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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 29 August 2017, KYNE, as lessee, entered into the Finance Lease Agreement with BOB Leasing, as lessor, pursuant to which BOB Leasing shall purchase the Leased Assets from HPBC and HGEE as per the instructions given by KYNE at a total consideration of RMB88,000,000. The Leased Assets were then leased to KYNE for a term of 3 years. The ownership of the Leased Assets under the Finance Lease Agreement will be vested in BOB Leasing throughout the lease period. At the end of the lease period and subject to payments by KYNE of (i) all amounts due under the Finance Lease Agreement; and (ii) a consideration of RMB75,328,000 for the Leased Assets, the ownership of the Leased Assets will be vested in KYNE.

THE CONSULTANCY AGREEMENT

On 29 August 2017, KYNE entered into the Consultancy Agreement with BOB Leasing, pursuant to which KYNE agreed to engage BOB 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 at a total services fee of RMB7,480,000.

IMPLICATIONS UNDER THE LISTING RULES

As the transactions contemplated under the Finance Lease Agreement, the Previous Finance Lease Agreements, the Consultancy Agreement and the Previous Consultancy Agreements were entered into with the same party and within a twelve month period, the Finance Lease Agreement, the Previous Finance Lease Agreements, the Consultancy Agreement and the Previous 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 certain of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreement, the Previous Finance Lease Agreements, the Consultancy Agreement, the Previous 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 Previous Finance Lease Agreements, the Consultancy Agreement, the Previous 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.

On 29 August 2017, KYNE, as lessee, entered into the Finance Lease Agreement with BOB Leasing, as lessor, pursuant to which BOB Leasing shall purchase the Leased Assets from HPBC and HGEE as per the instructions given by KYNE at a total consideration of RMB88,000,000. The Leased Assets were then leased to KYNE for a term of 3 years. The ownership of the Leased Assets under the Finance Lease Agreement will be vested in BOB Leasing throughout the lease period. At the end of the lease period and subject to payments by KYNE of (i) all amounts due under the Finance Lease Agreement; and (ii) a consideration of RMB75,328,000 for the Leased Assets, the ownership of the Leased Assets will be vested in KYNE.

THE FINANCE LEASE AGREEMENT

Date

29 August 2017

Parties

Lessor: BOB Leasing

Lessee: KYNE

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

The Finance Lease Agreement comprised (i) the purchase of the Leased Assets from HPBC and HGEE by BOB Leasing; and (ii) the direct lease arrangement of the Leased Assets from BOB Leasing to KYNE, details of which are discussed below.

Sale and purchase arrangement

Pursuant to the Finance Lease Agreement, BOB Leasing shall purchase the Leased Assets from HPBC and HGEE as per the instructions given by KYNE at a total consideration of RMB88,000,000 for the Leased Assets.

The consideration to be paid by BOB Leasing to HPBC and HGEE pursuant to the terms set out in the quad-party procurement agreement dated 29 August 2017 entered into between BOB Leasing, HPBC, HGEE and KYNE in respect of the sale and purchase of the Leased Assets was determined after arm's length negotiations between parties to the quad-party procurement agreement by reference to the prevailing market price of the Leased Assets. The payments of the consideration are conditional upon the fulfilment of certain conditions under the Finance Lease Agreement, including, among others, BOB Leasing having received the relevant documentary proof for confirming the ownership of the Leased Assets; and BOB Leasing having received the relevant documentary proof for confirming that the applicable registration procedures in respect of certain pledges as mentioned in the third paragraph headed "Lease payments" below have been completed for the Finance Lease Agreement.

Direct lease arrangement

Pursuant to the Finance Lease Agreement, BOB Leasing agreed to lease the Leased Assets to KYNE for a term of 3 years. The commencement date of the finance lease period of the Leased Assets shall be notified by BOB Leasing in writing.

Lease payments

Pursuant to the Finance Lease Agreement, the estimated aggregate lease payments payable by KYNE for the Finance Lease Agreement to BOB Leasing shall be RMB102,942,175, being the total principal lease cost of RMB12,672,000, the total estimated aggregate interest of approximately RMB14,942,175 and the consideration of RMB75,328,000 for the transfer of the ownership of the Leased Assets.

The total principal lease cost and the total estimated aggregate interest shall be payable in 12 quarterly instalments and the consideration for the transfer of the ownership of the Leased Assets shall be payable at the end of the lease period. The interests are 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 premium.

The obligations of the lessee under the Finance Lease Agreement shall be secured by, among others, (a) a pledge of the 100% equity interest in KYNE; (b) a corporate guarantee from each of the Company and HPBC; (c) a pledge on the Leased Assets; and (d) a pledge on the electricity bill receivables by KYNE.

