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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  
AGREEMENT OF INTENT IN RELATION TO POTENTIAL  
ACQUISITION OF THE PROJECT HOLDING COMPANIES**

**THE AGREEMENT OF INTENT**

On 4 July 2024, UP Changzhou (a subsidiary of the Company) and Powerchina Jiangxi entered into the Agreement of Intent, pursuant to which UP Changzhou agreed to pay the refundable Earnest Money of approximately RMB384 million to Powerchina Jiangxi (subject to the fulfilment of certain conditions precedent) to facilitate the continued negotiation between UP Changzhou and Powerchina Jiangxi on the Potential Acquisition, and in order to gain an exclusive right to develop and operate the Projects.

**LISTING RULES IMPLICATIONS**

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

**The Agreement of Intent may or may not lead to the entering into of the formal agreement in respect of the Potential Acquisition and the Potential Acquisition may or may not be consummated. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## THE AGREEMENT OF INTENT

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The following sets out the key terms of the Agreement of Intent:

**Determination of the purchase price of the Sale Shares**

The determination of the purchase price of the Sale Shares shall include, among other things:

- (i) costs associated with obtaining and processing all supporting documents and documents for government approvals at the preliminary phase of the Projects;
- (ii) costs related to the construction phase of the Projects and capital occupation fees (including but not limited to the surveying, design and supervision costs of the Projects; procurement costs of all materials and equipment for the photovoltaic power plant and external wiring; construction, commissioning, trial operation, acceptance, inspection and other costs of construction, installation and external wiring and other grid-connection and access works);
- (iii) costs related to the land involved in the Projects (including but not limited to land acquisition costs, compensation costs, land-use tax, land reclamation fee, forest/grassland restoration fee etc, if any);
- (iv) costs for processing all supporting documents and related procedures required for the operation of the Projects until the completion of full-capacity grid-connected power generation; and
- (v) other costs related to full-capacity construction and grid-connected operation of the Projects.

**Conditions Precedent  
to the Potential  
Acquisition**

UP Changzhou may be prepared to sign the formal agreement(s) in respect of the acquisition of the relevant Project Holding Company provided that certain conditions precedent (“**Conditions Precedent**”) are fulfilled (or to be waived by UP Changzhou), including but not limited to the following:

- (i) Each Project Holding Company is legally incorporated and validly existing in accordance with the law. Each Project Holding Company is the only legal entity for the preparation, investment, construction and operation of the relevant Project at the early phase, and the ownership and all rights and interests of the assets derived or created therefrom belong to each Project Holding Company.
- (ii) Each Project has obtained the filing and construction index documents for the relevant year, access system and land-use procedures and ownership documents, and the relevant Project has been fully constructed and the grid has been fully connected for power generation.
- (iii) Powerchina Jiangxi shall ensure that the design, equipment, construction, installation, commissioning, operation and engineering quality of each Project are quality-assured and confirmed by UP Changzhou.
- (iv) The agency engaged by UP Changzhou shall conduct a comprehensive due diligence on each Project Holding Company and each Project, and the issues discovered shall be resolved in accordance with the solution agreed upon by both parties.
- (v) The Potential Acquisition contemplated under the Agreement of Intent shall be approved by the internal authority of the parties.

(vi) Each Project Holding Company is evaluated by an independent valuer that is agreed to be engaged by both parties, and the results of the evaluation report(s) shall be confirmed in writing by UP Changzhou.

**Payment of  
Earnest Money**

(i) After the signing of the Agreement of Intent, UP Changzhou shall pay the Earnest Money to Powerchina Jiangxi within 15 days after UP Changzhou receives the written payment application, the receipt(s), and the unconditional and irrevocable letter of bank guarantees in the total amount of approximately RMB403 million issued by a bank(s) in favour of UP Changzhou as the designated beneficiary from Powerchina Jiangxi (a letter of bank guarantee shall be issued for each Project, the form of which shall be agreed in writing by UP Changzhou) (collectively, “**Letter of Bank Guarantees**”, and each a “**Letter of Bank Guarantee**”).

(ii) One month before the expiry of the relevant Letter of Bank Guarantee, if the relevant Project does not fulfil the Conditions Precedent, Powerchina Jiangxi shall return the Earnest Money with the capital occupancy fees in respect of the Earnest Money within 5 Business Days. The capital occupancy fees in respect of the Earnest Money shall be an annual interest rate of 5% commencing from the day of payment of the Earnest Money. If Powerchina Jiangxi fails to fulfill the payment obligation, UP Changzhou has the right to unilaterally enforce the Letter of Bank Guarantee.

