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**If you have sold or transferred** all your shares in Beijing Enterprises Clean Energy Group Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**MAJOR TRANSACTION  
IN RELATION TO  
DISPOSALS OF TWO SUBSIDIARIES**

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A letter from the Board is set out on pages 5 to 16 of this circular.

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## DEFINITIONS

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*In this circular, unless otherwise defined or the context requires, the following terms and expressions shall have the following meanings:*

|                           |  |
|---------------------------|--|
| “associate”               | has the meanings ascribed to it under the Listing Rules  |
| “Board”                   | the board of Directors   |
| “Business Day(s)”         | day(s) on which commercial banks are open for business in the PRC (excluding Saturdays, Sundays and public holidays)   |
| “CITIC Finance Lease”     | the finance lease agreements dated 27 June 2018 entered into by and among the Target Companies and CITIC Leasing   |
| “CITIC Leasing”           | 中信金融租賃有限公司 (CITIC Financial Leasing Co., Ltd.*), a company incorporated 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                |
| “Completion Account Date” | the date falling on the last calendar day of the relevant calendar month when XSHN Completion or XSYN Completion (as the case may be) occurs   |
| “Completion Date”         | the date of XSHN Completion or XSYN Completion (as the case may be)  |
| “connected person”        | has the meanings ascribed to it under the Listing Rules  |
| “CTSL Green Power”        | CTSL Green Power Investment Limited, a company incorporated in the British Virgin Islands which is a substantial shareholder of the Company holding 7,594,936,710 Shares as at the Latest Practicable Date |
| “CTSL New Energy”         | CTSL New Energy Investment Limited, a company incorporated in the British Virgin Islands which is a substantial shareholder of the Company holding 7,594,936,700 Shares as at the Latest Practicable Date  |
| “Director(s)”             | the director(s) of the Company   |
| “Disposals”               | comprising the XSHN Disposal and the XSYN Disposal   |

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## DEFINITIONS

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|------------------------------|---|
| “Equity Transfer Agreements” | comprising the XSHN Equity Transfer Agreement and the XSYN Equity Transfer Agreement  |
| “Escrow Account”             | a bank account jointly controlled by the Vendor and the Purchaser   |
| “Fast Top”                   | Fast Top Investment Limited, a company incorporated in the British Virgin Islands which is a substantial shareholder of the Company holding 20,253,164,571 Shares as at the Latest Practicable Date |
| “Group”                      | the Company and its subsidiaries  |
| “HK\$”                       | Hong Kong dollar, the lawful currency of Hong Kong  |
| “Hong Kong”                  | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| “Latest Practicable Date”    | 20 July 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular  |
| “Listing Rules”              | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Model Code”                 | the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules  |
| “PRC”                        | the People’s Republic of China  |
| “Purchaser”                  | 國投電力控股股份有限公司 (SDIC Power Holdings Co., Ltd.*), a company established in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 600886.SH)                                      |
| “Reference Date”             | 31 October 2019   |
| “Relevant Shareholders”      | Fast Top, CTSL Green Power and CTSL New Energy  |
| “RMB”                        | Renminbi, the lawful currency of the PRC  |
| “SFO”                        | the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)  |
| “Shares”                     | ordinary share(s) of HK\$0.001 each in the share capital of the Company   |

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## DEFINITIONS

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|-----------------------------|--|
| “Shareholder(s)”            | the holder(s) of the Shares  |
| “Shareholder’s Loan”        | the outstanding loans, advances, interests (if any) and other sums provided by the Vendor to XSYN  |
| “Share Option Scheme”       | the Company’s share option scheme adopted pursuant to the shareholders’ resolution passed on 11 June 2013, of which there are options relating to 1,030,000,000 shares granted by the Company, representing approximately 1.62% of the Shares in issue as at the Latest Practicable Date |
| “Stock Exchange”            | The Stock Exchange of Hong Kong Limited  |
| “substantial shareholder”   | has the meanings ascribed to it under the Listing Rules  |
| “Takeovers Code”            | The Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong   |
| “Target Companies”          | comprising XSHN and XSYN   |
| “Transition Period Audit”   | an audit to be performed by an independent auditor with respect to each of the Target Companies from the Reference Date to the Completion Account Date   |
| “Vendor” or “TJCE”          | 天津富歡企業管理諮詢有限公司 (Tianjin Clean Energy Investment Company Limited*), a company established in the PRC with limited liability and is a non wholly-owned subsidiary of the Company   |
| “Vendor’s Indebtedness”     | the outstanding loans, advances, interests (if any) and other sums owed by the Vendor to XSHN in the amount of RMB64,552,000 as at the date of the Equity Transfer Agreements and RMB72,849,454 as at the Completion Account Date  |
| “XSHN”                      | 響水恒能太陽能發電有限公司 (Xiangshui Hengneng Photovoltaic Power Co., Ltd.*), a company established in the PRC with limited liability and was a subsidiary of the Company  |
| “XSHN Completion”           | completion of the XSHN Disposal  |
| “XSHN Conditions Precedent” | the conditions precedent to XSHN Completion under the XSHN Equity Transfer Agreement   |

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## DEFINITIONS

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|                                  |   |
|----------------------------------|---|
| “XSHN Consideration”             | the consideration payable by the Purchaser for the entire equity interest of XSHN   |
| “XSHN Disposal”                  | the disposal of the entire equity interest of XSHN by the Vendor to the Purchaser under the XSHN Equity Transfer Agreement                                    |
| “XSHN Equity Transfer Agreement” | the agreement dated 8 May 2020 entered into by and among the Vendor, the Purchaser and XSHN in relation to the XSHN Disposal                                  |
| “XSHN Project”                   | a 100MW photovoltaic power plant owned by XSHN in 鹽城市 (Yancheng City*), Jiangsu Province, the PRC   |
| “XSYN”                           | 響水永能太陽能發電有限公司 (Xiangshui Yongneng Photovoltaic Power Co., Ltd.*), a company established in the PRC with limited liability and was a subsidiary of the Company |
| “XSYN Completion”                | completion of the XSYN Disposal   |
| “XSYN Conditions Precedent”      | the conditions precedent to XSYN Completion under the XSYN Equity Transfer Agreement  |
| “XSYN Consideration”             | the consideration payable by the Purchaser for the entire equity interest of XSYN   |
| “XSYN Disposal”                  | the disposal of the entire equity interest of XSYN by the Vendor to the Purchaser under the XSYN Equity Transfer Agreement                                    |
| “XSYN Equity Transfer Agreement” | the agreement dated 8 May 2020 entered into by and among the Vendor, the Purchaser and XSYN in relation to the XSYN Disposal                                  |
| “XSYN Project”                   | a 20MW photovoltaic power plant owned by XSYN in 鹽城市 (Yancheng City*), Jiangsu Province, the PRC  |
| “%”                              | per cent.   |

\* For identification purpose only

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

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Mr. Shi Xiaobei

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Rooms 6706-07

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Hong Kong

24 July 2020

*To the Shareholders*

Dear Sir or Madam,

### **MAJOR TRANSACTION IN RELATION TO DISPOSALS OF TWO SUBSIDIARIES**

#### **INTRODUCTION**

Reference is made to the announcement dated 8 May 2020 made by the Company in relation to the Disposals.

On 8 May 2020, (i) the XSHN Equity Transfer Agreement was entered into by and among the Vendor, an indirect non wholly-owned subsidiary of the Company, the Purchaser and XSHN in relation to the XSHN Disposal at a total consideration of RMB438,000,000; and (ii) the XSYN Equity Transfer Agreement was entered into by and among the Vendor, the Purchaser and XSYN in relation to the XSYN Disposal at a total consideration of RMB100,000,000.

