

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



Beijing Jingneng Clean Energy Co., Limited  
北京

# RESOLUTION ON THE TERMINATION OF THE 2020 H SHARE APPRECIATION RIGHTS SCHEME AND RESOLUTION ON THE GRANT OF H SHARE APPRECIATION RIGHTS

## MEMORANDUM

Resolved That the 2020 H Share Appreciation Rights Scheme

References are made to The Company's announcement dated 31 March 2020, circular dated 9 April 2020 and poll results announcement dated 28 May 2020, in relation to the adoption of H Share appreciation rights scheme (the “2020 H Share Appreciation Rights Scheme”) and the proposed grant. The Board hereby announces that, on 12 December 2023, it has resolved to approve, among others, the termination of the 2020 H Share Appreciation Rights Scheme, subject to the approval from the Shareholders.

Resolved That the Adoption of H Share Appreciation Rights Scheme and the Grant

The Board proposed to adopt the Scheme and approve the proposed Grant to Directors and senior management of the Company and the management, technical and business core staff who have direct effect on the operational results and sustainability of the Company. The proposed adoption of the Scheme and the Grant will be submitted to the general meeting for Shareholders' approval and are subject to the approval of Beijing SASAC.

The Scheme does not involve the grant of options over the existing shares, new shares or other new securities issuable by the Company or any of its subsidiaries and therefore, the Scheme is not subject to the requirements under Chapter 17 of the Listing Rules.

## I. RESOLUTION ON THE TERMINATION OF THE 2020 H SHARE APPRECIATION RIGHTS SCHEME

References are made to the Company's announcement dated 31 March 2020, circular dated 9 April 2020 and poll results announcement dated 28 May 2020, in relation to the adoption of the 2020 H Share Appreciation Rights Scheme and the proposed grant. The Board has considered and approved the termination of the 2020 H Share Appreciation Rights Scheme. The proposed termination of the 2020 H Share Appreciation Rights Scheme will be submitted to the general meeting for Shareholders' approval.

## II. THE RESOLUTION ON THE ADOPTION OF THE 2020 H SHARE APPRECIATION RIGHTS SCHEME AND THE GRANT

### Background

The Board has considered and approved the proposed adoption of the Scheme and the Grant to Directors, senior management of the Company and the management, technical and business core staff who have direct effect on the operational results and sustainability of the Company. The proposed adoption of the Scheme and the Grant will be submitted to the general meeting for Shareholders' approval and are subject to the approval from the Beijing SASAC.

### Terminology

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

**Effective Period** : Approval by (i) the Beijing SASAC; and (ii) the Shareholders at the general meeting.

**Duration** : Six years from the date of approval at the general meeting.

**Incentive Recipients** : (i) Scope of Incentive Recipients for the first grant

113 Incentive Recipients in total under the Grant, including Directors and senior management of the Company and the management, technical and business core staff who have direct effect on the operational results and sustainability of the Company, details of which are set out below in the section headed "Details of the Incentive Recipients under the Grant".

(ii) Scope of Incentive Recipients for the reserved grant

The Incentives Recipients under the reserved grant under the Scheme include (1) the Company's newly appointed and newly recruited senior management; (2) the Company's newly recruited key technical, skilled and management personnels; and (3) the Company's newly trained high-ranking experts, national technological experts or experts who enjoy special subsidies from the government at the provincial level and above related to energy technology.

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

: The total number of H Shares relating to the Share Appreciation Rights to be granted under the Scheme is 123,675,000 H Shares, representing approximately 1.5% of the total issued share capital of the Company as at the date of this announcement. The number of H Shares relating to the Share Appreciation Rights to be granted to any individual Incentive Recipients under the Scheme shall not exceed 0.1% of the total share capital of the Company.

**Exercise Price**

: The higher of: (i) the closing price of the H Shares as at the date of grant of the Share Appreciation Rights; (ii) the average closing price of the H Shares for the five consecutive trading days immediately preceding the date of grant of the Share Appreciation Rights; and (iii) the nominal value of the H Shares.

