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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

DISCLOSEABLE TRANSACTION FINANCE LEASE ARRANGEMENT

THE FINANCE LEASE ARRANGEMENT

On 14 March 2017, JDEC and Tianjin Clean Energy, as co-lessees, entered into the Finance Lease Agreement with ICBC Leasing, as lessor, pursuant to which ICBC Leasing purchased the Leased Assets from JDEC and Tianjin Clean Energy at a total consideration of RMB300,000,000, which were then leased back to JDEC and Tianjin Clean Energy for a term of 10 years. The ownership of the Leased Assets under the Finance Lease Agreement will be vested in ICBC Leasing throughout the lease period. At the end of the lease period and subject to payment by JDEC and Tianjin Clean Energy of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB1, the ownership of the Leased Assets will be vested in JDEC and Tianjin Clean Energy.

THE CONSULTANCY AGREEMENTS

On 14 March 2017, JDEC entered into the Consultancy Agreement I with ICBC Leasing, pursuant to which JDEC agreed to engage ICBC Leasing for providing certain 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 RMB2,385,000 payable by JDEC to ICBC Leasing within 10 days upon signing of the Consultancy Agreement I.

On 14 March 2017, JDEC entered into the Consultancy Agreement II with ICBC Leasing, pursuant to which JDEC agreed to engage ICBC Leasing for providing certain consultancy services relating to the finance lease arrangement, which includes, among others, the financial and tax consultation services for the period from 15 January 2017 to 31 March 2017, at a total services fee of RMB2,385,000 payable by JDEC to ICBC Leasing within 10 days upon signing of the Consultancy Agreement II.

IMPLICATIONS UNDER THE LISTING RULES

As the transactions contemplated under the Finance Lease Agreement, the XWNE Finance Lease Agreement, the Weishan Zhongcheng Finance Lease Agreement, the Consultancy Agreements, the XWNE Consultancy Agreements and the Weishan Zhongcheng Consultancy Agreements were entered into with the same party and within a twelve month period, the Finance Lease Agreement, the XWNE Finance Lease Agreement, the Weishan Zhongcheng Finance Lease Agreement, the Consultancy Agreements, the XWNE Consultancy Agreements and the Weishan Zhongcheng Consultancy 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 or more of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreement, the XWNE Finance Lease Agreement, the Weishan Zhongcheng Finance Lease Agreement, the Consultancy Agreements, the XWNE Consultancy Agreements, the Weishan Zhongcheng 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 Agreement, the XWNE Finance Lease Agreement, the Weishan Zhongcheng Finance Lease Agreement, the Consultancy Agreements, the XWNE Consultancy Agreements, the Weishan Zhongcheng 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 on 14 March 2017, JDEC and Tianjin Clean Energy, as co-lessees, entered into the Finance Lease Agreement with ICBC Leasing, as lessor, pursuant to which ICBC Leasing purchased the Leased Assets from JDEC and Tianjin Clean Energy at a total consideration of RMB300,000,000, which were then leased back to JDEC and Tianjin Clean Energy for a term of 10 years.

THE FINANCE LEASE AGREEMENT

Date

14 March 2017

Parties

Purchaser/Lessor: ICBC Leasing

Vendors/Co-lessees: JDEC; and

Tianjin Clean Energy.

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

The Finance Lease Agreement comprised of (i) the sale and purchase of the Leased Assets; and (ii) the lease back of the Leased Assets to JDEC and Tianjin Clean Energy, details of which are discussed below.

Sale and purchase arrangement

Pursuant to the Finance Lease Agreement, ICBC Leasing purchased the Leased Assets from JDEC and Tianjin Clean Energy as specified in the Finance Lease Agreement for a total consideration of RMB300,000,000. The consideration in respect of the sale and purchase of the Leased Assets was determined after arm's length negotiations between the 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, including, among others, ICBC Leasing having received the relevant documentary proof for confirming the ownership of the Leased Assets; and ICBC Leasing having received the relevant documentary proof for confirming that the applicable registration procedures in respect of certain pledges as mentioned in the second paragraph headed "Lease payments" below have been completed.

Lease back arrangement

Pursuant to the Finance Lease Agreement, ICBC Leasing agreed to lease the Leased Assets back to JDEC and Tianjin Clean Energy for a term of 10 years. The commencement date of the finance lease period of the Leased Assets shall be notified by ICBC Leasing in writing.

Lease payments

Pursuant to the Finance Lease Agreement, the estimated aggregate lease payments payable by JDEC and Tianjin Clean Energy to ICBC Leasing shall be RMB383,304,869.47, being the principal lease cost of RMB300,000,000 plus the estimated aggregate interest of RMB83,304,869.47, 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 JDEC and Tianjin Clean Energy under the Finance Lease Agreement and the Consultancy Agreements will be secured by, among others, (a) a pledge of the 100% equity interest in JDEC; (b) a corporate guarantee from each of the Company and BCEI; and (c) a pledge on the electricity bill receivables by JDEC.

Ownership of the Leased Assets

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

THE CONSULTANCY AGREEMENT I

On 14 March 2017, JDEC entered into the Consultancy Agreement I with ICBC Leasing, pursuant to which JDEC agreed to engage ICBC Leasing for providing certain 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 RMB2,385,000 payable by JDEC to ICBC Leasing within 10 days upon signing of the Consultancy Agreement I.

THE CONSULTANCY AGREEMENT II

On 14 March 2017, JDEC entered into the Consultancy Agreement II with ICBC Leasing, pursuant to which JDEC agreed to engage ICBC Leasing for providing certain consultancy services relating to the finance lease arrangement, which includes, among others, the financial and tax consultation services for the period from 15 January 2017 to 31 March 2017, at a total services fee of RMB2,385,000 payable by JDEC to ICBC Leasing within 10 days upon signing of the Consultancy Agreement II.

