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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

DISCLOSEABLE TRANSACTION FINANCE LEASE ARRANGEMENTS

THE FINANCE LEASE AGREEMENTS

On 16 March 2020, WMPP, GCPP, ZWNE, KAPP, CRPP, DRNE and JCNE, as lessees, entered into the Finance Lease Agreement I, the Finance Lease Agreement II, the Finance Lease Agreement III, the Finance Lease Agreement IV, the Finance Lease Agreement V, the Finance Lease Agreement VI and the Finance Lease Agreement VII, respectively, with BOB Leasing, as lessor, pursuant to which BOB Leasing shall purchase the Leased Assets I, the Leased Assets II, the Leased Assets III, the Leased Assets IV, the Leased Assets V, the Leased Assets VI and the Leased Assets VII from the respective Lessees for a total consideration of RMB731,580,000, which shall then be leased to WMPP, GCPP, ZWNE, KAPP, CRPP, DRNE and JCNE, respectively, for a term of 7 years. The ownership of each of the Leased Assets under each of the Finance Lease Agreements will be vested in BOB Leasing throughout the lease periods. At the end of each of the lease periods and subject to payments by each of the Lessees of (i) all amounts due under the respective Finance Lease Agreements; and (ii) a nominal consideration of RMB100 for each of the Finance Lease Agreements, the ownership of the Leased Assets I, the Leased Assets II, the Leased Assets III, the Leased Assets IV, the Leased Assets V, the Leased Assets VI and the Leased Assets VII will be vested in WMPP, GCPP, ZWNE, KAPP, CRPP, DRNE and JCNE, respectively.

IMPLICATIONS UNDER THE LISTING RULES

As the transactions contemplated under each of the Finance Lease Agreement I, the Finance Lease Agreement II, the Finance Lease Agreement III, the Finance Lease Agreement IV, the Finance Lease Agreement V, the Finance Lease Agreement VI and the Finance Lease Agreement VII were entered into with the same party and within a twelve-month period, the Finance Lease Agreements are required to be aggregated for 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 Finance Lease Agreements and the transactions contemplated therein is more than 5% and all of which are below 25%, the entering into of the Finance Lease Agreements 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 AGREEMENTS

On 16 March 2020, WMPP, GCPP, ZWNE, KAPP, CRPP, DRNE and JCNE, as lessees, entered into the Finance Lease Agreement I, the Finance Lease Agreement II, the Finance Lease Agreement III, the Finance Lease Agreement IV, the Finance Lease Agreement V, the Finance Lease Agreement VI and the Finance Lease Agreement VII, respectively, with BOB Leasing, as lessor, pursuant to which BOB Leasing shall purchase the Leased Assets I, the Leased Assets II, the Leased Assets III, the Leased Assets IV, the Leased Assets V, the Leased Assets VI and the Leased Assets VII from the respective Lessees for a total consideration of RMB731,580,000, which shall then be leased to WMPP, GCPP, ZWNE, KAPP, CRPP, DRNE and JCNE, respectively, for a term of 7 years. The ownership of each of the Leased Assets under each of the Finance Lease Agreements will be vested in BOB Leasing throughout the lease periods. At the end of each of the lease periods and subject to payments by each of the Lessees of (i) all amounts due under the respective Finance Lease Agreements; and (ii) a nominal consideration of RMB100 for each of the Finance Lease Agreements, the ownership of the Leased Assets I, the Leased Assets II, the Leased Assets III, the Leased Assets IV, the Leased Assets V, the Leased Assets VI and the Leased Assets VII will be vested in WMPP, GCPP, ZWNE, KAPP, CRPP, DRNE and JCNE, respectively.

