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京能集团

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 ISSUE OF US\$50,000,000 3.8% CONVERTIBLE BONDS DUE
2024 WITH AN UPSIZE OPTION OF US\$50,000,000**

Sole Lead Manager



**Proposed Issue of US\$50,000,000 3.8% Convertible Bonds Due 2024 by the Issuer with an
upsized option of US\$50,000,000**

The Board announces that on 22 June 2021 (after trading hours), the Issuer and the Sole Lead Manager has entered into the Subscription Agreement whereby subject to the terms and conditions of the Subscription Agreement, the Sole Lead Manager has conditionally agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Firm Bonds to be issued by the Issuer in an aggregate principal amount of US\$50,000,000.

In addition, the Issuer has granted to the Sole Lead Manager the Option to subscribe and pay for, or to procure subscribers to subscribe and pay for, all or any of the Option Bonds up to a further aggregate principal amount of US\$50,000,000, and the Option shall be exercisable on one occasion from the date of the Subscription Agreement and prior to 5:00 p.m. (Hong Kong time) on the date falling 90 days after the Firm Bonds Closing Date, provided that the Option may only be exercised if the Conversion Price as adjusted pursuant to the terms and conditions of the Bonds (if applicable) is higher than the Closing Price of the Shares on the date on which the Option is exercised.

The issue price of the Firm Bonds shall be 100% of the aggregate principal amount of the Firm Bonds and the denomination of each Bond shall be US\$200,000 and integral multiples of US\$1,000 in excess thereof. Based on the initial Conversion Price of HK\$0.33 and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into a maximum of 2,353,121,212 New Shares, representing:

- (i) approximately 10.49% of the existing issued share capital of the Company as at the date of this announcement;
- (ii) approximately 4.98% of the issued share capital of the Company as enlarged by the allotment and issue of the New Shares under the Firm Bonds; and
- (iii) approximately 9.50% of the issued share capital of the Company as enlarged by the allotment and issue of the New Shares under the Firm Bonds and the Option Bonds.

It is intended the Bonds will be listed on the Hong Kong Stock Exchange. An application has been made to the Hong Kong Stock Exchange for the listing of the Bonds. The Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Shares.

General Mandate

The New Shares will be allotted and issued pursuant to the General Mandate and will rank *pari passu* in all respects with the fully paid Shares then in issue on the relevant registration date.

Use of Proceeds

The gross proceeds from the Bond Issue will be US\$50 million (assuming no Option Bonds are issued) to approximately US\$100 million (assuming the Option Bonds are issued in full). The estimated net proceeds from the Bond Issue, after deduction of the Sole Lead Manager's commission and other estimated expenses payable, will be approximately US\$49.275 million (assuming no Option Bonds are issued) to approximately US\$99.1 million (assuming the Option Bonds are issued in full). Based on such net proceeds and assuming the full conversion of the Bonds, the net price per New Share is approximately HK\$0.325. The Company intends to use the net proceeds from the issue of the Bond to refinance its offshore indebtedness and for its offshore projects and general working capital purposes.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein respectively. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed "The Subscription Agreement" below for further information.

As the Bond Issue may or may not complete, Shareholders and Potential Investors are advised to exercise caution when dealing in the securities of the Company.

THE SUBSCRIPTION AGREEMENT

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|---|--|
| Date | 22 June 2021 |
| Parties | <ol style="list-style-type: none">1. The Issuer or the Company (as issuer), being Beijing Energy International Holding Co., Ltd. (北京能源國際控股有限公司) ; and2. The Sole Lead Manager (as subscriber). <p>To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Sole Lead Manager is an Independent Third Party of the Company.</p> |
| Proposed Issue of the Firm Bonds | Subject to the fulfilment of the conditions precedent set forth in the Subscription Agreement, the Sole Lead Manager agrees to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Firm Bonds at the Issue Price in an aggregate principal amount of US\$50,000,000. |
| Proposed Issue of the Option Bonds | The Issuer has granted to the Sole Lead Manager the Option to subscribe and pay for, or to procure subscribers to subscribe and pay for, all or any of the Option Bonds up to a further aggregate principal amount of US\$50,000,000, and the Option shall be exercisable on one occasion from the date of the Subscription Agreement and prior to 5:00 p.m. (Hong Kong time) on the date falling 90 days after the Firm Bonds Closing Date, provided that the Option may only be exercised if the Conversion Price as adjusted pursuant to the terms and conditions of the Bonds (if applicable) is higher than the Closing Price of the Shares on the date on which the Option is exercised. |
| Conditions Precedent | <p>The obligations of the Sole Lead Manager to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds are conditional on, among others, the following conditions precedent:</p> <ol style="list-style-type: none">1. Material Adverse Change: there shall not have occurred, as at the relevant Closing Date, any Material Adverse Change since the date of the Subscription Agreement and no event making any of the representations and warranties of the Issuer in the Subscription Agreement untrue or incorrect on the relevant Closing Date as though they had been given and made on such date and the Issuer having performed all the obligations to be performed by it under the Subscription Agreement on or before the relevant Closing Date; |

