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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)**

## **CONNECTED TRANSACTION LEASE AGREEMENT**

### **LEASE AGREEMENT**

On 15 April 2025, BEJN, a wholly-owned subsidiary of the Company, entered into the Lease Agreement with Beijing Jingneng Housing Leasing, an indirect wholly-owned subsidiary of BEH, which is the controlling Shareholder of the Company, pursuant to which Beijing Jingneng Housing Leasing agreed to lease the Property to BEJN for a term of three years from 15 March 2025 to 14 March 2028 (both days inclusive), subject to the terms and conditions provided therein.

### **LISTING RULES IMPLICATIONS**

Pursuant to the requirement of HKFRS 16, the lease of the Property under the Lease Agreement will be recognised as a right-of-use asset of the Group for an amount of approximately RMB25,260,000. As Beijing Jingneng Housing Leasing is an indirect wholly-owned subsidiary of BEH, which is the controlling Shareholder of the Company, Beijing Jingneng Housing Leasing is a connected person of the Company. Accordingly, the lease of the Property contemplated under the Lease Agreement constitutes a one-off connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest percentage ratio in respect of the lease of the Property contemplated under the Lease Agreement on the basis of the value of the right-of-use asset to be recognised by the Group exceeds 0.1% but is less than 5%, it is subject to the reporting and announcement requirements, but is exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the management fee payable under the Lease Agreement will not be recognised as part of the right-of-use asset of the Group, such payment constitutes a continuing connected transaction under Chapter 14A of the Listing Rules. As the highest percentage ratio in respect of the annual caps of the management fee payable under the Lease Agreement on an annual aggregated basis is less than 0.1%, the management fee payment under the Lease Agreement constitutes a de minimis transaction pursuant to Rule 14A.76(1) of the Listing Rules and is fully exempt from independent Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

The Board hereby announces that on 15 April 2025, BEJN, a wholly-owned subsidiary of the Company, entered into the Lease Agreement with Beijing Jingneng Housing Leasing, an indirect wholly-owned subsidiary of BEH, which is the controlling Shareholder of the Company, pursuant to which Beijing Jingneng Housing Leasing agreed to lease the Property to BEJN for a term of three years from 15 March 2025 to 14 March 2028 (both days inclusive), subject to the terms and conditions provided therein.

## **LEASE AGREEMENT**

The principal terms of the Lease Agreement are as follows:

- Date:** 15 April 2025
- Parties:**
- (i) Beijing Jingneng Housing Leasing (as the lessor)
  - (ii) BEJN (as the lessee)
- Property:** Units 05, 06, 07, 08, 11/F, and entire floors of 12-14/F, Building 7, Sanfeng North Lane, Chaoyang District, Beijing, the PRC

The Property has a gross floor area of 3,916.05 sq. m

**Term:** three years from 15 March 2025 to 14 March 2028 (both days inclusive)

**Usage:** The Property shall be used as office premises of BEJN

**Rental and aggregate value of consideration payable:** (i) From 15 March 2025 to 14 March 2026, approximately RMB820,000 per month (tax inclusive), being the sum of:

(a) monthly basic rental of approximately RMB630,000;

(b) monthly amortised renovation costs of approximately RMB120,000; and

(c) monthly management fee of approximately RMB70,000.

(ii) From 15 March 2026 to 14 March 2028, approximately RMB850,000 per month (tax inclusive), being the sum of:

(a) monthly basic rental of approximately RMB660,000;

(b) monthly amortised renovation costs of approximately RMB120,000; and

(c) monthly management fee of approximately RMB70,000.

The outgoing utility charges and other expenses may be paid by Beijing Jingneng Housing Leasing on behalf of BEJN or by BEJN on its own behalf.

In accordance with the requirement of HKFRS 16, the lease of the Property under the Lease Agreement will be recognised as a right-of-use asset of the Group for an amount of approximately RMB25,260,000. For the avoidance of doubt, the monthly management fee under the Lease Agreement will not be recognised as part of the right-of-use asset of the Group. Payments to be made pursuant to the Lease Agreement are expected to be satisfied by internal resources of the Group.

The consideration paid by BEJN under the Lease Agreement is determined after arm's length negotiations between parties after taking into consideration the prevailing market rental for comparable premises in the vicinity of the Property.

**Payment arrangement:**

BEJN shall pay to Beijing Jingneng Housing Leasing before the commencement date of the Term the consideration payable for the incomplete month of March 2025 and the six months thereafter. Subsequently, the Company shall pay the consideration payable for every six months before the first calendar day of October or April during the Term, as the case may be, with the final payment adjusted for the incomplete month of March 2028.

**Security Deposit:**

BEJN shall pay to Beijing Jingneng Housing Leasing a security deposit of approximately RMB2,450,000 before the commencement of the Term. The security deposit is non-interest bearing and is refundable to BEJN (after deducting any outstanding amount from BEJN and any compensation payable by BEJN, if any) subject to the satisfaction of the following conditions:

- (i) BEJN having returned the Property to Beijing Jingneng Housing Leasing in accordance with the terms and conditions of the Lease Agreement;
- (ii) BEJN and Beijing Jingneng Housing Leasing having settled all relevant payments under the Lease Agreement;

- (iii) BEJN or the actual user(s) of the Property having replaced its registered address with an address other than that of the Property; and
- (iv) BEJN having fulfilled the financial payment requirements by Beijing Jingneng Housing Leasing.

