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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)

DISCLOSEABLE TRANSACTIONS

CAPITAL AND ASSET INJECTION PLAN INVOLVING (A) FINANCIAL ASSISTANCE TO BEIJING GAS BLUE SKY; (B) SUBSCRIPTION OF NEW SHARES IN BEIJING GAS BLUE SKY; AND (C) DISPOSAL OF THE TARGET COMPANY

CAPITAL AND ASSET INJECTION PLAN

On 26 September 2022, Beijing Gas Group and Beijing Gas Blue Sky have conditionally agreed to the proposed Capital and Asset Injection Plan, involving the Facility and Convertible Bond Subscription, the Share Subscription and the Disposal, which are inter-conditional with each other.

(A) Financial Assistance to Beijing Gas Blue Sky

Beijing Gas HK has conditionally agreed to provide Beijing Gas Blue Sky a term loan facility of HK\$700 million; and Beijing Gas HK has conditionally agreed to subscribe for and Beijing Gas Blue Sky has conditionally agreed to issue, the Convertible Bond in the aggregate principal amount of HK\$300 million, both secured by issued shares of Beijing Gas Jingtang Company Limited* (北燃京唐有限公司), a wholly-owned subsidiary of Beijing Gas Blue Sky.

(B) Subscription of New Shares in Beijing Gas Blue Sky

Beijing Gas HK has conditionally agreed to subscribe for, and Beijing Gas Blue Sky has conditionally agreed to allot and issue, 6,250,000,000 Subscription Shares at the Subscription Price of HK\$0.08 per Subscription Share for a total subscription amount of HK\$500 million.

(C) Disposal of the Target Company

Beijing Gas Group has conditionally agreed to sell and Beijing Gas Blue Sky conditionally agreed to purchase, 100% equity interest in the Target Company, at a consideration of HK\$280 million to be settled by the issue and allotment of 3,500,000,000 Consideration Shares.

Upon Completion, Beijing Gas Blue Sky will become a subsidiary of the Company and the Target Company will remain as a subsidiary of the Company. The financial results of Beijing Gas Blue Sky will be consolidated into the consolidated statements of the Company.

LISTING RULES IMPLICATIONS

The transactions under the Agreements have been aggregated for the purpose of Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios calculated in respect of the transactions under the Agreements (on aggregated basis) exceed 5% but all of them are less than 25% in accordance with Rule 14.07 of the Listing Rules, the Financial Assistance, the Share Subscription and the Disposal constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under the Listing Rules, but are exempt from the shareholders' approval requirement.

The Financial Assistance, the Share Subscription and the Disposal are inter-conditional with each other and will be subject to a number of precedent conditions, *inter alia*, the granting of the whitewash waiver by SFC; the signing and execution of the Syndicated Facility Agreement; and the approval by the independent shareholders of Beijing Gas Blue Sky, which may or may not be fulfilled.

BACKGROUND

A series of suspicious transactions identified (i.e. reviewed transactions as reported in the announcements dated 29 September 2021 and 19 April 2022 of Beijing Gas Blue Sky) has caused significant adverse effects on the business operations, financial performance, cash flows of the Beijing Gas Blue Sky Group for the two years ended 31 December 2020 and 2021. As a result, the Beijing Gas Blue Sky Group incurred one-off impairment charges of approximately HK\$3.7 billion and HK\$297 million, for the years ended 31 December 2020 and 2021 respectively. The net current liabilities of the Beijing Gas Blue Sky Group as of 31 December 2021 was HK\$2.9 billion, with total bank and other borrowings amounted to HK\$3.6 billion, of which HK\$2.2 billion were due for repayment in 2022. The auditors of Beijing Gas Blue Sky issued a disclaimer of opinion in the auditors' report for the years ended 31 December 2020 and 2021, with audit qualifications relating to the going concern of Beijing Gas Blue Sky in both years. As at 30 June 2022, the Beijing Gas Blue Sky Group's net current liabilities position still stood at HK\$2.6 billion.

