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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)**

**(1) DISCLOSEABLE TRANSACTION IN RELATION  
TO THE PROVISION OF FINANCIAL ASSISTANCE;  
AND  
(2) DISCLOSEABLE TRANSACTION IN RELATION  
TO THE GRANT OF THE OPTION**

**THE GUARANTEE**

On 10 August 2017, the Subsidiary and Jolywood as guarantors entered into the Guarantee Agreements with Huarong Trust, pursuant to which each of the Subsidiary and Jolywood agrees to provide the Guarantee.

**THE OPTION**

On 10 August 2017, the Subsidiary and Jolywood as the holders of the subordinated units of the Trust Scheme, and Bank of Dalian as the holder of the preferred units of the Trust Scheme entered into the Option Agreement with respect to the Option at a maximum consideration of RMB716,895,600 in the proportion of 40:60 as between the Subsidiary and Jolywood. The Option is exercisable on any date falling on the third anniversary of the date of establishment of the Trust Scheme.

## **IMPLICATIONS UNDER THE LISTING RULES**

### **The Guarantee**

As certain applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the provision of the Guarantee by the Subsidiary are more than 5% but all of them are below 25%, the provision of the Guarantee by the Subsidiary constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The provision of the Guarantee by the Subsidiary constitutes an advance to an entity under Rule 13.13 of the Listing Rules and exceeds 8% under the assets ratio as defined under Rule 14.07 of the Listing Rules. The provision of the Guarantee by the Subsidiary is therefore subject to the general disclosure obligation under Rule 13.15 of the Listing Rules.

### **The Option**

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the grant of the Option by the Subsidiary is more than 5% but all of them are below 25%, the grant of the Option by the Subsidiary constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## THE TRUST SCHEME

### The Subscription

On 10 August 2017, Huarong Trust as trustee and the Subsidiary entered into the Trust Scheme Agreement, pursuant to which the Subsidiary agrees to subscribe subordinated units in the amount of RMB6,340,100 under the Trust Scheme. The Group intends to fund the Subscription from its internal financial resources.

The principle terms of the Trust Scheme are set out below.

Trust units	<p>There are preferred units in the amount of RMB776,624,800 and subordinated units in the amount of RMB15,849,700 to be issued under the Trust Scheme. The preferred units have priority over the subordinated units in the event of liquidation of the Trust Scheme.</p> <p>Holders of the subordinated units are entitled to the residual interest of the Trust Scheme at the end of the term of the Trust Scheme.</p>
Term	<p>The term of the preferred units is 15 years.</p> <p>The term of the subordinated units is 15.5 years, upon the expiry of which the Trust Scheme will be liquidated.</p>
Use of proceeds	<p>The proceeds raised from the issue of the preferred units and the subordinated units under the Trust Scheme shall be used for the purpose of providing the Loans to the Borrowers. The Borrowers intend to apply the proceeds of the Loans for the purposes of investing in the distributed photovoltaic power projects. On 4 August 2017, Huarong Trust and the Borrowers entered into the Loan Agreements pursuant to which Huarong Trust agrees to provide the Loans to the Borrowers. The drawdown of the Loans by the Borrowers is conditional upon the fulfilment of certain conditions, including, among others, the signing of the Guarantee Agreements.</p>

## **The Guarantee**

On 10 August 2017, the Subsidiary and Jolywood as guarantors entered into the Guarantee Agreements with Huarong Trust, pursuant to which each of the Subsidiary and Jolywood agrees to provide the Guarantee.

To apportion the liabilities as between themselves, the Subsidiary and Jolywood have further agreed that:

- (1) if Huarong Trust pursues against the Subsidiary under the Guarantee, the Subsidiary is entitled to seek indemnification from Jolywood for 60% of the amount claimed by Huarong Trust in cash; or
- (2) if Huarong Trust pursues against Jolywood under the Guarantee, Jolywood is entitled to seek indemnification from the Subsidiary for 40% of the amount claimed by Huarong Trust in cash.

The Subsidiary's obligations under the relevant Guarantee Agreement are guaranteed by the Company and the Subsidiary Guarantor.