**Delivery of Property:**

Beijing Jingneng Housing Leasing shall deliver the Property to BEJN on 15 March 2025.

**Termination:**

BEJN shall be entitled to terminate the Lease Agreement by providing a written notice to Beijing Jingneng Housing Leasing thirty days in advance.

Subject to the terms and conditions of the Lease Agreement, Beijing Jingneng Housing Leasing shall be entitled to terminate the Lease Agreement, upon (i) any breach by BEJN of the terms or conditions of the Lease Agreement (including but not limited to failure to pay rent and management fee) or the property management regulation, (ii) BEJN's actions having caused losses to Beijing Jingneng Housing Leasing and/or the property management, (iii) BEJN having altered the designated usage of the Property without the prior written consent from Beijing Jingneng Housing Leasing and the relevant government authorities (where applicable); or (iv) the Property having been rendered entirely unusable or irreparably compromised due to force majeure or causes beyond the control of Beijing Jingneng Housing Leasing.

Either Beijing Jingneng Housing Leasing or BEJN is entitled to terminate the Lease Agreement with written notice to another party if the Lease Agreement can no longer be performed due to government requisition.

## **VALUE OF THE RIGHT-OF-USE ASSET**

In accordance with the requirement of HKFRS 16, the total value of the right-of-use asset to be recognised by the Group in respect of the lease of the Property under the Lease Agreement is approximately RMB25,260,000.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT**

The entering into of the Lease Agreement can provide the Group with enhanced and necessary office and premises to satisfy its daily business operation needs and will also enable the Group to secure a long-term premise for office use, which will enhance the operation and management capacity of BEJN.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the transactions under the Lease Agreement are entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better, and the terms of the Lease Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As Mr. Su Yongjian (the non-executive Director) is the senior management of BEH, he had abstained from voting on the Board resolution approving the Lease Agreement. Save as the aforesaid, none of the Directors has any material interest in the Lease Agreement and was required to abstain from voting on the Board resolution in relation to the Lease Agreement.

## **INFORMATION OF 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.

BEJN is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. BEJN is principally engaged in the development, investment and operation of solar energy and other clean energy.

Beijing Jingneng Housing Leasing is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of BEH. Beijing Jingneng Housing Leasing primarily provides leasing services for office.

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.

## **LISTING RULES IMPLICATIONS**

Pursuant to the requirement of HKFRS 16, the lease of the Property under the Lease Agreement will be recognised as a right-of-use asset of the Group for an amount of approximately RMB25,260,000. As Beijing Jingneng Housing Leasing is an indirect wholly-owned subsidiary of BEH, which is the controlling Shareholder of the Company, Beijing Jingneng Housing Leasing is a connected person of the Company. Accordingly, the lease of the Property contemplated under the Lease Agreement constitutes a one-off connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest percentage ratio in respect of the lease of the Property contemplated under the Lease Agreement on the basis of the value of the right-of-use asset to be recognised by the Group exceeds 0.1% but is less than 5%, it is subject to the reporting and announcement requirements, but is exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the management fee payable under the Lease Agreement will not be recognised as part of the right-of-use asset of the Group, such payment constitutes a continuing connected transaction under Chapter 14A of the Listing Rules. As the highest percentage ratio in respect of the annual caps of the management fee payable under the Lease Agreement on an annual aggregated basis is less than 0.1%, the management fee payment under the Lease Agreement constitutes a de minimis transaction pursuant to Rule 14A.76(1) of the Listing Rules and is fully exempt from independent Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings as set out below:

“BEH”	Beijing Energy Holding Co., Ltd.* (北京能源集團有限責任公司), a company established in the PRC with limited liability and a controlling Shareholder of the Company holding 717,694,349 shares of the Company, representing approximately 32.14% of the issued share capital of the Company
“Beijing Jingneng Housing Leasing”	Beijing Jingneng Housing Leasing Operation Co., Ltd.* (北京京能房產租賃經營有限責任公司), a company established in the PRC with limited liability, indirectly wholly owned by BEH
“BEJN”	BEJN International Holding Co., Ltd.* (北京京能國際控股有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“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
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company



“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lease Agreement”	the lease agreement dated 15 April 2025 entered into between BEJN and Beijing Jingneng Housing Leasing in relation to the lease of the Property
“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, which for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property”	Units 05, 06, 07, 08, 11/F, and entire floors of 12-14/F, Building 7, Sanfeng North Lane, Chaoyang District, Beijing, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$1.0 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq. m”	square meter

“Term” three years from 15 March 2025 to 14 March 2028 (both days inclusive)

“%” per cent

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

Hong Kong, 15 April 2025

*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*