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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01250)**

## **DISCLOSEABLE TRANSACTION AND EXEMPTED CONNECTED TRANSACTION CAPITAL CONTRIBUTION AGREEMENTS**

### **THE FOURTH ROUND CAPITAL INCREASE**

On 26 March 2021, the Company, the Subsidiary and the Target Company, both being subsidiaries of the Company, entered into the Capital Contribution Agreements with the Fourth Round Investors, pursuant to which the Fourth Round Investors agreed to contribute new capital to the Target Company in the aggregate amount of approximately RMB1,076.17 million in return for approximately 9.14% of the enlarged capital of the Target Company.

The Target Company and its subsidiaries are principally engaged in the investment and development of photovoltaic power businesses and wind power businesses in the PRC. As at the date of this announcement, the Target Company was held as to approximately 88.31% by the Subsidiary. Upon completion of the Fourth Round Capital Increase, the Target Company will be held as to approximately 80.24% by the Subsidiary. The Target Company will continue to be accounted as a subsidiary of the Company.

## THE OPTION

On 26 March 2021, each of the Fourth Round Investors has been granted the Option under which each of the Fourth Round Investors has the right to request BENE or the Target Company to repurchase its respective equity interests in the Target Company at any time after the occurrence of any of the events detailed under the paragraph headed “The Option” in this announcement. The repurchase price shall be determined by reference to a fixed formula.

## IMPLICATIONS UNDER THE LISTING RULES

### Previous transactions

The Target Company has conducted two previous rounds of capital increase in December 2019 (the “**First Round Capital Increase**”) and July 2020 (the “**Second Round Capital Increase**”), respectively, where investors have contributed in aggregate RMB1,000 million additional capital to the Target Company (the “**First and Second Round Capital Increase**”). The First and Second Round Capital Increase, when aggregated under Rule 14.22 of the Listing Rules, constituted a major transaction for the Company. As no shareholder was interested in the Second Round Capital Increase and was required to abstain from voting should a general meeting be held to approve such transactions, the Company has sought, and a group of closely allied Shareholders then holding approximately 55.79% of the issued share capital of the Company have approved the transactions contemplated under the Second Round Capital Increase by way of a written approval pursuant to Rule 14.44 of the Listing Rules. Please refer to the announcements of the Company dated 27 December 2019 and 30 July 2020, and the circular of the Company dated 24 December 2020 for details.

In December 2020, the Target Company conducted a further round of capital increase where an independent investor (the “**Third Round Investor**”) contributed new capital in the amount of RMB100 million to the Target Company (the “**Third Round Capital Increase**”). An option has also been granted to the Third Round Investor under which it has the right to request BENE or the Target Company to repurchase its equity interests in the Target Company at any time after the occurrence of any of the prescribed events at a maximum repurchase price of RMB130 million (the “**Third Option**”). The transactions contemplated under the Third Round Capital Increase do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

### **The Fourth Round Capital Increase**

The Fourth Round Capital Increase constitutes a deemed disposal by the Company of its interests in the Target Company under Chapter 14 of the Listing Rules. Given that the Third Round Capital Increase was completed within twelve months of the Capital Increase Agreements, the Third Round Capital Increase would need to be aggregated with the Fourth Round Capital Increase under Rule 14.22 of the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Fourth Round Capital Increase, when aggregated with the Third Round Capital Increase, are more than 5% but less than 25%, the Fourth Round Capital Increase constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **The Option**

The exercise right of the Option is vested with the Fourth Round Investors. The Option will be treated as if exercised at the time of its grant pursuant to Rule 14.74(1) of the Listing Rules. Given that the applicable percentage ratios in respect of the maximum consideration payable under the Option for the equity interests of the Fourth Round Investors under the formula set out for the Option, when aggregated with the Third Option, is more than 5% but less than 25%, the Option constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **Exempted connected transaction**

As Great First, one of the Fourth Round Investors, is ultimately owned by Mr. Hu, who is an executive Director and hence a connected person of the Company, the entering into of the capital contribution agreement with Great First constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the capital increase and grant of option to Great First under the capital contribution agreement with Great First, respectively, exceeds 0.1% but is less than 5%, such transactions are only subject to the reporting and announcement requirements, and exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## THE CAPITAL CONTRIBUTION AGREEMENTS

On 26 March 2021, the Company, the Subsidiary and the Target Company, both being subsidiaries of the Company, entered into nine capital contribution agreements with the Fourth Round Investors. The principal terms of the Capital Contribution Agreements are summarised below:

