THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the H Share Offer and the Delisting, this Composite Document or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this Composite Document and the accompanying Form of Acceptance, forms of proxy and reply slips to the purchaser or transferee or to the licensed securities dealer or registered institution in securities 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 Composite Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the H Share Offer.

北京能源集团有限责任公司
Beijing Energy Holding Co.,Ltd.*

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

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)

COMPOSITE DOCUMENT
(1) VOLUNTARY CONDITIONAL OFFER BY CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED ON BEHALF OF BEH TO ACQUIRE ALL OF THE ISSUED H SHARES IN THE COMPANY (OTHER THAN THOSE ALREADY HELD BY BEH AND PARTIES ACTING IN CONCERT WITH IT)
(2) PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF THE H SHARES OF THE COMPANY
(3) NOTICE OF THE 2021 FIRST EXTRAORDINARY GENERAL MEETING
AND
(4) NOTICE OF THE 2021 FIRST H SHARE CLASS MEETING

Financial Adviser to BEH

中信建投國際
CHINA SECURITIES INTERNATIONAL

Financial Adviser to the Company

CITIC SECURITIE

Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

This Composite Document is jointly issued by BEH and the Company to the H Shareholders. A letter from CSCI, containing, among other things, the terms of the H Share Offer, is set out on pages 7 to 16 of this Composite Document. A letter from the Board of the Company is set out on pages 17 to 26 of this Composite Document. A letter from the Independent Board Committee containing its recommendations to the Independent H Shareholders in relation to the H Share Offer and the Delisting is set out on pages 27 to 28 of this Composite Document. A letter from Gram Capital containing its advice to the Independent Board Committee in relation to the H Share Offer and the Delisting is set out on pages 29 to 51 of this Composite Document.

The procedures for acceptance and settlement of the H Share Offer are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptances of the H Share Offer should be received by the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by no later than 4:00 p.m. on Monday, 1 March 2021, being the First Closing Date, or such later date and time as BEH may decide and announce and the Executive may approve.

The EGM convened to approve the Delisting will be held at 10:00 a.m. on Friday, 19 February 2021 and the H Share Class Meeting convened to approve the Delisting will be held at 11:00 a.m. on Friday, 19 February 2021.

A notice of the EGM is set out in Appendix VI to this Composite Document and a notice of the H Share Class Meeting is set out in Appendix VII to this Composite Document. A proxy form for each of the EGM and the H Share Class Meeting is enclosed with this Composite Document.

Whether or not you are able to attend the EGM and/or the H Share Class Meeting or any adjournment thereof in person, you are requested to complete and return the enclosed proxy forms in accordance with the instructions printed thereon to the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than twenty-four (24) hours before the time appointed for the EGM and the H Share Class Meeting.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and the H Share Class Meeting or any adjournment thereof, should you so wish. In the event that you attend and vote at any of the EGM and the H Share Class Meeting or any adjournment thereof after having deposited the relevant form of proxy, that form of proxy will be deemed to have been revoked.

A reply slip for each of the EGM and the H Share Class Meeting is also enclosed. You are reminded to complete and sign the reply slips (if you are entitled to attend the EGM and/or the H Share Class Meeting) and return the signed reply slips to the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong on or before Friday, 29 January 2021 in accordance with the instructions printed thereon. Shareholders can still attend and vote at the EGM and/or the H Share Class Meeting even if no reply slip is completed and returned.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside of Hong Kong should read the section headed "8. Overseas H Shareholders" in Appendix I to this Composite Document before taking any action. It is the responsibility of each Overseas H Shareholder wishing to accept the H Share Offer to satisfy himself, herself or itself as to full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements. Overseas H Shareholders are advised to seek professional advice on deciding whether to accept the H Share Offer.

* *For identification purpose only*

31 December 2020

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The expected timetable set out below is indicative only and may be subject to changes. Any change to the timetable will be jointly announced by the Offeror and the Company by way of announcement(s) as soon as possible.

Despatch date of the Composite Document and commencement of the H Share Offer [(2)]	Thursday, 31 December 2020
Latest time for lodging transfers of the H Shares in order to be entitled to attend and vote at the EGM and/or the H Share Class Meeting	4:30 p.m. on Tuesday, 19 January 2021
Closure of the register for the determination of entitlements of the Independent H Shareholders to attend and vote at the EGM and/or the H Share Class Meeting	Wednesday, 20 January 2021 to Friday, 19 February 2021 (both dates inclusive)
Last day for receiving reply slips for the EGM and/or the H Share Class Meeting [(3)]	Friday, 29 January 2021
Latest time for lodging proxy form(s) in respect of the EGM [(4)]	10:00 a.m. on Thursday, 18 February 2021
Latest time for lodging proxy form(s) in respect of the H Share Class Meeting [(4)]	11:00 a.m. on Thursday, 18 February 2021
EGM	10:00 a.m. on Friday, 19 February 2021
H Share Class Meeting	11:00 a.m. on Friday, 19 February 2021
Announcement of the results of the EGM and the H Share Class Meeting	by 7:00 p.m. on Friday, 19 February 2021
Re-opening of the register	Monday, 22 February 2021
First Closing Date [(5)]	Monday, 1 March 2021
Latest time for acceptance of the H Share Offer on the First Closing Date [(6)]	4:00 p.m. on Monday, 1 March 2021

Announcement of the results of the H Share Offer on the First Closing Date	by 7:00 p.m. on Monday, 1 March 2021
Latest time for the H Share Offer to become or be declared unconditional as to acceptance (if not already unconditional) [7]	7:00 p.m. on Monday, 1 March 2021
Latest date for posting of remittances for the amounts due under the H Share Offer in respect of valid acceptances received at or before the latest time for acceptances of the H Share Offer on the First Closing Date (assuming the H Share Offer has become unconditional in all respects on the First Closing Date) [8]	Wednesday, 10 March 2021
Final Closing Date (assuming the H Share Offer has become unconditional in all respects on the First Closing Date) [9]	Monday, 29 March 2021
Latest time for the H Share Offer remaining opening for acceptance on the Final Closing Date and closing of the H Share Offer [9]	4:00 p.m. on Monday, 29 March 2021
Announcement of the results of the H Share Offer on the Final Closing Date	by 7:00 p.m. on Monday, 29 March 2021
Last day of trading in the H Shares on the Stock Exchange, assuming the Delisting is approved	Monday, 29 March 2021
Expected time and date of voluntary withdrawal of the listing of the H Shares from the Stock Exchange [10]	4:00 p.m. on Wednesday, 7 April 2021
Latest time for posing of remittances for the amounts due under the H Share Offer in respect of valid acceptances received at or before the latest time for acceptances of the H Share Offer on the Final Closing Date (assuming the H Share Offer has become unconditional in all respects on the First Closing Date) [8]	Monday, 12 April 2021

Notes:

(1) Unless otherwise expressly stated, all references to dates and times contained in this Composite Document refer to Hong Kong dates and times.

(2) The H Share Offer is made on Thursday, 31 December 2020, the date of the posting of the Composite Document, and is capable of being accepted on and from that date.

(3) The reply slip should be duly completed and returned to H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than Friday, 29 January 2021 (i.e. 20 clear days prior to the date of convening of the EGM and the H Share Class Meeting). Failure to return the reply slip will not affect the Independent H Shareholders' right to attend the EGM and the H Share Class Meeting.