The purpose of this circular is to provide you with, among other things, further details of the Disposals and other information required under the Listing Rules.

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## LETTER FROM THE BOARD

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### THE EQUITY TRANSFER AGREEMENTS

#### (A) The XSHN Equity Transfer Agreement

On 8 May 2020, the XSHN Equity Transfer Agreement was entered into by and among the Vendor, an indirect non wholly-owned subsidiary of the Company, the Purchaser and XSHN in relation to the XSHN Disposal at the XSHN Consideration, subject to adjustment based on the Transition Period Audit report of XSHN.

#### *The XSHN Consideration*

The initial XSHN Consideration is RMB438,000,000, which shall be payable by the Purchaser to the Vendor in cash in the following manner:

- (i) within ten (10) Business Days after the fulfilment of conditions (1) to (5) of the XSHN Conditions Precedent, an amount of RMB394,200,000 (the “**XSHN Deposit**”), representing 90% of the initial XSHN Consideration, shall be paid into the Escrow Account;
- (ii) within ten (10) Business Days of the later of the issuance of the Transition Period Audit report of XSHN and the issue of the payment notice by the Vendor, an amount equivalent to the agreed adjusted Vendor’s Indebtedness shall be released from the Escrow Account to a bank account designated by the Vendor for the simultaneous repayment of the Vendor’s Indebtedness to XSHN;
- (iii) within five (5) Business Days of the later of the full repayment of the Vendor’s Indebtedness and the issue of the payment notice by the Vendor, an amount equal to 90% of the adjusted XSHN Consideration less the Vendor’s Indebtedness shall be released from the Escrow Account to a bank account designated by the Vendor;
- (iv) in the event (i) if the adjusted XSHN Consideration is less than the initial XSHN Consideration, an amount equal to 90% of the difference shall be returned to the Purchaser from the Escrow Account within ten (10) Business Days from the day of the payment (iii) above; or (ii) if the adjusted XSHN Consideration is more than the initial XSHN Consideration, an amount equal to 90% of the excess shall be paid by the Purchaser to a bank account designated by the Vendor within ten (10) Business Days from the day of the payment (iii) above; and
- (v) within ten (10) Business Days of the first anniversary of the day after the Completion Date and subject to the Vendor having completed certain rectification work required by the Purchaser and the Vendor having complied with its representation and warranties under the XSHN Equity Transfer Agreement, the remaining amount of RMB43,800,000 or 10% of the adjusted XSHN Consideration (if applicable) shall be paid by the Purchaser to a bank account designated by the Vendor.



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## LETTER FROM THE BOARD

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The XSHN Consideration shall be adjusted on a dollar for dollar basis upon the occurrence of any of the following events during the period from the Reference Date to the Completion Account Date:

- (i) the amount of the decrease of the net assets value of XSHN as at the Completion Account Date as compared with that of the Reference Date if XSHN distributes dividends to the Vendor before the Completion Account Date which results in such decrease;
- (ii) the amount of any increase or decrease in the registered capital of XSHN;
- (iii) the value of assets which are sold, disposed, leased or transferred outside the ordinary course of business of XSHN;
- (iv) the amount of capital expenditure incurred outside the ordinary course of business of XSHN;
- (v) the amount of any debt, security or encumbrance created over the asset of XSHN;
- (vi) the amount of losses resulting from any action that would cause a material delay in the XSHN Completion; or
- (vii) the amount of losses resulting from the entering of an agreement or undertaking to any of the above events.

As at the Latest Practicable Date, none of the events mentioned in (i) to (vii) above has occurred. Therefore, there was no adjustment to the XSHN Consideration.

### ***The XSHN Conditions Precedent***

The XSHN Completion is conditional upon the satisfaction of the following conditions:

- 1) CITIC Leasing having provided the written consent to the XSHN Disposal;
- 2) the Company having obtained the Shareholders' approval for the XSHN Equity Transfer Agreement and the transactions contemplated thereunder in accordance with the Listing Rules;
- 3) the Vendor, certain of its related parties, XSHN and the previous shareholder of XSHN having entered into the debt confirmation agreements in respect of the restructuring and offset of the outstanding debts among the parties;

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## LETTER FROM THE BOARD

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- 4) XSHN and the designated party of the Vendor having entered into the three-year operation and maintenance service agreement regarding the maintenance of the XSHN Project in the form to the satisfaction of the Purchaser;
- 5) the existing entrusted operation agreement between XSHN and the Group being terminated;
- 6) each party to the XSHN Equity Transfer Agreement having completed the handover procedures including numbering the properties and collating the handover documents of XSHN; and
- 7) the XSHN Deposit having been paid into the Escrow Account.

Parties to the XSHN Equity Transfer Agreement may waive the above XSHN Conditions Precedent (except for conditions (1) and (2)) by unanimous consent. As at the Latest Practicable Date, all the XSHN Conditions Precedent have been satisfied. The XSHN Completion took place on 28 May 2020.

### **(B) The XSYN Equity Transfer Agreement**

On 8 May 2020, the XSYN Equity Transfer Agreement was entered into by and among the Vendor, an indirect non wholly-owned subsidiary of the Company, the Purchaser and XSYN in relation to the XSYN Disposal at the XSYN Consideration, subject to adjustment based on the Transition Period Audit report of XSYN.

#### ***The XSYN Consideration***

The initial XSYN Consideration is RMB100,000,000, which shall be payable by the Purchaser to the Vendor in cash in the following manner:

- (i) within ten (10) Business Days after the fulfilment of conditions (1) to (5) of the XSYN Conditions Precedent, an amount of RMB89,000,000 (the “**XSYN Deposit**”), representing 90% of the initial XSYN Consideration less RMB1,000,000 (the “**Holding Amount**”), shall be paid into the Escrow Account;
- (ii) within ten (10) Business Days of the later of the issuance of the Transition Period Audit report of XSYN and the issue of the payment notice by the Vendor, an amount equal to 90% of the adjusted XSYN Consideration less the Holding Amount shall be released from the Escrow Account to a bank account designated by the Vendor;
- (iii) in the event (i) if the adjusted XSYN Consideration is less than the initial XSYN Consideration, an amount equal to 90% of the difference shall be returned to the Purchaser from the Escrow Account within ten (10) Business Days from the day

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## LETTER FROM THE BOARD

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of the payment (ii) above; or (ii) if the adjusted XSYN Consideration is more than the initial XSYN Consideration, an amount equal to 90% of the excess shall be paid by the Purchaser to a bank account designated by the Vendor within ten (10) Business Days from the day of the payment (ii) above;

- (iv) within ten (10) Business Days of the later of the issuance of the Transition Period Audit report of XSYN and the issue of the payment notice by the Vendor to the Purchaser after the Vendor provides the Purchaser with the relevant immovable property certificates, the Holding Amount shall be paid to a bank account designated by the Vendor; and
- (v) within ten (10) Business Days of the first anniversary of the day after the Completion Date and subject to the Vendor having completed certain rectification work required by the Purchaser and the Vendor having complied with its representation and warranties under the XSYN Equity Transfer Agreement, the remaining amount of RMB10,000,000 or 10% of the adjusted XSYN Consideration (if applicable) shall be paid by the Purchaser to a bank account designated by the Vendor.