### The Fourth Round Capital Increase

The Fourth Round Investors agreed to contribute new capital to the Target Company in the aggregate amount of approximately RMB1,076.17 million in return for approximately 9.14% of the enlarged capital of the Target Company. The details of the contribution by each of the Fourth Round Investors are as follows:

	<b>Amount to be contributed</b> <i>(RMB)</i>
<b>Fourth Round Investors</b>	
CCB Trust Dingxin	360,000,000
Yuhua Rongtou	100,000,000
Yuhua Investment	50,000,000
OL Zhijia	50,000,000
OL Zhitong	190,000,000
OL Zhihong	200,000,000
Great First	32,132,000
Junyuan No. 3 and Junyuan No. 5	21,848,000
Tianjin Futeng	<u>72,186,900</u>
Total	<u><u>1,076,166,900</u></u>

Of the approximately RMB1,076.17 million new capital to be contributed by the Fourth Round Investors to the Target Company, approximately RMB626.41 million will be accounted by the Target Company as registered capital and approximately RMB449.76 million will be accounted as capital reserve.

## **Subscription price**

The subscription price was determined by the parties after arm's length negotiations with reference to the existing registered capital of the Target Company, the amount of new capital to be contributed by the Fourth Round Investors as a percentage of the net asset value of the Target Company, and the future business potential of the Target Company.

## **Conditions**

The Fourth Round Capital Increase is conditional upon the satisfaction and/or waiver of the following conditions:

- (1) the Capital Contribution Agreements have been duly executed and became effective;
- (2) the representations, warranties and undertakings of the Target Company, the Company and the Subsidiary remaining true, accurate and without material omissions, and are not misleading, and that the Target Company, the Company and the Subsidiary have not been in breach of their obligations under the Capital Contribution Agreements on or prior to the date on which the conditions to the Capital Contribution Agreements have been satisfied;
- (3) there has not been any material adverse effect on the Target Company or the proposed holding of such equities in the Target Company by the relevant Fourth Round Investors prior to and including the date on which the conditions to the Capital Contribution Agreements have been satisfied, and there is no evidence that there may be such material adverse effect;
- (4) save as disclosed in the Capital Contribution Agreements, there is no encumbrances on the Target Company or its subsidiaries;
- (5) the Subsidiary and the other shareholders of the Target Company have confirmed in writing of waiving their respective pre-emption right in respect of the Fourth Round Capital Increase;
- (6) the Target Company has obtained the consents and approvals of all third parties in respect of the entering into of the Capital Contribution Agreements and the transactions contemplated under the Fourth Round Capital Increase;

- (7) the new articles of association of the Target Company has been signed by the Target Company, the Subsidiary, the Fourth Round Investors and the other shareholders of the Target Company; and
- (8) the Target Company, the Company, the Subsidiary and BENE having provided the written confirmation required under the Capital Contribution Agreements to the Fourth Round Investors.

The Company, the Subsidiary and the Target Company shall use their best endeavours to satisfy the conditions within 30 business days of the signing of the Capital Contribution Agreements.

### **Completion**

Completion of the Fourth Round Capital Increase shall take place upon the payment of the respective capital contribution in cash by each of the Fourth Round Investors to the designated account of the Target Company within 10 business days of the satisfaction and/or waiver of the conditions to the Capital Contribution Agreements.

Upon completion of the Fourth Round Capital Increase, the Target Company will continue to be accounted as a subsidiary of the Company.

### **THE OPTION**

Pursuant to the Fourth Round Capital Increase, the Option has been granted to each of the Fourth Round Investors under which each of the Fourth Round Investors shall have the right to request BENE or the Target Company to repurchase its respective equity interests in the Target Company at any time after the occurrence of any of the following events:

- (i) the Target Company is unable to complete a qualified listing of its shares (the “**Qualified Listing**”) on or before 31 March 2024 and the Target Company could not reasonably be expected to complete the Qualified Listing before 31 March 2024;

