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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)

POTENTIAL DISCLOSEABLE TRANSACTIONS PROPOSED DISPOSALS OF TARGET EQUITY INTERESTS IN TWO SUBSIDIARIES THROUGH LISTING-FOR-SALES

POTENTIAL DISPOSALS

Tibet Shunji, an indirect wholly-owned subsidiary of the Company, initiated listing-for-sales processes for the Proposed Disposals of (i) its 55% equity interests in Tibet Zangneng; and (ii) its 100% equity interests in Litang Energy Development, respectively, on CBEX on 28 October 2022.

Upon completion of the Proposed Disposals, (i) the Group would retain 20% of equity interests in Tibet Zangneng and cease to hold any equity interests in Litang Energy Development; (ii) both Tibet Zangneng and Litang Energy Development would cease to be subsidiaries of the Company, and their respective financial results would not be consolidated into the consolidated financial statements of the Group; and (iii) Tibet Zangneng will become an associate company of the Group.

According to the terms of the listing-for-sales set by the Group, the Proposed Disposals of Tibet Zangneng and Litang Energy Development are bundled together, therefore the interested transferee shall purchase the Target Equity Interests (being the 55% equity interests in Tibet Zangneng and the entire equity interests in Litang Energy Development) at the same time.

Tibet Shunji, being an indirect wholly-owned subsidiary of the Company, is a state-controlled company defined under PRC laws and, as required by applicable PRC laws and regulations, equity interests held by Tibet Shunji, a state-controlled company, shall be disposed of through a public process in an equity exchange established in accordance with the applicable PRC laws and regulations. According to the rules of CBEX, Tibet Shunji and the Transferee shall enter into equity transaction agreements with respect to the Proposed Disposals following the list-for-sales processes.

LISTING RULES IMPLICATIONS

As the discounted cash flow method under the income approach is adopted in the valuation reports with respect to Tibet Zangneng and Litang Energy Development issued by the independent valuers, the calculation of the value of Tibet Zangneng and Litang Energy Development as set out in the valuation reports is regarded as a profit forecast under Rule 14.61 of the Listing Rules. The Company will make further announcement(s) within fifteen (15) business days after the publication of this announcement in compliance with Rule 14.60A and Rule 14.62 of the Listing Rules.

Based on the base prices of the Proposed Disposals, as the highest applicable percentage ratio in respect of the Proposed Disposals (calculated on an aggregated basis due to the bundled Proposed Disposals of Tibet Zangneng and Litang Energy Development) exceeds 5% but is less than 25%, the Proposed Disposals constitute discloseable transactions of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. In the event there is any change to the applicable percentage ratios in respect of the Proposed Disposals when the relevant equity transaction agreements are entered into, the Company will assess the size of the Proposed Disposals again and re-comply with the relevant requirements in accordance with the Listing Rules as and when appropriate.

Shareholders and potential investors of the Company should note that as at the date of this announcement, the Proposed Disposals have not yet been materialised, the Transferee is still uncertain, no equity transaction agreements have been entered into, and no performance arrangement has been made. The Proposed Disposals may, or may not, proceed. Therefore, the Shareholders and potential investors of the Company are advised to exercise caution when dealing in or investing in the securities of the Company.

POTENTIAL DISPOSALS

The Board announces that Tibet Shunji, an indirect wholly-owned subsidiary of the Company, initiated listing-for-sales processes for the Proposed Disposals of (i) its 55% equity interests in Tibet Zangneng; and (ii) its 100% equity interests in Litang Energy Development, respectively, on CBEX on 28 October 2022.

Tibet Shunji, being an indirect wholly-owned subsidiary of the Company, is a state-controlled company defined under PRC laws and, as required by applicable PRC laws and regulations, equity interests held by Tibet Shunji, a state-controlled company, shall be disposed of through a public process in an equity exchange established in accordance with the applicable PRC laws and regulations. According to the rules of CBEX, Tibet Shunji and the Transferee shall enter into equity transaction agreements with respect to the Proposed Disposals following the list-for-sales processes.

