

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**北控清潔能源集團有限公司**

BEIJING ENTERPRISES CLEAN ENERGY GROUP LIMITED

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

**(Stock Code: 01250)**

## **DISCLOSEABLE TRANSACTION FINANCE LEASE ARRANGEMENT**

### **THE FINANCE LEASE AGREEMENT**

On 13 July 2021, ZNXY, as lessee, entered into the Finance Lease Agreement with TP Leasing, as lessor, pursuant to which TP Leasing shall purchase the Leased Assets from ZNXY for a total consideration of RMB500,000,000. The Leased Assets would then be leased to ZNXY for a term of 10 years. The ownership of the Leased Assets under the Finance Lease Agreement will be vested in TP Leasing throughout the lease period. At the end of the lease period and subject to payments by ZNXY of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB1 for the Leased Assets, the ownership of the Leased Assets will be vested in ZNXY.

### **IMPLICATIONS UNDER THE LISTING RULES**

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreement and the transactions contemplated therein is more than 5% and all of the applicable percentage ratios are below 25%, the entering into of the Finance Lease Agreement and the transactions contemplated therein constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **THE FINANCE LEASE AGREEMENT**

On 13 July 2021, ZNXY, as lessee, entered into the Finance Lease Agreement with TP Leasing, as lessor, pursuant to which TP Leasing shall purchase the Leased Assets from ZNXY for a total consideration of RMB500,000,000. The Leased Assets would then be leased to ZNXY for a term of 10 years. The ownership of the Leased Assets under the Finance Lease Agreement will be vested in TP Leasing throughout the lease period. At the end of the lease period and subject to payments by ZNXY of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB1 for the Leased Assets, the ownership of the Leased Assets will be vested in ZNXY.

### **Date**

13 July 2021

### **Parties**

Lessor: TP Leasing

Lessee: ZNXY

The Finance Lease Agreement comprised (i) the purchase of the Leased Assets by TP Leasing from ZNXY; and (ii) the lease arrangements, details of which are set out below.

### **Sale and purchase arrangements**

Pursuant to the Finance Lease Agreement, TP Leasing shall purchase the Leased Assets from ZNXY for a total consideration of RMB500,000,000. The consideration to be paid by TP Leasing was determined after arm's length negotiations between parties to the Finance Lease Agreement by reference to the prevailing market price of the Leased Assets.

The payment of the consideration is conditional upon the fulfilment of certain conditions under the Finance Lease Agreement, including, among others, TP Leasing having received the relevant documentary proof for confirming (i) the ownership of the Leased Assets; and (ii) completion of the applicable registration procedures in respect of certain of the pledges and guarantee as mentioned in the third paragraph under the section headed “Lease payments” below.

### **Lease back arrangements**

Pursuant to the Finance Lease Agreement, TP Leasing agreed to lease the Leased Assets to ZNXY for a term of 10 years. The commencement date(s) of the finance lease period shall be notified by TP Leasing in writing.

### **Lease payments**

Pursuant to the Finance Lease Agreement, the total estimated aggregate lease payments payable by ZNXY to TP Leasing shall be RMB644,875,318, being the principal lease cost of RMB500,000,000 plus the estimated aggregate interest of RMB144,875,318.

The principal lease cost and the estimated aggregate interest shall be payable in 40 quarterly instalments. The interests are calculated at a floating rate and shall be adjusted with reference to the loan prime rate for loans with a maturity of above 5 years as promulgated by the National Interbank Funding Centre under the authority of the People’s Bank of China from time to time plus a premium.

The obligations of ZNXY under the Finance Lease Agreement shall be secured by, among others, (a) a pledge of 100% equity interest in ZNXY; (b) a corporate guarantee from Beijing Smart; and (c) pledges on the electricity bill receivables by ZNXY.

### **Security deposit**

The agreed security deposit payable by ZNXY for the Finance Lease Agreement to TP Leasing is RMB16,150,000, which is non-interest bearing. TP Leasing is entitled to apply the security deposit to settle part of or all the last instalment of the lease payments and other payments under the Finance Lease Agreement. Remaining security deposit thereafter shall be refunded to ZNXY by TP Leasing upon the full performance of the obligations under the Finance Lease Agreement by ZNXY.

## **Ownership of the Leased Assets**

The ownership of the Leased Assets under the Finance Lease Agreement will be vested in TP Leasing throughout the lease period. At the end of the lease period and subject to payments by ZNXY of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB1 for the Leased Assets, the ownership of the Leased Assets will be vested in ZNXY.

The estimated aggregate lease payments under the Finance Lease Agreement were determined after arm's length negotiations between parties to the Finance Lease Agreement by reference to the principal amounts of the lease and the prevailing market interest rate for finance lease of comparable machines, equipment and ancillary facilities.