- (ii) the new accumulative losses of the Target Company have reached 20% of the net asset value of the Target Company as at 31 December 2020;
- (iii) there has been material integrity issues with the Subsidiary or the Company, in particular if there has been any off-book cash sales income of the Target Company without the knowledge of the Fourth Round Investors;
- (iv) the actual control of the Target Company (that is, 北京市人民政府國有資產監督管理委員會 (the State-owned Assets Supervision and Administration Commission of the Beijing Municipal People's Government\*)) has changed, save and except for any transfers due to the needs of the state-owned assets supervision and management agency;
- (v) there has been material changes to the core business of the Target Company;
- (vi) the Target Company has conducted transactions or provided guarantees to related parties that are detrimental to the interests of the Fourth Round Investors, save and except for matters to which consents have been granted by the Fourth Round Investors;
- (vii) the Target Company is unable to distribute dividends in accordance with the resolutions of its shareholders;
- (viii) any statements and guarantees made by the Target Company, the Subsidiary and the Company in the relevant Capital Contribution Agreement (and supplemental agreement, if any), have been found to be untrue, incomplete, inaccurate or misleading, or the Target Company, the Subsidiary and the Company failed to fulfill their obligations in the Capital Contribution Agreement (and supplemental agreement, if any), causing significant losses to the Fourth Round Investors;
- (ix) the Target Company has entered into receivership or bankruptcy proceedings; and
- (x) the Company, the Subsidiary and the Target Company have materially failed to complete the rectification matters set out in the relevant Capital Contribution Agreement within the agreed time limit.

## **Premium for the Option**

No premium is payable by the Fourth Round Investors for the Option.

## **Repurchase price**

The repurchase price of the equities under the Option shall be determined by the parties in accordance with the formula:

Repurchase price = the aggregate investment amount x (1 + 10% x investment period<sup>#</sup>/365 days)-profit distribution received by investors

<sup>#</sup> *Investment period refers to the number of days from the day of completion of the Fourth Round Capital Increase to the date when BENE or the Target Company paid the repurchase price to the relevant Fourth Round Investors in full.*

Based on the above formula and on the basis of the capital contributed by the Fourth Round Investors to the Target Company of approximately RMB1,076.17 million, the maximum repurchase price that may be payable if the Option is exercised on 31 March 2024 would be approximately RMB1,399.02 million. In particular, the maximum repurchase price that may be payable to Great First would be approximately RMB41.77 million.

## **Payment of the repurchase price**

BENE or the Target Company shall pay the repurchase price within 30 business days after the receipt of the notice for the exercise of the Option.

## **Guarantee**

The Company shall guarantee the obligations of the Subsidiary, the Target Company and BENE under the transactions contemplated under the Fourth Round Capital Increase.

## EXEMPTED CONNECTED TRANSACTION

Great First, one of the Fourth Round Investors, is ultimately owned by Mr. Hu, an executive Director of the Company. The entering into of the capital contribution agreement by Great First in the Fourth Round Capital Increase constitutes a connected transaction for the Company for the purpose of Chapter 14A of the Listing Rules. Therefore, Mr. Hu is considered to be interested in the Fourth Round Capital Increase and has abstained from voting at the Board meeting to approve the Fourth Round Capital Increase.

## INFORMATION ON THE TARGET COMPANY

The Target Company was established on 12 November 2015 in the PRC with limited liability. As at the date of this announcement, the registered capital of the Target Company was approximately RMB6,228.2 million and it was owned as to approximately 88.31% by the Subsidiary. The Target Company and its subsidiaries are principally engaged in the investment and development of photovoltaic power businesses and wind power businesses in the PRC.

The changes to the shareholding of the Target Company before and after the Third Round Capital Increase and the Fourth Round Capital Increase are as follows:

	Upon completion of the First and Second Round Capital Increase	Upon completion of the Third Round Capital Increase and as at the date of this announcement	Immediately upon completion of the Fourth Round Capital Increase
	%	%	%
<b>Shareholders</b>			
<b>the Subsidiary</b>	89.25	88.31	80.24
<b>the First Round Investors</b>			
– 天津市平安消費科技投資合夥企業(有限合夥)(Tianjin Ping An Consumption Technology Investment Partnership Enterprise (Limited Partnership)*)	5.64	5.59	5.08

