

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

VERY SUBSTANTIAL ACQUISITION ACQUISITION OF PROJECT HOLDING COMPANIES

THE ACQUISITION

On 14 December 2023 (after trading hours), the Buyers, the Company (as the buyer guarantor), the Sellers and the Seller Guarantor entered into the SPA, pursuant to which the Sellers have conditionally agreed to sell, and the Buyers have conditionally agreed to purchase, the Sale Shares for a total consideration of no more than AUD813 million.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition of the Company and is therefore subject to reporting, announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

A general meeting will be convened by the Company to seek the Shareholders' approval of the Acquisition and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details about the Acquisition and the transactions contemplated thereunder; (ii) the notice of general meeting; and (iii) other information as required under the Listing Rules, will be dispatched by the Company to the Shareholders on or before 20 March 2024 as additional time is likely to be required for the Company to prepare and finalize certain information for inclusion in the circular.

INTRODUCTION

On 14 December 2023 (after trading hours), the Buyers, the Company (as the buyer guarantor), the Sellers and the Seller Guarantor entered into the SPA, pursuant to which the Sellers have conditionally agreed to sell, and the Buyers have conditionally agreed to purchase, the Sale Shares for a total consideration of no more than AUD813 million.

THE SPA

The principal terms of the SPA agreed by the parties are summarized below:

Date: 14 December 2023 (after trading hours)

Parties:

- (i) The Buyers, namely, BJEI Australia, BJEI Australia SPV, WSH and WSH SPV;
- (ii) The Company (as the buyer guarantor);
- (iii) The Sellers, namely, Lightsource Asset Holdings, West Wyalong HoldCo 1, Woolooga HoldCo 1, and Lightsource Australia FinCo; and
- (iv) The Seller Guarantor,

to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Sellers, the Seller Guarantor and their respective ultimate beneficial owners is an Independent Third Party as at the date of this announcement.

Subject matter: The Buyers have conditionally agreed to purchase, and the Sellers have conditionally agreed to sell, the Sale Shares.

Consideration of the Acquisition: Pursuant to the SPA, the consideration of the Acquisition shall be the Purchase Price, which equals to:

- (1) the Completion Amount;
- (2) as decreased by any Leakage Amount;
- (3) as further adjusted pursuant to the mechanism set forth in the paragraph headed "Construction Wrap" below; and

- (4) as further adjusted pursuant to the mechanism set forth in the paragraph headed “LDs and Insurance Claim Amount True-up” below.

(1) *The Completion Amount*

Pursuant to the SPA, the Completion Amount shall be the amount equal to:

- (a) the Equity Value, being AUD813 million;
- (b) as increased by (if positive) or decreased by (if negative) the Equity Value Amount;
- (c) as increased by the Equity Contribution Adjustment Amount;
- (d) as decreased by the Shareholder Loan Amount;
- (e) as decreased by the Shareholder Loan Interim Repayments;
- (f) as decreased by the Notified Leakage Amount (as defined below);
- (g) as decreased by the Construction Capex Amount;
- (h) as increased by the LDs and Insurance Claim Amount. In the event that the LDs and Insurance Claim Amount is not quantified and agreed in writing prior to Completion, then the Estimated LDs and Insurance Claim Amount will be included as an adjustment; and
- (i) as increased by an amount equal to interest at a rate of 7% per annum on the Equity Value between 30 June 2023 and Completion, as adjusted for the amounts comprised within the Equity Contribution Adjustment Amount, Shareholder Loan Interim Repayments and Notified Leakage Amount, each calculated daily and compounded monthly.

Based on the estimation of the Parties as at the date of the SPA, the Completion Amount is expected to be no more than the Equity Value (i.e., AUD813 million).

(2) the Leakage Amount

Pursuant to the SPA, each of the Sellers warrants and undertakes to the Buyers that, after 30 June 2023 up to the date of the SPA, no Leakage has occurred; and after the date of the SPA up to Completion, no Leakage will occur.

On the other hand, (i) if Leakage has occurred between 30 June 2023 and Completion, the relevant Seller must pay in cash to the relevant Buyer the Leakage Amount; and (ii) if any Seller becomes aware of any circumstance or matter that could reasonably be expected to give rise to any Leakage, the relevant Seller must promptly notify the relevant Buyer in writing, including the reasonable details of the Leakage Amount (the “**Notified Leakage Amount**”).

(3) Purchase Price adjustments under the Construction Wrap

The Purchase Price will be further adjusted equal to the PAC Adjustments pursuant to the mechanism set forth in the paragraph headed “Construction Wrap” below.

(4) LDs and Insurance Claim Amount True-up

In the event that the LDs and Insurance Claim Amount is not quantified and agreed in writing prior to Completion, then the Estimated LDs and Insurance Claim Amount will be included as an adjustment. Furthermore, the difference between the Estimated LDs and Insurance Claim Amount and the LDs and Insurance Claim Amount will be separately settled by the Parties upon the determination of the LDs and Insurance Claim Amount.

Basis of the consideration:

The consideration of the Acquisition was determined after arm's length negotiation by the Parties after considering various factors, among others, (i) the factors and adjustment items set forth in the paragraph headed "Consideration of the Acquisition" above, including the basis of determination of the Completion Amount, the effect of the Leakage and the price adjustment mechanisms set forth in the paragraphs headed "LDs and Insurance Claim Amount True-up" above and "Construction Wrap" below; (ii) the historical operational and financial performance of the Project Groups; (iii) the revenue expected to be generated by the Project Groups in the forthcoming years; (iv) the prospects of the solar farms and BESS industry in Australia; (v) the recent market movements in electricity prices and long term expectations in the Group's risk assessment; and (vi) other factors set out in the paragraph headed "Reasons for and Benefits of the Acquisition" below. Furthermore, in determining the consideration of the Acquisition, the Company has engaged the Valuer to prepare the Valuation Report. See "Valuation Report" below for further details.

