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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
ENGINEERING PROCUREMENT CONSTRUCTION CONTRACT RELATING TO 63.05MW PARKING SHED PHOTOVOLTAIC POWER PROJECT

EPC CONTRACT

On 29 December 2021 (after trading hours), Jingneng Fulan, an indirect wholly-owned subsidiary of the Company, entered into the EPC Contract with Jiangxi Zeyue and Wuhan Xiexin. Pursuant to the EPC Contract, Jiangxi Zeyue and Wuhan Xiexin, acting as the contractors, will provide EPC services to Jingneng Fulan, as the principal, for the construction of the Parking Shed Photovoltaic Power Project at the consideration of approximately RMB298.14 million. The Parking Shed Photovoltaic Power Project is located in Nanchang, Jiangxi Province, the PRC with planned construction capacity of 63.05MW.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the entering into of the EPC Contract exceeds 5% but is less than 25%, the entering into of the EPC Contract constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 29 December 2021 (after trading hours), Jingneng Fulan, an indirect wholly-owned subsidiary of the Company, entered into the EPC Contract with Jiangxi Zeyue and Wuhan Xiexin. Pursuant to the EPC Contract, Jiangxi Zeyue and Wuhan Xiexin, acting as the contractors, will provide EPC services to Jingneng Fulan, as the principal, for the construction of the Parking Shed Photovoltaic Power Project at the consideration of approximately RMB298.14 million. The Parking Shed Photovoltaic Power Project is located in Nanchang, Jiangxi Province, the PRC with planned construction capacity of 63.05MW.

THE EPC CONTRACT

The principal terms of the EPC Contract are set out below:

Date: 29 December 2021 (after trading hours)

Parties:

(i) Jingneng Fulan (as the principal)

(ii) Jiangxi Zeyue (as the main contractor)

(iii) Wuhan Xiexin (as the joint contractor)

Subject matter: Jiangxi Zeyue and Wuhan Xiexin agreed to serve as the EPC contractors to provide EPC services to Jingneng Fulan for the construction of the Parking Shed Photovoltaic Power Project. The EPC services includes, among others, inspection and design, procurement of materials and equipment, construction, adjustment and testing of equipment, and performance test. Jiangxi Zeyue and Wuhan Xiexin shall be responsible for all the expenses incurred for the construction of the Parking Shed Photovoltaic Power Project.

Jiangxi Zeyue and Wuhan Xiexin shall design, implement and complete the construction of the Parking Shed Photovoltaic Power Project in accordance with the EPC Contract, and to remedy any failure or defects during the warranty period of the Parking Shed Photovoltaic Power Project carried out under the EPC Contract.

Construction period: The construction period under the EPC Contract shall be four and half months, commencing from 5 January 2022 and subject to the terms of the EPC Contract.

Consideration and payment method: The Consideration is approximately RMB298.14 million which consists of equipment and materials payment, construction and installation payment, design service payment and other fees and shall be settled as follows:

(i) Advance Payment

20% of the Consideration as advance payment to be paid within 10 working days upon the fulfillment of certain conditions, including, among others (a) the EPC contract being signed and becoming effective; (b) the joint account being set up and taking effective; and (c) the receipt of the letter of performance guarantee (to be detailed further below) and advance payment receipt.

(ii) Milestone Payment

Based on the progress of the project and the receipt of the relevant invoice(s), Jingneng Fulan shall pay to Jiangxi Zeyue and Wuhan Xiexin with respect to the equipment and materials payment, construction and installation payment, design service payment and other fees. In furtherance to the above, Jingneng Fulan shall pay up to 97% of the construction and installation payment, 90% of the equipment and materials payment, 90% of the design service payment and 90% of the other fees upon the fulfilment of certain conditions set out under the EPC Contract, including, among others, achieving satisfactory results from the inspection of the completed project and obtaining relevant compliance approvals (if applicable).

(iii) Quality Assurance Fund

Under the EPC Contract, 3% of the construction and installation payment and 10% of each of the equipment and materials payment, the design service payment and the other fees under the EPC Contract shall be retained by Jingneng Fulan (the "**Quality Assurance Fund**") and paid to Jiangxi Zeyue and Wuhan Xiexin until the expiration of the one-year warranty period and the fulfillment of the following conditions:

(1) resolving all quality issues within the warranty period, which is 12 months starting from the date of the acceptance of the project completion-based check, which shall be further confirmed in the qualify confirmation letter issued by Jingneng Fulan;

(2) meeting the agreed technical standards stated in the EPC Contract. If there is quality issue, Jiangxi Zeyue and Wuhan Xiexin shall resolve the issue in accordance with the EPC Contract; and

(3) before the expiration of the warranty period, Jiangxi Zeyue and Wuhan Xiexin shall be responsible for transferring the supplier's quality assurance obligation on the equipment to Jingneng Fulan unconditionally for those equipment with quality assurance period exceeding one year.