<b>Shareholders</b>	<b>Upon completion of the First and Second Round Capital Increase</b>	<b>Upon completion of the Third Round Capital Increase and as at the date of this announcement</b>	<b>Immediately upon completion of the Fourth Round Capital Increase</b>
	%	%	%
– 嘉興智精投資合夥企業(有限合夥)(Jiaxing Zhijing Investment Partnership Enterprise (Limited Partnership)*)	0.38	0.38	0.34
– 嘉興智精恒錦投資合夥企業(有限合夥)(Jiaxing Zhijing Hengjin Investment Partnership Enterprise (Limited Partnership)*)	0.32	0.31	0.29
– 嘉興智精恒睿投資合夥企業(有限合夥)(Jiaxing Zhijing Hengrui Investment Partnership Enterprise (Limited Partnership)*)	0.11	0.11	0.10
<b>the Second Round Investors</b>			
– 深圳市海匯全贏投資諮詢合夥企業(有限合夥)(Shenzhen Haihui Quanying Investment Consulting Partnership Enterprise (Limited Partnership)*)	1.07	1.06	0.97
– 啟鷺(廈門)股權投資合夥企業(有限合夥)(Qilu (Xiamen) Equity Investment Partnership Enterprise (Limited Partnership)*)	3.23	3.19	2.90
<b>the Third Round Investor</b>	–	1.05	0.96
<b>the Fourth Round Investors</b>			
– CCB Trust Dingxin	–	–	3.06
– Yuhua Rongtou	–	–	0.85
– Yuhua Investment	–	–	0.42
– OL Zhijia	–	–	0.42
– OL Zhitong	–	–	1.61
– OL Zhihong	–	–	1.70
– Great First	–	–	0.27

<b>Shareholders</b>	<b>Upon completion of the First and Second Round Capital Increase %</b>	<b>Upon completion of the Third Round Capital Increase and as at the date of this announcement %</b>	<b>Immediately upon completion of the Fourth Round Capital Increase %</b>
– Junyuan No. 3	–	–	0.13
– Junyuan No. 5	–	–	0.05
– Tianjin Futeng	–	–	0.61
Total	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

The financial results of the Target Company for each of the two years ended 31 December 2018 and 2019 (prepared under the PRC GAAP) are as follows:

	<b>For the year ended 31 December</b>	
	<b>2018 (unaudited) RMB' million</b>	<b>2019 (unaudited) RMB' million</b>
Net profit before tax	1,453.5	1,133.6
Net profit after tax	1,322.6	1,025.6

The unaudited net asset value of the Target Company as at 30 September 2020 was RMB11,755.24 million.

Upon completion of the Fourth Round Capital Increase, the equity interest of the Company (through the Subsidiary) in the Target Company will decrease from approximately 88.31% to approximately 80.24%. As such, the Target Company will remain as a subsidiary of the Company and its financial results, assets, liabilities and cash flows will continue to be consolidated in the Company's consolidated financial statements. As the Fourth Round Capital Increase will not result in the Company's loss of control over the Target Company, the Fourth Round Capital Increase will be accounted for as an equity transaction and will not result in the recognition of any gain or loss in the Company's consolidated statement of profit or loss and other comprehensive income.

The proceeds from the Fourth Round Capital Increase will be applied for the development of the Target Company's businesses, as general working capital of the Group, and/or other purposes as agreed by the Fourth Round Investors.

## **MATERIAL ASSET REORGANISATION OF THE TARGET COMPANY**

Reference is made to the announcement of the Company dated 15 March 2021 where it was announced that the Target Company and the Subsidiary have entered into an agreement of intent on material asset reorganisation ("**Agreement of Intent**") with SEC Electric Machinery Co., Ltd. ("**SEC Electric**").

Pursuant to the proposed asset reorganisation under the Agreement of Intent, the Target Company will become a subsidiary of SEC Electric and the Company will become the controlling shareholder of SEC Electric (the "**Proposed Transaction**"). The Proposed Transaction, if materialised, will constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules and a spin-off of the Target Company by the Company under Practice Note 15 to the Listing Rules. As of the date of this announcement, no formal application has been made by the Company to any securities exchange. The Proposed Transaction of the Target Company would need to be consulted and approved by BEWG, the single largest shareholder of the Company, and the Board of the Company. Should the Company proceed with such plan, the Company will comply with the requirements of the Listing Rules in respect of the Proposed Transaction.

## **INFORMATION ON THE PARTIES**

### **The Company and the Group**

The principal activity of the Company is investment holding. The Group is principally engaged in the investment, development, construction, operation and management of photovoltaic power businesses, wind power businesses and clean heat supply businesses in the PRC.

### **The Subsidiary**

The Subsidiary is an indirect wholly-owned subsidiary of the Company and is principally engaged in the business of investment holding.

### **The Target Company**

The Target Company is a non-wholly owned subsidiary of the Company and is principally engaged in the investment and development of photovoltaic power businesses and wind power businesses in the PRC. It was owned as to approximately 88.31% by the Subsidiary as at the date of this announcement.

### **BENE**

BENE is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding, trading of equipment and provision of consultancy services.

