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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 EARNEST MONEY PAYMENT AGREEMENT

THE EARNEST MONEY PAYMENT AGREEMENT

On 20 September 2024, BEJN, a wholly-owned subsidiary of the Company, entered into the Earnest Money Payment Agreement with Huitian Network, Yang Meiling and Sun Jianxiu, pursuant to which BEJN agreed to pay a refundable Earnest Money of RMB500 million to facilitate the continued negotiation between BEJN and Huitian Network on the Proposed Acquisition, and in order to acquire an exclusive right to acquire the Target Assets to develop and operate intelligence computing and data centres in Huitian Network Technology IDC Industrial Park. As security against the refundable Earnest Money, Huitian Network, Yang Meiling and Sun Jianxiu undertake to enter into the Ancillary Security Agreements in favour of BEJN.

Whether or not the Formal Agreement will be entered into, Huitian Network shall refund the Earnest Money and capital occupancy fees (if applicable) to BEJN in accordance with the terms of the Earnest Money Payment Agreement.

The Earnest Money Payment Agreement is legally binding on the parties in aspects which include but are not limited to the payment and refund of the Earnest Money, exclusivity, due diligence, confidentiality and governing law. However, the Earnest Money Payment Agreement is not legally binding on the parties in respect of the consummation of the Proposed Acquisition and/or the entering into of the Formal Agreement.

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 the Earnest Money by BEJN will constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

In case the Formal Agreement has been entered into by BEJN in respect of the Proposed Acquisition, further announcement(s) will be made by the Company in respect thereof in accordance with the requirements of the Listing Rules.

Shareholders and potential investors of the Company should note that as at the date of this announcement, the Earnest Money Payment Agreement may or may not lead to the entering into of the Formal Agreement and the Proposed Acquisition may or may not be consummated. Therefore, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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The following sets out the key terms of the Earnest Money Payment Agreement:

Earnest Money

Upon fulfillment of the following conditions precedent, BEJN shall be obligated to pay the Earnest Money to Huitian Network in the amount of RMB500 million:

- (a) the Earnest Money Payment Agreement has been executed and becomes effective;
- (b) the core compliance procedures with respect to the Target Asset A have been completed and approved by BEJN;

- (c) a mortgage of immovable property, pursuant to which a mortgage will be created in favour of BEJN over the Target Assets owned by Huitian Network;
- (d) a mortgage of movable property, pursuant to which a mortgage will be created in favour of BEJN over all movable properties within the scope of the Target Assets held by Huitian Network (including equipment in the cabinet buildings and structures in Huitian Network Technology IDC Industrial Park);
- (e) Huitian Network has set up a supervisory account (the “**Supervisory Account**”) for supervising the Earnest Money paid by BEJN under the Earnest Money Payment Agreement in the supervisory bank designated by BEJN, and has entered into the account supervision agreement with BEJN and the supervisory bank;
- (f) BEJN has completed its internal approval process and the relevant state-owned assets approval procedures for the payment of the Earnest Money; and
- (g) there is no material breach of the Earnest Money Payment Agreement and the Framework Agreement by Huitian Network, Yang Meiling and Sun Jianxiu.

BEJN agrees that the Earnest Money can be used by Huitian Network for (i) the construction and operation of the Target Assets; (ii) the repayment of any related financial liabilities and expenses; and (iii) other purposes as approved by BEJN. Subject to the continuing satisfaction of the above conditions precedent, the Earnest Money will be made to the Supervisory Account in installments in the following manner. Huitian Network shall submit a written payment application to BEJN before the 25th day of each month (which shall include details of the amount of the funds to be utilised, the payment period and the relevant contractual or documentary support). After BEJN reviews and confirms such application for use of funds and completes its relevant internal processes, it shall pay the funds applied for by Huitian Network to the Supervisory Account in the following month.

Due Diligence

Upon signing of the Framework Agreement, BEJN is entitled to conduct or appoint an intermediate party to conduct due diligence investigations on various aspects of Huitian Network and the Target Assets. Huitian Network, Yang Meiling and Sun Jianxiu have the obligation to cooperate with BEJN’s due diligence request.

BEJN will make the decision on whether to proceed with the Proposed Acquisition with reference to the results of the due diligence investigations, based on which Huitian Network is obligated to make relevant amendments accordingly.

Exclusivity

Pursuant to the Earnest Money Payment Agreement, Huitian Network, Yang Meiling and Sun Jianxiu undertake that Huitian Network shall not engage in negotiations with any other third parties regarding the Target Assets or provide any other third parties with information on the Target Assets during the Exclusive Period.

