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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

On 27 May 2016, the Subsidiary, an indirect wholly-owned subsidiary of the Company, and Yuxian Government entered into the Cooperation Agreement in relation to the construction of a 25MW centralized poverty alleviation photovoltaic power plant in Yuxian* (蔚縣), Hebei Province, the PRC and in relation to certain photovoltaic poverty alleviation arrangement.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Cooperation Agreement and the transactions contemplated thereunder are more than 5% and all of such ratios are below 25%, the Cooperation Agreement and the transactions contemplated thereunder 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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Details of the Cooperation Agreement are set out below.

COOPERATION AGREEMENT

Date: 27 May 2016

Parties: Subsidiary, an indirect wholly-owned subsidiary of the Company
Yuxian Government

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Yuxian Government and its ultimate beneficial owners are parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

Details of the Project

Power plant to be constructed: 25MW centralized poverty alleviation photovoltaic power plant (the actual grid connection installed capacity of which will be subject to the approval of the relevant authorities)

Location: Yuxian* (蔚縣), Hebei Province, the PRC

Construction period: 6 months from the date the Project is recorded and filed with the relevant authorities

Total investment: RMB215,000,000

The Subsidiary is responsible for the funding of the Project.

Ownership: Upon completion of the construction of the Power Plant, the ownership of the Power Plant shall belong to the Subsidiary

Pursuant to the terms of the Cooperation Agreement, Yuxian Government shall assist the Subsidiary in obtaining the land required for the Project. It shall cooperate with and assist the Subsidiary in handling and completing the relevant procedures required for the Project and the Subsidiary shall be responsible for the expenses. Yuxian Government shall also assist the Subsidiary so that the Project will have access to water, electricity and roads, and shall strictly carry out the national, provincial and local preferential policies in support of the development of new energy industries.

Pursuant to the terms of the Cooperation Agreement, the Subsidiary shall perform ecological greening for the Project according to the required standards and shall complete its photovoltaic poverty alleviation mission of helping 1,000 specified targets out of poverty for a period of 20 years by providing each target an income of RMB3,000 each year. The Subsidiary shall, upon completion of the Project, transfer poverty alleviation funds to the designated account of Yuxian Government on a quarterly basis.

The amount of such poverty alleviation funds was determined on an arm's length basis between the Subsidiary and Yuxian Government with reference to the recent policies of the People's Government of the PRC, details of which are set out in the paragraph headed "REASONS FOR AND BENEFITS OF THE COOPERATION AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER" below.

The Company intends to finance the Project and such poverty alleviation funds using the internal resources of the Group.

For the purposes of the construction of the Power Plant, EPC contractor(s) will be engaged to provide engineering, procurement and construction services in respect of the Project and/or materials purchase and supply contracts will be entered into.

The term of the Cooperation Agreement is 25 years.

INFORMATION ON YUXIAN GOVERNMENT

Yuxian Government is the People's Government of Yuxian* (蔚縣), Hebei Province, the PRC.

INFORMATION ON THE GROUP

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.

REASONS FOR AND BENEFITS OF THE COOPERATION AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER

In October 2014, the National Energy Administration* (國家能源局) and the State Council Leading Group Office of Poverty Alleviation and Development* (國務院扶貧開發領導小組辦公室) jointly issued the Notice regarding the Publication of the Program on the Implementation of Photovoltaic Poverty Alleviation Project (Guo Neng Xin Neng [2014] No.447)* (《國家能源局 國務院扶貧開發領導小組辦公室關於印發實施光伏扶貧工程工作方案的通知》(國能新能[2014]447號)) pursuant to which planning was made with respect to photovoltaic poverty alleviation for six years until 2020. This project was aimed to increase income of population in poverty.

This year, several governmental departments including the National Development and Reform Commission* (國家發展和改革委員會) issued the Opinion on the Implementation of the Work on Photovoltaic Poverty Alleviation (Fa Gai Neng Yuan [2016] No.621)* (《關於實施光伏發電扶貧工作的意見》(發改能源[2016]621號)) which states that before 2020, the focus would be to increase the income of each household by at least RMB3,000 each year for 2 million households in approximately 35,000 recorded poor villages, 471 counties and 16 provinces where the photovoltaic conditions are more favorable. Yuxian* (蔚縣), Hebei Province, the PRC is one of the core districts for the implementation of photovoltaic poverty alleviation projects (光伏扶貧工程重點實施範圍).

The transactions contemplated under the Cooperation Agreement provide the Company with an opportunity to develop a photovoltaic power plant in the Hebei Province, the PRC, a location considered by the Company to be favourable for development of its photovoltaic business in the PRC.

The transactions contemplated under the Cooperation Agreement are also in line with the policies of the PRC People's Government and the Group would be able to contribute to the poor in the PRC while expanding its portfolio of photovoltaic power plants in the PRC and broadening its sources of income, ultimately enhancing value to the Shareholders.

The Board considers that the terms of the Cooperation Agreement are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Cooperation Agreement and the transactions contemplated thereunder are more than 5% and all of such ratios are below 25%, the Cooperation Agreement and the transactions contemplated thereunder 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, the following expressions shall have the meanings set out below unless the context requires otherwise:

“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

“Cooperation Agreement”	the cooperation agreement entered into between the Subsidiary and Yuxian Government dated 27 May 2016 in relation to the cooperation between the Subsidiary and Yuxian Government in the Project
“Director(s)”	the director(s) of the Company
“EPC”	engineering, procurement and construction
“Yuxian Government”	Yuxian People’s Government* (蔚縣人民政府)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“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
“Power Plant”	the 25MW centralized poverty alleviation photovoltaic power plant to be constructed in Yuxian* (蔚縣), Hebei 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 project on the construction of the Power Plant

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders 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
“Subsidiary”	蔚縣北控新能源開發有限公司 (Yuxian Beijing Enterprises New Energy Development Company Limited*), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 27 May 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.*