### **The Third Round Investor**

The Third Round Investor, namely 橙葉智成(淄博)股權投資合夥企業(有限合夥)(Orange Leaf Zhicheng (Zibo) Equity Investment Partnership Enterprise (Limited Partnership)\*), is a limited partnership established in the PRC and a private equity fund managed by 北京橙葉投資基金管理有限公司 (Beijing Orange Leaf Investment Fund Management Co., Ltd.\*) (“**OL Management**”). It is principally engaged in equity investment and asset management. The Third Round Investor is owned as to (i) 99.01% by 中國投融資擔保股份有限公司 (China National Investment & Guaranty Corporation\*) (“**CNIG**”) (a company established in the PRC with limited liability whose shares are listed on the National Equities Exchange and Quotations System (The New Third Board)\* (全國中小企業股份轉讓系統(新三板)) (Stock Code: 834777)); and (ii) 0.99% by OL Management.

The controlling shareholder of CNIG is 國家開發投資集團有限公司 (State Development and Investment Corporation\*) which in turn is wholly owned by 國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the State Council\*).

The general partner of the Third Round Investor is OL Management, which in turn is owned as to 55% by 趙自闢 (Zhao Zichuang\*) and 45% by 顏博 (Yan Bo\*).

To the best knowledge of the Directors, having made reasonable enquiry, the Third Round Investor and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

### **The Fourth Round Investors**

The Fourth Round Investors comprise ten entities, namely

(i) CCB Trust Dingxin

CCB Trust Dingxin is a limited partnership established in the PRC and a private equity fund managed by 建信(北京)投資基金管理有限責任公司 (CCB Trust (Beijing) Investment Fund Management Co., Ltd.\*) (“**CCB Trust Management**”). It is principally engaged in the provision of investment management and consultancy services. CCB Trust Dingxin is owned as to (i) approximately 65.52% interest by CCB Trust Management; and (ii) approximately 34.48% interest by 建信信託有限責任公司 (CCB Trust Fiduciary Co., Ltd.\*) (“**CCB Trust Fiduciary**”).

CCB Trust Management is wholly owned by CCB Trust Fiduciary. CCB Trust Fiduciary is owned as to (i) 67% interest by 中國建設銀行股份有限公司 (China Construction Bank Corporation\*) (a joint stock limited company established in the PRC and the A shares and H shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601939.SH) and the Stock Exchange (Stock Code: 00939.HK), respectively); and (ii) 33% interest by 合肥市人民政府國有資產監督管理委員會 (the State-owned Assets Supervision and Administration Commission of the Hefei City People’s Government\*).

The controlling shareholder of SEC Electric, namely 寧波君拓企業管理有限公司 (Ningbo Juntuo Enterprise Management Co., Ltd.\*), is owned as to approximately 99.99% interest by Minmetals Yuanding. Minmetals Yuanding is owned as to approximately 43.48% interest by CCB Trust Management.

(ii) Yuhua Rongtou

Yuhua Rongtou is a limited partnership established in the PRC and is principally engaged in equity investment and provision of consultancy services. Yuhua Rongtou is owned as to (i) approximately 49.998% interest by 中航資本產業投資有限公司 (China Aviation Emerging Industry Investment Co., Ltd.\*) (“**AVIC Investment**”); (ii) approximately 49.998% interest by 中航國際租賃有限公司 (AVIC International Leasing Co., Ltd.\*) (“**AVIC Leasing**”); and (iii) approximately 0.004% interest by 北京譽華基金管理有限公司 (Beijing Yuhua Fund Management Co., Ltd.\*) (“**Yuhua Management**”).

The ultimate beneficial owner of AVIC Investment and AVIC Leasing is 中航資本控股股份有限公司 (AVIC Capital Co., Ltd.\*) (a company established in the PRC with limited liability and the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600705.SH)) (“**AVIC Capital**”).

The general partner of Yuhua Rongtou is Yuhua Management, which in turn is owned as to (i) 40% interest by 華岳景知(北京)信息諮詢有限公司 (Huayue Jingzhi (Beijing) Information Consulting Co., Ltd.\*) (“**Huayue Jingzhi**”); (ii) 30% interest by AVIC Capital; and (iii) 30% interest by 南方建信投資有限公司 (Southern CCB Trust Investment Co., Ltd.\*) (“**Southern CCB Trust**”). The ultimate beneficial owners of Huayue Jingzhi is 戢强 (Ji Qiang\*) and 王迪明 (Wang Diming\*). The controlling shareholder of Southern CCB Trust is CCB Trust Management.

