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北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 392)

**U.S.\$300,000,000 2.000 PER CENT. GUARANTEED BONDS DUE 2026,
U.S.\$400,000,000 3.125 PER CENT. GUARANTEED BONDS DUE 2031
AND DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES**

The Board is pleased to announce that on 28 April 2021, the Company and the Issuer entered into a Subscription Agreement with the Managers in connection with the Bonds Issue.

The Issuer intends to on-lend the gross proceeds from the subscription of the Bonds to the Company for refinancing existing offshore indebtedness.

Application will be made to the Stock Exchange for permission to deal in the Bonds by way of debt issues to Professional Investors only. A confirmation of eligibility for listing of the Bonds has been received from the Stock Exchange. Listing of the Bonds on the Stock Exchange is not to be taken as an indication of the merits of the Bonds or the Company.

Completion of the Subscription Agreement is subject to the satisfaction, or waiver, of the conditions precedent therein. In addition, the Subscription Agreement may be terminated under certain circumstances. As the issue of the Bonds may or may not be completed, shareholders of the Company and prospective investors are reminded to exercise caution when dealing in the shares of the Company.

INTRODUCTION

The Board is pleased to announce that on 28 April 2021, the Company and the Issuer entered into a Subscription Agreement with the Managers in connection with the Bonds Issue.

THE SUBSCRIPTION AGREEMENT

Date

28 April 2021

Parties to the Subscription Agreement

- (a) the Issuer as the issuer;
- (b) the Company as the guarantor; and
- (c) the Managers.

Bank of China (Hong Kong) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Mizuho Securities Asia Limited and Standard Chartered Bank are the Joint Global Coordinators, and CCB International Capital Limited, China CITIC Bank International Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, China International Capital Corporation Hong Kong Securities Limited, Crédit Agricole Corporate and Investment Bank and Industrial and Commercial Bank of China (Asia) Limited, together with the Joint Global Coordinators, are the Joint Bookrunners in respect of the offer and sale of the Bonds. To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, the Managers are independent third parties and are not connected persons of the Company.

The Bonds and the Guarantees by the Company have not been, and will not be, registered under the U.S. Securities Act. Accordingly, the Bonds are being offered or sold outside the United States in accordance with Regulation S under the U.S. Securities Act. The Bonds will not be offered to the public in Hong Kong.

PRINCIPAL TERMS OF THE BONDS

Bonds Offered

Subject to certain conditions to completion, the Issuer will issue the Series 1 Bonds and the Series 2 Bonds in an initial principal amount of U.S.\$300,000,000 and U.S.\$400,000,000, respectively. Unless previously redeemed, or purchased and cancelled, the Series 1 Bonds will mature on 6 May 2026. Unless previously redeemed, or purchased and cancelled, the Series 2 Bonds will mature on 6 May 2031. At maturity, the Bonds are payable at their principal amount plus accrued interest thereon.

Issue Price

The issue price of the Series 1 Bonds will be 99.495 per cent. and the issue price of the Series 2 Bonds will be 98.696 per cent.

Interest

The Series 1 Bonds will bear interest on their outstanding principal amount from and including 6 May 2021 at the rate of 2.000 per cent. per annum, payable semi-annually in arrear on 6 May and 6 November in each year, commencing on 6 November 2021.

The Series 2 Bonds will bear interest on their outstanding principal amount from and including 6 May 2021 at the rate of 3.125 per cent. per annum, payable semi-annually in arrear on 6 May and 6 November in each year, commencing on 6 November 2021.

Ranking of the Bonds and Guarantees

The Bonds will constitute direct, unsubordinated, unconditional and (except as described in the Terms and Conditions) unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to the Terms and Conditions, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

The Company has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deeds. The obligations of the Company under the Guarantees shall, save for such exceptions as may be provided by applicable legislation and subject to the Terms and Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Events of Default

Some of the events of default under the Terms and Conditions are summarised as follows:

- (a) default in the payment of principal or premium;
- (b) default in the payment of interest within 14 days after the due date for such payment;
- (c) the Issuer or the Company defaults in the performance of or breaches any covenant or agreement in respect of the Bonds or under the Trust Deeds or the Agency Agreements (other than a default specified in clause (a) or (b) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee;

