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**(Stock Code: 01250)**

## **DISCLOSEABLE TRANSACTION ENGINEERING, PROCUREMENT AND CONSTRUCTION CONTRACT**

The Board announces that on 8 September 2015, the Principal, an indirect wholly-owned subsidiary of the Company, entered into the EPC Contract with the Contractor for the provision of engineering, procurement and construction services by the Contractor to the Principal in respect of the Project that the Group is undertaking, at the aggregate consideration of RMB126,700,000.

As one or more of the applicable percentage ratios (as defined in Chapter 14 of the Listing Rules) in respect of the EPC Contract and the transactions contemplated thereunder exceed 5% and all of the applicable percentage ratios are less than 25%, the entering into of the EPC Contract by the Principal constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

The Directors (including the independent non-executive Directors) considered that the EPC Contract was entered into under the usual course of business, on normal commercial terms and on an arm's length basis, the terms of which were fair and reasonable and was in the best interest of the Company and the Shareholders as a whole.

## THE EPC CONTRACT

In order to facilitate the Project that the Group is undertaking, the Principal and the Contractor entered into the EPC Contract on 8 September 2015 for the provision of engineering, procurement and construction services by the Contractor to the Principal at the aggregate consideration of RMB126,700,000. A summary of the principal terms of the EPC Contract are as follows:

Date	:	8 September 2015
Parties	:	(i) The Principal (ii) The Contractor
Subject matter	:	The Contractor shall provide engineering, procurement and construction services to the Principal in respect of the Project that the Group is undertaking.
Consideration	:	RMB126,700,000
Scope of services	:	The services to be provided by the Contractor to the Principal include (i) photovoltaic power plant engineering survey and design, site preparation works, supply of equipment, transportation services, loading and unloading of equipment, insurance, warehousing, photovoltaic power plant construction and installation works, construction and installation of cable connectors, construction of access roads, fencing and gates, water conservation and environmental engineering, garbage disposal services, water and electrical supply engineering and construction works, construction of temporary office, living quarters and network services, commissioning and establishment of the photovoltaic power plant to ensure that it is safe and stable for operation and perform relevant reliability and pre-acceptance testing procedures; (ii) organise examination and testing procedures on fire and lightning protection works; (iii) perform power plant performance testing procedures; (iv) System Access Engineering and Construction; and (v) purchase of relevant insurance to insure against the risks associated with the entire engineering, procurement and construction works, third party liability, warranties and services to be provided by the Contractor during the relevant warranty period and after sales services.

Performance bond	:	Within 14 days after the date of the EPC Contract, the Contractor shall provide an unconditional and irrevocable bank guarantee as a performance bond in an amount of RMB10,550,000, which shall be valid until the completion of the relevant examination and testing procedures.
Payment schedule	:	<p>The Consideration shall be payable by the Principal to the Contractor in accordance with the following payment schedule:</p> <ul style="list-style-type: none"> <li>(i) A deposit of 10% of the sum equal to the Consideration less the System Access Engineering and Construction Value shall be payable within 10 days after confirmation by the Principal of, among other things, the relevant performance bond bank guarantee to be provided by the Contractor.</li> <li>(ii) The remaining Consideration less the deposit set out above and the Retention Amount will be payable in stages in accordance with the completion of the relevant works to be provided by the Contractor under the EPC Contract.</li> <li>(iii) After the first anniversary of the relevant construction warranty period, if there are no deficiencies with respect to the quality of the construction works undertaken by the Contractor under the EPC Contract, the Retention Amount shall be payable within 10 days after, among other things, issuance by the Principal of the certificate of completion of the final testing procedures.</li> </ul>

## INFORMATION OF THE PARTIES TO THE EPC CONTRACT

### The Principal

The Principal is an indirect wholly-owned subsidiary of the Company and is principally engaged in the development, investment and operation of photovoltaic power plants.

### The Contractor

The Contractor is in the business of providing engineering and procurement services and construction of photovoltaic power plants in the PRC and is based in 河北省石家庄市 (Shijiazhuang City, Hebei Province\*),

\* For identification purpose only

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of the Contractor and its ultimate beneficial owners is independent of the Company and its connected persons.

