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)

VERY SUBSTANTIAL DISPOSAL DISPOSAL OF THE UNDERLYING ASSETS FOR THE ABCP ISSUANCE

DISPOSAL OF THE UNDERLYING ASSETS FOR THE ABCP ISSUANCE

The Board wishes to announce that on 26 August 2026 (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 Trust 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 percentage ratio applicable to the Company in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for the Company and is, therefore, subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The SGM will be convened by the Company to seek the Shareholders' approval of the Disposal and the transactions contemplated thereunder.

A circular containing, among other things, (i) details of the Disposal and the transactions contemplated thereunder; (ii) the notice of the SGM; and (iii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 30 September 2026, as additional time is likely to be required for the Company to prepare and finalise certain information for inclusion in the circular.

DISPOSAL OF THE UNDERLYING ASSETS FOR THE ABCP ISSUANCE

The Board wishes to announce that on 26 August 2026 (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 Trust 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 tranches, namely priority and subordinated ABCP at an aggregate face value of RMB2,600 million in the PRC interbank market following registration with NAFMII. A summary of the material terms for the ABCP Issuance is set out below:

Tranche	**Size of issuance** *(RMB)*	**Credit rating by an independent credit rating agency**	**Coupon rate**
Priority	2,535 million	AAAsf	Not more than 2.2% per annum
Subordinated	65 million	Not rated	Not more than 8.5% per annum

During the three-year issuance period of the ABCP, the priority tranche of the ABCP will be re-issued on a rolling basis with a term of not more than 180 days per tranche. In addition, certain amount of the Subsidy Receivables received during the three-year issuance period of the ABCP shall be utilised to repay the principal amount of the priority tranche of the ABCP. The subordinated tranche is a long-term tranche which is expected to remain outstanding throughout the duration of the Trust and is not subject to the rolling re-issuance arrangements applicable to the priority tranche.

Upon the expiry of the ABCP, holders of the priority tranche of the ABCP shall have priority over the holders of the subordinated tranche of the ABCP in receiving the distributable assets under the Trust.

The Company is not subject to any general obligation to redeem, repurchase or guarantee repayment of the ABCP. Repayment of the ABCP is intended to be funded from collections of the Subsidy Receivables pursuant to the Trust Contract. The Company's obligations are limited to those expressly set out in the Trust Contract, including the obligation to redeem any Unqualified Assets in accordance with the terms thereof.

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 : 26 August 2026

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.

Underlying Assets

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

Subsidy Receivables comprise government renewable energy subsidies which are expected to be received in or around September 2029 by 17 photovoltaics and wind power project companies of the Group in respect of their respective power generation projects located in Shandong, Shanxi, Jiangsu, Hebei, Qinghai, Xinjiang Uygur Autonomous Region and the Inner Mongolia Autonomous Region of the PRC with a total grid connected installed capacity of approximately 767 MW as of the Initial Benchmark Date.

In accordance with the Relevant PRC Energy Laws and Regulations, Subsidy Receivables will be paid by the Renewable Energy Development Fund* (可再生能源發展基金) established by the Ministry of Finance of the PRC (中國財政部), the National Development and Reform Commission of the PRC (中國國家發展和改革委員會) and the National Energy Administration (國家能源局) for promoting the development of the new energy industry.

Pursuant to the electricity purchase and sale agreements, the Group's photovoltaics project companies will receive the new energy subsidies as accounts receivables. There is no specific settlement term in terms of the accounts receivables of new energy subsidies in the electricity purchase and sale agreements entered into between photovoltaics project companies of the Group and the grid companies. Based on the Company's previous experience, such accounts receivables of new energy subsidies are expected to be settled within two to three years. For the purpose of the proposed Disposal and the ABCP Issuance, the Company has selected the accounts receivables of new energy subsidies that are free from any encumbrances as the Underlying Assets. In selecting the Subsidy Receivables as the Underlying Assets, the Company took into account, among other things, (i) the expected recoverability of the relevant Subsidy Receivables, (ii) the anticipated timing of collection of the Subsidy Receivables and its compatibility with the period of the ABCP, (iii) the size and stability of the projected cash flows associated with the Subsidy Receivables, and (iv) the suitability of the relevant Subsidy Receivables for securitisation and trust arrangement purposes.

