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北京能源國際控股有限公司

Beijing Energy International Holding Co., Ltd.

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

DISCLOSEABLE TRANSACTION FINANCE LEASE AGREEMENT

THE FINANCE LEASE AGREEMENT

On 30 August 2021 (after trading hours), Jiangshan Yongchen, an indirect wholly-owned subsidiary of the Company, and CDB Financial Leasing entered into the Finance Lease Agreement, pursuant to which CDB Financial Leasing agreed to purchase the Leased Assets from Jiangshan Yongchen for a total consideration of RMB500 million, which shall then be leased back to Jiangshan Yongchen, subject to the terms and conditions provided therein.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transaction contemplated under the Finance Lease Agreement exceeds 5% but less than 25%, the transaction contemplated under the Finance Lease Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 30 August 2021 (after trading hours), Jiangshan Yongchen, an indirect wholly-owned subsidiary of the Company, and CDB Financial Leasing entered into the Finance Lease Agreement, pursuant to which CDB Financial Leasing agreed to purchase the Leased Assets from Jiangshan Yongchen for a total consideration of RMB500 million, which shall then be leased back to Jiangshan Yongchen, subject to the terms and conditions provided therein.

THE FINANCE LEASE AGREEMENT

The principal terms of the Finance Lease Agreement are summarized as follows:

- Date:** 30 August 2021 (after trading hours)
- Parties:**
- (1) Jiangshan Yongchen (as the lessee)
 - (2) CDB Financial Leasing (as the lessor)
- Scope of services:** CDB Financial Leasing will purchase the Leased Assets owned by Jiangshan Yongchen at a total consideration of RMB500 million, and lease the Leased Assets back to Jiangshan Yongchen for lease payment.
- Lease term:** The lease term under the Finance Lease Agreement will be for 112 months, subject to the terms and conditions provided therein.
- Legal title:** CDB Financial Leasing shall own the legal title of the Leased Assets during the lease term.
- Lease payment:**
- The total lease amount payable to CDB Financial Leasing under the Finance Lease Agreement is approximately RMB640.46 million, being the sum of (i) the total purchase cost of the Lease Assets of RMB500 million and (ii) the total estimated interest of approximately RMB140.46 million. The estimated interests are calculated at a floating rate and shall be adjusted with reference to the loan prime rate for loans with a maturity of above 5 years as promulgated by the National Interbank Funding Centre under the authority of the People's Bank of China from time to time plus 25 basis points.
- The total lease amount payable shall be payable in 38 quarterly instalments.
- Other terms:** Upon maturity of the lease term and subject to the fulfilment of all of its obligations under the Finance Lease Agreement, Jiangshan Yongchen is entitled to obtain the legal title of the Leased Assets at a nominal consideration of RMB100.

Guarantee:

The obligations of Jiangshan Yongchen under the Finance Lease Agreement are secured by (i) a guarantee given by the Company; (ii) a pledge of Jiangshan Yongchen's right of receiving the electricity fee and other revenue generated from project which the Leased Assets are being utilized; and (iii) a share pledge by Beijing United Rongbang New Energy Technology Co., Ltd.* (北京聯合榮邦新能源科技有限公司) of its entire equity interests in Jiangshan Yongchen.

INFORMATION ON THE ASSETS

As at 31 May 2021, the book value of the Leased Assets was approximately RMB625 million. No revenue or profits was attributable to the Leased Assets for the years ended 31 December 2019 and 2020.

In accordance with the requirements of Hong Kong Financial Reporting Standards, the transactions contemplated under the Finance Lease Agreement as a whole shall be accounted for as a secured borrowing and therefore would not give rise to any gain or loss.

INFORMATION ON THE PARTIES

The Company is a company incorporated in Bermuda with limited liability and is an investment holding company operating its business through its subsidiaries. The Group is principally engaged in the development, investment, operation and management of power plants and other renewable energy projects.

Jiangshan Yongchen is a company established in the PRC with limited liability that is principally engaged in the operation, maintenance and management of solar power plants located in Shaanxi, the PRC. Jiangshan Yongchen is an indirect wholly-owned subsidiary of the Company.

CDB Financial Leasing is a joint stock limited company established in the PRC. The principal business of CDB Financial Leasing includes providing comprehensive leasing services to high-quality customers in industries including aviation, infrastructure, shipping, inclusive finance, new energy and high-end equipment manufacturing. The shares of CDB Financial Leasing are listed on the Stock Exchange (stock code: 1606).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, CDB Financial Leasing and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company as at the date of this announcement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AGREEMENT

The Company is an investment holding company and the Group is principally engaged in the development, investment, operation and management of power plants and other renewable energy projects. The Finance Lease Agreement and the transactions contemplated thereunder provide the Group with more financial resources for development of projects and working capital of Jiangshan Yongchen, which also allows the Group to make more efficient utilisation of internal resources.

Having considered the above, the Directors are of the view that the transactions contemplated under the Finance Lease Agreement are entered into on normal commercial terms, and the terms set out in the Finance Lease Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transaction contemplated under the Finance Lease Agreement exceeds 5% but less than 25%, the transaction contemplated under the Finance Lease Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors of the Company
“CDB Financial Leasing”	China Development Bank Financial Leasing Co., Ltd.* (國銀金融租賃股份有限公司), a joint stock limited company established in the PRC, the shares of which are listed on the Stock Exchange (stock code: 1606)
“Company”	Beijing Energy International Holding Co., Ltd., a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 686)
“Director(s)”	the director(s) of the Company

“Finance Lease Agreement”	the agreement entered into between Jiangshan Yongchen and CDB Financial Leasing on 30 August 2021, pursuant to which CDB Financial Leasing agreed to purchase the Leased Assets from Jiangshan Yongchen, which shall then be leased back to Jiangshan Yongchen
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangshan Yongchen”	Yulin City Jiangshan Yongchen New Energy Limited* (榆林市江山永宸新能源有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Leased Assets”	various photovoltaic power generation equipments in relation to a photovoltaic power project in Yulin City, Shaanxi Province
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

For and on behalf of
Beijing Energy International Holding Co., Ltd.
Zhang Ping
Chairman of the Board

Hong Kong, 30 August 2021

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Ping (Chairman), Mr. Lu Zhenwei and Mr. Xu Jianjun; the non-executive directors of the Company are Mr. Sui Xiaofeng, Mr. Zhao Bing and Mr. Li Hao; and the independent non-executive directors of the Company are Ms. Jin Xinbin, Ms. Li Hongwei and Mr. Zhu Jianbiao.

* For identification purposes only