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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

FINANCE LEASE AGREEMENT

On 27 August 2024, Xintong Wind Power (a subsidiary of the Company) and State Grid Leasing entered into the Finance Lease Agreement, pursuant to which State Grid Leasing agreed to purchase the Leased Assets from Xintong Wind Power for a total consideration of RMB300 million, which shall then be leased back to Xintong Wind Power, subject to the terms and conditions provided therein.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Finance Lease Agreement exceeds 5% but is less than 25%, the entering into of the Finance Lease Agreement constitutes a discloseable transaction of the Company 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 27 August 2024, Xintong Wind Power (a subsidiary of the Company) and State Grid Leasing entered into the Finance Lease Agreement, pursuant to which State Grid Leasing agreed to purchase the Leased Assets from Xintong Wind Power for a total consideration of RMB300 million, which shall then be leased back to Xintong Wind Power, subject to the terms and conditions provided therein.

FINANCE LEASE AGREEMENT

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

- Date:** 27 August 2024
- Parties:**
- (1) Xintong Wind Power (as a lessee)
 - (2) State Grid Leasing (as a lessor)
- Scope of services:** State Grid Leasing will purchase the Leased Assets owned by Xintong Wind Power at a total consideration of RMB300 million, and lease the Leased Assets back to Xintong Wind Power for lease payment.
- Lease term:** The lease term under the Finance Lease Agreement will be for 12 months, subject to the terms and conditions provided therein.
- Legal title:** State Grid Leasing shall own the legal title of the Leased Assets during the lease term.
- Lease payment:** The total lease amount payable to State Grid Leasing under the Finance Lease Agreement is approximately RMB309.3 million, being the sum of (i) the total purchase cost of the Leased Assets of RMB300 million and (ii) the total estimated interest of approximately RMB9.3 million (inclusive of tax).
- The estimated interests are calculated at a floating rate and shall be adjusted with reference to the loan prime rate with a maturity of 1 year as promulgated by the National Interbank Funding Centre under the authority of the People's Bank of China from time to time minus 25 basis points.
- The total lease amount payable shall be payable in 4 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, Xintong Wind Power is entitled to obtain the legal title of the Leased Assets at a nominal consideration of RMB100.

The terms of the Finance Lease Agreement, including the lease interest rate, were determined after arm's length negotiations between the respective parties with reference to the prevailing market rates for the similar finance leasing arrangement and consideration of other factors such as the geographical location, performance of operation and risk profile of the Leased Assets.

INFORMATION ON THE LEASED ASSETS

As at 31 July 2024, the book value of the Leased Assets was approximately RMB349 million. The Leased Assets did not record any revenue or profits for the years ended 31 December 2022 and 2023.

In accordance with the requirement 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, 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.

Xintong Wind Power is a company established in the PRC with limited liability and a subsidiary of the Company. It is principally engaged in the development and operation of power generation projects, power transmission business and power supply (distribution) business and provision of technical services in relation to wind power generation projects.

State Grid Leasing is a company established in the PRC with limited liability, which is principally engaged in the business of finance leasing and investment management. As of the date of this announcement, State Grid Leasing is owned as to 69.97% by State Grid Yingda International Holdings Co., Ltd.* (國網英大國際控股集團有限公司) (“**State Grid Yingda**”) and as to 30.03% by State Grid Overseas Investment Ltd. (國家電網海外投資有限公司) (“**State Grid Overseas Investment**”). State Grid Yingda is a company incorporated in the PRC with limited liability, which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)(“**SASAC**”). State Grid Overseas Investment is a company incorporated in Hong Kong with limited liability which is ultimately controlled by the SASAC.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, State Grid Leasing and its ultimate beneficial owners are Independent Third Parties of the Company and not 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 clean 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 Xintong Wind Power, which also allows the Group to make more efficient utilisation of internal resources.

Having considered the above, the Directors (including the independent non-executive 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 Finance Lease Agreement exceeds 5% but is less than 25%, the entering into of the Finance Lease Agreement constitutes a discloseable transaction of the Company 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 terms shall have the meanings as set out below:

“Board”	the board of Directors of the Company
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Finance Lease Agreement”	the finance lease agreement entered into between Xintong Wind Power and State Grid Leasing on 27 August 2024, pursuant to which State Grid Leasing agreed to purchase the Leased Assets from Xintong Wind Power, which shall then be leased back to Xintong Wind Power
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the Group and its connected persons and their respective ultimate beneficial owner(s) or their respective associates
“Leased Assets”	part of wind power generation equipment in relation to a wind farm located in Horqin Left Rear Banner, Tongliao City, Inner Mongolia, the PRC with total capacity of 1,000 megawatts
“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, excludes 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
“State Grid Leasing”	State Grid International Leasing Co., Ltd.* (國網國際融資租賃有限公司), a company established in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xintong Wind Power”	Tongliao City Xintong Wing Power Co., Ltd.* (通遼市新通風能有限公司), a company established in the PRC with limited liability and a subsidiary of the Company
“%”	percent

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

Hong Kong, 27 August 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, Mr. Lu Xiaoyu and Mr. Wang Cheng; and the independent non-executive directors of the Company are Ms. Jin Xinbin, Ms. Li Hongwei, Mr. Zhu Jianbiao and Mr. Zeng Ming.

* For identification purpose only