2. Legal Opinions: on or before the relevant Closing Date, there having been delivered to the Sole Lead Manager and the Trustee certain opinions on the laws of various jurisdictions (including Bermuda, PRC and English law), in each case dated relevant Closing Date and in form and with such contents as the Sole Lead Manager and the Trustee may reasonably require;
3. Comfort Letters: on or before 3 business day before closing (the “**Publication Date**”) and the relevant Closing Date, there having been delivered to the Sole Lead Manager comfort letters, in such form as the Sole Lead Manager may require;
4. NDRC Approval: a copy of the pre-issuance registration certificate for the issue of the Bonds evidencing the registration of the issue of the Bonds with the NDRC;
5. Management Comfort Certificate: on the Publication Date, there having been delivered to the Sole Lead Manager a certificate, dated as of such date, signed by the chairman of the Board;
6. Offering Memorandum: the Issuer having prepared, published and delivered to the Sole Lead Manager on or before the Publication Date, the Offering Memorandum in form and substance satisfactory to the Sole Lead Manager;
7. Listing: the Hong Kong Stock Exchange having agreed to list the Bonds, subject only to the issue of the Bonds (or the Sole Lead Manager being satisfied that such listing will be granted);

8. Other Contracts: the execution on or before the Firm Bonds Closing Date of the Trust Deed constituting the Bonds and the agency agreement in relation to the Bonds (together with the Subscription Agreement, the “**Transaction Documents**”);
9. Due Diligence: the Sole Lead Manager shall have been satisfied, in its absolute discretion, with the results of its legal due diligence investigations on the Issuer and the Group; and
10. Other Consents: there shall have been delivered to the Sole Lead Manager copies of all corporate and other consents, approvals or authorisations in connection with the issue of the Bonds, the issue of the New Shares upon conversion of the Bonds and the entry into of the Transaction Documents.

The Sole Lead Manager may at its discretion and by notice to the Issuer waive satisfaction with the whole or any part of the conditions precedent.

Completion

Completion of the subscription and issue of the Firm Bonds or Option Bonds (if any) will take place on the Firm Bonds Closing Date or, as the case may be, the Option Bonds Closing Date.

Distribution

The Sole Lead Manager has informed the Company that the Bonds will be offered and sold to no less than six (6) independent Placees (who will be independent individual, corporate and/or professional investors). The Bonds will be offered and sold to persons whose ordinary business involves buying, selling or investing in securities outside the United States in reliance upon Regulation S in a Category 2 transaction. None of the Bonds will be offered to the retail public in Hong Kong. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Placees of the Bonds (and their respective ultimate beneficial owners) is an Independent Third Party of the Company.

Company Lock-up Undertaking

During the period commencing on the date of the Subscription Agreement and ending 90 days after the Subscription Agreement (both dates inclusive), the Issuer will not, and will procure that none of its Subsidiaries will, or any party acting on its or their behalf (other than the Sole Lead Manager) will, without the prior written consent of the Sole Lead Manager (i) directly or indirectly, issue, offer, pledge, sell, contract to issue or sell, issue or sell any option or contract to purchase, purchase any option or contract to issue or sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any Shares or Relevant Securities or any securities convertible into or exercisable or exchangeable for Shares or Relevant Securities or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of Shares or Relevant Securities, whether any such swap or transaction described in paragraph (i) or (ii) above is to be settled by delivery of Shares or Relevant Securities or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (a) the issue of the Bonds, (b) any Shares transferred pursuant to the conversion of the Bonds, (c) any derivative transactions entered into in connection with the offering and sale of the Bonds or (d) the issuance of any Shares under the Issuer's share option scheme disclosed in the annual report of the Issuer for the year ended 31 December 2020.

Shareholders' Lock-up

During the period commencing on the date of the Subscription Agreement and ending 90 days after the Subscription Agreement (both dates inclusive), the Issuer will use best efforts to procure that on Beijing Energy Investment will not, or any party acting on Beijing Energy Investment's behalf will not, without the prior written consent of the Sole Lead Manager (i) directly or indirectly, issue, offer, pledge, sell, contract to issue or sell, issue or sell any option or contract to purchase, purchase any option or contract to issue or sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any Shares or Relevant Securities or any securities convertible into or exercisable or exchangeable for Shares or Relevant Securities or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of Shares or Relevant Securities, whether any such swap or transaction described in paragraph (i) or (ii) above is to be settled by delivery of Shares or Relevant Securities or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (a) the issue of the Bonds, (b) any Shares transferred pursuant to the conversion of the Bonds, (c) any derivative transactions entered into in connection with the offering and sale of the Bonds or (d) the issuance of any Shares under the Issuer's share option scheme disclosed in the annual report of the Issuer for the year ended 31 December 2020.