The trading in shares of Beijing Gas Blue Sky had been suspended since 17 January 2021 and resumption took place on 25 July 2022. During the trading suspension, certain creditors demanded immediate repayment of loans due by the Beijing Gas Blue Sky Group. In light of this, Beijing Gas Blue Sky began to explore with Beijing Gas Group, the Controlling Shareholder of Beijing Gas Blue Sky, for potential assistance in different aspects such as strategic synergy, business support, investment and financing arrangements, talent recruitment and management enhancement to improve the Beijing Gas Blue Sky Group's financial position and business performance in the interest of its shareholders as a whole.

On 26 September 2022, Beijing Gas Group and Beijing Gas Blue Sky, have conditionally agreed to the proposed Capital and Asset Injection Plan, involving the Facility, the Convertible Bond Subscription, the Share Subscription and the Acquisition, which are inter-conditional with each other, details of which are set out in this announcement.

(A) FINANCIAL ASSISTANCE TO BEIJING GAS BLUE SKY

On 26 September 2022 (after trading hours), Beijing Gas HK and Beijing Gas Blue Sky entered into the (i) Facility Agreement, pursuant to which Beijing Gas HK agreed to provide Beijing Gas Blue Sky a term loan facility of HK\$700 million (the “**Facility**”); and (ii) Convertible Bond Subscription Agreement, pursuant to which Beijing Gas HK has conditionally agreed to subscribe for and Beijing Gas Blue Sky has conditionally agreed to issue, the Convertible Bond in the aggregate principal amount of HK\$300 million (the “**Convertible Bond**”), both secured by issued shares of Beijing Gas Jingtang Company Limited* (北燃京唐有限公司), a wholly-owned subsidiary of Beijing Gas Blue Sky.

(i) The Facility Agreement

Parties:	(i) Beijing Gas HK, as the lender; and (ii) Beijing Gas Blue Sky, as the borrower.
Amount of loan facility:	HK\$700 million.
Maturity date:	31 December 2025.
Interest rate and payment of interest:	Hong Kong Interbank Offered Rate (HIBOR) plus 2% per annum. all interest accrued shall be payable in arrears in full on the maturity date.
Default interest:	2% per annum higher than the rate which would have been payable on the overdue amount.
Repayment:	Beijing Gas Blue Sky shall repay the loan in full on the maturity date, unless in the event that the Syndicated Facility is fully repaid before the maturity date (31 December 2025) where Beijing Gas Blue Sky can opt to repay the loan in full early.

Security: the Facility shall be secured by approximately 20.92% of issued shares of Beijing Gas Jingtang Company Limited* (北燃京唐有限公司), a wholly-owned subsidiary of Beijing Gas Blue Sky, as collateral in favour of the lender.

(ii) The Convertible Bond Subscription Agreement

Parties: (i) Beijing Gas HK, as the subscriber; and
(ii) Beijing Gas Blue Sky, as the issuer.

Principal amount: HK\$300 million.

Interest rate and payment of interest: Hong Kong Interbank Offered Rate (HIBOR) plus 1.8% per annum.
all interest accrued shall be payable in arrears in full on the maturity date.

Default interest: 1.5% per annum higher than the interest rate in respect of such time period (i.e. the applicable HIBOR plus 1.8% per annum).

Maturity date: the third anniversary of the date of issue of the Convertible Bond, which may be further extended for 3 months by agreement in writing between the issuer and the bondholder.

Conversion Price: HK\$0.118 per Conversion Share.

Conversion rights: the bondholder shall have the right to convert all or part of the Convertible Bond.

Conversion Shares: based on the Conversion Price of HK\$0.118 per Conversion Share and assuming full conversion of the Convertible Bond at the Conversion Price, the Convertible Bond will be convertible into 2,542,372,881 Conversion Shares.

