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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
DISPOSAL OF THE TARGET COMPANIES TO A NON WHOLLY-OWNED SUBSIDIARY

THE DISPOSALS

On 11 November 2022 (after trading hours), the Purchaser (an indirect subsidiary of the Company owned as to 51%), each of the Target Companies (an indirect subsidiary of the Company owned as to approximately 99.9%) and the Vendor (an indirect subsidiary of the Company owned as to approximately 99.9%) entered into the Equity Transfer Agreements, in relation to the disposal of each of the Target Companies, pursuant to which (i) the Purchaser conditionally agreed to purchase, and the Vendor conditionally agreed to sell, the entire equity interest in each of the Target Companies; (ii) the Purchaser will assume the amount of debts of each of the Target Companies to the extent that they were disclosed to the Purchaser with reference to a valuation report issued by a qualified asset valuation firm; and (iii) all material contracts and agreements entered into by each of the Target Companies remain valid and legally binding.

The Purchaser is owned as to 51% by the Company. As such, upon completion of the Disposals, the Company's indirect percentage interest in the Target Companies will be reduced to 51%, while each of the Target Companies will remain a subsidiary of the Company and its financial result will remain be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposals on an aggregate basis exceeds 5% but is less than 25%, the Disposals collectively constitute 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 11 November 2022 (after trading hours), the Purchaser (an indirect subsidiary of the Company owned as to 51%), each of the Target Companies (an indirect subsidiary of the Company owned as to approximately 99.9%) and the Vendor (an indirect subsidiary of the Company owned as to approximately 99.9%) entered into the Equity Transfer Agreements, in relation to the disposal of each of the Target Companies, pursuant to which (i) the Purchaser conditionally agreed to purchase, and the Vendor conditionally agreed to sell, the entire equity interest in each of the Target Companies; (ii) the Purchaser will assume the amount of debts of each of the Target Companies to the extent that they were disclosed to the Purchaser with reference to a valuation report issued by a qualified asset valuation firm; and (iii) all material contracts and agreements entered into by each of the Target Companies remain valid and legally binding.

The Purchaser is owned as to 51% by the Company. As such, upon completion of the Disposals, the Company's indirect percentage interest in the Target Companies will be reduced to 51%, while each of the Target Companies will remain a subsidiary of the Company and its financial result will remain be consolidated into the financial statements of the Group.

THE DISPOSALS

The Equity Transfer Agreements

The Equity Transfer Agreements are of similar principal terms except the identity of the Target Companies, which are set out as below:

Date : 11 November 2022 (after trading hours)

Parties : (i) The Purchaser

(ii) Each of the Target Companies, and

(iii) The Vendor

Equity interests to be disposed

Pursuant to the respective Equity Transfer Agreements, the Purchaser conditionally agreed to purchase, and the Vendor conditionally agreed to sell, the entire equity interests in each of the Target Companies and the relevant rights associated with such equity interests.

Immediately before the completion of the Disposals, the equity interest of each of the Target Companies is directly wholly owned by the Vendor. The Purchaser is owned as to 51% by the Company and hence, a non wholly-owned subsidiary of the Company. Upon the completion of the Disposals, the equity interest of each of the Target Companies will be wholly owned by the Purchaser and the Company's indirect percentage interest in the Target Companies will be reduced to 51%.

Consideration and payment terms

Equity Transfer Agreement A	:	The total consideration being approximately RMB6.02 million will be paid by the Purchaser to the Vendor within fifteen working days from the Completion Date.
Equity Transfer Agreement B	:	The total consideration being approximately RMB4.45 million will be paid by the Purchaser to the Vendor within fifteen working days from the Completion Date.
Equity Transfer Agreement C	:	The total consideration being approximately RMB4.32 million will be paid by the Purchaser to the Vendor within fifteen working days from the Completion Date.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the audited net assets value of each of Target Company A, Target Company B and Target Company C as at 30 June 2022, which was approximately RMB60.2 million, RMB35.9 million and RMB43.2 million, respectively; taking into consideration their respective undistributed profits as at the same date, which was approximately RMB54.2 million, RMB32.3 million and RMB38.9 million, respectively. The undistributed profits of each of Target Company A, Target Company B and Target Company C as at 30 June 2022 will be distributed to the Vendor prior to the Completion. The Directors are of the view that the Consideration is fair and reasonable and is in the interest of the Group and the Shareholders as a whole.