- (iii) One month before the expiry of the Letter of Bank Guarantee, if the Conditions Precedent have been fulfilled, Powerchina Jiangxi shall return the Earnest Money to UP Changzhou and to procure the relevant Project Holding Company to return the capital occupancy fees in respect of the Earnest Money to UP Changzhou. The capital occupancy fees in respect of the Earnest Money shall be an annual interest rate of 5% commencing from the day of payment of the Earnest Money. If Powerchina Jiangxi or the relevant Project Holding Company fails to fulfill the payment obligation within 10 calendar days prior to the expiry of the Letter of Bank Guarantee, UP Changzhou has the right to unilaterally enforce the Letter of Bank Guarantee.
- (iv) Prior to the expiry of the Letter of Bank Guarantee, UP Changzhou shall have the right to request Powerchina Jiangxi to immediately return the Earnest Money to UP Changzhou and to procure the relevant Project Holding Company to return the capital occupancy fees in respect of the Earnest Money to UP Changzhou in certain circumstances. The capital occupancy fees in respect of the Earnest Money shall be an annual interest rate of 5% commencing from the day of payment of the Earnest Money. Such circumstances include changes in the relevant investment decisions of UP Changzhou, changes in the policies of national or local regulations in the place of the Project, and changes in the relevant market, etc. If Powerchina Jiangxi or the Project Holding Company fails to fulfill the payment obligation, UP Changzhou has the right to unilaterally enforce the Letter of Bank Guarantee. If UP Changzhou terminates the transactions under the Agreement of Intent and enforces the Letter of Bank Guarantee, or Powerchina Jiangxi or the Project Holding Company returns the Earnest Money within the validity period of the Letter of Bank Guarantee, the Lock-up Period (as defined hereinafter) shall be deemed to have ended.

## Lock-up Period

Within two years from the signing date of the Agreement of Intent (“**Lock-up Period**”), Powerchina Jiangxi and each Project Holding Company shall not conduct any substantive business negotiations or cooperation with any third party other than UP Changzhou regarding the acquisition of the Projects, including but not limited to contacting, negotiating, discussing, signing and executing any documents.

Based on preliminary information available, the amount of the Earnest Money was determined with reference to the amount of the total assets of the respective Projects. The payment of the Earnest Money shall be satisfied by funds of UP Changzhou available for use.

## INFORMATION ABOUT THE PROJECT HOLDING COMPANIES AND THE PROJECTS

Project	Project Holding Company, place of incorporation and ultimate beneficial owner(s)	Amount of Earnest Money (Approximately RMB' million)	Amount of the Letter of Bank Guarantee (Approximately RMB' million)	
1	Guizhou Tongren Shiqian County Dongrun 80MW Wind Power Project	Shiqian County Dongrun Qingneng New Energy Co., Ltd.* (石阡縣東潤清能 新能源有限公司), The PRC	51	54
	Deng Jian Qing* (鄧建清) indirectly holds 99.99% of this Project Company.			
2	Gansu Baiyin Wuchuan Township Lisheng 100MW Wind Power Project	Baiyin Lisheng New Energy Co., Ltd.* (白銀立昇新能源 有限公司), The PRC	41	43
	Each of Zhang Zheng Zhao* (張正釗) and Ma Li* (馬麗) indirectly holds 51% and 49% of this Project Company respectively.			

<b>Project</b>	<b>Project Holding Company, place of incorporation and ultimate beneficial owner(s)</b>	<b>Amount of Earnest Money (Approximately RMB' million)</b>	<b>Amount of the Letter of Bank Guarantee (Approximately RMB' million)</b>	
3	Guangdong Yangchun Heshui Town Runlong 200MW Wind Power Project	Yangjiang Runlong New Energy Co., Ltd.* (陽江潤龍新能源 有限公司), The PRC	174	183
		Each of Fan Hui* (樊輝), Zhang Jin* (張金) and Chi Heng* (池恒) indirectly holds 40%, 30% and 30% of this Project Company respectively.		
4	Guangdong Lufeng Qiaochong Town Houchong 25MW Fishery-Photovoltaic Complementary Project	Shanwei City Jintaiyang Power Co., Ltd.* (汕尾市金泰陽 電力有限公司), The PRC	12	12
		Each of Zhang Hua* (張華) and Du Chang Sheng* (杜昌 盛) indirectly holds 60% and 40% of this Project Company respectively.		
5	Gansu Dingxi Tongwei County Heiyanshan Yigang 300MW Wind Power Asset Package Project	Tongwei Jingbei New Energy Co., Ltd.* (通渭京貝 新能源有限公司), The PRC	106	112
		Each of Zhang Hua* (張華) and Du Chang Sheng* (杜昌盛) indirectly holds 60% and 40% of this Project Company respectively.		

