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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)

UPDATE IN RELATION TO MAJOR AND CONNECTED TRANSACTIONS DEEMED DISPOSAL OF NO MORE THAN 29.43% EQUITY INTEREST IN THE TARGET COMPANY

References are made to (i) the announcements of Beijing Energy International Holding Co., Ltd. (the “**Company**”) dated 25 February 2021, 9 March 2021, 30 April 2021 and 7 May 2021 (the “**Announcements**”) in relation to, among others, the Capital Increase Agreement, the Equity Interest Transfer Agreement and the transactions contemplated thereunder; (ii) the supplemental circular dated 2 June 2021 (the “**Supplemental Circular**”) published by the Company in relation to, among others, the Capital Increase Agreement, the Equity Interest Transfer Agreement and the transactions contemplated thereunder; and (iii) the announcement of the Company dated 18 June 2021 in relation to, among others, the poll results of the annual general meeting of the Company held on 18 June 2021. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Supplemental Circular.

THE EQUITY INTEREST TRANSFER AGREEMENT

As disclosed in the Supplemental Circular, on 7 May 2021, the Target Company, ICBC Investment, UP Shenzhen and New Light entered into the Capital Increase Agreement, pursuant to which, ICBC Investment conditionally agreed to inject RMB1 billion into the Target Company by way of cash contribution in return for RMB793,853,739 in the registered capital of the Target Company, which accounts for approximately 12.21% of the enlarged equity interest in the Target Company (the “**Capital Increase**”). The parties also agreed that ICBC Investment is entitled to, but not obliged to, subsequently inject in aggregate of not more than RMB2 billion within six (6) months after the effective date of the Capital Increase Agreement in return for RMB1,587,707,478 in the registered capital of the Target Company (the “**Subsequent Capital Increase**”). The Capital Increase and the Subsequent Capital Increase were completed on 25 June 2021. Subsequent to the completions of the Capital Increase and the Subsequent Capital Increase, ICBC Investment has been interested in, and as at the date of this announcement remains interested in, 29.43% of the equity interest in the Target Company.

As a condition precedent to the completion of the Capital Increase, ICBC Investment, BEH, the Target Company, UP Shenzhen and New Light had entered into the Equity Interest Transfer Agreement on 7 May 2021, pursuant to which, upon the written request from ICBC Investment, BEH may agree to or designate its nominee(s) to purchase the whole or partial equity interests in the Target Company held by ICBC Investment when any of the Specific Circumstances (as defined and set out in the Supplemental Circular) occurs.

For further details on the Equity Interest Transfer Agreement, please refer to the Supplemental Circular.

EXERCISE OF THE OPTION TO TRANSFER THE EQUITY INTEREST

On 25 June 2024, ICBC Investment issued a written notice to BEH to transfer the entire equity interest held by it in the Target Company (i.e. 29.43%) to BEH and/or its nominee(s) in accordance with the Equity Interest Transfer Agreement, based on the ground that, as of the date thereof, one of the Specific Circumstances had occurred, that is, being thirty-six (36) months after ICBC Investment's first actual capital contribution, ICBC Investment still holds certain equity interests in the Target Company and the parties have not yet reached an agreement on the extension of the term of investment under the Capital Increase Agreement.

In accordance with the terms of the Equity Interest Transfer Agreement, BEH designated BEJN International Holding Co., Ltd.* (北京京能國際控股有限公司) (“**BEJN**”), a wholly-owned subsidiary of the Company, to enter into an agreement with ICBC Investment and the Target Company on 22 July 2024 to purchase the entire equity interest in the Target Company held by ICBC Investment (i.e. 29.43%) at the aggregate consideration of approximately RMB3.02 billion (the “**Transfer**”), being the actual amount of capital contribution made by ICBC Investment under the Capital Increase Agreement of RMB3 billion plus the unrealised gain of approximately RMB18 million (to be finally determined on the date of completion) (the “**Transfer Amount**”). The original acquisition cost of the said 29.43% equity interest in the Target Company for ICBC Investment was RMB3 billion.

Completion of the Transfer is expected to take place in or around the third quarter of 2024 and the settlement of the Transfer Amount is expected to be made in cash in July 2024. The Transfer Amount will be financed by the Group's internal financial resources.

