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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 FORMATION OF A LIMITED PARTNERSHIP

FORMATION OF THE LIMITED PARTNERSHIP

On 30 August 2022 (after trading hours), Beijing Guodian, BEIED BJ and Everbright Financial entered into the Limited Partnership Agreement in respect of the formation of the Limited Partnership in the PRC. The total capital contribution of the Limited Partnership is RMB2,501 million. The capital contribution by Beijing Guodian, Everbright Financial and BEIED BJ will be RMB1 million, RMB2,000 million and RMB500 million, respectively. The Limited Partnership will be set up for equity investments and project investments (with respect to investments in projects of new energy or relevant fields which are related to the principal business of the Company only) and debt investments, which satisfy the criteria prescribed under the Limited Partnership Agreement.

Upon completion of the capital contribution, it is expected that the Limited Partnership will be accounted for as a subsidiary of the Group and its financial results will be consolidated into the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

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

FORMATION OF THE LIMITED PARTNERSHIP

On 30 August 2022 (after trading hours), Beijing Guodian, BEIED BJ and Everbright Financial entered into the Limited Partnership Agreement in respect of the formation of the Limited Partnership in the PRC. The major terms of the Limited Partnership Agreement are set out as follows:

Date:	30 August 2022 (after trading hours)
Name of the Limited Partnership:	Rongbang Yihao (Tianjin) Enterprise Management Partnership (Limited Partnership)* (榮邦壹號(天津)企業管理合夥企業(有限合夥))
Parties:	<i>General partner</i> (1) Beijing Guodian <i>Limited partners</i> (2) Everbright Financial (as type A limited partner) (3) BEIED BJ (as type B limited partner) The major roles and rights of the general partner and the limited partners are set out in the terms below.
Term of the Limited Partnership:	Until all Partners of the Limited Partnership reach mutual consensus to terminate the partnership.
Purpose and business scope of the Limited Partnership:	To utilise the paid-in capital contributions by the Partners for investment in targets which match the requirements set out under the Limited Partnership Agreement. The scope of investments cover equity investments and project investments (with respect to investments in projects of new energy or relevant fields which are related to the principal business of the Company only) and debt investments.

With respect to the debt investments, the investment targets shall satisfy the following standards:

- (i) the investment target shall be a state-owned enterprise or state-controlled enterprise in the PRC;
- (ii) the credit rating of the investment target or any entity that provides credit enhancement for the investment target shall not be lower than AAA rating (subject to the rating report issued by a credit evaluation company qualified for credit rating business in China's securities market and China's inter-bank bond market);
- (iii) the investment period shall not exceed 36 months; and
- (iv) the annualised rate of return for the first investment target of the Limited Partnership shall not be lower than 3%, whereas the annualised rate of return for each of the subsequent investment targets shall not be lower than (the annualised rate of return for the first investment target + 3% + benchmark spread) and not exceeding 9%. The benchmark spread refers to:

(the arithmetic average yield (rounded up to 0.01%) of China Treasury Bonds with a maturity equal to that of the investment as contained in the yield curves of the China Treasury Bonds prior to 5 working days of the date of such investment in the investment target by the Limited Partnership) minus (the arithmetic average yield of China Treasury Bonds with a maturity equal to that of the investment as contained in the yield curves of the China Treasury Bonds prior to 5 working days of the date of formation of the Limited Partnership).

Total capital contribution: The total capital contribution by the Partners to the Limited Partnership is RMB2,501 million. The capital contribution to be made by each of the Partners will be as follows:

Partner	Type	Capital contribution	Percentage (approximately)
Beijing Guodian	General partner	RMB1 million	0.04%
Everbright Financial	Type A limited partner	RMB2,000 million	79.97%
BEIED BJ	Type B limited partner	RMB500 million	19.99%

If the limited partners failed to make the capital contribution within 6 months after the establishment of the Limited Partnership, the Limited Partnership shall commence the liquidation process forthwith and complete it within 90 days after the aforesaid 6 months period.