Conversion period: any time after the issue date of the Convertible Bond up to its maturity date as described above.

Redemption: the bondholder may require the issuer to redeem all, but not part, of such Convertible Bond at a price equal to the principal plus accrued interest upon maturity or the occurrence of (i) the delisting of shares of the issuer or suspension of trading in the shares of the issuer on the Stock Exchange for a period equal to or exceeding ten consecutive trading days; and (ii) the change of control of the issuer.

- Transferability: the Convertible Bond is not transferrable unless with the consent from the issuer at its sole discretion.
- Security: the Convertible Bond shall be secured by 8.37% of issued shares of Beijing Gas Jingtang Company Limited* (北燃京唐有限公司), a wholly-owned subsidiary of Beijing Gas Blue Sky, as collateral in favour of Beijing Gas HK.
- Listing: the Convertible Bond will not be listed. An application will be made by the issuer to the Stock Exchange for the listing of, and permission to deal in the Conversion Shares on the Stock Exchange.

Beijing Gas Jingtang Company Limited* (北燃京唐有限公司), a wholly owned subsidiary of Beijing Gas Blue Sky, indirectly owns 29% equity interest in PetroChina Jingtang LNG Co., Limited* (中石油京唐液化天然氣有限公司). PetroChina Jingtang LNG Co., Limited* is an associate of Beijing Gas Blue Sky and is principally engaged in provision of port facilities for vessels, receiving, storage and re-gasification of liquefied natural gas.

Conversion Price

The net Conversion Price, after deduction of relevant expenses, is approximately HK\$0.117 per Conversion Share.

The Conversion Price was arrived at after arm's length negotiations between Beijing Gas HK and Beijing Gas Blue Sky after taking into account the following: (i) the recent trading performance of the shares of Beijing Gas Blue Sky; (ii) the current equity capital market conditions; and (iii) the Convertible Bond is secured and carries an interest that is payable in arrears on the maturity date..

Conversion Shares

The Conversion Shares issued upon conversion of the Convertible Bond will in all respects rank pari passu with the issued shares of Beijing Gas Blue Sky. The Conversion Shares will be allotted and issued under the specific mandate to be sought for approval at the special general meeting of Beijing Gas Blue Sky.

(B) SUBSCRIPTION OF NEW SHARES IN BEIJING GAS BLUE SKY

On 26 September 2022 (after trading hours), Beijing Gas HK has entered into the Share Subscription Agreement with Beijing Gas Blue Sky, pursuant to which Beijing Gas HK has conditionally agreed to subscribe for and Beijing Gas Blue Sky has conditionally agreed to allot and issue, 6,250,000,000 Subscription Shares at the Subscription Price of HK\$0.08 per Subscription Share for a total subscription amount of HK\$500 million.

Upon Completion, the Beijing Gas Group's shareholding in Beijing Gas Blue Sky will increase to approximately 66.37% of the issued shares of Beijing Gas Blue Sky before conversion of any of the Convertible Bond and approximately 69.76% if the Convertible Bond is fully converted. Beijing Gas Blue Sky will become a subsidiary of the Company and the financial results of Beijing Gas Blue Sky will be consolidated into the consolidated statements of the Company.

Principal Terms of the Share Subscription Agreement

The principal terms of the Share Subscription Agreement are set out as follows:

- Parties: (i) Beijing Gas HK, as the subscriber; and
(ii) Beijing Gas Blue Sky, as the issuer.
- Subscription Price: HK\$0.08 per share.
- Ranking of the Subscription Shares: the Subscription Shares will rank pari passu in all respects with the issued shares of Beijing Gas Blue Sky.
- Application for listing: an application will be made by Beijing Gas Blue Sky to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Subscription Price

The net Subscription Price, after deduction of relevant expenses, is estimated to be approximately HK\$0.0796 per Subscription Share.

