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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)

CONTINUING CONNECTED TRANSACTIONS
CATERING SERVICE AGREEMENTS

CATERING SERVICE AGREEMENTS

Reference is made to the announcement of the Company dated 11 January 2023 in relation to the Previous Service Agreements.

On 19 January 2023 (after trading hours), BEJN Comprehensive and BEJN North China, indirect wholly-owned subsidiaries of the Company, entered into the Catering Service Agreements respectively with BESM Beijing, pursuant to which BESM Beijing would provide staff canteen catering services at the Beijing Headquarters.

The annual caps of (i) the BEJN Comprehensive Catering Service Agreement and the BEJN North China Catering Service Agreement for the financial year ending 31 December 2023 are RMB1.7 million and RMB1.8 million respectively; and (ii) the BEJN North China Catering Service Agreement for the period from 1 January 2024 to 31 January 2024 is RMB0.2 million, which are equivalent to the estimated amount payable to BESM Beijing under the respective Catering Service Agreements, including the catering fees and other fees. Accordingly, the aggregate annual caps for the Service Agreements (inclusive of the Catering Service Agreements and the Previous Service Agreements) for (i) the financial year ending 31 December 2023; and (ii) the period from 1 January 2024 to 31 January 2024 are RMB14.6 million and RMB0.9 million, respectively.

LISTING RULES IMPLICATIONS

As at the date of this announcement, BESM Beijing is an indirect wholly-owned subsidiary of BEH, which is a controlling Shareholder. Therefore, BESM Beijing is a connected person of the Company, the transactions contemplated under the Catering Service Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 to Rule 14A.83 of the Listing Rules, the respective transactions contemplated under the Service Agreements are required to be aggregated as the Service Agreements were entered into by the Group with the same connected person, namely, BESM Beijing, and the subject matters of the Service Agreements are related to services in respect of office administration and support.

As the highest applicable percentage ratio in respect of the annual caps for the transactions contemplated under the Catering Service Agreements, on an aggregated basis with the Previous Service Agreements, exceeds 0.1% but is less than 5%, the transactions contemplated under the Catering Service Agreements will be subject to reporting, announcement and annual review requirements but is exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 11 January 2023 in relation to the Previous Service Agreements.

On 19 January 2023 (after trading hours), BEJN Comprehensive and BEJN North China, indirect wholly-owned subsidiaries of the Company, entered into the Catering Service Agreements respectively with BESM Beijing, pursuant to which the BESM Beijing would provide staff canteen catering services at the Beijing Headquarters.

BEJN COMPREHENSIVE CATERING SERVICE AGREEMENT

The principal terms of the BEJN Comprehensive Catering Service Agreement are set out as below:

Date: 19 January 2023

Parties: (i) BEJN Comprehensive

(ii) BESM Beijing

Services to be provided:	Provision of (i) staff canteen catering services (breakfast, lunch and dinner inclusive) for BEJN Comprehensive's staff, and (ii) other catering services as required by BEJN Comprehensive.
Location:	Beijing Headquarters
Term:	From the date when the operation of the staff canteen officially commences (which is expected to be no later than 31 January 2023) to 31 December 2023
Service fees & payment terms:	Pursuant to the BEJN Comprehensive Catering Service Agreement, the service fees consist of (i) catering fees; and (ii) other fees. **(i) catering fees** For staff canteen catering services, the catering fees shall be calculated based on (i) the actual number of staff dined at the canteen and (ii) the corresponding meal costs, which shall be confirmed and settled on a monthly basis. For other catering services, the catering fees shall be calculated based on the procurement costs of the ingredients and beverages, which shall be billed on a per service basis and settled on a monthly basis. **(ii) other fees** Other fees shall include other costs arising from the provision of services, such as utensils, consumables, housing rental fees, gas fees and additional cost incurred due to pandemic control measures. The other fees shall be settled on a monthly basis.

BEJN NORTH CHINA CATERING SERVICE AGREEMENT

The principal terms of the BEJN North China Catering Service Agreement are set out as below:

Date:	19 January 2023
Parties:	(i) BEJN North China (ii) BESM Beijing
Services to be provided:	Provision of (i) staff canteen catering services (breakfast, lunch and dinner inclusive) for BEJN North China's staff, and (ii) other catering services as required by BEJN North China.
Location:	Beijing Headquarters
Term:	From 20 January 2023 to 19 January 2024
Service fees & payment terms:	Pursuant to the BEJN North China Catering Service Agreement, the service fees consist of (i) catering fees; and (ii) other fees: **(i) catering fees** For staff canteen catering services, the catering fees shall be calculated based on (i) the actual number of staff dined at the canteen and (ii) the corresponding meal costs, which shall be confirmed and settled on a monthly basis. For other catering services, the catering fees shall be calculated based on the procurement costs of the ingredients and beverages, which shall be billed on a per service basis and settled on a monthly basis.

