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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

DISCLOSEABLE TRANSACTION FINANCE LEASE ARRANGEMENT

THE FINANCE LEASE AGREEMENT

On 20 August 2020, LBCY, as lessee, entered into the Finance Lease Agreement with SPDB Leasing, as lessor, pursuant to which SPDB Leasing shall purchase the Leased Assets from LBCY for a total consideration of RMB190,000,000, which shall then be leased to LBCY for a term of 8 years. The ownership of the Leased Assets under the Finance Lease Agreement will be vested in SPDB Leasing throughout the lease period. At the end of the lease period and subject to payments by LBCY of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB1 for the Leased Assets, the ownership of the Leased Assets will be vested in LBCY.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreement and the transactions contemplated therein is more than 5% and all of which are below 25%, the entering into of the Finance Lease Agreement and the transactions contemplated therein constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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Date

20 August 2020

Parties

Lessor: SPDB Leasing

Lessee: LBCY

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

Sale and purchase arrangements

Pursuant to the Finance Lease Agreement, SPDB Leasing shall purchase the Leased Assets from LBCY for a total consideration of RMB190,000,000, which was determined after arm's length negotiations between the Group and SPDB 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, SPDB 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 and guarantee as mentioned in the third paragraph headed "Lease payments" below have been completed for the Finance Lease Agreement.

Lease back arrangements

Pursuant to the Finance Lease Agreement, SPDB Leasing agreed to lease the Leased Assets to LBCY for a term of 8 years. The commencement date of the finance lease period shall be notified by SPDB Leasing in writing.

Lease payments

Pursuant to the Finance Lease Agreement, the total estimated aggregate lease payments payable by LBCY to SPDB Leasing shall be RMB236,138,081, being the principal lease cost of RMB190,000,000 plus the estimated aggregate interest of RMB46,138,081.

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

The obligations of LBCY under the Finance Lease Agreement shall be secured by, among others, (a) pledges of the 100% equity interest in LBCY; (b) a corporate guarantee from Tianjin Beiqing; and (c) pledges on the electricity bill receivables by LBCY.

Ownership of the Leased Assets

The ownership of the Leased Assets under the Finance Lease Agreement will be vested in SPDB Leasing throughout the lease period. At the end of the lease period and subject to payments by LBCY of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB1 for the Leased Assets, the ownership of the Leased Assets will be vested in LBCY.

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

REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENT

The Finance Lease Agreement and the transactions contemplated therein have been agreed under normal commercial terms and after arm's length negotiations between the relevant parties and provide the Group with long-term financial resources for the development of the photovoltaic power project. The Directors therefore consider that the terms of the Finance Lease Agreement and the transactions contemplated therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP, THE COMPANY AND TIANJIN BEIQING

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

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

INFORMATION OF THE LESSOR

SPDB Leasing is a financial leasing company established in the PRC. As at the date of this announcement, SPDB Leasing is owned as to approximately 66.67% by 上海浦東發展銀行股份有限公司 (Shanghai Pudong Development Bank Co., Ltd.*) ("SPDB"), a company listed on the Shanghai Stock Exchange (stock code: 600000.SH), approximately 22.22% by 中國商用飛機有限責任公司 (Commercial Aircraft Corporation of China, Ltd.*) and approximately 11.11% by 上海國際集團有限公司 (Shanghai International Group Co., Ltd.*) ("SIG"). SIG is the single largest shareholder of SPDB, which is in turn held as to approximately 29.54% (including direct and indirect interest) by SIG. SIG is wholly-owned by 上海市國有資產監督管理委員會 (the State-owned Assets Supervision and Administration Commission of Shanghai City*).

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

INFORMATION OF THE LESSEE

LBCY is an indirect non-wholly-owned subsidiary of the Company and is principally engaged in the investment, development and operation of a photovoltaic power plant project.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreement and the transactions contemplated therein is more than 5% and all of which are below 25%, the entering into of the Finance Lease Agreement and the transactions contemplated therein constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Beijing Enterprises Clean Energy Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company
“Finance Lease Agreement”	the finance lease agreement dated 20 August 2020 entered into between LBCY, as lessee, and SPDB Leasing, as lessor, for the Leased Assets for a total consideration of RMB190,000,000, details of which are set out in the section headed “THE FINANCE LEASE AGREEMENT” of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any person or company 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
“LBCY”	靈璧晨陽新能源發電有限公司 (Lingbi Chenyang New Energy Power Generation Co., Ltd.*), a company established in the PRC with limited liability and an indirect non-wholly-owned subsidiary of the Company as at the date of this announcement
“Leased Assets”	certain photovoltaic power generating equipment and ancillary facilities regarding the project of a 40MW photovoltaic power plant in Lingbi County* (靈璧縣), Anhui Province, the PRC, being the subject matter of the Finance Lease Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatts, which is equal to 1,000,000 watts
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“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
“SPDB Leasing”	浦銀金融租賃股份有限公司 (SPDB Financial Leasing Co., Ltd.*), a company established in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tianjin Beiqing”

天津北清電力智慧能源有限公司 (Tianjin Beiqing Power and Smart Energy Co., Ltd.*), a limited liability company established in the PRC and an indirect non-wholly-owned subsidiary of the Company as at the date of this announcement

“%”

per cent.

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

Hong Kong, 20 August 2020

As at the date of this announcement, the Board comprises seven Directors, namely Mr. Hu Xiaoyong, Mr. Shi Xiaobei, Mr. Tan Zaixing and Ms. Huang Danxia as executive Directors; and Mr. Li Fujun, Mr. Xu Honghua and Mr. Chiu Kung Chik as independent non-executive Directors.

* *for identification purposes only*