The Subscription Price was arrived at an arm's length negotiation between Beijing Gas HK and Beijing Gas Blue Sky after taking into account the following: (i) the recent trading performance of the shares of Beijing Gas Blue Sky; (ii) the net asset value of the Beijing Gas Blue Sky Group; (iii) the business prospects and financial position of the Beijing Gas Blue Sky Group; and (iv) the current equity capital market conditions.

Subscription Shares

The Subscription Shares shall rank pari passu in all respects with the issued shares of Beijing Gas Blue Sky and will be allotted and issued under the specific mandate to be sought for approval at the special general meeting of Beijing Gas Blue Sky.

INFORMATION ON BEIJING GAS BLUE SKY

Beijing Gas Blue Sky is a company incorporated in Bermuda with limited liability and listed on the Main Board of the Stock Exchange (stock code: 6828). Beijing Gas Blue Sky principally engaged in investment holding. The Beijing Gas Blue Sky Group is an integrated natural gas provider and distributor that offers innovative and diversified clean energy solution in the PRC. The Beijing Gas Blue Sky Group focuses on the downstream natural gas distribution business which encompasses (i) construction and operation of compressed natural gas and LNG refueling stations for vehicles; and (ii) construction of natural gas connection pipelines and supply of piped gas to industrial parks, commercial complex and residential communities.

Beijing Gas Blue Sky is directly owned as to approximately 41.13% by Beijing Gas Company Limited, a wholly own subsidiary of Beijing Gas Group.

Financial Information of the Beijing Gas Blue Sky Group

Set out below is certain financial information of the Beijing Gas Blue Sky Group (prepared in accordance with the HK GAAP), for each of the financial years ended 31 December 2020 and 31 December 2021, respectively:

	For the year ended 31 December 2020 <i>(HK\$'000)</i>	For the year ended 31 December 2021 <i>(HK\$'000)</i>
Net Asset	810,161	700,983
Loss before taxation	3,917,228	270,058
Loss after taxation	3,806,402	278,557

(C) DISPOSAL OF THE TARGET COMPANY

On 26 September 2022 (after trading hours), Beijing Gas Group entered into the Disposal Agreement with Beijing Gas Blue Sky, pursuant to which Beijing Gas Group conditionally agreed to sell and Beijing Gas Blue Sky conditionally agreed to purchase, 100% equity interest in the Target Company, at a consideration of HK\$280 million to be settled by the issue and allotment of 3,500,000,000 Consideration Shares to Beijing Gas Group or its designated wholly-owned subsidiary. It is expected that the Consideration Shares will be issued and allotted to Beijing Gas HK.

Upon Completion, Beijing Gas Blue Sky will become a subsidiary of the Company and the Target Company will remain as a subsidiary of the Company.

Principal Terms of the Disposal Agreement

The principal terms of the Disposal Agreement are set out as follows:

- Parties:
- (i) Beijing Gas Group, as the vendor; and
 - (ii) Beijing Gas Blue Sky, as the purchaser.

Target:	100% issued share capital in the Target Company, which will indirectly own 51% equity interest in the Project Company upon completion of a proposed reorganization of Beijing Gas Group.
Consideration:	HK\$280 million, which is to be satisfied by the issuance of 3,500,000,000 Consideration Shares.
Consideration Shares issue price:	HK\$0.08 per Consideration Share.

Consideration Shares Issue Price

The Consideration was determined after arm's length negotiations between Beijing Gas Group and Beijing Gas Blue Sky, having regard to the (i) prime opportunities for Beijing Gas Blue Sky to expand its city gas business into the Guangxi market, in which Beijing Gas Blue Sky currently has limited presence in the region; (ii) financial position, prospects and potential of the business of the Project Company in light of PRC government's continuous efforts in reducing pollution and carbon emissions by transiting from coal to clean energy (such as LNG); and (iii) the preliminary valuation in respect of 51% equity interest in the Project Company prepared by Jones Lang LaSalle, an independent valuer, as at 31 July 2022 based on the market approach taking into account the appropriate trading multiples of suitable comparable listed companies, with adjustment made to multiples to reflect the features of the Project Company relative to the comparable listed companies.

