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**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 ARRANGEMENTS**

### **THE PARH FINANCE LEASE AGREEMENT**

On 11 January 2018, PARH, as lessee, entered into the PARH Finance Lease Agreement, with CGNPC Leasing, as lessor, pursuant to which CGNPC Leasing shall purchase the PARH Leased Assets from Supplier A, at a total consideration of RMB275,000,000. The PARH Leased Assets were then leased to PARH for a term of 9 years. The ownership of the PARH Leased Assets under the PARH Finance Lease Agreement will be vested in CGNPC Leasing throughout the lease period. At the end of the lease period and subject to payments by PARH of (i) all amounts due under the PARH Finance Lease Agreement; and (ii) a nominal consideration of RMB100, the ownership of the PARH Leased Assets will be vested in PARH.

### **THE RCTD FINANCE LEASE AGREEMENT**

On 18 October 2018, RCTD, as lessee, entered into the RCTD Finance Lease Agreement with CGNPC Leasing, as lessor, and CM Leasing pursuant to which CGNPC Leasing shall purchase the RCTD Leased Assets from CM Leasing at a total consideration of RMB152,738,446. The RCTD Leased Assets were then leased to RCTD for a term of 7.5 years. The ownership of the RCTD Leased Assets under the RCTD Finance Lease Agreement will be vested in CGNPC Leasing throughout the lease period. At the end of the lease period and subject to payments by RCTD of (i) all amounts due under the RCTD Finance Lease Agreement; and (ii) a nominal consideration of RMB1, the ownership of the RCTD Leased Assets will be vested in RCTD.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the transactions contemplated under the PARH Finance Lease Agreement and the RCTD Finance Lease Agreement were entered into with the same party and within a twelve (12) month period, the PARH Finance Lease Agreement and the RCTD Finance Lease Agreement shall be aggregated in the calculation of the relevant percentage ratios to determine the classification of notifiable transactions under the Listing Rules.

As one of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the PARH Finance Lease Agreement, the RCTD Finance Lease Agreement and the transactions contemplated therein is more than 5% and all of which are below 25%, the entering into of the PARH Finance Lease Agreement, the RCTD 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 PARH FINANCE LEASE AGREEMENT**

On 11 January 2018, PARH, as lessee, entered into the PARH Finance Lease Agreement, with CGNPC Leasing, as lessor, pursuant to which CGNPC Leasing shall purchase the PARH Leased Assets from Supplier A, at a total consideration of RMB275,000,000. The PARH Leased Assets were then leased to PARH for a term of 9 years. The ownership of the PARH Leased Assets under the PARH Finance Lease Agreement will be vested in CGNPC Leasing throughout the lease period. At the end of the lease period and subject to payments by PARH of (i) all amounts due under the PARH Finance Lease Agreement; and (ii) a nominal consideration of RMB100, the ownership of the PARH Leased Assets will be vested in PARH.

### **Date**

11 January 2018

### **Parties**

Lessor: CGNPC Leasing

Lessee: PARH

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

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

### **Sale and purchase arrangement**

Pursuant to the PARH Finance Lease Agreement, CGNPC Leasing shall purchase the PARH Leased Assets from Supplier A at a total consideration of RMB275,000,000.

The consideration to be paid by CGNPC Leasing to Supplier A pursuant to the terms set out in the tri-party procurement agreement dated 11 January 2018 entered into between CGNPC Leasing, PARH and Supplier A for the PARH Leased Assets, was determined after arm's length negotiations between the relevant parties of the above-mentioned 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 PARH Finance Lease Agreement, including, among others, CGNPC Leasing having received the relevant documentary proof for confirming (i) the ownership of the PARH Leased Assets; and (ii) the applicable registration procedures in respect of certain of the pledges as mentioned in the third paragraph headed "Lease payments" below have been completed for the PARH Finance Lease Agreement.

### **Direct lease arrangement**

Pursuant to the PARH Finance Lease Agreement, CGNPC Leasing agreed to lease the PARH Leased Assets to PARH for a term of 9 years. The commencement date of the finance lease period shall be notified by CGNPC Leasing in writing.

### **Lease payments**

Pursuant to the PARH Finance Lease Agreement, the total estimated aggregate lease payments payable by the lessee to CGNPC Leasing shall be RMB369,674,783, being the total principal lease cost of RMB275,000,000 plus the total estimated aggregate interest of RMB94,674,783.

