annual cap of the Finance Lease Services) and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
a ag g D rector

ote. r. Graham am a ce e ⁄ber o reg tere ⁄w th the Secur t e a ⁄uture omm o a ⁄a re ⁄o e off cer of Gram a⁄ ta m te ⁄o carry out y⁄e 6 (a ⁄ g o cor⁄orate f a ce) regu ate ⁄act v ty u ⁄r the S O. e ha over 25 year of ex⁄er e ce ve tme t a k g t⁄ try.

* or ⁄ t f cat o ⁄ur⁄o e o y

FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Company for the years ended 31 December 2019, 2020 and 2021 together with the relevant notes can be found on pages 83-219 of the annual report of the Company for the year ended 31 December 2019, pages 77-213 of the annual report of the Company for the year ended 31 December 2020 and pages 79-237 of the annual report of the Company for the year ended 31 December 2021. Please also see below the hyperlinks to the said documents:

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042800950.pdf

https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0427/2021042701436.pdf

https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0428/2020042802466.pdf

STATEMENT OF INDEBTEDNESS

As at the close of business on 30 June 2022, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had the following indebtedness:

	30 June 2022
Indebtedness	*B 000*
Secured bank loans	
Current portion	333,879
Non-current portion	4,463,210
Guaranteed bank loans	
Current portion	560,110
Non-current portion	5,837,753
Unsecured and unguaranteed bank loans	
Current portion	8,544,065
Non-current portion	8,901,787
Debentures	
Current portion	12,545,696
Non-current portion	1,636,230
Other loans	
Current portion	128,880
Non-current portion	2,785,026
Total borrowings	
Current portion	22,112,630
Non-current portion	23,624,006

Save as aforesaid or otherwise disclosed herein and apart from intra-group liabilities, at the close of business on 30 June 2022, none of the members of the Group had (a) any debt securities issued and outstanding, and authorized or otherwise created but unissued; (b) any term loans; (c) any borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptances credits or hire purchase commitments; (d) any debentures, mortgages or charges; or (e) any guarantee or other material contingent liabilities.

SUFFICIENCY OF WORKING CAPITAL

Taking into account the financial resources of the Group (including the internal resources and the present available facilities and debentures to be raised in the future), and in the absence of any unforeseen circumstances, the Directors are of the opinion that the Group will have sufficient working capital for at least twelve months from the date of this circular.

TRADING AND FINANCIAL PROSPECTS

2022 is a critical year for the Group to improve quality and efficiency and achieve forward-leaping development under the "14th Five-Year Plan". The Group will continue to adhere to the general principle of seeking progress while maintaining stability, follow the strategic guidance of the "14th Five-Year Plan", and focus on serving Beijing and assisting the capital in achieving carbon neutrality firstly, as well as developing the main clean energy business with high quality and high speed. The Group will follow the major business line of "reform and innovation, transformation and upgrading, improvement of quality and efficiency, and culture fusion", strengthen the technology innovation, consolidate the foundation for production safety, accelerate the informationalisation and digitalisation construction, and forge ahead in unity with practicality and effectiveness, aiming to achieve the overall development goal of "being superior, stronger, faster and better".

Follow the strategic guidance to further improve the green development

In 2022, the Group will continue to implement the development concepts and goals under the "14th Five-Year Plan", practically implement the "wind power and photovoltaic power integration strategy", promote the scale of energy base projects, and highlight the features of distributed projects. Relying on "Green-Power-to-Beijing", the Group will effectively implement the "wind power, photovoltaic power and thermal power integration strategy", take full advantages of state-owned enterprises in the capital, and promote the preliminary work of energy base projects in Datong and Chengde by insisting on the dual carbon goals and demand of Green-Power-to-Beijing. In regions with traditional advantages, the Group will focus on introducing enterprises to cooperate in accelerating the development of the industry. In regions newly expanded into, the Group will create new cooperation models, and seize resources through increased cooperation efforts. The Group will increase efforts in projects of high-quality resource mergers and acquisitions, and ensure that the priority can be given to projects of asset mergers and acquisitions; take a two-pronged approach for both self-construction and mergers and acquisitions to ensure both areas are properly handled; and seize resources of the counties of Beijing, Tianjin and Hebei, especially Beijing, to promote distributed photovoltaic power projects, with priority given to the development of projects which have significant demonstration and leading role.

Perform the reform and innovation to further enhance core competence

In 2022, the Group will continue to allocate more resources in technology innovation with focus on technological empowerment, and promote the "key variable" of technology innovation to become the "maximum increment" for high-quality development. By accelerating the digital transformation of the industry, the Group will realize business informationalisation, supervision digitization, and intelligent operation and maintenance. By accelerating the construction of intelligent supervision centers and region-wide centralized control centers, the Group will extend its supervision coverage to more than 100 wind power plants, photovoltaic power plants, hydropower plants and gas-fired power plants. By all means, the Group will identify all potential risks, perceive the operation status, make all operation data under control, and manage its business operation online, to improve the operation efficiency through the upgraded operation management model.

