

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**(1) UPDATE ON THE DISCLOSEABLE TRANSACTION –
NOVATION OF PURCHASE RIGHTS AND OBLIGATIONS UNDER
THE ENGINEERING, PROCUREMENT AND CONSTRUCTION
CONTRACT RELATING TO A 110MW PHOTOVOLTAIC POWER
GENERATION PROJECT IN YUNNAN PROVINCE, THE PRC
AND
(2) DISCLOSEABLE TRANSACTION –
FINANCE LEASE AGREEMENT**

Reference is made to the announcement of the Company dated 5 November 2024 (the “**Announcement**”) in respect of the EPC Contract with the Consortium regarding, among others, the provision of EPC services to Qujing Zhanyi (a subsidiary of the Company). As disclosed in the Announcement, pursuant to the EPC Contract, the EPC services include, among others, procurement of the Equipment.

NOVATION AGREEMENT

On 13 December 2024, Qujing Zhanyi (as transferor) entered into the Novation Agreement with CCB Financial Leasing (as transferee) and Yunnan Lvyu (as seller), pursuant to which, Qujing Zhanyi agreed to novate, and CCB Financial Leasing agreed to assume, the Purchase Rights and Obligations of Qujing Zhanyi in respect of the Equipment (including the obligation to pay a total consideration of approximately RMB226 million (tax inclusive) to Yunnan Lvyu for the procurement of the Equipment (the “**Purchase Price for the Equipment**”)) and Qujing Zhanyi shall be released from and discharged of, among others, its liabilities and obligations in respect of the payment of the Purchase Price for the Equipment to Yunnan Lvyu, subject to the terms and conditions provided therein.

FINANCE LEASE AGREEMENT

On 13 December 2024, Qujing Zhanyi (as lessee) and CCB Financial Leasing (as lessor) entered into the Finance Lease Agreement, pursuant to which, CCB Financial Leasing agreed to lease the Leased Assets to Qujing Zhanyi, and Qujing Zhanyi agreed to pay lease payment of approximately RMB245 million to CCB Financial Leasing for leasing the Leased Assets, subject to the terms and conditions provided therein.

LISTING RULES IMPLICATION

This announcement is made pursuant to Rule 14.36 of the listing Rules as the Novation Agreement constitutes material variations to the terms and conditions of the EPC Contract which were previously stated in the Announcement.

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

INTRODUCTION

Reference is made to the announcement of the Company dated 5 November 2024 in respect of the EPC Contract with the Consortium regarding, among others, the provision of EPC services to Qujing Zhanyi (a subsidiary of the Company). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement. Pursuant to the EPC Contract, the EPC services include, among others, procurement of the Equipment.

On 13 December 2024, Qujing Zhanyi entered into the Novation Agreement with CCB Financial Leasing and Yunnan Lvyu, pursuant to which, Qujing Zhanyi agreed to novate, and CCB Financial Leasing agreed to assume, the Purchase Rights and Obligations of Qujing Zhanyi in respect of the Equipment (including the obligation to pay a total consideration of approximately RMB226 million (tax inclusive) to Yunnan Lvyu for the procurement of the Equipment) and Qujing Zhanyi shall be released from and discharged of, among others, its liabilities and obligations in respect of the payment of the Purchase Price for the Equipment to Yunnan Lvyu, subject to the terms and conditions provided therein.

On 13 December 2024, Qujing Zhanyi (as lessee) and CCB Financial Leasing (as lessor) entered into the Finance Lease Agreement, pursuant to which, CCB Financial Leasing agreed to lease the Leased Assets to Qujing Zhanyi, and Qujing Zhanyi agreed to pay lease payment of approximately RMB245 million to CCB Financial Leasing for leasing the Leased Assets, subject to the terms and conditions provided therein.