The XSYN Consideration shall be adjusted on a dollar for dollar basis upon the occurrence of any of the following events during the period from the Reference Date to the Completion Account Date:

- (i) the amount of the decrease of the net assets value of XSYN as at the Completion Account Date as compared with that of the Reference Date if XSYN distributes dividends to the Vendor before the Completion Account Date which results in such decrease;
- (ii) the amount of any increase or decrease in the registered capital of XSYN;
- (iii) the value of assets which are sold, disposed, leased or transferred outside the ordinary course of business of XSYN;
- (iv) the amount of capital expenditure incurred outside the ordinary course of business of XSYN;
- (v) the amount of any debt, security or encumbrance created over the asset of XSYN;
- (vi) the amount of losses resulting from any action that would cause a material delay in the XSYN Completion; or
- (vii) the amount of losses resulting from an agreement or undertaking to any of the above events.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, none of the events mentioned in (i) to (vii) above has occurred. Therefore, there was no adjustment to the XSYN Consideration.

### ***Shareholder's Loan***

On 11 June 2020, the Vendor, XSYN and related parties entered into the supplemental debt confirmation agreement and the Shareholder's Loan was adjusted to RMB1,782,731. The Vendor and XSYN are negotiating to enter into a supplemental agreement to further extend the repayment deadline.

### ***The XSYN Conditions Precedent***

The XSYN Completion is conditional upon the satisfaction of the following conditions:

- 1) CITIC Leasing having provided the written consent to the XSYN Disposal;
- 2) the Company having obtained the Shareholders' approval for the XSYN Equity Transfer Agreement and the transactions contemplated thereunder in accordance with the Listing Rules;
- 3) the Vendor, certain of its related parties, XSYN and the previous shareholders of XSYN having entered into the debt confirmation agreements in respect of the restructuring and offset of the outstanding debts among the parties;
- 4) XSYN and the designated party of the Vendor having entered into the three-year operation and maintenance service agreement regarding the maintenance of the XSYN Project in the form to the satisfaction of the Purchaser;
- 5) the existing entrusted operation agreement between XSYN and the Group being terminated;
- 6) each party to the XSYN Equity Transfer Agreement having completed the handover procedures including numbering the properties and collating the handover documents of XSYN; and
- 7) the XSYN Deposit having been paid into the Escrow Account.

Parties to the XSYN Equity Transfer Agreement may waive the above XSYN Conditions Precedent (except for conditions (1) and (2)) by unanimous consent. As at the Latest Practicable Date, all the XSYN Conditions Precedent have been satisfied. The XSYN Completion took place on 28 May 2020.

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## LETTER FROM THE BOARD

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### ***Basis of determining the considerations for the Disposals***

The initial considerations for the XSHN Disposal and the XSYN Disposal were determined upon arm's length negotiations between the Vendor and the Purchaser with reference to the unaudited net asset values of XSHN and XSYN of approximately RMB438,794,000 and RMB84,818,000, respectively, as at the Reference Date.

### ***Completion of the Disposals***

Upon completion of the Disposals, the Target Companies have ceased to be non wholly-owned subsidiaries of the Company and their financial results are no longer consolidated in the Group's financial statements.

### ***Default Penalty***

If the Purchaser fails to fulfil its obligation to pay the relevant consideration pursuant to the terms of the relevant Equity Transfer Agreement, the Purchaser will be liable to pay to the Vendor a daily default payment of 0.01% of the relevant amount due.

Failure of the Purchaser to perform its obligation to pay the consideration or the default interest rate pursuant to the relevant Equity Transfer Agreement constitutes an event of default on the part of the Purchaser and the Purchaser is liable for losses incurred thereunder. Upon which, the Vendor is entitled to commence litigation against the Purchaser in the PRC court with competent jurisdiction and claim restitution in accordance with the PRC law.

If the Purchaser refuses to perform the court decision in favour of the Vendor, the Vendor may seek enforcement by the court. Under this circumstance, the Purchaser may be added into 失信執行人名錄 (the List of Untrustworthy Executors\*) (an effective enforcement machinery in the PRC), which may have a material adverse effect on the assessment of the Purchaser's credit rating and reputation.

Taking into consideration of the general market practice in the solar industry as well as the background of the Purchaser, the Directors are of the view that the settlement and completion mechanism is sufficient to safeguard the Company's right to receive the full consideration and the possibility of the Purchaser would not honour its contractual commitment is relatively low.

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## LETTER FROM THE BOARD

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### ***Termination of the guarantee and the CITIC Finance Lease***

As at the Reference Date, the total amount (including, among others, principal lease cost, interests, handling fees and consultancy service fees) payable by each of XSHN and XSYN under the CITIC Finance Lease was approximately RMB531,563,000 and RMB101,250,000, respectively. Pursuant to the Equity Transfer Agreements, by no later than 6 months after the Completion Date, the Purchaser shall (i) provide necessary financing facilities to the Target Companies for their repayment of the outstanding amount under the CITIC Finance Lease and terminate the CITIC Finance Lease; and (ii) procure for the release of the guarantee provided by the Vendor and its affiliates to secure the borrowings of the Target Companies.

In the event that the obligations under the guarantee provided by the Vendor and its affiliates are triggered after the Completion Date, the Vendor and its affiliates shall be entitled to seek for damages from the Target Companies for any losses incurred thereunder.

### **INFORMATION ON THE COMPANY AND THE VENDOR**

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.

The Vendor is an indirect non wholly-owned subsidiary of the Company and is principally engaged in the provision of consultancy services in relation to photovoltaic power business.

### **INFORMATION ON THE PURCHASER**

The Purchaser is a company established in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 600886.SH). It is principally engaged in the construction, operation and management of energy projects mainly based on power generation; and development and operation of power supporting products and information and consulting services.

As at the Latest Practicable Date, the Purchaser is held as to 49.18% by 國家開發投資集團有限公司 (State Development & Investment Corporation 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).

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are independent of the Company and its connected persons.

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## LETTER FROM THE BOARD

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### INFORMATION ON THE TARGET COMPANIES

The Target Companies are established in the PRC with limited liability and were wholly owned by the Vendor immediately before the completion of the Disposals. Each of XSHN and XSYN is principally engaged in the investment, development and operation of the XSHN Project and the XSYN Project, respectively.

Based on the unaudited financial accounts of the Target Companies, as at 31 December 2019, the net asset values of XSHN and XSYN are approximately RMB438,728,000 and approximately RMB85,956,000, respectively.

The table below sets forth the unaudited net profits before and after taxation of the Target Companies for the two financial years ended 31 December 2019:

|                        | <b>Year ended<br/>31 December<br/>2018<br/>RMB'000<br/>(unaudited)</b> | <b>Year ended<br/>31 December<br/>2019<br/>RMB'000<br/>(unaudited)</b> |
|------------------------|--|--|
| <b>XSHN:</b>           |  |  |
| Profit before taxation | 26,906   | 40,164   |
| Profit after taxation  | 25,068   | 35,144   |
| <b>XSYN:</b>           |  |  |
| Profit before taxation | 10,577   | 12,935   |
| Profit after taxation  | 10,178   | 11,364   |

As a result of the Disposals, subject to audit, it is expected that there will be a net gain of approximately RMB380,000 for the XSHN Disposal and approximately RMB1,270,000 for the XSYN Disposal accrued to the Group, being the difference between the XSHN Consideration and the XSYN Consideration from the Disposals and (i) the net asset values of XSHN and XSYN of approximately RMB437,620,000 and approximately RMB98,730,000, respectively, based on the unaudited financial information of the Target Companies as at 30 April 2020; and (ii) the related transaction costs, taxes and expenses of the Disposals.

