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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
ACQUISITION OF THE ENTIRE EQUITY INTERESTS IN THE TARGET COMPANY OWNING A WIND POWER PROJECT IN VIETNAM

THE ACQUISITION

On 14 December 2022 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor (for itself and on behalf of the Other Vendors) entered into the Share Purchase Agreement, pursuant to which the Purchaser conditionally agreed to purchase, and the Vendor (for itself and on behalf of the Other Vendors) conditionally agreed to sell, the Sale Shares, representing the entire equity interests in the Target Company.

The consideration for the Sale Shares is VND769,702.5 million. Following Completion, an additional Earn-out Payment of up to approximately VND178,216.5 million shall be payable by the Purchaser to the Vendor (for itself and on behalf of the Other Vendors) upon meeting certain conditions as described in the body of this announcement.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

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

Shareholders and potential investors should note that the Completion is subject to the satisfaction and/or, where applicable, waiver of the Conditions Precedent. As the Acquisition may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 14 December 2022 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor (for itself and on behalf of the Other Vendors) entered into the Share Purchase Agreement, pursuant to which the Purchaser conditionally agreed to purchase, and the Vendor (for itself and on behalf of the Other Vendors) conditionally agreed to sell, the Sale Shares, representing the entire equity interests in the Target Company.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company.

THE ACQUISITION

The Share Purchase Agreement

The principal terms of the Share Purchase Agreement are set out as follows:

Date: 14 December 2022 (after trading hours)

Parties: (i) The Purchaser

(ii) The Vendor (for itself and on behalf of the Other Vendors)

Interests to be acquired

Pursuant to the Share Purchase Agreement, the Purchaser conditionally agreed to purchase, and the Vendor (for itself and on behalf of the Other Vendors) conditionally agreed to sell, the Sale Shares, representing the entire equity interests in the Target Company, free from all encumbrances and together with all rights attaching (or may in the future attach) to the Sale Shares.

Consideration and Payment Terms

The consideration for the Sale Shares is VND769,702.5 million (tax inclusive), and shall be paid/payable by the Purchaser in the following manner:

1. VND610,875 million shall be payable by the Purchaser into an escrow account agreed between the parties (the "**Escrow Account**") on the date of completion of transfer of 95% of the equity interests in the Target Company;

2. VND122,175 million (the "**Repaid Advance Payment**") shall be payable by the Purchaser into the Escrow Account within one month after the advanced payment of USD5 million, which was made by the Company to the Vendor in accordance with the pre-sale and purchase agreement signed between the Company and the Vendor in February 2022, has been returned to the Company; and

3. VND36,652.5 million shall be payable by the Purchaser into the Escrow Account within one month after the Target Company has repaid all the loans amounting to VND1,208,000 million from the Joint Stock Commercial Bank for Investment and Development of Vietnam ("**BIDV**") pursuant to a credit agreement entered into between the Target Company and the BIDV (subject to deduction of any early repayment fee (which the Vendor shall be liable for) paid by the Purchaser on behalf of the Vendor).

In the event that the shareholder's equity in the closing account of the Target Company is less than the amount stated on the balance sheet as set out in the financial due diligence report prepared by the financial advisors to the Purchaser in May 2022, the consideration shall be adjusted downwards on a dollar for dollar basis.

The consideration and the Earn-out Payment (as described below) has been and will be satisfied by internal resources and/or bank loans of the Group.

Basis of the Consideration

The consideration under the Share Purchase Agreement was determined after arm's length negotiation between the Group and the Vendor (for itself and on behalf of the Other Vendors) after considering various factors, including (i) the financial performance of the Target Company as at 31 December 2021, such as the revenue generated by the Target Company and the total construction costs of the wind power generation project owned by the Target Company; (ii) the prospects of the business activities of the Target Company; (iii) the amounts receivable by the Target Company as at 31 December 2021; (iv) the consolidated liabilities and expenses payable by the Target Company as at 31 December 2021; and (v) the benefits that would be brought to the Company due to the Acquisition as described in the paragraph headed "Reasons for and Benefits of the Acquisition".

Earn-out Payment

Within three consecutive years after the date of Completion, additional amounts (each a "**Milestone Payment**") of up to an aggregate of approximately VND178,216.5 million (the "**Earn-out Payment**") shall be payable by the Purchaser to the Vendor with respect to each calculation period, being one year, with the first calculation period starting on the first day of the month following the date of Completion, and ending on the last day of the twelve months following the month of the date of Completion.

