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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
FINANCE LEASE AGREEMENTS

FINANCE LEASE AGREEMENTS

On 16 March 2023 (after trading hours), Huaqin New Energy (an indirect subsidiary of the Company) and CITIC Financial Leasing entered into the Finance Lease Agreement I, pursuant to which CITIC Financial Leasing agreed to purchase the Leased Assets I from Huaqin New Energy for a total consideration of RMB370 million, which shall then be leased back to Huaqin New Energy, subject to the terms and conditions provided therein.

On the same day, Tianhai Photovoltaic (an indirect subsidiary of the Company) and CITIC Financial Leasing entered into the Finance Lease Agreement II, pursuant to which CITIC Financial Leasing agreed to purchase the Leased Assets II from Tianhai Photovoltaic for a total consideration of RMB150 million, which shall then be leased back to Tianhai Photovoltaic, subject to the terms and conditions provided therein.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of each of the Finance Lease Agreements exceeds 5% but is less than 25%, the entering into of each of the Finance Lease Agreements constitutes 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 16 March 2023 (after trading hours), Huaqin New Energy (an indirect subsidiary of the Company) and CITIC Financial Leasing entered into the Finance Lease Agreement I, pursuant to which CITIC Financial Leasing agreed to purchase the Leased Assets I from Huaqin New Energy for a total consideration of RMB370 million, which shall then be leased back to Huaqin New Energy, subject to the terms and conditions provided therein.

On the same day, Tianhai Photovoltaic (an indirect subsidiary of the Company) and CITIC Financial Leasing entered into the Finance Lease Agreement II, pursuant to which CITIC Financial Leasing agreed to purchase the Leased Assets II from Tianhai Photovoltaic for a total consideration of RMB150 million, which shall then be leased back to Tianhai Photovoltaic, subject to the terms and conditions provided therein.

FINANCE LEASE AGREEMENT I

The principal terms of the Finance Lease Agreement I are summarized as follows:

Date:	16 March 2023 (after trading hours)
Parties:	(1) Huaqin New Energy (as a lessee)
	(2) CITIC Financial Leasing (as a lessor)
Scope of services:	CITIC Financial Leasing will purchase the Leased Assets I owned by Huaqin New Energy at a total consideration of RMB370 million, and lease the Leased Assets I back to Huaqin New Energy for lease payment.
Lease term:	The lease term under the Finance Lease Agreement I will be for 12 years, subject to the terms and conditions provided therein.
Legal title:	CITIC Financial Leasing shall own the legal title of the Leased Assets I during the lease term.

Lease payment: The total lease amount payable to CITIC Financial Leasing under the Finance Lease Agreement I is approximately RMB494 million, being the sum of (i) the total purchase cost of the Leased Assets I of RMB370 million and (ii) the total estimated interest of approximately RMB124 million.

The estimated interests are calculated at a floating rate and shall (i) for the first year of the lease term, be adjusted with reference to the loan prime rate with a maturity of 1 year as promulgated by the National Interbank Funding Centre under the authority of the People's Bank of China from time to time minus 5 basis points; and (ii) for the remaining lease term, be adjusted with reference to the loan prime rate with a maturity of above 5 years as promulgated by the National Interbank Funding Centre under the authority of the People's Bank of China from time to time plus 90 basis points.

The total lease amount payable shall be payable in 48 quarterly instalments.

Other terms: Upon maturity of the lease term and subject to the fulfilment of all of its obligations under the Finance Lease Agreement I, Huaqin New Energy is entitled to obtain the legal title of the Leased Assets I at a nominal consideration of RMB1.

Guarantee: The obligations of Huaqin New Energy under the Finance Lease Agreement I are secured by:

(i) Equipment Mortgage Agreement I entered into between Huaqin New Energy and CITIC Financial Leasing, pursuant to which Huaqin New Energy mortgages the Leased Assets I to CITIC Financial Leasing and under which CITIC Financial Leasing has the rights to recover all liabilities payable under the Finance Lease Agreement I, including, among others, the total principal amount, the lease interests, the interests for over-due payment, liabilities for any breach, any costs and expenses incurred by CITIC Financial Leasing for realising its rights under the Finance Lease Agreement I;

(ii) a pledge of Huaqin New Energy's rights of receiving the electricity fee, related subsidies and other revenue generated from project which the Leased Assets I are being utilized to CITIC Financial Leasing pursuant to the Huaqin New Energy Electricity Fee Rights Pledge Agreement; and

(iii) a share pledge by Liuan Huaqin of its entire equity interests in Huaqin New Energy to CITIC Financial Leasing pursuant to the Huaqin New Energy Share Pledge Agreement.