(ii) other fees

Other fees shall include other costs arising from the provision of services, such as utensils, consumables, housing rental fees, gas fees and additional cost incurred due to pandemic control measures. The other fees shall be settled on a monthly basis.

ANNUAL CAPS AND BASIS OF DETERMINATION OF THE ANNUAL CAPS

The annual caps of (i) the BEJN Comprehensive Catering Service Agreement and the BEJN North China Catering Service Agreement for the financial year ending 31 December 2023 are RMB1.7 million and RMB1.8 million respectively; and (ii) the BEJN North China Catering Service Agreement for the period from 1 January 2024 to 31 January 2024 is RMB0.2 million, which are equivalent to the estimated amount payable to BESM Beijing under the respective Catering Service Agreements, including the catering fees and other fees. Accordingly, the aggregate annual caps for the Service Agreements (inclusive of the Catering Service Agreements and the Previous Service Agreements) for (i) the financial year ending 31 December 2023; and (ii) the period from 1 January 2024 to 31 January 2024 are RMB14.6 million and RMB0.9 million, respectively.

The annual caps for the Catering Service Agreements were determined after taking into account, among other things, (i) the payment terms of the service fees payable under the Catering Service Agreements, including fixed fees, the catering fees and other fees; (ii) the number of employees and guests of the Group and the expected fluctuations in such number; and (iii) the expected costs to be incurred in relation to the catering service personnel, labour costs, raw material, utensils and other consumables.

HISTORICAL AMOUNTS

Save for the Previous Service Agreements, no catering and office maintenance services had been provided to the Group by BESM Beijing and/or third parties engaged by BESM Beijing prior to the date of the Catering Service Agreements. As such, there was no historical figure under the Service Agreements.

REASON FOR AND BENEFITS OF THE ENTERING IN TO THE CATERING SERVICE AGREEMENTS

In determining the service providers and the service fees for the Catering Service Agreements, the Group has considered the following factors: (i) the fee quotations received by the Group; (ii) the track record of the candidate on performing similar services; (iii) the size of operation, manpower and financial performance of the candidate; (iv) the expected scale of staff canteen catering services required by the Group; and (v) the prevailing market price of the provision of similar services.

The Directors are of the view that (i) the procurement of staff canteen catering services will help improve the staff's satisfactions and morale, which in turn will benefit the Group's development as a whole; (ii) the procurement of staff canteen catering services will ensure smooth and efficient daily operations of the office premises by providing the staff with enhanced working environment; and (iii) BESM Beijing, being a subsidiary of the controlling Shareholder, BEH, has a better understanding of the corporate culture, needs and overall situations of the Group. Therefore, the Company believes that BESM Beijing is suitable for providing the services contemplated under the Catering Service Agreements.

Having considered the above, the Directors (including the independent non-executive Directors) consider that the terms of the Catering Service Agreements and the annual caps are fair and reasonable, and the transactions contemplated thereunder are entered into on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

As Mr. Zhao Bing (the non-executive Director) and Mr. Su Yongjian (the non-executive Director) were the senior management of BEH, they had abstained from voting on the Board resolution approving the Catering Service Agreements and the transactions contemplated thereunder. Save and except for the aforesaid, none of the Directors has any material interest in the Catering Service Agreements and was required to abstain from voting on the Board resolution in relation to the Catering Service Agreements.

INTERNAL CONTROL MEASURES

To safeguard the interests of the Shareholders as a whole, including the minority Shareholders, the Company has adopted internal approval and monitoring procedures relating to the transactions contemplated under the Catering Service Agreements, which include the followings:

(i) the finance department of the Company will closely monitor and record the actual transaction amounts of the continuing connected transactions under Catering Service Agreements on a monthly basis to ensure that the annual caps will not be exceeded;

(ii) the auditors of the Company will conduct annual review of the transactions under Catering Service Agreements and provide annual confirmation in accordance with the Listing Rules in respect of the transactions contemplated under the Catering Service Agreements; and

(iii) the independent non-executive Directors will conduct annual review of the transactions under Catering Service Agreements and provide annual confirmations in the Company's annual report(s) in accordance with the Listing Rules that the transactions are entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better and the terms are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION ABOUT THE COMPANY AND BESM BEIJING

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.