Termination

The Sole Lead Manager may, by notice to the Issuer given at any time prior to the time on the Firm Bonds Closing Date, or in the case of any Option Bonds, on the Option Bonds Closing Date when payment for the Firm Bonds or as the case may be, the Option Bonds would otherwise be due, terminate the Subscription Agreement in any of the following circumstances:

1. if there shall have come to the notice of the Sole Lead Manager any breach of, or any event has occurred rendering untrue or incorrect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Issuer's undertakings or agreements in the Subscription Agreement;
2. if any of the conditions precedent in the Subscription Agreement has not been satisfied or waived by the Sole Lead Manager;
3. if, there shall have been, in the opinion of the Sole Lead Manager, since the date of the Subscription Agreement or since the date as of which information is given in the Offering Memorandum, any Material Adverse Change in respect of the Issuer or the Group;
4. there has been such a change, whether or not foreseeable at the date of the Subscription Agreement, in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the Sole Lead Manager's view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;
5. if there has occurred any outbreak of hostilities or escalation thereof, incident of terrorism or other calamity or crisis, in each case the effect of which is such as to, in the judgement of the Sole Lead Manager, prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;

6. if trading in any securities of the Issuer has been suspended or materially limited by an exchange on which such securities are listed or admitted to trading (for reasons other than the announcement of the Bonds) or trading in any securities of the Issuer on any other exchange or over-the-counter market has been suspended or materially limited, or trading generally on the New York Stock Exchange, the London Stock Exchange or the Hong Kong Stock Exchange has been suspended or limited; or
7. there has occurred a general moratorium on, or disruption in, commercial banking activities in the PRC, Hong Kong, Singapore, Japan, the United Kingdom, the United States, the European Union or by any PRC, Hong Kong, Singapore, Japan, United Kingdom, New York State, United States Federal authorities or the European Union which would be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised as follows:

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| Issuer | Beijing Energy International Holding Co., Ltd. (北京能源國際控股有限公司) |
| Issue Price of the Firm Bonds | 100% of the principal amount of the Firm Bonds. |
| Issue of Firm Bonds | U.S. dollar-denominated 3.8% convertible bonds due 2024 in an aggregate principal amount of US\$50,000,000, convertible into the Issuer's fully-paid ordinary shares of par value HK\$0.10 each. |
| Interest | Interest on the Bonds is payable at the rate of 3.8% per annum payable semi-annually in arrear in equal instalments of US\$19 per Calculation Amount (as defined in the terms and conditions of the Bonds) on 29 June and 29 December in each year. |

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| Firm Bonds Issue Date | on or about 29 June 2021 |
| Option Bonds Issue Date | A date on which the Option Bonds are issuable under the Subscription Agreement, which shall be no later than the fifth business day after the date on which the Option shall have been exercised. |
| Maturity Date | 29 June 2024 |
| Negative Pledge | So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not, and will procure that none of its Subsidiaries (as defined below) will, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (the “ Security ”) (save for Permitted Security Interest) upon the whole or any part of its business, undertaking, assets or revenues (including any uncalled capital), present or future, to secure the repayment or payment of principal, premium or interest of or on any Relevant Indebtedness, or any guarantee of or indemnity given in respect of the repayment or payment of principal, premium or interest of or on any Relevant Indebtedness unless, at the same time or prior thereto, the Issuer’s obligations under the Bonds (i) are secured by the Security equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement (whether or not it includes the giving of a Security) as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed). |
| Conversion Period | At any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) on or after the day falling 41 days after the Firm Bonds Issue Date to the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on the date falling 10 days prior to the Maturity Date (both days inclusive) (but, except as provided in the terms and conditions of the Bonds in relation to the revival or survival of the conversion right upon a default, in no event thereafter) or, if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to and including the close of business (at the place aforesaid) on a date no later than 10 days (in the place aforesaid) prior to the date fixed for redemption thereof. |

Conversion Price

Initially HK\$0.33 per Share, subject to adjustment for, among other things, consolidation, subdivision, redesignation or reclassification of Shares, capitalisation of profits or reserves, distributions to the Shareholders, rights issues of Shares or options over Shares, rights issues of other securities, issues at less than Current Market Price, other issues at less than Current Market Price, modification of rights of conversion, other offers to Shareholders and other events as described in the terms and conditions of the Bonds.

Final Redemption

Unless previously redeemed, converted or purchased and cancelled, the Issuer will redeem each Bond at 106% of its principal amount, together with interest accrued but unpaid to the Maturity Date.