Payment of consideration:

The Completion Amount shall be paid by the Buyers upon Completion; the difference between the Estimated LDs and Insurance Claim Amount and the LDs and Insurance Claim Amount will be separately settled by the Parties in the manner as described in the paragraph headed "LDs and Insurance Claim Amount True-up" above; and the PAC Adjustments will be separately settled by the Parties in the manner as described in the paragraph headed "Construction Wrap" below.

The Group currently expects to finance the consideration of the Acquisition by way of utilising the Group's internal resources and external financing.

Conditions Precedent:

Pursuant to the SPA, Completion is subject to the following Conditions Precedent being fulfilled:

- (a) the approval of the Acquisition by FIRB under the Australia Foreign Acquisitions and Takeovers Act 1975;
- (b) the approval of the Acquisition by Beijing Municipal State-owned Assets Supervision and Administration Commission (北京國有資產監督管理委員會) under the applicable PRC laws and regulations;
- (c) the approval of the Acquisition by the Shareholders;

- (d) the obtaining of the necessary consents with respect to the Acquisition from the counterparties of all material business contracts and financing contracts of the Project Groups;
- (e) the counterparties of the relevant financing contracts that apply to West Wyalong Project Group, Woolooga Project Group and Wellington South Project Group consenting to the changes to the issued share capital of the corresponding Project Holding Companies which are required to give effect to the Acquisition;
- (f) the counterparties of the relevant financing contracts in respect of each Project consenting to the amendment and restatement or the replacement of the relevant asset management agreements, which is required to give effect to the Transitional Services (as described below); and
- (g) the counterparties to the relevant financing contracts that apply to the Woolooga Project Group consenting to the execution of the Woolooga Land Agreement between the relevant Seller Group Member and the Woolooga Project Group Members in connection with the construction of the Woolooga Additional Seller BESS, and consenting to the transactions to be contemplated by the Woolooga Land Agreement.

Completion:

Subject to the compliance with the requirements under all applicable laws and regulations, Completion will take place on the date that is the 15th Business Day after Conditions Precedent being fulfilled or waived. Upon Completion, the Project Groups will be indirectly wholly owned by the Company.

Transitional Services:

Pursuant to the SPA, the Parties have agreed to enter into the Transitional Services. A formal agreement in respect of the Transitional Services will be entered into by the relevant parties on or before Completion.

Indemnity:

Pursuant to the SPA, the Sellers agreed to indemnify the Buyers against, and must reimburse and compensate the Buyers for, among others, certain tax liabilities of the Project Groups up to and including the Completion Date, subject to the terms and limitations set forth in the SPA.

W&I Insurance Policy:

The Buyers have taken out the W&I Insurance Policy. The W&I Insurance Policy will be the Buyers' sole and exclusive remedy in respect of any breach of warranty (other than warranties in respect of title and capacity of the Sellers) or for any claim under the tax indemnity.

Construction Wrap:

As at the date of the SPA, the Wellington North Project and Wunghnu Project are under construction. To facilitate the achievement of provisional acceptance for the Wellington North Project and Wunghnu Project, the SPA contains the Construction Wrap governing the Seller's control over the EPC Contracts. The Construct Wrap provides the PAC Adjustments primarily linked to the construction process and costs of Wellington North Project and Wunghnu Project, which comprise:

- (i) the **PAC Delay Adjustment**, which is a liquidated daily delay rate payable by the Seller to the Buyer to compensate the Buyer for the consequences of delays in the achievement of provisional acceptance beyond Scheduled PAC Date; and
- (ii) the **Net Revenue Adjustment**, which primarily reflects that:
 - (a) revenues of the Wellington North Project and the Wunghnu Project prior to the Scheduled PAC Date shall not be taken into account in calculating the Equity Value; and
 - (b) where the actual PAC date is after the Scheduled PAC Date, the Buyer will be compensated for the delay in receiving the anticipated revenues of the Wellington North Project and the Wunghnu Project subsequent to the Scheduled PAC Date through the PAC Delay Adjustment; and
- (iii) the **Construction Costs Adjustment**, which is to compensate the Buyer for any construction cost overruns above the agreed contingency (or provide the Seller with the benefit of any construction cost savings where the contingency is not exhausted, as applicable) in respect of the Wellington North Project and the Wunghnu Project.

The Construction Wrap provides for interim PAC Adjustments to be made every three months after the Scheduled PAC Date until the actual PAC date for each of the Wellington North Project and the Wunghnu Project. The final PAC Adjustments shall be separately settled by the Parties following the actual PAC date of the Wellington North Project and the Wunghnu Project.

**Woolooga Additional
Seller BESS:**

The land on which the Woolooga Project is constructed is subject to a lease of the entire land to Woolooga Fund Pty Ltd, one of the Woolooga Project Group Members. It is proposed that the land be subdivided into two lots, with a smaller lot being leased to the Seller for the Woolooga Additional Seller BESS, and the remainder of the land being leased to the current lessee for the existing solar farm and the Woolooga Additional Seller BESS. Development approval has been obtained for the proposed subdivision and construction of the additional BESS as at the date of the SPA.

To facilitate the above proposal, as soon as reasonably practicable after the date of the SPA, the Parties shall cooperate and work together to negotiate the terms and conditions on which the relevant Seller Group Member and the Woolooga Project Group Members will enter into the Woolooga Land Agreement.