Conditions precedent

The completion of the Disposals is conditional upon the fulfilment or waiver of certain conditions. In a situation where a party seeks a waiver of each or all of the Conditions Precedent, such application for waiver should be made in writing. Key conditions of the Equity Transfer Agreements are set out as follows:

(i) the Disposals have obtained approvals of internal valid decision-making authorities of each of the Purchaser, the Target Companies and the Vendor and/or the Stock Exchange, and are in compliance with each of their internal compliance requirements;

(ii) the Vendor, in collaboration with the Purchaser, the Target Companies and the financial institutions, shall endeavour to ensure that relevant party should have properly executed legal documents, among others, (a) consent to the disposal of equities; (b) agreement to release the pledge over the equities of each of the Target Companies and transfer the equities to the Purchaser accordingly; and (c) all other documents required in relation to the Disposals;

(iii) the Purchaser has performed and completed its due diligence works with respect to audit, tax, law, technology, valuation, commercial, and compliance and regulation. Both the Purchaser and the Vendor should have reached an consensus on settlement of issues spotted and contemplated in the aforementioned due diligence works; and

(iv) documents proving that the photovoltaic power project carried out by each of the Target Companies have connected to grid in full capacity and have been put into operation before 30 September 2022. Alternatively, the Purchaser and the Vendor have reached an agreement on the specific capacity and description proposed to be stipulated in the Completion Confirmations, and contracts on the purchase and sale of power as well as agreements on the connection to the power grids and dispatch of power have been signed.

The Purchaser and the Vendor undertake to confirm in writing the satisfaction the Conditions Precedent prior to the filings of changes in the industry and commerce registration information in the PRC.

Completion

Within ten working days from the date of fulfilment or waiver of all the Conditions Precedent, the Purchaser and the Vendor shall ensure the completion of the changes in the industry and commerce registration information of the Target Companies and shall ensure that the new articles of associations and changes in management team (if any) thereof are duly updated with the relevant authorities. Upon the completion of these procedures, a new business licence for each of the Target Companies shall be obtained from the industry and commerce registration department.

The date(s) on which the above business licences is/are issued shall be the change in registration information date(s).

Upon obtaining new business licences of the Target Companies, the Purchaser and the Vendor shall execute the Completion Confirmations as required by the Equity Transfer Agreements, which shall stipulate that (i) all the Conditions Precedent are fulfilled, unless otherwise waived, and (ii) all the deliverables with respect to the Disposals are transferred.

The date(s) on which the Completion Confirmations is/are executed shall be the Completion Date(s).

Arrangement of existing rights and obligations

Subsequent to the Completion Date, all existing shareholders' rights and obligations of each of the Target Companies shall continue and are to be borne by the Purchaser.

Termination of the Equity Transfer Agreements

The Purchaser and the Vendor undertake to ensure that the above changes in the industry and commerce registration information of the relevant Target Companies are duly filed on or above 31 March 2023 (the "**Long Stop Date**"). If such filings of changes cannot be completed by the Long Stop Date, either the Purchaser or the Vendor is entitled to terminate the Equity Transfer Agreements, the Disposals and the related documents by written notification and the party who initiates to terminate shall not be held liable for not performing the Equity Transfer Agreements.

INFORMATION ABOUT THE PARTIES

Information of the Group, the Vendor and the Purchaser

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.

The Vendor is a company established in the PRC with limited liability and an indirect subsidiary of the Company owned as to approximately 99.9%. It is principally engaged in the investment, development and operation of solar energy and other clean energy.

