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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

DISCLOSEABLE TRANSACTION FINANCE LEASE ARRANGEMENT

THE FINANCE LEASE ARRANGEMENT

On 11 December 2017, XBEC, as lessee, entered into the Finance Lease Agreement with CQRC Leasing, as lessor, pursuant to which CQRC Leasing shall purchase the Leased Assets from the Supplier at a total consideration of RMB800,000,000. The Leased Assets were then leased to XBEC for a term of 8 years. The ownership of the Leased Assets under the Finance Lease Agreement will be vested in CQRC Leasing throughout the lease period. At the end of the lease period and subject to payments by XBEC of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB10,000, the ownership of the Leased Assets will be vested in XBEC.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable 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 which 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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THE FINANCE LEASE AGREEMENT

Date

11 December 2017

Parties

Lessor: CQRC Leasing

Lessee: XBEC

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, CQRC Leasing and its ultimate beneficial owners are independent of the Company and the Connected Persons of the Company.

The Finance Lease Agreement comprised (i) the purchase of the Leased Assets from the Supplier by CQRC Leasing; and (ii) the direct lease arrangement of the Leased Assets to XBEC, details of which are discussed below.

Sale and purchase arrangement

Pursuant to the Finance Lease Agreement, CQRC Leasing shall purchase the Leased Assets from the Supplier at a total consideration of RMB800,000,000. The consideration to be paid by CQRC Leasing to the Supplier pursuant to the terms set out in the tri-party procurement agreement dated 11 December 2017 entered into between CQRC Leasing, the Supplier and XBEC in respect of the sale and purchase of the Leased Assets was determined after arm's length negotiations between the parties to the tri-party procurement 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, CQRC Leasing having received the relevant documentary proof for confirming the ownership of the Leased Assets, and CQRC Leasing having received the relevant documentary proof for confirming that the applicable registration procedures in respect of the pledges as mentioned in the second paragraph headed "Lease payments" below have been completed for the Finance Lease Agreement.

Direct lease arrangement

Pursuant to the Finance Lease Agreement, CQRC Leasing agreed to lease the Leased Assets to XBEC for a term of 8 years. The commencement date(s) of the finance lease period of the Leased Assets shall be notified by CQRC Leasing in writing.

Lease payments

Pursuant to the Finance Lease Agreement, the estimated aggregate lease payments payable by XBEC to CQRC Leasing shall be RMB1,040,023,565, being the principal lease cost of RMB800,000,000 plus the estimated aggregate interest of RMB240,023,565. The principal lease cost and the estimated aggregate interest shall be payable in 16 bi-annual instalments. The interest is calculated at a floating rate and shall be adjusted with reference to the benchmark interest rate for RMB loans with a maturity of above 5 year as promulgated by the People's Bank of China from time to time plus a premium.

The obligations of XBEC under the Finance Lease Agreement shall be secured by, among others, (a) a pledge of the 100% equity interest in XBEC; (b) a corporate guarantee from the Company; (c) a pledge on certain of the Leased Assets; and (d) a pledge on the electricity bill receivables by XBEC.

Security deposit

The agreed security deposit payable by XBEC to CQRC Leasing under the Finance Lease Agreement is RMB80,000,000, which is non-interest bearing, and will be applied to make up part of the lease payments payable by XBEC to CQRC Leasing in respect of the last instalment of the Finance Lease Agreement.

Ownership of the Leased Assets

The ownership of the Leased Assets under the Finance Lease Agreement will be vested in CQRC Leasing throughout the lease period. At the end of the lease period and subject to payments by XBEC of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB10,000, the ownership of the Leased Assets will be vested in XBEC.

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 of the photovoltaic power 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 OF THE GROUP AND THE COMPANY

The principal business activity of the Company is investment holding. The Group is principally engaged in the investment, development, construction, operation and management of photovoltaic power plants, photovoltaic power-related businesses and wind power-related business in the PRC. It also had a non-core business in the design, printing and sale of cigarette packages in the PRC.

INFORMATION OF THE LESSOR

CQRC Leasing is a financial leasing company established in the PRC.

INFORMATION OF THE LESSEE

XBEC is an indirect wholly-owned subsidiary of the Company and is principally engaged in the development, construction and operation of photovoltaic power plant.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable 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 which 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:

“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
“Connected Persons”	has the meaning ascribed to it under the Listing Rules
“CQRC Leasing”	渝農商金融租賃有限責任公司 (CQRC Financial Leasing Co., Ltd.*), a company established in the PRC with limited liability
“Directors”	the director(s) of the Company

“Finance Lease Agreement”	the finance lease agreement dated 11 December 2017 entered into between XBEC and CQRC Leasing for the Leased Assets at a total consideration of RMB800,000,000, details of which are set out in the section headed “THE FINANCE LEASE AGREEMENT”
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons (as defined in the Listing Rules) of the Company
“Leased Assets”	certain photovoltaic power generating equipment and ancillary facilities at an aggregate carrying amount of approximately RMB800,000,000 (unaudited) as at the date of this announcement, regarding the project for the construction of a 100MW photovoltaic power plant in 新泰市採煤沉陷區光伏領跑技術基地 (the advanced photovoltaic technology demonstration base in the coal mining subsidence area of Xintai City*), Shandong Province, the PRC, being the subject matter of the Finance Lease Agreement
“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 which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

“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
“Supplier”	a company established in the PRC with limited liability and an Independent Third Party, which is principally engaged in the design, consultation and construction of photovoltaic power-related projects and the manufacture and sale of photovoltaic power-related equipment
"XBEC"	新泰北控清潔能源有限公司 (Xintai Beijing Enterprises Clean Energy Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 11 December 2017

As at the date of this announcement, the Board comprises eight Directors, namely Mr. Hu Xiaoyong, Mr. Shi Xiaobei, Mr. Huang Weihua, Mr. Wang Ye and Mr. Wen Hui as executive Directors; and Mr. Li Fujun, Mr. Xu Honghua and Mr. Chiu Kung Chik as independent non-executive Directors.

* *for identification purposes only.*