**Waiting Period**

: 24 months following the date of granting the Share Appreciation Rights to the Incentive Recipients.

**Exercise Arrangement**

: In principle, the Share Appreciation Rights shall be exercised in the following tranchesH

Tranche of Exercise Period	Exercise Period	Exercise Priority
Second tranche	from the first trading day after 36 months from the date of the first grant and ending on the last trading day within 48 months from the date of the first grant	33%
Third tranche	from the first trading day after 48 months from the date of the first grant and ending on the last trading day within 60 months from the date of the first grant	34%

(ii) Reserved grant

Tranche of Exercise Period	Exercise Period	Exercise Priority
First tranche	from the first trading day after 24 months from the date of the reserved grant and ending on the last trading day within 36 months from the date of the reserved grant	33
Second tranche	from the first trading day after 36 months from the date of the reserved grant and ending on the last trading day within 48 months from the date of the reserved grant	33
Third tranche	from the first trading day after 48 months from the date of the reserved grant and ending on the last trading day within 60 months from the date of the reserved grant	34

**Conditions precedent for the grant of shares:** The Company may grant the Share Appreciation Rights upon the simultaneous satisfaction of all the following conditions:

- (i) none of the following events has occurred at the Company:
  1. failure to engage an accounting firm to conduct auditing work in accordance with the prescribed procedures and requirements;

2. the regulatory authorities of the State-owned assets, the board of supervisors or audit departments have material objection in respect of the financial performance or the annual financial report of the Company;
  3. material breach of rules and penalties were imposed by securities regulatory authorities and other relevant authorities as a result;
  4. issue of an auditor's report with an adverse opinion or indicate the inability to give an opinion on the financial report or the assessment of internal control for the latest accounting year by a certified public accountant;
  5. profit distribution in violation of the laws and regulations, the Articles of Association or public undertakings during the last 36 months;
  6. prohibition from implementing share incentives by the laws and regulations;
  7. other circumstances as determined by the relevant regulatory authorities.
- (ii) none of the following events has occurred to the Incentive Recipients:
1. the results of the economic responsibility audit and other reports proved that he has failed to perform duties effectively or is involved in serious misconduct or malfeasance;
  2. non-compliance with the relevant laws and regulations of the PRC or the provisions of the Articles of Association;
  3. during his tenure of office, involvement in acceptance or solicitation of bribery, corruption, theft, leakage of the Company's trade and technical secrets, conducted connected transactions and other unlawful acts and misconducts, which prejudiced the interest and

reputation of and caused significant negative impact to the image of the Company and led to penalties against him;

4. failure to discharge, or failed to discharge properly, his duties and thereby resulting in serious loss in assets to the Company and other serious and adverse consequences;
5. determination by the Hong Kong Stock Exchange or relevant regulatory authorities as an inappropriate person in the last 12 months;
6. imposition by relevant regulatory authorities with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;
7. prohibition from acting as a Director or a member of the senior management of the Company as required by the Listing Rules;
8. prohibition from participating in share incentives of the Company as required by laws and regulations;
9. other circumstances as determined by the relevant regulatory authorities.

Conditions precedent for  
exercise of the

The Share Appreciation Rights granted to Incentive Recipients shall be exercised upon the simultaneous satisfaction of all the following conditions:

- (i) none of the following events has occurred at the Company:
  1. failure to engage an accounting firm to conduct auditing work in accordance with the prescribed procedures and requirements;

2. the regulatory authorities of the State-owned assets, the board of supervisors or audit departments have material objection in respect of the financial performance or the annual financial report of the Company;
  3. material breach of rules and penalties were imposed by securities regulatory authorities and other relevant authorities as a result;
  4. issue of an auditor's report with an adverse opinion or indicate the inability to give an opinion on the financial report or the assessment of internal control for the latest accounting year by a certified public accountant;
  5. profit distribution in violation of the laws and regulations, the Articles of Association or public undertakings during the last 36 months;
  6. prohibition from implementing share incentives by the laws and regulations;
  7. other circumstances as determined by the relevant regulatory authorities.
- (ii) Performance conditions for the exercise of share appreciation rights under the first grant and reserved grant:
1. The first category reflects comprehensive indicators such as Shareholder returns and corporate value creation:
    - (1) the average return on equity attributable to the parent company from 2024 to 2026 shall not be less than the high-tier value of the entire power generation industry and the 75th percentile of the benchmark companies;

