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京能集團

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)

CONNECTED TRANSACTION IN RELATION TO EXERCISE OF PUT OPTION

This announcement is made in accordance with the requirements of Rule 14A.61 of the the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcement of Beijing Energy International Holding Co., Ltd. (the “**Company**”) dated 22 March 2019 in relation to the equity transfer agreement (the “**Equity Transfer Agreement**”) entered into between, among others, United Photovoltaics (Changzhou) Investment Group Co., Ltd.* (聯合光伏(常州)投資集團有限公司) (“**UP Changzhou**”) as vendor, State-owned Enterprise Structural Adjustment China Merchants Buyout Fund (LP)* (深圳國調招商併購股權投資基金合夥企業(有限合夥)) (“**GT CM Fund**”) as purchaser for the acquisition of 17% equity interest (the “**Sale Equity**”) in Fengxian Huize Photovoltaic Energy Limited* (豐縣暉澤光伏能源有限公司) (the “**Target Company**”). Reference is also made to the announcement (the “**Previous Announcement**”) of the Company dated 15 September 2020 in relation to the acquisition of 17% equity interest of the Target Company by UP Changzhou from Zhangjiagang City China Merchants Port Equity Investment Partnership Enterprise (LP)* (張家港市招港股權投資合夥企業(有限合夥)) (the “**Previous Transaction**”).

EXERCISE OF PUT OPTION

Under the Equity Transfer Agreement, UP Changzhou granted GT CM Fund with a right (the “**Put Option**”) to sell to UP Changzhou, and require UP Changzhou to acquire, the Sale Equity pursuant to the Equity Transfer Agreement after 12 months and within 48 months from the date in which the Sale Equity has been transferred to GT CM Fund. GT CM Fund may exercise the Put Option to require UP Changzhou to buy back the Sale Equity at an amount equivalent to the sum of (i) the consideration payable for acquisition of the Sale Equity; and (ii) the yields calculated at an annualised rate of return on buy-back of 9%.

The board of directors of the Company (the “**Board**”) announces that on 18 September 2020, UP Changzhou entered into a share buy-back agreement (the “**Share Buy-back Agreement**”) with GT CM Fund for the exercise of the Put Option by GT CM Fund, pursuant to which UP Changzhou shall buy-back the Sale Equity. The aggregate consideration payable by UP Changzhou to GT CM Fund for the buy-back of the Sale Equity is RMB50,326,107.31, being the consideration payable for the acquisition of the Sale Equity under the Equity Purchase Agreement and the yields calculated at an annualised rate of return of 9% assuming the buy-back completes on 18 September 2020 as agreed by UP Changzhou and GT CM Fund.

As at the date of this announcement, the equity interest of the Target Company is directly owned as to 10.44% by UP Changzhou and directly owned as to 5.56% by United Photovoltaics (Shenzhen) Co., Ltd.* (聯合光伏(深圳)有限公司) (“**UP Shenzhen**”), a wholly-owned subsidiary of the Company. Pursuant to the Previous Announcement, UP Changzhou has agreed to acquire 17% equity interest of the Target Company which has not yet completed on the date of this announcement. Upon completion of the Previous Transaction and the exercise of Put Option pursuant to the Share Buy-back Agreement, the equity interest of the Target Company will be directly owned as to 44.44% by UP Changzhou and directly owned as to 5.56% by UP Shenzhen.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability. As at the date of this announcement, the equity interest of the Target Company is directly owned as to 10.44% by UP Changzhou and directly owned as to 5.56% by UP Shenzhen. The Target Company currently through its wholly-owned subsidiary, Fengxian Zhonghui Photovoltaic Energy Co., Ltd.* (豐縣中暉光伏能源有限公司), owns a photovoltaic power station with an installed capacity of 3.8MW and owns a photovoltaic power station with an installed capacity of 20MW.

The summary of the financial information of the Target Company for the years ended 31 December 2018 and 2019 is set out below:

	For the year ended	
	31 December	
	2019	2018
	<i>RMB'million</i>	<i>RMB'million</i>
Profit before taxation	43	42
Profit after taxation	33	32

The unaudited net asset value of the Target Company as at 31 August 2020 was approximately RMB92 million.

INFORMATION ON THE COMPANY, THE VENDOR AND THE PURCHASER

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.

UP Changzhou is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company, which holds and manages investments in the PRC.

GT CM Fund is a limited partnership established in the PRC, which focuses on equity investment, mergers and acquisitions, restructuring and reform of enterprises in the field of cultural and entertainment, medical, logistic, financial, and environmental industry, etc. GT CM Fund is managed by Shenzhen China Merchants Huihe Equity Investment Fund Management Co., Ltd.* (深圳市招商慧合股權投資基金管理有限公司) as general partner, which is an indirectly owned subsidiary of China Merchants Group Limited* (招商局集團有限公司), the holding company of the Company's substantial shareholder, China Merchants New Energy Group Limited (招商新能源集團有限公司) (“CMNEG”).

LISTING RULES IMPLICATIONS IN RELATION TO EXERCISE OF PUT OPTION

As at the date of this announcement, GT CM Fund is an investment fund established in the PRC. As the general partner of GT CM Fund is an associate of CMNEG, GT CM Fund is therefore a connected person of the Company. The exercise of Put Option contemplated under the Share Buy-back Agreement constitutes a connected transaction of the Company.

As the Previous Transaction and the exercise of Put Option pursuant to the Share Buy-back Agreement (the “**Aggregated Transactions**”) have been entered into within the same 12 month period, the Company has aggregated them and treated the Aggregated Transactions as if they were one transaction in accordance with Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratio (as defined in the Listing Rules) calculated with reference to the exercise of Put Option on a stand-alone basis and with reference to the Aggregated Transactions on an aggregated basis both exceeds 0.1% but is less than 5%, the Share Buy-back Agreement and the exercise of Put Option contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

Hong Kong, 18 September 2020

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. Chen Dayu, Mr. Li Hao and Ms. Xie Yi; and the independent non-executive directors of the Company are Mr. Kwan Kai Cheong, Mr. Yen Yuen Ho, Tony, Mr. Shi Dinghuan and Mr. Chen Hongsheng.

** for identification purpose only*