NOVATION AGREEMENT

The principal terms of the Novation Agreement are set out below:

- Date:** 13 December 2024
- Parties:**
- (1) Qujing Zhanyi (as transferor)
 - (2) CCB Financial Leasing (as transferee)
 - (3) Yunnan Lvyu (as seller)
- Subject matter:** The Purchase Rights and Obligations in respect of the Equipment under the EPC Contract.
- Consideration:** As of the date of this announcement, the Equipment under the EPC Contract has not been delivered to Qujing Zhanyi. Pursuant to the Novation Agreement, CCB Financial Leasing agreed to assume all of the rights, benefits, liabilities and obligations of Qujing Zhanyi in respect of the Equipment under the EPC Contract and CCB Financial Leasing shall pay the purchase price for the Equipment of approximately RMB226 million (tax inclusive) to Yunnan Lvyu for the procurement of the Equipment under the EPC Contract. Upon signing of the Novation Agreement, Qujing Zhanyi shall be released and discharged of its liabilities and obligations in respect of the payment of Purchase Price for the Equipment under the EPC Contract, CCB Financial Leasing agreed to transfer other liabilities and obligations to Qujing Zhanyi, except for the obligation to pay the Purchase Price for the Equipment under the Novation Agreement and its right to invoice for the corresponding amount and obtain the legal title to the Equipment.
- As disclosed in the Announcement, the price of the Equipment under the EPC Contract is approximately RMB226 million pursuant to the EPC Contract.
- Legal title:** CCB Financial Leasing shall own the legal title of the Equipment upon Yunnan Lvyu's delivery of the Equipment.

FINANCE LEASE AGREEMENT

The principal terms of the Finance Lease Agreement are summarised as follows:

- Date:** 13 December 2024
- Parties:**
- (1) Qujing Zhanyi (as lessee)
 - (2) CCB Financial Leasing (as lessor)
- Subject matter to be leased:** CCB Financial Leasing will purchase the Equipment from Yunnan Lvyu under the Novation Agreement and lease the Leased Assets, being the Equipment, to Qujing Zhanyi for lease payment.
- Lease term:** The lease term under the Finance Lease Agreement will be for 30 months, subject to the terms and conditions provided therein.
- Legal title:** CCB Financial Leasing shall own the legal title of the Leased Assets during the lease term.
- Lease payment:** The total lease amount payable to CCB Financial Leasing under the Finance Lease Agreement is approximately RMB245 million, being the sum of (i) the total purchase cost of the Leased Assets of RMB226 million and (ii) the total estimated interest of approximately RMB19 million (inclusive of tax).
- The estimated interest is calculated at a floating rate and shall be adjusted with reference to the loan prime rate with a maturity of 5 years or more as promulgated by the National Interbank Funding Centre under the authority of the People's Bank of China from time to time minus 65 basis points (inclusive of tax).
- The total lease amount payable shall be payable in 6 instalments.

Other terms: Upon maturity of the lease term and subject to the confirmation from CCB Financial Leasing that Qujing Zhanyi has fulfilled all of its obligations under the Finance Lease Agreement, the legal title of the Leased Assets will be automatically transferred to Qujing Zhanyi without any security from CCB Financial Leasing.

Security: The obligations of Qujing Zhanyi under the Finance Lease Agreement are secured by a pledge of Qujing Zhanyi's rights of receiving the electricity fee, related subsidies (if any) and other revenue generated from the EPC Project in which the Leased Assets are being utilized to CCB Financial Leasing pursuant to the Qujing Zhanyi Electricity Fee Rights Pledge Agreement.

The terms of the Finance Lease Agreement, including the lease interest rate, were determined after arm's length negotiations between the respective parties with reference to the prevailing market rates for the similar finance leasing arrangement and consideration of other factors such as the geographical location, performance of operation and risk profile of the Leased Assets.

INFORMATION ON THE LEASED ASSETS

As at 30 November 2024, the Leased Assets were equipment used for construction in progress and the estimated carrying amount of the Leased Assets was RMB220 million (tax exclusive). The Leased Assets did not record any revenue or profits for the years ended 31 December 2022 and 2023.

In accordance with the requirement of 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, 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.

Qujing Zhanyi is a company established in the PRC with limited liability and is a subsidiary of the Company. It is primarily engaged in power generation business, power transmission business and power supply (distribution) business.

CCB Financial Leasing is a company established in the PRC with limited liability and is primarily engaged in finance leasing, transfer and purchase of finance lease assets, and fixed income securities investment. As at the date of this announcement, to the best information of the Directors, CCB Financial Leasing is a wholly-owned subsidiary of China Construction Bank Corporation, a joint stock company established in the PRC with limited liability, the shares of which are listed on the Stock Exchange (stock code: 939) and the Shanghai Stock Exchange (stock code: 601939), respectively.