The Purchaser is a company established in the PRC with limited liability. It is principally engaged in wind power generation, photovoltaic power generation, energy storage and the development, investment and operation of other comprehensive smart energy, and is indirectly owned as to 51% by the Company through Beijing Energy International Investment Limited and as to 49% by Sembcorp Energy (Shanghai) Holding Co., Ltd*(勝科能源投資(上海)有限公司)("**Sembcorp Energy Shanghai**") which is wholly owned by Sembcorp Industries Ltd, the shares of which are listed on the Singapore Exchange Limited (SGX: U96). Sembcorp Energy Shanghai mainly serves as the investment and development platform of Sembcorp Industries Ltd with a focus on the development of new energy business in the PRC. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Sembcorp Energy Shanghai and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

Information of the Target Companies

Each of the Target Companies is a company established in the PRC with limited liability. The Target Companies are principally engaged in the development, operation and maintenance of photovoltaic power plants in the PRC and located in Hebei Province, the PRC. Each of the Target Companies owns one photovoltaic power project with the capacity ranging from 300MW to 400MW in different counties and cities in Hebei Province. As at the date of this announcement, each of the Target Companies is wholly owned by the Vendor directly.

Target Company A

Target Company A had not commenced operation in 2019 and 2020, and therefore it did not generate profit for the years ended 31 December 2019 and 31 December 2020. The audited financial information of the Target Company A for the year ended 31 December 2021 and the six months ended 30 June 2022 are as follows:

	For the year ended 31 December 2021 *(RMB'million)*	**For the six months ended 30 June 2022** *(RMB'million)*
Profit before taxation	27	33
Profit after taxation	27	33

As at 30 June 2022, the audited net assets of Target Company A amounted to approximately RMB60.2 million.

Target Company B

Target Company B had not commenced operation in 2019 and 2020, and therefore it did not generate profit for the years ended 31 December 2019 and 31 December 2020. The audited financial information of the Target Company B for the year ended 31 December 2021 and the six months ended 30 June 2022 are as follows:

	For the year ended 31 December 2021 *(RMB'million)*	**For the six months ended 30 June 2022** *(RMB'million)*
Profit before taxation	16	20
Profit after taxation	16	20

As at 30 June 2022, the audited net assets of Target Company B amounted to approximately RMB35.9 million.

Target Company C

Target Company C had not commenced operation in 2019 and 2020, and therefore it did not generate profit for the years ended 31 December 2019 and 31 December 2020. The audited financial information of the Target Company C for the year ended 31 December 2021 and the six months ended 30 June 2022 are as follows:

	For the year ended 31 December 2021 *(RMB'million)*	**For the six months ended 30 June 2022** *(RMB'million)*
Profit before taxation	11	32
Profit after taxation	11	32

As at 30 June 2022, the audited net assets of Target Company C amounted to approximately RMB43.2 million.

Subject to final audit, it is expected that the Group will realise a gain on disposal of approximately RMB1 million, which is calculated by reference to (i) the Consideration; (ii) the audited net assets value of the Target Companies as at 30 June 2022; and (iii) the undistributed profits of the Target Companies to be distributed to the Vendor as at the same date. The proceeds from the Disposal are currently intended to be used by the Group for general corporate purposes.

REASONS FOR AND BENEFITS OF THE DISPOSALS

Having considered the Company's debt ratio position, the Company is of the view that (i) the Disposals will be a good opportunity for the Group to improve liquidity, thereby improving the Company's ability to make necessary capital expenditures and develop business opportunity; (ii) the net proceeds from the Disposals (after deducting relevant costs and expenses in connection with the Disposals) can improve the Company's cash flow situation; and (iii) the introduction of an external shareholder with a strong business presence in the power industry can bring strategic benefits to our Group with respect to sino-foreign cooperation in the power generation industry.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposals on an aggregate basis exceeds 5% but is less than 25%, the Disposals collectively constitute 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)
"Completion"	completion of the Disposals pursuant to the Equity Transfer Agreements