As at the Initial Benchmark Date, the unaudited carrying value of the Underlying Assets was approximately RMB2,600.17 million.

Validity and effective date of the Trust Contract

The Trust Contract shall be formed on the date when the legal representative(s) or authorised representative(s) of both BEIED and China Industrial International Trust sign (or seal) and affix the official seal (or the contract seal) onto the Trust Contract, and shall take effect subject to BEIED's obtaining of all required internal approval(s), including without limitation, the approval of the Disposal and the transactions contemplated thereunder by the Shareholders in the SGM.

Termination

The Trust Contract may be terminated upon the occurrence of any of the following circumstances:

(a) if the purpose of the Trust can no longer be realised;

(b) if the Trust is revoked, determined to be invalid or terminated pursuant to a judgment by a court or an award by an arbitration institution in accordance with laws;

(c) by order of a relevant regulatory authority in accordance with laws;

(d) early termination by a resolution passed at a meeting of the holders of the ABCP;

(e) upon the expiry of one year after the latest expected statutory maturity date of the ABCP;

(f) when all Underlying Assets (excluding any qualified investments) have been fully realised and converted into cash;

(g) early termination by the holders of the subordinated ABCP, by way of a written request in accordance with the terms of the Trust Contract, exercising their rights to terminate the Trust after all principal balances and interest payable of the priority ABCP have been fully repaid;

(h) early termination by the trustee in accordance with the terms of the Trust Contract;

(i) occurrence of event of default in accordance with the terms of the Trust Contract;

(j) occurrence of non-issuance event in accordance with the terms of the Trust Contract; or

(k) such other circumstances as may be provided for by laws, administrative regulations or regulatory authorities.

Conditions Precedent

The Trust will become effective upon satisfaction (or waived by the competent parties) of the following conditions on or before the effective date of the Trust Contract, among others:

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

(c) BEIED (as the asset service agent) having delivered to China Industrial International Trust copies of all necessary internal (including but not limited to corporate documents, approvals or authorisation letters), government or third-party approvals and authorisations for BEIED to sign the transaction documents, exercise its rights or perform its obligations thereunder;

(d) BEH (as the liquidity backing covenantor) having delivered to China Industrial International Trust copies of all necessary internal (including but not limited to corporate documents, approvals or authorisation letters), government and third-party approvals and authorisations for BEH to sign the transaction documents, exercise its rights and perform its obligations thereunder;

(e) the duly signed original transaction documents having been delivered by all relevant parties and BEIED having delivered to China Industrial International Trust the relevant authorisation letter;

(f) BEIED having obtained the approval from relevant regulatory authorities to commence the transaction (where applicable);

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

(h) 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;

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

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

(k) BEIED and China Industrial International Trust having completed the delivery of the Underlying Assets in accordance with the Trust Contract;

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

(m) the designated bank account having received all the funds raised from the ABCP Issuance and the total funds raised from the ABCP having reached the threshold as set out in the Trust Contract.

As at the date of this announcement, (a) to (g) of the Conditions Precedent have been fulfilled, while items number (h) to (j) of the Conditions Precedent will be satisfied after obtaining the Shareholders' approval in the SGM and the remaining Conditions Precedent will be fulfilled after the ABCP Issuance. Both BEIED and China Industrial International Trust do not intend to waive any Conditions Precedent.

Consideration and Size of ABCP

The ABCP shall be issued in the size of RMB2,600 million, which represents a discount of approximately RMB168,000 to the unaudited carrying value of the Underlying Assets of approximately RMB2,600.17 million, as at the Initial Benchmark Date. The consideration of the Disposal is RMB2,600 million, being the issue size of the ABCP as at the Initial Benchmark Date and the consideration under the Trust Contract.

The consideration and size of the ABCP were 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 RMB2,600 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 China Industrial International Trust shall notify the other party any discovery of Unqualified Assets within five working days after discovery. China Industrial International Trust shall have the right to notify BEIED in writing to redeem such Unqualified Assets in accordance with the terms of the Trust Contract and BEIED shall transfer the amount which is equivalent to such Unqualified Assets to the trust account within two working days.

Limitation of liability

BEIED shall not be liable for, among others, compensatory damages and compensatory obligations for Subsidy Receivables that are unrecoverable and Underlying Assets that are difficult to recover.

