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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 TRANSACTIONS
ENGINEERING, PROCUREMENT AND CONSTRUCTION
CONTRACTS RELATING TO (1) 200MW SHARED ENERGY STORAGE
PROJECT IN SHANDONG PROVINCE, THE PRC AND
(2) 100MW SHARED ENERGY STORAGE PROJECT
IN GUANGXI PROVINCE, THE PRC**

THE EPC CONTRACTS

On 29 May 2023, Jingneng Rongcheng, a wholly-owned subsidiary of the Company, as the principal, entered into the Shandong EPC Contract with Powerchina Nuclear, as the contractor. Pursuant to the Shandong EPC Contract, Powerchina Nuclear will provide EPC services to Jingneng Rongcheng for the construction of the Shandong EPC Project. The contract price of the Shandong EPC Contract amounted to approximately RMB819 million (tax inclusive).

On the same day, Baise Jingyao, a wholly-owned subsidiary of the Company, as the principal, entered into the Guangxi EPC Contract with the Consortium, as the contractors. Pursuant to the Guangxi EPC Contract, the Consortium will provide EPC services to Baise Jingyao for the construction of the Guangxi EPC Project. The contract price of the Guangxi EPC Contract amounted to approximately RMB353 million (tax inclusive).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the entering into of each of the Shandong EPC Contract and Guangxi EPC Contract, exceeds 5% but is less than 25%, the entering into of each of the Shandong EPC Contract and Guangxi EPC Contract, constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 29 May 2023, Jingneng Rongcheng, a wholly-owned subsidiary of the Company, as the principal, entered into the Shandong EPC Contract with Powerchina Nuclear, as the contractor. Pursuant to the Shandong EPC Contract, Powerchina Nuclear will provide EPC services to Jingneng Rongcheng for the construction of the Shandong EPC Project. The contract price of the Shandong EPC Contract amounted to approximately RMB819 million (tax inclusive).

On the same day, Baise Jingyao, a wholly-owned subsidiary of the Company, as the principal, entered into the Guangxi EPC Contract with the Consortium, as the contractors. Pursuant to the Guangxi EPC Contract, the Consortium will provide EPC services to Baise Jingyao for the construction of the Guangxi EPC Project. The contract price of the Guangxi EPC Contract amounted to approximately RMB353 million (tax inclusive).

THE SHANDONG EPC CONTRACT

The principal terms of the Shandong EPC Contract are set out as below:

Date: 29 May 2023

Parties: (i) Jingneng Rongcheng (as the principal)
(ii) Powerchina Nuclear (as the contractor)

Subject Matter: Powerchina Nuclear agreed to serve as the EPC contractor to provide EPC services to Jingneng Rongcheng for the construction of the Shandong EPC Project. The EPC services include, among others, design, procurement of equipment and materials, construction and installation, testing and acceptance works. Powerchina Nuclear shall be responsible for all the relevant expenses incurred for the construction of the Shandong EPC Project.

Powerchina Nuclear shall design, implement and complete the construction of the Shandong EPC Project in accordance with the Shandong EPC Contract and remedy any failure or defects during the two-year warranty period of the Shandong EPC Project carried out under the Shandong EPC Contract.

Construction Period:	The construction of the Shandong EPC Project shall commence upon the written notice of Jingneng Rongcheng, and the grid-connected power generation in full capacity shall be expected to take place within 180 days following the date of such notice.
Contract Price and Payment Method:	The consideration of the Shandong EPC Contract is approximately RMB819 million (tax inclusive) (“Shandong EPC Contract Price”) which consists of design and technical services payment, construction and installation payment, equipment and materials payment and other fees, and shall be settled as follows: (i) Advance Payment 30% of the Shandong EPC Contract Price as advance payment shall be paid to Powerchina Nuclear upon the fulfillment of the following conditions, including (i) the Shandong EPC Contract being effective; (ii) the receipt of the letter of performance guarantee (equivalent to 10% of the Shandong EPC Contract Price) and letter of advance payment guarantee (equivalent to 20% of the Shandong EPC Contract Price) and are irrevocable and payable on demand; and (iii) the receiving of a receipt for advance payment from Powerchina Nuclear to Jingneng Rongcheng. (ii) Milestone Payment Based on the progress of the project and the receipt of the relevant invoice(s), Jingneng Rongcheng shall pay to Powerchina Nuclear with respect to the equipment and materials payment, construction and installation payment, design and technical services payment and other fees. In furtherance to the above, Jingneng Rongcheng shall pay up to 95% of the design and technical services payment and other fees, 97% of the construction and installation payment and 95% of the equipment and materials payment upon the fulfilment of certain conditions set out under the Shandong EPC Contract, including, among others, achieving satisfactory results from the inspection of the completed project.