- (d) there occurs with respect to any indebtedness of, or guaranteed by, the Issuer, the Company or any of the Company's Subsidiaries having an outstanding principal amount of U.S.\$40 million (or the dollar equivalent thereof) or more in the aggregate for all such indebtedness of all such persons, whether such indebtedness now exists or shall thereafter be created, (A) an event of default that has caused the holder hereof to declare such indebtedness to be due and payable prior to its express maturity and/or (B) the failure to make a payment of principal, interest or premium when due;
- (e) one or more final judgments or orders for the payment of money are rendered against the Issuer, the Company or any of the Company's Subsidiaries and are not paid or discharged, and there is a period of 90 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such persons to exceed U.S.\$60 million (or the dollar equivalent thereof) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (f) the Issuer, the Company or any of the Company's Subsidiaries is insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend, payment of all or a material part of (or of a particular type of) its debts, or in other similar situations as described in the Terms and Conditions;
- (g) an order is made or an effective resolution passed for (i) the termination, winding-up or dissolution, judicial management or administration of the Issuer, the Company or any of the Company's Subsidiaries or (ii) the Issuer, the Company or any of the Company's Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except (A) for the purpose of, and followed by, a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of holders of the Bonds or (B) in the case of a Subsidiary of the Company, whereby the undertaking and assets of such Subsidiary are transferred to or otherwise vested in the Company or another of its Subsidiaries;
- (h) the Beijing Municipal Government declares a moratorium on the payment of any obligations by the Beijing Municipal Government; or
- (i) the Issuer ceases to be a subsidiary wholly-owned and controlled, directly or indirectly, by the Company.

If an event of default with respect to the Series 1 Bonds or the Series 2 Bonds shall occur and be continuing, either the Trustee and if so requested in writing by the holders of at least 25 per cent. in aggregate principal amount of the respective series of the Bonds then outstanding or if so directed by an Extraordinary Resolution of holders of the respective series of the Bonds shall give notice to the Issuer that the respective series of the Bonds and any accrued and unpaid interest thereon (and any additional amount payable in respect thereof) to be due and payable immediately upon receipt of such notice.

Optional Redemption

The Issuer may, at any time upon giving not less than 30 nor more than 60 days' notice to holders of the Bonds and the Trustee and the Principal Paying Agent (which notice shall be irrevocable), redeem the Bonds, in whole but not in part, at a redemption amount equal to the Make-Whole Price, as further described in the Terms and Conditions of the respective series of the Bonds.

Specific Performance Obligation of Substantial Shareholders

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 at 101 per cent. of their principal amount (together with accrued interest) if a Change of Control Triggering Event occurs. A Change of Control Triggering Event means a Change of Control (as defined below) or, in the event that the Bonds are, on the Rating Date (as defined in the Terms and Conditions), rated Investment Grade (as defined in the Terms and Conditions) by two or more Rating Agencies (as defined in the Terms and Conditions), a Change of Control Triggering Event shall mean the occurrence of both a Change of Control and a Rating Decline (as defined in the Terms and Conditions).

A "Change of Control" occurs when:

- (a) the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality does not, directly or indirectly, through Beijing Enterprises Group Company Limited or other companies under its supervision and control, hold at least 50.1 per cent. of the Company's issued and outstanding capital stock or does not control the Company;

- (b) any person or persons acting together directly or indirectly acquires control of the Company if such person or persons does not have, and would not be deemed to have, control of the Company on the Closing Date;
- (c) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company's assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring control over the Company or the successor entity; or
- (d) one or more persons (other than any person referred to in sub-paragraph (c) above) acquires the legal or beneficial ownership of all or substantially all of the Company's issued share capital.

Please note that the disclosure of this condition is made in accordance with Rule 13.18 of the Listing Rules.

Reason for the Bonds Issue

If the Bonds are issued, the Issuer intends to on-lend the gross proceeds from the subscription of the Bonds to the Company for refinancing existing offshore indebtedness.

Listing

Application will be made to the Stock Exchange for permission to deal in the Bonds by way of debt issues to Professional Investors only. Listing of the Bonds on the Stock Exchange is not to be taken as an indication of the merits of the Bonds or the Company.

Ratings

The Bonds are expected to receive a rating of "Baa1" from Moody's and "BBB+" from S&P.

