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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

DISCLOSEABLE TRANSACTION FINANCE LEASE ARRANGEMENTS

THE PREVIOUS FINANCE LEASE AGREEMENTS

On 30 November 2018 and 28 December 2018 (as appropriate), the Lessees A, the Lessees B and the Lessees C entered into the Finance Lease Agreement A, the Finance Lease Agreement B and the Finance Lease Agreement C respectively with CRCC Leasing, as lessor, pursuant to which CRCC Leasing shall purchase the Leased Assets A, the Leased Assets B and the Leased Assets C from the Group for a total consideration of RMB322,712,953. The Leased Assets A, the Leased Assets B and the Leased Assets C were then leased to the Lessees A, the Lessees B and the Lessees C respectively for a term of 8 years. The ownership of the Leased Assets A, the Leased Assets B and the Leased Assets C under the Previous Finance Lease Agreements will be vested in CRCC Leasing throughout the lease periods. At the end of each of the lease periods and subject to payments by the respective lessees of (i) all amounts due under each of the Previous Finance Lease Agreements; and (ii) a nominal consideration (RMB10,000 for each of the Leased Assets A and the Leased Assets B, and RMB20,000 for the Leased Assets C), the ownership of the respective leased assets will be vested in the respective lessees.

THE FINANCE LEASE AGREEMENT

On 13 June 2019, the Lessees entered into the Finance Lease Agreement with CRCC Leasing, as lessor, pursuant to which CRCC Leasing shall purchase the Leased Assets from the Group for a total consideration of RMB70,538,798. The Leased Assets were then leased to the Lessees 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 the Lessees of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB5,000 for the Leased Assets, the ownership of the Leased Assets will be vested in the Lessees.

IMPLICATIONS UNDER THE LISTING RULES

As the transactions contemplated under the Previous Finance Lease Agreements and the Finance Lease Agreement were entered into with the same party and within a twelve (12) month period, the Previous Finance Lease Agreements and the Finance Lease Agreement shall be aggregated in the calculation of the relevant percentage ratios to determine the classification of notifiable transactions under the Listing Rules.

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

On 30 November 2018 and 28 December 2018 (as appropriate), the Lessees A, the Lessees B and the Lessees C entered into the Finance Lease Agreement A, the Finance Lease Agreement B and the Finance Lease Agreement C respectively with CRCC Leasing, as lessor, pursuant to which CRCC Leasing shall purchase the Leased Assets A, the Leased Assets B and the Leased Assets C from the Group for a total consideration of RMB322,712,953. The Leased Assets A, the Leased Assets B and the Leased Assets C were then leased to the Lessees A, the Lessees B and the Lessees C respectively for a term of 8 years. The ownership of the Leased Assets A, the Leased Assets B and the Leased Assets C under the Previous Finance Lease Agreements will be vested in CRCC Leasing throughout the lease periods. At the end of each of the lease periods and subject to payments by the respective lessees of (i) all amounts due under each of the Previous Finance Lease Agreements; and (ii) a nominal consideration (RMB10,000 for each of the Leased Assets A and the Leased Assets B, and RMB20,000 for the Leased Assets C), the ownership of the respective leased assets will be vested in the respective lessees.

Dates

30 November 2018 (for the Finance Lease Agreement A and the Finance Lease Agreement B)

28 December 2018 (for the Finance Lease Agreement C)

Parties

Lessor: CRCC Leasing (for each of the Previous Finance Lease Agreements)

Lessees: Lessees A (for the Finance Lease Agreement A);

Lessees B (for the Finance Lease Agreement B); and

Lessees C (for the Finance Lease Agreement C).

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.

The Previous Finance Lease Agreements comprised (i) the purchase of the Leased Assets A, the Leased Assets B and the Leased Assets C by CRCC Leasing from the Group; and (ii) the lease arrangements, details of which are discussed below.

Sale and purchase arrangements

Pursuant to the Previous Finance Lease Agreements, CRCC Leasing shall purchase the Leased Assets A, the Leased Assets B and the Leased Assets C from the Group for a total consideration of RMB322,712,953, as to:

- (i) RMB172,666,378 for the Leased Assets A;
- (ii) RMB28,509,303 for the Leased Assets B; and
- (iii) RMB121,537,272 for the Leased Assets C.

The considerations to be paid by CRCC Leasing were determined after arm's length negotiations between the Group and CRCC Leasing by reference to the prevailing market price of the respective leased assets. The payment of each of the considerations is conditional upon the fulfilment of certain conditions under the respective Previous Finance Lease Agreements, including, among others, CRCC Leasing having received the relevant documentary proof for confirming (i) the ownership of the respective leased assets; and (ii) the applicable registration procedures in respect of certain of the pledges as mentioned in the third paragraph headed "Lease payments" below have been completed for the respective Previous Finance Lease Agreements.

Lease arrangements

Pursuant to the Previous Finance Lease Agreements, CRCC Leasing agreed to lease the Leased Assets A, the Leased Assets B and the Leased Assets C to the Lessees A, the Lessees B and the Lessees C respectively for a term of 8 years. The commencement date(s) of each of the finance lease periods shall be notified by CRCC Leasing in writing.