**Redemption for Taxation
Reasons**

The Bonds may be redeemed at the option of the Issuer, as a whole, but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) and to the Trustee, at its Early Redemption Amount as at the date fixed by the Issuer for redemption ("**Tax Redemption Date**"), together with accrued and unpaid interest (including any Additional Amounts (as defined in the terms and conditions of the Bonds)), if any, to the Tax Redemption Date, if as a result of (1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of any jurisdiction in which the Issuer is organised or resident for tax purposes or any political subdivision or taxing authority thereof or therein; or (2) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction), which change or amendment is enacted or issued and becomes effective, or an official position is announced with respect to the Issuer on or after the Firm Bonds Issue Date, the Issuer is, or on the next interest payment date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the Issuer taking reasonable measures, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts if a payment in respect of the Bonds were then due.

Redemption at the Option of the Issuer

On giving not less than 30 days' nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Trustee in writing and to the Bondholders (which notice will be irrevocable), the Issuer may redeem the Bonds in whole, but not in part, on the date specified in the redemption notice at the Early Redemption Amount as at such date together with interest accrued but unpaid to such date (if any) at any time, provided that immediately prior to the date of such notice at least 90 per cent. in principal amount of the Bonds originally issued (which shall for this purpose include any further bonds issued in accordance with the terms and conditions of the Bonds and any Option Bonds issued before the Optional Redemption Notice is given) has already been converted, redeemed or purchased and cancelled.

Redemption for Delisting or Change of Control

Following the occurrence of a Relevant Event, the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem, all or some only, of such holder's Bonds on the Relevant Event Put Date (as defined below) at their Early Redemption Amount as at such date together with interest accrued but unpaid to such date (if any). To exercise such right, the holder of the relevant Bond must deposit at the specified office of any paying agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any paying agent ("**Relevant Event Redemption Notice**"), together with the certificate evidencing the Bonds to be redeemed by not later than 30 days following a Relevant Event, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with the terms and conditions of the Bonds. The "**Relevant Event Put Date**" shall be the fourteenth day after the expiry of such period of 30 days as referred to above.

Clearing Systems

The Bonds will be represented by beneficial interests in the Global Certificate, which will be registered in the name of a nominee of, and shall be deposited on or about the relevant Closing Date with a common depositary for, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through records maintained by, Euroclear and Clearstream. Except as described herein, certificates for the Bonds will not be issued in exchange for beneficial interests in the Global Certificate.

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| Listing | An application has been made to the Hong Kong Stock Exchange for the listing of the Bonds. The Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Shares. |
| Transferability | The Bonds are freely transferable in accordance with the terms and conditions of the Bonds. Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems. |
| Status | The Bonds constitute direct, unconditional, unsubordinated and (subject to the negative pledge covenant as described above) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the negative pledge covenant, at all times rank at least equally with all of their respective other present and future unsecured and unsubordinated obligations. |

CONVERSION PRICE AND NEW SHARES

The initial Conversion Price of HK\$0.33 per Share represents:

- (i) a premium of approximately 20% over the last closing price of HK\$0.275 per Share as quoted on the Hong Kong Stock Exchange on 22 June 2021 (being the trading day on which the Subscription Agreement was signed);
- (ii) a premium of approximately 20% over the average closing price of approximately HK\$0.275 per Share as quoted on the Hong Kong Stock Exchange for the five consecutive trading days up to and including 22 June 2021; and
- (iii) a premium of approximately 20% over the average closing price of approximately HK\$0.275 per Share as quoted on the Hong Kong Stock Exchange for the ten consecutive trading days up to and including 22 June 2021.

The Conversion Price was determined with reference to the prevailing market price of the Shares and the terms and conditions of the Subscription Agreement and was negotiated on an arm's length basis between the Issuer and the Sole Lead Manager after a book-building exercise.

The number of New Shares issuable upon conversion of any Bond shall be determined by dividing the principal amount of the Bonds to be converted (translated to Hong Kong dollars at a fixed exchange rate of HK\$7.7653 to US\$1.00) by the Conversion Price in effect on the relevant conversion date. Based on the initial Conversion Price of HK\$0.33 per Share and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into a maximum of 2,353,121,212 New Shares, representing:

- (i) approximately 10.49% of the existing issued share capital of the Company as at the date of this announcement;
- (ii) approximately 4.98% of the issued share capital of the Company, as enlarged by the issue of the New Shares upon full conversion of the Firm Bonds; and
- (iii) approximately 9.50% of the issued share capital of the Company, as enlarged by the issue of the New Shares upon full conversion of the Firm Bonds and the Option Bonds.

Conversion Price Reset

If the Closing Price of the Shares on 20 out of the 30 consecutive Trading Days before any Reset Date is lower than the Conversion Price in effect on the relevant Reset Date, the Conversion Price in effect on the relevant Reset Date (taking into account any adjustments as described in the manner provided in the terms and conditions of the Bonds which may have occurred prior to the relevant date) shall be reset to the Reset Reference Share Price on such Reset Date, provided that the Conversion Price shall not be reduced below the level permitted by the applicable laws and regulations from time to time, including under the general mandate requirements under the Listing Rules.

