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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 ARRANGEMENT**

### **THE FINANCE LEASE AGREEMENT**

On 23 December 2020, XYZH, as lessee, entered into the Finance Lease Agreement with CNNC Leasing, as lessor, pursuant to which CNNC Leasing shall purchase the Leased Assets from XYZH for a total consideration of RMB338,000,000. The Leased Assets would then be leased to XYZH for a term of 10 years. The ownership of the Leased Assets under the Finance Lease Agreement will be vested in CNNC Leasing throughout the lease period. At the end of the lease period and subject to payments by XYZH of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB10,000 for the Leased Assets, the ownership of the Leased Assets will be vested in XYZH.

### **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**

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**Date**

23 December 2020

**Parties**

Lessor: CNNC Leasing

Lessee: XYZH

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

**Sale and purchase arrangements**

Pursuant to the Finance Lease Agreement, CNNC Leasing shall purchase the Leased Assets from XYZH for a total consideration of RMB338,000,000. The consideration to be paid by CNNC 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, (a) CNNC 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; and (b) CNNC Leasing having received a handling fee in the amount of RMB6,760,000 from XYZH.

**Lease back arrangements**

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

**Lease payments**

Pursuant to the Finance Lease Agreement, the total estimated aggregate lease payments payable by XYZH to CNNC Leasing shall be RMB446,899,787, being the principal lease cost of RMB338,000,000 plus the estimated aggregate interest of RMB108,899,787.

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 XYZH under the Finance Lease Agreement shall be secured by, among others, (a) a pledge of the entire equity interest in XYZH; (b) a corporate guarantee from the Company; and (c) pledges on the electricity bill receivables by XYZH.

### **Handling fee**

XYZH shall pay to CNNC Leasing a handling fee in the sum of RMB6,760,000 prior to the payment of the consideration for the Leased Assets by CNNC Leasing. The handling fee is non-refundable.

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

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

The estimated aggregate lease payments and the handling fee 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 and handling fee for finance lease of comparable machines, equipment and ancillary facilities.

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

The consideration for the Leased Assets which is payable by CNNC Leasing under the Finance Lease Agreement will be applied for general working capital of XYZH and/or the Group, which can provide the Group with long-term financial resources for the development and operation of the photovoltaic power projects and allow the Group to make a more efficient utilisation of internal financial resources.

Having considered the above, the Directors are of the view that 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 the terms of the Finance Lease Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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 AND THE GROUP**

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 LESSEE**

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

## **INFORMATION OF THE LESSOR**

CNNC Leasing is a financial leasing company established in the PRC. As at the date of this announcement, CNNC Leasing is owned as to (i) approximately 67.05% interest by 中國核工業集團有限公司 (China National Nuclear Corporation\*) (“**CNNC**”) indirectly; (ii) approximately 18.45% interest by 中核國際有限公司 (CNNC International Limited\*) (“**CNNC International**”) whose shares are listed on the main board of the Stock Exchange (stock code: 2302); (iii) approximately 10.50% interest by 中國核能電力股份有限公司 (China National Nuclear Power Co., Ltd.\*) (“**CNNC Power**”) whose shares are listed on the Shanghai Stock Exchange (stock code: 601985.SH); and (iv) approximately 4% interest by 中國同輻股份有限公司 (China Isotope & Radiation Corporation\*) whose shares are listed on the main board of the Stock Exchange (stock code: 1763) (“**CIRC**”).

CNNC is the controlling shareholder of each of CNNC International, CNNC Power and CIRC.

CNNC 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, CNNC 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:

“Board”	the board of Directors
“CNNC Leasing”	中核融資租賃有限公司 (CNNC 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 (stock code: 01250)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(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 23 December 2020 entered into between XYZH, as lessee, and CNNC Leasing, as lessor, for the Leased Assets for a total consideration of RMB338,000,000, 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 or company which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is independent of the Company and connected persons of the Company
“Leased Assets”	certain photovoltaic power generating equipment and ancillary facilities regarding a 70MW photovoltaic power plant in 興義市 (Xingyi City*), Guizhou 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
“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
“XYZH”	興義市中弘新能源有限公司 (Xingyi Zhonghong 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, 23 December 2020

*As at the date of this announcement, the Board comprises seven Directors, namely Mr. Hu Xiaoyong, 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*