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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
# DISPOSAL OF THE UNDERLYING ASSETS FOR THE ABCP ISSUANCE

**DISPOSAL OF THE UNDERLYING ASSETS FOR THE ABCP ISSUANCE**

On 28 December 2022 (after trading hours), BEIED and China Industrial International Trust entered into the Trust Contract, pursuant to which, among other things, BEIED has conditionally agreed to entrust China Industrial International Trust with the Underlying Assets and China Industrial International has conditionally agreed to be the trustee and administration agency of the Trust for the benefit of the Beneficiaries for the purpose of the ABCP Issuance.

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Disposal under the Trust Contract exceeds 5% and is less than 25%, the entering into of the Trust Contract and the Disposal constitute a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## DISPOSAL OF THE UNDERLYING ASSETS FOR THE ABCP ISSUANCE

The Board wishes to announce that on 28 December 2022 (after trading hours), BEIED and China Industrial International Trust entered into the Trust Contract, pursuant to which, among other things, BEIED has conditionally agreed to entrust China Industrial International Trust with the Underlying Assets and China Industrial International has conditionally agreed to be the trustee and administration agency of the Trust for the benefit of the Beneficiaries for the purpose of the ABCP Issuance.

The ABCP will be issued in two classes, namely priority and subordinated ABCP at an aggregate face value of RMB1,000 million on the NAFMII. A Summary of the material terms for the ABCP Issuance is set out below.

| Tranche | Size of issuance *(RMB)* (Approximately) | Credit rating by an independent credit rating agency | Coupon rate |
|---|---|---|---|
| Priority | 975 million | AAAsf | 2.7%-3.0% |
| Subordinated | 25 million | Not rated | 8.5% |

**THE TRUST CONTRACT**

For the purpose of ABCP Issuance, BEIED and China Industrial International Trust entered into the Trust Contract, the principal terms of which are as follows:

Date : 28 December 2022

Parties : (a) BEIED, as the settlor of the Trust; and

(b) China Industrial International Trust, as the trustee under the Trust Contract and the administration agency of the Trust.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, China Industrial International Trust and its ultimate beneficial owner(s) were Independent Third Parties as at the date of this announcement.

**Underlying Assets**

The Underlying Assets represents (i) all the rights, interests, benefits and gains (present and future, existing and contingent); (ii) all receivables due or to be due shortly attributable to the Subsidies Receivables; (iii) all proceeds from the transfer, sale, auction, sell-off or otherwise disposal of the Subsidies Receivables; (iv) the right to request, sue, recover or receive all payables in relation to the Subsidies Receivables; and (v) benefits arising from the Subsidies Receivables and enforcement of all rights and legal remedies in relation to the Subsidies Receivables.

As at the Initial Benchmark Date, the unaudited carrying value of the Underlying Assets was approximately RMB1,000,027,900.

**Conditions Precedent**

The Trust will become effective upon satisfaction (or waiver by competent parties) of the following conditions, among others:

(a) BEIED having delivered a copy of the business license, a resolution approving BEIED to sign relevant transaction documents under this Trust Contract and/or necessary corporate documents and approvals to the China Industrial International Trust;

(b) China Industrial International Trust having delivered a copy of the valid financial permit and the business license to BEIED and confirmed to BEIED that it has obtained the necessary corporate documents and approvals of the relevant transaction under this Trust Contract;

(c) BEIED and BEH (as liquidity backing covenantors) having delivered to China Industrial International Trust a copy of all internal documents (including but not limited to corporate documents and approvals) necessary to approve or authorize the BEIED to sign transaction documents, exercise its rights and perform its obligations, government agency and third-party approval and authorization documents;

(d) the transaction documents having been duly signed and delivered by all relevant parties;

(e) the issuance of ABCP under this Trust Contract having been successfully registered with NAFMII;

(f) the auditors having issued the reports on the implementation of the agreed procedures and cash flow forecast audit report in respect of entrusting China Industrial International Trust with the Underlying Assets;

(g) the legal advisor having issued legal opinion to BEIED and China Industrial International Trust;

(h) the rating agency having issued a report on the credit rating of the ABCP;

(i) BEIED and China Industrial International Trust having completed the delivery of the Underlying Assets as at the Initial Benchmark Date in accordance with the Trust Contract;

(j) the first tranche of priority and subordinated ABCP having been issued; and

(k) the designated bank account having received all the funds raised from the ABCP Issuance.