(iii) Yuhua Investment

Yuhua Investment is a limited partnership established in the PRC and is principally engaged in equity investment and provision of investment management and consultancy services. Yuhua Investment is owned as to (i) 30% interest by 南昌市紅谷灘城市投資集團有限公司 (Nanchang Honggutan City Investment Group Co., Ltd.\*); (ii) 28.9% interest by AVIC Investment; (iii) 25% interest by 江西紅谷灘金融控股有限公司 (Jiangxi Honggutan City Financial Holdings Co., Ltd.\*); (iv) 15% interest by 南昌大道投資有限責任公司 (Nanchang Dadao Investment Co., Ltd.\*); (v) 1% interest 南昌市紅谷灘新區航譽股權投資有限公司 (Nanchang Honggutan New District Hangyu Equity Investment Co., Ltd.\*); and (vi) 0.1% interest by Yuhua Management.

The controlling shareholder of Yuhua Investment is 南昌市紅谷灘新區管理委員會 (Nanchang Honggutan New District Management Committee\*). The general partner of Yuhua Investment is Yuhua Management.

(iv) OL Zhijia

OL Zhijia is a limited partnership established in the PRC and is principally engaged in investment holdings. OL Zhijia is owned as to (i) 59% interest by 北京長安中聯科技有限公司 (Beijing Changan Zhonglian Technology Co., Ltd.\*) (“**Zhonglian Technology**”); (ii) 40% interest by 上海經石投資管理中心(有限合夥)(Shanghai Jingshi Investment Management Center (Limited Partnership)\*) (“**Jingshi Investment**”); and (iii) 1% interest by OL Management.

Zhonglian Technology is owned as to 60% interest by 顏博 (Yan Bo\*) and 40% interest by 鐘小明 (Zhong Xiaoming\*). The ultimate beneficial owner of Jingshi Investment is 徐工集團工程機械股份有限公司 (XCMG Construction Machinery Co., Ltd.\*) (a company established in the PRC with limited liability and the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000425.SZ)).

The general partner of OL Zhijia is OL Management.

(v) OL Zhitong

OL Zhitong is a limited partnership established in the PRC and is principally engaged in equity investment, investment management and asset management. OL Zhitong is owned as to (i) 50% interest by OL Management; and (ii) 50% interest by 代小嬋 (Dai Xiaochan\*).

The general partner of OL Zhitong is OL Management.

(vi) OL Zhihong

OL Zhihong is a limited partnership established in the PRC and is principally engaged in equity investment, investment management and asset management. OL Zhihong is owned as to (i) 50% interest by OL Management; and (ii) 50% interest by 代小嬋 (Dai Xiaochan\*).

The general partner of OL Zhihong is OL Management.

(vii) Great First

Great First is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. It is wholly owned by Mr. Hu, an executive Director and is a connected person of the Company for the purpose of Chapter 14A of the Listing Rules.

As at the date of this announcement, Great First owned approximately 8.33% interest in 北控風力發電有限公司 (Beijing Enterprises Wind Power Generation Company Limited\*) (“**BE Wind**”), a subsidiary of the Company.

(viii) Junyuan No. 3

Junyuan No. 3 is a limited partnership established in the PRC and is principally engaged in equity investment and provision of consultancy services. It is owned as to 99.9% interest by 王潔 (Wang Jie\*) and 0.1% interest by 北京鈞源資本投資管理有限公司 (Beijing Junyuan Capital Investment Management Co., Ltd.\*) (“**Junyuan Management**”).

As at the date of this announcement, Junyuan No. 3 owned approximately 4.17% interest in BE Wind.

(ix) Junyuan No. 5

Junyuan No. 5 is a limited partnership established in the PRC and is principally engaged in equity investment and provision of consultancy services. It is owned as to (i) 23.4% interest by 洪亞郎 (Hong Yalang\*); (ii) 21.57% interest by 王博 (Wang Bo\*); (iii) 20.83% interest by 鄭賢超 (Zheng Xianchao\*); (iv) 15.60% interest by 柳建都 (Liu Jiandu\*); (v) 12.50% interest by 林建東 (Lin Jiandong\*) and 6.10% by Junyuan Management.

As at the date of this announcement, Junyuan No. 5 owned approximately 2% interest in 北控清潔能源電力有限公司 (Beijing Enterprises Clean Energy Electricity Company Limited\*), a subsidiary of the Company.