Such adjusted Reset Reference Share Price shall be rounded upwards, if necessary, to the nearest Hong Kong cent., provided that:

- (i) any such adjustment to the Conversion Price shall be limited such that the adjusted Conversion Price in no event shall be less than HK\$0.30; and
- (ii) subject to (i), the adjustment events set out in the manner provided in the terms and conditions of the Bonds shall apply, *mutatis mutandis*, to adjustments hereunder to ensure that appropriate adjustments shall be made to the Conversion Price as so adjusted to reflect any events set out in the manner provided in the terms and conditions of the Bonds.

EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF THE CONVERSION

The following table illustrates (1) the existing shareholding structure as at the date of this announcement; (2) the shareholding structure assuming the Firm Bonds are fully converted into New Shares at the initial Conversion Price of HK\$0.33 each; and (3) the shareholding structure assuming the Firm Bonds and the Option Bonds are fully converted into New Shares at the initial Conversion Price of HK\$0.33 on the assumptions that (a) there will be no other change to the share capital of the Company from the date of this announcement until the conversion of the Bonds in full, save for the issue of the New Shares as a result of the conversion of the Bonds in full (as the case may be); and (b) the Bondholders do not and will not hold any Shares other than the New Shares as a result of the conversion of the Bonds in full (as the case may be).

| Shareholders | Existing (as at the date of this announcement) | | Assuming the Firm Bonds are fully converted into New Shares at the initial Conversion Price of HK\$0.33 each | | Assuming the Firm Bonds and the Option Bonds are fully converted into New Shares at the initial Conversion Price of HK\$0.33 each | |
|--|--|--------------------|--|--------------------|---|--------------------|
| | <i>% of issued ordinary share capital of the</i> | | <i>% of issued ordinary share capital of the</i> | | <i>% of issued ordinary share capital of the</i> | |
| | <i>No. of Shares</i> | <i>Company</i> | <i>No. of Shares</i> | <i>Company</i> | <i>No. of Shares</i> | <i>Company</i> |
| | | | | | | |
| Beijing Energy Investment Holding (Hong Kong) Co., Limited ¹ | 7,176,943,498 | 32.00% | 7,176,943,498 | 30.40% | 7,176,943,498 | 28.96% |
| China Merchants Group Limited and its parties acting in concert ² | 3,582,660,329 | 15.98% | 3,582,660,329 | 15.18% | 3,582,660,329 | 14.46% |
| China Huarong Asset Management Co., Ltd. ³ | 3,048,927,933 | 13.59% | 3,048,927,933 | 12.92% | 3,048,927,933 | 12.30% |
| Huaqing Solar Power Limited ⁴ | 3,048,750,000 | 13.59% | 3,048,750,000 | 12.92% | 3,048,750,000 | 12.30% |
| Other Shareholders | 5,570,666,672 | 24.84% | 5,570,666,672 | 23.60% | 5,570,666,672 | 22.48% |
| Bondholders | — | — | 1,176,560,606 | 4.98% | 2,353,121,212 | 9.50% |
| Total | <u>22,427,948,432</u> | <u>100%</u> | <u>23,604,509,038</u> | <u>100%</u> | <u>24,781,069,644</u> | <u>100%</u> |

¹ 7,176,943,498 Shares are held by Beijing Energy Investment Holding (Hong Kong) Co., Limited* (北京能源投資集團(香港)有限公司), which is a direct wholly-owned subsidiary of Beijing Energy Holding Co., Ltd.* (北京能源集團有限責任公司).