Guarantee:

Guarantee provided by Seller Guarantor

In consideration of the Buyers entering into the SPA, the Seller Guarantor:

- (i) irrevocably and unconditionally guarantees to the Buyers on demand the due and punctual performance by any Seller of its payment obligations under or in connection with the SPA;
- (ii) indemnifies the Buyers against, and agrees to reimburse and compensate the Buyers for:
 - (a) any liability or loss incurred or sustained by the Buyers in respect of any default by any Seller in the due and punctual payment of any amount which is due and payable under the SPA; and
 - (b) any amount that the Sellers would have been liable to pay to the Buyers, or which would have been recoverable by the Buyers, but for the Sellers' liquidation.

Guarantee provided by the buyer guarantor

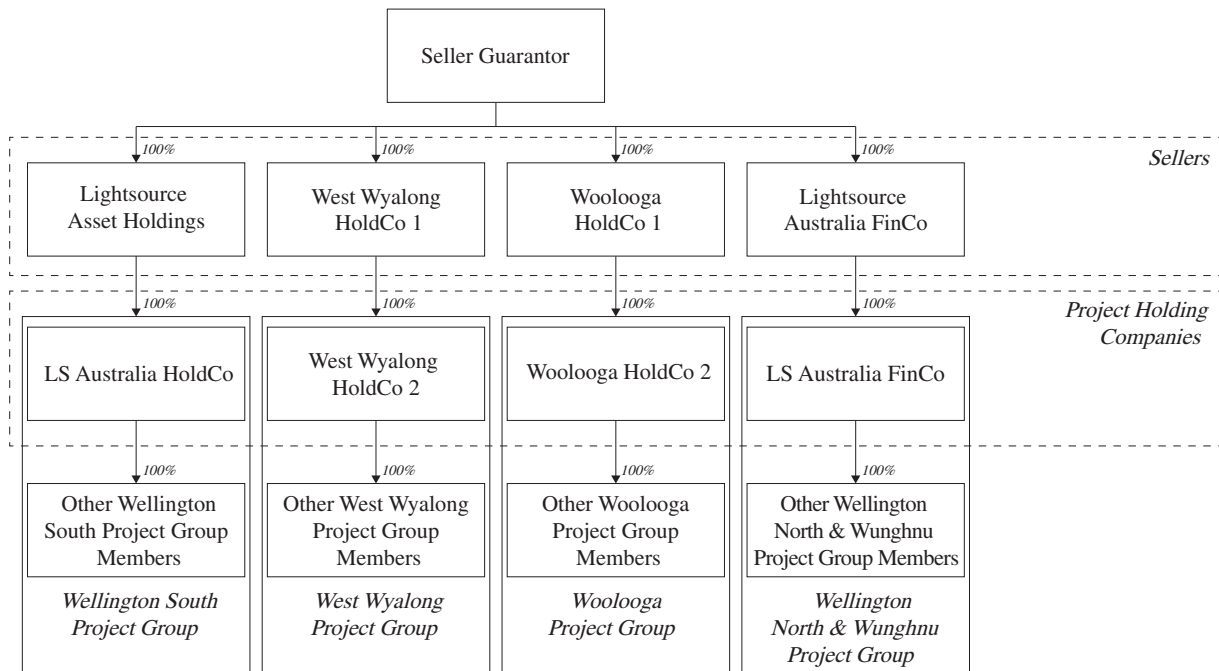
In consideration of the Sellers entering into the Transaction Documents, the buyer guarantor:

- (i) irrevocably and unconditionally guarantees to each of the Sellers on demand the due and punctual performance by any Buyer of its obligations under or in connection with each of the Transaction Documents;
- (ii) indemnifies the Sellers against, and agrees to reimburse and compensate the Sellers for:
 - (a) any liability or loss incurred or sustained by the Sellers in respect of any default by any Buyer in the due and punctual performance of any of its obligations under or in connection with any Transaction Documents and/or a warranty made by any Buyer is found to have been incorrect or misleading; and
 - (b) any amount that the Buyers would have been liable to pay to the Sellers, or which would have been recoverable by the Sellers, but for the Buyers' liquidation.