(x) Tianjin Futeng

Tianjin Futeng is a limited partnership established in the PRC and is principally engaged in provision of corporate management and consultancy services. Tianjin Futeng is owned as to 60% interest by 李海明 (Li Haiming\*) and 40% interest by 王文濤 (Wang Wentao\*). Li Haiming is a director of certain insignificant subsidiaries (as defined in Rule 14A.09 of the Listing Rules) of the Group.

To the best knowledge of the Directors, having made reasonable enquiry, save for Great First which is ultimately beneficially owned by Mr. Hu, an executive Director of the Company, each of the Fourth Round Investors and their ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

## **REASONS FOR AND BENEFIT OF THE ENTERING INTO OF THE CAPITAL CONTRIBUTION AGREEMENTS**

The Fourth Round Capital Increase will serve to further enhance the capital structure of the Target Company for its future business development, further improve the asset liability structure of the Target Company, increase its debt capacity for future new projects and reduce the financial risks of the Group.

Given that the Fourth Round Capital Increase was made after arm's length negotiations, the Directors (including the independent non-executive Directors and excluding Mr. Hu) consider that the Capital Contribution Agreements and the transactions contemplated thereunder were entered into under normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

### **Previous transactions**

The Target Company has conducted two previous rounds of capital increase in December 2019 (the “**First Round Capital Increase**”) and July 2020 (the “**Second Round Capital Increase**”), respectively, where investors have contributed in aggregate RMB1,000 million additional capital to the Target Company (the “**First and Second Round Capital Increase**”). The First and Second Round Capital Increase, when aggregated under Rule 14.22 of the Listing Rules, constituted a major transaction for the Company. As no shareholder was interested in the Second Round Capital Increase and was required to abstain from voting should a general meeting be held to approve such transactions, the Company has sought, and a group of closely allied Shareholders then holding approximately 55.79% of the issued share capital of the Company have approved the transactions contemplated under the Second Round Capital Increase by way of a written approval pursuant to Rule 14.44 of the Listing Rules. Please refer to the announcements of the Company dated 27 December 2019 and 30 July 2020, and the circular of the Company dated 24 December 2020 for details.

In December 2020, the Target Company conducted a further round of capital increase where an independent investor (the “**Third Round Investor**”) contributed new capital in the amount of RMB100 million to the Target Company (the “**Third Round Capital Increase**”). An option has also been granted to the Third Round Investor under which it has the right to request BENE or the Target Company to repurchase its equity interests in the Target Company at any time after the occurrence of any of the prescribed events at a maximum repurchase price of RMB130 million (the “**Third Option**”). The transactions contemplated under the Third Round Capital Increase do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

## **The Fourth Round Capital Increase**

The Fourth Round Capital Increase constitutes a deemed disposal by the Company of its interests in the Target Company under Chapter 14 of the Listing Rules. Given that the Third Round Capital Increase was completed within twelve months of the Capital Increase Agreements, the Third Round Capital Increase would need to be aggregated with the Fourth Round Capital Increase under Rule 14.22 of the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Fourth Round Capital Increase, when aggregated with the Third Round Capital Increase, are more than 5% but less than 25%, the Fourth Round Capital Increase constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **The Option**

The exercise right of the Option is vested with the Fourth Round Investors. The Option will be treated as if exercised at the time of its grant pursuant to Rule 14.74(1) of the Listing Rules. Given that the applicable percentage ratios in respect of the maximum consideration payable under the Option for the equity interests of the Fourth Round Investors under the formula set out for the Option, when aggregated with the Third Option, is more than 5% but less than 25%, the Option constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **Exempted connected transaction**

As Great First, one of the Fourth Round Investors, is ultimately owned by Mr. Hu, who is an executive Director and hence a connected person of the Company, the entering into of the capital contribution agreement with Great First constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As certain applicable percentage ratio (as defined under the Listing Rules) in respect of the capital increase and grant of option to Great First under the capital contribution agreement with Great First, respectively, exceeds 0.1% but is less than 5%, such transactions are only subject to the reporting and announcement requirements, and exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## GENERAL

**Completion of the Capital Contribution Agreements is subject to fulfillment of conditions as set out in the paragraph headed “Conditions” in this announcement. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“BENE”	北京北控光伏科技發展有限公司 (Beijing Enterprises New Energy Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;
“BEWG”	Beijing Enterprises Water Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 371);
“Board”	the board of the Company;
“Capital Contribution Agreements”	nine agreements dated 26 March 2021 between, the Company, the Subsidiary, the Target Company and the Fourth Round Investors;
“CCB Trust Dingxin”	蕪湖建信鼎信投資管理中心(有限合夥)(Wuhu CCB Trust Dingxin Investment Management Centre (Limited Partnership)*), a limited partnership established in the PRC, one of the Fourth Round Investors;

