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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 TRANSACTION FINANCE LEASE ARRANGEMENT**

### **THE FINANCE LEASE AGREEMENT**

On 29 September 2020, BECEE (on behalf of the BECEE Group), as lessee, entered into the Finance Lease Agreement with CRCC Leasing, as lessor, pursuant to which CRCC Leasing shall purchase the Leased Assets from the BECEE Group for a total consideration of RMB450,000,000. The Leased Assets would then be leased to the BECEE Group for a term of 8 years. The ownership of the Leased Assets under the Finance Lease Agreement will be vested in CRCC Leasing throughout the lease period. At the end of the lease period and subject to payments by BECEE of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB10,000 for the Leased Assets, the ownership of the Leased Assets will be vested in the BECEE Group.

### **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 the applicable ratios 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.

## **THE FINANCE LEASE AGREEMENT**

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### **Date**

29 September 2020

### **Parties**

Lessor: CRCC Leasing

Lessee: BECEE (on behalf of the BECEE Group)

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

### **Sale and purchase arrangements**

Pursuant to the Finance Lease Agreement, CRCC Leasing shall purchase the Leased Assets from the BECEE Group for a total consideration of RMB450,000,000. The consideration to be paid by CRCC Leasing was determined after arm's length negotiations between parties to the Finance Lease Agreement 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, (a) CRCC Leasing having received the relevant documentary proof for confirming (i) the ownership of the Leased Assets; and (ii) completion of the applicable registration procedures in respect of certain of the pledges and guarantee as mentioned in the third paragraph under the section headed “Lease payments” below; and (b) CRCC Leasing having received the initial payment for the handling and other fees in the amount of RMB13,500,000 from BECEE.

### **Lease back arrangements**

Pursuant to the Finance Lease Agreement, CRCC Leasing agreed to lease the Leased Assets to the BECEE Group for a term of 8 years. The commencement date(s) of the finance lease period shall be notified by CRCC Leasing in writing.

### **Lease payments**

Pursuant to the Finance Lease Agreement, the total estimated aggregate lease payments payable by BECEE to CRCC Leasing shall be RMB571,109,043, being the principal lease cost of RMB450,000,000 plus the estimated aggregate interest of RMB121,109,043.

The principal lease cost and the estimated aggregate interest shall be payable in 32 quarterly instalments. The interests are calculated at a floating rate and shall be adjusted with reference to the loan prime rate for loans with a maturity of above 5 years as promulgated by the National Interbank Funding Centre under the authority of the People’s Bank of China from time to time plus a premium.

The obligations of BECEE under the Finance Lease Agreement shall be secured by, among others, (a) pledges of the entire equity interests in each of the companies under the BECEE Group; (b) a corporate guarantee from the Company; (c) pledges on the Leased Assets; and (d) pledges on the electricity bill receivables by the BECEE Group.

### **Handling and other fees**

BECEE shall pay to CRCC Leasing handling and other fees in the sum of RMB25,942,500, among which, an amount of RMB13,500,000 shall be settled prior to the payment of the consideration for the Leased Assets by CRCC Leasing, and the remaining balance of RMB12,442,500 shall be settled in seven equal annual instalments during the lease period. Unless otherwise stipulated under the Finance Lease Agreement, the fees are non-refundable.

### **Ownership of the Leased Assets**

The ownership of the Leased Assets under the Finance Lease Agreement will be vested in CRCC Leasing throughout the lease period. At the end of the lease period and subject to payments by BECEE of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB10,000 for the Leased Assets, the ownership of the Leased Assets will be vested in the BECEE Group.

The estimated aggregate lease payments and the handling and other 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 handling fee 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 photovoltaic power projects. The Directors therefore consider that the terms of the Finance Lease Agreement 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 LESSEE

BECCE is principally engaged in the investment, development, construction, operation and management of photovoltaic power plants and other power-related businesses. The BECEE Group is principally engaged in the investment, development and operation of photovoltaic power generation projects.