The actual amount of each Milestone Payment shall be determined with reference to the aggregate generation hours for wind turbines of the Target Company on an annual basis and the satisfaction of the events specified in the Share Purchase Agreement (the "**Milestone Events**"). The Purchaser shall notify the Vendor after each Milestone Event has been achieved and the corresponding Milestone Payment shall be payable by the Purchaser to the Vendor by bank wire transfer within 30 Business Days of such notification by the Purchaser.

Conditions Precedent

The Completion is conditional upon the satisfaction or waiver by the Purchaser, where applicable of the following conditions (among other things):–

(a) no law is in effect that makes the consummation of the Acquisition illegal or otherwise prohibits or enjoins the Vendor, the Purchaser and the Target Company from consummating the Acquisition contemplated by the Share Purchase Agreement;

(b) the warranties in the Share Purchase Agreement are true and correct in all aspects and not misleading, and there has been no breach of the Share Purchase Agreement by the Vendor or the Target Company;

(c) no event, circumstance, effect, occurrence or state of affairs or any combination of them which, in the sole opinion of the Purchaser, is, or is reasonably likely to be, materially adverse to the business, operations, assets, liabilities, properties or the business or financial condition, results or prospects of the Target Company including any material change to the regulatory framework applicable to the operation and business of the Target Company, have occurred since the date of incorporation of the Target Company;

(d) the Vendor has provided or procured, to the satisfaction of the Purchaser, all necessary meeting minutes, resolutions, registers of shareholder of the Target Company, share certificates, written commitments, confirmations of BIDV, documentary evidence, certificates, waivers and agreements, has conducted all necessary actions as required by governmental authorities, and has obtained all necessary approvals from governmental authorities in relation to the Acquisition contemplated under the Share Purchase Agreement;

(e) the Purchaser have obtained all necessary board resolutions and approvals from governmental authorities in relation to the Acquisition contemplated under the Share Purchase Agreement;

(f) the Vendor and the Target Company have performed and complies with the covenants provided in the Share Purchase Agreement; and the Vendor and the Target Company shall have delivered to the Purchaser a certificate confirming the same at Completion;

(g) all obligations in relation to the termination of employment with relevant employees of the Target Company as may be necessary having been settled by the Vendor and the Target Company;

(h) all necessary notarized letters of authorization and letters of commitment have been issued by the Vendor, the Other Vendors and their respective associates in relation to the Acquisition contemplated under the Share Purchase Agreement;

(i) the Vendor shall have issued an invoice to the Purchaser for the shares of the Target Company owned by the Vendor; and

(j) the parties shall have executed all necessary agreements with other third parties in relation to the Acquisition contemplated under the Share Purchase Agreement.

Completion

Completion of the Share Purchase Agreement shall take place on such date as notified by the Purchaser to the Vendor after the Conditions Precedent have been fulfilled or waived in writing and the Repaid Advance Payment has been made to the Escrow Account. Both Vendor and Purchaser shall complete the registration of the transfer of the entire equity interests in the Target Company under the name of the Purchaser.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results and assets and liabilities of the Target Company will be consolidated into the consolidated financial statements of the Company.

INFORMATION ABOUT THE PARTIES TO THE SHARE PURCHASE AGREEMENT

Information of the Group 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 Purchaser is a company established under the laws of Vietnam with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in the business of technical consultation, technical research and development, investment, etc..

Information of the Target Company

The Target Company is a joint stock company established under the laws of Vietnam and is principally engaged in electricity production business. The Target Company currently owns and operates one wind power plant with the grid-connected capacity of approximately 46.2MW in Gia Lai Province, Vietnam. As at the date of this announcement, the Target Company is owned by the Vendor as to approximately 20.48% and the Other Vendors, namely Mr. Pham Quoc Sy, Mr. Tran Duc Trung, Mr. Vuong Dang Vinh and Mr. Vuong The Vu, as to approximately 3.97%, 5.95%, 56.70%, and 12.90%, respectively.