## **REASONS AND BENEFITS OF THE EPC CONTRACT**

In early 2015, the Group diversified its business from the single line of business in the design, printing and sale of cigarette packages in the PRC, to the photovoltaic power business, of which, the Group is principally engaged in the investment, development, construction, operation and management of photovoltaic power plants and photovoltaic power-related businesses in the PRC. The Group intends to develop photovoltaic power plants with an aggregate installed capacity of approximately 500MW over the course of 2015.

In order to facilitate the Project, the Group considered that it is necessary to engage a contractor that is in the business of providing engineering and procurement services and construction of photovoltaic power plants in the PRC. Prior to the entering into of the EPC Contract, the Company evaluated the terms of the EPC Contract based on, among other things, the specifications and needs of the Group with respect to the Project, the experience and specialties' of the Contractor with respect to the development of photovoltaic power plants in the PRC, the scope of the services to be provided by the Contractor under the EPC Contract and the Contractor's reputation and standing in the photovoltaic power generation industry in the PRC. The Consideration was determined based on normal business terms and after arm's length negotiations between the Principal and the Contractor with reference to prevailing market rates for similar services.

In consideration of the reasons and the benefits of the transactions contemplated under the EPC Contract set out above, and that the terms of the EPC Contract were agreed by the parties based on arm's length negotiations having taken into account the prevailing market rates for similar services, the Directors (including the independent non-executive Directors) considered that the EPC Contract was entered into under the usual course of business and on normal commercial terms, the terms of which were fair and reasonable and was in the best interest of the Company and the Shareholders as a whole.

The payment obligations of the Principal under the EPC Contract will be financed by internal resources of the Group, primarily from the net proceeds of the subscription of new ordinary shares and new preference shares of the Company under the subscription agreement dated 9 December 2014 entered into between the Company and certain subscribers, as supplemented by the first supplemental agreement dated 29 December 2014 and the second supplemental agreement dated 31 January 2015, details of which are set out in the circular announced by the Company on 10 April 2015.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in Chapter 14 of the Listing Rules) in respect of the EPC Contract and the transactions contemplated thereunder exceed 5% and all of the applicable percentage ratios are less than 25%, the entering into of the EPC Contract by the Company constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

None of the Directors has any material interest in the transactions contemplated under the EPC Contract; therefore, none of them was required to abstain from voting on the relevant Board resolutions approving the EPC Contract and the transactions contemplated thereunder.

## **DEFINITIONS**

“Board”	the board of Directors
“Company”	Beijing Enterprises Clean Energy Group Limited
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration for the services to be provided by the Contractor to the Principal pursuant to the EPC Contract in an aggregate amount of RMB126,700,000
“Contractor”	河北省電力勘測設計研究院, an entity incorporated under the laws of the PRC
“Director(s)”	the directors of the Company
“EPC Contract”	the engineering, procurement and construction agreement dated 8 September 2015 entered into between the Principal and the Contractor
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“MW”	megawatt
“PRC”	the People’s Republic of China
“Principal”	蔚縣北控新能源開發有限公司, an entity incorporated under the laws of the PRC, and an indirect wholly-owned subsidiary of the Company
“Project”	the development and construction of a 50MW photovoltaic power plant, phase one of the project, in Yuxian, Hebei Province
“Retention Amount”	10% of the Consideration
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“System Access Engineering and Construction”	system access engineering, design, supply and construction, commissioning testing and acceptance testing works and related services
“System Access Engineering and Construction Value”	the value allocated to the System Access Engineering and Construction component of the full suite of services to be provided by the Contractor to the Principal under the EPC Contract in an amount of RMB21,200,000
“%”	per cent

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

Hong Kong, 8 September 2015

*As at the date of this announcement, the Board comprises eight directors, namely Mr. Hu Xiaoyong, Mr. Shi Xiaobei, Mr. Liang Yongfeng, Mr. Han Songbai and Ms. Huang Li as executive directors of the Company; and Mr. Tam Tak Kei Raymond, Professor Lam Sing Kwong Simon and Mr. Xu Honghua as independent non-executive directors of the Company.*