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**國電科技環保集團股份有限公司**

**GUODIAN TECHNOLOGY & ENVIRONMENT GROUP CORPORATION LIMITED\***

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 01296)**

**CONTINUING CONNECTED TRANSACTIONS  
ENTERING INTO THE PROPERTY LEASE  
FRAMEWORK AGREEMENT 2021**

Reference is made to the announcement of the Company dated 30 December 2019 (the “**Announcement**”) in relation to, among others, entering into the Existing Property Lease Framework Agreement with New Energy Research Institute in order to lease certain premises from New Energy Research Institute. As the Existing Property Lease Framework Agreement will expire on 31 December 2020, considering that the Group will continue to lease certain premises from New Energy Research Institute, the Company entered into the Property Lease Framework Agreement 2021 with New Energy Research Institute on 30 December 2020. Pursuant to the Property Lease Framework Agreement 2021, New Energy Research Institute agrees to lease certain premises to the Group for a term of one year commencing from 1 January 2021 and ending on 31 December 2021. Pursuant to the Property Lease Framework Agreement 2021, the Group will pay the rent and property management fee for the leased properties.

China Energy directly or indirectly holds approximately 78.40% equity interests of the Company and is the controlling shareholder of the Company. New Energy Research Institute is a wholly-owned subsidiary of China Energy, and China Energy and its subsidiaries are connected persons of the Company as defined under Chapter 14A of the Listing Rules. Therefore, New Energy Research Institute is a connected person of the Company. The transactions contemplated under the Property Lease Framework Agreement 2021 constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios exceeds 0.1% but is less than 5%, the continuing connected transactions contemplated under the Property Lease Framework Agreement 2021 and the annual cap set out therein are subject to the reporting and announcement requirements but exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

## **THE PROPERTY LEASE FRAMEWORK AGREEMENT 2021**

Reference is made to the Announcement in relation to, among others, entering into the Existing Property Lease Framework Agreement with New Energy Research Institute in order to lease certain premises from New Energy Research Institute. As the Existing Property Lease Framework Agreement will expire on 31 December 2020, considering that the Group will continue to lease premises from New Energy Research Institute, the Company entered into the Property Lease Framework Agreement 2021 with New Energy Research Institute on 30 December 2020 to lease the premises for a term of one year commencing from 1 January 2021 and ending on 31 December 2021.

### **Date:**

30 December 2020

### **Parties:**

- (1) The Company; and
- (2) New Energy Research Institute

### **Material Terms:**

The Property Lease Framework Agreement 2021 is for a term of one year commencing from 1 January 2021 and ending on 31 December 2021, subject to compliance with the requirements of the Listing Rules by the Company, and shall be renewable upon mutual agreement by the parties. During the term of the leases for the properties, each party to each lease will bear its respective taxes in accordance with the applicable laws and regulations. The Company has guaranteed that the Group will pay the rent and property management fee for each of the properties in a timely manner and that the Group will use the properties in accordance with the agreed purposes of the leases and will not damage the value of the use of the properties.

### **Annual Cap and Historical Figure of Rent and Property Management Fee:**

Pursuant to the Property Lease Framework Agreement 2021, the Group will pay the rent and property management fee for the leased properties.

The rent will be calculated according to the construction area of the premises and shall not exceed RMB3.6 per square metre per day (exclusive of the property management fee and water and electricity fees). The property management fee will be calculated according to the construction area of the premises and shall not exceed RMB1.5 per square metre per day (exclusive of the water and electricity fees). The rent may be adjusted by mutual agreement or by the appointment of an independent valuer recognized by both parties and the property management fee may be adjusted by mutual agreement. However, such adjustment shall be reasonable and shall not be higher than the amount of rent/property management fee that would be payable by third party tenants and charged by an independent third party for similar properties.

The rent and property management fee will be determined based on the condition of each premise with reference to the fair and reasonable market price as well as the rents and property management fee of comparable properties in similar locations. According to Hong Kong Financial Reporting Standards/International Financial Reporting Standards No. 16, the Group must recognize right-of-use assets and related lease liabilities. Therefore, the Group must set an annual cap on the total value of the lease-related right-of-use assets in accordance with the framework agreement. The annual cap of the newly-added right-of-use assets and property management fee for the year ending 31 December 2021 contemplated under the Property Lease Framework Agreement 2021 is RMB42,000,000. The annual cap is calculated after considering the Group's demand for leased properties from New Energy Research Institute and historical data. As disclosed in the Announcement, for the year ending 31 December 2020, the annual cap of the property lease under the Existing Property Lease Framework Agreement is RMB42,000,000. The actual rental and property management fee incurred by the Group under the Existing Property Lease Framework Agreement for the eleven months ended 30 November 2020 were approximately RMB 17,101,117.34.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE PROPERTY LEASE FRAMEWORK AGREEMENT 2021**

The Company is of the view that the transactions contemplated under the Property Lease Framework Agreement 2021 shall provide certain subsidiaries of the Company with stable and necessary office premises, and allow them to conduct their businesses in New Energy Research Institute's properties. The Property Lease Framework Agreement 2021 was entered into after arm's length negotiations and is beneficial to the Group.