Date

16 March 2020

Parties

Lessor: BOB Leasing

Lessees:

- (1) WMPP (for the Finance Lease Agreement I);
- (2) GCPP (for the Finance Lease Agreement II);
- (3) ZWNE (for the Finance Lease Agreement III);
- (4) KAPP (for the Finance Lease Agreement IV);
- (5) CRPP (for the Finance Lease Agreement V);
- (6) DRNE (for the Finance Lease Agreement VI); and
- (7) JCNE (for the Finance Lease Agreement VII).

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

The Finance Lease Agreements comprised (i) the purchase of the Leased Assets by BOB Leasing from the respective Lessees; and (ii) the lease arrangements, details of which are discussed below.

Sale and purchase arrangements

Pursuant to the Finance Lease Agreements, BOB Leasing shall purchase the Leased Assets from the Lessees for a total consideration of RMB731,580,000, as to:

- (i) RMB99,926,000 for the Leased Assets I;
- (ii) RMB88,200,000 for the Leased Assets II;
- (iii) RMB92,710,000 for the Leased Assets III;
- (iv) RMB118,420,000 for the Leased Assets IV;
- (v) RMB117,138,000 for the Leased Assets V;
- (vi) RMB108,946,000 for the Leased Assets VI; and
- (vii) RMB106,240,000 for the Leased Assets VII.

The considerations to be paid by BOB Leasing were determined after arm's length negotiations between the parties to each of the Finance Lease Agreements by reference to the prevailing market price of the respective Leased Assets. The payment of each of the considerations is conditional upon the fulfilment of certain conditions under the respective Finance Lease Agreements, including, among others, BOB Leasing having received the relevant documentary proof for confirming (i) the ownership of each of the 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 each of the Finance Lease Agreements.

Lease arrangements

Pursuant to the Finance Lease Agreements, BOB Leasing agreed to lease the Leased Assets I, the Leased Assets II, the Leased Assets III, the Leased Assets IV, the Leased Assets V, the Leased Assets VI and the Leased Assets VII to WMPP, GCPP, ZWNE, KAPP, CRPP, DRNE and JCNE, respectively, for a term of 7 years. The commencement date of each of the finance lease periods shall be notified by BOB Leasing in writing.

Lease payments

Pursuant to the Finance Lease Agreements, the total estimated aggregate lease payments payable by the Lessees to BOB Leasing shall be RMB887,546,405, being the total principal lease cost of RMB731,580,000 plus the total estimated aggregate interest of RMB155,966,405, as illustrated below:-

- (i) the principal lease cost of RMB99,926,000 and the estimated aggregate interest of RMB21,316,055 for the Finance Lease Agreement I;
- (ii) the principal lease cost of RMB88,200,000 and the estimated aggregate interest of RMB18,820,638 for the Finance Lease Agreement II;
- (iii) the principal lease cost of RMB92,710,000 and the estimated aggregate interest of RMB19,733,404 for the Finance Lease Agreement III;
- (iv) the principal lease cost of RMB118,420,000 and the estimated aggregate interest of RMB25,265,192 for the Finance Lease Agreement IV;
- (v) the principal lease cost of RMB117,138,000 and the estimated aggregate interest of RMB24,995,599 for the Finance Lease Agreement V;
- (vi) the principal lease cost of RMB108,946,000 and the estimated aggregate interest of RMB23,197,144 for the Finance Lease Agreement VI; and
- (vii) the principal lease cost of RMB106,240,000 and the estimated aggregate interest of RMB22,638,373 for the Finance Lease Agreement VII.

The principal lease cost and the estimated aggregate interest shall be payable in 28 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 the Lessees under the respective Finance Lease Agreements shall be secured by, among others, (a) pledges of the 100% equity interest in the Lessees; (b) a corporate guarantee from each of the Company and BENE; (c) pledges on the Leased Assets I, the Leased Assets II, the Leased Assets III, the Leased Assets IV and respective land use right, the Leased Assets V and respective immovable property, the Leased Assets VI and the Leased Assets VII; and (d) pledges on the electricity bill receivables by the Lessees.