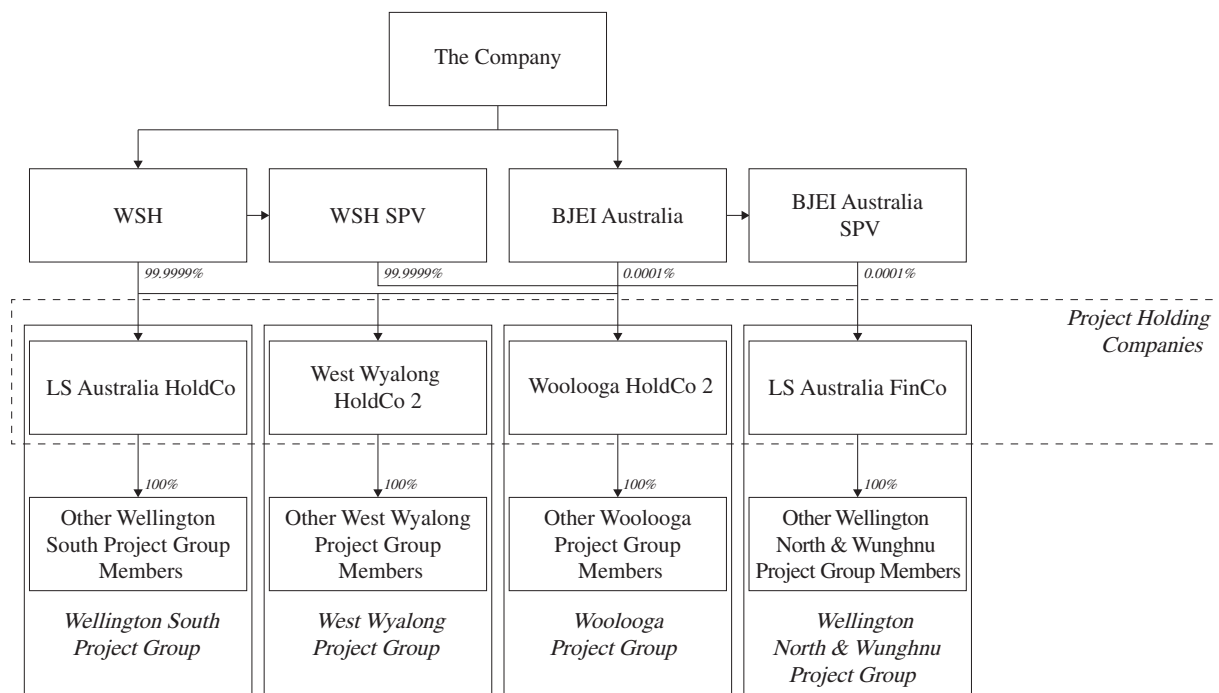
INFORMATION ABOUT THE PROJECT GROUPS

Shareholding structure of the Project Groups

Each of the Project Holding Companies is a company incorporated in Australia and is the holding company of the corresponding Project Groups. The Project Groups are principally engaged in solar farm and BESS development, construction, operation and maintenance. As at the date of the SPA, the simplified shareholding structure of the Project Groups is set forth as following:



The simplified shareholding structure of the Project Groups immediately following Completion is set forth as following:



Information about the Projects

- (1) Wellington South Project is a constructed and operational solar project with a generation capacity up to 200MWp together with the related BESS development project. Wellington South Project is owned by Lightsource Asset Holdings and operated by the Wellington South Project Group Members as at the date of this announcement.
- (2) West Wyalong Project is a constructed and operational solar project with a generation capacity up to 108MWp together with the related BESS development project. West Wyalong Project is owned by West Wyalong HoldCo 1 and operated by the West Wyalong Project Group Members as at the date of this announcement.
- (3) Woolooga Project is a constructed and operational solar project with a generation capacity up to 214MWp together with the related BESS development project. Woolooga Project is owned by Woolooga HoldCo 1 and operated by the Woolooga Project Group Members as at the date of this announcement.
- (4) Wellington North Project is a solar project under construction with a generation capacity up to 425MWp together with the related BESS development project. Wellington North Project is owned by Lightsource Australia FinCo as at the date of this announcement.
- (5) Wunghnu Project is a solar project under construction with a generation capacity up to 90MWp together with the related BESS development project. Wunghnu Project is owned by Lightsource Australia FinCo as at the date of this announcement.

Financial information of the Project Holding Companies

Set out below is the profit/(loss) before and after taxation of the Project Holding Companies for two years ended 31 December 2021 and 2022 according to their respective unaudited consolidated management accounts:

LS Australia HoldCo	For the year ended 31 December	
	2021	2022
	AUD'000	AUD'000
	(unaudited)	(unaudited)
Profit/(loss) before taxation	3,565	(11,601)
Profit/(loss) after taxation	(4,549)	(6,905)

The unaudited net assets of the LS Australia HoldCo as at 31 December 2022 was approximately AUD36.2 million.

West Wyalong HoldCo 2**For the year ended 31 December**

	2021	2022
	<i>AUD'000</i>	<i>AUD'000</i>
	(unaudited)	(unaudited)
Profit/(loss) before taxation	(8,060)	(22,334)
Profit/(loss) after taxation	(6,163)	(17,551)

The unaudited net liabilities of the West Wyalong HoldCo 2 as at 31 December 2022 was approximately AUD23.7 million, primarily resulted from cumulate losses incurred in the preceding financial years. These losses are primarily associated with fair value fluctuations in derivatives such as power purchase agreements and interest rate swaps and their related tax effects.

Woolooga HoldCo 2**For the year ended 31 December**

	2021	2022
	<i>AUD'000</i>	<i>AUD'000</i>
	(unaudited)	(unaudited)
Profit/(loss) before taxation	(8,415)	(17,696)
Profit/(loss) after taxation	(7,102)	(15,546)

The unaudited net liabilities of Woolooga HoldCo 2 as at 31 December 2022 was approximately AUD22.7 million, primarily resulted from cumulate losses incurred in the preceding financial years. These losses are primarily associated with fair value fluctuations in derivatives such as power purchase agreements and interest rate swaps and their related tax effects.

LS Australia FinCo**For the year ended 31 December**

	2021	2022
	<i>AUD'000</i>	<i>AUD'000</i>
	(unaudited)	(unaudited)
Profit/(loss) before taxation	(15)	(22,788)
Profit/(loss) after taxation	(10)	(15,745)

The unaudited net liability value of LS Australia FinCo as at 31 December 2022 was approximately AUD13.3 million, primarily resulted from cumulate losses incurred in the preceding financial years. These losses are primarily associated with fair value fluctuations in derivatives such as power purchase agreements and interest rate swaps and their related tax effects.

