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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 TRANSACTIONS:
(1) THE PROVISION OF THE GUARANTEES; AND
(2) THE GRANT OF THE OPTIONS**

THE GUARANTEES

On 1 November 2018, BECEE, as guarantor, entered into the Guarantees in favour of Zhonghang Leasing, pursuant to which BECEE agreed to guarantee in favour of Zhonghang Leasing for the due performance of the Borrowers' payment obligations under the Principal Contracts including but not limited to the lease payments, consultancy and administrative fees for the finance leases of the Power Plants in a maximum aggregate amount of RMB655,386,178.

THE OPTIONS

On 1 November 2018, BECEE, Zhonghang Leasing and the Borrowers entered into the Option Agreements with respect to the grant of the Options by BECEE.

IMPLICATIONS UNDER THE LISTING RULES

The Guarantees

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Guarantees exceeds 5% but all of them are less than 25%, the entering into of the Guarantees 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 Options

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the grant of the Options exceeds 5% but all of them are less than 25%, the grant of the Options 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 GUARANTEES

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To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Zhonghang Leasing, the Borrowers, Tianjin Yili and their ultimate beneficial owners are independent of the Company and the connected persons of the Company.

THE OPTIONS

On 1 November 2018, BECEE, Zhonghang Leasing and the Borrowers entered into the Option Agreements with respect to the grant of the Options by BECEE. The Options are exercisable in any of the following circumstances:

- i. when all payment obligations of the Borrowers under the Principal Contracts are fulfilled whether at the end of the lease term or otherwise, Zhonghang Leasing shall have the right to require BECEE to acquire the Power Plants for the agreed residual value of the Power Plants at the end of the lease term in the amount of RMB113,845,570 (the “**Acquisition Consideration**”); and
- ii. if an event of default under the Principal Contracts occurs, Zhonghang Leasing shall have the right to require BECEE to acquire the Power Plants for a consideration equal to the then outstanding payment obligations under the Principal Contracts plus the Acquisition Consideration up to a maximum amount of RMB769,231,748.

For the avoidance of doubt, pursuant to the terms of the Guarantees and the Option Agreements, the maximum payment obligation of BECEE under the Options will be reduced by the same amount that the Borrowers have settled under the Principal Contracts and/or BECEE has paid to Zhonghang Leasing when it is required to honour its obligations under the Guarantees. Accordingly, the maximum exposure to BECEE under the Guarantees and the Options is RMB769,231,748.

INFORMATION OF THE GROUP, THE COMPANY AND BECEE

The principal activity of the Company is investment holding. The Group is principally engaged in the investment, development, construction, operation and management of photovoltaic power businesses, wind power businesses and clean heat supply businesses in the PRC.

BECEE is an indirect 60%-owned subsidiary of the Company. It is principally engaged in the investment, development, construction, operation and management of photovoltaic power plants and other power-related businesses.

INFORMATION OF ZHONGHANG LEASING

Zhonghang Leasing is a finance leasing company established in the PRC.

INFORMATION OF TIANJIN YILI AND THE BORROWERS

Tianjin Yili is a company established in the PRC and is principally engaged in the new energy businesses including photovoltaic power-related businesses. The Borrowers are the companies established in the PRC and are principally engaged in the development, operation and management of distributed photovoltaic power plants and photovoltaic power-related businesses. The Borrowers are wholly-owned by Tianjin Yili as at the date of this announcement.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE GUARANTEES AND THE GRANT OF THE OPTIONS

The Borrowers entered into the Principal Contracts with Zhonghang Leasing for the purposes of financing the development of the Power Plants. In the events when Zhonghang Leasing require BECEE to honour its obligations under the Guarantees and/or the Options, BECEE has the right to require Tianjin Yili to transfer its equity interests in the Borrowers to BECEE for nil consideration to address BECEE's potential risk exposure under the Guarantees and the Options. Therefore, the Directors consider that the provision of the Guarantees and the grant of the Options will provide the Group a potential opportunity to invest in the Power Plants to expand its portfolio of photovoltaic power business in the PRC, and the terms of the Guarantees and the Options are fair and reasonable, on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The Guarantees

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Guarantees exceeds 5% but all of them are less than 25%, the entering into of the Guarantees 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 Options

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the grant of the Options exceeds 5% but all of them are less than 25%, the grant of the Options 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.

DEFINITIONS

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

“Board”	the board of Directors
“BECEE”	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 an indirect 60%-owned subsidiary of the Company as at the date of this announcement
“Borrowers”	18 companies established in the PRC with limited liability and are wholly-owned by Tianjin Yili as at the date of this announcement
“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 meanings ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“Guarantees”	the guarantees dated 1 November 2018 entered into between BECEE, Zhonghang Leasing and the Borrowers, pursuant to which BECEE agreed to guarantee in favour of Zhonghang Leasing with respect to the payment obligations of the Borrowers under the Principal Contracts in the maximum aggregate amount of RMB655,386,178
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatts, equivalent to 1,000,000 watts
“Options”	the rights of Zhonghang Leasing to require BECEE to acquire the Power Plants from Zhonghang Leasing for a maximum aggregate consideration amount of RMB769,231,748 pursuant to the Option Agreements
“Option Agreements”	the option agreements dated 1 November 2018 entered into between BECEE, Zhonghang Leasing and the Borrowers with respect to the Options
“Power Plants”	18 photovoltaic power plants with an aggregate capacity of 75.6MW owned by the Borrowers at an unaudited aggregate carrying amount of RMB449,562,611 as at 30 September 2018
“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

“Principal Contracts”	the finance lease agreements dated 1 November 2018 entered into between Zhonghang Leasing and the Borrowers in relation to the finance lease arrangements of the Power Plants with same lease terms of 11 years
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares of HK\$0.001 each in the share capital of the Company
“Shareholders”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Yili”	天津屹立新能源科技有限公司 (Tianjin Yili New Energy Technology Company Limited*), a limited liability company established in the PRC
“Zhonghang Leasing”	中航紐赫融資租賃(上海)有限公司 (Zhonghang Niuhe Finance Leasing (Shanghai) Company Limited*), a limited liability company established in the PRC
“%”	per cent

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

Hong Kong, 1 November 2018

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*