INFORMATION ON THE PROPOSED DISPOSALS

The procedures of the listing-for-sales of the respective proposed disposals of Tibet Zangneng and Litang Energy Development are largely the same, which are set out below.

Date

The listing-for-sales notices containing (i) undertakings from the transferor; (ii) basic information of the target for transfer; (iii) basic information of the transferor; (iv) trading terms and the qualification terms for the transferee; (v) information publication period; and (vi) the bidding procedures, in respect of the respective proposed disposals of Tibet Zangneng and Litang Energy Development were published on the website of CBEX on 28 October 2022.

Procedures

According to the terms of the listing-for-sales set by the Group, the Proposed Disposals of Tibet Zangneng and Litang Energy Development are bundled together, therefore the interested transferee shall purchase the Target Equity Interests (being the 55% equity interests in Tibet Zangneng and the entire equity interests in Litang Energy Development) at the same time.

The information publication period of the Proposed Disposals will be twenty (20) business days commencing from the day after the listing-for-sales notices published on the website of CBEX. If no interested transferee registers within the information publication period, such information publication period will be extended with five (5) business days each time until an interested transferee registers. During the information publication period, any qualified entity may (i) indicate its intention to purchase the Target Equity Interests, and (ii) register itself as an interested transferee. As the Proposed Disposals of Tibet Zangneng and Litang Energy Development are bundled, the interested transferee shall pay an aggregate of RMB262.5 million (comprising RMB240 million for Tibet Zangneng and RMB22.5 million for Litang Energy Development) as deposit for the Proposed Disposals within three (3) business days upon the confirmation of its qualification as a transferee by Tibet Shunji. If there are two or more interested transferees, the interested transferees shall undergo online bidding procedure and determined through the multiple bidding process conducted by CBEX and the final Transferee shall be selected based on the highest bidding price. As confirmed by the Directors, the shareholders of Tibet Zangneng have waived their preemptive rights to purchase the 55% of equity interests of Tibet Zangneng under the Proposed Disposal.

Within five (5) business days upon the determination of the Transferee, Tibet Shunji and the Transferee shall enter into equity transaction agreements in respect of the Proposed Disposals. The Company and Tibet Shunji will perform their relevant approval procedures and information disclosure obligations in accordance with applicable laws, regulations, the Listing Rules and their respective constitutional documents.

As at the date of this announcement, material terms of equity transaction agreements, including but not limited to the Transferee, the final consideration and delivery and transfer time, have not been determined, and **no definitive agreements have been entered into between Tibet Shunji and any other party in relation to the Proposed Disposals.**

BASIS OF CONSIDERATION

According to the relevant rules of CBEX, there should be a base price for each listing-for-sales. The base prices for the Proposed Disposals are (i) approximately RMB800.3 million for Tibet Zangneng; and (ii) RMB75.0 million for Litang Energy Development, respectively. The said base prices are respectively determined with reference to (i) the appraised value of approximately RMB1,455.1 million with respect to the entire equity interests of Tibet Zangneng pursuant to the valuation report issued by an independent valuer by using the discounted cash flow method under the income approach with 31 December 2021 as the reference date (the "**Valuation Report I**"), and the proportion of equity interests of Tibet Zangneng being disposed; and (ii) the appraised value of approximately RMB74.8 million with respect to the entire equity interests of Litang Energy Development pursuant to the valuation report issued by an independent valuer by using the discounted cash flow method under the income approach with 30 April 2022 as the reference date (the "**Valuation Report II**", and together with the Valuation Report I, the "**Valuation Reports**").

For clarity, the final considerations for the Proposal Disposals shall be subject to the bidding process and in any event be no less than the base price.

According to the terms and conditions on listing-for-sales, the final consideration for the Proposal Disposals shall be paid by the Transferee in lump-sum in cash within five (5) business days after the relevant equity transaction agreements entered into between Tibet Shunji and the Transferee with respect to the Proposed Disposals have taken effect.