THE UNDERWRITING AGREEMENT

In connection with the ABCP Issuance, BEIED proposes to enter into an underwriting agreement with China Industrial International Trust and the underwriter(s), pursuant to which, the underwriter(s) will be responsible for the issue of the ABCP on NAFMII. To the best of the Directors' information, knowledge and belief, BEIED is in the process of identifying and appointing qualified financial institution(s) established in the PRC, which is/are expected to be Independent Third Party(ies) of the Company, to act as the underwriter(s) of the ABCP Issuance. As at the date of this announcement, BEIED has neither entered into any underwriting agreement, nor entered into any binding or non-binding term sheet, in respect of the ABCP Issuance.

The underwriting fee payable by BEIED is expected to be approximately RMB2.08 million per year, the calculation based on an underwriting charge ratio of approximately 0.08% per year and three-year issuance period, which is expected to be determined by arm's length negotiations between BEIED and the underwriter(s) with reference to the issue size of the ABCP, the relevant PRC regulations and the prevailing market rate in relation to service fee payable to the underwriter(s) in an asset securitisation project.

In case of any discrepancy between the above and the actual terms of the underwriting agreement, the Company will make further announcement(s) as and when appropriate to fully comply with the requirements under the Listing Rules.

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 RMB2,600.17 million. It is anticipated that the proceeds from the ABCP Issuance would amount to approximately RMB2,600 million. As a result, the Company is expected to realise a net loss of approximately RMB168,000 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 100% of the proceeds from the ABCP Issuance for the repayment of existing debts (which consist mainly of sale and leaseback agreements and loan agreements, maturing within eight months covering approximately RMB3,698 million in principal and approximately RMB209 million in interest. The remaining balance of the maturing debts will be settled through the Company's internal funds and/or bank borrowings).

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. The ABCP is expected to be issued at an interest rate of no more than 2.2%, which is significantly lower than the Company's average financing rate of 2.54% as at 30 June 2026, thereby enabling an effective reduction in the Company's overall financing costs. As detailed in the paragraph headed "Financial Impact and Use of Proceeds from the ABCP Issuance", 100% of the proceeds from the ABCP Issuance will be used for the repayment of existing debts, in effect optimising 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 realisation of the accounts receivable of the Group. As at 30 June 2026, the Group's trade, bills and tariff adjustment receivables amounted to approximately RMB9,160 million, and following the ABCP issuance, the Company will be able to reduce such balance by approximately RMB2,600.17 million. In addition, the ABCP is a direct financing product targeting institutional investors, which can further expand the Company's influence and recognition in the capital market by elevating its profile as a rated, market-tested issuer, demonstrating creditworthiness through transparent pricing and robust demand, building lasting investor relationships during the roadshow, evidencing high-quality underlying receivables and establishing a credible track record to facilitate future capital market access.

The Directors consider that the terms of the Trust Contract and the Disposal 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, whose shares are listed on the main board of the Stock Exchange (stock code: 686) and is an investment holding company operating its business through its subsidiaries. The Group is principally engaged in the development, investment, operation and management of power plants and other clean energy projects.

BEIED is a company established in the PRC with limited liability and a 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 73.0% and 8.4% by Industrial Bank Co., Ltd.* (興業銀行股份有限公司) (a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 601166)) and Xiamen ITG Group Corp., Ltd.* (廈門國貿集團股份有限公司) (a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600755)), approximately 17.8% is ultimately owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Fujian Province* (福建省人民政府國有資產監督管理委員會) and the remaining approximately 0.8% is owned by the Nanping City Investment and Guarantee Centre* (南平市投資擔保中心) which is ultimately controlled by the Nanping Municipal Finance Bureau of Fujian Province* (福建省南平市財政局) 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 consultancy and other business.

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) are Independent Third Parties of the Company as at the date of this announcement.

LISTING RULES IMPLICATIONS

As the highest percentage ratio applicable to the Company in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for the Company and is, therefore, subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The SGM will be convened by the Company to seek the Shareholders' approval of the Disposal and the transactions contemplated thereunder.

A circular containing, among other things, (i) details of the Disposal and the transactions contemplated thereunder; (ii) the notice of the SGM; and (iii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 30 September 2026, as additional time is likely to be required for the Company to prepare and finalise certain information for inclusion in the circular.