VALUATION REPORT

The fair valuation of the Projects as at 30 September 2023 assessed in the Valuation Report was prepared using the discounted cash flow method of the income approach. As a result, such valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules. The conclusion of the valuation estimates the market value of the Projects on the basis of the valuation purpose and under the assumption of open market, without considering the impact on the value caused by the potentially increased or decreased price resulted from the special transaction method, or the impact on the changes of the macroeconomic environment and the natural force and other force majeure. According to the Valuation Report, the indicative valuation of the Projects reflects the equity of the Projects as at 30 September 2023 in the range of AUD755.8 million (low end) and AUD871.7 million (high end), with a midpoint of AUD813.7 million. The Company took into account of the midpoint when determining the Equity Value. Based on the above, the Equity Value of the Sale Shares agreed by the Parties is AUD813 million. The consideration of the Acquisition shall be further adjusted pursuant to the mechanisms set out in paragraphs headed “LDs and Insurance Claim Amount True-up” and “Construction Wrap” above. Based on the above factors taken into account when determining the consideration of the Acquisition and other factors set out in the paragraph headed “Reasons for and Benefits of the Acquisition” below, the Directors are of the view that the consideration of the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assumptions

Details of the key assumptions upon which the Valuation Report was issued are set out below:

General assumptions

1. The valuation reflects the equity in the legal entities being sold by the Sellers. The Valuer has not incorporated factors specific to the deal structure of the transaction.
2. Open market assumption: Parties to the Acquisition are assumed to be in equal position for the assets to be traded or proposed to be traded in the market, where opportunities and time are available for both to access adequate market information, in order to make rational judgements on the functions, uses and transaction prices of the assets.
3. Going concern assumption: The appraised entities are assumed to fully comply with all relevant laws and regulations and will operate sustainably in the useful life of machinery and equipment.

Special assumptions

4. The valuation regards the specific valuation purpose of the Acquisition as its premises of basic assumptions.
5. The valuation assumes the full accountability of the Project Groups' management team in the future, the existing business management mode are kept, and the business scope and approach remain consistent with the forecast direction.
6. The valuation assumes the valued assets are in continuous use according to the present use and its mode, size, frequency and environment of use, without taking into account the respective optimal use of each asset.
7. It is assumed that, on top of the existing management mode and management level, there will be no material adverse impacts on the Project Groups arising from other force majeure and unforeseeable factors.
8. The relevant basic information and financial information provided by the Company are true, accurate and complete.
9. The valuation is only based on the financial information provided by the Company, without taking into account the possible contingent assets and contingent liabilities outside of the list provided by the Company.
10. The financial report and transaction data of the comparable companies which the Valuation Report relies on are true and reliable.
11. The valuation assumes the Project Holding Companies would obtain a net cashflow evenly during a forecast period.

Confirmations

Grant Thornton Hong Kong Limited, being the Company's auditor, has reviewed and reported to the Directors in respect of the compilation of the discounted cash flows in connection with the valuation of the Projects prepared by the Valuer used in the Valuation Report, which do not involve the adoption of accounting policies.

The Directors confirm that the fair valuation of Projects as at 30 September 2023 in the Valuation Report, which constitutes a profit forecast under Rule 14.61 of the Listing Rules, has been made after due and careful enquiry. A report from Grant Thornton Hong Kong Limited in compliance with Rule 14.62(2) of the Listing Rules is included in Appendix I to this announcement and a letter from the Board in compliance with Rule 14.62(3) of the Listing Rules is included in Appendix II to this announcement.

EXPERTS AND CONSENTS

The qualifications of the experts who have given their statements in this announcement are as follows:

Name	Qualification
RSM Corporate Australia Pty Ltd	Independent valuer
Grant Thornton Hong Kong Limited	Certified Public Accountants Registered Public Interest Entity Auditor

As at the date of this announcement, each of the Valuer and Grant Thornton Hong Kong Limited does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person to subscribe for securities in any member of the Group. To the best of the Directors' knowledge, information and belief, each of the Valuer and Grant Thornton Hong Kong Limited is an Independent Third Party.

Each of the Valuer and Grant Thornton Hong Kong Limited has consented to the inclusion of its independent report on calculations of discounted cash flows in this announcement and the references to its name in the form and context in which they are included.

INFORMATION ABOUT THE BUYERS AND THE COMPANY

The Company is a company incorporated in Bermuda with limited liability, whose shares 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.

The Buyers are companies incorporated in Australia with limited liability and indirect wholly-owned subsidiaries of the Company. The Buyers are principally engaged in, among others, wind farm, solar farm and other clean energy projects investment, development and operation in Australia.

INFORMATION ABOUT THE SELLERS AND SELLER GUARANTOR

The Sellers are investment holding companies incorporated in the United Kingdom and wholly owned by the Seller Guarantor. The Seller Guarantor is a company incorporated in the United Kingdom and principally engaged in solar farm investment and development. The Seller Guarantor is ultimately owned by Lightsource BP Renewable Energy Investments Limited (“**Lightsource BP**”). Lightsource BP is a global solar farm developer. Lightsource BP is ultimately owned and controlled by BP and two original founding members of Lightsource BP, namely Nick Boyle and Paul McCartie, who are Independent Third Parties as of the date of this announcement. As of date of this announcement, BP has agreed to acquire the equity interest it does not already own in Lightsource BP.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group, 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 will be complementary to the Group’s existing clean power plant portfolio and enables the Group to further expand its scale of business in the clean energy sector to enhance returns to the Shareholders. The Acquisition is therefore considered by the Board to be a good opportunity to expand the Group’s existing clean energy business. Having considered (i) each of Wellington South Project, West Wyalong Project and Woolooga Project has commenced power generation with a generation capacity up to 200MWp, 108MWp and 214MWp, respectively; (ii) based on the unaudited consolidated management accounts of the Project Holding Companies, for the year of 2022, the Project Groups have recognised operating revenue; and (iii) the Wellington North Project and Wunghnu Project, with a generation capacity up to 425MWp and 90MWp, respectively, are expected to complete construction in 2024, the Board believes that the Project Groups have a reasonable potential to create new overseas income streams for the Company in the future. Accordingly, the Board holds an optimistic view towards the prospects of the solar farms and BESS industry in Australia in the long run.