Management of the Limited Partnership: The Limited Partnership shall be managed by Beijing Guodian, which is acting as the general partner pursuant to the Limited Partnership Agreement. The limited partners shall not perform partnership affairs and shall not represent the Limited Partnership externally. The general partner shall regularly report to the other limited partners the operation and financial status of the Limited Partnership. However, in the event the general partner failed to exercise any rights entitled by the Limited Partnership which causes detriment to the Limited Partnership's interest, the type A limited partner shall have the right, but not the obligation to institute legal proceedings, arbitrations, claims etc. in its own name or in the name of the Limited Partnership for the benefit of the Limited Partnership.

Nevertheless, there are matters which shall be determined in the partners' meeting to be convened from time to time. Among which, matters which shall be determined by the unanimous approval include, among others, (i) the change of name, scope of business and scale of the Limited Partnership; (ii) the removal and divestment of partners, and the acceptance of new partners; (iii) the dismissal of the Limited Partnership and the alteration of the term of the Limited Partnership; (iv) the increase or reduction of capital contribution to the Limited Partnership; and (v) the transfer of limited partnership interests by the general partner and type B limited partner to third parties other than the existing partners.

The general partner and the type B limited partner shall act unanimously when exercising the proposal right, nomination right and voting right at the partners' meeting. The general partner and the type B limited partner shall reach consensus through consultation with each other on major matters related to, including but not limited to, major business decisions, personnel nomination, appointment and removal. In case of failure to reach consensus between the general partner and the type B limited partner, the general partner shall make the final decision and the type B limited partner shall unconditionally comply with the decision and bear corresponding responsibilities.

Decision Committee: The Partners of the Limited Partnership shall establish a decision committee (the “**Decision Committee**”) which shall have the following responsibilities:

- (i) To consider and approve investment targets which meet the requirements;
- (ii) To consider and approve the mode of investment in the targets;
- (iii) To confirm the estimated return of type A limited partner and type B limited partner;
- (iv) To consider and approve the distribution of profits;
- (v) To consider and approve the financial system of the Limited Partnership;
- (vi) To consider and approve the institution of any litigation for the benefits of the Limited Partnership; and
- (vii) Any other responsibilities authorised by all the Partners.

The Decision Committee shall comprise three members, with the general partner and type B limited partner entitling to nominate two representatives and one representative, respectively. The position of the chairman of the Decision Committee shall be held by representative nominated by the general partner.

Resolutions of the Decision Committee with respect to matters (i) to (iv) above shall be passed by two-third of the members of the Decision Committee. For any other matters listed above, unanimous approval is required.

Distribution:

Pursuant to the terms of the Limited Partnership Agreement, when it is expected that there will be assets available for distribution, the general partner shall convene a meeting of the Decision Committee, during which the Partners shall determine whether to conduct distribution.

In the event the Decision Committee resolved to conduct distribution, the distribution shall be conducted within 1 working day upon receiving the distributable assets in the following sequence:

- (a) to distribute the expected profit to the type A limited partner. The expected profit shall be determined separately by the Decision Committee;
- (b) to distribute the expected profit to the type B limited partner. The expected profit shall be determined separately by the Decision Committee; and
- (c) upon the completion of the above distribution, the remaining distributable assets shall be distributed to the general partner.

In the event the Decision Committee resolved not to conduct distribution or did not reached any resolution, then the general partner shall within three months after the resolution or after the meeting, proactively look for investment targets which satisfy the requirements prescribed under the Limited Partnership Agreement. If such an investment target is identified within the prescribed period, the general partner shall invest in such new investment target upon receiving the distributable assets from the previous investment target. If no such investment target is identified within the prescribed period, the general partner shall distribute the assets in accordance with the manners as aforementioned.

Transfer of interest: Type A limited partner shall be entitled to transfer its interests in the Limited Partnership to any other third party outside the Limited Partnership, provided that (i) it shall give all partners a 30-day prior notice; and (ii) the other partners shall have the pre-emptive rights to acquire such interests at the same terms offered to the other third party.

Type B limited partner shall be entitled to transfer its interests in the Limited Partnership to any other third party outside the Limited Partnership, provided that (i) it shall give all partners a 30-day prior notice and shall obtain a unanimous consent from the other partners; and (ii) the other partners shall have the pre-emptive rights to acquire such interests at the same terms offered to the other third party.

