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DISCLOSEABLE TRANSACTION THE PROVISION OF THE GUARANTEE

THE PROVISION OF THE GUARANTEE

On 17 August 2020, Tianjin Beiqing (an indirect non-wholly-owned subsidiary of the Company), as guarantor, entered into the Letter of Guarantee, pursuant to which Tianjin Beiqing agreed to guarantee the due performance of the payment obligations of Yingshang Juan under the Principal Contract comprising the lease payments and administrative fee in an amount of up to approximately RMB483,360,614 in favour of Cinda Leasing.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the provision of the guarantee under the Letter of Guarantee exceeds 5% but all of them are less than 25%, the entering into of the Letter of Guarantee 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.

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THE LETTER OF GUARANTEE

The material terms of the Letter of Guarantee are as follows:

- Subject matter : Tianjin Beiqing (an indirect non-wholly-owned subsidiary of the Company), as guarantor, agreed to provide guarantee for the due performance of the payment obligations of Yingshang Juan under the Principal Contract in favour of Cinda Leasing. The Letter of Guarantee covers all the obligations of Yingshang Juan under the Principal Contract including but not limited to the lease payments and administrative fee.
- Term of the Letter of Guarantee : From the effective date of the Letter of Guarantee to the date falling three years after the last tranche of the payment obligations of Yingshang Juan under the Principal Contract is fulfilled.

INFORMATION OF THE COMPANY, THE GROUP AND TIANJIN BEIQING

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.

Tianjin Beiqing is an indirect non-wholly-owned subsidiary of the Company which is principally engaged in the investment and development of photovoltaic power businesses, wind power businesses and clean heat supply businesses in the PRC.

INFORMATION OF CINDA LEASING AND YINGSHANG JUAN

Cinda Leasing is a financial leasing company established in the PRC, and the ultimate beneficial owner of which is the Ministry of Finance of the PRC.

Yingshang Juan is a company established in the PRC and is principally engaged in the development and operation of the Power Plant.

As at the date of this announcement, Yingshang Juan is majority owned as to 99.99% by CR BE Partnership, a limited partnership and a joint venture of the Company, to which 青島富歡資產管理有限公司 (Qingdao Fuhuan Assets Management Company Limited*), an indirect wholly-owned subsidiary of the Company, is one of the general partners and has invested in approximately 5.85% interest thereof. Yingshang Juan is accounted for as a joint venture of the Company as at the date of this announcement.

Save as otherwise and to the best knowledge, information and belief of the Directors having made all reasonable enquiries, Cinda Leasing, Yingshang Juan and their ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE GUARANTEE

Pursuant to the Principal Contract, Yingshang Juan obtained additional financing from Cinda Leasing for the purposes of repaying the loan due to CR BE Partnership. As at the date of this announcement, CR BE Partnership owned 99.99% interest in Yingshang Juan. The provision of guarantee under the Letter of Guarantee by Tianjin Beiqing will enable Yingshang Juan to repay the loan due to CR BE Partnership, upon receipt of which, CR BE Partnership will use the proceeds from the repayment to satisfy the guaranteed fixed return to the guaranteed partners of CR BE Partnership prior to the end of its term. The Group will share the residual value of the Project after the guaranteed partners of CR BE Partnership, who are passive financial investors, having received their fixed return and return of their respective capital contributions.

The Directors are of the view that the terms of the Letter of Guarantee are under normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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DEFINITIONS

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

“Board”	the board of Directors
“Cinda Leasing”	信達金融租賃有限公司(Cinda Financial Leasing Co., Ltd.*), 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 person(s)”	has the meaning ascribed to it under the Listing Rules

“CR BE Partnership”	華潤北控(汕頭)新能源產業基金合夥企業(有限合夥) (CR BE (Shantou) New Energy Industrial Fund Partnership Enterprise (Limited Partnership)*), a limited partnership established in the PRC pursuant to the partnership agreement dated 29 June 2017 (as amended and supplemented by a supplemental agreement dated 28 July 2017) as detailed in the announcements of the Company dated 29 June 2017 and 28 July 2017
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Letter of Guarantee”	the irrevocable letter of guarantee dated 17 August 2020 entered into by Tianjin Beiqing, pursuant to which Tianjin Beiqing agreed to guarantee the due performance of the payment obligations of Yingshang Juan under the Principal Contract in favour of Cinda Leasing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatts, which is equal to 1,000,000 watts
“Power Plant”	a 60MW photovoltaic power plant in Anhui Province, the PRC
“PRC”	the People’s Republic of China
“Principal Contract”	the finance lease agreement entered into between Cinda Leasing and Yingshang Juan, under which Yingshang Juan has payment obligations towards Cinda Leasing comprising the lease payments and administrative fee
“Project”	the project involving the development of the Power Plant
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Beiqing”	天津北清電力智慧能源有限公司 (Tianjin Beiqing Power and Smart Energy Co., Ltd*), a company established in the PRC with limited liability and an indirect non-wholly-owned subsidiary of the Company as at the date of this announcement
“Yingshang Juan”	穎上聚安光伏發電有限公司 (Yingshang Juan PV Power Generation Co., Ltd.*), a company established in the PRC with limited liability
“%”	per cent.

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

Hong Kong, 17 August 2020

As at the date of this announcement, the Board comprises seven Directors, namely Mr. Hu Xiaoyong, Mr. Shi Xiaobei, Mr. Tan Zaixing 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.*