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 100%, the Acquisition constitutes a very substantial acquisition of the Company and is therefore subject to reporting, announcement, circular and the Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

A general meeting will be convened by the Company to seek the Shareholders' approval of the Acquisition and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details about the Acquisition and the transactions contemplated thereunder; (ii) the notice of general meeting; and (iii) other information as required under the Listing Rules, will be dispatched by the Company to the Shareholders on or before 20 March 2024 as additional time is likely to be required for the Company to prepare and finalize certain information for inclusion in the circular.

Shareholders and potential investors of the Company should note that Completion is subject to a number of Conditions Precedents which may or may not be fulfilled, as such the Acquisition may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITION

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

“Acquisition”	the acquisition of the Sale Shares by the Buyers from the Sellers
“AUD”	Australian dollars, the lawful currency of Australia
“BESS”	Battery Energy Storage System
“BJEI Australia”	Beijing Energy International (Australia) Holding Pty Ltd, a company incorporated in Australia with limited liability and a wholly-owned subsidiary of the Company
“BJEI Australia SPV”	BJEI Ludy Holding Pty Ltd, a company incorporated in Australia with limited liability and a wholly-owned subsidiary of the Company
“Board”	the board of Directors of the Company
“BP”	BP p.l.c., a British multinational oil and gas company whose ordinary shares are listed on the London Stock Exchange, the Frankfurt, Hamburg and Dusseldorf Stock Exchanges; and whose American depositary shares are listed on the New York Stock Exchange

“Business Day”	a day on which banks are open for general banking business in Sydney, New South Wales and in the PRC (not being a Saturday, Sunday or public holiday in either of those places)
“Buyers”	collectively, WSH, WSH SPV, BJEI Australia and BJEI Australia SPV, each a “Buyer”
“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”	the completion of the Acquisition
“Completion Amount”	the amount to be paid by the Buyers upon Completion, details are set forth in “Consideration of the Acquisition” section of this announcement
“Completion Date”	the date on which Completion takes place
“Conditions Precedent”	the conditions precedent to Completion, as set forth under “Conditions Precedent” in this announcement
“Construction Capex Amount”	construction capex amount made to three Projects, namely, Wellington South Project, West Wyalong Project and Woolooga Project
“Construction Wrap”	the construction wrap mechanism governing the Sellers’ Control over the EPC Contracts agreed by the Parties in the SPA, as set forth in the paragraph headed “Constriction Wrap” in this announcement
“Director(s)”	the director(s) of the Company
“EPC Contracts”	the engineering, procurement and construction contracts in respect of the construction and development of the Wellington North Project and the Wunghnu Project, as well as the connected contracts and agreements
“Equity Contribution Adjustment Amount”	the equity contribution amount made to each Project Group by the Sellers or Seller Group Member

“Equity Value”	the equity value of the Sale Shares agreed by the Parties in the SPA
“Equity Value Amount”	any amount which becomes payable based on the audit of the Locked Box Accounts
“Estimated LDs and Insurance Claim Amount”	a good faith estimate of LDs and Insurance Claim Amount agreed by the Parties to be included in the adjustment of the Purchase Price in the event that the LDs and Insurance Claim Amount is not quantified and agreed in writing prior to the Completion
“FIRB”	the Australian Foreign Investment Review Board
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party or parties that, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is or are not the Group’s connected person(s), within the meaning of the Listing Rules
“LDs and Insurance Claim Amount”	the amount of liquidated damages and insurance claims received by the West Wyalong Project Group and the Woolooga Project Group against the relevant contractor in respect of the engineering, procurement and construction contracts of West Wyalong Project and Woolooga Project
“Leakage”	includes each of the following circumstances stipulated in the SPA but excludes the Permitted Leakage: <ul style="list-style-type: none"> (a) any dividend, capital return or distribution declared, made or paid by any Project Group Member to any Seller or any Seller Group Member; (b) any return of capital by any Project Group Member; (c) any payments or benefit made to any Seller or any Seller Group Member by any Project Group Member; (d) any monetary liabilities assumed or incurred, or any guarantee or security provided, by any Project Group Member for the benefit of any Seller or any Seller Group Member;

- (e) any bonus paid or to be paid by any Project Group Member to any Seller or any Seller Group Member as an incentive to complete the Acquisition;
- (f) the waiver by any Project Group Member of any amount or obligation owed by any Seller or any Seller Group Member;
- (g) any transaction costs of the Acquisition incurred by any Project Group Member;
- (h) the incurring by, or payment by, any Project Group Member of any tax, or the loss by any Project Group Member of any tax attribute, except in the ordinary course of business;
- (i) the entering into of any agreement or contract to do any of the matters referred to in paragraphs (a) to (h) above; or
- (j) all tax liabilities incurred by any Project Group Member, and any loss of any tax attribute by any Project Group Member, in each case in relation to any of the matters set out in paragraphs (a) to (i) above.

