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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 29 June 2021 (after trading hours), Xinjiang Xinyou, 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 RMB370 million, which shall then be leased to Xinjiang Xinyou, 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 is 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

The Board is pleased to announce that on 29 June 2021 (after trading hours), Xinjiang Xinyou, 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 RMB370 million, which shall then be leased to Xinjiang Xinyou, 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:** 29 June 2021 (after trading hours)
- Parties:**
- (1) Xinjiang Xinyou (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 RMB370 million, lease the Leased Assets to Xinjiang Xinyou and charge Xinjiang Xinyou lease payment.
- Lease term:** The lease term under the Finance Lease Agreement will be for fifteen 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 RMB530 million, being the sum of (i) the total purchase cost of the Leased Assets of RMB370 million and (ii) the total estimated aggregate interest of approximately RMB160 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 National Interbank Funding Centre under the authority of the People's Bank of China from time to time minus 5 basis points, i.e. 4.6% as at the date of the Finance Lease Agreement.

The total lease amount payable shall be payable in 30 semi-annual instalments.

ABC Financial Leasing may require Xinjiang Xinyou 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.

Down payment:

A down payment of approximately RMB5.9 million, being 1.6% of the total purchase amount of the Leased Assets payable on a pro rata basis within 5 working days after ABC Financial Leasing pays the total purchase amount of the Leased Assets in instalments.

Other terms:

Upon maturity of the lease term and subject to the fulfilment of all of its obligations under the Finance Lease Agreement, Xinjiang Xinyou 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 Xinjiang Xinyou, Xinjiang Xinyou pledged its right of receiving the electricity fees to be generated from the Leased Assets, and the Company provided a guarantee to ABC Financial Leasing in respect of the obligations of Xinjiang Xinyou in connection with the Finance Lease Agreement.

INFORMATION ON THE ASSETS

As at 31 May 2021, the book value of the Leased Assets was approximately RMB364 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.

Xinjiang Xinyou is a company established in the PRC with limited liability that is principally engaged in the investment in construction of thermal power plants, thermal power generation, wind power generation, solar power generation and other energy generation. Xinjiang Xinyou 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 of the lease deposits of 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 Director's knowledge, information and belief having made all reasonable enquiries, 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 amounts of power generation equipment in the construction of new energy power plants. The Finance Lease Agreement would enable the Company to control financing risks and costs in its course of investing in new projects, and also to 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 to be 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 interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transaction contemplated under the Finance Lease Agreement exceeds 5% but is 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.

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
“Company”	Beijing Energy International Holdings 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
“Finance Lease Agreement”	the agreement entered into between Xinjiang Xinyou and ABC Financial Leasing on 29 June 2021, pursuant to which ABC Financial Leasing agreed to purchase the Leased Assets from Jiangxi Electric Power Construction, which shall be leased to Xinjiang Xinyou
“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 wind power generation equipment in relation to the 50 megawatts wind power 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
“Shareholder(s)”	holder(s) of issued shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Xinjiang Xinyou”

Xinjiang Xinyou New Energy Power Generation Co., Ltd.* (新疆信友新能源發電有限公司), a company established in the PRC with limited liability, is a wholly owned subsidiary of the Company

“%”

percent

Hong Kong, 29 June 2021

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

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