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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
PROCUREMENT CONSTRUCTION CONTRACT
RELATING TO THE 70MW AGRICULTURAL–PHOTOVOLTAIC COMPLEMENTARY POWER GENERATION PROJECT IN SHANDONG PROVINCE, THE PRC

PC CONTRACT

On 21 October 2022 (after trading hours), Jinglin New Energy, an indirect subsidiary of the Company, entered into the PC Contract with SEPCO. Pursuant to the PC Contract, SEPCO, acting as the contractor, will provide PC services to Jinglin New Energy, as the principal, for the construction of the Agricultural-Photovoltaic Complementary Power Generation Project at the Consideration of approximately RMB265.06 million (tax inclusive). The Agricultural-Photovoltaic Complementary Power Generation Project is located in Linyi City, Shandong Province, the PRC with planned construction capacity of 70MW.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the entering into of the PC Contract exceeds 5% but is less than 25%, the entering into of the PC 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 21 October 2022 (after trading hours), Jinglin New Energy, an indirect subsidiary of the Company, entered into the PC Contract with SEPCO. Pursuant to the PC Contract, SEPCO, acting as the contractor, will provide PC services to Jinglin New Energy, as the principal, for the construction of the Agricultural-Photovoltaic Complementary Power Generation Project at the Consideration of approximately RMB265.06 million (tax inclusive). The Agricultural-Photovoltaic Complementary Power Generation Project is located in Linyi City, Shandong Province, the PRC with planned construction capacity of 70MW.

THE PC CONTRACT

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

Date: 21 October 2022 (after trading hours)

Parties: (i) Jinglin New Energy (as the principal)

(ii) SEPCO (as the contractor)

Subject matter: SEPCO agreed to serve as the PC contractor to provide PC services to Jinglin New Energy for the construction of the Agricultural-Photovoltaic Complementary Power Generation Project. The PC services include, among others, manufacturing and procurement of equipment, transportation and storage, construction and installation, training, testing, completion and final delivery. SEPCO shall be responsible for all the relevant expenses incurred for the construction of the Agricultural-Photovoltaic Complementary Power Generation Project.

SEPCO shall complete the procurement of equipment and materials, implement and complete the construction of the Agricultural-Photovoltaic Complementary Power Generation Project and the on-grid connection in accordance with the PC Contract, and remedy any failure or defects during the 12-month warranty period of the Agricultural-Photovoltaic Complementary Power Generation Project carried out under the PC Contract.

Construction period: The construction of the Agricultural-Photovoltaic Complementary Power Generation Project shall commence upon the written notice of Jinglin New Energy, and shall complete upon the grid-connected power generation in full capacity having taken place (tentatively to take place on 30 March 2023 under the PC Contract).

Consideration and payment method: The Consideration of the PC Contract is approximately RMB265.06 million (tax inclusive) which consists of equipment payment, construction and installation payment, and other fees, and shall be settled as follows:

(i) Advance Payment

20% of the Consideration as advance payment shall be paid upon the fulfillment of the following conditions, including (a) the PC Contract being effective and the commencement date of the project being confirmed; (b) the receipt of the letter of performance guarantee and letter of advance payment guarantee (each is equivalent to 10% of the total contract value under the PC Contract and is irrevocable, irrefutable and payable on demand); and (c) the issue of valid receipts with equivalent amount by SEPCO to Jinglin New Energy.

(ii) Milestone Payment

Based on the progress of the project and the receipt of the relevant invoice(s), Jinglin New Energy shall pay to SEPCO with respect to the equipment payment, and construction progress payment. In furtherance to the above, Jinglin New Energy shall pay to SEPCO a completion acceptance payment (97% of the actual installed capacity multiplied by the fixed price per watt), upon the fulfilment of certain conditions set out under the PC Contract, including, among others, achieving satisfactory results from the inspection of the completed project, SEPCO having provided the value-added tax invoice(s) and receipt(s) in respect of the relevant payment amount, and Jinglin New Energy obtaining all requested documentary information from SEPCO.