DEFINITIONS

In this announcement, capitalised terms not otherwise defined herein shall bear the same meanings ascribed to them in the Terms and Conditions. Unless the context requires otherwise, the following expressions shall have the following meanings:

- “Agency Agreements” : the agency agreements dated on or about the Closing Date between the Issuer, the Company, the Trustee and the Agents, in respect of the Series 1 Bonds and the Series 2 Bonds, respectively, as amended and/or supplemented from time to time
- “Agents” : the Principal Paying Agent, the Registrar, the Transfer Agent and any other agent or agents appointed from time to time with respect to the Bonds
- “Board” : the board of Directors of the Company
- “Bonds” : the Series 1 Bonds and Series 2 Bonds collectively
- “Bonds Issue” : the issue of the Bonds by the Issuer
- “Closing Date” : 6 May 2021
- “connected person” : has the meaning ascribed to it under the Listing Rules
- “Company” : Beijing Enterprises Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 392)
- “Directors” : the directors of the Company

“Guarantees”	:	the guarantee given by the Company with respect to the Issuer’s obligations under the Series 1 Bonds and the Series 2 Bonds, respectively
“Hong Kong”	:	the Hong Kong Special Administrative Region of the PRC
“Issuer”	:	Talent Yield International Limited (傑益國際有限公司), a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Joint Bookrunners”	:	CCB International Capital Limited, China CITIC Bank International Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, China International Capital Corporation Hong Kong Securities Limited, Crédit Agricole Corporate and Investment Bank and Industrial, Commercial Bank of China (Asia) Limited and the Joint Global Coordinators
“Joint Global Coordinators”	:	Bank of China (Hong Kong) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Mizuho Securities Asia Limited and Standard Chartered Bank
“Listing Rules”	:	Rules Governing the Listing of Securities on the Stock Exchange

“Make-Whole Price”	:	<p>in respect of each of the Series 1 Bonds, (a) the principal amount of such Bond or, if this is higher, (b) the amount equal to the sum of the present value of the principal amount of such Bond, together with the present values of the scheduled interest payments from the Optional Redemption Date to the Maturity Date in each case, discounted to the Optional Redemption Date on a semi-annual compounded basis at the adjusted U.S. Treasury Rate plus 0.20 per cent., all as determined by the Independent Investment Bank; and</p> <p>in respect of each of the Series 2 Bonds, (a) the principal amount of such Bond or, if this is higher, (b) the amount equal to the sum of the present value of the principal amount of such Bond, together with the present values of the scheduled interest payments from the Optional Redemption Date to the Maturity Date in each case, discounted to the Optional Redemption Date on a semi-annual compounded basis at the adjusted U.S. Treasury Rate plus 0.25 per cent., all as determined by the Independent Investment Bank</p>
“Managers”	:	the Joint Global Coordinators and the Joint Bookrunners
“Moody’s”	:	Moody’s Investors Service, Inc.
“PRC”	:	the People’s Republic of China
“Professional Investors”	:	as defined in Chapter 37 of the Listing Rules
“Principal Paying Agent”	:	The Bank of New York Mellon, London Branch
“Registrar” and “Transfer Agent”	:	The Bank of New York Mellon SA/NV, Dublin Branch

“Series 1 Bonds”	:	U.S.\$300,000,000 2.000 per cent. guaranteed bonds due 2026 issued by the Issuer and guaranteed by the Company
“Series 2 Bonds”	:	U.S.\$400,000,000 3.125 per cent. guaranteed bonds due 2031 issued by the Issuer and guaranteed by the Company
“Subscription Agreement”	:	the Subscription Agreement dated 28 April 2021 entered into between the Issuer, the Company and the Managers in relation to the Bonds Issue
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“Subsidiary”	:	means, in relation to the Issuer or the Company, any company (i) in which the Issuer or as the case may be, the Company holds a majority of the voting rights or (ii) of which the Issuer or, as the case may be, the Company is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer or as the case may be, the Company is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer or as the case may be, the Company
“S&P”	:	Standard & Poor Ratings Group
“Terms and Conditions”	:	the terms and conditions of the Series 1 Bonds and the Series 2 Bonds, respectively
“Trust Deeds”	:	the trust deeds dated on or about the Closing Date between the Issuer, the Company and the Trustee in respect of the Series 1 Bonds and the Series 2 Bonds, respectively, as amended and/or supplemented from time to time
“Trustee”	:	The Bank of New York Mellon, London Branch

“United States” : the United States of America

“U.S. Securities Act” : the United States Securities Act of 1933, as amended

“U.S.\$” : U.S. dollar, the lawful currency of the United States of America

By Order of the Board
Beijing Enterprises Holdings Limited
Li Yongcheng
Chairman

Hong Kong, 28 April 2021

As at the date of this announcement, the board of directors of the Company comprises Mr. Li Yongcheng (Chairman), Mr. Jiang Xinhao (Vice Chairman), Mr. Zhao Xiaodong (Vice Chairman), Mr. Dai Xiaofeng, Mr. Xiong Bin (Chief Executive Officer) and Mr. Tam Chun Fai as executive Directors; Mr. Wu Jiesi, Mr. Lam Hoi Ham, Dr. Sze Chi Ching and Dr. Yu Sun Say as independent non-executive Directors.