The Target Company was established on 15 July 2020 and the table below sets out certain audited financial information of the Target Company for the period from 15 July 2020 to 31 December 2020 and for the year ended 31 December 2021:

	For the period from 15 July 2020 to 31 December 2020 *(VND'million)* (audited)	**For the year ended 31 December 2021** *(VND'million)* (audited)
Profit before taxation	2	9,855
Profit after taxation	1	9,785

As at 31 December 2020 and 31 December 2021, the audited net assets of Target Company amounted to approximately VND507,788.5 million and VND664,786.5 million, respectively. As at 31 October 2022, the unaudited net assets of the Target Company amounted to approximately VND625,311 million.

Information of the Vendor and the Other Vendors

The Vendor is principally engaged in the business of provision of electrical system installation services, production and maintenance services for small electrical equipment, technical consultation services, construction services for private construction work, etc.. As at the date of this announcement, the Vendor owns approximately 20.48% interest in the Target Company and has been duly authorized by each of the Other Vendors, who collectively own approximately 79.52% interest in the Target Company, to sell their interest to the Purchaser under the Share Purchase Agreement. As at the date of this announcement, the Vendor is owned by Mr. Vuong Dang Vinh, Mr. Tran Trong Nghia, Mr. Hoang Duc Chien and Ms. Vuong Thi Hang as to 98.15%, 1.19%, 0.40% and 0.26%, respectively. The ultimate beneficial owner of the Vendor is Mr. Vuong Dang Vinh.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor (and its ultimate beneficial owner) and the Other Vendors (all of them are Vietnamese investors) are Independent Third Parties as at the date of this announcement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group, being principally engaged in the development, investment, operation and management of power plants and other clean energy projects, has been identifying suitable investment opportunities to acquire clean energy projects with good prospects and potential for stable returns.

The Board is of the view that the Acquisition, as the Company's first mergers & acquisitions project in the Vietnam is an important milestone in entering the Vietnamese market. In addition, the wind power plant of the Target Company has been put into production for one year, which will provide stable cash flow upon Completion. Therefore, the Board consider that the Acquisition will be complementary to the Group's existing renewable energy power plant portfolio and enables the Group to further expand its scale of business in the renewable energy sector to enhance return to the Shareholders.

The Directors (including the independent non-executive Directors) consider that the Acquisition was negotiated on normal commercial terms and the terms and conditions of the Acquisition are fair and reasonable 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 Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the Completion is subject to the satisfaction and/or, where applicable, waiver of the Conditions Precedent. As the Acquisition may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing 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:

"Acquisition"	the proposed acquisition of the entire equity interests in the Target Company by the Purchaser from the Vendor (for itself and on behalf of the Other Vendors), as contemplated under the Share Purchase Agreement
"Board"	the board of Directors of the Company
"Business Day(s)"	a day on which banks located in Vietnam and Hong Kong are open for business during normal banking hours but excluding Saturday or Sunday

"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 Acquisition pursuant to the Share Purchase Agreement
"Conditions Precedent"	the conditions precedent to the Completion as set out in the Share Purchase Agreement
"Connected Person(s)"	has the meaning ascribed to it under the Listing Rules
"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
"Independent Third Parties"	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 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
"Other Vendors"	Mr. Pham Quoc Sy, Mr. Tran Duc Trung, Mr. Vuong Dang Vinh and Mr. Vuong The Vu
"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
"Purchaser"	JN Viet Nam Renewable Energy Company Limited, a company established under the laws of Vietnam with limited liability and an indirect wholly-owned subsidiary of the Company

"Sale Shares"	the entire equity interests of the Target Company
"Share(s)"	ordinary share(s) of HKD0.1 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued share(s) of the Company
"Share Purchase Agreement"	the conditional share purchase agreement dated 14 December 2022 entered into by the Purchaser and the Vendor (for itself and on behalf of the Other Vendors) in relation to the Acquisition
"Target Company"	Cuu An Wind Power Joint Stock Company, a joint stock company established under the laws of Vietnam
"USD" or "US$"	United States dollars, the lawful currency of the United States of America
"Vendor"	SD Viet Nam Investment Construction Joint Stock Company, a joint stock company established under the laws of Vietnam
"Vietnam"	the Socialist of Republic of Vietnam
"VND"	Vietnamese Dong, the lawful currency of Vietnam
"%"	per cent

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

Hong Kong, 14 December 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.