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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)**

## **DISCLOSEABLE TRANSACTION**

### **(1) SUPPLEMENTAL AGREEMENT**

### **(2) ACQUISITION OF THE ENTIRE EQUITY INTEREST IN THE PROJECT COMPANY**

#### **THE SUPPLEMENTAL AGREEMENT**

Reference is made to the Company's prior announcement dated 16 November 2015 in relation to the entering into of the Cooperation Agreement and the EPC Contract.

On 22 June 2016, the Subsidiary, the Subsidiary Nominee, the Owner, the Project Company and the EPC Contractor entered into the Supplemental Agreement to amend and supplement certain terms of the Cooperation Agreement and the EPC Contract.

#### **THE EQUITY TRANSFER AGREEMENT**

On 22 June 2016, the Owner, the Subsidiary and the Subsidiary Nominee entered into the Equity Transfer Agreement pursuant to which the Owner agreed to dispose of, and the Subsidiary Nominee agreed to acquire, the entire equity interest in the Project Company.

Upon completion of the Equity Transfer, the Project Company will become a subsidiary of the Company and its financial results will be consolidated into the financial results of the Group.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Equity Transfer Agreement and the transactions contemplated therein, when aggregated with that of the Cooperation Agreement, the EPC Contract, the Supplemental Agreement and the transactions contemplated therein pursuant to Rule 14.22 of the Listing Rules, are more than 5% but below 25%, the entering into of the Equity Transfer Agreement and the transactions contemplated therein constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **THE SUPPLEMENTAL AGREEMENT**

Reference is made to the Company's prior announcement dated 16 November 2015 in relation to the entering into of the Cooperation Agreement and the EPC Contract.

On 22 June 2016, the Subsidiary, the Subsidiary Nominee, the Owner, the Project Company and the EPC Contractor entered into the Supplemental Agreement to amend and supplement certain terms of the Cooperation Agreement and the EPC Contract.

Pursuant to the terms of the Supplemental Agreement, the parties agreed that:

1. The Subsidiary shall designate the Subsidiary Nominee, an indirect wholly-owned subsidiary of the Company, as the purchaser of the Equity Transfer to acquire the entire equity interest in the Project Company from the Owner, and to assume all the obligations of the Subsidiary under the Cooperation Agreement and the EPC Contract. Upon the Subsidiary Nominee becoming the shareholder of the Project Company, the Subsidiary Nominee shall be responsible for the payment of the remaining Project Price payable (including the consideration for the Equity Transfer) in accordance with the terms of the Cooperation Agreement and the EPC Contract.

2. The maximum amount payable by the Subsidiary Nominee for the abovementioned remaining Project Price payable shall be capped at an amount equal to actual installed capacity of the Project multiplied by the RMB3.50 per watt and minus RMB28,000,000. Further, the maximum aggregate amount payable by the Subsidiary and Subsidiary Nominee with respect to the Project Price shall be capped at an amount equal to actual installed capacity of the Project multiplied by the RMB3.50 per watt.
3. As certain expenses relating to land compensation fees incurred by the relevant parties on behalf of the Project Company in an aggregate amount of RMB7,260,000 have already been included in the Project Price under the Cooperation Agreement, the Project Price payable to the EPC Contractor under the EPC Contract shall be reduced by an amount equivalent to the aforesaid.
4. Within 20 days of the completion of the Equity Transfer, the change of legal representative, directors, supervisor and manager of the Project Company and the completion of other handover matters relating to the Project Company and the Project, the Subsidiary Nominee shall, through the Project Company, pay the amount of RMB70,000,000, being the partial payment of Project Price under the EPC Contract, to the EPC Contractor in two tranches of RMB35,000,000 each.

Save as specifically amended and supplemented by the Supplemental Agreement, all other terms and conditions of the Cooperation Agreement and the EPC Contract remain in full force and effect.

The remaining Project Price payable by the Subsidiary and the Subsidiary Nominee shall be funded by the internal resources of the Group.

## **THE EQUITY TRANSFER AGREEMENT**

On 22 June 2016, the Owner, the Subsidiary and the Subsidiary Nominee entered into the Equity Transfer Agreement pursuant to which the Owner agreed to dispose of, and the Subsidiary Nominee agreed to acquire, the entire equity interest in the Project Company. The material terms of the Equity Transfer Agreement are as follows:

### **Date**

22 June 2016

### **Parties**

- (1) The Subsidiary
- (2) The Subsidiary Nominee
- (3) The Owner

Save as disclosed in this announcement and to be best of the Directors' knowledge and belief, having made all reasonable enquires, the Owner and its ultimate beneficial owner are third parties, independent of the Company and its connected persons (as defined in the Listing Rules).

### **Subject matter**

Pursuant to the terms of the Equity Transfer Agreement, the Owner agreed to dispose of, and the Subsidiary Nominee agreed to acquire, the entire equity interest in the Project Company.

### **Consideration**

The consideration payable for the Equity Transfer is approximately RMB0.84 million, which shall form part of the Project Price payable and shall be paid in accordance with the terms of the Cooperation Agreement, the Supplemental Agreement and the EPC Contract.

The consideration for the Equity Transfer contemplated under the Equity Transfer Agreement was determined after arm's length negotiations between the Subsidiary, the Subsidiary Nominee and the Owner with reference to the paid-up capital of the Project Company in the amount of RMB1,000,000. The consideration for the Equity Transfer will be financed by the Group's internal resources.

### **Completion of the Equity Transfer**

The Equity Transfer Agreement shall become effective on the date of signing, and completion of the Equity Transfer shall take place within 2 days of the Equity Transfer Agreement becoming effective.