(4) The proxy form should be deposited with H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event by the time stated above, in order to be valid. Completion and return of a proxy form for the EGM and/or the H Share Class Meeting (as the case may be) will not preclude an Independent H Shareholder from attending the EGM or the H Share Class Meeting (as the case may be) and voting in person if he/she/it so wishes and if such Independent H Shareholder has notified the Company not less than 24 hours in writing before the time appointed for any adjournment of the EGM or the H Share Class Meeting (as the case may be). In such event, the returned proxy form will be deemed to have been revoked.

(5) It is assumed that the H Share Offer has not become unconditional as to acceptances or in all respects prior to the First Closing Date. In accordance with the Takeovers Code, the H Share Offer must initially be opened for acceptance for at least 21 days following the date on which the Composite Document was posted. Pursuant to Rule 15.5 of the Takeovers Code, except with the consent of the Executive, the H Share Offer may not become or be declared unconditional as to acceptance after 7:00 p.m. on the 60th day after the posting of the Composite Document, being 1 March 2021.

(6) Unless the H Share Offer has previously become or been declared unconditional, revised or extended, the latest time and date for acceptance of the H Share Offer is 4:00 p.m. on the First Closing Date, being 1 March 2021. Please refer to Appendix I to the Composite Document for additional information on how to accept the H Share Offer.

(7) Pursuant to Rule 15.5 of the Takeovers Code, except with the consent of the Executive, the H Share Offer (whether revised or not) may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th date after the Composite Document was posted, being 1 March 2021. BEH may further apply to extend the latest date to declare the H Share Offer unconditional as to acceptances beyond Monday, 1 March 2021 and the Executive may or may not grant such consent.

(8) Pursuant to Rule 20.1 of the Takeovers Code, settlement in cash in respect of acceptances of the H Share Offer will be made within 7 business days (as defined under the Takeovers Code) of the later of the date on which the H Share Offer has become or is declared unconditional and the date on which the H Shares are tendered for acceptance of the H Share Offer. Relevant documents of title must be received by the H Share Registrar to render each acceptance of the H Share Offer complete and valid. Remittances in respect of the H Shares tendered for acceptance and taken up by BEH under the H Share Offer (after, if applicable, deducting the seller's ad valorem stamp duty arising therefrom) will be posted to the H Shareholders by ordinary post at their own risk.

(9) In compliance with the note to Rule 2.2 and Rule 15.3 of the Takeovers Code, where the H Share Offer becomes or is declared unconditional in all respects, it should remain open for acceptance for not less than 28 days thereafter. At least 14 c508liancte H Surptat laexemaied Of

(11) Beneficial owners of the H Shares who hold their H Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

(12) The latest time and date for acceptance of the H Share Offer, the latest date for posting of remittances for the amounts due under the H Share Offer in respect of valid acceptances, the last day of trading of H Shares and voluntary withdrawal of listing of the H Shares will not take effect if there is a tropical cyclone warning signal number 8 above, or a "black" rainstorm warning, in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the such relevant date. Instead, such relevant date will be rescheduled to the same time on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

NOTICE TO OVERSEAS SHAREHOLDERS

The making of the H Share Offer to the Overseas H Shareholders and/or their ability to participate in the H Share Offer may be subject to the laws of the relevant jurisdictions. Overseas H Shareholders should observe any applicable legal or regulatory requirements. It is the responsibility of the Overseas H Shareholders wishing to accept the H Share Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction from such Overseas H Shareholders. Based on the H Share Register as at the Latest Practicable Date, none of the H Shareholders registered as a shareholder on the H Share Register is an Overseas H Shareholder.

In this Composite Document, the following impressions have the meanings set out below unless the context requires otherwise.

"acting in concert"	has the meaning given to it in the Takeovers Code, and "parties acting in concert" shall be construed accordingly
"associate"	has the meaning given to it in the Takeovers Code
"BAFE"	Beijing Administration of Foreign Exchange (北京外匯管理部)
"BDH"	Beijing District Heating (Group) Co., Ltd. (北京市熱力集團有限責任公司), a limited liability company incorporated in the PRC and wholly-owned by BEH
"BEET"	Beijing Enterprises Energy Technology Investment Co., Limited (北控能源科技投資有限公司), a private company limited by shares incorporated in Hong Kong and ultimately owned and controlled by Beijing SASAC
"BEET Confirmation and Undertaking"	the confirmation and undertaking issued by BEET in favour of the Offeror on 17 November 2020, details of which are disclosed in the section headed "Letter from the Board of the Company" of this Composite Document
"BEH" or "Offeror"	Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司), a limited liability company incorporated in the PRC and wholly-owned by BSCOMC
"BEI"	Beijing Energy Investment Holding (Hong Kong) Co., Limited (北京能源投資集團(香港)有限公司), a private company limited by shares incorporated in Hong Kong and wholly-owned by BEH
"Beijing SASAC"	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality (北京市人民政府國有資產監督管理委員會)
"BIEE"	Beijing International Electric Engineering Co., Ltd. (北京國際電氣工程有限責任公司), a limited liability company incorporated in the PRC and wholly-owned by BEH
"Board"	the board of Directors of the Company
"BSCOMC"	Beijing State-owned Capital Operation and Management Center (北京國有資本經營管理中心), which is wholly-owned by Beijing SASAC

"business day"	a day on which the Stock Exchange is open for the transaction of business
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Closing Date"	the date to be stated in the Composite Document as the first closing date of the H Share Offer or any subsequent closing date as may be announced by BEH and in compliance with the Takeovers Code
"CLSA"	CLSA Capital Markets Limited, the financial adviser to the Company in connection with the H Share Offer and a corporation licensed to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and an indirectly wholly-owned subsidiary of CITIC Securities Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6030)
"CLSA Group"	CLSA and persons controlling, controlled by or under the same control (with the meanings ascribed to such terms in the Takeovers Code) as CLSA
"Composite Document"	the composite document to be issued jointly by BEH and the Company to the Shareholders in connection with, among other things, the detailed terms of the H Share Offer, in accordance with the Takeovers Code and the Listing Rules
"Company"	Beijing Jingneng Clean Energy Co., Limited (北京京能清潔能源電力股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange since 22 December 2011
"Conditions"	the conditions of the H Share Offer, as set out under the section headed "Letter from CSCI – Conditions of the H Share Offer" of this Composite Document and "Condition" means any of them
"CPCR"	China Property & Casualty Reinsurance Company Ltd. (中國財產再保險有限責任公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of CRC
"CRC"	China Reinsurance (Group) Corporation (中國再保險(集團)股份有限公司), a joint stock company incorporated in the PRC with limited liability

"CSCI"	China Securities (International) Corporate Finance Company Limited, a licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities (as defined under SFO), being the financial adviser to the Offeror
"Delisting"	the voluntary withdrawal of the listing of the H Shares on the Stock Exchange
"Director(s)"	the director(s) of the Company
"Disclosure Period"	the period beginning six (6) months prior to the date of the Rule 3.7 Announcement and ending with the Latest Practicable Date, both dates inclusive
"Disinterested H Shares"	H Shares other than those held by the Offeror and parties acting in concert with it (including CRC, CPCR, BEI and BEET)
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
"Domestic Shareholders"	the registered holders of the Domestic Shares, namely, BSCOMC, BEH, BIEE and BDH
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"EGM"	the extraordinary general meeting of the Shareholders to be convened, and any adjournment thereof, for the purpose of approving the Delisting
"Final Closing Date"	29 March 12.7 (9) 0.0 FT1cc.0 FT1c,2.7 (a) each(those)1a parties and of and of s

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"H Share(s)"	overseas listed foreign share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
"H Share Class Meeting"	