(iii) Quality Assurance Fund

Under the PC Contract, 3% of Consideration under the PC Contract shall be retained by Jinglin New Energy (the "**Quality Assurance Fund**") and paid to SEPCO after the expiration of the 12-month warranty period and the fulfillment of the following conditions:

(1) the construction meeting the agreed technical standard stated in the PC Contract. If there is quality issue, SEPCO shall resolve the issue in accordance with the PC Contract and confirmed by both parties in writing;

(2) SEPCO rectifying all defects of the construction works within the warranty period and confirmed by both parties in writing; and

(3) SEPCO providing receipt(s) of the equivalent amounts.

Pursuant to the PC Contract, the Quality Assurance Fund may be replaced by an irrevocable, irrefutable and on-demand quality guarantee.

Performance guarantee: Under the PC Contract, SEPCO shall provide a letter of performance guarantee issued by a qualified bank with an amount equivalent to 10% of the Consideration under the PC Contract, to guarantee the due performance by SEPCO of its obligations under the PC Contract.

Advance payment guarantee: Under the PC Contract, as a prerequisite of payment of the advance payment, SEPCO shall provide a letter of advance payment guarantee issued by a qualified bank with an amount equivalent to 10% of the Consideration under the PC Contract, to guarantee that the advance payment will be used in accordance with the terms of the PC Contract.

The letter of performance guarantee and the letter of advance payment guarantee shall be released within 30 days upon the satisfaction of the completion acceptance, the handover of the project and relevant documents relating to the completion, and the receipt of the project completion-based check and acceptance certificate by SEPCO.

BASIS OF DETERMINATION OF THE CONSIDERATION

The Consideration was determined by the parties after arm's length negotiation and through a tender process. In particular, the Company has considered the following factors during the selection: (i) the overall proposals submitted by the candidates of contractors; (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 Agricultural-Photovoltaic Complementary Power Generation Project; and (v) the prevailing market price of provision of the similar PC services.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PC 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, SEPCO is a well-established company with substantial experience in the construction and development of photovoltaic power generation projects in the PRC. The PC Contract will enable the Company to further expand its scale of business in the photovoltaic industry through the construction of quality photovoltaic power generation 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 PC 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 PC Contract exceeds 5% but is less than 25%, the entering into of the PC 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 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 clean energy projects.

Jinglin New Energy is a company established in the PRC with limited liability and an indirect subsidiary of the Company. It is primarily engaged in the development and operation of new energy power generation projects such as photovoltaic.

SEPCO is a company established in the PRC with limited liability that is principally engaged in power generation engineering and construction. It is a wholly-owned subsidiary of Power Construction Corporation of China*(中國電力建設集團有限公司), which is a state-owned enterprise in the PRC directly and wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council and a company listed on the Shanghai Stock Exchange (stock code: 601669).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, SEPCO 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.

DEFINITIONS

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

"Agricultural-Photovoltaic Complementary Power Generation Project"	the agricultural and photovoltaic complementary power generation project (Phase I) located in Linyi City, Shandong Province, the PRC with a total planned construction capacity of 200MW, of which the planned construction capacity of Phase I is 70MW
"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
"Consideration"	approximately RMB265.06 million (tax inclusive), being the consideration payable by Jinglin New Energy to SEPCO for the construction of the Agricultural-Photovoltaic Complementary Power Generation Project under the PC Contract
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Jinglin New Energy"	Jinglin (Yishui) New Energy Co., Ltd.*(京臨(沂水)新能源有限公司), a company established in the PRC with limited liability and an indirect subsidiary of the Company
"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
"PC"	procurement and construction
"PC Contract"	the PC contract entered into between Jinglin New Energy and SEPCO dated 21 October 2022 in relation to the 70MW planned construction capacity of the Agricultural-Photovoltaic Complementary Power Generation Project
"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

"SEPCO"	SEPCO Electric Power Construction Corporation*(中國電建集團山東電力建設有限公司), a company established in the PRC with limited liability
"Shareholder(s)"	holder(s) of issued shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

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

Hong Kong, 21 October 2022

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. Zhao Bing, Mr. Su Yongjian 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*