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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 22 February 2017, BENE, as lessee, entered into the Finance Lease Agreements with Everbright Leasing, as lessor, pursuant to which Everbright Leasing purchased the Leased Assets from BENE at a total consideration of RMB500,000,000, which were then leased back to BENE for a term of 10 years. The agreed total security deposits payable by BENE to Everbright Leasing is RMB10,000,000. The ownership of the Leased Assets under the Finance Lease Agreements will be vested in Everbright Leasing throughout the lease period. At the end of the lease period and subject to (i) fulfilment of all obligations under the terms of the Finance Lease Agreements by BENE; and (ii) payment by BENE of a total nominal consideration of RMB200, the ownership of the Leased Assets will be vested in BENE.

As part of the arrangements for the Finance Lease Agreements, BENE agreed to engage Everbright Leasing for providing the Consultancy Services relating to the Leased Assets, which includes, among others, valuation of assets and supervision on the operation of the Leased Assets for a period of 10 years, at a total services fee of RMB60,000,000 payable in 10 instalments.

IMPLICATIONS UNDER THE LISTING RULES

As the transactions contemplated under the Finance Lease Agreements were entered into with the same party and within a twelve month period, the Finance Lease 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 and the transactions contemplated therein are 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 Company announces that on 22 February 2017, BENE, as lessee, entered into the Finance Lease Agreements with Everbright Leasing, as lessor, pursuant to which Everbright Leasing purchased the Leased Assets from BENE at a total consideration of RMB500,000,000, which were then leased back to BENE for a term of 10 years. The agreed security deposits payable by BENE to Everbright Leasing is RMB10,000,000. The ownership of the Leased Assets under the Finance Lease Agreements will be vested in Everbright Leasing throughout the lease period. At the end of the lease period and subject to (i) fulfilment of all obligations under the terms of the Finance Lease Agreements by BENE; and (ii) payment by BENE of a total nominal consideration of RMB200, the ownership of the Leased Assets will be vested in BENE.

THE FINANCE LEASE AGREEMENTS

Date

22 February 2017

Parties

Purchaser/Lessor: Everbright Leasing

Vendor/Lessee: BENE

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

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

Sale and purchase arrangements

Pursuant to the Finance Lease Agreements, Everbright Leasing purchased the Leased Assets from BENE as specified in the Finance Lease Agreements for a total consideration of RMB500,000,000. The consideration in respect of the sale and purchase of the Leased Assets was determined after arm's length negotiations between BENE and Everbright Leasing by reference to the prevailing market price of the Leased Assets.

Lease back arrangements

Pursuant to the Finance Lease Agreements, Everbright Leasing agreed to lease the Leased Assets back to BENE for a term of 10 years. The commencement date(s) of the finance lease period of the Leased Assets shall be the date BENE receives the total consideration as mentioned in the section headed "Sale and purchase arrangements" above from Everbright Leasing.

Lease payments

Pursuant to the Finance Lease Agreements, the estimated aggregate lease payments payable by BENE to Everbright Leasing shall be RMB622,389,912, being the total principal lease cost of RMB500,000,000 plus the estimated aggregate interest of RMB122,389,912, which shall be payable in 40 quarterly 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 years as promulgated by the People's Bank of China from time to time plus a discount.

The obligations of BENE under the Finance Lease Agreements will be secured by, among others, (a) a pledge of the 100% equity interest in each of SPBECE, BECET, GBECE, JBECE and ZBENE; (b) a corporate guarantee from BCEI; and (c) a pledge on the electricity bill receivables by each of SPBECE, BECET, GBECE, JBECE and ZBENE.

Ownership of the Leased Assets

The ownership of the Leased Assets under the Finance Lease Agreements will be vested in Everbright Leasing throughout the lease period. At the end of the lease period and subject to (i) fulfilment of all obligations under the terms of the Finance Lease Agreements by BENE; and (ii) payment by BENE of a total nominal consideration of RMB200, the ownership of the Leased Assets will be vested in BENE.

Security deposits

The agreed total security deposits payable by BENE to Everbright Leasing under the Finance Lease Agreements is RMB10,000,000 and bears no interest, which will be refunded in full to BENE upon BENE having fulfilled all of its obligations under the Finance Lease Agreements.

Provision of the Consultancy Services

BENE agreed to engage Everbright Leasing for providing the Consultancy Services relating to the Leased Assets, which includes, among others, valuation of assets and supervision on the operation of the Leased Assets for a period of 10 years, at a total services fee of RMB60,000,000 payable in 10 instalments.

The estimated aggregate lease payments under the Finance Lease Agreements and the service fees for the Consultancy Services were determined after arm's length negotiations between BENE and Everbright Leasing by reference to the total principal amount of the leases and the prevailing market interest rate for finance leases of comparable machines and equipment.

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 BENE and Everbright Leasing and provide the Group with long-term financial resources and related consultancy services for the development of the photovoltaic 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 LESSOR

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

INFORMATION OF THE LESSEE

BENE is an indirect wholly-owned subsidiary of the Company and is principally engaged in the trade of equipment and provision of consultancy services in relation to photovoltaic power business.

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 were entered into with the same party and within a twelve month period, the Finance Lease 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 and the transactions contemplated therein are 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:

“BCEI”	北清清潔能源投資有限公司 (Beiqing Clean Energy Investment Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“BECET”	北控清潔能源科技(廣東)有限公司 (Beijing Enterprises Clean Energy Technology (Guangdong) Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“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
“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
“Consultancy Services I”	certain consultancy services relating to the Leased Assets I to be provided by Everbright Leasing to BENE at a total service fee of RMB24,000,000

“Consultancy Services II”	certain consultancy services relating to the Leased Assets II to be provided by Everbright Leasing to BENE at a total service fee of RMB36,000,000
“Consultancy Services”	Consultancy Services I and Consultancy Services II
“Directors”	the director(s) of the Company
“Everbright Leasing”	光大金融租賃股份有限公司 (Everbright Financial Leasing Co., Ltd.*), a company established in the PRC with limited liability
“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 BENE and Everbright Leasing dated 22 February 2017 at a consideration of RMB200,000,000, for further details of such agreement please refer to the section headed “The Finance Lease Agreements”
“Finance Lease Agreement II”	the finance lease agreement entered into between BENE and Everbright Leasing dated 22 February 2017 at a consideration of RMB300,000,000, for further details of such agreement please refer to the section headed “The Finance Lease Agreements”
“GBECE”	廣西北控清潔能源發電有限公司 (Guangxi Beijing Enterprises Clean Energy Power Generation Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“JBECE”	江蘇北控清潔能源開發有限公司 (Jiangsu Beijing Enterprises Clean Energy Development Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Leased Assets”	Leased Assets I and Leased Assets II
“Leased Assets I”	certain photovoltaic power generating equipment at an aggregate carrying amount of approximately RMB200,000,000 (unaudited) as at the date of this announcement owned by SPBECE, BECET, GBECE, JBECE and ZBENE, 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 RMB300,000,000 (unaudited) as at the date of this announcement owned by SPBECE, BECET, GBECE, JBECE and ZBENE, being the subject matter of the Finance Lease Agreement II
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“SPBECE”	山東省北控清潔能源科技有限公司 (Shandong Province Beijing Enterprises Clean Energy Technology Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“ZBENE”	浙江北控新能源科技開發有限公司 (Zhejiang Beijing Enterprises New Energy Technology Development Company Limited*), 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, 22 February 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.*