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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

DISCLOSEABLE TRANSACTION FINANCE LEASE ARRANGEMENT

THE FINANCE LEASE AGREEMENT

On 18 September 2019, QXZF and BEWP, as co-lessees, entered into the Finance Lease Agreement with ICBC Leasing, as lessor, pursuant to which ICBC Leasing shall purchase the Leased Assets from the Group for a total consideration of RMB650,000,000, which shall then be leased to the co-lessees for a term of 12 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 payments by the co-lessees of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB1 for the Leased Assets, the ownership of the Leased Assets will be vested in the co-lessees.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreement and the transactions contemplated therein is more than 5% and all of which are below 25%, the entering into of the Finance Lease Agreement 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.

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Date

18 September 2019

Parties

Lessor: ICBC Leasing

Co-lessees: QXZF and BEWP

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, ICBC Leasing and its ultimate beneficial owners are Independent Third Parties.

The Finance Lease Agreement comprised (i) the purchase of the Leased Assets by ICBC Leasing from the Group; and (ii) the lease arrangements, details of which are discussed below.

Sale and purchase arrangements

Pursuant to the Finance Lease Agreement, ICBC Leasing shall purchase the Leased Assets from the Group for a total consideration of RMB650,000,000, which was determined after arm's length negotiations between the Group and ICBC Leasing by reference to the prevailing market price of the Leased Assets. The payment of the consideration is conditional upon the fulfilment of certain conditions under the Finance Lease Agreement, including, among others, ICBC Leasing having received the relevant documentary proof for confirming (i) the ownership of the Leased Assets; and (ii) the applicable registration procedures in respect of certain of the pledges as mentioned in the second paragraph headed "Lease payments" below have been completed for the Finance Lease Agreement.

Lease arrangements

Pursuant to the Finance Lease Agreement, ICBC Leasing agreed to lease the Leased Assets to the co-lessees for a term of 12 years. The commencement date of the finance lease period shall be notified by ICBC Leasing in writing.

Lease payments

Pursuant to the Finance Lease Agreement, the total estimated aggregate lease payments payable by the co-lessees to ICBC Leasing shall be RMB888,200,985, being the principal lease cost of RMB650,000,000 plus the estimated aggregate interest of RMB238,200,985. The principal lease cost and the estimated aggregate interest shall be payable in 48 quarterly instalments. 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 co-lessees under the Finance Lease Agreement shall be secured by, among others, (a) pledges of the 100% equity interest in QXZF; (b) a corporate guarantee from each of the Company and BENE; and (c) pledges on the electricity bill receivables by QXZF.

Consultancy fees

The co-lessees shall pay to ICBC Leasing consultancy fees in the sum of RMB19,500,000 for, among others, consultancy services for the management and operation of the Leased Assets, which shall be payable by the co-lessees based on the progress of services.

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 payments by the co-lessees of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB1 for the Leased Assets, the ownership of the Leased Assets will be vested in the co-lessees.

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

REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENT

The Finance Lease 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 for the development of the wind power project. The Directors therefore consider that the terms of the Finance Lease 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 GROUP AND THE COMPANY

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.

INFORMATION OF THE LESSOR

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

INFORMATION OF THE CO-LESSEES

QXZF is an indirect non wholly-owned subsidiary of the Company which is principally engaged in the investment, development, construction, operation and management of a wind power plant. BEWP is an indirect 70%-owned subsidiary of the Company which is principally engaged in the investment, development, construction, operation and management of wind power businesses. BEWP held 55% equity interest in QXZF as at the date of this announcement.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreement and the transactions contemplated therein is more than 5% and all of which are below 25%, the entering into of the Finance Lease Agreement 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
“BEWP”	北控風力發電有限公司 (Beijing Enterprises Wind Power Generation Company Limited*), a company established in the PRC with limited liability and an indirect 70%-owned subsidiary of the Company as at the date of this announcement
“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
“Directors”	the director(s) of the Company

“Finance Lease Agreement”	the finance lease agreement dated 18 September 2019 entered into between QXZF and BEWP, as co-lessees, and ICBC Leasing, as lessor, for the Leased Assets for a total consideration of RMB650,000,000, details of which are set out in the section headed “THE FINANCE LEASE AGREEMENT”
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“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 of the Company
“Leased Assets”	certain wind power generating equipment and ancillary facilities regarding the project for the construction of a 100MW wind power plant in 淇縣 (Qi County*), Henan 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
“QXZF”	淇縣爭峰新能源有限公司 (Qixian Zhengfeng New Energy Company Limited*), a company established in the PRC with limited liability and an indirect 38.5%-owned subsidiary of the Company (effective interest) as at the date of this announcement

“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
“%”	per cent

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

Hong Kong, 18 September 2019

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 Ms. Huang Danxia as executive Directors; and Mr. Li Fujun, Mr. Xu Honghua and Mr. Chiu Kung Chik as independent non-executive Directors.

* *for identification purposes only*