BEJN Comprehensive is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in power supply (restricted electricity sales service), power production and new energy technology services.

BEJN North China is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in enterprise headquarters management, engineering management and project bidding agency services.

BESM Beijing is a company established in the PRC with limited liability and indirectly wholly owned by BEH, a controlling Shareholder. It is principally engaged in corporate catering services, office cleaning and property maintenance services.

BEH is a company established in the PRC with limited liability which principally engages in the businesses of generation and supplying of electricity and heat, production and sale of coal and development of real estate. It is a state-owned company in the PRC indirectly wholly owned by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality. BEH is the controlling Shareholder, indirectly holding approximately 32.04% of the issued share capital of the Company. Therefore, BEH is a connected person of the Company under the Listing Rules.

LISTING RULE IMPLICATIONS

As at the date of this announcement, BESM Beijing is an indirect wholly-owned subsidiary of BEH, which is a controlling Shareholder. Therefore, BESM Beijing is a connected person of the Company, the transactions contemplated under the Catering Service Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 to Rule 14A.83 of the Listing Rules, the respective transactions contemplated under the Service Agreements are required to be aggregated as the Service Agreements were entered into by the Group with the same connected person, namely, BESM Beijing, and the subject matters of the Service Agreements are related to services in respect of office administration and support.

As the highest applicable percentage ratio in respect of the annual caps for the transactions contemplated under the Catering Service Agreements, on an aggregated basis with the Previous Service Agreements, exceeds 0.1% but is less than 5%, the transactions contemplated under the Catering Service Agreements will be subject to reporting, announcement and annual review requirements but is exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

"BEH"	Beijing Energy Holding Co., Ltd.*(北京能源集團有限責任公司), a company established in the PRC with limited liability and a controlling Shareholder holding 7,176,943,498 shares of the Company, representing approximately 32.04% of the issued share capital of the Company

"Beijing Headquarters"	Beijing headquarters of the Group located at Sanfeng North Lane, Chaoyang District, Beijing, PRC
"BEJN"	BEJN International Holding Co., Ltd.* (北京京能國際控股有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"BEJN Comprehensive"	BEJN International Comprehensive Smart Energy Co., Ltd.* (北京京能國際綜合智慧能源有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"BEJN Comprehensive Catering Service Agreement"	the catering service agreement entered into between BEJN Comprehensive and BESM Beijing on 19 January 2023 in respective of the procurement of staff canteen catering services from BESM Beijing
"BEJN North China"	BEJN International Holdings Co., Ltd. (North China Branch Company)* (北京京能國際控股有限公司華北分公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"BEJN North China Catering Service Agreement"	the catering service agreement entered into between BEJN North China and BESM Beijing on 19 January 2023 in respective of the procurement of staff canteen catering services from BESM Beijing
"BESM Beijing"	Beijing Energy Service Management Co., Ltd. (Beijing Branch Company)* (京能服務管理有限公司北京分公司), a company established in the PRC with limited liability and indirectly wholly owned by BEH
"Board"	the board of Directors of the Company
"Catering Service Agreements"	collectively, the BEJN Comprehensive Catering Service Agreement and the BEJN North China Catering Service Agreement

"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"	has the meaning ascribed thereto under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Independent Third Party(ies)"	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the Group and its connected persons and their respective ultimate beneficial owner(s) or their respective associates
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Maintenance Services Contracting Agreement"	the maintenance services contracting agreement entered into between BEJN and BESM Beijing on 27 December 2022 in respective of the procurement of office cleaning and property maintenance services from BESM Beijing
"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
"Previous Service Agreements"	collectively, Staff Canteen Service Agreement and the Maintenance Services Contracting Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"Service Agreements"	collectively, the Catering Service Agreements and the Previous Service Agreements

"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	holder(s) of issued Share(s) of the Company
"Staff Canteen Service Agreement"	the staff canteen services agreement entered into between the BEJN and BESM Beijing on 11 January 2023 in respective of the procurement of the corporate and other catering services from BESM Beijing
"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, 19 January 2023

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 purpose only*