Ownership of the Leased Assets

The ownership of the Leased Assets under the Finance Lease Agreement will be vested in BOB Leasing throughout the lease period. At the end of the lease period and subject to payments by KYNE of (i) all amounts due under the Finance Lease Agreement; and (ii) a consideration of RMB75,328,000 for the Leased Assets, the ownership of the Leased Assets will be vested in KYNE.

THE CONSULTANCY AGREEMENT

On 29 August 2017, KYNE entered into the Consultancy Agreement with BOB Leasing, pursuant to which KYNE agreed to engage BOB 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 at a total services fee of RMB7,480,000.

The estimated aggregate lease payments under the Finance Lease Agreement and the service fee under the Consultancy Agreement were determined after arm's length negotiations between BOB Leasing and KYNE by reference to the principal amounts of the lease and the prevailing market interest rate for finance lease of comparable machines, equipment and ancillary facilities.

REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENT AND THE CONSULTANCY AGREEMENT

The Finance Lease Agreement, the Consultancy Agreement and the transactions contemplated therein have been agreed under normal commercial terms and after arm's length negotiations between the relevant parties and provide the Group with long-term financial resources and related consultancy services for the development of the Project. The Directors therefore consider that the terms of the Finance Lease Agreement, the Consultancy Agreement 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

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

INFORMATION OF THE LESSEE

KYNE is an indirect 80.2%-owned subsidiary of the Company and is principally engaged in the investment, development, construction and operation of photovoltaic power plants.

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 business in the PRC. It also had a non-core business in 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 Previous Finance Lease Agreements, the Consultancy Agreement and the Previous Consultancy Agreements were entered into with the same party and within a twelve month period, the Finance Lease Agreement, the Previous Finance Lease Agreements, the Consultancy Agreement and the Previous 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 certain of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreement, the Previous Finance Lease Agreements, the Consultancy Agreement, the Previous 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 Previous Finance Lease Agreements, the Consultancy Agreement, the Previous 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:

“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
“BOB Leasing”	北銀金融租賃有限公司 (Bank of Beijing 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
“Connected Persons”	has the meaning ascribed to it under the Listing Rules
“Consultancy Agreement”	the consultancy agreement dated 29 August 2017 entered into between KYNE and BOB Leasing for providing certain consultancy services relating to the Leased Assets
“CRPP”	巢湖睿閣光伏發電有限公司(Chaohu Ruige Photovoltaic Power Generating Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“CRPP Consultancy Agreement”	the consultancy agreement dated 31 March 2017 entered into between BENE and BOB Leasing for providing certain consultancy services relating to the CRPP Leased Assets, further details of which are set out in the Company’s announcement dated 31 March 2017
“CRPP Finance Lease Agreement”	the finance lease agreement dated 31 March 2017 entered into between CRPP, BENE and BOB Leasing, further details of which are set out in the Company’s announcement dated 31 March 2017

“CRPP Leased Assets”	certain photovoltaic power generating equipment and ancillary facilities at an aggregate carrying amount of approximately RMB134,000,000 (unaudited) as at 31 March 2017, regarding the project for the construction of a 20MW photovoltaic power plant in Chaohu City* (巢湖市), Anhui Province, the PRC, being the subject matter of the CRPP Finance Lease Agreement
“Directors”	the director(s) of the Company
“DRNE”	大理瑞德興陽新能源科技有限公司(Dali Ruide Xingyang New Energy Technology Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“DRNE Consultancy Agreement”	the consultancy agreement dated 31 March 2017 entered into between BENE and BOB Leasing for providing certain consultancy services relating to the DRNE Leased Assets, further details of which are set out in the Company’s announcement dated 31 March 2017
“DRNE Finance Lease Agreement”	the finance lease agreement dated 31 March 2017 entered into between DRNE, BENE and BOB Leasing, further details of which are set out in the Company’s announcement dated 31 March 2017
“DRNE Leased Assets”	certain photovoltaic power generating equipment and ancillary facilities at an aggregate carrying amount of approximately RMB123,000,000 (unaudited) as at 31 March 2017, regarding the project for the construction of a 20MW photovoltaic power plant in Dali* (大理), Yunnan Province, the PRC, being the subject matter of the DRNE Finance Lease Agreement

