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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 FINANCE LEASE ARRANGEMENTS

On 20 December 2016, Henan Risheng, as lessee, entered into the Finance Lease Agreement I with CITIC Leasing, as lessor, pursuant to which CITIC Leasing purchased the Leased Assets I from Henan Risheng at a total consideration of RMB330,000,000, which were then leased back to Henan Risheng for a term of ten (10) years. The agreed security deposit payable by Henan Risheng to CITIC Leasing is RMB5,610,000. Henan Risheng has the right to acquire the Leased Assets I from CITIC Leasing at a nominal consideration of RMB1 at the end of the lease period.

On 20 December 2016, Anyang Yongge, as lessee, entered into the Finance Lease Agreement II with CITIC Leasing, as lessor, pursuant to which CITIC Leasing purchased the Leased Assets II from Anyang Yongge at a total consideration of RMB630,000,000, which were then leased back to Anyang Yongge for a term of ten (10) years. The agreed security deposit payable by Anyang Yongge to CITIC Leasing is RMB10,710,000. Anyang Yongge has the right to acquire the Leased Assets II from CITIC Leasing at a nominal consideration of RMB1 at the end of the lease period.

THE CONSULTANCY AGREEMENTS

On 20 December 2016, Henan Risheng entered into the Henan Consultancy Agreements with CITIC Leasing, pursuant to which Henan Risheng agreed to engage CITIC Leasing to provide consultation on the Finance Lease Agreement I and supervision on the operation and maintenance of the Leased Assets I at a total services fee of RMB25,740,000 payable in ten (10) installments.

On 20 December 2016, Anyang Yongge entered into the Anyang Consultancy Agreements with CITIC Leasing, pursuant to which Anyang Yongge agreed to engage CITIC Leasing to provide consultation on the Finance Lease Agreement II and supervision on the operation and maintenance of the Leased Assets II at a total services fee of RMB49,140,000 payable in ten (10) installments.

IMPLICATIONS UNDER THE LISTING RULES

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

As one or more of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreements, the Consultancy Agreements and the transactions contemplated therein are more than 5% and all of which are below 25%, the entering into of the Finance Lease Agreements, the Consultancy 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 Company announces that (i) on 20 December 2016, Henan Risheng, as lessee, entered into the Finance Lease Agreement I with CITIC Leasing, as lessor, pursuant to which CITIC Leasing purchased the Leased Assets I from Henan Risheng at a total consideration of RMB330,000,000, which were then leased back to Henan Risheng for a term of ten (10) years. Henan Risheng has the right to acquire the Leased Assets I from CITIC Leasing at a nominal consideration of RMB1 at the end of the lease period; (ii) on 20 December 2016, Anyang Yongge, as lessee, entered into the Finance Lease Agreement II with CITIC Leasing, as lessor, pursuant to which CITIC Leasing purchased the Leased Assets II from Anyang Yongge at a total consideration of RMB630,000,000, which were then leased back to Anyang Yongge for a term of ten (10) years. Anyang Yongge has the right to acquire the Leased Assets II from CITIC Leasing at a nominal consideration of RMB1 at the end of the lease period. The principal terms of the Finance Lease Agreements are set out below.

THE FINANCE LEASE AGREEMENT I

Date

20 December 2016

Parties

Purchaser/Lessor: CITIC Leasing

Vendor/Lessee: Henan Risheng

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, CITIC Leasing and its ultimate beneficial owners are independent of the Company and the connected persons (as defined in the Listing Rules) of the Company.

The Finance Lease Agreement I comprised (i) the sale and purchase of the Leased Assets I; and (ii) the lease back of the Leased Assets I to Henan Risheng, details of which are discussed below.

Sale and purchase arrangement

Pursuant to the Finance Lease Agreement I, CITIC Leasing purchased the Leased Assets I from Henan Risheng as specified in the Finance Lease Agreement I for a total consideration of RMB330,000,000. The consideration in respect of the sale and purchase of the Leased Assets I was determined after arm's length negotiations between the parties to the Finance Lease Agreement I by reference to the prevailing market price of the Leased Assets I.

The payment of the consideration is conditional upon the fulfilment of certain conditions, including but not limited to the following:

- (a) the Lessor having received the security deposit and other transaction-related payables (if any) from Henan Risheng;
- (b) the Lessor having received the relevant documentary proof for confirming the ownership of the Leased Assets I; and
- (c) the Lessor having received the relevant documentary proof for confirming that the applicable registration procedures in respect of the corporate guarantee from the Company have been completed.

As at the date of this announcement, the payment of the consideration has not been satisfied by CITIC Leasing.

Lease back arrangement

Pursuant to the Finance Lease Agreement I, CITIC Leasing agreed to lease the Leased Assets I back to Henan Risheng for a term of ten (10) years. The commencement date of the finance lease period of the Leased Assets I shall be notified by the Lessor in writing.