Lease payments

Pursuant to the Previous Finance Lease Agreements, the total estimated aggregate lease payments payable by the Lessees A, the Lessees B and the Lessees C to CRCC Leasing shall be RMB418,919,203, being the total principal lease cost of RMB322,712,953 plus the total estimated aggregate interest of RMB96,206,250, as illustrated below:

- (i) the principal lease cost of RMB172,666,378 and the estimated aggregate interest of RMB48,007,204 for the Finance Lease Agreement A;
- (ii) the principal lease cost of RMB28,509,303 and the estimated aggregate interest of RMB7,926,569 for the Finance Lease Agreement B; and
- (iii) the principal lease cost of RMB121,537,272 and the estimated aggregate interest of RMB40,272,477 for the Finance Lease Agreement C.

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 benchmark interest rate for RMB loans with a maturity of above 5 years as promulgated by the People's Bank of China from time to time plus a premium.

The obligations of the Lessees A, the Lessees B and the Lessees C under the respective Previous Finance Lease Agreements shall be secured by, among others, (a) pledges of the 100% equity interests in the Lessees A (apart from BECEE), the Lessees B (apart from BECEE) and the Lessees C (apart from HNPM); (b) a corporate guarantee from the Company; and (c) pledges on the electricity bill receivables by the Lessees A (apart from BECEE), the Lessees B (apart from BECEE) and the Lessees C (apart from HNPM).

Handling and other fees

The Lessees A, the Lessees B and the Lessees C shall pay to CRCC Leasing handling and other fees in the sum of RMB21,329,824 (as to RMB15,060,850 for the Finance Lease Agreement A, RMB2,622,856 for the Finance Lease Agreement B and RMB3,646,118 for the Finance Lease Agreement C), among which, an aggregate amount of RMB10,719,601 shall be settled prior to the payment of the considerations for the respective leased assets by CRCC Leasing, and the remaining balance of RMB10,610,223 shall be settled by seven equal annual instalments during the lease periods. The fees are non-refundable.

Ownership of the Leased Assets A, the Leased Assets B and the Leased Assets C

The ownership of the Leased Assets A, the Leased Assets B and the Leased Assets C under the Previous Finance Lease Agreements will be vested in CRCC Leasing throughout the lease periods. At the end of each of the lease periods and subject to payments by the respective lessees of (i) all amounts due under each of the Previous Finance Lease Agreements; and (ii) a nominal consideration (RMB10,000 for each of the Leased Assets A and the Leased Assets B, and RMB20,000 for the Leased Assets C), the ownership of the respective leased assets will be vested in the respective lessees.

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

THE FINANCE LEASE AGREEMENT

On 13 June 2019, the Lessees entered into the Finance Lease Agreement with CRCC Leasing, as lessor, pursuant to which CRCC Leasing shall purchase the Leased Assets from the Group for a total consideration of RMB70,538,798. The Leased Assets were then leased to the Lessees 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 the Lessees of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB5,000 for the Leased Assets, the ownership of the Leased Assets will be vested in the Lessees.

Date

13 June 2019

Parties

Lessor: CRCC Leasing

Lessees: The Lessees

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.

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

Sale and purchase arrangements

Pursuant to the Finance Lease Agreement, CRCC Leasing shall purchase the Leased Assets from the Group for a total consideration of RMB70,538,798. The consideration to be paid by CRCC Leasing was determined after arm's length negotiations between the Group and CRCC Leasing by reference to the prevailing market price of the Leased Assets. The payment of the consideration is conditional upon the fulfilment of certain conditions under the Finance Lease Agreement, including, among others, CRCC Leasing having received the relevant documentary proof for confirming (i) the ownership of the Leased Assets; and (ii) the applicable registration procedures in respect of certain of the pledges as mentioned in the third paragraph headed "Lease payments" below have been completed for the Finance Lease Agreement.

Lease arrangements

Pursuant to the Finance Lease Agreement, CRCC Leasing agreed to lease the Leased Assets to the Lessees 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 the Lessees to CRCC Leasing shall be RMB85,361,842, being the principal lease cost of RMB70,538,798 plus the estimated aggregate interest of RMB14,823,044.

The principal lease cost and the estimated aggregate interest shall be payable in 31 quarterly instalments. The interests are calculated at a floating rate and shall be adjusted with reference to the benchmark interest rate for RMB loans with a maturity of above 5 years as promulgated by the People's Bank of China from time to time plus a premium.

The obligations of the Lessees under the Finance Lease Agreement shall be secured by, among others, (a) pledges of the 100% equity interests in the Lessees (apart from BECEE); (b) a corporate guarantee from the Company; and (c) pledges on the electricity bill receivables by the Lessees (apart from BECEE).

Handling and other fees

The Lessees shall pay to CRCC Leasing handling and other fees in the sum of RMB5,149,332, among which, an amount of RMB2,059,733 shall be settled prior to the payment of the consideration for the Leased Assets by CRCC Leasing, and the remaining balance of RMB3,089,599 shall be settled by seven equal annual instalments during the lease period. 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 the Lessees of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB5,000 for the Leased Assets, the ownership of the Leased Assets will be vested in the Lessees.

