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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

DISCLOSEABLE TRANSACTION FINANCE LEASE ARRANGEMENT

THE FINANCE LEASE AGREEMENT

On 19 November 2021, AYYG, as lessee, entered into the Finance Lease Agreement with CDB Leasing, as lessor, pursuant to which CDB Leasing shall purchase the Leased Assets from AYYG for a total consideration of RMB650,000,000. The Leased Assets would then be leased to AYYG for a term of 12 years. The ownership of the Leased Assets under the Finance Lease Agreement will be vested in CDB Leasing throughout the lease period. At the end of the lease period and subject to payments by AYYG of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB100 for the Leased Assets, the ownership of the Leased Assets will be vested in AYYG.

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.

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Date

19 November 2021

Parties

Lessor: CDB Leasing

Lessee: AYYG

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

Sale and purchase arrangements

Pursuant to the Finance Lease Agreement, CDB Leasing shall purchase the Leased Assets from AYYG for a total consideration of RMB650,000,000. The consideration to be paid by CDB 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, CDB 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, CDB Leasing agreed to lease the Leased Assets to AYYG for a term of 12 years. The commencement date(s) of the finance lease period shall be notified by CDB Leasing in writing.

Lease payments

Pursuant to the Finance Lease Agreement, the total estimated aggregate lease payments payable by AYYG to CDB Leasing shall be RMB872,629,063, being the principal lease cost of RMB650,000,000 plus the estimated aggregate interest of RMB222,629,063.

The principal lease cost and the estimated aggregate interest shall be payable in 24 semi-annually 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 AYYG under the Finance Lease Agreement shall be secured by, among others, (a) pledges of a land use right and properties held by AYYG; (b) pledges on the Leased Assets; (c) a pledge of 100% equity interest in AYYG; (d) a corporate guarantee from Beiqing Smart; and (e) pledges on the electricity bill receivables by AYYG.

Ownership of the Leased Assets

The ownership of the Leased Assets under the Finance Lease Agreement will be vested in CDB Leasing throughout the lease period. At the end of the lease period and subject to payments by AYYG of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB100 for the Leased Assets, the ownership of the Leased Assets will be vested in AYYG.

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 projects. 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 October 2021, the unaudited book value (prepared under the PRC GAAP) of the Leased Assets was approximately RMB850,000,000. 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

AYYG 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

CDB Leasing is a non-banking financial institution established in the PRC whose shares are listed on the main board of the Stock Exchange (Stock Code: 01606). CDB Leasing and its subsidiaries are principally engaged in providing comprehensive leasing services to high-quality customers in industries including aviation, infrastructure, shipping, inclusive finance, new energy and high-end equipment manufacturing. As at the date of this announcement, CDB Leasing is held as to (i) approximately 64.40% interest by 國家開發銀行 (China Development Bank*) (“**CDB**”); (ii) approximately 6.29% interest by 海航集團有限公司 (HNA Group Company Ltd.*) (“**HNA Group**”); and (iii) approximately 5.43% interest by 中國長江三峽集團有限公司 (China Three Gorges Corporation*) (“**CTG**”).

CDB is a state-owned enterprise established in the PRC with limited liability. Based on publicly available information, CDB is held as to (i) approximately 36.54% interest by 中國財政部 (the Ministry of Finance of the PRC*); (ii) approximately 34.68% interest by 中國國務院 (the State Council of the PRC*) through 中央匯金投資有限責任公司 (Central Huijin Investment Ltd.*); and (iii) approximately 27.19% interest by 國家外匯管理局 (the State Administration of Foreign Exchange*) through 梧桐樹投資平台有限責任公司 (Buttonwood Investment Holding Company Ltd.*).

HNA Group is a company established in the PRC with limited liability. Based on publicly available information, HNA Group is held as to (i) approximately 70% interest by 海南交通控股有限公司 (Hainan Traffic Administration Holding Co., Ltd.*) (“**HTA**”); and (ii) approximately 30% interest by 洋浦建運投資有限公司 (Yangpu Jianyun Investment Co., Ltd.*) (“**YPJY**”). HTA and YPJY are ultimately controlled by 海南省慈航公益基金會 (Hainan Liberation Commonweal Foundation*).

CTG is a state-owned enterprise established in the PRC with limited liability. Based on publicly available information, the ultimate beneficial owner is 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, CDB 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:

“AYYG”	安陽永歌光伏發電有限公司 (Anyang Yongge Photovoltaic Power Generation 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
“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
“CDB Leasing”	國銀金融租賃股份有限公司 (China Development Bank Financial Leasing Co., Ltd.*), a joint stock company established in the PRC with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 01606)

“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 19 November 2021 entered into between AYYG, as lessee, and CDB Leasing, as lessor, for the Leased Assets for a total consideration of RMB650,000,000, 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 安陽縣 (Anyang County*), Henan Province, the PRC, owned by AYYG
“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
“PRC GAAP”	generally accepted accounting principles of the PRC
“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
“%”	per cent.

By Order of the Board
Beijing Enterprises Clean Energy Group Limited
Zhang Tiefu and Hu Xiaoyong
Joint Chairmen

Hong Kong, 19 November 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*