(iii) Quality Assurance Fund

Under the Shandong EPC Contract, 5% of the design and technical services payment and other fees, 3% of the construction and installation payment and 5% of the equipment and materials payment under the Shandong EPC Contract shall be retained by Jingneng Rongcheng as quality assurance fund and paid to Powerchina Nuclear until the expiration of the two-year warranty period, which is two years starting from the date of the acceptance of the project completion-based check, and the fulfillment of the following conditions:

- (1) all defects of the construction have been rectified within the warranty period, and a quality confirmation letter has been issued by Jingneng Rongcheng; and
- (2) all agreed technical standards stated in the Shandong EPC Contract have been met. If there are quality issues, Powerchina Nuclear having completed the quality repairs in accordance with the Shandong EPC Contract.

Escrow Account:

Powerchina Nuclear shall establish an escrow account (the “**Shandong Escrow Account**”) for receiving payments under the Shandong EPC Contract, which shall be jointly managed by Jingneng Rongcheng and Powerchina Nuclear, and subject to the terms specified in the Shandong EPC Contract. During the course of the project, 70% of each payment paid by Jingneng Rongcheng shall be deposited into the Shandong Escrow Account (the usage of the fund shall be approved by Jingneng Rongcheng and for the sole purpose of the Shandong EPC Project), and the remaining 30% shall be paid to Powerchina Nuclear at the reasonable disposal of Powerchina Nuclear, but which shall nonetheless be used solely and exclusively for the Shandong EPC Project.

Performance Guarantee: Pursuant to the Shandong EPC Contract, Powerchina Nuclear shall provide a letter of performance guarantee issued by a bank, as agreed upon by the parties, with an amount equivalent to 10% of the Shandong EPC Contract Price within 30 days after the Shandong EPC Contract becomes effective, to guarantee the due performance by Powerchina Nuclear of its obligations under the Shandong EPC Contract.

The letter of performance guarantee shall be released upon the acceptance of the project completion-based check and acceptance of the Shandong EPC Project.

Advance Payment Guarantee: Under the Shandong EPC Contract, as a prerequisite of payment of the advance payment, Powerchina Nuclear shall provide a letter of advance payment guarantee issued by a bank, as agreed by the parties, with an amount equivalent to 20% of the Shandong EPC Contract Price, to guarantee that the advance payment will be used in accordance with the terms of the Shandong EPC Contract.

The letter of advance payment guarantee shall be released once the advance payment is fully utilised along the progress of the project in accordance with the terms of the Shandong EPC Contract.

THE GUANGXI EPC CONTRACT

The principal terms of the Guangxi EPC Contract are set out as below:

Date: 29 May 2023

Parties: (i) Baise Jingyao (as the principal)
(ii) The Consortium (as the contractor)

Subject Matter:	The Consortium agreed to serve as the EPC contractors to provide EPC services to Baise Jingyao for the construction of the Guangxi EPC Project. The EPC services include, among others, design, procurement of equipment and materials, construction and installation, testing and acceptance works. The Consortium shall be responsible for all the relevant expenses incurred for the construction of the Guangxi EPC Project. The Consortium shall design, implement and complete the construction of the Guangxi EPC Project in accordance with the Guangxi EPC Contract and remedy any failure or defects during the one-year warranty period of the Guangxi EPC Project carried out under the Guangxi EPC Contract.
Construction Period:	The construction of the Guangxi EPC Project shall commence upon the written notice of Baise Jingyao, and the grid-connected power generation in full capacity shall be expected to take place within 120 days following the date of such notice.
Contract Price and Payment Method:	The consideration of the Guangxi EPC Contract is approximately RMB353 million (tax inclusive) (“Guangxi EPC Contract Price”) which consists of design and technical services payment, construction and installation payment, equipment and materials payment and other fees, and shall be settled as follows: (i) Advance Payment 20% of the Guangxi EPC Contract Price as advance payment shall be paid to the Consortium upon the fulfillment of the following conditions, including (i) the Guangxi EPC Contract being effective; (ii) the receipt of the letter of performance guarantee (equivalent to 10% of the Guangxi EPC Contract Price) and letter of advance payment guarantee (equivalent to 10% of the Guangxi EPC Contract Price) and are irrevocable and payable on demand; (iii) the receiving of a receipt for advance payment from the Consortium to Baise Jingyao; and (iv) the issue of the relevant letters of guarantee by each member of the Consortium and the payment by Baise Jingyao to each member of the Consortium according to such letters of guarantee.