Lease payments

Pursuant to the Finance Lease Agreement I, the estimated aggregate lease payments payable by Henan Risheng to CITIC Leasing shall be RMB409,826,461.45, being the principal lease cost of RMB330,000,000 plus the estimated aggregate interest of RMB79,826,461.45, which shall be payable in forty (40) quarterly installments. The interest is calculated at a floating rate and shall be adjusted with reference to the benchmark interest rate (the “Benchmark Interest Rate”) for RMB loans as promulgated by the People’s Bank of China over the compatible period, and a discount on the Benchmark Interest Rate.

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

Security deposit

The agreed security deposit payable by Henan Risheng to CITIC Leasing is RMB5,610,000 and bears no interest and will be applied to make up part of the lease payments payable by Henan Risheng to CITIC Leasing in respect of the last installment of the Finance Lease Agreement I.

Ownership of the Leased Assets I

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

THE HENAN CONSULTANCY AGREEMENT I

On 20 December 2016, Henan Risheng entered into the Henan Consultancy Agreement I with CITIC Leasing, pursuant to which Henan Risheng agreed to engage CITIC Leasing to provide consultation on the Finance Lease Agreement I for a period of ten (10) years, at a services fee of RMB12,870,000 payable in ten (10) installments.

THE HENAN CONSULTANCY AGREEMENT II

On 20 December 2016, Henan Risheng entered into the Henan Consultancy Agreement II with CITIC Leasing, pursuant to which Henan Risheng agreed to engage CITIC Leasing to provide supervision on the operation and maintenance of the Leased Assets I and the related consultancy services for a period of ten (10) years, at a services fee of RMB12,870,000 payable in ten (10) installments.

The estimated aggregate lease payments under the Finance Lease Agreement I and the service fees under the Henan Consultancy Agreements were determined after arm's length negotiations between the parties to the Finance Lease Agreement I and the Henan Consultancy Agreements with reference to the principal amount of the lease and the prevailing market interest rate for finance leases of comparable machines and equipment.

THE FINANCE LEASE AGREEMENT II

Date

20 December 2016

Parties

Purchaser/Lessor: CITIC Leasing

Vendor/Lessee: Anyang Yongge

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, CITIC Leasing and its ultimate beneficial owners are independent of the Company and the connected persons (as defined in the Listing Rules) of the Company.

The Finance Lease Agreement II comprised (i) the sale and purchase of the Leased Assets II; and (ii) the lease back of the Leased Assets II to Anyang Yongge, details of which are discussed below.

Sale and purchase arrangement

Pursuant to the Finance Lease Agreement II, CITIC Leasing purchased the Leased Assets II from Anyang Yongge as specified in the Finance Lease Agreement II for a total consideration of RMB630,000,000. The consideration in respect of the sale and purchase of the Leased Assets II was determined after arm's length negotiations between the parties to the Finance Lease Agreement II by reference to the prevailing market price of the Leased Assets II.

The payment of the consideration is conditional upon the fulfilment of certain conditions, including but not limited to the following:

- (a) the Lessor having received the security deposit and other transaction-related payables (if any) from Anyang Yongge;
- (b) the Lessor having received the relevant documentary proof for confirming the ownership of the Leased Assets II; and
- (c) the Lessor having received the relevant documentary proof for confirming that the applicable registration procedures in respect of the corporate guarantee from the Company have been completed.

As at the date of this announcement, the payment of the consideration has not been satisfied by CITIC Leasing.

Lease back arrangement

Pursuant to the Finance Lease Agreement II, CITIC Leasing agreed to lease the Leased Assets II back to Anyang Yongge for a term of ten (10) years. The commencement date of the finance lease period of the Leased Assets II shall be notified by the Lessor in writing.

Lease payments

Pursuant to the Finance Lease Agreement II, the estimated aggregate lease payments payable by Anyang Yongge to CITIC Leasing shall be RMB782,395,971.85, being the principal lease cost of RMB630,000,000 plus the estimated aggregate interest of RMB152,395,971.85, which shall be payable in forty (40) quarterly installments. The interest is calculated at a floating rate and shall be adjusted with reference to the Benchmark Interest Rate and a discount on the Benchmark Interest Rate.

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

Security deposit

The agreed security deposit payable by Anyang Yongge to CITIC Leasing is RMB10,710,000 and bears no interest and will be applied to make up part of the lease payments payable by Anyang Yongge to CITIC Leasing in respect of the last installment of the Finance Lease Agreement II.

Ownership of the Leased Assets II

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

THE ANYANG CONSULTANCY AGREEMENT I

On 20 December 2016, Anyang Yongge entered into the Anyang Consultancy Agreement I with CITIC Leasing, pursuant to which Anyang Yongge agreed to engage CITIC Leasing to provide consultation on the Finance Lease Agreement II for a period of ten (10) years, at a services fee of RMB24,570,000 payable in ten (10) installments.