## INFORMATION OF THE LESSOR

CRCC Leasing is a financial leasing company established in the PRC. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, CRCC Leasing is owned as to (i) 35% by 中國鐵建重工集團股份有限公司 (China Railway Construction Heavy Industry Corporation Limited\*) (“**CRCC Industry**”); (ii) approximately 20.59% by 中國財產再保險有限責任公司 (China Property & Casualty Reinsurance Company Ltd.\*) (“**China Reinsurance**”); (iii) 15% by 北京中鐵天瑞機械設備有限公司 (Beijing China Railway Tianrui Machinery Corporation Limited\*) (“**CRCC Tianrui**”); (iv) approximately 17.65% (including direct and indirect interest) by 青島特銳德電氣股份有限公司 (Qingdao TGOOD Electric Co., Ltd.\*) (“**Qingdao TGOOD**”); (v) approximately 8.82% by 天津東疆投資控股有限公司 (Tianjin Dongjiang Investment Holding Co., Ltd.\*) (“**Tianjin Dongjiang**”); and (vi) approximately 2.94% by 臥龍電氣銀川變壓器有限公司 (Wolong Electric Yinchuan Transformer Co., Ltd.\*) (“**Wolong Electric**”).

Each of CRCC Industry and CRCC Tianrui is indirectly wholly-owned by 中國鐵建股份有限公司 (China Railway Construction Corporation Limited\*) (“**CRCC Corporation**”), a company established in the PRC and listed on both the Shanghai Stock Exchange (stock code: 601186.SH) and the main board of the Stock Exchange (stock code: 1186). CRCC Corporation is owned as to approximately 51.13% by 中國鐵道建築集團有限公司 (China Railway Construction Group Co., Ltd.\*), which is in turn wholly-owned by 國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the State Council\*).

China Reinsurance is wholly-owned by 中國再保險(集團)股份有限公司 (China Reinsurance (Group) Corporation\*) (“**China Reinsurance Corporation**”), a company established in the PRC and listed on the main board of the Stock Exchange (stock code: 1508). China Reinsurance Corporation is owned as to approximately 71.56% by 中央匯金投資有限責任公司 (Central Huijin Investment Ltd.\*), which is indirectly wholly-owned by 國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the State Council\*).

Qingdao TGOOD is a company established in the PRC and listed on the Shenzhen Stock Exchange (stock code: 300001.SZ). The controlling shareholder of Qingdao TGOOD is 青島德銳投資有限公司 (Qingdao Derui Investment Co., Ltd.\*), which holds approximately 40.13% interest therein, and which in turn is owned as to approximately 53.29% interest by a PRC individual, Mr. Yu Dexiang (于德翔先生).

Tianjin Dongjiang is a state-owned company established in the PRC and is indirectly wholly-owned by 天津東疆保稅港區管理委員會 (Administration Commission of the Tianjin Dongjiang Port Free Trade Zone\*).

Wolong Electric is wholly-owned by 紅相股份有限公司 (Red Phase INC.\*) (“**Red Phase**”), a company established in the PRC and listed on the Shenzhen Stock Exchange (stock code: 300427.SZ). Mr. Yang Baotian (楊保田先生), Mr. Yang Cheng (楊成先生) and Mr. Yang Li (楊力先生) are collectively regarded as the controlling shareholders of Red Phase.

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

## **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 the applicable ratios 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:

“BECEE”	北控清潔能源電力有限公司 (Beijing Enterprises Clean Energy Electricity Company Limited*), 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
“BECEE Group”	twenty four companies established in the PRC with limited liability and all of which are indirect wholly-owned subsidiaries of BECEE 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 person(s)”	has the meaning ascribed to it under the Listing Rules
“CRCC Leasing”	中鐵建金融租賃有限公司 (CRCC Financial Leasing Co., Ltd.*), a company established in the PRC with limited liability
“Directors”	the director(s) of the Company
“Finance Lease Agreement”	the finance lease agreement dated 29 September 2020 entered into between BECEE (on behalf of the BECEE Group), as lessee, and CRCC Leasing, as lessor, for the Leased Assets for a total consideration of RMB450,000,000, details of which are set out in the section headed “THE FINANCE LEASE AGREEMENT” in this announcement

“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 which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is independent of the Company and connected persons of the Company
“Leased Assets”	certain photovoltaic power generating equipment and ancillary facilities regarding the photovoltaic power plants in the PRC with an aggregate capacity of approximately 115MW owned by the BECEE Group, 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 only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“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, 29 September 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*