(ii) Milestone Payment

Based on the progress of the project and the receipt of the relevant invoice(s), Baise Jingyao shall pay to the Consortium with respect to the equipment and materials payment, construction and installation payment, design and technical services payment and other fees. In furtherance to the above, Baise Jingyao shall pay up to 95% of the design and technical services payment and other fees, 97% of the construction and installation payment and 95% of the equipment and materials payment upon the fulfilment of certain conditions set out under the Guangxi EPC Contract, including, among others, achieving satisfactory results from the inspection of the completed project.

(iii) Quality Assurance Fund

Under the Guangxi EPC Contract, 5% of the design and technical services payment and other fees, 3% of the construction and installation payment and 5% of the equipment and materials payment under the Guangxi EPC Contract shall be retained by Baise Jingyao as quality assurance fund and paid to the Consortium until the expiration of the one-year warranty period, which is one year starting from the date of the acceptance of the project completion-based check, and the fulfillment of the following conditions:

- (1) all defects of the construction have been rectified within the warranty period, and a quality confirmation letter has been issued by Baise Jingyao;
- (2) all agreed technical standards stated in the Guangxi EPC Contract have been met. If there are quality issues, the Consortium having completed the quality repairs in accordance with the Guangxi EPC Contract;

- (3) before the expiration of the warranty period under the Guangxi EPC Contract, with respect to any equipment with warranty period exceeding one year, the unconditional transfer of the rights to the quality assurance obligation of the relevant suppliers of such equipment by the Consortium to Baise Jingyao; and
- (4) the Consortium having provided the receipt for the equivalent amount.

Escrow Account:

The Consortium shall establish an escrow account (the “**Guangxi Escrow Account**”) for receiving payments under the Guangxi EPC Contract, which shall be jointly managed by Baise Jingyao and the Consortium, and subject to the terms specified in the Guangxi EPC Contract. During the course of the project, 70% of each payment paid by Baise Jingyao shall be deposited into the Guangxi Escrow Account (the usage of the fund shall be approved by Baise Jingyao and for the sole purpose of the Guangxi EPC Project), and the remaining 30% shall be paid to the Consortium at the reasonable disposal of the Consortium, but which shall nonetheless be used solely and exclusively for the Guangxi EPC Project.

Performance Guarantee:

Pursuant to the Guangxi EPC Contract, the Consortium shall provide a letter of performance guarantee issued by a bank, as agreed upon by the parties, with an amount equivalent to 10% of the Guangxi EPC Contract Price within 30 days after the Guangxi EPC Contract becomes effective, to guarantee the due performance by the Consortium of its obligations under the Guangxi EPC Contract.

The letter of performance guarantee shall be released upon the acceptance of the project completion-based check of the Guangxi EPC Project.

**Advance Payment
Guarantee:**

Under the Guangxi EPC Contract, as a prerequisite of payment of the advance payment, the Consortium shall provide a letter of advance payment guarantee issued by a bank, as agreed upon by the parties, with an amount equivalent to 10% of the Guangxi EPC Contract Price, to guarantee that the advance payment will be used in accordance with the terms of the Guangxi EPC Contract.

The letter of advance payment guarantee shall be released once the advance payment is fully utilised along the progress of the project in accordance with the terms of the Guangxi EPC Contract.

BASIS FOR DETERMINATION OF THE CONTRACT PRICES UNDER THE EPC CONTRACTS

The contract prices under the EPC Contracts were determined by the parties after arm's length negotiation and through a tendering selection process. In particular, the Company has considered the following factors during the selection of the contractors and the determination of the relevant contract prices: (i) the design and construction proposal submitted; (ii) the track record of the candidates of contractors on performing similar projects; (iii) the size of operation, manpower and financial performance of the candidates of contractors; (iv) the expected power capacity (measured in MW) of the EPC Projects; and (v) the prevailing market price of the provision of similar EPC services.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EPC CONTRACTS

Having considered the development and the expected return from the investment in the new energy storage industry in the PRC, the Company is optimistic about the prospect of such industry in the foreseeable future.

