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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

DISCLOSEABLE TRANSACTION FINANCE LEASE ARRANGEMENTS

THE PREVIOUS FINANCE LEASE AGREEMENT

On 18 September 2019, the Lessee, as lessee, entered into the Previous Finance Lease Agreement with CRCC Leasing, as lessor, pursuant to which CRCC Leasing shall purchase the Leased Assets I from the Lessee for a total consideration of RMB220,000,000. The Leased Assets I were then leased to the Lessee for a term of 8 years. The ownership of the Leased Assets I under the Previous 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 Lessee of (i) all amounts due under the Previous Finance Lease Agreement; and (ii) a nominal consideration of RMB10,000 for the Leased Assets I, the ownership of the Leased Assets I will be vested in the Lessee.

THE FINANCE LEASE AGREEMENT

On 26 August 2020, the Lessee, as lessee, entered into the Finance Lease Agreement with CRCC Leasing, as lessor, pursuant to which CRCC Leasing shall purchase the Leased Assets II from the Lessee for a total consideration of RMB90,000,000. The Leased Assets II will then be leased to the Lessee for a term of 8 years. The ownership of the Leased Assets II 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 Lessee of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB10,000 for the Leased Assets II, the ownership of the Leased Assets II will be vested in the Lessee.

IMPLICATIONS UNDER THE LISTING RULES

As all the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Previous Finance Lease Agreement, on a standalone basis, are all below 5%, the entering into of the Previous Finance Lease Agreement is not subject to notification and disclosure requirement under the Listing Rules.

As the transactions contemplated under the Previous Finance Lease Agreement and the Finance Lease Agreement were entered into with the same party within a twelve (12) month period, the transactions under the Previous Finance Lease Agreement shall be aggregated with the transactions contemplated under the Finance Lease Agreement pursuant to Rule 14.22 of 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 (when aggregated with the Previous Finance Lease Agreement) 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.

THE PREVIOUS FINANCE LEASE AGREEMENT

On 18 September 2019, the Lessee, as lessee, entered into the Previous Finance Lease Agreement with CRCC Leasing, as lessor, pursuant to which CRCC Leasing shall purchase the Leased Assets I from the Lessee for a total consideration of RMB220,000,000. The Leased Assets I were then leased to the Lessee for a term of 8 years. The ownership of the Leased Assets I under the Previous 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 Lessee of (i) all amounts due under the Previous Finance Lease Agreement; and (ii) a nominal consideration of RMB10,000 for the Leased Assets I, the ownership of the Leased Assets I will be vested in the Lessee.

Date

18 September 2019

Parties

Lessor: CRCC Leasing

Lessee: The Lessee

The Previous Finance Lease Agreement comprised of (i) the purchase of the Leased Assets I by CRCC Leasing from the Lessee; and (ii) the lease arrangements as detailed below.

Sale and purchase arrangements

Pursuant to the Previous Finance Lease Agreement, CRCC Leasing shall purchase the Leased Assets I from the Lessee for a total consideration of RMB220,000,000. The consideration to be paid by CRCC Leasing was determined after arm's length negotiations between the Lessee and CRCC Leasing with reference to the prevailing market price of the Leased Assets I.

The payment of the consideration was conditional upon the fulfilment of certain conditions under the Previous Finance Lease Agreement, including, among others, (a) CRCC Leasing having received the relevant documentary proof confirming (i) the ownership of the Leased Assets I and (ii) the relevant registration procedures in respect of certain of the pledges and guarantee as mentioned in the third paragraph headed "Lease payments" below having been completed for the Previous Finance Lease Agreement; and (b) CRCC Leasing having received the initial payment for the handling and other fees in the amount of RMB6,600,000 from the Lessee.

Lease back arrangements

Pursuant to the Previous Finance Lease Agreement, CRCC Leasing agreed to lease the Leased Assets I to the Lessee for a term of 8 years. The commencement date(s) of the finance lease period had been notified by CRCC Leasing in writing.

Lease payments

Pursuant to the Previous Finance Lease Agreement, the total estimated aggregate lease payments payable by the Lessee to CRCC Leasing shall be RMB287,862,931, being the principal lease cost of RMB220,000,000 plus the estimated aggregate interest of RMB67,862,931.

The principal lease cost and the estimated aggregate interest shall be payable by the Lessee to CRCC Leasing in 18 instalments, among which, (i) the first 4 instalments of the interest shall be payable quarterly; (ii) an amount of RMB1,000 being a portion of the principal lease cost shall be payable in the second and fourth instalment respectively; and (iii) the remaining 14 instalments of the principal lease cost and interest shall be payable semi-annually. 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 Lessee under the Previous Finance Lease Agreement shall be secured by, among others, (a) pledges of 90% equity interest in the Lessee; (b) a corporate guarantee from the Company; and (c) pledges on the trade receivables by the Lessee.

Handling and other fees

The Lessee shall pay to CRCC Leasing handling and other fees in the sum of RMB12,144,000, among which, an amount of RMB6,600,000 shall be settled prior to the payment of the consideration for the Leased Assets I by CRCC Leasing, and the remaining balance of RMB5,544,000 shall be settled in 7 equal instalments payable annually during the lease period. Unless otherwise stipulated under the Previous Finance Lease Agreement, the fees are non-refundable.

Ownership of the Leased Assets I

The ownership of the Leased Assets I under the Previous 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 Lessee of (i) all amounts due under the Previous Finance Lease Agreement; and (ii) a nominal consideration of RMB10,000 for the Leased Assets I, the ownership of the Leased Assets I will be vested in the Lessee.