BACKGROUND INFORMATION AND FINANCIAL INFORMATION OF TIBET ZANGNENG AND LITANG ENERGY DEVELOPMENT

Tibet Zangneng is a joint stock limited company established in the PRC and is principally engaged in the investment and development of clean energy, including hydropower and solar power generation. As at the date of this announcement, Tibet Zangneng is an indirect non wholly-owned subsidiary of the Company, which is owned as to 75% by Tibet Shunji, 20% by Tibet Autonomous Region Investment Co., Ltd.*(西藏自治區投資有限公司) and 5% by Tibet State-owned Capital Investment and Operation Co., Ltd.*(西藏國有資本投資運營有限公司). Tibet Autonomous Region Investment Co., Ltd.*(西藏自治區投資有限公司) and Tibet State-owned Capital Investment and Operation Co., Ltd.*(西藏國有資本投資運營有限公司)are independent third parties of the Company.

Litang Energy Development is a company established in the PRC with limited liability and is principally engaged in the investment in clean energy such as hydropower and electricity market development. As at the date of this announcement, Litang Energy Development is an indirect wholly-owned subsidiary of the Company.

Below is a summary of the audited consolidated financial information of Tibet Zangneng and Litang Energy Development prepared in accordance with accounting principles generally accepted in the PRC:

	Tibet Zangneng For the year ended 31 December		**Litang Energy Development For the year ended 31 December**	
	2020	**2021**	**2020**	**2021**
	(audited)	(audited)	(audited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Loss before taxation	(22,777.7)	(23,030.1)	(15,960.9)	(17,663.9)
Loss after taxation	(22,822.1)	(23,030.1)	(15,960.9)	(17,663.9)

As at 31 August 2022, Tibet Zangneng recorded unaudited net assets of approximately RMB393.2 million, whereas Litang Energy Development recorded unaudited net liabilities of approximately RMB22.2 million.

Upon completion of the Proposed Disposals, (i) the Group would retain 20% of equity interests in Tibet Zangneng and cease to hold any equity interests in Litang Energy Development; (ii) both Tibet Zangneng and Litang Energy Development would cease to be subsidiaries of the Company, and their respective financial results would not be consolidated into the consolidated financial statements of the Group; and (iii) Tibet Zangneng will become an associate company of the Group.

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSALS AND INTENDED USE OF PROCEEDS

Tibet Zangnang is principally engaged in the investment and development of clean energy, including hydropower and solar power generation. As at the date of this announcement, Tibet Zangnang was engaging in the preliminary development works of the hydropower generation projects at Sichuan and Tibet. Owing to the significant funding needs of hydropower generation projects and long development cycle before the Company could receive return from its investment, the Company decided to introduce new investor to participate in the development projects as strategic partner, through disposing part of its equity interests in Tibet Zangnang.

Litang Energy Development is principally engaged in the investment in clean energy such as hydropower and electricity market development. As at the date of this announcement, Litang Energy Development was engaging in the preliminary development works of the hydropower generation projects at Sichuan. Due to the significant funding needs of hydropower generation projects and the long development cycle before the Company could receive return from its investment, the Company decided to dispose its entire equity interests in Litang Energy Development to new investor for continuing the power projects under development.

The Proposed Disposals, if materialised and completed, would lower the debt to asset ratio and improve the cashflow of the Group. The Group intends to use the proceeds from the Proposed Disposals for investments in the photovoltaic power and wind power generation projects of the Group, which generally have shorter investment cycle, which would improve the capital utilisation efficiency of the Group, and facilitate the achievement of high quality and rapid development of the Group.