FINANCIAL EFFECT OF THE TRANSFER

As at the date of this announcement, the Target Company is a non wholly-owned subsidiary of the Company and owned by the Group and ICBC Investment as to 70.57% and 29.43%, respectively. Upon completion of the Transfer, the Target Company will become a wholly-owned subsidiary of the Company and the Company's interest in the Target Company will be increased from 70.57% to 100%. The financial results of the Target Company will continue to be consolidated by the Company.

INFORMATION OF THE PARTIES

The Target Company

The Target Company is a company established in the PRC with limited liability and a non wholly-owned subsidiary of the Company as at the date of this announcement, which is principally engaged in the investment holding and management with a focus on photovoltaic power plants and other renewable new energy power plants in the PRC.

Below is a summary of the audited consolidated financial information of the Target Company prepared in accordance with the Chinese Accounting Standards:

	For the year ended 31 December 2022 (audited) <i>RMB' million</i>	For the year ended 31 December 2023 (audited) <i>RMB' million</i>
Profit before taxation	564	638
Profit after taxation	469	541

The audited net assets of the Target Company as at 31 December 2023 was approximately RMB10,119 million.

The Company

The Company is a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 686) 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 clean energy projects.

BEJN

BEJN is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in engineering management services and tendering agency, and technology development and consulting, etc.

BEH

BEH is a company established in the PRC with limited liability which principally engages in the businesses of generation and supplying of electricity and heat, production and sale of coal and development of real estate. It is a state-owned company in the PRC indirectly wholly owned by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality. BEH is the controlling shareholder of the Company, indirectly holding approximately 32.14% of the issued share capital of the Company. Therefore, BEH is a connected person of the Company under the Listing Rules.

ICBC Investment

ICBC Investment is a company established in the PRC with limited liability and is principally engaged in the marketisation and legalisation of debt-to-equity and relevant supporting services as well as fundraising from qualified social investors to support the marketisation of debt-to-equity, issuance of financial bonds and financial advisory and consulting services related to debt-to-equity business, etc. ICBC Investment is wholly owned by Industrial and Commercial Bank of China Limited* (中國工商銀行股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares and offshore preference shares of which are listed on the Stock Exchange (H Shares Stock Code: 1398 and Offshore Preference Shares Stock Code: 4620), and the A shares and domestic preference shares of which are listed on the Shanghai Stock Exchange (A Shares Stock Code: 601398 and Domestic Preference Shares Stock Codes: 360011, 360036), respectively. As at the date of this announcement, it holds 29.43% equity interest in the Target Company and therefore is a connected person of the Company at the subsidiary level under the Listing Rules.

LISTING RULES IMPLICATIONS

As at the date of this announcement, ICBC Investment holds 29.43% equity interest in the Target Company and therefore is a connected person of the Company at the subsidiary level under the Listing Rules. Accordingly, the Transfer as a result of the exercise of the option under the Equity Interest Transfer Agreement by ICBC Investment constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. The Directors (including the independent non-executive Directors) have approved the Transfer and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Transfer are fair and reasonable, on normal commercial terms (though not in the ordinary and usual course of business of the Group) and in the interests of the Company and the Shareholders as a whole. The Transfer is subject to the reporting and announcement requirements, and is exempt from the circular, independent financial advice and independent Shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

As one or more of the applicable percentage ratios in relation to the Transfer exceeds 25% but less than 100%, the Transfer constitutes major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules. As the Equity Interest Transfer Agreement was one of the condition precedents to the Capital Increase and Subsequent Capital Increase, such agreement and the transactions contemplated thereunder have already been approved by the Shareholders at the annual general meeting held on 18 June 2021. The details of the Equity Interest Transfer Agreement and the transaction contemplated thereunder were made by the Company in the Supplemental Circular in accordance with 14.76(1) of the Listing Rules and this announcement is made pursuant to Rule 14.72(2) of the Listing Rules.

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

Hong Kong, 22 July 2024

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Ping (Chairman) and Mr. Lu Zhenwei; the non-executive directors of the Company are Mr. Liu Guoxi, Mr. Su Yongjian, Mr. Li Hao and Mr. Lu Xiaoyu; and the independent non-executive directors of the Company are Ms. Jin Xinbin, Ms. Li Hongwei and Mr. Zhu Jianbiao.

* *For the purpose of identification only*