“Leakage Amount”	the monetary amount of the Leakage
“Lightsource Asset Holdings”	Lightsource Asset Holdings (Australia) Limited, a company incorporated in the United Kingdom, being one of the Sellers
“Lightsource Australia FinCo”	Lightsource Australia FinCo Holdings Limited, a company incorporated in the United Kingdom, being one of the Sellers
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Locked Box Accounts”	means, in respect of each Project Group, the unaudited aggregated balance sheet of the relevant Project Holding Company as at 30 June 2023
“LS Australia FinCo”	LS Australia FinCo 2 Pty Ltd, a company incorporated in Australia, being one of the Project Holding Companies

“LS Australia HoldCo”	LS Australia HoldCo 1 Pty Ltd, a company incorporated in Australia, being one of the Project Holding Companies
“MWp”	Mega-Watt-peak
“PAC Adjustments”	certain adjustments be made to the Purchase Price payable in respect of LS Australia Finco in connection with the construction process and costs of Wellington North Project and Wunghnu Project, as set forth in “Construction Wrap” above
“PAC”	provisional acceptance certificate
“Parties”	the parties to the SPA, collectively, the Buyers, the Company, the Sellers and the Seller Guarantor
“Permitted Leakage”	includes each of the following: <ul style="list-style-type: none"> (a) any payment or repayment that is expressly included in the Locked Box Accounts; (b) each payment of a Shareholder Loan Amount paid at Completion; (c) any payment or transaction contemplated under any project contract, financing contract or lease contract in respect of the Projects; (d) any transaction which would otherwise constitute Leakage, to the extent that the amount of that Leakage is actually reimbursed or repaid in cash to a Project Group Member before Completion; (e) any rental payment made to a landlord who is a related party of a Project Holding Company which is made in accordance with the terms of the relevant lease documents; (f) any payment of an amount for which there is an adjustment to the Completion Amount, other than any Notified Leakage Amount;

- (g) any amounts recharged to a Project Group by a Seller or any other Seller Group Member for third party costs incurred on behalf of the Project Group for goods provided to or services performed for the Project Group;
- (h) the purchase of any large-scale generation certificates from a Seller or any other Seller Group Member at a price consistent with market value; or
- (i) any payment which is approved in writing by the Buyer or acknowledged as Permitted Leakage in writing by the Buyer

“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
“Project Group Member”	means each entity forming part of the relevant Project Group
“Project Groups”	collectively, the Wellington South Project Group, the West Wyalong Project Group, the Woolooga Project Group and the Wellington North & Wunghnu Project Group, each a “Project Group”
“Project Holding Companies”	collectively, LS Australia HoldCo, West Wyalong HoldCo 2, Woolooga HoldCo 2 and LS Australia FinCo
“Projects”	collectively, Wellington South Project, West Wyalong Project, Woolooga Project, Wellington North Project and Wunghnu Project, and each a “Project”
“Purchase Price”	the consideration of the Acquisition, details are set forth under “Consideration of the Acquisition” section of this announcement
“Sale Shares”	the entire issued share capital in each of the Project Holding Companies to be acquired by the Buyers from the Sellers

“Scheduled PAC Date”	the scheduled provisional acceptance certificate date of two Projects, being, in respect of the Wellington North Project, 30 September 2024, and in respect of the Wunghnu Project, 31 July 2024
“Seller Group”	in respect of each Seller, includes that the Seller and each of its affiliates (other than, on and from Completion, the Project Group Members, but before Completion, including the Project Group Members)
“Seller Group Member”	any member of the Seller Group
“Seller Guarantor”	Lightsource Holdings 1 Limited, a company incorporated in the United Kingdom
“Sellers”	collectively, Lightsource Asset Holdings, West Wyalong HoldCo 1, Woolooga HoldCo 1 and Lightsource Australia FinCo, each a “Seller”
“Shareholder Loan Amount”	the amount of Shareholder Loans
“Shareholder Loan Interim Repayments”	the repayment amount of Shareholder Loans made by the Project Groups prior to Completion
“Shareholder Loans”	all loans between the Project Groups and Seller Group Member as at Completion
“Shareholder(s)”	holder(s) of the issued shares of the Company
“SPA”	the share sale and purchase agreement dated 14 December 2023 entered into by the Parties in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction Documents”	collectively, the SPA and the relevant ancillary documents in connection with the Acquisition
“Transitional Services”	transitional arrangements in respect of certain asset management services under the financing contracts in respect of each Project
“Valuation Report”	the report dated 22 November 2023 prepared by the Valuer on the indicative fair valuation of the Projects as at 30 September 2023 using the discounted cash flow method of the income approach

“Valuer”	RSM Corporate Australia Pty Ltd
“W&I Insurance Policy”	the warranty and indemnity insurance policy in respect of the warranties, general indemnity for breach of warranty and tax indemnity given by the Sellers under the SPA
“Wellington North Project”	the construction stage solar project with a generation capacity of up to 425MWp and the related BESS development Project to be operated by the relevant Wellington North & Wunghnu Project Group Members
“Wellington North & Wunghnu Project Group”	the group of companies constituted by the Wellington North & Wunghnu Project Group Members
“Wellington North & Wunghnu Project Group Members”	LS Australia FinCo and its subsidiaries
“Wellington South Project”	the constructed and operational solar project with a generation capacity of up to 200MWp and the related BESS development Project operated by the Wellington South Project Group Members
“Wellington South Project Group”	the group of companies constituted by the Wellington South Project Group Members
“Wellington South Project Group Members”	LS Australia HoldCo and its subsidiaries
“West Wyalong HoldCo 1”	West Wyalong HoldCo 1 Limited, a company incorporated in the United Kingdom, being one of the Sellers
“West Wyalong HoldCo 2”	West Wyalong HoldCo 2 Pty Ltd, a company incorporated in Australia, being one of the Project Holding Companies
“West Wyalong Project”	the constructed and operational solar project with a generation capacity of up to 108MWp and the related BESS development Project operated by the West Wyalong Project Group Members