"Latest Practicable Date"	28 December 2020, being the latest practicable date prior to the issue of this Composite Document for the purpose of ascertaining certain information contained in this Composite Document
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Offer Period"	has the meaning ascribed to it in the Takeovers Code and commencing from 6 July 2020, being the date of the 3.7 Announcement until 4:00 p.m. on the Closing Date, or such other time and/or date to which BEH may decide to extend the H Share Offer in accordance with the Takeovers Code
"Overseas H Shareholders"	H Shareholders who are not residents in Hong Kong
"PRC"	the People's Republic of China other than Hong Kong, the Macau Special Administrative Region and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Rule 3.5 Announcement"	the announcement dated 17 November 2020 jointly made by the Company and BEH pursuant to Rule 3.5 of the Takeovers Code in respect of BEH's intention to make a conditional voluntary cash general offer for the H Shares (other than those already held by BEH or parties acting in concert with it)
"Rule 3.7 Announcement"	the announcement dated 6 July 2020 made by the Company pursuant to Rule 3.7 of the Takeovers Code in respect of BEH's indication of its intention to make a conditional voluntary cash general offer for the H Shares (other than those already held by BEH or parties acting in concert with it)
"SASAC"	State-owned Assets Supervision and Administration Commission (國有資產監督管理委員會)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
"Shareholders"	H Shareholders and Domestic Shareholders
"Shares"	H Shares and Domestic Shares

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Code on Takeovers and Mergers published by the SFC
"Unconditional Date"	the date on which the H Share Offer becomes or is declared unconditional in all respects
"Undertaking"	

31 December 2020

To the H Shareholders

Dear Sir or madam,

(1) VOLUNTARY CONDITIONAL OFFER BY CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED ON BEHALF OF BEH TO ACQUIRE ALL OF THE ISSUED H SHARES IN THE COMPANY (OTHER THAN THOSE ALREADY HELD BY BEH AND PARTIES ACTING IN CONCERT WITH IT) AND (2) PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF THE H SHARES OF THE COMPANY

INTRODUCTION

On 17 November 2020 (after trading hours), the board of directors of BEH and the Board of the Company jointly announced that CSCI, on behalf of BEH, made a firm conditional voluntary cash general offer for the H Shares (other than those already held by BEH and parties acting in concert with it).

The H Share Offer is subject to the fulfilment of a number of Conditions as set out in this Composite Document, including the approval of the voluntary withdrawal of the listing of the H Shares on the Stock Exchange by the Independent H Shareholders at the H Share Class Meeting and the EGM.

This letter forms part of this Composite Document and sets out certain background information on BEH and the intention in relation to BEH.

Terms defined in this Composite Document have the same meaning when used in this letter.

THE H SHARE OFFER

Consideration for the H Share Offer

The H Share Offer will be made by CSCI on behalf of BEH on the following basis:

For each H Share	HK$2.70 in cash

The H Share Offer Price was determined after taking into account factors, including most recent published financial information of the Company and the Offeror's assessment of the Company's business, with reference to other privatisation transactions in Hong Kong in recent years.

BEH will not increase the H Share Offer Price for the H Share Offer as set out above. Shareholders and potential investors of the Company should be aware that, following the making of this statement, BEH will not be allowed to increase the H Share Offer Price and BEH does not reserve the right to increase the H Share Offer Price.

Comparison of Value

The H Share Offer Price under the H Share Offer represents:

(a) a premium of approximately 5.88% over the closing price of HK$2.55 per H Share as quoted on the Stock Exchange on 28 December 2020, being the Latest Practicable Date;

(b) a premium of approximately 70.89% over the closing price of HK$1.58 per H Share as quoted on the Stock Exchange on the last trading day prior to the publication of the Rule 3.7 Announcement;

(c) a premium of approximately 11.57% over the closing price of HK$2.42 per H Share as quoted on the Stock Exchange on the Last Trading Day;

(d) a premium of approximately 70.89% over the average closing price of HK$1.58 per H Share as quoted on the Stock Exchange for the last 5 trading days immediately prior to and including the last trading day prior to the publication of the Rule 3.7 Announcement;

(e) a premium of approximately 67.70% over the average closing price of HK$1.61 per H Share as quoted on the Stock Exchange for the last 30 trading days immediately prior to and including the last trading day prior to the publication of the Rule 3.7 Announcement;

(f) a premium of approximately 97.08% over the average closing price of HK$1.37 per H Share as quoted on the Stock Exchange for the last 90 trading days immediately prior to and including the last trading day prior to the publication of the Rule 3.7 Announcement;

(g) a premium of approximately 100.00% over the average closing price of HK$1.35 per H Share as quoted on the Stock Exchange for the last 180 trading days immediately prior to and including the last trading day prior to the publication of the Rule 3.7 Announcement;

(h) a discount of approximately 12.05% to audited consolidated net asset value attributable to the Shareholders of the Company (excluding the perpetual medium-term notes and prepared in accordance with IFRSs) of approximately HK$3.07 per Share as at 31 December 2019, based on the exchange rate of RMB1: HK$1.1163, being the median exchange rate on 31 December 2019 as announced by the People's Bank of China;

(i) a discount of approximately 12.90% to unaudited consolidated net asset value attributable to the Shareholders of the Company (excluding the perpetual medium-term notes and prepared in accordance with IFRSs) of approximately HK$3.10 per Share as at 30 June 2020, based on the exchange rate of RMB1: HK$1.0948, being the median exchange rate on 30 June 2020 as announced by the People's Bank of China; and

(j) a discount of approximately 18.43% to unaudited consolidated net asset value attributable to the Shareholders of the Company (excluding the perpetual medium-term notes and prepared in accordance with PRC Generally Accepted Accounting Principles (and there will be no material difference if IFRSs are to be adopted)) of approximately HK$3.31 per Share as at 30 September 2020, based on the exchange rate of RMB1: HK$1.1380, being the median exchange rate on 30 September 2020 as announced by the People's Bank of China.

Highest and lowest prices

During the period beginning on 6 January 2020 (being six months preceding the commencement of the Offer Period) up to and including the Latest Practicable Date, the highest closing price of the H Shares as quoted on the Stock Exchange was HK$2.56 on 3, 9, 10, 17, 18 and 21 December 2020 and the lowest closing price of the H Shares as quoted on the Stock Exchange was HK$1.07 on 23 and 24 March 2020.

Consideration

Based on the H Share Offer Price of HK$2.70 per H Share and 1,505,064,000 H Shares (representing the H Shares not already held by BEH and parties acting in concert with it) in issue as at the date of this Composite Document, the maximum value of the H Share Offer (assuming the H Share Offer is accepted in full and there is no change in the share capital of the Company) is approximately HK$4,063,672,800. The consideration will be paid in cash.

Settlement of consideration

The consideration of the H Share Offer will be settled as soon as possible and in any event within 7 business days (as defined under the Takeovers Code) following the date of receipt of a complete and valid acceptance in respect of the H Share Offer or the Unconditional Date, whichever is later.