THE ANYANG CONSULTANCY AGREEMENT II

On 20 December 2016, Anyang Yongge entered into the Anyang Consultancy Agreement II with CITIC Leasing, pursuant to which Anyang Yongge agreed to engage CITIC Leasing to provide supervision on the operation and maintenance of the Leased Assets II and the related consultancy services for a period of ten (10) years, at a services fee of RMB24,570,000 payable in ten (10) installments.

The estimated aggregate lease payments under the Finance Lease Agreement II and the service fees under the Anyang Consultancy Agreements were determined after arm's length negotiations between the parties to the Finance Lease Agreement II and the Anyang Consultancy Agreements with reference to the principal amount of the lease and the prevailing market interest rate for finance leases of comparable machines and equipment.

REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENTS AND THE CONSULTANCY AGREEMENTS

The Finance Lease Agreements, the Consultancy Agreements and the transactions contemplated therein have been agreed under normal commercial terms and after arm's length negotiations between the parties and provide the Group with long-term financial resources for the development of the photovoltaic power plants projects. The Directors therefore consider that the terms of the Finance Lease Agreements and the Consultancy Agreements 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 LESSOR

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

INFORMATION ON THE LESSEES

Henan Risheng and Anyang Yongge are indirect wholly-owned subsidiaries of the Company and are principally engaged in investment, development and operation of photovoltaic power generation projects.

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 businesses and the design, printing and sale of cigarette packages in the PRC.

IMPLICATIONS UNDER THE LISTING RULES

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

As one or more of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreements, the Consultancy Agreements and the transactions contemplated therein are more than 5% and all of which are below 25%, the entering into of the Finance Lease Agreements, the Consultancy 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 meaning:

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| “Anyang Consultancy Agreements” | the Anyang Consultancy Agreement I and the Anyang Consultancy Agreement II |
| “Anyang Consultancy Agreement I” | the consultancy agreement entered into between CITIC Leasing and Anyang Yongge dated 20 December 2016, for further details of such agreement please refer to the section headed “The Anyang Consultancy Agreement I” |
| “Anyang Consultancy Agreement II” | the consultancy agreement entered into between CITIC Leasing and Anyang Yongge dated 20 December 2016, for further details of such agreement please refer to the section headed “The Anyang Consultancy Agreement II” |

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| “Anyang Yongge” | 安陽永歌光伏發電有限公司 (Anyang Yongge Photovoltaic Power Generation Co., Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company |
| “Board” | the board of Directors of the Company |
| “CITIC Leasing” | 中信金融租賃有限公司 (CITIC Financial Leasing Co., Ltd.*), a company incorporated 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 |
| “Consultancy Agreements” | the Anyang Consultancy Agreements and the Henan Consultancy Agreements |
| “Director(s)” | the director(s) of the Company |
| “Finance Lease Agreements” | the Finance Lease Agreement I and the Finance Lease Agreement II |
| “Finance Lease Agreement I” | the finance lease agreement entered into between CITIC Leasing and Henan Risheng dated 20 December 2016, for further details of such agreement please refer to the section headed “The Finance Lease Agreement I” |
| “Finance Lease Agreement II” | the finance lease agreement entered into between CITIC Leasing and Anyang Yongge dated 20 December 2016, for further details of such agreement please refer to the section headed “The Finance Lease Agreement II” |
| “Group” | the Company and its subsidiaries |

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| “Henan Consultancy Agreements” | the Henan Consultancy Agreement I and the Henan Consultancy Agreement II |
| “Henan Consultancy Agreement I” | the consultancy agreement entered into between CITIC Leasing and Henan Risheng dated 20 December 2016, for further details of such agreement please refer to the section headed “The Henan Consultancy Agreement I” |
| “Henan Consultancy Agreement II” | the consultancy agreement entered into between CITIC Leasing and Henan Risheng dated 20 December 2016, for further details of such agreement please refer to the section headed “The Henan Consultancy Agreement II” |
| “Henan Risheng” | 河南日升光伏電力發展有限公司 (Henan Risheng Photovoltaic Power Development Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Leased Assets I” | certain photovoltaic power generating equipment at an aggregate carrying amount of approximately RMB330,000,000 (unaudited) as at the date of this announcement, regarding the project for the construction of a 50MW (ground) plus a 4MW (distributed) photovoltaic power plants in Qi County* (淇縣) of Henan Province, the PRC, being the subject matter of the Finance Lease Agreement I |
| “Leased Assets II” | certain photovoltaic power generating equipment at an aggregate carrying amount of approximately RMB630,000,000 (unaudited) as at the date of this announcement, regarding the project for the construction of a 100MW photovoltaic power plant in Anyang County* (安陽縣) of Henan Province, the PRC, being the subject matter of the Finance Lease Agreement II |

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| “Lessees” | Henan Risheng and Anyang Yongge |
| “Lessor” | CITIC Leasing |
| “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 |
| “%” | per cent |

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

Hong Kong, 20 December 2016

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

* *for identification purposes only.*