“West Wyalong Project Group Members”	West Wyalong HoldCo 2 and its subsidiaries
“West Wyalong Project Group”	the group of companies constituted by the West Wyalong Project Group Members
“Woolooga Additional Seller BESS”	the additional BESS project that is being constructed and developed by the Seller Group at Woolooga adjacent to the Woolooga Project
“Woolooga HoldCo 1”	Woolooga HoldCo 1 Limited, a company incorporated in the United Kingdom, being one of the Sellers
“Woolooga HoldCo 2”	Woolooga HoldCo 2 Pty Ltd, a company incorporated in Australia, being one of the Project Holding Companies
“Woolooga Land Agreement”	the land agreement to be negotiated by the Parties between the date of the SPA and Completion, which is to be entered into between the relevant Seller Group Member and the Woolooga Project Group Members in connection with the development of the Woolooga Additional Seller BESS
“Woolooga Project”	the constructed and operational solar project with a generation capacity of up to 214MWp and the related BESS development Project operated by the Woolooga Project Group Members
“Woolooga Project Group”	the group of companies constituted by the Woolooga Project Group Members
“Woolooga Project Group Members”	Woolooga HoldCo 2 and its subsidiaries
“WSH”	Wollar Solar Holding Pty Ltd, a company incorporated in Australia with limited liability and an indirect wholly-owned subsidiary of the Company
“WSH SPV”	WSH Ludy Holding Pty Ltd, a company incorporated in Australia with limited liability and an indirect wholly-owned subsidiary of the Company

“Wunghnu Project”

the construction stage solar project with a generation capacity of up to 90MWp and the related BESS development Project to be operated by the relevant Wellington North & Wunghnu Project Group Members

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

Hong Kong, 14 December 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. Liu Guoxi, 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.

APPENDIX I – REPORT FROM GRANT THORNTON HONG KONG LIMITED

The Board of Directors
Beijing Energy International Holding Co., Ltd.
Unit 1012, 10th Floor
West Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

14 December 2023

Dear Sirs

REPORT ON CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF THE EQUITY INTERESTS IN LS AUSTRALIA HOLDCO 1 PTY LTD, WEST WYALONG HOLDCO 2 PTY LTD, WOOLOOGA HOLDCO 2 PTY LTD, LS AUSTRALIA FINCO 2 PTY LTD

To the board of directors of Beijing Energy International Holding Co., Ltd. (the “Company”)

We have examined the calculations of the discounted future estimated cash flows on which the valuation dated 22 November 2023 prepared by RSM Corporate Australia Pty Ltd in respect of the entire equity interests in LS Australia HoldCo 1 Pty Ltd, West Wyalong HoldCo 2 Pty Ltd, Woolooga HoldCo 2 Pty Ltd, LS Australia FinCo 2 Pty Ltd (collectively the “**Target Companies**”) as at 30 September 2023 is based (the “**Valuations**”). The Valuations based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and reference to the Valuations will be included in an announcement dated 14 December 2023 issued by the Company in connection with acquisition of the Target Companies (the “**Announcement**”).

Directors’ Responsibilities

The directors of the Company are responsible for the reasonableness and validity of the assumptions as set out in the Announcement (the “**Assumptions**”), based on which the discounted future estimated cash flows and the Valuations are prepared.

Professional Ethics and Quality Management

We have complied with the ethical requirements in “Code of Ethics for Professional Accountants” issued by HKICPA. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements”, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

It is our responsibility to form an opinion on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuations is based and to report solely to you, as a body, as required by Rule 14.62(2) of the Listing Rules, and for no other purpose. The discounted future estimated cash flows does not involve the adoption of accounting policies. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the arithmetical calculations are concerned, have been properly compiled in accordance with the Assumptions.

Our work does not constitute any valuation of the equity interests in the Target Companies. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuations and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects in accordance with the Assumptions.

Grant Thornton Hong Kong Limited

Certified Public Accountants

Hong Kong

APPENDIX II – LETTER FROM THE BOARD IN RELATION TO THE PROFIT FORECAST

14 December 2023

The Stock Exchange of Hong Kong Limited
12th Floor,
Two Exchange Square,
8 Connaught Place,
Central, Hong Kong

Dear Sirs or Madams,

VERY SUBSTANTIAL ACQUISITION – ACQUISITION OF THE ISSUED SHARE CAPITAL IN EACH OF THE PROJECT HOLDING COMPANIES

We refer to the announcement of the Company dated 14 December 2023 (the “**Announcement**”). Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings in this letter when used herein.

We refer to the Valuation Report dated 22 November 2023 prepared by RSM Corporate Australia Pty Ltd (the “**Valuer**”) in relation to valuations of Wellington South Project, West Wyalong Project, Woolooga Project, Wellington North Project and Wunghnu Project using the discounted cash flow method of the income approach (the “**Valuations**”). The Valuations are regarded as a profit forecast under Rule 14.61 of the Listing Rules (the “**Forecast**”).

We hereby confirm that we have discussed with the Valuer about different aspects and reviewed information and documents in relation to the basis and assumptions based upon which the discounted cash flows in the Valuations has been prepared, and reviewed the Valuations prepared by the Valuer for which the Valuer is responsible for. We have also reviewed the calculations for the discounted cash flow in the Valuation Report issued by the Valuer. We have also considered the report from Grant Thornton Hong Kong Limited, the auditor of the Company, the reporting accountants of the Company, as set out in Appendix I to the Announcement regarding the calculations of the discounted cash flows in the Valuations upon which the Forecast has been made.

On the basis of the foregoing, in accordance with the requirements under Rule 14.62(3) of the Listing Rules, we confirm that the Forecast has been made after due and careful enquiry by us.

By order of the Board
Beijing Energy International Holding Co., Ltd.
Zhang Ping
Chairman of the Board