Conditions of the H Share Offer

The H Share Offer is subject to the fulfilment of the following conditions:

(a) subject to Condition (c) below, the passing of a resolution by the Independent H Shareholders approving the Delisting at the H Share Class Meeting to be convened for this purpose, provided that:

(i) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy;

(ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;

(b) subject to Condition (c) below, the passing of a resolution by the Independent H Shareholders approving the Delisting at the EGM to be convened for this purpose, provided that:

(i) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy;

(ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;

(c) minimum valid acceptance of the H Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date amounting to at least 90% of the H Shares held by the Independent H Shareholders;

(d) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the H Share Offer (including its implementation) having been obtained and remaining in full force and effect pursuant to the provisions of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions;

(e) no action, decision, order, proceeding, enquiry or investigation having been taken or made by any relevant government, governmental, quasi-governmental, regulatory body, court or agent that has the effect of making unlawful, void or unenforceable or otherwise prohibiting or restricting the H Share Offer (including its implementation) or imposing any material conditions or obligations with respect to the H Share Offer (including its implementation) (other than such action, decision, order, proceeding, enquiry or investigation as would not have a material adverse effect on the legal ability of BEH to proceed with or consummate the H Share Offer);

(f) the granting of the waiver by the Executive from the requirements under Rule 2.2(c) of the Takeovers Code; and

(g) the filing or approval of Beijing SASAC and NDRC and the registration of BAFE in relation to the H Share Offer having been completed and remaining in full force and effect pursuant to the provisions of relevant laws and regulations in the PRC.

None of the Conditions can be waived. As at the date of this Composite Document, none of the Conditions has been fulfilled.

All the issued Domestic Shares are held by BEH and parties acting in concert with it, namely BSCOMC, BIEE and BDH, and therefore no class meeting of Domestic Shareholders will be convened for the purpose of approving the Delisting and the Domestic Shareholders are not entitled to vote in the EGM to be convened for approving the Delisting.

According to the applicable PRC laws and regulations, the H Share Offer requires the filing or approval of Beijing SASAC and NDRC, the registration of BAFE and the other applicable governmental filings or approvals, and such regulatory requirements shall be complied with, irrespective of the funding arrangement mentioned in the paragraph headed "Confirmation of financial resources in respect of the H Share Offer" of this Composite Document. As at the date of this Composite Document, the Offeror has completed the filing with NDRC and submitted the application documents to Beijing SASAC for approval in relation to the H Share Offer. To the best knowledge of the Offeror, the approval of Beijing SASAC is expected to be obtained by early January 2021. Upon obtaining the approval of Beijing SASAC, the Offeror will register with BAFE and it is expected that the registration with BAFE will be completed by early February 2021. The above timetable for the approval of Beijing SASAC and the registration of BAFE is subject to changes and further announcement will be made in respect of any change. According to the applicable PRC laws and regulations, each of the filing or approval of Beijing SASAC and NDRC, the registration of BAFE and the other applicable governmental filings or approvals is required to be completed prior to the completion of the H Share Offer. Save as disclosed above, as at the Latest Practicable Date, BEH and the Company have not identified any governmental or regulatory approval required for the completion of the H Share Offer.

The Board confirms that as at the Latest Practicable Date, no third party consent in relation to the H Share Offer is required pursuant to any agreement to which any member of the Group is a party.

In addition to the Conditions set out above, the H Share Offer is made on the basis that acceptance of the H Share Offer by any person will constitute a warranty by such person or persons to BEH that the H Shares acquired under the H Share Offer are sold by such person or persons free from all third party rights, liens, charges, equities, adverse interests and encumbrances whatsoever and together with all rights attaching thereto as at the date of this Composite Document or subsequently becoming attached to them, and including the right to receive all dividends (whether final or interim) and other distributions, if any, declared and where the record date for such entitlement is on or after the date of this Composite Document.

The H Share Offer will be made in compliance with the Takeovers Code, which is administered by the Executive. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, BEH will not invoke any of the conditions above so as to cause the H Share Offer to lapse unless the circumstances which give rise to a right to invoke the condition are of material significance to BEH in the context of the H Share Offer. Except with the consent of the Executive, if any of the Conditions is not satisfied within 21 days of the first Closing Date or the date the H Share Offer becomes or is declared unconditional as to acceptances, whichever is the later, the H Share Offer will lapse.

Under the terms of the H Share Offer, the H Shares will be acquired with all rights attached thereto as at the date of this Composite Document or which subsequently become attached thereto, including the right to receive all dividends (whether final or interim) and other distributions, if any, declared, and where the record date for such entitlement is on or after the date of the Rule 3.5 Announcement and free from all third party rights, liens, charges, equities, adverse interests and encumbrances whatsoever.

As at the Latest Practicable Date, the Company has not declared any dividends, the record date of which falls on or after the date of this Composite Document. The Company does not have any intention to declare, make or pay any future dividends or make other distributions until the Closing Date.

Completion of the H Share Offer

The H Share Offer will initially be open for acceptances for at least 21 days from the date of the Composite Document. The latest time on which the Offeror can declare the H Share Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Composite Document, being 1 March 2021 (or such later date to which the Executive may consent). Once all the Conditions have been satisfied, the H Share Offer will be declared unconditional in all respects and the H Share Offer should remain open for acceptance for not less than 28 days in compliance with the note to Rule 2.2 and Rule 15.3 of the Takeovers Code before the H Share Offer is closed in order to allow sufficient time for those H Shareholders who have not initially accepted the H Share Offer to accept the H Share Offer or to process the transfer of their H Shares.

BEH and the Company will issue an announcement in relation to the extension or lapse of the H Share Offer or the fulfilment of the Conditions in accordance with the Takeovers Code and the Listing Rules. The latest time on which BEH can declare the H Share Offer unconditional as to acceptance is 7:00 p.m. on the 60th day after the posting of the Composite Document, being 1 March 2021 (or such later date to which the Executive may consent).

WARNING

The Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects and the H Shares are delisted from the Stock Exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Stock Exchange and the liquidity of the H Shares may be severely reduced. Independent H Shareholders should take note that they may vote against the delisting proposal, and that if more than 10% of the Disinterested H Shares are voted against the delisting proposal, the H Share Offer will not become unconditional and the H Shares will remain listed.

REASONS FOR AND BENEFITS ON THE H SHARE OFFER AND THE DELISTING

Since the Company's business requires relatively high capital investments, equity financing is essential for the Company's long-term growth and maintenance of its market competitiveness. However, pursuant to relevant regulations imposed by SASAC, the Company has not been able to access capital through equity financing as its price-to-book ratio fell below one. Without external equity financing capability, the Company has lost the main advantage of a listing platform.

BEH is of the view that the privatisation of the Company will help enhance the flexibility and efficiency of the Company's future business development, and facilitate the integration of the business of the Company and BEH.

During the period from 6 January 2020 (i.e. six months preceding the commencement of the Offer Period) up to and including 28 December 2020 (i.e. the Latest Practicable Date), the highest closing price of the H Shares as quoted on the Stock Exchange was HK$2.56 on 3, 9, 10, 17, 18 and 21 December 2020 and the lowest closing price of the H Shares as quoted on the Stock Exchange was HK$1.07 on 23 and 24 March 2020. BEH believes that the H Share Offer, if implemented, offers all H Shareholders (excluding BEH and parties acting in concert with it) an excellent opportunity to realise their investments in the Company with relatively low liquidity at a cash consideration which represents an attractive premium over the market price of the H Shares. The H Share Offer also allows the H Shareholders to redeploy capital from accepting the H Share Offer into other investment opportunities that they may consider more attractive in the current market environment.

INTENTION IN RESPECT OF THE COMPANY

If the H Share Offer is completed, BEH intends that the Group will continue to carry on its existing business and, save for transactions in the ordinary course of business, does not expect there to be a redeployment of the fixed assets of the Group. Under current market conditions, BEH has no plans to effect any redundancies in respect of the employees of the Group (other than in the ordinary course of business). As at the date of this Composite Document, BEH has no plan for listing of the shares of the Company on the other stock exchanges after the Delisting.