“Finance Lease Agreement”	the finance lease agreement dated 29 August 2017 entered into between KYNE and BOB Leasing at a total consideration of RMB88,000,000, further details of which are set out in the section headed “The Finance Lease Agreement”
“Group”	the Company and its subsidiaries
“GCPP”	廣宗縣富平光伏發電有限公司 (Guangzong County Fuping Photovoltaic Power Generating Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“GCPP Consultancy Agreement”	the consultancy agreement dated 31 March 2017 entered into between BENE and BOB Leasing for providing certain consultancy services relating to the GCPP Leased Assets, further details of which are set out in the Company’s announcement dated 31 March 2017
“GCPP Finance Lease Agreement”	the finance lease agreement dated 31 March 2017 entered into between GCPP, BENE and BOB Leasing, further details of which are set out in the Company’s announcement dated 31 March 2017
“GCPP Leased Assets”	certain photovoltaic power generating equipment and ancillary facilities at an aggregate carrying amount of approximately RMB100,000,000 (unaudited) as 31 March 2017, regarding the project for the construction of a 20MW photovoltaic power plant in Guangzong County of Xingtai City* (邢台市廣宗縣), Hebei Province, the PRC, being the subject matter of the GCPP Finance Lease Agreement
“HGEE”	河南國建電力工程有限公司 (Henan Guojian Electricity Engineering Company Limited*), a company established in the PRC with limited liability and an Independent Third Party

“HPBC”	河南平煤北控清潔能源有限公司(Henan Pingmei Beikong Clean Energy Company Limited*), a company established in the PRC with limited liability and an indirect 80.2%-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons (as defined in the Listing Rules) of the Company
“JCNE”	濟南長峽新能源有限公司 (Jinan Changxia New Energy Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“JCNE Consultancy Agreement”	the consultancy agreement dated 31 March 2017 entered into between BENE and BOB Leasing for providing certain consultancy services relating to the JCNE Leased Assets, further details of which are set out in the Company’s announcement dated 31 March 2017
“JCNE Finance Lease Agreement”	the finance lease agreement dated 31 March 2017 entered into between JCNE, BENE and BOB Leasing, further details of which are set out in the Company’s announcement dated 31 March 2017

“JCNE Leased Assets”	certain photovoltaic power generating equipment and ancillary facilities at an aggregate carrying amount of approximately RMB120,000,000 (unaudited) as at 31 March 2017, regarding the project for the construction of a 20MW photovoltaic power plant in Changqingqu of Jinan City* (濟南市長清區), Shandong Province, the PRC, being the subject matter of the JCNE Finance Lease Agreement
“KAPP”	寬城埃菲生太陽能發電有限公司(Kuancheng Aifeisheng Photovoltaic Power Generating Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“KAPP Consultancy Agreement”	the consultancy agreement dated 31 March 2017 entered into between KAPP and BOB Leasing for providing certain consultancy services relating to the KAPP Leased Assets, further details of which are set out in the Company’s announcement dated 31 March 2017
“KAPP Finance Lease Agreement”	the finance lease agreement dated 31 March 2017 entered into between KAPP and BOB Leasing, further details of which are set out in the Company’s announcement dated 31 March 2017
“KAPP Leased Assets”	certain photovoltaic power generating equipment and ancillary facilities at an aggregate carrying amount of approximately RMB135,000,000 (unaudited) as at 31 March 2017, regarding the project for the construction of a 20MW photovoltaic power plant in Kuancheng County* (寬城縣), Hebei Province, the PRC, being the subject matter of the KAPP Finance Lease Agreement

“KYNE”	開封陽源清新能源有限公司(Kaifeng Yangyuanqing New Energy Company Limited*), a company established in the PRC with limited liability and an indirect 80.2%-owned subsidiary of the Company and a direct wholly-owned subsidiary of HPBC
“Leased Assets”	certain photovoltaic power generating equipment and ancillary facilities at an aggregate carrying amount of approximately RMB93,912,000 (unaudited) as at the date of this announcement regarding the Project
“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
“Previous Consultancy Agreements”	the Senxing Consultancy Agreement, the Zhongjing Consultancy Agreement, the Zhongxin Consultancy Agreement, the CRPP Consultancy Agreement, the DRNE Consultancy Agreement, the GCPP Consultancy Agreement, the JCNE Consultancy Agreement, the KAPP Consultancy Agreement, the WMPP Consultancy Agreement and the ZWNE Consultancy Agreement

“Previous Finance Lease Agreements”	the Senxing Finance Lease Agreement, the Zhongjing Finance Lease Agreement, the Zhongxin Finance Lease Agreement, the CRPP Finance Lease Agreement, the DRNE Finance Lease Agreement, the GCPP Finance Lease Agreement, the JCNE Finance Lease Agreement, the KAPP Finance Lease Agreement, the WMPP Finance Lease Agreement and the ZWNE Finance Lease Agreement
“Project”	the project for the construction of a 18.2MW distributed photovoltaic power plant in Kaifeng City* (開封市), Henan Province, the PRC, being the subject matter of the Finance Lease Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sensing Consultancy Agreement”	the consultancy agreement dated 17 January 2017 entered into between BENE and BOB Leasing for providing certain consultancy services relating to the Sensing Leased Assets, further details of which are set out in the Company’s announcement dated 25 January 2017
“Sensing Finance Lease Agreement”	the finance lease agreement dated 17 January 2017 entered into between Sensing New Energy, BENE and BOB Leasing, further details of which are set out in the Company’s announcement dated 25 January 2017
“Sensing Leased Assets”	certain photovoltaic power generating equipment at an aggregate carrying amount of approximately RMB100,000,000 (unaudited) as at 25 January 2017, regarding the project for the construction of a 20MW photovoltaic power plant in Tangxian* (唐縣), Hebei Province, the PRC, being the subject matter of the Sensing Finance Lease Agreement