To the best of the Directors' knowledge, each of the Contractors is a well-established company with substantial experience in the construction and development of new energy projects in the PRC.

The EPC Contracts will enable the Company to further expand its scale of business in the new energy storage industry through the construction of new energy projects so as to enhance returns to the Shareholders. The Directors have reviewed the EPC Contracts and are of the view that the terms and conditions of the EPC Contracts are fair and reasonable and the transactions contemplated thereunder are entered into on normal commercial terms 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 entering into of each of the Shandong EPC Contract and Guangxi EPC Contract, exceeds 5% but is less than 25%, the entering into of each of the Shandong EPC Contract and Guangxi EPC Contract, constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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.

Jingneng Rongcheng is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. It is primarily engaged in the development and operation of new energy projects.

Baise Jingyao is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. It is primarily engaged in the development and operation of new energy projects.

Powerchina Nuclear is a company established in the PRC with limited liability and is primarily engaged in electric power construction and electric power engineering and design services in the PRC. As at the date of this announcement, to the best information of the Directors, Powerchina Nuclear 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 incorporated in the PRC with limited liability, with its A shares listed on the Shanghai Stock Exchange (stock code: 601669).

Guangxi Taineng is a company established in the PRC with limited liability and is primarily engaged in the design and provision of consultation for electricity systems and electricity construction projects in the PRC. As at the date of this announcement, to the best information of the Directors, the ultimate beneficial owner of Guangxi Taineng is China Energy Engineering Corporation Limited (中國能源建設股份有限公司), a joint stock company incorporated in the PRC with limited liability, with its A shares listed on the Shanghai Stock Exchange (stock code: 601868) and its H shares listed on the Stock Exchange (stock code: 3996).

Shanxi Installation is a joint stock company incorporated in the PRC with limited liability. It is primarily engaged in specialised industrial construction, specialised auxiliary construction, other construction and non-construction business in the PRC. As at the date of this announcement, to the best information of the Directors, the ultimate beneficial owner of Shanxi Installation is the State-owned Assets Supervision and Administration Commission of the People's Government of Shanxi Province.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Contractors 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.

DEFINITIONS

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

“Baise Jingyao”	Guangxi Baise Jingyao Integrated Energy Services Co., Ltd.* (廣西百色京耀綜合能源服務有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“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)

“Consortium”	a consortium consisting of Guangxi T-energy Engineering Consulting Co., Ltd.* (廣西泰能工程諮詢有限公司)(as the consortium leader) and Shanxi Installation Group Co., Ltd.* (山西省安裝集團股份有限公司)(as the consortium member)
“Contractors”	collectively, Powerchina Nuclear and the Consortium
“Director(s)”	director(s) of the Company
“EPC”	engineering, procurement and construction
“EPC Contracts”	collectively, the Guangxi EPC Contract and the Shandong EPC Contract
“EPC Projects”	collectively, the Guangxi EPC Project and the Shandong EPC Project
“Group”	the Company and its subsidiaries
“Guangxi EPC Contract”	the EPC contract entered into between Baise Jingyao and the Consortium dated 29 May 2023 in relation to the construction of the Guangxi EPC Project
“Guangxi EPC Project”	the shared energy storage project located in Baise City, Guangxi Zhuang Autonomous Region, the PRC with planned construction capacity of 100MW
“Guangxi Taineng”	Guangxi T-energy Engineering Consulting Co., Ltd.* (廣西泰能工程諮詢有限公司), a company established in the PRC with limited liability
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Jingneng Rongcheng”	Jingneng Rongcheng Integrated Energy Services Co., Ltd.* (京能(榮成)綜合能源服務有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“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 1,000,000 watts
“Powerchina Nuclear”	Powerchina Nuclear Engineering Company Limited* (中國電建集團核電工程有限公司), a company established in the PRC with limited liability
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shandong EPC Contract”	the EPC contract entered into between Jingneng Rongcheng and Powerchina Nuclear dated 29 May 2023 in relation to the construction of the Shandong EPC Project
“Shandong EPC Project”	the shared energy storage project located in Weihai City, Shandong Province the PRC with planned construction capacity of 200MW
“Shanxi Installation”	Shanxi Installation Group Co., Ltd.* (山西省安裝集團股份有限公司), a joint stock company established in the PRC with limited liability
“Shareholder(s)”	holder(s) of the issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“%”	per cent

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

Hong Kong, 29 May 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. Zhao Bing, 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