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 leases 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 ARRANGEMENTS

The Previous Finance Lease Agreements, 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 Previous Finance Lease Agreements, the Finance Lease Agreement and the transactions contemplated therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND THE COMPANY

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

INFORMATION OF THE LESSOR

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

INFORMATION OF THE LESSEES

The Lessees A, the Lessees B, the Lessees C and the Lessees are principally engaged in the investment, development, construction, operation and management of photovoltaic power plants and other clean energy businesses.

IMPLICATIONS UNDER THE LISTING RULES

As the transactions contemplated under the Previous Finance Lease Agreements and the Finance Lease Agreement were entered into with the same party and within a twelve (12) month period, the Previous Finance Lease Agreements and the Finance Lease Agreement shall be aggregated in the calculation of the relevant percentage ratios to determine the classification of notifiable transactions under the Listing Rules.

As one of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Previous Finance Lease Agreements, the Finance Lease Agreement and the transactions contemplated therein is more than 5% and all of which are below 25%, the entering into of the Previous Finance Lease Agreements, 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 60%-owned subsidiary of the Company as at the date of this announcement
“Board”	the board of Directors
“Company”	Beijing Enterprises Clean Energy Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Connected Persons”	has the meaning ascribed to it under the Listing Rules
“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 13 June 2019 entered into between BECEE and five of its wholly-owned subsidiaries, and CRCC Leasing for the Leased Assets for a total consideration of RMB70,538,798, details of which are set out in the section headed “THE FINANCE LEASE AGREEMENT”

“Finance Lease Agreement A”	two finance lease agreements dated 30 November 2018 entered into between BECEE and fourteen of its wholly-owned subsidiaries, and CRCC Leasing for the Leased Assets A for a total consideration of RMB172,666,378, details of which are set out in the section headed “THE PREVIOUS FINANCE LEASE AGREEMENTS”
“Finance Lease Agreement B”	the finance lease agreement dated 30 November 2018 entered into between BECEE and three of the Group’s indirect wholly-owned subsidiaries, and CRCC Leasing for the Leased Assets B for a total consideration of RMB28,509,303, details of which are set out in the section headed “THE PREVIOUS FINANCE LEASE AGREEMENTS”
“Finance Lease Agreement C”	two finance lease agreements dated 28 December 2018 entered into between HNPM and four of its wholly-owned subsidiaries, and CRCC Leasing for the Leased Assets C for a total consideration of RMB121,537,272, details of which are set out in the section headed “THE PREVIOUS FINANCE LEASE AGREEMENTS”
“Group”	the Company and its subsidiaries
“HNPM”	河南平煤北控清潔能源有限公司 (Henan Pingmei Beikong Clean Energy Company Limited*), a company established in the PRC with limited liability and a direct 80.2%-owned subsidiary of the Company as at the date of this announcement
“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
“Leased Assets”	certain photovoltaic power generating equipment and ancillary facilities regarding the photovoltaic power plants in the PRC with an aggregate capacity of 16MW owned by five wholly-owned subsidiaries of BECEE, being the subject matter of the Finance Lease Agreement

“Leased Assets A”	certain photovoltaic power generating equipment and ancillary facilities regarding the photovoltaic power plants in the PRC with an aggregate capacity of 39MW owned by fourteen wholly-owned subsidiaries of BECEE, being the subject matter of the Finance Lease Agreement A
“Leased Assets B”	certain photovoltaic power generating equipment and ancillary facilities regarding the photovoltaic power plants in the PRC with an aggregate capacity of 5MW owned by three indirect wholly-owned subsidiaries of the Group, being the subject matter of the Finance Lease Agreement B
“Leased Assets C”	certain photovoltaic power generating equipment and ancillary facilities regarding the photovoltaic power plants in the PRC with an aggregate capacity of 23MW owned by four wholly-owned subsidiaries of HNPM, being the subject matter of the Finance Lease Agreement C
“Lessees”	BECEE and five of its wholly-owned subsidiaries which entered into the Finance Lease Agreement as lessees with CRCC Leasing
“Lessees A”	BECEE and fourteen of its wholly-owned subsidiaries which entered into the Finance Lease Agreement A as lessees with CRCC Leasing
“Lessees B”	BECEE and three of the Group’s indirect wholly-owned subsidiaries which entered into the Finance Lease Agreement B as lessees with CRCC Leasing
“Lessees C”	HNPM and four of its wholly-owned subsidiaries which entered into the Finance Lease Agreement C as lessees with CRCC Leasing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatts, which is equal to 1,000,000 watts
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Previous Finance Lease Agreements”	the Finance Lease Agreement A, the Finance Lease Agreement B and the Finance Lease Agreement C
“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, 13 June 2019

As at the date of this announcement, the Board comprises eight Directors, namely Mr. Hu Xiaoyong, Mr. Shi Xiaobei, Mr. Huang Weihua, Mr. Wang Ye and Mr. Wen Hui as executive Directors; and Mr. Li Fujun, Mr. Xu Honghua and Mr. Chiu Kung Chik as independent non-executive Directors.

** for identification purposes only*