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 and, 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 announcement and circular 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 otherwise requires, the following terms shall have the meanings as set out below:

"ABCP"	the asset-backed commercial papers, which are backed by the Underlying Assets, to be issued by China Industrial International Trust in the PRC interbank market following registration with NAFMII, with a total issue size of RMB2,600 million, to institutional 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 717,694,349 shares of the Company, representing approximately 32.14% of the issued share capital of the Company as at the date of this announcement
"BEIED"	BEI Energy 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 a subsidiary of the Company
"Beneficiaries"	the beneficiaries of the Trust, being the holders of the ABCP, are expected to be institutional investors and Independent Third Parties of the Company
"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 persons"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	director(s) of the Company
"Disposal"	the disposal of Underlying Assets by BEIED to China Industrial International Trust pursuant to the Trust Contract for the purpose of ABCP Issuance
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	person(s), or in the case of corporate entity(ies), their ultimate beneficial owner(s), who to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is(are) independent of, and not connected with, the Company and its connected persons
"Initial Benchmark Date"	1 May 2026
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"MW"	megawatt(s)
"NAFMII"	National Association of Financial Market Institutional Investors (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
"Qualification Standards"	compliance with the requirements which have been agreed upon between BEIED and China Industrial International Trust, including, among others, the inclusion of the relevant renewable energy power generation projects the Catalogue of Additional Subsidies for Renewable Electricity Prices* (可再生能源電價附加資金補助目錄) or the List of Subsidized Renewable Power Generation Projects* (可再生能源發電補貼項目清單) that is published regularly by the Ministry of Finance of the PRC and other government authorities and other requirements for valid title over the Subsidy Receivables
"Relevant PRC Energy Laws and Regulations"	the Renewable Energy Law of the People's Republic of China* (《中華人民共和國可再生能源法》), the Interim Measures for the Administration of the Collection and Use of Renewable Energy Development Fund* (《可再生能源發展基金徵收使用管理暫行辦法》), the Trial Measures for the Administration of Renewable Energy Power Generation Prices and Expense Allocation* (《可再生能源發電價格和費用分攤管理試行辦法》), the Notice of the National Development and Reform Commission on the Improvement of Feed-in-Tariff Policies for Wind Power Generation* (《國家發展改革委關於完善風力發電上網電價政策的通知》), the Notice of the National Development and Reform Commission on the Improvement of Feed-in-Tariff Policies for Solar Photovoltaic Power Generation* (《國家發展改革委關於完善太陽能光伏發電上網電價政策的通知》), the Measures for the Administration of Additional Subsidy Funds for Renewable Energy Tariffs* (《可再生能源電價附加補助資金管理辦法》) and the list of subsidies available for renewable energy power generation projects, as supplemented and revised from time to time
"RMB"	Renminbi, the lawful currency of the PRC
"SGM"	the special general meeting of the Company to be convened for considering and, if thought fit, approving the Disposal and the transactions contemplated thereunder

"Shareholder(s)"	holder(s) of the issued share(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Subsidy Receivables"	the renewable energy subsidies and accounts receivables entrusted to the trustee for the purpose of the ABCP Issuance, which include the subsidy 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
"Trust Contract"	the trust contract dated 26 August 2026 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) with respect to the Subsidy Receivables; (ii) all receivables due or to be due shortly attributable to the Subsidy Receivables; (iii) all proceeds from the transfer, sale, auction, sell-off or other disposal of the Subsidy Receivables; (iv) the right to request, sue, recover or receive all payables in relation to the Subsidy Receivables; and (v) benefits arising from the Subsidy Receivables and enforcement of all rights and legal remedies in relation to the Subsidy Receivables
"Unqualified Assets"	the assets being not in conformity with the Qualification Standards and 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.
Li Yuhai
Chairman of the Board

Hong Kong, 26 August 2026

As at the date of this announcement, the executive director of the Company is Mr. Zhang Ping (Chief Executive Officer); the non-executive directors of the Company are Mr. Li Yuhai (Chairman), Mr. Lu Zhenwei, Mr. Liu Guoxi, Mr. Li Hao, Mr. Huang Jiao, Mr. Wang Cheng and Ms. Xie Yi; and the independent non-executive directors of the Company are Ms. Jin Xinbin, Mr. Zhu Jianbiao, Mr. Zeng Ming and Mr. Liu Jingwei.

* *For identification purpose only*