"Completion Confirmation(s)"	a document as required by the Equity Transfer Agreements which shall stipulate that (i) all the Conditions Precedent are fulfilled, unless otherwise waived, and (ii) all the deliverables with respect to the Disposals are transferred, which is to be issued once each of the Target Companies has obtained a new business licence after the completion of Disposals
"Completion Date(s)"	the date of completion of the Disposals, being the date(s) on which the Completion Confirmations is/are executed
"Conditions Precedent"	the conditions precedent to the Disposals of the equity interests of the Target Companies set out in each of the Equity Transfer Agreements
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the total consideration receivable by the Vendor pursuant to the Equity Transfer Agreements
"Director(s)"	the director(s) of the Company
"Disposals"	all of the proposed disposals of the entire equity interest in each of the Target Companies by the Vendor, as contemplated under the Equity Transfer Agreements
"Equity Transfer Agreements"	consist of the Equity Transfer Agreement A, the Equity Transfer Agreement B and the Equity Transfer Agreement C
"Equity Transfer Agreement A"	the conditional equity transfer agreement dated 11 November 2022 entered into by the Purchaser and the Vendor, in relation to the disposal of Target Company A, on the terms and conditions set out therein
"Equity Transfer Agreement B"	the conditional equity transfer agreement dated 11 November 2022 entered into by the Purchaser and the Vendor, in relation to the disposal of Target Company B, on the terms and conditions set out therein

"Equity Transfer Agreement C"	the conditional equity transfer agreement dated 11 November 2022 entered into by the Purchaser and the Vendor, in relation to the disposal of Target Company C, on the terms and conditions set out therein
"Group"	the Company and its subsidiaries
"GW"	gigawatts, which equals 1,000,000,000 watts
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
''Independent Third Party(ies)''	persons who themselves (and in the case of any corporate entities, their ultimate beneficial owners) are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, third parties independent of, and not connected with, the Company and its connected persons
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"MW"	megawatts, which equals 1,000,000 watts
"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
"Purchaser"	Beijing Energy Sembcorp (Hainan) International Renewables Company Limited*(京能勝科(海南)國際能源有限公司), a company established in the PRC with limited liability, and is indirectly owned as to 51% by the Company and as to 49% by Sembcorp Energy Shanghai, which is an Independent Third Party
"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
"Target Companies"	consist of Target Company A, Target Company B and Target Company C

"Target Company A"	Guangzong County Guorui Energy Co., Ltd.*(廣宗縣國瑞能源有限公司), a company established in the PRC with limited liability and is directly wholly owned by the Vendor as at the date of this announcement
"Target Company B"	Longyao County Guochang New Energy Technology Co., Ltd.*(隆堯縣國昌新能源科技有限公司), a company established in the PRC with limited liability and is directly wholly owned by the Vendor as at the date of this announcement
"Target Company C"	Nangong City Guoshun New Energy Technology Co., Ltd.*(南宮市國順新能源科技有限公司), a company established in the PRC with limited liability and is directly wholly owned by the Vendor as at the date of this announcement
"Vendor"	BEI Energy Development (Beijing) Co., Ltd.*(京能國際能源發展(北京)有限公司)(formerly known as Beijing United Rongbang New Energy Technology Co., Ltd.*(北京聯合榮邦新能源科技有限公司)), a company established in the PRC with limited liability and an indirect subsidiary of the Company owned as to approximately 99.9%
"working day(s)"	any day(s) for banks in the PRC to open for public business, excluding statutory holidays
"%"	per cent

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

Hong Kong, 11 November 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, Mr. Li Hao and Mr. Lu Xiaoyu; and the independent non-executive directors of the Company are Ms. Jin Xinbin, Ms. Li Hongwei and Mr. Zhu Jianbiao.

* *For identification purposes only*