Delisting

Upon the H Share Offer becoming unconditional, the Company will make an application for the Delisting in accordance with Rule 6.12 of the Listing Rules. The H Shareholders will be notified by way of an announcement of the date of the last day for dealing in the H Shares and on which the Delisting will become effective.

No right of compulsory acquisition

BEH has no rights under the laws of the PRC and the articles of association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, the Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Stock Exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Stock Exchange and the liquidity of such shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code after the completion of the H Share Offer depending on whether it remains as a public company in Hong Kong thereafter. Independent H Shareholders should take note that they may vote against the delisting proposal, and that if more than 10% of the Disinterested H Shares are voted against the delisting proposal, the H Share Offer will not become unconditional and the H Shares will remain listed.

The Offeror has applied to the Executive for a waiver from the requirements under Rule 2.2(c) of the Takeovers Code.

CONFIRMATION OF FINANCIAL RESOURCES IN RESPECT OF THE H SHARE OFFER

BEH will finance such cash consideration and the buyer's ad valorem stamp duty for the H Share Offer by a loan facility provided by Industrial Bank Co., Ltd. to BEH.

BEH has no intention for the payment of interest on, repayment of or security for any liability (contingent or otherwise) relating to the loan facility to depend on any significant extent on the business of the Company.

CSCI, the financial adviser to BEH in respect of the H Share Offer is satisfied that sufficient financial resources are available to BEH to satisfy full acceptance of the H Share Offer.

INFORMATION AND PRINCIPAL BUSINESS OF BEH

BEH is wholly owned by BSCOMC. The predecessor of BEH is Beijing International Electricity Development Investment Corporation (北京國際電力開發投資公司), which was established in 1993 and subsequently merged with Beijing Comprehensive Investment Corporation (北京市綜合投資公司), Beijing Heat Energy Group Co., Ltd. (北京市熱力集團有限責任公司) and Beijing Jingmei Group Co., Ltd. (北京京煤集團有限責任公司). BEH is an integrated energy services provider with a registered capital of RMB21.3 billion and is involved in the production and provision of electricity and heating power, production and sale of coals, real estate development and property management services.

BEH directly owns 5,081,793,482 Domestic Shares, representing approximately 93.85% of the total issued Domestic Shares and approximately 61.64% of the total issued share capital of the Company.

BSCOMC, the sole shareholder of BEH, directly owns 224,348,291 Domestic Shares, representing approximately 4.14% of the total issued Domestic Shares and approximately 2.72% of the total issued share capital of the Company. BSCOMC was established by Beijing SASAC as an enterprise owned by the whole people (全民所有制企業).

BIEE, a wholly-owned subsidiary of BEH, directly owns 92,654,249 Domestic Shares, representing approximately 1.71% of the total issued Domestic Shares and approximately 1.12% of the total issued share capital of the Company.

BDH, a wholly-owned subsidiary of BEH, directly owns 16,035,322 Domestic Shares, representing approximately 0.30% of the total issued Domestic Shares and approximately 0.19% of the total issued share capital of the Company.

BEH, BSCOMC, BIEE and BDH own the entire issued Domestic Shares.

BEI, a wholly-owned subsidiary of BEH, directly owns 471,612,800 H Shares, representing approximately 16.67% of the total issued H Shares and approximately 5.72% of the total issued share capital of the Company.

BEET, a company ultimately owned and controlled by Beijing SASAC and a party presumed to be acting in concert with BEH for the purpose of the Takeovers Code, directly owns 196,964,000 H Shares, representing approximately 6.96% of the total issued H Shares and approximately 2.39% of the total issued share capital of the Company. On 17 November 2020, BEET issued the BEET Confirmation and Undertaking in favour of BEH, pursuant to which BEET (i) confirmed that the H Share Offer will not be made to it; and (ii) has undertaken that it will not participate in the H Share Offer and therefore will not sell any of its H Shares to BEH.

Therefore, H Shares owned by BEI and BEET will not be voted on in the EGM and the H Share Class Meeting.

There was no dealing in securities of the Company during the six-month period prior to the date of the Rule 3.7 Announcement by BEH and parties acting in concert with it.

THE UNDERTAKING FROM CRC AND CPCR

As at the date of this Composite Document, CRC and its wholly-owned subsidiary, CPCR in aggregate hold 656,036,000 H Shares, representing approximately 23.18% of the total issued H Shares and approximately 7.96% of the total issued share capital of the Company. On 17 November 2020, the Offeror received the Undertaking from CRC and CPCR, pursuant to which CRC and CPCR have irrevocably and unconditionally undertaken that:

(a) from (and including) the date of the Undertaking to (and including) the earlier of (aa) the date when the H Share Offer closes for acceptances; or (bb) the date when the H Share Offer lapses:

    (i) CRC and CPCR will not participate in the H Share Offer, and none of the H Shares held by CRC and CPCR shall constitute the Disinterested H Shares, and therefore CRC and CPCR will not sell any of its H Shares to the Offeror, and CRC and CPCR will not receive any consideration in respect of the H Share Offer; and

    (ii) CRC and CPCR will not (1) sell or otherwise dispose of any of its H Shares; or (2)

Prior to entering into the Undertaking, CRC and CPCR did not have any relationship with the Offeror which may cause themselves being parties acting in concert with the Offeror. As a result of the Undertaking, CRC and CPCR are parties acting in concert with the Offeror for the purpose of the Takeovers Code. Therefore, none of the H Shares held by CRC and CPCR shall constitute the Disinterested H Shares and will not be voted on in the EGM and/or the H Share Class Meeting. As at the date of this Composite Document, no consideration, compensation or benefit in whatever form has been provided by the Offeror or parties acting in concert with it to any of CRC, CPCR or parties acting in concert with any of them in connection with the Undertaking.

After the Delisting, the rights of CRC and CPCR as Shareholders of the Company under the PRC laws and regulations will be the same as those of Independent H Shareholders not tendering the H Shares for acceptance under the H Share Offer. As at the date of this Composite Document, no treatment or benefit different to that of such Independent H Shareholders has been given or agreed to be given to CRC or CPCR.

ADDITIONAL INFORMATION

In considering what action to take in connection with the H Share Offer and the Delisting, you should consider your own tax position and, if you are in any doubt, you should consult your professional advisers. In making your decision, the Independent H Shareholders must rely on their own examination of the terms of the H Share Offer and the Delisting, including the merits and risks involved. Independent H Shareholders should consult their own professional advisers for professional advice.

You are also urged to read carefully (a) the letter from the Board of the Company from pages 17 to 26 of this Composite Document; (b) the letter from the Independent Board Committee from pages 27 to 28 of this Composite Document; (c) the letter from Gram Capital from pages 29 to 51 of this Composite Document; (d) the procedures for acceptance of the H Share Offer as set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance; (e) the details for meetings to be convened for approving the Delisting as set out in the section headed "The EGM and the H Share Class Meeting" in the "Letter from the Board of the Company" in this Composite Document; (f) the report from Deloitte Touche Tohmatsu on the Profit Estimate from pages III-1 to III-3 of this Composite Document; (g) the report from Gram Capital on the Profit Estimate from pages IV-1 to IV-2 of this Composite Document and (h) other information as set out in the appendices to this Composite Document which form part of this Composite Document.