The issue price per Consideration Share is determined after taking into account the following: (i) the recent trading performance of the shares of Beijing Gas Blue Sky; (ii) the net asset value of the Beijing Gas Blue Sky Group; (iii) the business prospects and financial position of the Beijing Gas Blue Sky Group; and (iv) the current equity capital market conditions.

Consideration Shares

The Consideration Shares shall rank pari passu in all respects with the issued shares of Beijing Gas Blue Sky and will be allotted and issued under the specific mandate to be sought for approval at the special general meeting of Beijing Gas Blue Sky.

INFORMATION ON THE TARGET COMPANY AND PROJECT COMPANY

Basic Information

The Target Company is a wholly owned subsidiary of Beijing Gas HK that was incorporated in Hong Kong on 19 September 2022. The issued share capital of the Target Company as at the date of this announcement is HK\$110,000. The principal business of the Target Company is investment holding.

The Project Company was established in the PRC in August 2014 with a registered share capital of RMB30,000,000 and is a city gas business operator located at Teng County of Guangxi Province in the PRC. It supplies gas and provide ancillary services to residential, commercial and industrial users in its administrative region under an operating concession right of 30 years commencing from year 2016 in the region. As at the date of this announcement, Beijing Gas Group indirectly holds 51% equity interest in the Project Company. The remaining 49% equity interest in the Project Company are owned by Guangxi Heyuxiang New Energy Investment Co., Ltd* (廣西和裕祥新能源投資有限公司), a company which is ultimately beneficially owned as to 95% by Xu Lingling* (許玲玲) and as to 5% by Wang Liwei* (王立委), which and who is an independent third party(ies) to the Company. As confirmed by Beijing Gas Blue Sky, neither Guangxi Heyuxiang New Energy Investment Co., Ltd* nor its beneficial owner (including Xu Lingling* and Wang Liwei*) is a connected person of Beijing Gas Blue Sky.

Financial Information

The Target Company was incorporated in Hong Kong on 19 September 2022 with an issued share capital of HK\$110,000 as at the date of this announcement.

Set out below is certain unaudited financial information of the Project Company based on its management accounts:

	For the year ended 31 December 2020 <i>(RMB '000)</i>	For the year ended 31 December 2021 <i>(RMB '000)</i>
Net Asset	41,707	65,547
Profit before taxation	32,041	54,036
Profit after taxation	27,220	45,875

COMPLETION OF THE FINANCIAL ASSISTANCE, SHARE SUBSCRIPTION AND THE DISPOSAL

The completions of the Facility, the Convertible Bond Subscription, the Share Subscription and the Disposal are inter-conditional with each other. If any of the conditions precedent in the Facility Agreement, the Convertible Bond Subscription Agreement, the Share Subscription Agreement and the Disposal Agreement is not fulfilled or waived on or before the long stop date, these agreements shall lapse and the Financial Assistance, the Share Subscription and the Disposal will not proceed.

REASONS FOR AND BENEFITS OF THE CAPITAL AND ASSET INJECTION PLAN (INVOLVING THE FINANCIAL ASSISTANCE, THE SHARE SUBSCRIPTION AND THE DISPOSAL)

As mentioned in the section headed “Background” above, the Beijing Gas Blue Sky Group recorded net current liabilities of HK\$2.9 billion, with total bank and other borrowings amounted to HK\$3.6 billion as at 31 December 2021, of which HK\$2.2 billion are due for repayment in 2022. In addition, a further HK\$1.3 billion of bank and other borrowings were classified as current liabilities as events

of defaults due to, among others, the suspension of trading of Beijing Gas Blue Sky's shares since 18 January 2021, had occurred. Certain creditors had also demanded immediate repayment of loans due by the Beijing Gas Blue Sky Group.