FINANCE LEASE AGREEMENT II

The principal terms of the Finance Lease Agreement II are summarized as follows:

Date:	16 March 2023 (after trading hours)
Parties:	(1) Tianhai Photovoltaic (as a lessee) (2) CITIC Financial Leasing (as a lessor)
Scope of services:	CITIC Financial Leasing will purchase the Leased Assets II owned by Tianhai Photovoltaic at a total consideration of RMB150 million and lease the Leased Assets II back to Tianhai Photovoltaic for lease payment.
Lease term:	The lease term under the Finance Lease Agreement II will be for 12 years, subject to the terms and conditions provided therein.
Legal title:	CITIC Financial Leasing shall own the legal title of the Leased Assets II during the lease term.
Lease payment:	The total lease amount payable to CITIC Financial Leasing under the Finance Lease Agreement II is approximately RMB200 million, being the sum of (i) the total purchase cost of the Leased Assets II of RMB150 million and (ii) the total estimated interest of approximately RMB50 million.

The estimated interests are calculated at a floating rate and shall (i) for the first year of the lease term, be adjusted with reference to the loan prime rate with a maturity of 1 year as promulgated by the National Interbank Funding Centre under the authority of the People's Bank of China from time to time minus 5 basis points; and (ii) for the remaining lease term, be adjusted with reference to the loan prime rate with a maturity of above 5 years as promulgated by the National Interbank Funding Centre under the authority of the People's Bank of China from time to time plus 90 basis points.

The total lease amount payable shall be payable in 48 quarterly instalments.

Other terms: Upon maturity of the lease term and subject to the fulfilment of all of its obligations under the Finance Lease Agreement II, Tianhai Photovoltaic is entitled to obtain the legal title of the Leased Assets II at a nominal consideration of RMB1.

Guarantee: The obligations of Tianhai Photovoltaic under the Finance Lease Agreement II are secured by:

(i) Equipment Mortgage Agreement II entered into between Tianhai Photovoltaic and CITIC Financial Leasing, pursuant to which Tianhai Photovoltaic mortgages the Leased Assets II to CITIC Financial Leasing and under which CITIC Financial Leasing has the rights to recover all liabilities payable under the Finance Lease Agreement II, including, among others, the total principal amount, the lease interests, the interests for over-due payment, liabilities for any breach, any costs and expenses incurred by CITIC Financial Leasing for realising its rights under the Finance Lease Agreement II;

(ii) a pledge of Tianhai Photovoltaic's rights of receiving the electricity fee, related subsidies and other revenue generated from project which the Leased Assets II are being utilized to CITIC Financial Leasing pursuant to the Tianhai Photovoltaic Electricity Fee Rights Pledge Agreement; and

(iii) a share pledge by BEIED of its entire equity interests in Tianhai Photovoltaic to CITIC Financial Leasing pursuant to the Tianhai Photovoltaic Share Pledge Agreement.

The terms of each of the Finance Lease Agreements, including the lease interest rate, were determined after arm's length negotiations between the respective parties with reference to the prevailing market rates for the similar finance leasing arrangement and consideration of other factors such as the geographical location, performance of operation and risk profile of the Leased Assets I and the Leased Assets II, respectively.

INFORMATION ON THE LEASED ASSETS

As at 28 February 2023, the book value of the Leased Assets I and the Leased Assets II (collectively, the "**Leased Assets**") was approximately RMB389 million and RMB167 million, respectively.

	For the year ended 31 December	
	2021	**2022**
	(audited)	**(unaudited)**
	(RMB' million)	*(RMB' million)*
The profit before tax attributable to the Leased Assets I	0	21
The profit after tax attributable to the Leased Assets I	0	21

	For the year ended 31 December	
	2021	**2022**
	(audited)	**(unaudited)**
	(RMB' million)	*(RMB' million)*
The profit before tax attributable to the Leased Assets II	14	11
The profit after tax attributable to the Leased Assets II	10	8

In accordance with the requirement of Hong Kong Financial Reporting Standards, the transactions contemplated under each of the Finance Lease Agreements as a whole shall be accounted for as a secured borrowing and therefore would not give rise to any gain or loss.

INFORMATION ON THE PARTIES

The Company is 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) 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.

BEIED is a company established in the PRC with limited liability and an indirect subsidiary of the Company. It is principally engaged in the investment, development and operation of solar energy and other clean energy.

Liuan Huaqin is a company established in the PRC with limited liability and a wholly-owned subsidiary of BEIED. It is principally in the operation, maintenance and management of solar power plants in the PRC.

Huaqin New Energy is a company established in the PRC with limited liability and an indirect subsidiary of the Company. It is principally engaged in the operation, maintenance and management of solar power plants in the PRC.