**Consideration and the Size of ABCP**

The ABCP shall be issued in the size of RMB1,000 million which represents a discount of approximately RMB27,900 to the unaudited carrying value of the Underlying Assets of approximately RMB1,000,027,900 as at the Initial Benchmark Date. The consideration under the Trust Contract will be the same as the issue size of the ABCP as at the Initial Benchmark Date.

The consideration and size of the ABCP was determined after arm's length negotiations between BEIED and China Industrial International Trust based on the value of the Underlying Assets.

China Industrial International Trust shall transfer the proceeds from the ABCP Issuance, being RMB1,000 million to the designated bank account of BEIED on the delivery date of the Underlying Assets.

**Redemption of Unqualified Assets**

Pursuant to the Trust Contract, BEIED or the trustee shall notify the other party any discovery of Unqualified Assets within five working days after discovery. The trustee shall have the right to inform the settlor in writing to redeem such Unqualified Assets in accordance with the terms of the Trust Contract and the settlor shall transfer the amount which is equivalent to such Unqualified Assets to the trust account within two working days.

**THE UNDERWRITING AGREEMENT**

For the ABCP Issuance, on 28 December 2022 (after trading hours), BEIED entered into an underwriting agreement with China Industrial International Trust and Industrial Bank, pursuant to which Industrial Bank as the underwriter will be responsible for the issue of the ABCP on NAFMII. The underwriting fee payable by BEIED is expected to be RMB1.5 million, the calculation based on an underwriting charge ratio of 0.05% per year and 3-year issuance period, which is determined by arm's length negotiations between BEIED and Industrial Bank with reference to issue size of the ABCP, the relevant PRC regulations and the prevailing market rate in relation to service fee payable to the underwriter in an asset securitization project.

## FINANCIAL IMPACT AND USE OF PROCEEDS FROM THE ABCP ISSUANCE

Immediately upon the completion of the Disposal for the purpose of the ABCP Issuance, BEIED will cease to have rights or interests in the Underlying Assets. As at the Initial Benchmark Date, the unaudited carrying value of the Underlying Assets was approximately RMB1,000,027,900. It is anticipated that the proceeds from the ABCP Issuance would amount to approximately RMB1,000 million. As a result, the Company is expected to realize a net loss of approximately RMB27,900 from the ABCP Issuance, which represents the difference between the proceeds from the ABCP Issuance and the unaudited carrying value of the Underlying Assets as at the Initial Benchmark Date. The Group intends to use the proceeds from the ABCP Issuance for the repayment of existing debts and daily operations of the Group.

## REASONS FOR AND BENEFITS OF THE ABCP ISSUANCE AND THE TRUST CONTRACT

The Board believes that the ABCP Issuance can diversify the Group's fund-raising channels to access low-cost capital, which in turn can be used to improve the financing structure of the Group and promote its operating activities and investments. It also allows the Group to achieve the goal of reducing the balance of accounts receivable and optimize the debt to asset ratio of the Group. Upon the Disposal for the purpose of ABCP Issuance, the Directors believe that it will accelerate the overall turnover of the Group's assets and increase the overall revenue generated. Furthermore, the proposed transfer of the Underlying Assets through this arrangement will accelerate the collection of the accounts receivable of the Group.

The Directors consider that the terms of the Trust Contract are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## INFORMATION OF THE PARTIES

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 power plants and other clean energy projects.

BEIED is a company established in the PRC with limited liability and an indirect subsidiary of the Company. It is principally engaged in the investment, development and operation of solar energy and other clean energy.

China Industrial International Trust is a company established in the PRC with limited liability, which is owned as to approximately 73% by Industrial Bank and the remaining approximately 27% is ultimately owned by the State-owned Assets Supervision and Administration Commission of Fujian Province*（福建省國有資產監督管理委員會） as at the date of this announcement. China Industrial International Trust is principally engaged in property or property rights trusts, investment fund business and finance consultants and other business.

Industrial Bank is a joint stock company established in the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 601166). Industrial Bank and its subsidiaries are principally engaged in the commercial banking business which provides services including trust, financial lease, funds, futures, asset management, consumer finance, research and consulting, and digital finance.

## LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal under the Trust Contract exceeds 5% and is less than 25%, the entering into of the Trust Contract and the Disposal constitute a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

**The credit rating in relation to the priority tranche of the ABCP mentioned herein is strictly for information purpose only. Such rating does not constitute a recommendation to buy, sell or hold any securities of the Company.**

**Shareholders and potential investors should note that the Disposal is subject to the fulfilment of certain Conditions Precedent under the Trust Contract. The Disposal may or may not proceed, therefore, Shareholders and potential investors are advised to exercise caution when dealing or trading in the securities of the Company. Shareholders and potential investors are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.**

## DEFINITIONS

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

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| "ABCP" | the asset-backed commercial papers, which are backed by the Underlying Assets, to be issued by China Industrial International Trust on NAFMII of a total issue size of approximately RMB1,000 million to qualified investors in the PRC |

| | |
|---|---|
| "ABCP Issuance" | the issuance of ABCP by China Industrial International Trust, which are backed by the Underlying Assets |
| "BEH'' | Beijing Energy Holding Co., Ltd.*(北京能源集團有限責任公司), a company established in the PRC with limited liability and a controlling Shareholder holding 7,176,943,498 Shares, representing approximately 32% of the issued share capital of the Company as at the date of this announcement |
| "BEIED" | Beijing Energy International Development (Beijing) Co., Ltd.*(京能國際能源發展(北京)有限公司), a company established in the PRC with limited liability and an indirect subsidiary of the Company |
| "Beneficiary(ies)" | the beneficiary(ies) of the Trust, being the holders of the ABCP |
| "Board" | the board of Directors of the Company |
| "China Industrial International Trust" | China Industrial International Trust Limited*(興業國際信託有限公司), a company established in the PRC with limited liability and the trustee of the Trust Contract |
| "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) |
| "Conditions Precedent" | the conditions precedent to the Trust becoming effective as set out in the Trust Contract |
| "connected person(s)" | has the meaning ascribed to it under the Listing Rules |
| "Director(s)" | the director(s) of the Company |
| "Disposal" | the disposal of Underlying Assets by BEIED to the China Industrial International Trust pursuant to the Trust Contract for the purpose of ABCP Issuance |
| "Group" | the Company and its subsidiaries |

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|---|---|
| "Independent Third Parties" | person(s) who themselves (and in the case of any corporate entities, their ultimate beneficial owners) are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, third parties independent of, and not connected with, the Company and its connected person(s) |
| "Industrial Bank" | Industrial Bank Co., Ltd.*(興業銀行股份有限公司), a company established in the PRC with limited liability |
| "Initial Benchmark Date" | 1 July 2022 |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time |
| "NAFMII" | the National Association of Financial Market Institutional Investors of the PRC(中國銀行間市場交易商協會) |
| "PRC" | the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| "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 |
| "Subsidy Receivables" | the renewable energy subsidies and accounts receivables that entrusted to the trustee for the purpose of the ABCP Issuance, which include the subsidies receivables and accounts receivables as at the Initial Benchmark Date and as at the subsequent benchmark date (if applicable) |
| "Trust" | the trust under the Trust Contract in relation to the Underlying Assets for the purpose of ABCP Issuance |

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|---|---|
| "Trust Contract" | the trust contract dated 28 December 2022 entered into between BEIED and China Industrial International Trust in respect of the formation of the Trust and the transfer of the Underlying Assets for the purpose of the ABCP Issuance |
| "Underlying Assets" | the Underlying Assets represents (i) all the rights, interests, benefits and gains (present and future, existing and contingent); (ii) all receivables due or to be due shortly attributable to the Subsidies Receivables; (iii) all proceeds from the transfer, sale, auction, sell-off or otherwise disposal of the Subsidies Receivables; (iv) the right to request, sue, recover or receive all payables in relation to the Subsidies Receivables; and (v) benefits arising from the Subsidies Receivables and enforcement of all rights and legal remedies in relation to the Subsidies Receivables |
| "Unqualified Assets" | the assets being not in conformity with the representations and warranties made in respect of the Underlying Assets on the Initial Benchmark Date or the effective date of the Trust |
| "working day(s)" | a day excluding Saturdays, Sundays and statutory holidays in the PRC |
| "%" | per cent |

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

Hong Kong, 28 December 2022

*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*