The estimated aggregate lease payments under the Finance Lease Agreement and the service fees under the Consultancy Agreements were determined after arm's length negotiations between the parties to the Finance Lease Agreement and the Consultancy Agreements by 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 ARRANGEMENT AND THE CONSULTANCY AGREEMENTS

The Finance Lease Agreement, 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 and related consultancy services for the development of the photovoltaic power plant project. The Directors therefore consider that the terms of the Finance Lease Agreement, 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 OF THE LESSOR

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

INFORMATION OF THE LESSEES

Tianjin Clean Energy is an indirect wholly-owned subsidiary of the Company and is principally engaged in the provision of consultancy services in relation to photovoltaic power business. JDEC is an indirect wholly-owned subsidiary of the Company and is principally engaged in the business of research and development, investment, construction and operation in the new energy industry and holds a 50MW photovoltaic power plant in Jingbian County* (靖邊縣), Shaanxi Province, the PRC.

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 Agreement, the XWNE Finance Lease Agreement, the Weishan Zhongcheng Finance Lease Agreement, the Consultancy Agreements, the XWNE Consultancy Agreements and the Weishan Zhongcheng Consultancy Agreements were entered into with the same party and within a twelve month period, the Finance Lease Agreement, the XWNE Finance Lease Agreement, the Weishan Zhongcheng Finance Lease Agreement, the Consultancy Agreements, the XWNE Consultancy Agreements and the Weishan Zhongcheng Consultancy 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 or more of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreement, the XWNE Finance Lease Agreement, the Weishan Zhongcheng Finance Lease Agreement, the Consultancy Agreements, the XWNE Consultancy Agreements, the Weishan Zhongcheng 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 Agreement, the XWNE Finance Lease Agreement, the Weishan Zhongcheng Finance Lease Agreement, the Consultancy Agreements, the XWNE Consultancy Agreements, the Weishan Zhongcheng 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 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
“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 Agreement I”	the consultancy agreement dated 14 March 2017 entered into between JDEC and ICBC Leasing for providing certain consultancy services relating to the Leased Assets
“Consultancy Agreement II”	the consultancy agreement dated 14 March 2017 entered into between JDEC and ICBC Leasing for providing certain consultancy services relating to the finance lease arrangement
“Consultancy Agreements”	the Consultancy Agreement I and the Consultancy Agreement II
“Directors”	the director(s) of the Company
“Finance Lease Agreement”	the finance lease agreement dated 14 March 2017 entered into between JDEC, Tianjin Clean Energy and ICBC Leasing, for further details of such agreement, please refer to the section headed “The Finance Lease Agreement”
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“ICBC Leasing”	工銀金融租賃有限公司 (ICBC Financial Leasing Co., Ltd.*), a company established in the PRC with limited liability
“JDEC”	靖邊縣東投能源有限公司 (Jingbian Dongtou Energy Corporation Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“Leased Assets”	certain photovoltaic power generating equipment at an aggregate carrying amount of approximately RMB300,000,000 (unaudited) as at the date of this announcement, regarding the project for the construction of a 50MW photovoltaic power plant in Jingbian County* (靖邊縣), Shaanxi 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 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
“Tianjin Clean Energy”	天津富歡企業管理諮詢有限公司 (Tianjin Clean Energy Investment Company Limited*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Weishan Zhongcheng”	微山縣中晟清潔能源有限責任公司 (Weishan County Zhongcheng Clean Energy Company Limited*), a company established in the PRC with limited liability and an indirect 90%-owned subsidiary of the Company

“Weishan Zhongcheng Consultancy Agreements”	the consultancy agreements dated 25 January 2017 entered into between Weishan Zhongcheng and ICBC Leasing for providing certain consultancy services relating to the Weishan Zhongcheng Leased Assets and the finance lease arrangement, for further details of such agreements, please refer to the announcement of the Company on 25 January 2017
“Weishan Zhongcheng Finance Lease Agreement”	the finance lease agreement dated 25 January 2017 entered into between Weishan Zhongcheng, BENE and ICBC Leasing, for further details of such agreement, please refer to the announcement of the Company on 25 January 2017
“Weishan Zhongcheng Leased Assets”	certain photovoltaic power generating equipment at an aggregate carrying amount of approximately RMB280,000,000 (unaudited) as at 25 January 2017, regarding the project for the construction of a 50MW photovoltaic power plant in Weishan County* (微山縣), Shandong Province, the PRC, being the subject matter of the Weishan Zhongcheng Finance Lease Agreement
“XWNE”	邢台萬陽新能源開發有限公司 (Xingtai Wanyang New Energy Development Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“XWNE Consultancy Agreements”	the consultancy agreements dated 3 March 2017 entered into between XWNE and ICBC Leasing for providing certain consultancy services relating to the XWNE Leased Assets and the finance lease arrangement, for further details of such agreements, please refer to the announcement of the Company on 3 March 2017

“XWNE Finance Lease Agreement”	the finance lease agreement dated 3 March 2017 entered into between XWNE, Tianjin Clean Energy and ICBC Leasing, for further details of such agreement, please refer to the announcement of the Company on 3 March 2017
“XWNE Leased Assets”	certain photovoltaic power generating equipment at an aggregate carrying amount of approximately RMB350,000,000 (unaudited) as at 3 March 2017, regarding the project for the construction of a 50MW photovoltaic power plant in Xingtai City* (邢台市), Hebei Province, the PRC, being the subject matter of the XWNE Finance Lease Agreement
“%”	per cent

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

Hong Kong, 14 March 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.*