The principal lease cost and estimated aggregate interest shall be payable in 36 quarterly instalments. The interests are 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 years as promulgated by the People's Bank of China from time to time plus a premium.

The obligations of PARH under the PARH Finance Lease Agreement shall be secured by, among others, (a) pledges of the 100% equity interests in PARH; (b) a corporate guarantee from the Company for the PARH Finance Lease Agreement; and (c) pledges on the electricity bill receivables by PARH.

### **Handling fee**

PARH shall pay to CGNPC Leasing a handling fee in the sum of RMB19,800,000 by nine annual instalments during the lease period. The handling fee is non-refundable.

### **Ownership of the PARH Leased Assets**

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

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

## **RCTD FINANCE LEASE AGREEMENT**

On 18 October 2018, RCTD, as lessee, entered into the RCTD Finance Lease Agreement with CGNPC Leasing, as lessor, and CM Leasing pursuant to which CGNPC Leasing shall purchase the RCTD Leased Assets from CM Leasing at a total consideration of RMB152,738,446. The RCTD Leased Assets were then leased to RCTD for a term of 7.5 years. The ownership of the RCTD Leased Assets under the RCTD Finance Lease Agreement will be vested in CGNPC Leasing throughout the lease period. At the end of the lease period and subject to payments by RCTD of (i) all amounts due under the RCTD Finance Lease Agreement; and (ii) a nominal consideration of RMB1, the ownership of the RCTD Leased Assets will be vested in RCTD. Under the RCTD Finance Lease Agreement, RCTD, CGNPC Leasing and CM Leasing agreed that CM Leasing shall transfer all the remaining rights and obligations under the previous finance lease agreement entered into between RCTD and CM Leasing in relation to the RCTD Leased Assets to CGNPC Leasing.

**Date**

18 October 2018

**Parties**

Transferee/Lessor: CGNPC Leasing

Lessee: RCTD

Transferor: CM Leasing

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

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

**Sale and purchase arrangement**

Pursuant to the RCTD Finance Lease Agreement, CGNPC Leasing shall purchase the RCTD Leased Assets from CM Leasing at a total consideration of RMB152,738,446.

The consideration to be paid by CGNPC Leasing to CM Leasing pursuant to the terms set out in the RCTD Finance Lease Agreement for the RCTD Leased Assets, was determined after arm's length negotiations between the relevant parties of the above-mentioned 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 RCTD Finance Lease Agreement, including, among others, (a) CGNPC Leasing having received the relevant documentary proof for confirming the ownership of the RCTD Leased Assets and the applicable registration procedures in respect of certain of the pledges as mentioned in the third paragraph headed "Lease payments" below have been completed for the RCTD Finance Lease Agreement; and (b) CM Leasing having terminated the consultancy agreement previously entered into with RCTD and other relevant pledge agreements in respect of the RCTD Leased Assets.

## **Direct lease arrangement**

Pursuant to the RCTD Finance Lease Agreement, CGNPC Leasing agreed to lease the RCTD Leased Assets to RCTD for a term of 7.5 years. The commencement date of the finance lease period shall be notified by CGNPC Leasing in writing.

## **Lease payments**

Pursuant to the RCTD Finance Lease Agreement, the total estimated aggregate lease payments payable by the lessee to CGNPC Leasing shall be RMB185,066,167, being the total principal lease cost of RMB152,738,446 plus the total estimated aggregate interest of RMB32,327,721.

The principal lease cost and estimated aggregate interest shall be payable in 30 quarterly instalments. The interests are 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 years as promulgated by the People's Bank of China from time to time plus a premium.

The obligations of RCTD under the RCTD Finance Lease Agreement shall be secured by, among others, (a) pledges of the 100% equity interests in RCTD; (b) a corporate guarantee from the Company for the RCTD Finance Lease Agreement; and (c) pledges on the electricity bill receivables by RCTD.

## **Security deposit**

The agreed security deposit payable by RCTD for the RCTD Finance Lease Agreement to CGNPC Leasing is RMB3,219,750, which is non-interest bearing. CGNPC 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 RCTD Finance Lease Agreement. Remaining security deposit thereafter shall be refunded to RCTD by CGNPC Leasing upon the full performance of the obligations under the RCTD Finance Lease Agreement by RCTD.