Insist on safety and environmental protection to further upgrade scientific management and control

In 2022, the Group will continue to strengthen the management and control of production safety, and uphold the concept of safety development. The Group will earnestly implement the new "Production Safety Law", and ensure that all employees effectively implement the production safety accountability system and the requirements of "three managements and three musts". During the epidemic, the Group will take adequate measures for safety and epidemic prevention and control to ensure a stable safety situation; promote energy conservation and emission reduction by actions of "energy efficiency improvement, energy conservation and emission reduction", and comprehensively implement energy conservation measures, to enhance comprehensive utilization of resources, improve energy efficiency, and promote green and low-carbon development level; strengthen the construction of infrastructure emergency capabilities by establishing a scientific safety system, and widely apply safety information management systems to ensure the realization of infrastructure safety goals.

Set up the dual carbon goal to help re-development of carbon assets

The Group possessed the natural attribute of renewable energy. After setting up the "dual carbon" goal, the Group will more actively participate in China's strategy of green and low-carbon energy transformation, and make more efforts to develop the green electricity transactions, green certificate transactions and carbon transactions. The Group will formulate different carbon asset strategies

I. RESPONSIBILITY STATEMENT

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.

II. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, none of the Directors, supervisors or members 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 Hong Kong 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 Hong Kong Stock Exchange.

Save for Mr. Cao Mansheng and Mr. Ren Qigui concurrently holding position in BEH and Mr. Song Zhiyong holding position in 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.

BSCOML, BEH, BIEE, BHEG and BEI (HK) are required to abstain from voting on relevant resolutions in relation to the Revised Annual Cap under the Supplemental Agreement and the SZ Finance Leasing Framework Agreement and the transactions (including the proposed annual cap thereof) contemplated thereunder at the EGM.

III. NO MATERIAL ADVERSE CHANGE

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 2021, being the date to which the latest published audited accounts of the Company and its subsidiaries were made up to.

IV. MATERIAL LITIGATION

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.

V. MATERIAL CONTRACTS

The members of the Group have entered into the following material contract within the two years immediately preceding the date of this circular:

- the absorption and merger agreement (the "**Absorption and Merger Agreement**") entered into among the Company, BEH, Beijing Jingneng International Power Co., Ltd. ("**Jingneng International**") and Shenzhen Jingneng Leasing on 10 May 2022, pursuant to which BEH proposed to absorb and merge with Jingneng International and transfer

VIII. INTERESTS IN THE ASSETS OR CONTRACTS OF THE GROUP

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 2021, 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.

IX. DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save for Mr. Cao Mansheng and Mr. Ren Qigui concurrently holding positions in BEH and Mr. Song Zhiyong holding position in 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.

X. MISCELLANEOUS

Company Secretary

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.

Registered Office

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

X. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Hong Kong Stock Exchange at (http://www.hkexnews.hk) and the website of the Company (https://www.jncec.com/) during the period from the date of this circular up to and including the date of the EGM:

(a) the Supplemental Agreement; and

(b) the SZ Finance Leasing Framework Agreement.

Beijing Jingneng Clean Energy Co., Limited
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NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING OF 2022

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Beijing Jingneng Clean Energy Co., Limited (the "**Company**") will be held at 10:00 a.m. on Tuesday, 6 September 2022 at No. 2 Meeting Room, 8th Floor, No. 6 Xibahe Road, Chaoyang District, Beijing, the PRC, for the purposes of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the Supplemental Agreement regarding the Revised Annual Cap; and

2. To consider and approve the SZ Finance Leasing Framework Agreement.

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

Beijing, the PRC
17 August 2022

at the date of this notice, the executive Director of the Company are Mr. Zhang Jingyang, Mr. Zhang Dayu, Mr. Gao Yumin and Mr. Zhao Yang, the non-executive Director of the Company are Mr. Guo Qiang, Mr. Song Shuyong and Mr. Wang Bingyi, the independent non-executive Director of the Company are Mr. Yuan Jianguang, Mr. Zhang Jianguo, Mr. Shao Ye and Mr. Liu Daqing and Mr. Zhao Yi.

Note:

Details of the resolutions are set out in the circular of the Company dated 17 August 2022 (the "**Circular**"). Unless otherwise defined, capitalized terms shall have the same meanings as defined in the Circular.

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

Holders of H Shares are advised that the share register for H Shares will be closed from Thursday, 1 September 2022 to Tuesday, 6 September 2022 (both days inclusive). The Shareholders whose names appear on the register of members of the Company on the close of business on Wednesday, 31 August 2022 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 Wednesday, 31 August 2022 for registration.

2. PROXY

Shareholders entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote in their stand. A proxy needs 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 authorized 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 authorized attorney(s). If the proxy form is signed by an attorney of the Shareholder, the power of attorney authorizing 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 Monday, 5 September 2022) 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. 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) 8740 7010/(86 10) 8740 7065

4. PROCEDURES FOR VOTING AT THE EGM

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

5. OTHER BUSINESS

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

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