Upon completion of the Equity Transfer, the Project Company will become a subsidiary of the Company and its financial results will be consolidated into the financial results of the Group.

### **Guarantee by the Subsidiary**

Pursuant to the terms of the Equity Transfer Agreement, the Subsidiary undertakes to guarantee the performance of the Subsidiary Nominee's obligations under the Equity Transfer Agreement.

## **INFORMATION OF THE OWNER AND THE PROJECT COMPANY**

The Owner is a company incorporated in the PRC and the sole shareholder of the Project Company. It is involved in the businesses of technology development and technical consultancy in photovoltaic power generation and wind power generation, installation of electromechanical facilities and electronics engineering construction.

The Project Company is a company established in the PRC and is wholly-owned by the Owner. It is involved in the businesses of development, construction and operational management of photovoltaic power generation and wind power generation; and installation of electricity facilities. The Project Company currently operates the Power Plant, a 40MW photovoltaic power plant in Shandong Province, the PRC.

Based on the unaudited financial information of the Project Company as at 31 May 2016, the net and total assets of the Project Company are approximately RMB1.98 million and approximately RMB337.8 million, respectively. Based solely on the unaudited financial information provided by the Project Company, the net loss before and after tax of the Project Company for the two years ended 31 December 2015 are as follows:

	<b>UNAUDITED</b>	
	<b>For the year ended 31 December 2015</b>	<b>For the year ended 31 December 2014</b>
<b>Loss before taxation</b>	approximately RMB470	–
<b>Loss after taxation</b>	approximately RMB470	–

The Project Company had no net profit before tax and net profit after tax for the financial year ended 31 December 2014 as it had not been established then.

## **INFORMATION ON THE COMPANY AND REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER**

The principal business activity of the Company is investment holding. The Group is principally engaged in the investment, development, construction, operation and management of photovoltaic power plants and photovoltaic power-related businesses and the design, printing and sale of cigarette packages in the PRC.

The terms of the Supplemental Agreement and the Equity Transfer Agreement were determined after arm's length negotiations between the parties thereto. The Supplemental Agreement was entered into by the Group to facilitate the Equity Transfer.

As set out in the Company's previous announcement dated 16 November 2015, the parties to the Cooperation Agreement had agreed that, subject to successful grid-connected power generation, the Owner and the Subsidiary (or its designated nominee) shall enter into a sale and purchase agreement for the Equity Transfer. As the Power Plant has started grid-connected power generation as at the date of this announcement, the Equity Transfer Agreement was thus entered into pursuant to the terms of the Cooperation Agreement. The Equity Transfer would provide the Company with an opportunity to acquire the Project, which is located in Shandong Province, PRC, a location considered by the Company to be favourable for the development of its photovoltaic business.

The Board considers that the terms of the Supplemental Agreement and the Equity Transfer Agreement are fair and reasonable and the transactions contemplated therein are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Equity Transfer Agreement and the transactions contemplated therein, when aggregated with that of the Cooperation Agreement, the EPC Contract, the Supplemental Agreement and the transactions contemplated therein pursuant to Rule 14.22 of the Listing Rules, are more than 5% but below 25%, the entering into of the Equity Transfer Agreement and the transactions contemplated therein constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is 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 meaning:

“Board”	the board of Directors of the Company
“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

“Cooperation Agreement”	the cooperation agreement entered into among the Subsidiary, the Owner, the Project Company and the EPC Contractor on 16 November 2015 (as supplemented by a supplemental cooperation agreement dated 16 November 2015)
“Director(s)”	the director(s) of the Company
“EPC”	engineering, procurement and construction
“EPC Contract”	the EPC contract entered into among the Subsidiary, the Project Company and the EPC Contractor dated 16 November 2015
“EPC Contractor”	中機國能電力工程有限公司(Zhongji Guoneng Electricity Project Company Limited*), a company established in the PRC
“Equity Transfer”	the acquisition of the entire equity interest in the Project Company by the Subsidiary Nominee in accordance with the terms of the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated 22 June 2016 entered into between the Owner, the Subsidiary and the Subsidiary Nominee in respect of the Equity Transfer
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	Megawatts, which is equal to 1,000,000 watts



“Owner”	山東國之晟能源有限公司(Shandong Guozhicheng Energy Company Limited*), a company established in the PRC and the sole shareholder of the Project Company
“Power Plant”	a 40MW photovoltaic power plant in Shandong Province, the PRC
“PRC”	The People’s Republic of China, which, for the purposes of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Project”	the Construction of the Power Plant as contemplated under the Cooperation Agreement
“Project Company”	濟南中晟新能源開發有限公司(Jinan Zhongcheng New Energy Development Company Limited*), a company established in the PRC and wholly-owned by the Owner
“Project Price”	the total construction price of the Project, being RMB340 million
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary shares of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	北京北控光伏科技發展有限公司(Beijing Enterprises Photovoltaic Development Company Limited*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company

“Subsidiary Nominee”	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 and an indirect wholly-owned subsidiary of the Company
“Supplemental Agreement”	the supplemental agreement entered into among the Subsidiary, the Subsidiary Nominee, the Owner, the Project Company and the EPC Contractor dated 22 June 2016 amending and supplementing certain terms of the Cooperation Agreement and EPC Contract
“%”	per cent

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

Hong Kong, 22 June 2016

*As at the date of this announcement, the Board comprises seven Directors, namely Mr. Hu Xiaoyong, Mr. Shi Xiaobei, Mr. Liang Yongfeng and Mr. Wang Ye as executive Directors; and Mr. Tam Tak Kei Raymond, Professor Lam Sing Kwong Simon and Mr. Xu Honghua as independent non-executive Directors.*

\* *for identification purposes only.*