“Senxing New Energy”	唐縣森興新能源開發有限公司 (Tangxian Senxing New Energy Development Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“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
“WMPP”	圍場滿族蒙古族自治縣中能光伏發電有限公司 (Weichang Manzu Mongolian Autonomous County Zhongneng Photovoltaic Power Generating Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“WMPP Consultancy Agreement”	the consultancy agreement dated 31 March 2017 entered into between BENE and BOB Leasing for providing certain consultancy services relating to the WMPP Leased Assets, further details of which are set out in the Company’s announcement dated 31 March 2017
“WMPP Finance Lease Agreement”	the finance lease agreement dated 31 March 2017 entered into between WMPP, BENE and BOB Leasing, further details of which are set out in the Company’s announcement dated 31 March 2017
“WMPP Leased Assets”	certain photovoltaic power generating equipment and ancillary facilities at an aggregate carrying amount of approximately RMB113,000,000 (unaudited) as at 31 March 2017, regarding the project for the construction of a 20MW photovoltaic power plant in the Weichang Manzu Mongolian Autonomous County of Chengde City* (承德市圍場滿族蒙古族自治縣), Heibei Province, the PRC, being the subject matter of the WMPP Finance Lease Agreement

“Zhongjing Consultancy Agreement”	the consultancy agreement dated 25 January 2017 entered into between BENE and BOB Leasing for providing certain consultancy services relating to the Zhongjing Leased Assets, further details of which are set out in the Company’s announcement dated 25 January 2017
“Zhongjing Finance Lease Agreement”	the finance lease agreement dated 25 January 2017 entered into between Zhongjing New Energy, BENE and BOB Leasing, further details of which are set out in the Company’s announcement dated 25 January 2017
“Zhongjing Leased Assets”	certain photovoltaic power generating equipment at an aggregate carrying amount of approximately RMB100,000,000 (unaudited) as at 25 January 2017, regarding the project for the construction of a 20MW photovoltaic power plant in Changfeng County* (長豐縣), Anhui Province, the PRC, being the subject matter of the Zhongjing Finance Lease Agreement
“Zhongjing New Energy”	合肥中晶新能源科技有限公司 (Hefei Zhongjing New Energy Technology Company Limited*), a company established in the PRC with limited liability and an indirect 60%-owned subsidiary of the Company
“Zhongxin Consultancy Agreement”	the consultancy agreement dated 25 January 2017 entered into between BENE and BOB Leasing for providing certain consultancy services relating to the Zhongxin Leased Assets, further details of which are set out in the Company’s announcement dated 25 January 2017

“Zhongxin Finance Lease Agreement”	the finance lease agreement dated 25 January 2017 entered into between Zhongxin New Energy, BENE and BOB Leasing, further details of which are set out in the Company’s announcement dated 25 January 2017
“Zhongxin Leased Assets”	certain photovoltaic power generating equipment at an aggregate carrying amount of approximately RMB100,000,000 (unaudited) as at 25 January 2017, regarding the project for the construction of a 20MW photovoltaic power plant in Changfeng County* (長豐縣), Anhui Province, the PRC, being the subject matter of the Zhongxin Finance Lease Agreement
“Zhongxin New Energy”	合肥中鑫新能源科技有限公司 (Hefei Zhongxin New Energy Technology Company Limited*), a company established in the PRC with limited liability and an indirect 60%-owned subsidiary of the Company
“ZWNE”	張家口萬全區光晨新能源有限公司 (Zhangjiakou Wanquan Guangchen New Energy Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“ZWNE Consultancy Agreement”	the consultancy agreement dated 31 March 2017 entered into between BENE and BOB Leasing for providing certain consultancy services relating to the ZWNE Leased Assets, further details of which are set out in the Company’s announcement dated 31 March 2017
“ZWNE Finance Lease Agreement”	the finance lease agreement dated 31 March 2017 entered into between ZWNE, BENE and BOB Leasing, further details of which are set out in the Company’s announcement dated 31 March 2017

“ZWNE Leased Assets” certain photovoltaic power generating equipment and ancillary facilities at an aggregate carrying amount of approximately RMB105,000,000 (unaudited) as at 31 March 2017, regarding the project for the construction of a 20MW photovoltaic power plant in Zhangjiakou City* (張家口市), Hebei Province, the PRC, being the subject matter of the ZWNE Finance Lease Agreement

“%” per cent

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

Hong Kong, 29 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 purposes only.*