The proceeds from the Disposals will be approximately RMB538,000,000. It is intended that such proceeds will be used for repayment of indebtedness owed by the Group and/or general working capital purposes of the Group.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER AGREEMENTS

The Directors consider that it is a good opportunity for the Group to realise its investments in the Target Companies so as to better allocate the Group's resources to develop other more favourable clean energy projects and optimise its clean energy power station assets portfolio.

In addition, the net proceeds from the Disposals will enhance the Group's financial position for improving the Group's gearing ratio and generating an immediate cash inflow for the development of clean energy projects and/or general working capital purposes of the Group. Meanwhile, the repayment of the existing indebtedness can lower the associated finance costs, effectively reducing the financial risks.

In view of the above, the Board is of the view that the terms of the Equity Transfer Agreements were entered into on normal commercial terms, and are fair and reasonable and in the interests of the Shareholders as a whole. None of the Directors has any material interest in the transactions contemplated under the Equity Transfer Agreements, and therefore none of them is required to abstain from voting for the relevant board resolution(s) to approve the Equity Transfer Agreements and the transactions contemplated thereunder.

### LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Equity Transfer Agreements exceeds 25% and all of them are less than 75%, the Equity Transfer Agreements constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement, circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Disposals. As such, no Shareholders would be required to abstain from voting in favour of the resolution approving the Disposals. As at the Latest Practicable Date, the Relevant Shareholders, being a closely allied group of Shareholders, control an aggregate of 35,443,037,981 Shares, which represents approximately 55.79% of the Company's issued share capital and voting rights in the Company's general meeting and written Shareholders' approval for the Disposals has been obtained from the Relevant Shareholders. Accordingly, pursuant to Rule 14.44 of the Listing Rules, such written Shareholders' approval may be accepted in lieu of holding a general meeting of the Company to approve the terms of, and the transactions contemplated under, the Equity Transfer Agreements upon satisfaction of the conditions set out under Rule 14.44 of the Listing Rules.



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## LETTER FROM THE BOARD

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| Name             | No. of Shares<br>held        | Approximate<br>percentage<br>shareholding<br>(%)<br>(Note 1) |
|------------------|------------------------------|--|
| Fast Top         | 20,253,164,571               | 31.88  |
| CTSL Green Power | 7,594,936,710                | 11.96  |
| CTSL New Energy  | <u>7,594,936,700</u>         | <u>11.95</u>   |
| Total            | <u><u>35,443,037,981</u></u> | <u><u>55.79</u></u>  |

*Note:*

1. The percentage was calculated based on 63,525,397,057 issued Shares as at the Latest Practicable Date.

The Relevant Shareholders are a closely allied group of Shareholders which control an aggregate of 35,443,037,981 Shares, representing approximately 55.79% of the Company's issued share capital and voting rights in the Company's general meeting. The Relevant Shareholders have been shareholders of the Company since 6 May 2015. The Relevant Shareholders are regarded as "acting in concert" for the purposes of the Takeovers Code given Fast Top, the ultimate controllers of CTSL Green Power (i.e. CPEChina Fund II, L.P. and CPEChina Fund IIA, L.P.) and the beneficial owner of CTSL New Energy (i.e. 北京中信投資中心(有限合夥)(CITIC Private Equity Fund III (RMB)\*) ("CITIC PEF III") are regarded as parties "acting in concert" for the purposes of the Takeovers Code, details of which are set out in the circular of the Company dated 10 April 2015 in relation to, among other things, the subscription agreement dated 9 December 2014 (as supplemented by the first supplemental agreement dated 29 December 2014, the second supplemental agreement dated 31 January 2015 and the third supplemental agreement dated 30 April 2015) entered into between, among others, the Company, Fast Top, CPEChina Fund II, L.P., CPEChina Fund IIA, L.P. and CITIC PEF III in respect of the subscription of certain new ordinary shares and convertible preference shares of the Company. The Relevant Shareholders have together voted for past Shareholders' resolutions other than the routine resolutions presented at each annual general meeting of the Company. The Company had obtained a written approval in lieu of holding a general meeting of the Company from the Relevant Shareholders in June 2016, details of which can be found in the announcements of the Company dated 21 June 2016 and 27 June 2016 and the circular of the Company dated 15 August 2016.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Board is of the view that the Equity Transfer Agreements and the transactions contemplated thereunder were entered into on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and would recommend the Shareholders to vote in favour of the resolution to approve the Equity Transfer Agreements and the transactions contemplated thereunder if a general meeting convened.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
By Order of the Board  
**Beijing Enterprises Clean Energy Group Limited**  
**Hu Xiaoyong**  
*Chairman*

**1. FINANCIAL INFORMATION OF THE GROUP FOR EACH OF THE THREE YEARS ENDED 31 DECEMBER 2017, 2018 AND 2019**

Financial information of the Group for each of the three years ended 31 December 2017, 31 December 2018 and 31 December 2019 is disclosed in the following documents which have been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.bece.com.hk](http://www.bece.com.hk)) and can be accessed at the website addresses below:

For the annual report of the Company for the year ended 31 December 2017, please see:  
[https://doc.irasia.com/listco/hk/bece/annual/ar193209-ew\\_01250ar\\_24042018.pdf](https://doc.irasia.com/listco/hk/bece/annual/ar193209-ew_01250ar_24042018.pdf)

For the annual report of the Company for the year ended 31 December 2018, please see:  
[https://doc.irasia.com/listco/hk/bece/annual/ar210632-ew\\_01250ar\\_26032019.pdf](https://doc.irasia.com/listco/hk/bece/annual/ar210632-ew_01250ar_26032019.pdf)

For the annual report of the Company for the year ended 31 December 2019, please see:  
[https://doc.irasia.com/listco/hk/bece/annual/ar228997-ew\\_01250\\_27032020.pdf](https://doc.irasia.com/listco/hk/bece/annual/ar228997-ew_01250_27032020.pdf)

**2. INDEBTEDNESS STATEMENT****Debts and borrowings**

As at 31 May 2020, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding (i) secured bank loans of approximately HK\$2,677 million, (ii) unsecured bank loans of approximately HK\$9,736 million, (iii) unsecured corporate bonds with an aggregate principal amount of RMB1,400 million (equivalent to approximately HK\$1,522 million), which are guaranteed by the Company, (iv) secured lease liabilities of approximately HK\$14,640 million, and (v) unsecured lease liabilities of approximately HK\$694 million.

The secured bank and other borrowings, lease liabilities under finance lease arrangements and bill payables of the Group as at 31 May 2020 are secured by:-

- (i) pledges over certain of the Group's property, plant and equipment and operating concessions;
- (ii) pledges over certain of the Group's trade receivables;
- (iii) pledges over the Group's equity interests in certain subsidiaries;
- (iv) guarantees given by the Company and/or its subsidiaries; and/or
- (v) pledges over certain of the Group's bank balances.

**Guarantees issued**

As at 31 May 2020, the Group provided the total maximum guarantees in relation to the investment in joint ventures and an unlisted equity investment of approximately HK\$1,717 million.

The Group provided a guarantee in respect of a bank borrowing amounted to HK\$173 million of an associate of the Group as at 31 May 2020. Pursuant to the above arrangement, the related cash and bank balances were pledged to the bank as collateral for the borrowing.

**Contingent liabilities**

As at 31 May 2020, the Group had no material contingent liabilities.

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at 31 May 2020, have any outstanding debt securities, whether issued and outstanding, authorised or otherwise created but unissued, term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Company or by third parties) or unsecured, other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured borrowings or debt, mortgages, charges, guarantees or other material contingent liabilities.