Ownership of the Leased Assets

The ownership of each of the Leased Assets under each of the Finance Lease Agreements will be vested in BOB Leasing throughout the lease periods. At the end of each of the lease periods and subject to payments by each of the Lessees of (i) all amounts due under the respective Finance Lease Agreements; and (ii) a nominal consideration of RMB100 for each of the Finance Lease Agreements, the ownership of the Leased Assets I, the Leased Assets II, the Leased Assets III, the Leased Assets IV, the Leased Assets V, the Leased Assets VI and the Leased Assets VII will be vested in WMPP, GCPP, ZWNE, KAPP, CRPP, DRNE and JCNE, respectively.

The estimated aggregate lease payments under the Finance Lease Agreements were determined after arm's length negotiations between the parties to each of the Finance Lease Agreements by reference to the principal amounts of the leases 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 Finance Lease Agreements 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 Finance Lease Agreements 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, THE COMPANY AND BENE

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.

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.

INFORMATION OF THE LESSOR

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

INFORMATION OF THE LESSEES

WMPP, GCPP, ZWNE, KAPP, CRPP, DRNE and JCNE are indirect non wholly-owned subsidiaries of the Company and are principally engaged in investment, development and operation of photovoltaic power generation projects.

IMPLICATIONS UNDER THE LISTING RULES

As the transactions contemplated under each of the Finance Lease Agreement I, the Finance Lease Agreement II, the Finance Lease Agreement III, the Finance Lease Agreement IV, the Finance Lease Agreement V, the Finance Lease Agreement VI and the Finance Lease Agreement VII were entered into with the same party and within a twelve-month period, the Finance Lease Agreements are required to be aggregated for 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 Finance Lease Agreements and the transactions contemplated therein is more than 5% and all of which are below 25%, the entering into of the Finance Lease Agreements 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:

“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
“Board”	the board of Directors
“BOB Leasing”	北銀金融租賃有限公司 (Bank of Beijing Financial Leasing Company Limited*), 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
“CRPP”	巢湖睿閣光伏發電有限公司 (Chaohu Ruige Photovoltaic Power Generating Company Limited*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company

“DRNE”	大理瑞德興陽新能源科技有限公司(Dali Ruide Xingyang New Energy Technology Company Limited*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“Directors”	the director(s) of the Company
“Finance Lease Agreements”	the Finance Lease Agreement I, the Finance Lease Agreement II, the Finance Lease Agreement III, the Finance Lease Agreement IV, the Finance Lease Agreement V, the Finance Lease Agreement VI and the Finance Lease Agreement VII
“Finance Lease Agreement I”	the finance lease agreement dated 16 March 2020 entered into between WMPP, as lessee, and BOB Leasing, as lessor, for the Leased Assets I for a total consideration of RMB99,926,000, details of which are set out in the section headed “THE FINANCE LEASE AGREEMENTS”
“Finance Lease Agreement II”	the finance lease agreement dated 16 March 2020 entered into between GCPP, as lessee, and BOB Leasing, as lessor, for the Leased Assets II for a total consideration of RMB88,200,000, details of which are set out in the section headed “THE FINANCE LEASE AGREEMENTS”
“Finance Lease Agreement III”	the finance lease agreement dated 16 March 2020 entered into between ZWNE, as lessee, and BOB Leasing, as lessor, for the Leased Assets III for a total consideration of RMB92,710,000, details of which are set out in the section headed “THE FINANCE LEASE AGREEMENTS”
“Finance Lease Agreement IV”	the finance lease agreement dated 16 March 2020 entered into between KAPP, as lessee, and BOB Leasing, as lessor, for the Leased Assets IV for a total consideration of RMB118,420,000, details of which are set out in the section headed “THE FINANCE LEASE AGREEMENTS”
“Finance Lease Agreement V”	the finance lease agreement dated 16 March 2020 entered into between CRPP, as lessee, and BOB Leasing, as lessor, for the Leased Assets V for a total consideration of RMB117,138,000, details of which are set out in the section headed “THE FINANCE LEASE AGREEMENTS”