Performance guarantee:

Under the EPC Contract, within 15 calendar days after execution of the EPC Contract, Jiangxi Zeyue and Wuhan Xiexin shall provide to Jingneng Fulan a letter of performance guarantee issued by a qualified bank with an amount equivalent to 10% of the contract sum under the EPC Contract.

The relevant letter of performance guarantee shall be released by Jingneng Fulan within 30 days after, among others, all the relevant construction works being satisfactorily completed, all the completion materials and the project having being transferred and receipt of the project completion-based check and acceptance certificate (《工程竣工驗收鑒定書》).

Basis of determination of the consideration

The Consideration was determined by the parties after arm's length negotiation and through a tendering selection process. In particular, the Company has considered the following factors during the selection: (i) the design and construction proposal submitted; (ii) the track record of the candidates of contractors on performing similar size projects; (iii) the size of operation, manpower and financial performance of the candidates of contractors; (iv) the expected power capacity (measured in watts) of the Parking Shed Photovoltaic Power Project; and (v) the prevailing market price of provision of the similar EPC services.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EPC CONTRACT

Having considered the development and the expected return from investment in the photovoltaic industry in the PRC, the Company is optimistic about the prospect of the photovoltaic industry in the PRC in the foreseeable future. To the best of the Directors' knowledge, both Jiangxi Zeyue and Wuhan Xiexin have experience in the construction and development of energy projects, especially Wuhan Xiexin, which is a well-established company with substantial experience in such area. The EPC Contract will enable the Company to further expand its scale of business in the photovoltaic industry through the construction of quality photovoltaic power project so as to enhance returns to the Shareholders.

In view of the above, the Directors are of the view that the terms and conditions of the EPC Contract are fair and reasonable and the transactions contemplated thereunder are entered into on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the entering into of the EPC Contract exceeds 5% but is less than 25%, the entering into of the EPC Contract constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INFORMATION OF 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.

Jingneng Fulan is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is primarily engaged in the development and operation of photovoltaic projects.

Jiangxi Zeyue and Wuhan Xiexin are companies established in the PRC with limited liability and is principally engaged in, among others, (1) the research and development of new energy and the manufacturing, installation and sales of new energy-related products; (2) the construction and installation of new energy projects; and (3) investment in and operation of solar power projects and the related technological services.

As at the date of this announcement, to the best information and knowledge of the Directors, Jiangxi Zeyue is directly held as to 51% and 49% by Mr. Xiong Donghao (熊冬豪) and Mr. Zhang Jishun (張季順) respectively and Wuhan Xiexin is ultimately wholly owned by GCL New Energy Holdings Limited ("**GCL New Energy**"), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 451). The principal business of GCL New Energy is investment holding and its subsidiaries are principally engaged in the sale of electricity and development, construction, operation and management of solar power plants.

To the best knowledge, information and belief of the Directors, having made all reasonable enquires, Jiangxi Zeyue and Wuhan Xiexin and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company as at the date of this announcement.

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
"calendar day(s)"	any day including Saturday, Sunday or a public holiday in the PRC
"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)
"Consideration"	approximately RMB298.14 million, being the consideration payable by Jingneng Fulan to Jiangxi Zeyue and Wuhan Xiexin for the construction of the Parking Shed Photovoltaic Power Project under the EPC Contract
"Director(s)"	the director(s) of the Company
"EPC"	engineering, procurement and construction
"EPC Contract"	the EPC contract entered into between Jingneng Fulan, Jiangxi Zeyue and Wuhan Xiexin dated 29 December 2021 in relation to the 63.05MW planned construction capacity of the Parking Shed Photovoltaic Power Project
"Group"	the Company and its subsidiaries
"Jiangxi Zeyue"	Jiangxi Zeyue Construction Engineering Co., Ltd.*(江西澤月建設工程有限公司), a company established in the PRC with limited liability
"Jingneng Fulan"	Nanchang Jingneng Fulan New Energy Co., Ltd.*(南昌京能富藍新能源有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"KW"	kilowatt(s), which equals 1,000 watts

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"MW"	megawatt(s), which equals 1,000,000 watts
"Parking Shed Photovoltaic Power Project"	the parking shed on-grid photovoltaic power project located in Nanchang, Jiangxi Province, the PRC with planned construction capacity of 63.05MW
"PRC"	the People's Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holder(s) of issued shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"working day(s)"	any day other than Saturday, Sunday or a public holiday in the PRC
"Wuhan Xiexin"	Wuhan Xiexin New Energy Electricity Design Co., Ltd.* (武漢協鑫新能源電力設計有限公司), a company established in the PRC with limited liability
"%"	per cent

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

Hong Kong, 29 December 2021

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. 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*