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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**

#### **FINANCE LEASE AGREEMENT**

On 10 November 2021 (after trading hours), Wulate Houqi Yuanhai, an indirect wholly-owned subsidiary of the Company, and IB Financial Leasing entered into the Finance Lease Agreement, pursuant to which IB Financial Leasing agreed to purchase the Leased Assets from Wulate Houqi Yuanhai for a total consideration of RMB280 million, which shall then be leased back to Wulate Houqi Yuanhai, subject to the terms and conditions provided therein.

#### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Finance Lease Agreement exceeds 5% but is less than 25%, the entering into of the Finance Lease Agreement 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 10 November 2021 (after trading hours), Wulate Houqi Yuanhai, an indirect wholly-owned subsidiary of the Company, and IB Financial Leasing entered into the Finance Lease Agreement, pursuant to which IB Financial Leasing agreed to purchase the Leased Assets from Wulate Houqi Yuanhai for a total consideration of RMB280 million, which shall then be leased back to Wulate Houqi Yuanhai, 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:** 10 November 2021 (after trading hours)
- Parties:**
- (1) Wulate Houqi Yuanhai (as the lessee)
  - (2) IB Financial Leasing (as the lessor)
- Scope of services:** IB Financial Leasing will purchase the Leased Assets owned by Wulate Houqi Yuanhai at a total consideration of RMB280 million, and lease the Leased Assets back to Wulate Houqi Yuanhai for lease payment.
- Lease term:** The lease term under the Finance Lease Agreement will be for 60 months, subject to the terms and conditions provided therein.
- Legal title:** IB Financial Leasing shall own the legal title of the Leased Assets during the lease term.
- Lease payment:** The total lease amount payable to IB Financial Leasing under the Finance Lease Agreement is approximately RMB317.14 million, being the sum of (i) the total purchase cost of the Leased Assets of RMB280 million and (ii) the total estimated interest of approximately RMB37.14 million. The estimated 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 People's Bank of China from time to time (i) minus 30 basis point for the first two instalments, i.e. 4.35% as at the date of the Finance Lease Agreement; and (ii) plus 32 basis point for the remaining instalments, i.e. 4.97% as at the date of the Finance Lease Agreement.
- The total lease amount payable shall be payable in 10 semi-annual instalments.

**Other terms:** Upon maturity of the lease term and subject to the fulfillment of all of its obligations under the Finance Lease Agreement, Wulate Houqi Yuanhai is entitled to obtain the legal title of the Lease Assets at a nominal consideration of RMB100.

**Guarantee:** The obligations of Wulate Houqi Yuanhai under the Finance Lease Agreement are secured by (i) a guarantee given by the Company; (ii) a pledge of Wulate Houqi Yuanhai's rights of receiving the electricity fee and other revenue generated from project which the Leased Assets are being utilized; and (iii) a share pledged by Beijing United Rongbang New Energy Technology Co., Ltd.\* (北京聯合榮邦新能源科技有限公司) of its entire equity interests in Wulate Houqi Yuanhai.

## INFORMATION ON THE ASSETS

As at 31 October 2021, the book value of the Leased Asset was approximately RMB319 million.

	<b>Year ended 31 December 2020 (Audited) (RMB' million)</b>	Year ended 31 December 2019 (Audited) (RMB' million)
The profit before tax and net profit attributable to the Leased Assets	<b>20</b>	22
The profit after tax and net profit attributable to the Leased Assets	<b>19</b>	20

In accordance with the requirement of 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 power plants and other renewable energy projects.

Wulate Houqi Yuanhai is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It owns an operational solar power plant with the grid-connected capacity of 50MW located in Inner Mongolia, the PRC, and is principally engaged in the operation of solar power plants in the PRC.

IB Financial Leasing is a company established in the PRC with limited liability, which is principally engaged in the business of finance leasing. Insofar as the Company is aware, IB Financial Leasing is wholly owned by Industrial Bank Co., Ltd. (興業銀行股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 601166).

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, IB Financial Leasing and its ultimate beneficial owner 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 AGREEMENT**

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 renewable energy projects. The Finance Lease Agreement and the transactions contemplated thereunder provide the Group with more financial resources for development of projects and working capital of Wulate Houqi Yuanhai, which also allows the Group to make more efficient utilisation of internal resources.

Having considered the above, the Directors are of the view that the transactions contemplated under the Finance Lease Agreement are entered into on normal commercial terms, and the terms set out in the Finance Lease Agreement 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 (as defined under Rule 14.07 of the Listing Rules) in respect of the Finance Lease Agreement exceeds 5% but is less than 25%, the entering into of the Finance Lease Agreement 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:

“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)
“Directors”	the directors of the Company
“Finance Lease Agreement”	the agreement entered into between Wulate Houqi Yuanhai and IB Financial Leasing on 10 November 2021, pursuant to which IB Financial Leasing agreed to purchase the Leased Assets from Wulate Houqi Yuanhai, which shall then be leased back to Wulate Houqi Yuanhai
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IB Financial Leasing”	Industrial Bank Financial Leasing Co., Ltd.* (興業金融租賃有限責任公司), a company established in the PRC with limited liability
“Leased Assets”	various solar power equipment in relation to a solar power project in Inner Mongolia, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemental or otherwise modified from time to time

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wulate Houqi Yuanhai”	Wulate Houqi Yuanhai New Energy Co., Ltd.* (烏拉特後旗源海新能源有限責任公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 10 November 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 and Mr. Li Hao; and the independent non-executive directors of the Company are Ms. Jin Xinbin, Ms. Li Hongwei and Mr. Zhu Jianbiao.*

\* *For identification purposes only*