- ² (i) 621,829,273 Shares are held by Snow Hill Developments Limited (“Snow Hill”), an indirect wholly-owned subsidiary of China Merchants Group Limited (“CMG”); (ii) 579,944,250 Shares are held by China Merchants New Energy Group Limited (“CMNEG”), which is indirectly owned as to 79.36% by CMG; (iii) the economic interests of 1,216,793,309 Shares are beneficially owned by Shenzhen Guotiao China Merchants Merger and Acquisition Equity Investment Fund (LP)* (深圳國調招商併購股權投資基金合夥企業(有限合夥)) (“Shenzhen Guotiao”), which is managed by Shenzhen City China Merchants Huihe Equity Investment Fund Management Co., Limited* (深圳市招商慧合股權投資基金管理有限公司) as general partner, an indirect wholly-owned subsidiary of CMG; (iv) the economic interests of 135,199,257 Shares are beneficially owned by Shenzhen City Guoxie First Equity Investment Fund (LP)* (深圳市國協一期股權投資基金合夥企業(有限合夥)) (“Guoxie First”), which is managed by Shenzhen City China Merchants Guoxie First Equity Investment Fund Management Co., Limited* (深圳市招商國協壹號股權投資基金管理有限公司) as general partner, an indirect wholly-owned subsidiary of CMG; and (v) CMG is taken to be interested in 1,028,894,240 Shares which are held by a group of Shareholders acting in concert with CMNEG, including New Energy Exchange Limited, Pairing Venture Limited, Magicgrand Group Limited and Sino Arena Investments Limited, pursuant to an agreement under Section 317 of the SFO.
- ³ 3,048,927,933 Shares are held by the subsidiaries of China Huarong Overseas Investment Holdings Co., Limited* (中國華融海外投資控股有限公司), which is an indirect wholly-owned subsidiary of Huarong Huaqiao Asset Management Co., Ltd.* (華融華僑資產管理股份有限公司), owned as to 91% by Huarong Zhiyuan Investment & Management Co., Ltd.* (華融致遠投資管理有限責任公司), which is a wholly-owned subsidiary of China Huarong Asset Management Co., Ltd.* (中國華融資產管理股份有限公司).
- ⁴ 3,048,750,000 Shares are held by Huaqing Solar Power Limited, which is an indirect wholly-owned subsidiary of Qingdao City Construction Investment (Group) Co., Ltd.* (青島城市建設投資(集團)有限責任公司).

INFORMATION REGARDING THE GROUP

The Group is principally engaged in the development, investment, operation and management of solar power plants and other renewable energy projects.

USE OF PROCEEDS

The gross proceeds from the Bond Issue will be US\$50 million (assuming no Option Bonds are issued) to approximately US\$100 million (assuming the Option Bonds are issued in full). The estimated net proceeds from the Bond Issue, after deduction of the Sole Lead Manager’s commission and other estimated expenses payable, will be approximately US\$49.275 million (assuming no Option Bonds are issued) to approximately US\$99.1 million (assuming the Option Bonds are issued in full). Based on such net proceeds and assuming the full conversion of the Bonds, the net price per New Share is approximately HK\$0.325. The Company intends to use the net proceeds from the issue of the Bond to refinance its offshore indebtedness and for its offshore projects and general working capital purposes.

REASONS FOR AND BENEFITS OF THE BOND ISSUE

The Directors consider the Bond Issue is an appropriate means of raising additional capital since (i) the Bond Issue can provide the Company with additional funds at lower funding cost; (ii) it will not have an immediate dilution effect on the shareholding of the existing Shareholders; and (iii) in the event that the Bonds are converted into New Shares, the Company can improve its capital base, benefiting the long-term development of the Company. In addition, the Company has granted an option to the Sole Lead Manager to subscribe and pay for, or to procure subscribers to subscribe and pay for, all or any of the Option Bonds up to a further aggregate principal amount of US\$50,000,000, provided that the option may only be exercised if the Conversion Price as adjusted pursuant to the terms and conditions of the Bonds (if applicable) is higher than the Closing Price of the Shares on the date on which the option is exercised, so that the Company has flexibility in obtaining additional funding from the capital markets if there is future funding needs.

Accordingly, the Directors consider the terms of the Subscription Agreement and the Bonds are fair and reasonable on normal commercial terms and in the interests of the Shareholders and the Company as a whole.

GENERAL MANDATE

Based on the initial Conversion Price of HK\$0.33 and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into a maximum of 2,353,121,212 New Shares, representing 52.46% of the General Mandate (as defined below).

By resolutions of the Shareholders passed at the annual general meeting of the Company held on 18 June 2021, the Company granted a general mandate to the Directors to allot and issue up to 20% of the issued ordinary share capital of the Company (the “**General Mandate**”).

FUND RAISING ACTIVITIES BY THE COMPANY IN THE LAST 12 MONTHS

The Company has not carried out any equity fund raising activities in the past twelve months immediately before the date of this announcement.

DEFINITIONS

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

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| “Affiliate” | any person controlling, controlled by or under common control with that person from time to time (and its directors, officers, employees and agents from time to time) |
| “Alternative Stock Exchange” | at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, such other internationally recognised stock exchange which is the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in |
| “Beijing Energy Investment” | Beijing Energy Investment Holding (Hong Kong) Co., Limited (北京能源投資集團(香港)有限公司), a company incorporated in Hong Kong with limited liability and a controlling Shareholder of the Company |
| “Board” | the board of Directors of the Company |
| “Bond Issue” | the issue of the Bonds by the Issuer |
| “Bondholder(s)” | the holder(s) of the Bonds |
| “Bonds” | collectively, the Firm Bonds and the Option Bonds |