“Finance Lease Agreement VI”	the finance lease agreement dated 16 March 2020 entered into between DRNE, as lessee, and BOB Leasing, as lessor, for the Leased Assets VI for a total consideration of RMB108,946,000, details of which are set out in the section headed “THE FINANCE LEASE AGREEMENTS”
“Finance Lease Agreement VII”	the finance lease agreement dated 16 March 2020 entered into between JCNE, as lessee, and BOB Leasing, as lessor, for the Leased Assets VII for a total consideration of RMB106,240,000, details of which are set out in the section headed “THE FINANCE LEASE AGREEMENTS”
“Group”	the Company and its subsidiaries
“GCPP”	廣宗縣富平光伏發電有限公司 (Guangzong County Fuping Photovoltaic Power Generating Company Limited*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	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
“JCNE”	濟南長峽新能源有限公司 (Jinan Changxia New Energy Company Limited*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“KAPP”	寬城埃菲生太陽能發電有限公司 (Kuancheng Aifeisheng Photovoltaic Power Generating Company Limited*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“Leased Assets”	the Leased Assets I, the Leased Assets II, the Leased Assets III, the Leased Assets IV, the Leased Assets V, the Leased Assets VI and the Leased Assets VII

“Leased Assets I”	certain photovoltaic power generating equipment and ancillary facilities regarding the project for the construction of a 20MW photovoltaic power plant in the Weichang Manzu Mongolian Autonomous County of Chengde City* (承德市圍場滿族蒙古族自治縣), Hebei Province, the PRC, being the subject matter of the Finance Lease Agreement I
“Leased Assets II”	certain photovoltaic power generating equipment and ancillary facilities regarding the project for the construction of a 20MW photovoltaic power plant in Guangzong County of Xingtai City* (邢台市廣宗縣), Hebei Province, the PRC, being the subject matter of the Finance Lease Agreement II
“Leased Assets III”	certain photovoltaic power generating equipment and ancillary facilities regarding the project for the construction of a 20MW photovoltaic power plant in Zhangjiakou City* (張家口市), Hebei Province, the PRC, being the subject matter of the Finance Lease Agreement III
“Leased Assets IV”	certain photovoltaic power generating equipment and ancillary facilities regarding the project for the construction of a 20MW photovoltaic power plant in Kuancheng County* (寬城縣), Hebei Province, the PRC, being the subject matter of the Finance Lease Agreement IV
“Leased Assets V”	certain photovoltaic power generating equipment and ancillary facilities regarding the project for the construction of a 20MW photovoltaic power plant in Chaohu City* (巢湖市), Anhui Province, the PRC, being the subject matter of the Finance Lease Agreement V
“Leased Assets VI”	certain photovoltaic power generating equipment and ancillary facilities regarding the project for the construction of a 20MW photovoltaic power plant in Dali City* (大理市), Yunnan Province, the PRC, being the subject matter of the Finance Lease Agreement VI
“Leased Assets VII”	certain photovoltaic power generating equipment and ancillary facilities regarding the project for the construction of a 20MW photovoltaic power plant in Changqing District of Jinan City* (濟南市長清區), Shandong Province, the PRC, being the subject matter of the Finance Lease Agreement VII

“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
“WMPP”	圍場滿族蒙古族自治縣中能光伏發電有限公司 (Weichang Manzu Mongolian Autonomous County Zhongneng Photovoltaic Power Generating Company Limited*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“ZWNE”	張家口萬全區光晨新能源有限公司 (Zhangjiakou Wanquan Guangchen New Energy Company Limited*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 16 March 2020

As at the date of this announcement, the Board comprises eight Directors, namely Mr. Hu Xiaoyong, Mr. Shi Xiaobei, Mr. Huang Weihua, 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*