- (2) the total profit from 2024 to 2026 shall not be less than RMB4.10 billion, RMB5.02 billion and RMB5.20 billion, respectively.
2. The second category reflects growth indicators such as the Company's profitability and market value:

Non-fossil energy installed capacity of the Company from 2024 to 2026 shall not be less than 12,500 MW, 21,200 MW and 23,000 MW, respectively, and the year-on-year growth rate for each year shall not be lower than the industry average growth level.
3. The third category reflects the operating quality indicators of the Company:
  - (1) asset-liability ratio of the Company from 2024 to 2026 shall not exceed 69.5%, 69% and 68.5%, respectively, and shall not exceed the target asset-liability ratio issued by the Board in each year;
  - (2) investment in technology research and development of the Company from 2024 to 2026 shall account for no less than 3%, 3.1% and 3.2% of operating income, respectively;
  - (3) per employee profit creation of the Company from 2024 to 2026 shall not be less than RMB1.16 million, RMB1.25 million and RMB1.28 million, respectively.

*Notes:*

1. During the validity period of the Scheme, if the Company carries out financing through the non-public offering of shares, the newly increased net assets from the financing activities and the net profits generated from such net assets will not be included in the assessment calculation of return on equity attributable to the parent company and asset-liability ratio;
2. Total profit represents profit before tax.



3. The high-tier value of the entire power generation industry for each year is based on the “Enterprise Performance Evaluation Standards” issued by the State-owned Assets Supervision and Administration Commission of the State Council. If the State-owned Assets Supervision and Administration Commission of the State Council no longer issues the “Enterprise Performance Evaluation Standards” and benchmark data of the industry are not available, the benchmark of such industry indicator will no longer be considered.
4. Per employee profit creation = profit before tax \* 2/(total number of employees at the beginning of the year + total number of employees at the end of the year).
5. Non-fossil energy includes the new energy and renewable energy at the present, including nuclear energy, wind energy, solar energy, hydroelectric energy, biomass energy, geothermal energy, ocean energy, pumped-storage hydroelectric energy, energy storage and other renewable energy sources.
6. Non-fossil energy installed capacity includes all non-fossil energy installed capacity of controlled or consolidated subsidiaries and non-fossil energy installed capacity of equity-holding subsidiaries in proportion to their shareholding.
7. National non-fossil energy installed capacity growth data is based on industry data in the “Annual Electricity Statistics Basic Data List” issued by the China Electricity Council. If the China Electricity Council no longer issues the “Annual Electricity Statistics Basic Data List”, its replacement will be the national accumulative installed power generation capacity growth rate issued in the “National Electricity Industry Annual Statistics” issued by the National Energy Administration to ensure the exercise conditions to be higher than the industry average.
8. The costs incurred by the Scheme will be charged to administrative expenses.

### Estimated Incremental Return to Shareholders:

Name	Position	Number	Before the Implementation of the Scheme		After the Implementation of the Scheme	
			Monthly Remuneration (RMB)	Percentage of Total Remuneration (%)	Monthly Remuneration (RMB)	Percentage of Total Remuneration (%)
Directors and Senior Management						
Zhang Fengyang	Secretary of the Party Committee, Chairman of the Board and Executive Director	1	2,485,430	0.03%	2.01%	
Chen Dayu	Deputy Secretary of the Party Committee, General Manager and Executive Director	1	2,485,430	0.03%	2.01%	