Yours faithfully
For and on behalf of
China Securities (International) Corporate Finance Company Limited
George Yen
Executive Director

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)

Executive Directors:
Mr. Zhang Fengyang *(Chairman)*
Mr. Cao Mansheng

Non-executive Directors:
Mr. Ren Qigui
Ms. Li Juan
Mr. Wang Bangyi

Independent non-executive Directors:
Mr. Huang Xiang
Mr. Chan Yin Tsung
Mr. Han Xiaoping
Mr. Xu Daping

Registered office:
Room 118, No.1 Ziguang East Road,
Badaling Economic Development Zone,
Yanqing District, Beijing, the PRC

Principal place of business in the PRC:
7/8 Floor, No.6 Xibahe Road,
Chaoyang District, Beijing, the PRC

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

31 December 2020

To the H Shareholders

Dear Sir/Madam,

(1) VOLUNTARY CONDITIONAL OFFER BY CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED ON BEHALF OF BEH TO ACQUIRE ALL OF THE ISSUED H SHARES IN THE COMPANY (OTHER THAN THOSE ALREADY HELD BY BEH AND PARTIES ACTING IN CONCERT WITH IT)
AND
(2) PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF THE H SHARES OF THE COMPANY

INTRODUCTION

Reference is made to the Rule 3.5 Announcement dated 17 November 2020 jointly made by the Company and BEH in relation to the H Share Offer and the Delisting.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among others: (a) further details of the H Share Offer; (b) the expected timetable relating to the H Share Offer; (c) the Delisting; (d) the "Letter from CSCI" containing the details of the H Share Offer and the Delisting; (e) the "Letter from the Independent Board Committee" containing its recommendations to the Independent H Shareholders on the H Share Offer and the Delisting; (f) the "Letter from Gram Capital" containing its advice to the Independent Board Committee in respect of the H Share Offer and the Delisting.

CONFLICT OF INTEREST

Mr. Ren Qigui, Ms. Li Juan, and Mr. Wang Bangyi, each being a non-executive Director, will not serve as members of the Independent Board Committee because of their respective current positions at BEH and/or the parties acting in concert with it. Mr. Ren Qiqui (任啟貴) has been serving as a full-time investment director of BEH and a director of BDH since March 2019; a director of Beijing Jingmei Group Co., Ltd. (北京京煤集團有限責任公司), a wholly-owned subsidiary of BEH, since April 2019; and a director of Beijing Jingneng Power Co., Ltd. (北京京能電力股份有限公司), which is ultimately controlled by BEH, since June 2019. Ms. Li Juan (李娟) has been the senior manager of the second department of investment management of BSCOMC since March 2018. Mr. Wang Bangyi (王邦宜) has been serving as the general manager of China Re Asset Management (Hong Kong) Co., Ltd., a subsidiary of CRC, since April 2017.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives an offer must establish an independent committee of the board to make a recommendation (i) as to whether the offer is, or is not, fair and reasonable and (ii) as to acceptance or voting. Mr. Huang Xiang, Mr. Chan Yin Tsung, Mr. Han Xiaoping and Mr. Xu Daping, each being an independent non-executive Director, have been appointed as members of the Independent Board Committee in respect of the H Share Offer and the Delisting.

The Company has appointed and the Independent Board Committee has approved the appointment of Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee in respect of the H Share Offer and the Delisting, in particular, as to whether the H Share Offer is fair and reasonable and as to acceptance and voting.

Conditions of the H Share Offer

The H Share Offer is subject to the fulfilment of the following conditions:

(a) Subject to Condition (c) below, the passing of a resolution by the Independent H Shareholders approving the Delisting at the H Share Class Meeting to be convened for this purpose, provided that:

(i) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy;

(ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;

(b) subject to Condition (c) below, the passing of a resolution by the Independent H Shareholders approving the Delisting at the EGM to be convened for this purpose, provided that:

(i) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy;

(ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;

(c) minimum valid acceptance of the H Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date amounting to at least 90% of the H Shares held by the Independent H Shareholders;

(d) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the H Share Offer (including its implementation) having been obtained and remaining in full force and effect pursuant to the provisions of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions;

(e) no action, decision, order, proceeding, enquiry or investigation having been taken or made by any relevant government, governmental, quasi-governmental, regulatory body, court or agent that has the effect of making unlawful, void or unenforceable or otherwise prohibiting or restricting the H Share Offer (including its implementation) or imposing any material conditions or obligations with respect to the H Share Offer (including its implementation) (other than such action, decision, order, proceeding, enquiry or investigation as would not have a material adverse effect on the legal ability of BEH to proceed with or consummate the H Share Offer);

(f) the granting of the waiver by the Executive from the requirements under Rule 2.2(c) of the Takeovers Code; and

(g) the filing or approval of Beijing SASAC and NDRC and the registration of BAFE in relation to the H Share Offer having been completed and remaining in full force and effect pursuant to the provisions of relevant laws and regulations in the PRC.

None of the Conditions can be waived. As of the Latest Practicable Date, none of the Conditions has been fulfilled.

All the issued Domestic Shares are held by BEH and parties acting in concert with it, namely BSCOMC, BIEE and BDH, and therefore no class meeting of Domestic Shareholders will be convened for the purpose of approving the Delisting and the Domestic Shareholders are not entitled to vote in the EGM to be convened for approving the Delisting.

According to the applicable PRC laws and regulations, the H Share Offer requires the filing or approval of Beijing SASAC and NDRC, the registration of BAFE and the other applicable governmental filings or approvals, and such regulatory requirements shall be complied with, irrespective of the funding arrangement mentioned in the paragraph headed "Confirmation of financial resources in respect of the H Share Offer" of this Composite Document. As at the date of this Composite Document, the Offeror has completed the filing with NDRC and submitted the application documents to Beijing SASAC for approval in relation to the H Share Offer. To the best knowledge of the Offeror, the approval of Beijing SASAC is expected to be obtained by early January 2021. Upon obtaining the approval of Beijing SASAC, the Offeror will register with BAFE and it is expected that the registration with BAFE will be completed by early February 2021. The above timetable for the approval of Beijing SASAC and the registration of BAFE is subject to changes and further announcement will be made in respect of any change. According to the applicable PRC laws and regulations, each of the filing or approval of Beijing SASAC and NDRC, the registration of BAFE and the other applicable governmental filings or approvals is required to be completed prior to the completion of the H Share Offer. Save as disclosed above, as at the Latest Practicable Date, BEH and the Company have not identified any governmental or regulatory approval required for the completion of the H Share Offer.

The Board confirms that as at the Latest Practicable Date, no third party consent in relation to the H Share Offer is required pursuant to any agreement to which any member of the Group is a party.

In addition to the Conditions set out above, the H Share Offer is made on the basis that acceptance of the H Share Offer by any person will constitute a warranty by such person or persons to BEH that the H Shares acquired under the H Share Offer are sold by such person or persons free from all third party rights, liens, charges, equities, adverse interests and encumbrances whatsoever and together with all rights attaching thereto as at the Latest Practicable Date or subsequently becoming attached to them, and including the right to receive all dividends (whether final or interim) and other distributions, if any, declared and where the record date for such entitlement is on or after the Latest Practicable Date.

As at the Latest Practicable Date, the Company has not declared any dividends, the record date of which falls on or after the date of this Composite Document. The Company does not have any intention to declare, make or pay any future dividends or make other distributions until the Final Closing Date.

The H Share Offer will be made in compliance with the Takeovers Code, which is administered by the Executive. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, BEH will not invoke any of the conditions above so as to cause the H Share Offer to lapse unless the circumstances which give rise to a right to invoke the condition are of material significance to BEH in the context of the H Share Offer. Except with the consent of the Executive, if any of the Conditions is not satisfied within 21 days of the First Closing Date or the date the H Share Offer becomes or is declared unconditional as to acceptances, whichever is the later, the H Share Offer will lapse.