Ancillary Security Agreements and Security Assets

For the benefit of BEJN, Huitian Network, Yang Meiling and Sun Jianxiu undertake to enter into the following Ancillary Security Agreements in favour of BEJN to guarantee the refund of the Earnest Money:

- (a) a mortgage of immovable property, pursuant to which a mortgage will be created in favour of BEJN over the Target Assets owned by Huitian Network;
- (b) a mortgage of movable property, pursuant to which a mortgage will be created in favour of BEJN over all movable properties within the scope of the Target Assets held by Huitian Network (including equipment in the cabinet buildings and structures in Huitian Network Technology IDC Industrial Park); and
- (c) a share pledge agreement to be entered into within ten Business Days after establishment of the Target Company A, pursuant to which a pledge over shares of the Target Company A shall be created in favour of BEJN,

((a), (b) and (c) collectively, the “**Ancillary Security Agreements**”).

Each of the Ancillary Security Agreements shall be registered and the amount secured under the pledges and mortgages contemplated thereunder shall be equal to the amount of the Earnest Money.

Huitian Network, Yang Meiling and/or Sun Jianxiu have the obligation to provide additional security or replace part or all of the secured assets under the Ancillary Security Agreements in the event of impairment or loss of value of the existing secured assets.

Termination

The Earnest Money Payment Agreement can be terminated in the following circumstances:

- (a) the parties to the agreement mutually agree to terminate the agreement;
- (b) if any party breaches the provisions of the agreement, resulting in the inability to continue the cooperation or causing material adverse effects to the non-breaching party, the non-breaching party shall have the right to terminate the agreement;
- (c) if Huitian Network, Yang Meiling and Sun Jianxiu breach the provisions of the agreement, BEJN shall have the right to unilaterally terminate the agreement in accordance with the provisions therein;
- (d) if the Framework Agreement is terminated, the agreement shall be terminated simultaneously; or
- (e) if force majeure events or major legal or policy adjustments, etc. make it impossible to continue the cooperation, either party shall have the right to terminate the agreement in accordance with the provisions therein.

Refund of the Earnest Money

In the event that:

- (i) the Exclusive Period has expired;
- (ii) the Framework Agreement or the Earnest Money Payment Agreement is terminated;
- (iii) BEJN decides to withdraw its investment plans by reason of the Target Asset A being unable to fulfil BEJN's internal investment conditions even after rectification measures have been carried out by Huitian Network;
- (iv) BEJN or Huitian Network expressly indicates its intention to terminate the cooperation;
- (v) the value of the assets of the Target Assets is materially and adversely affected, and Huitian Network fails to eliminate such effects or increase the provision of additional guarantees in accordance with BEJN's requirements; or

(vi) Huitian Network, Yang Meiling and Sun Jianxiu are in breach of the exclusivity provisions or other provisions in the Framework Agreement or the Earnest Money Payment Agreement,

the total amount of the Earnest Money shall be refunded by Huitian Network together with capital occupancy fees (if applicable) within three Business Days upon receipt of notice from BEJN. The capital occupancy fees in respect of the Earnest Money shall bear an interest rate of 4.2% per annum commencing from the date of the actual use of the Earnest Money by Huitian Network (i.e. the date on which the Earnest Money or any part thereof is transferred externally from the Supervisory Account). In the event that the Earnest Money is not refunded in time, in addition to the capital occupancy fees, Huitian Network shall pay a late payment penalty fee to BEJN which is calculated per day based on the refundable amount at an interest rate equal to three times the one-year loan prime rate published by the National Interbank Funding Center.

The materialisation of the Proposed Acquisition will not impact the obligation of returning the Earnest Money by Huitian Network. Whether or not the Formal Agreement will be entered into, the Earnest Money shall be refunded, if applicable, together with the capital occupancy fees.

The Earnest Money Payment Agreement is legally binding on the parties in aspects which include but are not limited to the payment and refund of the Earnest Money, exclusivity, due diligence, confidentiality and governing law. However, the Earnest Money Payment Agreement is not legally binding on the parties in respect of the consummation of the Proposed Acquisition and/or the entering into of the Formal Agreement.

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.

BEJN is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. BEJN is principally engaged in the investment, development and operation of solar energy and other clean energy.