Tianhai Photovoltaic is a company established in the PRC with limited liability and an indirect subsidiary of the Company. It is principally engaged in the operation, maintenance and management of solar power plants in the PRC.

CITIC Financial Leasing is a company established in the PRC with limited liability, which is principally engaged in the business of finance leasing and is a wholly-owned subsidiary of China CITIC Bank Corporation Limited (中信銀行股份有限公司). China CITIC Bank Corporation Limited is a joint stock company incorporated in the PRC with limited liability and its A shares are listed on the Shanghai Stock Exchange (stock code: 601998) and its H shares are listed on the Stock Exchange (stock code: 0998).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, CITIC Financial Leasing and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company as at the date of this announcement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AGREEMENTS

The Company is an investment holding company and the Group is principally engaged in the development, investment, operation and management of power plants and other clean energy projects. The Finance Lease Agreements and the transactions contemplated thereunder provide the Group with more financial resources for development of projects and working capital of Huaqin New Energy and Tianhai Photovoltaic, which also allows the Group to make more efficient utilisation of internal resources.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the Finance Lease Agreements are entered into on normal commercial terms, and the terms set out in the Finance Lease Agreements are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of each of the Finance Lease Agreements exceeds 5% but is less than 25%, the entering into of each of the Finance Lease Agreements constitutes 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:

"BEIED"	BEI Energy Development (Beijing) Co., Ltd.*(京能國際能源發展(北京)有限公司), a company established in the PRC with limited liability, the sole shareholder of Tianhai Photovoltaic, and an indirect subsidiary of the Company
"Board"	the board of Directors of the Company
"CITIC Financial Leasing"	CITIC Financial Leasing Co., Ltd.*(中信金融租賃有限公司), a company established in the PRC with limited liability
"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
"Director(s)"	the director(s) of the Company
"Equipment Mortgage Agreement I"	the equipment mortgage agreement entered into between Huaqin New Energy and CITIC Financial Leasing in relation to the Finance Lease Agreement I on 16 March 2023
"Equipment Mortgage Agreement II"	the equipment mortgage agreement entered into between Tianhai Photovoltaic and CITIC Financial Leasing in relation to the Finance Lease Agreement II on 16 March 2023
"Finance Lease Agreement I"	the finance lease agreement entered into between Huaqin New Energy and CITIC Financial Leasing on 16 March 2023, pursuant to which CITIC Financial Leasing agreed to purchase the Leased Assets I from Huaqin New Energy, which shall then be leased back to Huaqin New Energy
"Finance Lease Agreement II"	the finance lease agreement entered into between Tianhai Photovoltaic and CITIC Financial Leasing on 16 March 2023, pursuant to which CITIC Financial Leasing agreed to purchase the Leased Assets II from Tianhai Photovoltaic, which shall then be leased back to Tianhai Photovoltaic
"Finance Lease Agreements"	collectively, the Finance Lease Agreement I and the Finance Lease Agreement II
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Huaqin New Energy"	Huoqiu County Huaqin New Energy Co., Ltd.*(霍邱縣華欽新能源有限公司), a company established in the PRC with limited liability and an indirect subsidiary of the Company

"Huaqin New Energy Electricity Fee Rights Pledge Agreement"	the electricity fee rights pledge agreement entered into between Huaqin New Energy and CITIC Financial Leasing on 16 March 2023
"Huaqin New Energy Share Pledge Agreement"	the share pledge agreement entered into between Liuan Huaqin, CITIC Financial Leasing and Huaqin New Energy on 16 March 2023
"Leased Assets I"	various photovaltaic power generation equipment in relation to the 108 megawatts photovoltaic power project in Anhui
"Leased Assets II"	various photovoltaic power generation equipment in relation to the 30 megawatts photovoltaic power project in Hebei
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Liuan Huaqin"	Liuan Huaqin New Energy Co., Ltd.*(六安華欽新能源有限公司), a company established in the PRC with limited liability and the sole shareholder of Huaqin New Energy
"MW"	megawatt(s), which equals 1,000,000 watts
"PRC"	the People's Republic of China, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tianhai Photovoltaic"	Weixian Tianhai Photovoltaic Power Co., Ltd.*(威縣天海光伏發電有限公司), a company established in the PRC with limited liability and an indirect subsidiary of the Company

"Tianhai Photovoltaic Electricity Fee Rights Pledge Agreement"	the electricity fee rights pledge agreement entered into between Tianhai Photovoltaic and CITIC Financial Leasing on 16 March 2023
"Tianhai Photovoltaic Share Pledge Agreement"	the share pledge agreement entered into between BEIED, CITIC Financial Leasing and Tianhai Photovoltaic on 16 March 2023
"%"	percent

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

Hong Kong, 16 March 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 purposes only*