As at 30 June 2022, the Beijing Gas Blue Sky Group's net current liabilities position stood at HK\$ 2.6 billion. Trading of the shares of Beijing Blue Sky has resumed on 25 July 2022, and the Capital and Asset Injection Plan is formulated to address the Beijing Gas Blue Sky Group's pressing liquidity issues, strengthen asset base and earning capability taking into account the needs of the Beijing Gas Blue Sky Group in term of its current financial position as well as its long-term development goals.

The implementation of the Capital and Asset Injection Plan will strengthen the Beijing Gas Blue Sky Group's working capital position and provide an immediate cash inflow of HK\$1.5 billion in total. Moreover, the terms in the Facility Agreement and the Convertible Bond Agreement allow Beijing Gas Blue Sky to accrue all its interest payments by paying them in full and one lump sum on the maturity dates. These allow the Beijing Gas Blue Sky Group to repay part of its existing borrowings due for immediate repayment as mentioned above as well as to retain more cash resources to service other external borrowings, and it is expected that the Beijing Gas Blue Sky Group will return to net current asset position and have a much reduced gearing.

Beijing Gas Group, the Controlling Shareholder of Beijing Gas Blue Sky, is obliged to support Beijing Gas Blue Sky by increasing its shareholding in Beijing Gas Blue Sky as part of the Capital and Asset Injection Plan and it is committed to the long-term continued growth of the Beijing Gas Blue Sky Group.

The Directors expect that the Disposal will further integrate the Group's natural gas business portfolio and asset base.

In the event the Capital and Asset Injection Plan does not materialise, Beijing Gas Blue Sky might be unable to reduce the financial risk of the Group. Any default from Beijing Gas Blue Sky may adversely affect the banking relationship and credit rating of the Company and Beijing Gas Group.

Based on the aforesaid, the Directors are of the view that the Capital and Asset Injection Plan, involving the Facility, the Convertible Bond Subscription, the Share Subscription and the Disposal were agreed upon after arm's length negotiations between the parties, and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP, BEIJING GAS GROUP AND BEIJING GAS HK

The Company is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. The Group is principally engaged in gas operation, water operation, environmental operation as well as brewery operation in the PRC. The ultimate controlling shareholder of the Company is BE Group, which is in turn ultimately and beneficially owned by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality (北京市人民政府).

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“BE Group”	Beijing Enterprises Group Company Limited* (北京控股集團有限公司), a company established in the PRC with limited liability and is the ultimate controlling shareholder of the Company;
“Beijing Gas Blue Sky”	Beijing Gas Blue Sky Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 6828);
“Beijing Gas Blue Sky Group”	Beijing Gas Blue Sky and its subsidiaries;
“Beijing Gas Group”	Beijing Gas Group Company Limited* (北京市燃氣集團有限責任公司), a company established in the PRC with limited liability, and is a wholly-owned subsidiary of the Company;
“Beijing Gas HK”	Beijing Gas Company Limited (北京燃氣有限公司), a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company;
“Board”	the board of Directors;
“Capital and Asset Injection Plan”	a financing and asset injection plan to be implemented involving the Facility, the Convertible Bond Subscription, the Share Subscription and the Disposal;
“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);
“Completion”	completion of the Financial Assistance (including the Facility and the Convertible Bond Subscription), Share Subscription and the Disposal;
“Consideration Shares”	an aggregate of 3,500,000,000 new shares of Beijing Gas Blue Sky to be allotted and issued by Beijing Gas Blue Sky to Beijing Gas Group (or its nominee in accordance with the Disposal Agreement) at the issue price of HK\$0.08 per share for full settlement of the consideration for the Disposal;
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules;