## **REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENT**

The Finance Lease Agreement and the transactions contemplated therein have been agreed under normal commercial terms and after arm's length negotiations between the relevant parties and provide the Group with long-term financial resources for the development and operation of the photovoltaic power plant project. The Directors therefore consider that the terms of the Finance Lease Agreement and the transactions contemplated therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE LEASED ASSETS**

As at 31 May 2021, the unaudited book value (prepared under the PRC GAAP) of the Leased Assets was approximately RMB500,000,000. The Leased Assets did not record any revenue or net profits (both before and after taxation) for the years ended 31 December 2019 and 2020.

It is expected that according to the Hong Kong Financial Reporting Standards, the transactions contemplated under the Finance Lease Agreement shall be accounted for as financing arrangements and therefore would not give rise to any gain or loss.

## **INFORMATION OF THE COMPANY, THE GROUP AND BEIQING SMART**

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.

Beiqing Smart is an indirect non-wholly owned subsidiary of the Company. It is principally engaged in the investment and development of photovoltaic power businesses and wind power businesses in the PRC.

## **INFORMATION OF THE LESSEE**

ZNXY is an indirect non-wholly owned subsidiary of the Company and indirect wholly-owned subsidiary of Beiqing Smart. It is principally engaged in the development and operation of photovoltaic power plants.

## **INFORMATION OF THE LESSOR**

TP Leasing is a financial leasing company established in the PRC. As at the date of this announcement, TP Leasing is owned as to (i) 50% interest by 太平人壽保險有限公司 (Taiping Life Insurance Co., Ltd.\*) (“**Taiping Life**”); and (ii) 50% interest by 中國石油化工集團有限公司 (China Petrochemical Corporation\*) (“**Sinopec Group**”).

Taiping Life is a company established in the PRC with limited liability. As at the date of this announcement, Taiping Life is owned as to (i) approximately 75.1% interest by China Taiping Insurance Holdings Company Limited (“**China Taiping**”); (ii) approximately 12.45% interest by Ageas Insurance International N.V. (比利時富傑保險國際股份有限公司) (“**Ageas N.V.**”); and (iii) approximately 12.45% interest by Goldpark International Investment BVBA (金柏國際投資有限公司) (“**Goldpark International**”).

China Taiping is a licensed financial institution established in the PRC whose shares are listed on the main board of the Stock Exchange (Stock Code: 00966). The principal activities of China Taiping and its subsidiaries include the underwriting of direct life insurance business in the PRC, Hong Kong, Macau and Singapore, direct property and casualty insurance business in the PRC, Hong Kong and overseas, pension and group life business, and all classes of global reinsurance business. Based on publicly available information, the substantial shareholders who hold 5% or more interest in China Taiping is 中國太平保險集團有限責任公司 (China Taiping Insurance Group Ltd.\*) (“**Taiping Group**”), which holds approximately 60.73% interest therein. The ultimate beneficial owner of Taiping Group is 中華人民共和國財政部 (the Ministry of Finance of the People’s Republic of China\*).

Ageas N.V. is owned by Ageas SA/NV, whose shares are listed on Euronext Brussels and American depositary receipts (ADRs) are listed on the New York Stock Exchange. Goldpark International is a company incorporated in Belgium with limited liability, a wholly-owned subsidiary of Ageas N.V..

Sinopec Group is a state-owned company established in the PRC with limited liability and is wholly-owned by 國務院國有資產監督管理委員會 (the State-owned Assets Supervision and Administration Commission of the State Council\*).

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, TP Leasing and its ultimate beneficial owners are Independent Third Parties.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreement and the transactions contemplated therein is more than 5% and all of the applicable percentage ratios are below 25%, the entering into of the Finance Lease Agreement and the transactions contemplated therein constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Beiqing Smart”	天津北清電力智慧能源有限公司 (Tianjin Beiqing Electric Smart Energy Co., Ltd.*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company as at the date of this announcement
“Board”	the board of Directors
“Company”	Beijing Enterprises Clean Energy Group Limited, 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
“Directors”	the director(s) of the Company
“Finance Lease Agreement”	the finance lease agreement dated 13 July 2021 entered into between ZNXY, as lessee, and TP Leasing, as lessor, for the Leased Assets for a total consideration of RMB500,000,000, details of which are set out in the section headed “THE FINANCE LEASE AGREEMENT” in this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Leased Assets”	certain photovoltaic power generating equipment and ancillary facilities regarding a 100MW photovoltaic power plant located in 中寧縣 (Zhongning County*), 寧夏回族自治區 (the Ningxia Hui Autonomous Region*), the PRC owned by ZNXY
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatts, which is equal to 1,000,000 watts
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary shares of HK\$0.001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TP Leasing”	太平石化金融租賃有限責任公司 (Taiping Petrochemical Financial Leasing Company Limited*), a company established in the PRC with limited liability

“ZNXY”

中寧縣興業錦繡新能源有限公司 (Zhongning County Xingyejinxiu New Energy Co. Ltd.\*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company as at the date of this announcement

“%”

per cent.

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

Hong Kong, 13 July 2021

*As at the date of this announcement, the Board comprises nine Directors, namely Mr. Zhang Tiefu, Mr. Hu Xiaoyong, Mr. Yang Guang, 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*