The Directors of the Company (including the independent non-executive Directors but excluding Mr. Wang Zhongqu, Mr. Zhang Wenjian and Mr. Gu Yuchun) confirm that the terms of the Property Lease Framework Agreement 2021 (including the proposed annual cap) are on normal commercial terms or better, fair and reasonable, and the transactions contemplated thereunder were entered into in the ordinary and usual course of business of the Company and are in the interests of the Company and its shareholders as a whole.

The non-executive Directors, Mr. Wang Zhongqu, Mr. Zhang Wenjian and Mr. Gu Yuchun, being Directors connected with China Energy or its subsidiaries, have abstained from voting on the resolution in relation to the continuing connected transactions contemplated under the Property Lease Framework Agreement 2021 and the annual cap set out therein in view of their positions as connected Directors at the Company's board meeting. Save as disclosed above, none of the Directors has any material interests in the transactions contemplated under the Property Lease Framework Agreement 2021.

## **LISTING RULES IMPLICATIONS**

China Energy directly or indirectly holds approximately 78.40% equity interests of the Company and is the controlling shareholder of the Company. New Energy Research Institute is a wholly-owned subsidiary of China Energy, and China Energy and its subsidiaries are connected persons of the Company as defined under Chapter 14A of the Listing Rules. Therefore, New Energy Research Institute is a connected person of the Company. The transactions contemplated under the Property Lease Framework Agreement 2021 constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios exceeds 0.1% but is less than 5%, the continuing connected transactions contemplated under the Property Lease Framework Agreement 2021 and the annual cap set out therein are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INFORMATION ON THE PARTIES**

### **The Group**

The Group is primarily engaged in the provision of integrated clean technology solutions and services within the PRC through its two main business segments, with established market leading or dominant positions in the environmental protection, energy conservation and renewable energy equipment manufacturing and related services industries in the PRC.

### **New Energy Research Institute**

New Energy Research Institute is a wholly-owned subsidiary of China Energy. It is primarily engaged in the engineering and technical research and experimental development, training for new energy application technology, technology development, technology transfer, technology consulting, technology services, economic information consulting (excluding intermediary services), export and import of technology, leasing commercial housings, leasing office space, conference service, organizing cultural and arts communication activities (excluding performance), undertaking exhibitions and demonstrating activities, translation services, copyrights transferring and agency services, copyright agency services, marketing planning, software development, product design, retail of electrical equipment and accessories and patent agents.

## DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Board”	the board of Directors of the Company
“China Energy”	China Energy Investment Group Corporation Limited* (國家能源投資集團有限責任公司), a joint stock limited company incorporated in the PRC with limited liability, is a controlling shareholder of the Company
“Company”	Guodian Technology & Environment Group Corporation Limited* (國電科技環保集團股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which is listed on the Stock Exchange (Stock Code: 1296)
“Director(s)”	the director(s) of the Company
“Existing Property Lease Framework Agreement”	the Property Lease Framework Agreement entered into between the Company and New Energy Research Institute on 30 December 2019
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Energy Research Institute”	Guodian New Energy Technology Research Institute Limited*(國電新能源技術研究院有限公司), a joint stock limited company incorporated in the PRC with limited liability, which has now been renamed as China Energy Group New Energy Technology Research Institute Co., Ltd.*(國家能源集團新能源技術研究院有限公司)
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Property Lease Framework Agreement 2021”	the Property Lease Framework Agreement entered into between the Company and New Energy Research Institute on 30 December 2020

“RMB” Renminbi, the lawful currency of the PRC

“Stock Exchange” The Stock Exchange of Hong Kong Limited

By order of the Board  
**Guodian Technology & Environment Group Corporation Limited\***  
**Mr. CHEN Dongqing**  
*Chairman*

Beijing, PRC, 30 December 2020

*As at the date of this announcement, the executive Directors of the Company are Mr. Chen Dongqing, Mr. Zhang Jun and Mr. Tang Chaoxiong; the non-executive Directors are Mr. Wang Zhongqu, Mr. Zhang Wenjian, Mr. Gu Yuchun and Ms. Ge Xiaojing; and the independent non-executive Directors are Mr. Shen Xiaoliu, Mr. Qu Jiuhui, Mr. Xie Qiuye and Mr. Yeung Chi Tat.*

\* *For identification purpose only*