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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)

PROPOSED SHARE PREMIUM REDUCTION

The Board intends to put forward a proposal to the Shareholders at the SGM to reduce certain credit standing to the Share Premium Account of the Company in accordance with applicable laws of Bermuda and the Bye-laws.

As at 30 June 2023, the amount standing to the credit of the Share Premium Account was approximately HK\$10,807 million (equivalent to approximately RMB9,125 million). It is proposed that (i) the entire amount standing to the credit of the Share Premium Account be reduced; (ii) approximately HK\$8,445 million (equivalent to approximately RMB7,091 million) of the credit arising from the Share Premium Reduction be applied to offset the accumulated losses of the Company of as at 30 June 2023; and (iii) the remaining approximately HK\$2,362 million (equivalent to approximately RMB2,034 million) of the credit arising from the Share Premium Reduction be transferred to the Contributed Surplus Account which may be utilised by the Directors at their sole discretion in accordance with the Bye-laws and all applicable laws (including to offset any accumulated losses of the Company).

REASONS FOR THE SHARE PREMIUM REDUCTION

The Directors propose the Share Premium Reduction as they consider it is unnecessary to maintain the Share Premium Account at its current level. In addition, the Company is subject to the restrictions under the Companies Act that funds standing to the credit of the Share Premium Account are not generally distributable to the Shareholders except in limited circumstances such as for paying up unissued shares of the Company to be issued to the Shareholders as fully paid bonus shares. On the other hand, credits in the Contributed Surplus Account may be applied by the Company in a more general manner as the Board may think fit and as permitted by the Companies Act, including but not limited to, (i) (subject to Shareholders' approval which the Company is seeking at the SGM) elimination of the accumulated losses of the Company, thus enabling the Shareholders and potential investors to have a better appreciation of the financial position of the Company; and (ii) payment of distribution to the Shareholders to the extent that the Company is not, or would not after the payment be, unable to pay its liabilities as they become due, and the realisable value of the Company's assets would not be less than its liabilities after payment of such distribution out of the Contributed Surplus Account.

The Share Premium Reduction and the subsequent transfer of credit arising therefrom to the Contributed Surplus Account will increase the amounts in the Contributed Surplus Account and give the Company greater flexibility. The Board believes that the Share Premium Reduction is in the interests of the Company and Shareholders as a whole.

EFFECT OF THE SHARE PREMIUM REDUCTION

The implementation of the Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares. Save for the expenses incurred by the Company in relation to the Share Premium Reduction, the implementation of the Share Premium Reduction will not, in itself, have any material adverse effect on the underlying assets, liabilities, business operations, management or financial position of the Company or the interests of Shareholders as a whole.

CONDITIONS OF THE SHARE PREMIUM REDUCTION

The Share Premium Reduction is conditional upon:

1. the passing of a special resolution by the Shareholders to approve the Share Premium Reduction at the SGM; and
2. compliance with section 46(2) of the Companies Act, including the Board being satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Share Premium Reduction would be, unable to pay its liabilities as they become due.

Subject to the fulfilment of the above conditions, it is expected that the Share Premium Reduction shall become effective on the next business day immediately following the date of passing of the special resolution to approve the Share Premium Reduction at the SGM.

GENERAL

A circular containing, among other things, (i) details of the Share Premium Reduction, and (ii) notice of the SGM, is expected to be despatched to the Shareholders as soon as practicable.

DEFINITIONS

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

“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company, as amended, supplemented or modified from time to time
“Companies Act”	the Companies Act 1981 of the laws of Bermuda, as amended from time to time
“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)
“Contributed Surplus Account”	the contributed surplus account of the Company as ascertained in accordance with the Companies Act
“Director(s)”	director(s) of the Company
“Effective Date”	the date on which the Share Premium Reduction shall become effective, being the next business day immediately following the date of the SGM at which the relevant special resolution approving the Share Premium Reduction will be considered and, if appropriate, passed by the Shareholders
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened for considering and, if thought fit, approving, among other things, the Share Premium Reduction

“Share Premium Account”	the share premium account of the Company
“Share Premium Reduction”	the proposed reduction of an amount of approximately HK\$10,807 million (equivalent to approximately RMB9,125 million) standing to the credit of the Share Premium Account as at the Effective Date
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s) of the Company

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

Hong Kong, 7 November 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.