As at the date of this announcement, the common sole shareholder of three of the Borrowers holds a 15% equity interest in the Subsidiary; and each of the three ultimate shareholders of such common sole shareholder, who is also the substantial shareholder of the Subsidiary, is a director of certain insignificant subsidiaries (as defined in Rule 14A.09 of the Listing Rules) of the Group. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the other Borrowers and their respective ultimate beneficial owners are independent of the Company and its connected persons as at the date of this announcement.

## **The Option**

On 10 August 2017, the Subsidiary and Jolywood as the holders of the subordinated units of the Trust Scheme, and Bank of Dalian as the holder of the preferred units of the Trust Scheme entered into the Option Agreement with respect to the Option at a maximum consideration of RMB716,895,600 in the proportion of 40:60 as between the Subsidiary and Jolywood. The Option is exercisable on any date falling on the third anniversary of the date of establishment of the Trust Scheme.

Each of the Subsidiary and Jolywood may settle on behalf of the other's obligations under the Option Agreement. If Bank of Dalian requires the Subsidiary to purchase all the preferred units, the Subsidiary is entitled to seek indemnification from Jolywood for 60% of the consideration. Against the payment, the Subsidiary shall transfer 60% of the preferred units to Jolywood, that is, preferred units in the amount of RMB430,137,360. If Bank of Dalian requires Jolywood to purchase all the preferred units, Jolywood is entitled to seek indemnification from the Subsidiary for 40% of the consideration. Against the payment, Jolywood shall transfer 40% of the preferred units to the Subsidiary, that is, preferred units in the amount of RMB286,758,240.

The maximum consideration for the acquisition of all the preferred units under the Trust Scheme shall be RMB716,895,600 payable in cash if Bank of Dalian requires the Subsidiary to purchase the preferred units.

The Subsidiary's obligations under the Option Agreement are guaranteed by the Company and the Subsidiary Guarantor. The consideration is based on the face value of the preferred units on the third anniversary of the date of establishment of the Trust Scheme.

Upon completion of the acquisition of the preferred units under the Trust Scheme according to the above-mentioned terms, the Trust Scheme will not be a subsidiary of the Company. As at the date of this announcement, the Trust Scheme has not been established and does not have historical financial results.

### **Net effect**

In the event that the Subsidiary has to honour the Guarantee and Bank of Dalian exercises the Option with respect to the Subsidiary, the Subsidiary will be entitled to (1) claim against Jolywood for (i) 60% of the amount claimed by Huarong Trust under the Guarantee; and (ii) 60% of the consideration for the acquisition of the preferred units; and (2) receive part of its payment under the Guarantee through its holding of the preferred units and the subordinated units under the Trust Scheme during the term of the Trust Scheme.

## **INFORMATION OF THE PARTIES**

### **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.

### **The Subsidiary**

The Subsidiary is an indirect 85%-owned subsidiary of the Company and is a limited liability company established in the PRC. The Subsidiary is an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. The Subsidiary is principally engaged in the investment, development, construction, operation and management of photovoltaic power plants and other power-related businesses.

### **The Subsidiary Guarantor**

The Subsidiary Guarantor is an indirect wholly-owned subsidiary of the Company and is a limited liability company established in the PRC. The Subsidiary Guarantor is principally engaged in trade of equipment and provision of consultancy services in relation to photovoltaic power business.

### **Huarong Trust**

Huarong Trust is a limited liability company established in the PRC and is principally engaged in the provision of trust and advisory services. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Huarong Trust and its ultimate beneficial owners are independent of the Company and its connected persons as at the date of this announcement.

## **Bank of Dalian**

Bank of Dalian is principally engaged in providing general banking services in the PRC. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Bank of Dalian and its ultimate beneficial owners are independent of the Company and its connected persons as at the date of this announcement.

## **Jolywood**

Jolywood is a company established in the PRC and is principally engaged in the manufacturing, sale and marketing of solar energy components. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Jolywood and its ultimate beneficial owners are independent of the Company and its connected persons as at the date of this announcement.

## **REASONS FOR AND BENEFIT OF THE SUBSCRIPTION, THE PROVISION OF THE GUARANTEE AND THE GRANT OF THE OPTION**

The Borrowers entered into the Loan Agreements with Huarong Trust for the purpose of financing the developments of their distributed photovoltaic power projects. The Group plays a part in these projects as the main EPC contractor and has taken security over the entire equity interest in each of the Borrowers to address its potential risk exposure.