“Company”	Beijing Enterprises Clean Energy Group Limited (北控清潔能源集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 01250);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Fourth Round Capital Increase”	the subscription of new capital in the Target Company by the Fourth Round Investors, the particulars of which are set out in the paragraph headed “The Fourth Round Capital Increase” in this announcement;
“Fourth Round Investors”	CCB Trust Dingxin, Yuhua Rongtou, Yuhua Investment, OL Zhijia, OL Zhitong, OL Zhihong, Great First, Junyuan No.3 and Junyuan No. 5, and Tianjin Futeng;
“Great First”	Great First (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, one of the Fourth Round Investors;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Junyuan No. 3”	寧波梅山保稅港區鈞源三號股權投資合夥企業(有限合夥)(Ningbo Meishan Free Trade Zone Junyuan No. 3 Equity Investment Partnership Enterprise (Limited Partnership)*), a limited partnership established in the PRC, one of the Fourth Round Investors;

“Junyuan No. 5”	寧波梅山保稅港區鈞源五號股權投資合夥企業(有限合夥)(Ningbo Meishan Free Trade Zone Junyuan No. 5 Equity Investment Partnership Enterprise (Limited Partnership)*), a limited partnership established in the PRC, one of the Fourth Round Investors;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Minmetals Yuanding”	五礦元鼎股權投資基金(寧波)合夥企業(有限合夥)(Minmetals Yuanding Equity Investment Fund (Ningbo) Partnership Enterprise (Limited Partnership)*), a limited partnership established in the PRC;
“Mr. Hu”	Mr. Hu Xiaoyong, who is an executive Director of the Company and hence a connected person of the Company;
“OL Zhihong”	橙葉智鴻(淄博)股權投資合夥企業(有限合夥)(Orange Leaf Zhihong (Zibo) Equity Investment Partnership Enterprise (Limited Partnership)*), a limited partnership established in the PRC, one of the Fourth Round Investors;
“OL Zhijia”	橙葉志嘉(淄博)股權投資基金中心(有限合夥)(Orange Leaf Zhijia (Zibo) Equity Investment Fund Centre (Limited Partnership)*), a limited partnership established in the PRC, one of the Fourth Round Investors;
“OL Zhitong”	橙葉智通(淄博)股權投資合夥企業(有限合夥)(Orange Leaf Zhitong (Zibo) Equity Investment Partnership Enterprise (Limited Partnership)*), a limited partnership established in the PRC, one of the Fourth Round Investors;
“Option”	the option granted to the Fourth Round Investors, the particulars of which are set out in the paragraph headed “The Option” in this announcement;

“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	天津富清投資有限公司 (Tianjin Fuqing Investment Co., Ltd.*), a limited liability company established in the PRC, a wholly-owned subsidiary of the Company;
“Target Company”	天津北清電力智慧能源有限公司 (Tianjin Beiqing Electric Smart Energy Co., Ltd.*), a limited liability company established in the PRC, a non-wholly owned subsidiary of the Company as at the date of this announcement;
“Tianjin Futeng”	天津富騰企業管理合夥企業(有限合夥)(Tianjin Futeng Enterprise Management Partnership (Limited Partnership)*), a limited partnership established in the PRC, one of the Fourth Round Investors;
“Yuhua Investment”	南昌市紅谷灘新區航投譽華股權投資中心(有限合夥)(Nanchang Honggutan New District Hangtou Yuhua Equity Investment Centre (Limited Partnership)*), a limited partnership established in the PRC, one of the Fourth Round Investors;

“Yuhua Rongtou”

譽華融投聯動(廈門)投資合夥企業(有限合夥)(Yuhua Rongtou Linkage (Xiamen) Investment Partnership Enterprise (Limited Partnership)\*), a limited partnership established in the PRC, one of the Fourth Round Investors; and

“%”

per cent.

By Order of the Board  
**Beijing Enterprises Clean Energy Group Limited**  
**Hu Xiaoyong**  
*Chairman*

Hong Kong, 26 March 2021

*As at the date of this announcement, the Board comprises seven Directors, namely Mr. Hu Xiaoyong, Mr. Shi Xiaobei, Mr. Tan Zaixing and Ms. Huang Danxia as executive Directors; and Mr. Li Fujun, Mr. Xu Honghua and Mr. Chiu Kung Chik as independent non-executive Directors.*

\* *for identification purposes only.*