The Directors confirm that, save as disclosed above, there are no material changes in the indebtedness and contingent liabilities of the Group since 31 May 2020.

**3. WORKING CAPITAL**

Taking into account the financial resources available to the Group, including internally generated funds, available facilities from banks and the net proceeds from the Disposals, the Directors are of the opinion that the Group has sufficient working capital for its requirements for at least 12 months from the date of this circular.

**4. FINANCIAL AND TRADING PROSPECTS**

The unexpected outbreak of COVID-19 in 2019 has caused a serious adverse impact on the overall PRC market's economic performance in January and February of 2020 and thereafter. However, due to the main business models of the Group as a photovoltaic power plant and wind power plant owner and operator, its daily operation has not been affected by any sudden outbreak or disaster but by the photovoltaic irradiation level and the wind speed level. This proves once again the stability of the photovoltaic power and the wind power electricity generation businesses by the Group. While the Group's daily operations have been unscathed as a photovoltaic power plant and wind power plant owner and operator, the Group remains cautious about the business development of the Group in the future, with plans to make appropriate adjustment to its

development plans and business goals when necessary. The Group considers the Equity Transfer Agreements as a good opportunity to realize its investments in the Target Companies at an opportune time, so as to better allocate its resources to develop other clean energy projects and optimise its clean energy power station assets portfolio.

The Group is still optimistic about the prospects in the clean energy industry in the PRC, and the Equity Transfer Agreements will continue to anchor the ongoing business optimization measures of the Group, with a view to delivering sustainable shareholder return going forward.

#### **5. NO MATERIAL ADVERSE CHANGES**

Save as disclosed herein, the Directors confirm that there are no material adverse changes in the financial or trading position of the Group since 31 December 2019 (being the date to which the latest published audited consolidated financial statements of the Company were made up).

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### Directors' and chief executive's interests and short positions in Shares and underlying Shares of the Company and associated corporations

#### (a) Long positions in the Shares and/or underlying Shares of the Company

| Name of Director | Capacity and number of Shares/underlying Shares held |                  |                           |                 |               | Approximate percentage of the Company's issued share capital<br>(Note 1) |
|------------------|--|------------------|---------------------------|-----------------|---------------|--|
|                  | Personal interests                                   | Family interests | Corporate interests       | Other interests | Total         |  |
| Hu Xiaoyong      | 132,780,000  | –                | 2,291,454,285<br>(Note 2) | –               | 2,424,234,285 | 3.82%  |

#### Notes:

- The approximate percentage was calculated on the basis of 63,525,397,057 Shares in issue as at the Latest Practicable Date.
- Out of 2,291,454,285 Shares, 2,285,714,285 Shares and 5,740,000 Shares were held by Zhihua Investments Limited and Starry Chance Investments Limited, respectively, both companies are wholly and beneficially owned by Mr. Hu Xiaoyong. Accordingly, Mr. Hu Xiaoyong is deemed to have interests in those Shares under the SFO.

**(b) Long positions in the shares and/or underlying shares of the Company's associated corporation**

| Name of associated corporation   | Name of Director | Capacity in which interests are held        | Registered capital held | Approximate percentage of interests<br>(Note 1) |
|--|------------------|---|-------------------------|---|
| 北控風力發電有限公司<br>(Beijing Enterprises Wind Power Generation Company Limited*)<br>("BEWP") | Hu Xiaoyong      | Interest of controlled corporation (Note 2) | RMB60,000,000           | 8.33%   |

Notes:

1. The approximate percentage was calculated on the basis of the registered capital of RMB720,000,000 of BEWP as at the Latest Practicable Date.
2. Such interest was held by Great First (Hong Kong) Limited, which in turn is wholly-owned by Mr. Hu Xiaoyong.

**(c) Long positions in the share options of the Company**

| Name of Directors         | Number of underlying Shares in respect of share options as at the Latest Practicable Date | Grant date (DD/MM/YY) | Exercisable period (DD/MM/YY) | Exercise price HK\$ | Approximate percentage of the Company's issued share capital<br>(Note 1) |
|---------------------------|---|-----------------------|-------------------------------|---------------------|--|
| <b>Executive Director</b> |   |                       |                               |                     |  |
| Hu Xiaoyong               | 120,000,000   | 18/09/2017            | 18/09/2020-17/09/2027         | 0.199               | 0.189%   |
|                           | 120,000,000   | 18/09/2017            | 18/09/2021-17/09/2027         | 0.199               | 0.189%   |
|                           | 120,000,000   | 18/09/2017            | 18/09/2022-17/09/2027         | 0.199               | 0.189%   |
|                           | 120,000,000   | 18/09/2017            | 18/09/2023-17/09/2027         | 0.199               | 0.189%   |
|                           | 120,000,000   | 18/09/2017            | 18/09/2024-17/09/2027         | 0.199               | 0.189%   |
|                           | <hr/>   |                       |                               |                     | <hr/>  |
|                           | 600,000,000   |                       |                               |                     | 0.945%   |

## APPENDIX II

## GENERAL INFORMATION

| Name of Directors                          | Number of underlying Shares in respect of share options as at the Latest Practicable Date | Grant date (DD/MM/YY) | Exercisable period (DD/MM/YY) | Exercise price HK\$ | Approximate percentage of the Company's issued share capital (Note 1) |
|--|---|-----------------------|-------------------------------|---------------------|---|
| <b>Independent non-executive Directors</b> |   |                       |                               |                     |   |
| Li Fujun                                   | 2,000,000   | 18/09/2017            | 18/09/2020-17/09/2027         | 0.199               | 0.003%  |
|  | 2,000,000   | 18/09/2017            | 18/09/2021-17/09/2027         | 0.199               | 0.003%  |
|  | 2,000,000   | 18/09/2017            | 18/09/2022-17/09/2027         | 0.199               | 0.003%  |
|  | 2,000,000   | 18/09/2017            | 18/09/2023-17/09/2027         | 0.199               | 0.003%  |
|  | 2,000,000   | 18/09/2017            | 18/09/2024-17/09/2027         | 0.199               | 0.003%  |
|  | 10,000,000  |                       |                               |                     | 0.016%  |
| Xu Honghua                                 | 2,000,000   | 18/09/2017            | 18/09/2020-17/09/2027         | 0.199               | 0.003%  |
|  | 2,000,000   | 18/09/2017            | 18/09/2021-17/09/2027         | 0.199               | 0.003%  |
|  | 2,000,000   | 18/09/2017            | 18/09/2022-17/09/2027         | 0.199               | 0.003%  |
|  | 2,000,000   | 18/09/2017            | 18/09/2023-17/09/2027         | 0.199               | 0.003%  |
|  | 2,000,000   | 18/09/2017            | 18/09/2024-17/09/2027         | 0.199               | 0.003%  |
|  | 10,000,000  |                       |                               |                     | 0.016%  |
| Chiu Kung Chik                             | 2,000,000   | 18/09/2017            | 18/09/2020-17/09/2027         | 0.199               | 0.003%  |
|  | 2,000,000   | 18/09/2017            | 18/09/2021-17/09/2027         | 0.199               | 0.003%  |
|  | 2,000,000   | 18/09/2017            | 18/09/2022-17/09/2027         | 0.199               | 0.003%  |
|  | 2,000,000   | 18/09/2017            | 18/09/2023-17/09/2027         | 0.199               | 0.003%  |
|  | 2,000,000   | 18/09/2017            | 18/09/2024-17/09/2027         | 0.199               | 0.003%  |
|  | 10,000,000  |                       |                               |                     | 0.016%  |

*Note:*

- The approximate percentage was calculated on the basis of 63,525,397,057 Shares in issue as at the Latest Practicable Date.