Completion of the H Share Offer

Except with the consent of the Executive, if any of the Conditions is not satisfied within 21 days of the First Closing Date or of the date the H Share Offer becomes or is declared unconditional as to acceptances, whichever is the later, the H Share Offer will lapse.

BEH and the Company will issue an announcement in relation to the extension or lapse of the H Share Offer or the fulfilment of the Conditions in accordance with the Takeovers Code and the Listing Rules. The latest time on which BEH can declare the H Share Offer unconditional as to acceptance is 7:00 p.m. on the 60th day after the posting of the Composite Document, being 1 March 2021 (or such later date to which the Executive may consent).

WARNING

The H Share Offer is conditional upon the satisfaction of the Conditions as described in this Composite Document in all aspects. Accordingly, the H Share Offer may or may not become unconditional and the issue of this Composite Document does not imply that the H Share Offer or the Delisting will be completed. Shareholders and/or potential investors of the Company should therefore exercise caution when dealing in the securities of the Company (including the H Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

INFORMATION AND PRINCIPAL BUSINESS OF BEH

BEH is wholly owned by BSCOMC. The predecessor of BEH is Beijing International Electricity Development Investment Corporation (北京國際電力開發投資公司), which was established in 1993 and subsequently merged with Beijing Comprehensive Investment Corporation (北京市綜合投資公司), Beijing Heat Energy Group Co., Ltd. (北京市熱力集團有限責任公司) and Beijing Jingmei Group Co., Ltd. (北京京煤集團有限責任公司). BEH is an integrated energy services provider with a registered capital of RMB21.3 billion and is involved in the production and provision of electricity and heating power, production and sale of coals, real estate development and property management services.

BEH directly owned 5,081,793,482 Domestic Shares, representing approximately 93.85% of the total issued Domestic Shares and approximately 61.64% of the total issued share capital of the Company.

BSCOMC, the sole shareholder of BEH, directly owned 224,348,291 Domestic Shares, representing approximately 4.14% of the total issued Domestic Shares and approximately 2.72% of the total issued share capital of the Company. BSCOMC was established by Beijing SASAC as an enterprise owned by the whole people (全民所有制企業).

BIEE, a wholly-owned subsidiary of BEH, directly owned 92,654,249 Domestic Shares, representing approximately 1.71% of the total issued Domestic Shares and approximately 1.12% of the total issued share capital of the Company.

BDH, a wholly-owned subsidiary of BEH, directly owned 16,035,322 Domestic Shares, representing approximately 0.30% of the total issued Domestic Shares and approximately 0.19% of the total issued share capital of the Company.

Therefore, BEH, BSCOMC, BIEE and BDH own the entire issued Domestic Shares.

BEI, a wholly-owned subsidiary of BEH, directly owned 471,612,800 H Shares, representing approximately 16.67% of the total issued H Shares and approximately 5.72% of the total issued share capital of the Company.

BEET, a company ultimately owned and controlled by Beijing SASAC and a party presumed to be acting in concert with BEH for the purpose of the Takeovers Code, directly owned 196,964,000 H Shares, representing approximately 6.96% of the total issued H Shares and approximately 2.39% of the total issued share capital of the Company. On 17 November 2020, BEET issued the BEET Confirmation and Undertaking in favour of BEH, pursuant to which BEET (i) confirmed that the H Share Offer will not be made to it; and (ii) has undertaken that it will not participate in the H Share Offer and therefore will not sell any of its H Shares to BEH.

Therefore, H Shares owned by BEI and BEET will not be voted on in the EGM and the H Share Class Meeting.

INTENTION IN RESPECT OF THE COMPANY

If the H Share Offer is completed, BEH intends that the Group will continue to carry on its existing business and, save for transactions in the ordinary course of business, does not expect there to be a redeployment of the fixed assets of the Group. Under current market conditions, BEH has no plans to effect any redundancies in respect of the employees of the Group (other than in the ordinary course of business). As at the Latest Practicable Date, BEH has no plan for listing of the shares of the Company on the other stock exchange after the Delisting.

Delisting

Upon the H Share Offer becoming unconditional, the Company will make an application for the Delisting in accordance with Rule 6.12 of the Listing Rules. The H Shareholders will be notified by way of an announcement of the date of the last day for dealing in the H Shares and on which the Delisting will become effective.

No right of compulsory acquisition

BEH has no rights under the laws of the PRC and the articles of association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, the Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Stock Exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Stock Exchange and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code after the completion of the H Share Offer depending on whether it remains as a public company in Hong Kong thereafter. Independent H Shareholders should take note that they may vote against the delisting proposal, and that if more than 10% of the Disinterested H Shares are voted against the delisting proposal, the H Share Offer will not become unconditional and the H Shares will remain listed.

The Offeror has applied to the Executive for a waiver from the requirements under Rule 2.2(c) of the Takeovers Code.

INFORMATION AND PRINCIPAL BUSINESS OF THE COMPANY

Principal activities of the Company

The Company is involved in gas-fired power and heat energy generation, wind power, photovoltaic power, small-to-medium-sized hydropower and other clean energy generation businesses in a number of provinces, municipalities and autonomous regions, such as Beijing, Inner Mongolia, Ningxia, Sichuan, Hunan and Guangdong.

Financial information of the Company

Below is a summary of (i) the audited consolidated results of the Company for each of the two

Shareholding in the Company

As at the Latest Practicable Date, the Company has 8,244,508,144 Shares in issue, consisting of 5,414,831,344 Domestic Shares and 2,829,676,800 H Shares. The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately after the completion of the H Share Offer (assuming that the H Share Offer is fully accepted by the Independent H Shareholders).

	As at the Latest Practicable Date		**Immediately after the completion of the H Share Offer (assuming the H Share Offer is fully accepted by the Independent H Shareholders)**	
	Number of Shares	*Approximately % of the total issued share capital of the Company*	*Number of Shares*	*Approximately % of the total issued share capital of the Company*
Domestic Shares	5,414,831,344	65.68%	5,414,831,344	65.68%
BEH [(1)]	5,081,793,482	61.64%	5,081,793,482	61.64%
BSCOMC [(2)]	224,348,291	2.72%	224,348,291	2.72%
BIEE [(3)]	92,654,249	1.12%	92,654,249	1.12%
BDH [(4)]	16,035,322	0.19%	16,035,322	0.19%
Total Domestic Shares held by BEH and parties acting in concert with it	5,414,831,344	65.68%	5,414,831,344	65.68%
H Shares	2,829,676,800	34.32%	2,829,676,800	34.32%
CRC [(5)]	459,332,000	5.57%	459,332,000	5.57%
CPCR [(5)]	196,704,000	2.39%	196,704,000	2.39%
BEI [(6)]	471,612,800	5.72%	471,612,800	5.72%
BEET [(7)]	196,964,000	2.39%	196,964,000	2.39%
BEH	0	0%	1,505,064,000	18.26%
Total H Shares held by BEH and parties acting in concert with it	1,324,612,800	16.07%	2,829,676,800	34.32%
Independent H Shareholders	1,505,064,000	18.26%	0	0%
Total Shares in issue	8,244,508,144	100%	8,244,508,144	100%

Notes:

(1) BEH directly owned 5,081,793,482 Domestic Shares, representing approximately 93.85% of the total issued Domestic Shares and approximately 61.64% of the total issued share capital of the Company.