“Conversion Price”	the price per share at which the Conversion Shares will be issued upon conversion of the Convertible Bond, with the initial conversion price being HK\$0.118 per Conversion Share (subject to adjustments);
“Conversion Share(s)”	the share(s) of Beijing Gas Blue Sky to be allotted and issued by Beijing Gas Blue Sky upon conversion of the Convertible Bond;
“Convertible Bond”	the convertible bond in the principal amount of HK\$300 million due on the third anniversary of the date of issue of the Convertible Bond (as maybe agreed to further extend for 3 months) issued by Beijing Gas Blue Sky to Beijing Gas HK pursuant to the Convertible Bond Subscription Agreement;
“Convertible Bond Subscription”	the subscription of the Convertible Bond by Beijing Gas HK pursuant to terms and conditions of the Convertible Bond Subscription Agreement;
“Convertible Bond Subscription Agreement”	the convertible bond subscription agreement entered into between Beijing Gas Blue Sky and Beijing Gas HK dated 26 September 2022 in respect of the Convertible Bond Subscription;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of the Target Company by the Company pursuant to the Disposal Agreement;
“Disposal Agreement”	the disposal agreement entered into between Beijing Gas Group and Beijing Gas Blue Sky dated 26 September 2022, in respect of the Disposal;
“Facility”	the term loan facility in an aggregate amount of HK\$700,000,000 made available under the Facility Agreement;
“Facility Agreement”	the facility agreement entered into between Beijing Gas Blue Sky and Beijing Gas HK dated 26 September 2022 in respect of provision of the Facility;
“Financial Assistance”	the Facility and the Convertible Bond Subscription;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	party(ies) independent of the Directors, chief executive, substantial shareholders and management shareholders of the Company and their respective associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“Project Company”	Beijing Gas Group (Teng County) Co., Ltd* (北京燃氣集團藤縣有限公司), which is owned as to 51% by Beijing Gas Group as at the date of this announcement and as to 49% by Guangxi Heyuxiang New Energy Investment Co., Ltd,* (廣西和裕祥新能源投資有限公司);
“RMB”	Renminbi, the lawful currency of the PRC;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Share Subscription”	subscription of 6,250,000,000 new shares by Beijing Gas Group at the Subscription Price pursuant to the Share Subscription Agreement;
“Share Subscription Agreement”	the share subscription agreement entered into between Beijing Gas HK and Beijing Gas Blue Sky dated 26 September 2022 in respect of the Share Subscription;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	HK\$0.08 per Subscription Shares;
“Subscription Share(s)”	the new share(s) of Beijing Gas Blue Sky to be issued pursuant to the Share Subscription Agreement;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;

“Syndicated Facility”	a term loan facility in an aggregate amount of no less than HK\$1,000,000,000 expected to be made available by the Syndication Lenders to Beijing Gas Blue Sky for 3 years ending 31 December 2025;
“Syndicated Facility Agreement”	a facility agreement expected to be entered into by Beijing Gas Blue Sky and the Syndication Lenders no later than mid-October 2022 in respect of the Syndicated Facility;
“Syndication Lenders”	a group of banks in Hong Kong who are expected to provide the Syndicated Facility to Beijing Gas Blue Sky under the Syndicated Facility Agreement;
“Target Company”	Sapphire Gas Company Limited, a wholly owned subsidiary of Beijing Gas HK as at the date of this announcement; and
“%”	per cent.

* *For identification purposes only*

By Order of the Board
Beijing Enterprises Holdings Limited
DAI Xiaofeng
Chairman

Hong Kong, 26 September 2022

As at the date of this announcement, the board of directors of the Company comprises Mr. Dai Xiaofeng (Chairman), Mr. Jiang Xinhao (Vice Chairman), Mr. Xiong Bin (Chief Executive Officer) and Mr. Tam Chun Fai as executive directors; Mr. Wu Jiesi, Mr. Lam Hoi Ham, Dr. Yu Sun Say and Ms. Chan Man Ki Maggie as independent non-executive directors.