Huitian Network is a company established in the PRC with limited liability and is a comprehensive network service provider primarily engaged in internet data centre leasing services, with its core assets located in the Huitian Network Technology IDC Industrial Park. The entire industrial park comprises approximately 40,000 server cabinets across 17 buildings. As at the date of this announcement, to the best knowledge of the Directors, Huitian Network is owned as to approximately 99.4% by Yang Meiling and approximately 0.6% by Sun Jianxiu.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Huitian Network and its 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 EARNEST MONEY PAYMENT AGREEMENT

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 and develop intelligence computing and data centres with good prospects and potential for stable returns.

Having considered the development and the expected return from investment in the intelligence computing and data centre industry in the PRC, the Company is optimistic about the prospect of the intelligence computing and data centre in the PRC in the foreseeable future. The Board is of the view that the Proposed Acquisition, if materialises, will be complementary to the Group's existing business portfolio and enables the Group to tap into the business of intelligence computing and data centre construction and operation to enhance return to the Shareholders. The Proposed Acquisition is therefore considered by the Board to be a good opportunity to expand the Group's existing business portfolio. The Earnest Money is provided to Huitian Network to facilitate the negotiation of the Proposed Acquisition. Pursuant to the Earnest Money Payment Agreement, BEJN has the aforesaid exclusive right in respect of the acquisition of the Target Assets during the Exclusive Period. The Earnest Money is refundable and the return of which is guaranteed by the Ancillary Security Agreements. The Directors consider the payment of the Earnest Money to be able to secure the aforesaid exclusive negotiation and acquisition right of BEJN.

Based on the above, the Directors consider that the terms of the Earnest Money Payment Agreement and the payment of the Earnest Money which is secured by the Ancillary Security Agreements 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.

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DEFINITIONS

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

“BEJN”	BEJN International Holding Co., Ltd.* (北京京能國際控股有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Business Day(s)”	day(s) on which banks in the PRC normally open for business, excluding Saturdays, Sundays or public holidays of 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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Earnest Money”	the earnest money of RMB500 million payable by BEJN to Huitian Network as refundable earnest money upon signing of the Earnest Money Payment Agreement
“Earnest Money Payment Agreement”	the agreement and the supplemental agreement dated 20 September 2024 entered into between BEJN, Huitian Network, Yang Meiling and Sun Jianxiu in respect of the Proposed Acquisition and the payment and return of the Earnest Money

“Exclusive Period”	the period commencing on the date of payment of the Earnest Money by BEJN and ending on 30 November 2024
“Formal Agreement”	the legally binding agreement which may or may not be entered into between BEJN and Huitian Network in relation to the Proposed Acquisition
“Framework Agreement”	the cooperation framework agreement entered into between BEJN, Huitian Network, Yang Meiling and Sun Jianxiu in relation to the Proposed Acquisition
“Group”	the Company and its subsidiaries
“Huitian Network”	Huitian Network Technology Co., Ltd.* (匯天網絡科技有限公司), a company established in the PRC with limited liability
“Huitian Network Technology IDC Industrial Park”	the industrial park operated and owned by Huitian Network located at No.1 Courtyard, Yingezhuang Village, Tongzhou District, Beijing, 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
“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
“Proposed Acquisition”	the proposed acquisition by BEJN of the equity interest in the Target Companies in order to acquire an exclusive right to develop and operate the intelligence computing and data centres in Huitian Network Technology IDC Industrial Park
“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

“Sun Jianxiu”	a shareholder of Huitian Network holding approximately 0.6% of the shares of Huitian Network
“Target Asset A”	eight cabinet buildings located in the east district of Huitian Network Technology IDC Industrial Park
“Target Asset B”	three cabinet buildings located in the west district of Huitian Network Technology IDC Industrial Park
“Target Asset C”	three cabinet buildings located in the west district of Huitian Network Technology IDC Industrial Park
“Target Assets”	Target Asset A, Target Asset B and Target Asset C
“Target Company A”	a company to be established in the PRC with limited liability to hold the Target Assets A
“Target Company B”	a company to be established in the PRC with limited liability to hold the Target Assets B
“Target Company C”	a company to be established in the PRC with limited liability to hold the Target Assets C
“Target Companies”	Target Company A, Target Company B and Target Company C
“Yang Meiling”	a controlling shareholder of Huitian Network holding approximately 99.4% of the shares of Huitian Network
“%”	per cent

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

Hong Kong, 20 September 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, Mr. Lu Xiaoyu and Mr. Wang Cheng; and the independent non-executive directors of the Company are Ms. Jin Xinbin, Ms. Li Hongwei, Mr. Zhu Jianbiao and Mr. Zeng Ming.

* *For identification purpose only*