Yunnan Lvyu is a company established in the PRC with limited liability, and is primarily engaged in, among others, power distribution, construction and power generation engineering. As at the date of this announcement, to the best information of the Directors, Yunnan Lvyu is directly beneficially owned as to 60%, 30% and 10% by Du Yune* (杜雲鄂), Hou Banghu* (侯邦虎) and Hou Jianbang* (侯建邦), respectively.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, CCB Financial Leasing, Yunnan Lvyu and their ultimate beneficial owners are Independent Third Parties of the Company and not connected persons of the Company as at the date of this announcement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NOVATION AGREEMENT AND THE FINANCE LEASE AGREEMENT

The Company is an investment holding company and the Group is principally engaged in the development, investment, operation and management of power plants and other clean energy projects. The Novation Agreement and the Finance Lease Agreement and the transactions contemplated thereunder provide the Group with more financial resources for development of projects and working capital of Qujing Zhanyi, which also allows the Group to make more efficient utilisation of internal resources.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the Novation Agreement and the Finance Lease Agreement are entered into on normal commercial terms, and the terms set out in the Novation Agreement and the Finance Lease Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

This announcement is made pursuant to Rule 14.36 of the Listing Rules as the Novation Agreement constitutes material variations to the terms and conditions of the EPC Contract which were previously stated in the Announcement.

As the highest applicable percentage ratio in respect of the Finance Lease Agreement exceeds 5% but is less than 25%, the entering into of the Finance Lease Agreement constitutes a discloseable transaction of the Company 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 terms shall have the meanings as set out below:

“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CCB Financial Leasing”	CCB Financial Leasing Co., Ltd.* (建信金融租賃有限公司), a company incorporated in the PRC with limited liability
“Director(s)”	the director(s) of the Company
“EPC”	engineering, procurement and construction
“EPC Contract”	the EPC contract entered into between Qujing Zhanyi and the Consortium dated 5 November 2024 in relation to the construction of the EPC Project
“EPC Project”	the photovoltaic power generation project located in Panjiang Town, Yunnan Province, the PRC with a total planned construction capacity of 110MW

“Equipment”	the equipment in relation to the EPC Contract, which is expected to be procured and delivered by Yunnan Lvyu to Qujing Zhanyi pursuant to the EPC Contract
“Finance Lease Agreement”	the finance lease agreement entered into between Qujing Zhanyi and CCB Financial Leasing on 13 December 2024, pursuant to which CCB Financial Leasing agreed to purchase the Leased Assets from Qujing Zhanyi, which shall then be leased back to Qujing Zhanyi
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the Group and its connected persons and their respective ultimate beneficial owner(s) or their respective associates
“Leased Assets”	the Equipment that is leased by CCB Financial Leasing (as lessor) to Qujing Zhanyi (as lessee) under the Finance Lease Agreement
“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
“Novation Agreement”	the novation agreement entered into between Qujing Zhanyi, CCB Financial Leasing and Yunnan Lvyu on 13 December 2024, pursuant to which Qujing Zhanyi agreed to novate its rights and obligations in and under the EPC Contract in respect of the equipment and materials and CCB Financial Leasing agreed to assume all of the rights and obligation in and under the EPC Contract in respect of the equipment and materials, subject to the terms and conditions provided therein

“PRC”	the People’s Republic of China, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“Purchase Rights and Obligations”	the rights and obligations in relation to the purchase by Qujing Zhanyi of the equipment and materials to be procured by Yunnan Lvyu under the EPC Contract
“Qujing Zhanyi”	Qujing Zhanyi Jingxi New Energy Co., Ltd.* (曲靖沾益京西新能源有限公司), a company established in the PRC with limited liability and a subsidiary of the Company
“Qujing Zhanyi Electricity Fee Rights Pledge Agreement”	the electricity fee rights pledge agreement entered into between Qujing Zhanyi and CCB Financial Leasing on 13 December 2024
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yunnan Lvyu”	Yunnan Lvyu Energy Co., Ltd* (雲南綠宇能源有限公司), a company established in the PRC with limited liability
“%”	percent

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

Hong Kong, 13 December 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