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

THE FINANCE LEASE AGREEMENT

On 26 August 2020, the Lessee, as lessee, entered into the Finance Lease Agreement with CRCC Leasing, as lessor, pursuant to which CRCC Leasing shall purchase the Leased Assets II from the Lessee for a total consideration of RMB90,000,000. The Leased Assets II will then leased to the Lessee for a term of 8 years. The ownership of the Leased Assets II 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 Lessee of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB10,000 for the Leased Assets II, the ownership of the Leased Assets II will be vested in the Lessee.

Date

26 August 2020

Parties

Lessor: CRCC Leasing

Lessee: The Lessee

The Finance Lease Agreement comprised of (i) the purchase of the Leased Assets II by CRCC Leasing from the Lessee; and (ii) the lease arrangements as detailed below.

Sale and purchase arrangements

Pursuant to the Finance Lease Agreement, CRCC Leasing shall purchase the Leased Assets II from the Lessee for a total consideration of RMB90,000,000. The consideration to be paid by CRCC Leasing was determined after arm's length negotiations between the Lessee and CRCC Leasing by reference to the prevailing market price of the Leased Assets II.

The payment of the consideration is conditional upon the fulfilment of certain conditions under the Finance Lease Agreement, including, among others, (a) CRCC Leasing having received the relevant documentary proof confirming (i) the ownership of the Leased Assets II 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 having been completed for the Finance Lease Agreement; and (b) CRCC Leasing having received the initial payment for the handling and other fees in the amount of RMB2,700,000 from the Lessee.

Lease back arrangements

Pursuant to the Finance Lease Agreement, CRCC Leasing agreed to lease the Leased Assets II to the Lessee 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 Lessee to CRCC Leasing shall be RMB114,833,932, being the principal lease cost of RMB90,000,000 plus the estimated aggregate interest of RMB24,833,932.

The principal lease cost and the estimated aggregate interest shall be payable by the Lessee to CRCC Leasing in 18 instalments, among which, (i) the first 4 instalments of the interest shall be payable quarterly; (ii) an amount of RMB1,000 being a portion of the principal lease cost shall be payable in the second and fourth instalment respectively; and (iii) the remaining 14 instalments of the principal lease cost and interest shall be payable semi-annually. 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 the Lessee under the Finance Lease Agreement shall be secured by, among others, (a) pledges of 90% equity interest in the Lessee; (b) a corporate guarantee from the Company; and (c) pledges on the trade receivables by the Lessee.

Handling and other fees

The Lessee shall pay to CRCC Leasing handling and other fees in the sum of RMB4,968,000, among which, an amount of RMB2,700,000 shall be settled prior to the payment of the consideration for the Leased Assets II by CRCC Leasing, and the remaining balance of RMB2,268,000 shall be settled in 7 equal instalments payable annually during the lease period. Unless otherwise stipulated under the Finance Lease Agreement, the fees are non-refundable.

Ownership of the Leased Assets II

The ownership of the Leased Assets II 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 Lessee of (i) all amounts due under the Finance Lease Agreement; and (ii) a nominal consideration of RMB10,000 for the Leased Assets II, the ownership of the Leased Assets II will be vested in the Lessee.

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

REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENTS

The Previous Finance Lease Agreement and the Finance Lease Agreement 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 clean heat supply project. The Directors therefore consider that the terms of the Previous Finance Lease Agreement and the Finance Lease Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND THE COMPANY

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

INFORMATION OF THE LESSOR

CRCC Leasing is a financial leasing company established in the PRC. As at the date of this announcement, CRCC Leasing is owned as to (i) 35% by 中國鐵建重工集團有限公司 (China Railway Construction Heavy Industry Corporation Limited*) (“**CRCC Industry**”); (ii) approximately 20.59% by 中國財產再保險有限責任公司 (China Property & Casualty Reinsurance Company Ltd.*); (iii) 15% by 北京中鐵天瑞機械設備有限公司 (Beijing China Railway Tianrui Machinery Corporation Limited*) (“**CRCC Tianrui**”); (iv) approximately 17.65% (including direct and indirect interest) by 青島特銳德電氣股份有限公司 (Qingdao TGOOD Electric Co., Ltd.*); and (v) approximately 11.76% by two other independent entities.

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

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

INFORMATION OF THE LESSEE

The Lessee is principally engaged in the provision of clean heat supply services.

IMPLICATIONS UNDER THE LISTING RULES

As all the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Previous Finance Lease Agreement, on a standalone basis, are all below 5%, the entering into of the Previous Finance Lease Agreement is not subject to notification and disclosure requirement under the Listing Rules.

As the transactions contemplated under the Previous Finance Lease Agreement and the Finance Lease Agreement were entered into with the same party within a twelve (12) month period, the transactions under the Previous Finance Lease Agreement shall be aggregated with the transactions contemplated under the Finance Lease Agreement pursuant to Rule 14.22 of 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 (when aggregated with the Previous Finance Lease Agreement) 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 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 26 August 2020 entered into between the Lessee and CRCC Leasing, as lessor, for the Leased Assets II for a total consideration of RMB90,000,000, 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
“Leased Assets I”	certain clean heat supply facilities located in Lingyuan City (凌源市*), Liaoning Province, the PRC, being the subject matter of the Previous Finance Lease Agreement
“Leased Assets II”	certain clean heat supply facilities located in Lingyuan City (凌源市*), Liaoning Province, the PRC, being the subject matter of the Finance Lease Agreement
“Lessee”	北控智慧能源（凌源）有限責任公司 (Beijing Enterprises Smart Energy (Lingyuan) Company Limited*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 Agreement”	the finance lease agreement dated 18 September 2019 entered into between the Lessee and CRCC Leasing, as lessor, for the Leased Assets I for a total consideration of RMB220,000,000, details of which are set out in the section headed “THE PREVIOUS FINANCE LEASE AGREEMENT” of this announcement

“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, 26 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*