Name	Position	Number	Monthly Remuneration (RMB)	Percentage of Total Remuneration	Percentage of Total Remuneration
Hou Bolong	Deputy Secretary of the Party Committee and Union President	1	2,236,887	0.03%	1.81%
Zhang Wei	Deputy General Manager, Secretary of the Board and Executive Director	1	2,236,887	0.03%	1.81%
Liu Fengge	Secretary of Committee for Discipline Inspection	1	2,236,887	0.03%	1.81%
Zhao Jianbo	Deputy General Manager	1	2,236,887	0.03%	1.81%
Fang Xiujun	Deputy General Manager and Head Accountant	1	2,236,887	0.03%	1.81%
Wang Gang	Deputy General Manager	1	2,236,887	0.03%	1.81%
Li Minghui	Deputy General Manager and Executive Director	1	2,236,887	0.03%	1.81%
Other Staff		104	82,433,442	1.00%	66.65%
Total of the first grant		113	103,062,511	1.25%	83.33%
Reserved grant		-	20,612,489	0.25%	16.67%
Total			<u>123,650,000</u>	<u>1.50%</u>	<u>100%</u>

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

### Reasons for the Adoption of the Scheme

The Board is of the view that the Scheme will be able to (i) enhance corporate competitiveness, create common interests, fully utilize the positiveness, proactivity and creativity of outstanding talents and core staff, improve the operational results and core competitiveness of the Company and facilitate the long-term and stable development of the Company; (ii) create favorable news to the capital market, bolster the confidence in the capital market and maintain the market value of the Company; and (iii) effectively build and continue to improve the management structure with clear distinction between powers and responsibilities and efficient decision-making, further

optimize the performance-based compensation incentive mechanism, establish a market-based assessment system in line with the developmental needs of the Company, and effectively retain and attract the core staff necessary for the development of the Company.

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

### **General Information**

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

The Scheme and the Grant shall only take effect upon being approved by the Shareholders' general meeting and the Beijing SASAC.

All Directors who are also the Incentive Recipients under the Scheme, i.e. Mr. ZHANG Fengyang, Mr. CHEN Dayu, Mr. ZHANG Wei and Mr. LI Minghui, have abstained from voting on the resolution approving the Scheme and the Grant.

### **III. 2020 H SHARE APPRECIATION RIGHTS SCHEME**

The Company will dispatch a circular in accordance with the requirements under the Listing Rules, which will contain, among other things:

- (a) details in respect of the proposed termination of the 2020 H Share Appreciation Rights Scheme; and
- (b) details in respect of the proposed Scheme and proposed Grant.

### **IV. DEFINITIONS**

“Articles of Association”	the articles of association of the Company
“Beijing SASAC”	the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality
“Board”	the board of Directors of the Company
“Company”	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
“Grant”	the proposed grant by the Company under the Scheme
“Group”	the Company and its subsidiaries
“H Share(s)”	the ordinary H share(s) of RMB1.00 each in the share capital of the Company, which are listed on the Main Board of the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Incentive Recipient(s)”	persons who are proposed to be granted the Share Appreciation Rights under the Scheme
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme”	the H Share Appreciation Rights Scheme of the Company
“Share Appreciation Rights”	the share appreciation rights granted under the Scheme, representing the rights conferred to the Incentive Recipients to receive stipulated earnings from the increase in share price of H Shares, subject to specific timeframe and conditions
“Shareholder(s)”	the holder(s) of ordinary share(s) of the Company
“%”	per cent

By order of the Board  
**Beijng ĩ g e g lea E ergy ĩ, ĩ ĩ ĩ ted**  
**ZHAN† Fe gya g**  
*Chairman*

Beijing, the PRC  
12 December 2023

*As at the date of this announcement, the executive Directors of the Company are Mr. Zhang Fengyang, Mr. Chen Dayu, Mr. Zhang Wei and Mr. Li Minghui; the non-executive Directors are Mr. Zhou Jianyu, Mr. Song Zhiyong and Ms. Zhang Yi; the independent non-executive Directors are Ms. Zhao Jie, Mr. Wang Hongxin, Mr. Qin Haiyan and Ms. Hu Zhiying.*