The Directors confirmed that the Proposed Disposals will be carried out on normal and commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE PROPOSED DISPOSALS

As at the date of this announcement, the final considerations for the Proposed Disposals have not been determined yet. Based solely on the base prices of the Proposed Disposals as basis for calculation and the current preliminary estimates, and taking into account that the values of the Target Equity Interests were booked by the Group in accordance with the appraised value of the Target Equity Interests in accordance with the Valuation Reports, which is largely the same as the total considerations of the Proposed Disposals, the Company expects to record no significant gain or loss from the Proposed Disposals. Subject to the final considerations and the audit and completion of the Proposed Disposals, the actual amount of gain or loss on the Proposed Disposals to be recognized by the Group may vary.

LISTING RULES IMPLICATIONS

As the discounted cash flow method under the income approach is adopted in the valuation reports with respect to Tibet Zangneng and Litang Energy Development issued by the independent valuers, the calculation of the value of Tibet Zangneng and Litang Energy Development as set out in the valuation reports is regarded as a profit forecast under Rule 14.61 of the Listing Rules. The Company will make further announcement(s) within fifteen (15) business days after the publication of this announcement in compliance with Rule 14.60A and Rule 14.62 of the Listing Rules.

Based on the base prices of the Proposed Disposals, as the highest applicable percentage ratio in respect of the Proposed Disposals (calculated on an aggregated basis due to the bundled Proposed Disposals of Tibet Zangneng and Litang Energy Development) exceeds 5% but is less than 25%, the Proposed Disposals constitute discloseable transactions of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. In the event there is any change to the applicable percentage ratios in respect of the Proposed Disposals when the relevant equity transaction agreements are entered into, the Company will assess the size of the Proposed Disposals again and re-comply with the relevant requirements in accordance with the Listing Rules as and when appropriate.

INFORMATION ABOUT THE COMPANY AND TIBET SHUNJI

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.

Tibet Shunji is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in, among others, the investment and development in photovoltaic power generation.

Shareholders and potential investors of the Company should note that as at the date of this announcement, the Proposed Disposals have not yet been materialised, the Transferee is still uncertain, no equity transaction agreements have been entered into, and no performance arrangement has been made. The Proposed Disposals may, or may not, proceed. Therefore, the Shareholders and potential investors of the Company are advised to exercise caution when dealing in or investing in the securities of the Company.

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
"CBEX"	China Beijing Equity Exchange (北京產權交易所有限公司), a comprehensive equity exchange approved to be established by the People's Government of Beijing Municipality
"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)
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Litang Energy Development"	Litang County Energy Development Co., Ltd.* (理塘縣能源開發有限公司), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company
"PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Proposed Disposals"	the disposals of Target Equity Interests proposed by Tibet Shunji through listing-for-sales on CBEX
"RMB"	Renminbi, the lawful currency of the PRC

"Shareholder(s)"	shareholder(s) of the Company
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Equity Interests"	together (i) the 55% equity interests in Tibet Zangneng held by Tibet Shunji; and (ii) the entire equity interests in Litang Energy Development held by Tibet Shunji
"Tibet Shunji"	Tibet Shunji New Energy Technology Co., Ltd.*(西藏順吉新能源科技有限公司), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company
"Tibet Zangneng"	Tibet Zangneng Corporation*(西藏藏能股份有限公司), a joint stock limited company established in the PRC with limited liability, which is an indirect non wholly-owned subsidiary of the Company held as to 75% by Tibet Shunji, 20% by Tibet Autonomous Region Investment Co., Ltd.*(西藏自治區投資有限公司) and 5% by Tibet State-owned Capital Investment and Operation Co., Ltd.*(西藏國有資本投資運營有限公司)
"Transferee"	the actual transferee of the Proposed Disposals, i.e. (i) the interested transferee registered on CBEX whose qualification has been confirmed by Tibet Shunji, if there is only one interested transferee; or (ii) the interested transferee registered on CBEX whose qualification has been confirmed by Tibet Shunji and subsequently won the multiple bidding process under the online bidding procedure conducted by CBEX, if there are two or more interested transferees

"%"	per cent

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

Hong Kong, 28 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*