As at the Latest Practicable Date, save as disclosed herein, none of the Directors or chief executive of the Company had any interests in the underlying Shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its associated corporations. Save as disclosed herein, no share option was granted, exercised, lapsed, cancelled or forfeited under the Share Option Scheme as at the Latest Practicable Date.

All the interests stated above represent long positions. Save as disclosed herein, as at the Latest Practicable Date, to the knowledge of the Company:

- (1) none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and the chief executive of the Company were taken or deemed to have under such provisions of the SFO); or (b) which were required to be entered in the register kept by the Company under Section 352 of the SFO; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code; and
- (2) none of the Directors and chief executive of the Company nor their spouses or minor children (natural or adopted) were granted or had exercised any rights to subscribe for any equity or debt securities of the Company or any of its associated corporations.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### 3. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

So far as is known to the Directors or chief executive of the Company, as at the Latest Practicable Date, the persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or who were, directly or indirectly, interested in 10% or more of the issued voting shares of any other members of the Group were as follows:

| Name of Shareholders   | Capacity in which Shares are held         | Number of Shares held | Approximate percentage of the Company's issued share capital<br>(Note 1) |
|--|---|-----------------------|--|
| Beijing Enterprises Group Company Limited (" <b>BE Group</b> ") (Note 2)   | Interest of controlled corporation        | 20,253,164,571        | 31.88%   |
| Beijing Enterprises Holdings Limited (" <b>BEHL</b> ") (Note 2)  | Interest of controlled corporation        | 20,253,164,571        | 31.88%   |
| Beijing Enterprises Water Group Limited (" <b>BEWG</b> ") (Note 2)   | Interest of controlled corporation        | 20,253,164,571        | 31.88%   |
| CITIC Securities Company Limited (Notes 3(i) and (ii))   | Interest of controlled corporation        | 15,189,873,410        | 23.91%   |
| CITICPE Holdings Limited (Note 3(i))   | Interest of controlled corporation        | 7,594,936,710         | 11.96%   |
| CITIC PE Associates II, L.P. (Note 3(i))   | Interest of controlled corporation        | 7,594,936,710         | 11.96%   |
| CPEChina Fund II, L.P. (Note 3(i))   | Interest held jointly with another person | 7,594,936,710         | 11.96%   |
| CPEChina Fund IIA, L.P. (Note 3(i))  | Interest held jointly with another person | 7,594,936,710         | 11.96%   |
| 中信產業投資基金管理有限公司 (CITIC Private Equity Funds Management Co., Ltd.*) (" <b>CITIC Private Equity Funds</b> ") (Note 3(ii)) | Interest of controlled corporation        | 7,594,936,700         | 11.96%   |

## APPENDIX II

## GENERAL INFORMATION

| Name of Shareholders   | Capacity in which Shares are held  | Number of Shares held | Approximate percentage of the Company's issued share capital<br>(Note 1) |
|--|------------------------------------|-----------------------|--|
| 北京宥德投資管理中心<br>(有限合夥)<br>(Beijing Youde Investment Management Centre (Limited Partnership)*) (“ <b>Beijing Youde Investment</b> ”) (Note 3(ii)) | Interest of controlled corporation | 7,594,936,700         | 11.96%   |
| CITIC PEF III (Note 3(ii))   | Interest of controlled corporation | 7,594,936,700         | 11.96%   |
| 清華大學 (Tsinghua University) (Note 4)  | Interest of controlled corporation | 4,045,000,000         | 6.37%  |
| 清華控股有限公司<br>(Tsinghua Holdings Co., Ltd.*)<br>(Note 4)   | Interest of controlled corporation | 4,045,000,000         | 6.37%  |
| 啟迪控股股份有限公司<br>(Tus-Holdings Co., Ltd.*) (Note 4)   | Interest of controlled corporation | 4,045,000,000         | 6.37%  |
| Tuspark Technology Innovation Ltd.<br>(啟迪科創有限公司) (Note 4)  | Beneficial interest                | 4,045,000,000         | 6.37%  |

**Notes:**

- The approximate percentage was calculated on the basis of 63,525,397,057 Shares in issue as at the Latest Practicable Date.

2. BE Group is deemed to be interested in an aggregate of 20,253,164,571 Shares as a result of its indirect holding of such Shares through the following entities including its wholly-owned subsidiaries:

| Name   | Long position in the Shares |
|--|-----------------------------|
| Fast Top   | 20,253,164,571              |
| BEWG   | 20,253,164,571              |
| Beijing Enterprises Environmental Construction Limited (“ <b>BE Environmental</b> ”) | 20,253,164,571              |
| BEHL   | 20,253,164,571              |
| Beijing Enterprises Group (BVI) Company Limited (“ <b>BE BVI</b> ”)                  | 20,253,164,571              |

Fast Top, a wholly-owned subsidiary of BEWG, beneficially holds 20,253,164,571 Shares. BEWG was directly held as to approximately 41.13% by BE Environmental and approximately 0.13% by Beijing Holdings Limited (“**BHL**”) as at the Latest Practicable Date. BE Environmental is a wholly-owned subsidiary of BEHL, which is in turn held as to approximately 61.96% by BE BVI (by itself and through its subsidiaries) and approximately 0.19% by BHL. Both BE BVI and BHL are wholly-owned by BE Group.

3. CITIC Securities Company Limited (a company listed on the Stock Exchange and the Shanghai Stock Exchange) is deemed to be interested in an aggregate of 15,189,873,410 Shares as a result of its indirect holding of such Shares through the following entities including its wholly-owned subsidiaries:

| (i) Name   | Long position in the Shares |
|--|-----------------------------|
| CTSL Green Power   | 7,594,936,710               |
| CPEChina Fund II, L.P.   | 7,594,936,710               |
| CPEChina Fund IIA, L.P.  | 7,594,936,710               |
| CITIC PE Associates II, L.P.   | 7,594,936,710               |
| CITIC PE Funds II Limited  | 7,594,936,710               |
| CITICPE Holdings Limited   | 7,594,936,710               |
| CLSA Global Investments Management Limited (“ <b>CLSA Global</b> ”)                        | 7,594,936,710               |
| CLSA B.V.  | 7,594,936,710               |
| CITIC Securities International Company Limited (“ <b>CITIC Securities International</b> ”) | 7,594,936,710               |

CTSL Green Power, a company jointly-controlled by CPEChina Fund II, L.P. and CPEChina Fund IIA, L.P., beneficially holds 7,594,936,710 Shares. CPEChina Fund II, L.P. and CPEChina Fund IIA, L.P. are two exempted limited partnerships registered under the laws of the Cayman Islands. The general partner of CPEChina Fund II, L.P. and CPEChina Fund IIA, L.P. is CITIC PE Associates II, L.P., an exempted limited partnership registered under the laws of the Cayman Islands. The general partner of CITIC PE Associates II, L.P. is CITIC PE Funds II Limited. CITIC PE Funds II Limited is wholly-owned by CITICPE Holdings Limited, which is owned as to 35% by CLSA Global. CLSA Global is wholly-owned by CLSA B.V., which is wholly-owned by CITIC Securities International, which is in turn wholly-owned by CITIC Securities Company Limited.

| (ii) Name  | Long position in the Shares |
|--|-----------------------------|
| CTSL New Energy  | 7,594,936,700               |
| CITIC PEF III  | 7,594,936,700               |
| Beijing Youde Investment   | 7,594,936,700               |
| 上海磐諾企業管理有限公司<br>(Shanghai Pannuo Enterprise Management Service Company Limited*) | 7,594,936,700               |
| CITIC Private Equity Funds   | 7,594,936,700               |

CTSL New Energy, a wholly-owned subsidiary of CITIC PEF III, beneficially holds 7,594,936,700 Shares. CITIC PEF III is a limited partnership registered under the laws of the PRC. The general partner of CITIC PEF III is Beijing Youde Investment, a limited partnership registered under the laws of the PRC whose general partner is 上海磐諾企業管理有限公司 (Shanghai Pannuo Enterprise Management Service Company Limited\*), a limited liability company incorporated in the PRC. 上海磐諾企業管理有限公司 (Shanghai Pannuo Enterprise Management Service Company Limited\*) is wholly-owned by CITIC Private Equity Funds, which is in turn owned as to 35% by CITIC Securities Company Limited.