The principal business activity of each Project Holding Company is to undertake the relevant Project above.

## **INFORMATION OF THE PARTIES**

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.

UP Changzhou is a company established in the PRC with limited liability and a subsidiary of the Company. UP Changzhou is an investment holding company in the PRC.

Powerchina Jiangxi is a company established in the PRC with limited liability and is primarily engaged in power generation engineering and construction. As at the date of this announcement, to the best information of the Directors, Powerchina Jiangxi is a wholly-owned subsidiary of Power Construction Corporation of China, Ltd. (中國電力建設股份有限公司), a joint stock company established in the PRC with limited liability, with its A shares listed on the Shanghai Stock Exchange (stock code: 601669).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Powerchina Jiangxi and the Project Holding Companies and their 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 AGREEMENT OF INTENT**

The Group, being 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.



Having considered the development and the expected return from investment in the wind power and photovoltaic industry in the PRC, the Company is optimistic about the prospect of the wind power and photovoltaic industry in the PRC in the foreseeable future. The Board is of the view that the Potential Acquisition, if materialises, will be complementary to the Group's existing new energy power plant portfolio and enables the Group to further expand its scale of business in the new energy sector to enhance return to the Shareholders. The Potential Acquisition is therefore considered by the Board to be a good opportunity to expand the Group's existing clean energy business. The Earnest Money is provided to facilitate the negotiation of the development of the Projects and the Potential Acquisition. Pursuant to the Agreement of Intent, UP Changzhou has the aforesaid exclusive right in respect of the Potential Acquisition during the Lock-up Period. The Earnest Money is refundable and the return of which is guaranteed by the Letter of Bank Guarantees. The Directors consider the payment of the Earnest Money is able to secure the aforesaid exclusive negotiation and development right of UP Changzhou.

Based on the above, the Directors consider that the terms of the Agreement of Intent and the payment of the Earnest Money are fair and reasonable and are entered into on normal commercial terms and in the interests 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 terms shall have the meanings as set out below:

“Agreement of Intent”	the Agreement of Intent dated 4 July 2024 entered into between UP Changzhou and Powerchina Jiangxi
“Board”	the board of Directors

“Business Day”	means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in the PRC
“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
“Earnest Money”	Approximately RMB384 million payable by UP Changzhou to Powerchina Jiangxi pursuant to the Agreement of Intent
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“MW”	megawatt(s), which equals to 1,000,000 watts
“Potential Acquisition”	the proposed acquisition of the Sale Shares by UP Changzhou under the Agreement of Intent
“Powerchina Jiangxi”	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
“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
“Projects”	collectively, Guizhou Tongren Shiqian County Dongrun 80MW Wind Power Project, Gansu Baiyin Wuchuan Township Lisheng 100MW Wind Power Project, Guangdong Yangchun Heshui Town Runlong 200MW Wind Power Project, Guangdong Lufeng Qiaochong Town Houchong 25MW Fishery-Photovoltaic Complementary Project and Gansu Dingxi Tongwei County Heiyanshan Yigang 300MW Wind Power Asset Package Project, each a “Project”

“Project Holding Companies”	collectively, Shiqian County Dongrun Qingneng New Energy Co., Ltd.* (石阡縣東潤清能新能源有限公司), Baiyin Lisheng New Energy Co., Ltd.* (白銀立昇新能源有限公司), Yangjiang Runlong New Energy Co., Ltd.* (陽江潤龍新能源有限公司), Shanwei City Jintaiyang Power Co., Ltd.* (汕尾市金泰陽電力有限公司) and Tongwei Jingbei New Energy Co., Ltd.* (通渭京貝新能源有限公司), each a “Project Holding Company”
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the entire issued share capital of each of the Project Holding Companies
“Shareholder(s)”	holder(s) of the issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UP Changzhou”	United Photovoltaics (Changzhou) Investment Group Co., Ltd.* (聯合光伏(常州)投資集團有限公司), a company established in the PRC with limited liability and a 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, 4 July 2024

*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.*

\* For identification purpose only