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| “Change of Control” | a “Change of Control” means the occurrence of one or more of the following events: |
| | <ul style="list-style-type: none"> (i) the merger, amalgamation or consolidation of the Issuer with or into another Person (other than one or more Permitted Holders) or the merger or amalgamation of another Person (other than one or more Permitted Holders) with or into the Issuer, or the direct or indirect sale of all or substantially all the consolidated assets of the Issuer to another Person (other than one or more Permitted Holders); (ii) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of total voting power of the Voting Stock of the Issuer greater than such total voting power held beneficially by the Permitted Holders; or (iii) individuals who on the Firm Bonds Issue Date constituted the Board of Directors, together with any new directors whose election or nomination to the Board of Directors was approved by a vote of at least a majority of the directors then still in office who were either directors on the Firm Bonds Issue Date or whose election or nomination was previously so approved, cease for any reason to constitute a majority of the Board of Directors then in office |
| “Closing Date” | the Option Bonds Closing Date and the Firm Bonds Closing Date |
| “Closing Price” | “Closing Price” of the Shares for any Trading Day shall be the price published in the Daily Quotation Sheet for such day |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Conversion Price” | the price at which New Shares will be issued upon conversion of the Bonds which will initially be HK\$0.33 per Share and will be subject to adjustments in the manner provided in the terms and conditions of the Bonds |

“Current Market Price”

in respect of a Share on a particular date, means the average of the daily Closing Prices of one Share on each of the 20 consecutive Trading Days ending on and including (i) the Trading Day immediately preceding such date or (ii) if the relevant announcement was made after the close of trading on such date (being a Trading Day), such date of announcement; **provided that** if at any time during such 20 Trading Day period the Shares shall have been quoted ex-dividend (or ex-any other entitlement) and during some other part of that period the Shares shall have been quoted cum-dividend (or other entitlement) then:

- (a) if the Shares to be issued in such circumstances do not rank for the dividend (or other entitlement) in question, the Closing Price on the dates on which the Shares shall have been quoted cum-dividend (or cum-such other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value (as defined in the terms and conditions of the Bonds) of that dividend (or cum-such other entitlement) per Share; or
- (b) if the Shares to be issued in such circumstances rank for the dividend or entitlement in question, the Closing Price on the dates on which the Shares shall have been quoted ex-dividend (or ex-such other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by the Fair Market Value of that dividend (or other entitlement) per Share;

and **provided further that** if on each of the said 20 Trading Days the Shares have been quoted cum-dividend (or cum-such other entitlement) in respect of a dividend (or other entitlement) which has been declared or announced but the Shares to be issued do not rank for that dividend (or other entitlement), the Closing Price on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend (or other entitlement) per Share

“Daily Quotation Sheet”

the daily quotation sheet published by the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange

“Director(s)”

director(s) of the Company

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| “Early Redemption Amount” | for each US\$200,000 principal amount of the Bonds, is the amount determined to represent for the Bondholder on the relevant redemption date for determination of the Early Redemption Amount a gross yield of 5.663 per cent per annum calculated on a semi-annual basis. The applicable Early Redemption Amount for each US\$200,000 principal amount of Bonds is calculated in accordance with the formula as set out in the terms and conditions of the Bonds |
| “Exchange Act” | the U.S. Securities Exchange Act of 1934, as amended |
| “Firm Bonds” | The US\$50,000,000 3.8% convertible bonds due 2024 of an initial aggregate principal amount of US\$50,000,000 |
| “Firm Bonds Closing date” | on or about 29 June 2021, being the date of completion of the issue of the Firm Bonds, or such later date, not being later than 14 days after 29 June 2021, as the Issuer and the Sole Lead Manager may agree |
| “Global Certificate” | a global bond certificate representing the Bonds to be issued |
| “Group” | the Company and its Subsidiaries |
| “HK\$” or “Hong Kong Dollars” | the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Independent Third Party(ies)” | any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules |
| “Issuer” or “Company” | Beijing Energy International Holding Co., Ltd. (北京能源國際控股有限公司), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Hong Kong Stock Exchange (stock code: 686) |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |

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| “Material Adverse Change” | a material adverse change, or any development that could reasonably be expected to result in a material adverse change, in the condition, financial or otherwise, or in the earnings, business, operations or prospects, whether or not arising from transactions in the ordinary course of business, of the Group, taken as a whole |
| “NDRC” | National Development and Reform Commission of the PRC or its local counterparts |
| “New Shares” | Shares to be allotted and issued by the Company upon conversion of the Bonds |
| “Offering Memorandum” | the offering memorandum to be issued by the Company in respect of the Bond Issue and the listing of the Bonds on the Hong Kong Stock Exchange |
| “Option” | an option granted by the Issuer to the Sole Lead Manager to subscribe and pay for, or to procure subscribers to subscribe and pay for, all or any of the Option Bonds up to a further aggregate principal amount of US\$50,000,000, provided that the Option may only be exercised if the Conversion Price as adjusted pursuant to the terms and conditions of the Bonds (if applicable) is higher than the Closing Price of the Shares on the date on which the Option is exercised |
| “Option Bonds” | the additional 3.8% convertible bonds due 2024 of an aggregate principal amount of up to US\$50,000,000 issued by the Issuer on the Option Bonds Closing Date upon the exercise of the Option by the Sole Lead Manager |
| “Option Bonds Closing Date” | a date on which the Option Bonds are issuable under the Subscription Agreement, which shall be no later than the fifth business day after the date on which the Option shall have been exercised |
| “Permitted Holder(s)” | <ul style="list-style-type: none"> (i) Beijing Energy Holding Co., Ltd. or any of its subsidiaries or other parties acting in concert, as defined in the Hong Kong Code on Takeovers and Mergers and Share Buy-Backs, with Beijing Energy Holding Co., Ltd.; (ii) any Affiliate of the Person specified in clause (i); and (iii) any Person both the shares and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% or more by one or more of the Persons specified in clauses (i) and (ii). |