4. Tuspark Technology Innovation Ltd. (啟迪科創有限公司), a wholly-owned subsidiary of 啟迪控股股份有限公司 (Tus-Holdings Co., Ltd.\*), beneficially holds 4,045,000,000 Shares. 啟迪控股股份有限公司 (Tus-Holdings Co., Ltd.\*) is directly held as to 44.92% by 清華控股有限公司 (Tsinghua Holdings Co., Ltd.\*). 清華控股有限公司 (Tsinghua Holdings Co., Ltd.\*) is wholly-owned by 清華大學 (Tsinghua University).

All the interests stated above represent long positions. Save as disclosed herein, as at the Latest Practicable Date, none of the substantial shareholders (as defined under the Listing Rules) or other persons (other than the Directors or chief executive of the Company) had any interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Save as disclosed herein, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, there was no person, other than a Director or chief executive of the Company, who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group.

#### 4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing and proposed service contract with any members of the Group other than contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

## 5. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, the following Directors were considered to have interests in the following businesses which competed or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules:

| Name of Directors | Name of companies  | Nature of businesses   | Nature of interests                               |
|-------------------|--|--|---|
| Huang Danxia      | 北京啟迪清風科技有限公司<br>(Beijing Tus-Wind Technology Company Limited*)   | Development, construction and operation of wind power  | Director  |
|                   | 啟迪思安清潔能源技術有限公司<br>(TusiAct Clean Energy Technology Company Limited*)   | Development of clean energy technologies, provision of consultancy services and sales of electricity   | Director  |
|                   | 湖南啟迪旺能新能源科技有限公司 (Hunan Tus-Wangneng New Energy Technology Company Limited*)  | Production and supply of clean heat energy and development of geothermal energy                        | Director  |
|                   | 西安瑞行城市熱力發展集團有限公司 (Xian Raising Urban Heating Development Group Company Limited*)   | Design, construction and operation of clean heat supply projects and provision of consultancy services | Director  |
| Tan Zaixing       | 西藏多能共拓創業投資合夥企業(普通合夥) (Tibet Duo Neng Gong Tuo Chuang Ye Investment Partnership Corporation (General Partnership)*)<br>(“Tibet Duo Neng”) | Investment, development and operation of clean energy power-related businesses                         | General partner and executive partner<br>(Note 1) |

*Note:*

1. Mr. Tan Zaixing was the executive partner and one of the general partners who held 19% interest in Tibet Duo Neng as at the Latest Practicable Date.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and their respective close associates were considered to have interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group or have or may have any other conflicts of interest with the Group pursuant to the Listing Rules.

## 6. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS OF THE GROUP AND OTHER INTERESTS

None of the Directors was materially interested in any contract or arrangement which was entered into by any member of the Group and subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

As at the Latest Practicable Date, to the best of the knowledge of the Directors, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by, or leased to, any member of the Group or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

## 7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and which are, or may be, material to the Group:

- (a) finance lease agreements dated 28 June 2018 and 21 September 2018 entered into between various indirect wholly-owned subsidiaries of the Company and 信達金融租賃有限公司 (Cinda Financial Leasing Co., Ltd.\*), in relation to the acquisition of certain leased assets from those subsidiaries for the total consideration of RMB370,000,000 and RMB340,000,000, and the subsequent lease-back and/or direct lease arrangements of such leased assets for the estimated aggregate lease payments of RMB462,004,117 and RMB457,519,917 respectively;
- (b) finance lease agreements dated 11 September 2018 entered into between 榆林協合太陽能發電有限公司 (Yulin Century Concord Solar Power Co., Ltd.\*) (“YCCS”) (being an indirect wholly-owned subsidiary of the Company) and 中核融資租賃有限公司 (CNNC Financial Leasing Co., Ltd.\*), in relation to the acquisition of certain leased assets from YCCS for the total consideration of RMB590,000,000 and the subsequent lease-back arrangement of such leased assets for the estimated aggregate lease payment of RMB665,439,508;
- (c) a finance lease agreement dated 18 October 2018 entered into 瑞昌台達新能源投資有限公司 (Ruichang Taida New Energy Investment Co., Ltd.\*) (“RCTD”) (being an indirect wholly-owned subsidiary of the Company), 中廣核國際融資租賃有限公司 (CGNPC International Financial Leasing Co., Ltd.\*) (“CGNPC Leasing”) and 中國國際融資租賃股份有限公司 (CM International Financial Leasing Corp., Ltd.\*) (“CM Leasing”), in relation to the acquisition of certain leased assets by CGNPC Leasing from CM Leasing for the total consideration of RMB152,738,446, and the subsequent direct lease arrangement of such leased assets to RCTD for the estimated aggregate lease payment of RMB185,066,167;

- (d) (i) the guarantees dated 1 November 2018 entered into between 北控清潔能源電力有限公司 (Beijing Enterprises Clean Energy Electricity Company Limited\*) (“**BECEE**”) (being an indirect non wholly-owned subsidiary of the Company), 中航紐赫融資租賃(上海)有限公司 (Zhonghang Niuhe Finance Leasing (Shanghai) Company Limited\*) (“**Zhonghang Leasing**”) and a group of companies wholly owned by 天津屹立新能源科技有限公司 (Tianjin Yili New Energy Technology Company Limited\*) (the “**Borrowers**”) in favour of Zhonghang Leasing, in relation to the guarantee of due performance of payment obligations of the Borrowers under finance lease agreements comprising lease payments, consultancy and administrative fees in a maximum aggregate amount of RMB655,386,178, and (ii) the option agreements entered into by and among the same parties at the same date in relation to the grant of exercisable options by BECEE to Zhonghang Leasing to require BECEE to acquire the power plants owned by the Borrowers from Zhonghang Leasing for a maximum aggregate consideration amount of RMB769,231,748;
- (e) finance lease agreements dated 30 November 2018, 28 December 2018 and 13 June 2019 entered into, among others, BECEE (being an indirect non wholly-owned subsidiary of the Company), 河南平煤北控清潔能源有限公司 (Henan Pingmei Beikong Clean Energy Company Limited\*) (a direct non wholly-owned subsidiary of the Company), various indirect subsidiaries of the Company and 中鐵建金融租賃有限公司 (CRCC Financial Leasing Co., Ltd.\*) in relation to the acquisition of certain leased assets from the Group for the total consideration of RMB322,712,953 and RMB70,538,798, and the subsequent lease-back arrangement of such leased assets for the estimated aggregate lease payments of RMB418,919,203 and RMB85,361,842 respectively;
- (f) an agreement dated 5 December 2018 entered into between, among others, the Company, TJCE, 北京北控光伏科技發展有限公司 (Beijing Enterprises New Energy Company Limited\*) (“**BENE**”), 潁上聚安光伏發電有限公司 (Yingshang Juan PV Power Generation Co., Ltd.\*) (“**YSJA**”) (being the indirect wholly-owned subsidiaries of the Company), 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 Corporation (Limited Partnership\*)) and 漢威潤能股權投資(汕頭)有限公司 (Hanwei Runneng Equity Investment (Shantou) Company Limited\*), in relation to the disposal of the entire equity interest of YSJA for the total consideration of RMB609,148,094;
- (g) a guarantee dated 29 January 2019 entered into between the Company and 華夏金融租賃有限公司 (Huaxia Financial Leasing Co., Ltd.\*) (“**HXFL**”) in favour of HXFL, in relation to the guarantee of due performance of the payment obligations of 南宮市航科新能源開發有限公司 (Nangong City Hangke New Energy Development Company Limited\*) under a finance lease agreement comprising lease payments and administrative fees in an amount of up to RMB945,233,886;