Loss sharing: Any loss incurred by the Limited Partnership shall be borne by each partner in proportion to their respective capital contribution in the Limited Partnership. If the assets of the Limited Partnership are insufficient to cover such loss, the limited partners shall assume liability which shall be limited to their respective capital contribution while the liability of the general partner towards the debts of the Limited Partnership shall be unlimited.

SUBSEQUENT ARRANGEMENT OF THE LIMITED PARTNERSHIP

To the best knowledge and information of the Directors, the capital contribution in the Limited Partnership committed by the type A limited partner will be financed through fund raising, in the form of issuance of asset-backed notes to prospective investors (the “**ABN Fund Raising**”). The asset-backed note would be backed by the investment return of type A limited partner’s portion of interests in the Limited Partnership, arising from the Limited Partnership’s subsequent investments. In this connection, Everbright Financial is expected to be replaced by China Railway Trust Co., Ltd.* (中鐵信託有限責任公司) (a non-banking financial institution incorporated in the PRC and an Independent Third Party to the Company) (“**China Railway Trust**”) as the type A limited partner and conduct the ABN Fund Raising subsequently.

It is contemplated that Beijing Guodian, BEIED BJ and China Railway Trust will enter into an updated limited partnership agreement to reflect the aforesaid change of type A limited partner. It is envisaged that the terms of the updated limited partnership agreement would be largely the same as the Limited Partnership Agreement, save that under the updated limited partnership agreement, each of the general partner, type A limited partner and type B limited partner shall be entitled to nominate one representative to the Decision Committee (in total three members).

To the best knowledge and information of the Directors, the ABN Fund Raising would be underwritten by Everbright Securities Company Limited* (光大證券股份有限公司), which is within the same group of companies as Everbright Financial. It makes commercial sense for Everbright Financial, to be involved in the establishment of the Limited Partnership, which is consistent with the market practice of transactions of similar nature. Everbright Financial will cease to have any role in the Limited Partnership upon the completion of the transfer of its equity interests in the Limited Partnership to China Railway Trust. Thereafter, Everbright Financial will no longer be involved further nor will it become an investor in the ABN Fund Raising.

The total amount of capital contribution to be made by each of the Partners to the Limited Partnership has been arrived at after arm's length negotiations between the Partners, with reference to, among others, the capital requirements of the Limited Partnership. The Group intends to finance its capital contribution by using the internal resources.

As at the date of this announcement, the Limited Partnership does not have any historical financial results. Upon completion of the capital contribution, it is expected that the Limited Partnership will be accounted for as a subsidiary of the Group and its financial results will be consolidated into the consolidated financial statements of the Group.

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 BJ 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.

Beijing Guodian is a company established in the PRC with limited liability and an indirect subsidiary of the Company. It is principally engaged in technology development, technology consultancy, corporate business planning and corporate management consultancy, etc..

Everbright Financial is a company established in the PRC with limited liability which mainly engages in assets management. It is a wholly-owned subsidiary of China Everbright Group Limited* (中國光大集團股份公司) (“**Everbright Group**”). Everbright Group is a state-owned enterprise and a large-scale comprehensive finance holding group incorporated under the PRC laws. Currently, its businesses cover the finance industry in Hong Kong and Mainland China, and it has established agencies and business presence in the PRC and overseas. It has a complete set of financial services licenses and featured businesses related to environmental protection, tourism, healthcare and high-tech industry. As at the date of this announcement, Everybright Group is beneficially held as to approximately 63.17%, 33.43% and 3.40% by State Council of the PRC, Ministry of Finance of the PRC and the National Council for Social Security Fund of the PRC respectively.