## **Consultancy fee**

RCTD shall enter into the consultancy agreement with CGNTJ pursuant to which RCTD agreed to engage CGNTJ for providing certain consultancy services relating to the RCTD Finance Lease Agreement for a period of 7.5 years at a total consultancy fee of RMB6,137,541, which is payable by RCTD to CGNTJ in 29 quarterly instalments during the lease period.

## **Ownership of the RCTD Leased Asset**

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

The estimated aggregate lease payments and the consultancy fee under the RCTD Finance Lease Agreement were determined after arm's length negotiations between parties to the RCTD Finance Lease Agreement by reference to the principal amount 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 ARRANGEMENTS**

The PARH Finance Lease Agreement, the RCTD 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 projects. The Directors therefore consider that the terms of the PARH Finance Lease Agreement, the RCTD 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 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.

## **INFORMATION OF THE LESSOR AND THE TRANSFEROR**

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

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

## **INFORMATION OF THE LESSEES**

PARH is an indirect non wholly-owned subsidiary of the Company and RCTD is an indirect wholly-owned subsidiary of the Company. Both PARH and RCTD are principally engaged in the investment, development, construction and operation of photovoltaic power plants.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the transactions contemplated under the PARH Finance Lease Agreement and the RCTD Finance Lease Agreement were entered into with the same party and within a twelve (12) month period, the PARH Finance Lease Agreement and the RCTD Finance Lease Agreement shall be aggregated in the calculation of the relevant percentage ratios to determine the classification of notifiable transactions under the Listing Rules.

As one of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the PARH Finance Lease Agreement, the RCTD Finance Lease Agreement and the transactions contemplated therein is more than 5% and all of which are below 25%, the entering into of the PARH Finance Lease Agreement, the RCTD 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  |
| “CGNPC Leasing” | 中廣核國際融資租賃有限公司 (CGNPC International Financial Leasing Co., Ltd.*), a company established in the PRC with limited liability   |
| “CGNTJ”         | 中廣核國際融資租賃(天津)有限公司 (CGNPC International Financial Leasing (Tianjin) Co., Ltd.*), a company established in the PRC with limited liability and a subsidiary of CGNPC Leasing |



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|--------------------------------|--|
| “CM Leasing”                   | 中民國際融資租賃股份有限公司 (CM International Financial Leasing Corp., Ltd.*), a company established in the PRC with limited liability  |
| “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   |
| “Directors”                    | the director(s) of the Company   |
| “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 of the Company |
| “Listing Rules”                | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “MW”                           | megawatts, which is equal to 1,000,000 watts   |
| “PARH”                         | 普安縣瑞輝新能源開發有限公司 (Puan County Ruihui New Energy Development Co., Ltd. *), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company   |
| “PARH Finance Lease Agreement” | the finance lease agreement dated 11 January 2018 entered into between PARH and CGNPC Leasing for the PARH Leased Assets at a total consideration of RMB275,000,000, details of which are set out in the section headed “PARH FINANCE LEASE AGREEMENT”                     |

|                                |   |
|--------------------------------|---|
| “PARH Leased Assets”           | certain photovoltaic power generating equipment and ancillary facilities regarding the project for the construction of a 50MW photovoltaic power plant in 普安縣 (Puan County*), Guizhou Province, the PRC, being the subject matter of the PARH Finance Lease Agreement   |
| “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  |
| “RCTD”                         | 瑞昌台達新能源投資有限公司 (Ruichang Taida New Energy Investment Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company   |
| “RCTD Finance Lease Agreement” | the finance lease agreement dated 18 October 2018 entered into between RCTD, CGNPC Leasing and CM Leasing for the RCTD Leased Assets at a total consideration of RMB152,738,446, details of which are set out in the section headed “RCTD FINANCE LEASE AGREEMENT”      |
| “RCTD Leased Assets”           | certain photovoltaic power generating equipment and ancillary facilities regarding the project for the construction of a 35MW photovoltaic power plant in 瑞昌市 (Ruichang City*), Jiangxi Province, the PRC, being the subject matter of the RCTD Finance Lease Agreement |
| “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” a company established in the PRC with limited liability and an Independent Third Party, which is principally engaged in the design, construction, installation and engineering of power-related projects and the sale of power-related equipment

“%” per cent

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

Hong Kong, 18 October 2018

*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*