The Directors consider that the Subscription, the provision of the Guarantee and the grant of the Option will enable the Borrowers to obtain long-term financing for their distributed photovoltaic power projects in which the Group provides the EPC services.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Subscription, the provision of the Guarantee, and the grant of the Option are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

### **The Guarantee**

As certain applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the provision of the Guarantee by the Subsidiary are more than 5% but all of them are below 25%, the provision of the Guarantee by the Subsidiary constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The provision of the Guarantee by the Subsidiary constitutes an advance to an entity under Rule 13.13 of the Listing Rules and exceeds 8% under the assets ratio as defined under Rule 14.07 of the Listing Rules. The provision of the Guarantee by the Subsidiary is therefore subject to the general disclosure obligation under Rule 13.15 of the Listing Rules.

### **The Option**

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the grant of the Option by the Subsidiary is more than 5% but all of them are below 25%, the grant of the Option by the Subsidiary constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **GENERAL**

None of the Directors has any material interest in the transactions contemplated under the Trust Scheme Agreement, the Guarantee Agreements and the Option Agreement, and therefore none of them is required to abstain from voting for the relevant board resolution(s) to approve such agreements and the transactions contemplated thereunder.



## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Bank of Dalian”	Bank of Dalian (大連銀行股份有限公司)
“Board”	the board of Directors
“Borrowers”	34 companies established in the PRC which are principally engaged in the development, construction, operation and management of distributed photovoltaic power plants and photovoltaic power-related businesses
“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 person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“EPC”	engineering, procurement, construction and post-construction services
“Group”	the Company and its subsidiaries
“Guarantee”	the provision of the guarantee in the maximum amount of RMB1,242,102,700 in favour of Huarong Trust with respect of the repayment obligations of the Borrowers for all amounts payable by the Borrowers under the Loan Agreements, including the principal amount and accrued interest

“Guarantee Agreements”	(1) the guarantee agreement dated 10 August 2017 between the Subsidiary and Huarong Trust with respect to the Guarantee; and  (2) the guarantee agreement dated 10 August 2017 between Jolywood and Huarong Trust with respect to the Guarantee
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huarong Trust”	華融國際信託有限責任公司(Huarong International Trust Co., Ltd.*), a limited liability company established in the PRC
“Jolywood”	蘇州中來光伏新材股份有限公司 (Jolywood (Suzhou) Sunwatt Co., Ltd.), a limited liability company established in the PRC and the shares of which are listed on the Shenzhen Stock Exchange (SZ.300393)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	loans in the total principal amount of RMB792,474,500 to be provided under the Trust Scheme to the Borrowers at the effective interest rate of 6.31% per annum for a term of 15 years
“Loan Agreements”	the loan agreements dated 4 August 2017 entered into between Huarong Trust as lender and the Borrowers as borrowers in relation to the Loans
“Option”	the right of Bank of Dalian to require the Subsidiary and/or Jolywood to acquire all the preferred units in the maximum amount of RMB716,895,600 under the Trust Scheme

“Option Agreement”	the agreement dated 10 August 2017 entered into by and among Bank of Dalian, the Subsidiary and Jolywood with respect of the Option
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of subordinated units in the amount of RMB6,340,100 in the Trust Scheme by the Subsidiary pursuant to the Trust Scheme Agreement
“Subsidiary”	北控清潔能源電力有限公司 (Beijing Enterprises Clean Energy Electricity Company Limited*), a limited liability company established in the PRC and is an indirect 85%-owned subsidiary of the Company as at the date of this announcement
“Subsidiary Guarantor”	北京北控光伏科技發展有限公司 (Beijing Enterprises Photovoltaic Development Company Limited*), a limited liability company established in the PRC, and an indirect wholly-owned subsidiary of the Company as at the date of this announcement

“Trust Scheme”	華融•北控清潔能源電力項目投資集合資金信託計劃 (Huarong BECE Electricity Project Investment Fund Raising Trust Scheme*) to be established by Huarong Trust for the provision of the Loans
“Trust Scheme Agreement”	the trust scheme agreement dated 10 August 2017 entered into between Huarong Trust and the Subsidiary in respect of the Subscription
“%”	per cent

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

Hong Kong, 10 August 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 purpose only*