- (h) an agreement dated 19 March 2019 entered into, among others, BEWP (being an indirect non wholly-owned subsidiary of the Company), 建信信託有限責任公司 (CCB Trust Co., Ltd.\*) (“**CCB Trust**”), 河北炳傑新能源開發有限公司 (Hebei Bingjie New Energy Development Company Limited\*) (“**HBBJ**”) and 臨西縣潤廣新能源科技有限公司 (Linxi County Runguang New Energy Technology Company Limited\*) (“**LXRG**”), in relation to (i) the undertaking to acquire the entire economic interest derived from the entire equity interest in LXRG from CCB Trust upon occurrence of certain events for the maximum consideration of RMB469,575,000 and (ii) the granting of call option from CCB Trust to BEWP for a premium in the maximum amount of RMB58,725,000;
- (i) a finance lease agreement dated 18 September 2019 entered into between 淇縣爭峰新能源有限公司 (Qixian Zhengfeng New Energy Company Limited\*), BEWP (being two indirect non wholly-owned subsidiaries of the Company) and 工銀金融租賃有限公司 (ICBC Financial Leasing Co., Ltd.\*), in relation to the acquisition of certain leased assets from the Group for the total consideration of RMB650,000,000, and the subsequent lease-back arrangement of such leased assets for the estimated aggregate lease payment of RMB888,200,985;
- (j) a finance lease agreement dated 19 September 2019 entered into between 陽信北控萬融新能源有限公司 (Yangxin Beikong Wanrong New Energy Company Limited\*) (being an indirect non wholly-owned subsidiary of the Company) and 三峽融資租賃有限公司 (Three Gorges Financial Leasing Co., Ltd.\*), in relation to the acquisition of certain leased assets from the Group for the total consideration of RMB680,000,000, and the subsequent lease-back arrangement of such leased assets for the estimated aggregate lease payment of RMB968,033,943;
- (k) two equity transfer agreements dated 9 October 2019 entered into between, among others, 天津北清電力智慧能源有限公司 (Tianjin Beiqing Power and Smart Energy Company Limited\*) (formerly known as 北清清潔能源投資有限公司 (Beiqing Clean Energy Investment Company Limited\*)) (“**Tianjing Beiqing**”) (being an indirect wholly-owned subsidiary of the Company), 中融國際信託有限公司 (Zhongrong International Trust Co., Ltd\*), 青海黃河水電再生鋁業有限公司 (Qinghai Huanghe Hydropower Renewable Aluminium Industry Co., Ltd.\*) and Mr. Yang Yi, in relation to the acquisition of 54.09% equity interest in 青海華鑫水電開發有限公司 (Qinghai Huaxin Hydropower Development Co., Ltd.\*) in the aggregate consideration of RMB1,400,000,000;
- (l) two guarantees dated 1 November 2019 entered into between the Company, BEWP (being an indirect non wholly-owned subsidiary of the Company) and 國銀金融租賃股份有限公司 (China Development Bank Financial Leasing Co., Ltd.\*) (“**CDB Leasing**”) in favour of CDB Leasing, in relation to the guarantee of due performance

of the payment obligations of 商丘寧電新能源有限公司 (Shangqiu Ningdian New Energy Company Limited\*) under a finance lease agreement comprising lease payments and administrative fees in an amount of up to RMB885,331,575;

- (m) (i) a capital contribution agreement dated 27 December 2019 entered into between, among others, the Company, Harvest Sunny International Limited, Tianjin Beiqing (being two indirect wholly-owned subsidiaries of the Company) and four entities controlled by Ping An Insurance (Group) Company of China, Ltd. (the “**Ping An Entities**”), in relation to the subscription for new capital in Tianjing Beiqing in the aggregate amount of RMB600,000,000; and (ii) the supplemental agreement entered into by and among the same parties and BENE (being an indirect wholly-owned subsidiary of the Company) at the same date in relation to the grant of option to the Ping An Entities to request BENE or Tianjin Beiqing to repurchase the equity interests in Tianjin Beiqing held by the Ping An Entities upon occurrence of certain events for a maximum repurchase price of approximately RMB840,000,000;
- (n) a joint partnership agreement dated 22 January 2020 entered into between Tianjin Beiqing (being an indirect non wholly-owned subsidiary of the Company), 西藏禹澤投資管理有限公司 (Tibet Yuze Investment Management Co., Limited\*) (being a joint venture of the Company) and 江蘇江南水務股份有限公司 (Jiangsu Jiangnan Water Co., Ltd.\*), in relation to the formation of a limited partnership at the total maximum capital contribution of RMB400,100,000;
- (o) finance lease agreements dated 16 March 2020 entered into between various indirect non wholly-owned subsidiaries of the Company and 北銀金融租賃有限公司 (Bank of Beijing Financial Leasing Company Limited\*), in relation to the acquisition of certain leased assets from those subsidiaries at the total consideration of RMB731,580,000, and the subsequent lease-back arrangement of such leased assets for the estimated aggregate lease payment of RMB887,546,405;
- (p) the Equity Transfer Agreements; and
- (q) (i) a partnership agreement dated 16 July 2020 entered into between 信達資本管理有限公司 (Cinda Capital Management Co., Ltd.\*), 延發北控信能(天津)股權投資合夥企業(有限合夥)(Yanfa Beikong Xinneng (Tianjin) Equity Investment Partnership Enterprise (Limited Partnership)\*), 中國信達資產管理股份有限公司 (China Cinda Asset Management Co., Ltd.\*) and Tianjin Beiqing (being an indirect non wholly-owned subsidiary of the Company), in relation to the formation of a fund at the total capital commitment of RMB650,000,000; and (ii) a supplemental agreement entered into by and among the same parties at the same date in relation to the proposed investment of the fund.

**8. LITIGATION**

So far as the Directors are aware, the Group was not engaged in any material litigation or arbitration proceedings nor was any material litigation or claim pending or threatened against it as at the Latest Practicable Date.

**9. MISCELLANEOUS**

- (a) The secretary of the Company is Ms. So Hiu Wa, an associate member of each of the Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) and the Hong Kong Institute of Chartered Secretaries.
- (b) The head office and principal place of business of the Company is situated at Rooms 6706-07, 67th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.
- (c) The transfer office of the Company is situated at the office of its registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturday, Sunday and public holiday excluded) at the head office and principal place of business of the Company at Rooms 6706-07, 67th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong for a period of 14 days from the date of this circular:

- (a) the articles of association of the Company;
- (b) the annual reports of the Company for the three financial years ended 31 December 2017, 2018 and 2019;
- (c) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix; and
- (d) this circular.

**11. LANGUAGE**

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.