(2) BSCOMC, the sole shareholder of BEH, directly owned 224,348,291 Domestic Shares, representing approximately 4.14% of the total issued Domestic Shares and approximately 2.72% of the total issued share capital of the Company.

(3) BIEE, a wholly-owned subsidiary of BEH, directly owned 92,654,249 Domestic Shares, representing approximately 1.71% of the total issued Domestic Shares and approximately 1.12% of the total issued share capital of the Company.

(4) BDH, a wholly-owned subsidiary of BEH, directly owned 16,035,322 Domestic Shares, representing approximately 0.30% of the total issued Domestic Shares and approximately 0.19% of the total issued share capital of the Company.

(5) CRC directly owned 459,332,000 H Shares and its wholly-owned subsidiary, CPCR directly owns 196,704,000 H Shares. CRC and CPCR in aggregate own 656,036,000 H Shares, representing approximately 23.18% of the total issued H Shares and approximately 7.96% of the total issued share capital of the Company. CRC is owned by Central Huijin Investment Ltd. (中央匯金投資有限責任公司) as to approximately 71.56%. CRC and CPCR are parties acting in concert with the Offeror for the purpose of the Takeovers Code as a result of the Undertaking.

(6) BEI, a wholly-owned subsidiary of BEH, directly owned 471,612,800 H Shares, representing approximately 16.67% of the total issued H Shares and approximately 5.72% of the total issued share capital of the Company.

(7) BEET directly owned 196,964,000 H Shares, representing approximately 6.96% of the total issued H Shares and approximately 2.39% of the total issued share capital of the Company. BEET is presumed to be acting in concert with the Offeror for the purpose of the Takeovers Code as it is ultimately owned and controlled by Beijing SASAC. On 17 November 2020, BEET issued a confirmation and undertaking in favour of the Offeror, pursuant to which BEET (i) confirmed the H Share Offer will not be made to it; and (ii) has undertaken that it will not participate in the H Share Offer and therefore will not sell any of its H Shares to the Offeror.

Your attention is drawn on the further financial and general information of the Group which is set out in Appendices II and V to this Composite Document.

THE EGM AND H SHARE CLASS MEETING

The EGM will be convened to approve the Delisting at 10:00 a.m. on Friday, 19 February 2021 and the H Share Class Meeting will be convened to approve the Delisting at 11:00 a.m. on Friday, 19 February 2021, respectively. A notice of the EGM is set out in Appendix VI to this Composite Document. A notice of the H Share Class Meeting is set out in Appendix VII to this Composite Document. BEH and the parties acting in concert with it (including BSCOMC, BIEE, BDH, BEI, BEET, CRC and CPCR) will abstain from voting in respect of all such Shares in the EGM and the H Share Class Meeting in accordance with Rule 2.2 of the Takeovers Code.

Whether or not you are able to attend the EGM and/or the H Share Class Meeting or any adjournment thereof, you are strongly urged to complete the accompanying proxy form(s) in accordance with the instructions printed thereon and return the same to the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than twenty-four (24) hours before the time appointed for the EGM and the H Share Class Meeting.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and the H Share Class Meeting or any adjournment thereof, should you so wish. In the event that you attend and vote at any of the EGM and the H Share Class Meeting or any adjournment thereof after having deposited the relevant form of proxy, that form of proxy will be deemed to have been revoked.

You are requested to complete the accompanying reply slip in accordance with the instructions printed thereon and return the same to the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong on or before Friday, 29 January 2021. Shareholders can still attend and vote at the EGM and/or the H Share Class Meeting even if no reply slip is completed and returned. Voting at the EGM and the H Share Class Meeting will be taken by way of poll as required under the Listing Rules and the Takeovers Code.

RECOMMENDATION

Your attention is drawn to (i) the "Letter from the Independent Board Committee" as set out from pages 27 to 28 of this Composite Document, which contains the recommendations of the Independent Board Committee to the Independent H Shareholders in respect of the H Share Offer and the Delisting, and (ii) the "Letter from Gram Capital" as set out from pages 29 to 51 of this Composite Document, which contains the advice of Gram Capital to the Independent Board Committee in respect of the H Share Offer and the Delisting and the principal factors considered by it before arriving at its advice and recommendation.

ADDITIONAL INFORMATION

The Independent H Shareholders are urged to read the aforesaid letters, this Composite Document together with the accompanying Form of Acceptance carefully before taking any action in respect of the H Share Offer and the Delisting. Your attention is also drawn to the additional information contained in the appendices to this Composite Document. Finally, in considering what action to take in response to the H Share Offer and the Delisting, you should also consider your own tax positions, if any, and in case of doubt, consult your professional advisers.

Yours faithfully
By order of the Board of
Beijing Jingneng Clean Energy Co., Limited
Mr. Zhang Fengyang
Chairman

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)

31 December 2020

To the Independent H Shareholders

Dear Sir/Madam,

(1) VOLUNTARY CONDITIONAL OFFER BY CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED ON BEHALF OF BEH TO ACQUIRE ALL OF THE ISSUED H SHARES IN THE COMPANY (OTHER THAN THOSE ALREADY HELD BY BEH AND PARTIES ACTING IN CONCERT WITH IT) AND (2) PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF THE H SHARES OF THE COMPANY

INTRODUCTION

We refer to the Composite Document dated 31 December 2020 jointly issued by the Company and BEH of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meanings as those defined in the Composite Document.

We have been appointed to form the Independent Board Committee to consider the terms of the H Share Offer and the Delisting and to make a recommendation to the Independent H Shareholders as to whether, in our opinion, the terms of the H Share Offer and the Delisting are fair and reasonable so far as the Independent H Shareholders are concerned, and as to the acceptance of the H Share Offer and the voting of the Delisting. Gram Capital has been appointed as the Independent Financial Adviser to advise us in this respect. Details of Gram Capital's advice and the principal factors and reasons taken into consideration in arriving at its advice and recommendations are set out in the "Letter from Gram Capital" from pages 29 to 51 of the Composite Document.

We also wish to draw your attention to the "Letter from the Board of the Company", the "Letter from CSCI" and the additional information set out in the appendices to the Composite Document.

We, being the members of the Independent Board Committee, have declared that, we are independent and do not have any conflict of interest in respect of the H Share Offer and the Delisting or any direct or indirect interest therein and are therefore able to consider the terms of the H Share Offer and the Delisting and to make recommendations to the Independent H Shareholders.

RECOMMENDATIONS

Having taken into account the terms of the H Share Offer and the Delisting, together with the advice and recommendations from Gram Capital, we are of the opinion that the terms of the H Share Offer and the Delisting are fair and reasonable so far as the Independent H Shareholders are concerned and therefore we recommend the Independent H Shareholders to (i) accept the H Share Offer; and (ii) vote in favour of the resolution approving the Delisting at the EGM and the H Share Class Meeting.

Notwithstanding our recommendation, the Independent H Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. If in doubt, the Independent H Shareholders should consult their own professional advisers for professional advice.

Furthermore, the Independent H Shareholders who wish to accept the H Share Offer are recommended to read carefully the procedures for accepting the H Share Offer as detailed in the Composite Document and the accompanying Form of Acceptance.

Yours faithfully,
For and on behalf of
Independent Board Committee

Mr. Huang Xiang **Mr. Chan Yin Tsung** **Mr. Han Xiaoping** **Mr. Xu Daping**

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee in respect of the H Share Offer and the Delisting for the purpose of inclusion in this Composite Document.