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| “Permitted Security Interest” | any Security on any property or asset of the Issuer or any Subsidiary of the Issuer which is created pursuant to any securitisation, repackaging or like arrangement in accordance with normal market practice; for the avoidance of doubt, such arrangement shall include that for asset-backed securities or asset-backed notes |
| “Person(s)” | any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof |
| “Placee(s)” | any professional, institutional or other investor procured by the Sole Lead Manager to subscribe for any Bonds pursuant to the obligations under the Subscription Agreement, as the case may be |
| “Potential Investors” | potential investors of the Company |
| “PRC” | the People’s Republic of China (for the purpose of this announcement excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan) |
| “Regulation S” | Regulation S under the Securities Act |
| “Relevant Event” | <p>“Relevant Event” occurs:</p> <ul style="list-style-type: none"> (i) when the Shares cease to be listed or admitted to trading or suspended from trading for a period equal to or exceeding 45 consecutive Trading Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange; or (ii) when there is a Change of Control |
| “Relevant Indebtedness” | any present or future indebtedness (whether being principal, premium, interest or other amounts) in the form of, or represented by, any notes, bonds, debentures, debenture stock, loan stock, certificates or other securities which are, or are intended to be or capable of being quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market. |
| “Relevant Securities” | any participation certificates and any depositary or other receipt, instrument, rights or entitlement representing Shares |
| “Reset Date” | 29 June 2022 and 29 June 2023 |

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| “Reset Reference Share Price” | the arithmetic average of the daily Volume Weighted Average Price of each Share on each of the 30 consecutive Trading Days immediately prior to the relevant Reset Date |
| “Securities Act” | the U.S. Securities Act of 1933, as amended |
| “Share(s)” | the ordinary share(s) with par value of HK\$0.10 each in the share capital of the Company or shares of any class or classes resulting from any subdivision, consolidation or re-classification of such ordinary shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Company |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Shareholder(s)” | the holder(s) of the Shares |
| “Sole Lead Manager” | KGI Asia Limited |
| “Stock Exchange Business Day” | any day (other than a Saturday or Sunday) on which the Hong Kong Stock Exchange or the Alternative Stock Exchange is open for the business of dealing in securities |
| “Subscription Agreement” | the subscription agreement dated 22 June 2021 entered into between the Issuer and the Sole Lead Manager in respect of the Bond Issue |
| “Subsidiary(ies)” | with respect to any Person, corporation, association or other business entity (1) of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person or (ii) of which 50% or less of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person and in each case which is “controlled” and consolidated by such Person in accordance with Hong Kong Financial Reporting Standards or other generally accepted accounting principles in Hong Kong as in effect from time to time |

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| “Trading Day” | a day when the Hong Kong Stock Exchange or, as the case may be an Alternative Stock Exchange, is open for dealing business, provided that if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days |
| “Trust Deed” | means the trust deed constituting the Bonds |
| “Trustee” | The Hongkong and Shanghai Banking Corporation Limited |
| “US\$” or “US Dollars” | the lawful currency of the United States |
| “U.S.” or “United States” | the United States of America |
| “Volume Weighted Average Price” | in relation to a Share for any Stock Exchange Business Day, the order book volume-weighted average price of a Share for such Stock Exchange Business Day appearing on or derived from Bloomberg screen page (or its successor page) or, if not available on any such screens, from such other source as shall be determined to be appropriate by an Independent Financial Advisor (as defined in the terms and conditions of the Bonds), provided that for any Stock Exchange Business Day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share in respect of such Stock Exchange Business Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Stock Exchange Business Day on which the same can be so determined |
| “Voting Stock” | with respect to any Person, shares of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person |
| “%” | per cent. |

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

Hong Kong, 23 June 2021

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. Zhao Bing and Mr. Li Hao; and the independent non-executive directors of the Company are Ms. Jin Xinbin, Ms. Li Hongwei and Mr. Zhu Jianbiao.

* For identification purpose only