China Railway Trust is a company established in the PRC with limited liability and is principally engaged in trust business. It is in aggregate held directly and indirectly as to approximately 93.01% by China Railway Group Limited, the shares of which are listed on the Stock Exchange (Stock Code: 390) and the Shanghai Stock Exchange (Stock Code: 601390). China Railway Trust is expected to replace Everbright Financial as the type A limited partner of the Limited Partnership before conducting the ABN Fund Raising.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of Everbright Financial and China Railway Trust and their ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE LIMITED PARTNERSHIP

The Directors believe that through the strategic cooperation and resources sharing with the type A limited partner in the form of limited partnership, it would enable the Group to (i) leverage on the fund raising capability of the type A limited partner and (ii) invest in quality investment targets which satisfy the standards set out in the Limited Partnership Agreement, and as a result establishing a network of entities and personnel with different capital resources, expertise and technical knowhow, which would as a result facilitate enhancing the economic benefits, expanding the business scale, and maximising the profitability of the Group.

With the daily operation and investment management of the Limited Partnership being led by the Group, coupled with the capital bring in by the type A limited partner which would strengthen the Group's financial resources and investment capability, it would open up investment opportunities (in the new energy field in accordance with the Limited Partnership Agreement) which would otherwise be inaccessible to the Group, and facilitate the business development of the Group.

As part of the scope of investment of the Limited Partnership, debt investment offers an additional channel for the Group to invest in high credit rating and quality enterprises within reasonable risk. By leveraging on the capital of the Limited Partnership which shall be contributed in majority by the type A limited partner, the debt investment is expected to generate favourable return for the relatively lower sum of capital contributed by the Group. In particular, the Limited Partnership may provide debt financing to BEH, which not only could enhance the financial position of BEH, but also strengthen the synergy between the Group and BEH, which may lead to more favourable support from BEH in the future, such as financial assistance and financial credit enhancement.

Furthermore, as the general partner of the Limited Partnership, the Group would take charge of the selection of investment target and approval of the mode of investment. In this connection, through the subsequent investment of the Limited Partnership, it would demonstrate, and project a positive image to the public on the capability of the Group to manage a large size capital from third parties (the fund raised from the ABN Fund Raising will be injected into the Limited Partnership and accounted into the financial statement of the Group). The Directors believe that would facilitate the subsequent investment projects of the Group, boost up the confidence of the market in the Group, and potentially improve the credit rating of the Company.

In the event any of the above transactions materialise, the Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

In view of the aforesaid, the Directors (including the independent non-executive Directors) consider that although the investment in the Limited Partnership is not in the ordinary and usual course of business of the Group, the investment and the terms of the Limited Partnership Agreement are fair and reasonable, the Limited Partnership Agreement is entered on normal commercial terms and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the entering into of the Limited Partnership Agreement exceeds 5% but is less than 25%, the entering into of the Limited Partnership Agreement constitutes a discloseable transaction of the Company and is therefore subject to the reporting 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:

“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 of the Company holding 7,176,943,498 Shares, representing approximately 32% of the issued share capital of the Company
“BEIED BJ”	BEI Energy Development (Beijing) Co., Ltd.* (京能國際能源發展(北京)有限公司), formerly known as Beijing United Rongbang New Energy Technology Co., Ltd.* (北京聯合榮邦新能源科技有限公司), a company established in the PRC with limited liability and an indirect subsidiary of the Company
“Beijing Guodian”	Beijing Guodian Shengtang Technology Development Co., Ltd.* (北京國電盛唐科技發展有限公司), a company established in the PRC with limited liability and an indirect subsidiary of the Company
“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
“Director(s)”	the director(s) of the Company
“Everbright Financial”	Everbright Financial Holding Asset Management Co., Ltd.* (光大金控資產管理有限公司), a company established in the PRC with limited liability, and the type A limited partner in the Limited Partnership
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	third party(ies) independent of the Company and connected person(s) of the Company
“Limited Partnership”	a limited partnership established in the PRC pursuant to the Limited Partnership Agreement under the name of Rongbang Yihao (Tianjin) Enterprise Management Partnership (Limited Partnership)* (榮邦壹號(天津)企業管理合夥企業(有限合夥))
“Limited Partnership Agreement”	the agreement dated 30 August 2022 entered into by and among the Partners in respect of the formation of the Limited Partnership
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Partners”	comprising Beijing Guodian, BEIED BJ and Everbright Financial
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 30 August 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 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 purposes only*