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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 AGREEMENT

THE FINANCE LEASE AGREEMENT

On 15 April 2021 (after trading hours), Changji Yijing, a wholly-owned subsidiary of the Company, and ABC Financial Leasing entered into the Finance Lease Agreement, pursuant to which ABC Financial Leasing agreed to purchase the Leased Assets from Jiangxi Electric Power Construction for a total consideration of RMB760 million, which shall then be leased to Changji Yijing, subject to the terms and conditions provided therein.

LISTING RULES IMPLICATIONS

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

INTRODUCTION

On 15 April 2021 (after trading hours), Changji Yijing, a wholly-owned subsidiary of the Company, and ABC Financial Leasing entered into the Finance Lease Agreement, pursuant to which ABC Financial Leasing agreed to purchase the Leased Assets from Jiangxi Electric Power Construction for a total consideration of RMB760 million, which shall then be leased to Changji Yijing, subject to the terms and conditions provided therein.

THE FINANCE LEASE AGREEMENT

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

- Date:** 15 April 2021 (after trading hours)
- Parties:** (1) Changji Yijing (as the lessee)
(2) ABC Financial Leasing (as the lessor)
- Scope of services:** ABC Financial Leasing will purchase the Leased Assets owned by Jiangxi Electric Power Construction at a total consideration of RMB760 million, lease the Leased Assets to Changji Yijing and charge Changji Yijing lease payment.
- Lease term:** The lease term under the Finance Lease Agreement will be for twelve years, subject to the terms and conditions provided therein.
- Legal title:** ABC Financial Leasing shall own the legal title of the Leased Assets during the lease term.
- Lease payment:** The total lease amount payable to ABC Financial Leasing under the Finance Lease Agreement is approximately RMB1,026 million, being the sum of (i) the total purchase cost of the Least Assets of RMB760 million and (ii) the total estimated aggregate interest of approximately RMB266 million. The interests are calculated at a floating rate and shall be adjusted with reference to the loan prime rate for loans 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 minus 5 basis points.

The total lease amount payable shall be payable in 24 semi-annual instalments.

ABC Financial Leasing may require Changji Yijing to pledge the Leased Assets to ABC Financial Leasing and complete the pledge registration in The Unified Registration and Publicity System of Movable Property Financing of the People's Bank of China Credit Information Center* (中國人民銀行徵信中心動產融資統一登記公示系統) or other corresponding registrars.

Handling fee:

A handling fee of RMB10.6 million, being 1.4% of the total purchase amount is payable on a pro rata basis within 5 working days after ABC Financial Leasing pays the purchase price of the Leased Assets in installments.

Other terms:

Upon maturity of the lease term and subject to the fulfilment of all of its obligations under the Finance Lease Agreement, Changji Yijing is entitled to obtain the legal title of the Leased Assets at a nominal consideration of RMB1.

Guarantee:

In order to secure the performance of Changji Yijing, Changji Yijing pledged its right of receiving the electricity fee to be generated from the Leased Assets and the Company provided guarantee to ABC Financial Leasing in respect of the obligations of Changji Yijing in connection with the Finance Lease Agreement.

INFORMATION ON THE ASSETS

As at 31 December 2020, the book value of the Leased Assets was approximately RMB817.3 million. The Leased Assets did not record any revenue or profits for the years ended 31 December 2019 and 2020.

In accordance with Hong Kong Financial Reporting Standards, the transactions contemplated under the Finance Lease Agreement 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 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 solar power plants and other renewable energy projects.

Changji Yijing is a company established in the PRC with limited liability that is principally engaged in the development, investment, operation and management of photovoltaic power plant projects. Changji Yijing is a wholly-owned subsidiary of the Company.

ABC Financial Leasing is a company established in the PRC with limited liability and a wholly-owned subsidiary of ABC. ABC is a company established in the PRC with limited liability and the A shares and H shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601288) and the Stock Exchange (Stock Code: 1288), respectively. ABC Financial Leasing primarily provides financial leasing services, including but not limited to the accepting the lease deposits of the lessees, transferring lease payments receivable to commercial banks.

Jiangxi Electric Power Construction is a company established in the PRC with limited liability that is principally engaged in power generation engineering and construction. It is a wholly-owned subsidiary of Power Construction Corporation of China* (中國電力建設集團有限公司), which is a state-owned enterprise in the PRC directly and wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, ABC Financial Leasing and Jiangxi Electric Power Construction and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AGREEMENT

The Company intends to minimize incurring substantial amount of capital expenditure in purchasing large amount of power generation equipment in the construction of new energy power plants. The Finance Lease Agreement would enable the Company to control financing risk and financing cost in its course of investing in new projects and satisfy the Company's demand of funds for purchasing power generation equipment in the early phase of construction of the project in a timely manner.

The total lease amount payable was determined after arm's length negotiation between the Company, ABC Financial Leasing and Jiangxi Electric Power Construction after considering various factors, including (i) the book value of the Leased Assets; (ii) the historical and estimated future profits and revenue generated from the Leased Assets; and (iii) the prevailing market lending rate.

The Directors (including the independent non-executive Directors) consider the transactions contemplated under the Finance Lease Agreement are made on normal commercial terms which are fair and reasonable and are of the view that the transactions contemplated under the Finance Lease Agreement are in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“ABC”	Agricultural Bank of China Limited, a company established in the PRC with limited liability, and the A shares and H shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601288) and the Stock Exchange (Stock Code: 1288), respectively
“ABC Financial Leasing”	ABC Financial Leasing Co., Ltd.* (農銀金融租賃有限公司), a company established in the PRC with limited liability, is a wholly-owned subsidiary of ABC
“Board”	the board of Directors of the Company
“Changji Yijing”	Changji Yijing Photovoltaics Technology Co., Ltd.* (昌吉億晶光伏科技有限公司), a company established in the PRC with limited liability, is a wholly-owned subsidiary 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)
“Director(s)”	the director(s) of the Company
“Finance Lease Agreement”	the agreement entered into between Changji Yijing and ABC Financial Leasing on 15 April 2021, pursuant to which ABC Leasing agreed to purchase the Leased Assets from Jiangxi Electric Power Construction, which shall be leased to Changji Yijing
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangxi Electric Power Construction”	Powerchina Jiangxi Electric Power Construction Co., Ltd.* (中國電建集團江西省電力建設有限公司), a company established in the PRC with limited liability, is a wholly-owned subsidiary of Power Construction Corporation of China* (中國電力建設集團有限公司)
“Leased Assets”	various photovoltaic power generation equipments in relation to the 200,000 kilowatts Photovoltaic Project in Qitai County
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China excluding 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
“Shareholders”	holder(s) of issued shares of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

percent

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

Hong Kong, 15 April 2021

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Ping (Chairman), Mr. Lu Zhenwei and Mr. Xu Jianjun; the non-executive directors of the Company are Mr. Sui Xiaofeng, Mr. Zhao Bing, Mr. Li Hao and Ms. Xie Yi; and the independent non-executive directors of the Company are Mr. Kwan Kai Cheong, Mr. Yen Yuen Ho, Tony, Mr. Chen Hongsheng and Ms. Jin Xinbin.

* *For identification purposes only*