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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 ACQUISITION OF THE ENTIRE EQUITY INTEREST IN THE PROJECT COMPANY**

### **THE EQUITY TRANSFER**

In December 2015, the Subsidiary, an indirect wholly-owned subsidiary of the Company, the Vendor and the Project Company entered into the Cooperation Agreement, which was further amended and supplemented by the Supplemental Agreement dated 14 September 2016 entered into by the same parties. Pursuant to the terms of the Cooperation Agreement, as amended and supplemented by the Supplemental Agreement, the Subsidiary shall, subject to the entering into of a definitive sale and purchase agreement, acquire the entire equity interest in the Project Company from the Vendor.

On 14 September 2016, the Subsidiary and the Vendor entered into the Equity Transfer Agreement pursuant to which (i) the Subsidiary agreed to acquire, and the Vendor agreed to dispose of, the entire equity interest in the Project Company, and (ii) the Subsidiary agreed to pay on behalf of the Project Company the Project Company Payment Obligations through the Payment Settlement according to the terms set out in the Cooperation Agreement, as amended and supplemented by the Supplemental Agreement.

Upon completion of the Acquisition, the Project Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial results of the Company. The Project Company holds the Project, namely a 50MW (ground) plus 4MW (distributed) photovoltaic power plant in Qi County\* (淇縣) of Henan Province, the PRC.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Equity Transfer Agreement and the transactions contemplated thereunder are more than 5% and all of such ratios are below 25%, the entering into of the Equity Transfer Agreement and the transactions contemplated thereunder constitute a discloseable transaction for 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.

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The principal terms of the Equity Transfer Agreement are as follows:

### **Date**

14 September 2016

## **Parties**

- (1) The Subsidiary (as the purchaser)
- (2) The Vendor (as the seller)

To be best of the Directors' knowledge and belief, having made all reasonable enquires, the Vendor and its ultimate beneficial owners are independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

## **Subject matter**

Pursuant to the terms of the Equity Transfer Agreement, (i) the Subsidiary agreed to acquire, and the Vendor agreed to dispose of, the entire equity interest in the Project Company, and (ii) the Subsidiary agreed to pay on behalf of the Project Company the Project Company Payment Obligations through the Payment Settlement according to the terms set out in the Cooperation Agreement, as amended and supplemented by the Supplemental Agreement. The total amount of the consideration for the entire equity interest in the Project Company and the Payment Settlement is RMB468,720,000.

## **Consideration for the entire equity interest**

The Subsidiary shall pay RMB21,230,894.59 as consideration for the entire equity interest in the Project Company within three (3) business days of registration of the Acquisition with the relevant authorities.

The consideration for the entire equity interest in the Project Company was determined after arm's length negotiations between the Subsidiary and the Vendor with reference to the total construction costs of the Project minus the total debt of the Project Company as at 31 August 2016.

## **Completion of the Acquisition**

The Equity Transfer Agreement shall become effective on the date of signing. Within three (3) business days of the Equity Transfer Agreement becoming effective, the Vendor shall initiate the registration procedures relating to the Acquisition with the relevant authorities and completion of the aforesaid registration shall take place within three (3) business days of the date such procedures have been initiated.

Upon completion of the Acquisition, the Project Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial results of the Company.

## **The Payment Settlement**

The Project Company Payment Obligations in the amount of RMB447,489,105.41 shall be settled and paid by the Subsidiary on behalf of the Project Company to the Vendor according to the terms set out in the Cooperation Agreement, as amended and supplemented by the Supplemental Agreement, as follows:

- (1) RMB377,181,105.41 shall be paid within three (3) business days of the completion of the registration of the Acquisition with the relevant authorities and delivery of the relevant closing documents by the Vendor to the Subsidiary;
- (2) RMB46,872,000 shall be paid within three (3) business days of the acceptance of the ground portion of the Project by the Subsidiary; and
- (3) RMB23,436,000 shall be paid within three (3) business days of the provision of a letter of guarantee in the same amount from the Vendor to the Subsidiary (such letter of guarantee shall be returned by the Subsidiary to the Vendor within 30 days of the first anniversary of the date of grid-connected power generation of the ground portion of the Project).

The parties agreed that, upon the payment of the aforesaid amounts, the Subsidiary shall be deemed to have satisfied, on behalf of the Project Company, the equivalent amount of the Project Company Payment Obligations owed towards the Vendor.

The total amount of the consideration for the entire equity interest in the Project Company and the Payment Settlement will be financed by the internal resources and/or borrowings of the Group.

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

The Vendor is a company established in the PRC and the sole shareholder of the Project Company. It is involved in the businesses of construction of solar and electricity power generation plants as well as provision of design, construction and consultancy services.

The Project Company is a company established in the PRC and is wholly-owned by the Vendor. It is involved in the business of photovoltaic power generation. The Project Company holds the Project, namely a 50MW (ground) plus 4MW (distributed) photovoltaic power plant in Qi County\* (淇縣) of Henan Province, the PRC. As at the date of this announcement, grid connection of the power plant with an aggregate installed capacity of 54MW is completed.

Based on the unaudited financial information of the Project Company as at 31 August 2016, the net and total assets of the Project Company as at 31 August 2016 were approximately RMB25,904,000 and approximately RMB473,393,000, respectively. The unaudited financial information of the Project Company for the two years ended 31 December 2014 and 2015 respectively, are as follows:

	<b>UNAUDITED</b>	
	<b>For the year ended 31 December 2015</b>	<b>For the year ended 31 December 2014</b>
Profit (Loss) before taxation	approximately (RMB341,000)	approximately RMB1,200
Profit (Loss) after taxation	approximately (RMB341,000)	approximately RMB900

## **INFORMATION ON THE COMPANY AND REASONS FOR AND BENEFITS OF THE ACQUISITION**

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 transactions contemplated under the Cooperation Agreement, the Supplemental Agreement and the Equity Transfer Agreement provide the Company with an opportunity to acquire the Project, which is located in Qi County\* (淇縣) of Henan Province, the PRC, a location considered by the Company to be favourable for development of photovoltaic business. By acquiring the Project and settling the Project Company Payment Obligations through the Payment Settlement, the Directors believe that this will promote further success of the Project.

The Board considers that the terms of the Acquisition 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 percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Equity Transfer Agreement and the transactions contemplated thereunder are more than 5% and all of such ratios are below 25%, the entering into of the Equity Transfer Agreement and the transactions contemplated thereunder constitute a discloseable transaction for 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:

“Acquisition”	the acquisition of the entire equity interest in the Project Company by the Subsidiary in accordance with the terms of the Equity Transfer Agreement
“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 in December 2015 by and among the Subsidiary, the Vendor and the Project Company regarding cooperation in the Project
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 14 September 2016 entered into between the Vendor and the Subsidiary in respect of the Acquisition
“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
“Payment Settlement”	the settlement of the Project Company Payment Obligations by the Subsidiary on behalf of the Project Company according to the terms set out in the Cooperation Agreement, as amended and supplemented by the Supplemental Agreement
“PRC”	The People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Project”	the project regarding the construction of a 50MW (ground) plus 4MW (distributed) photovoltaic power plant in Qi County* (淇縣) of Henan Province, the PRC
“Project Company”	河南日升光伏電力發展有限公司(Henan Risheng Photovoltaic Power Development Co., Ltd.*), a company established in the PRC and wholly-owned by the Vendor as at the date of this announcement
“Project Company Payment Obligations”	the outstanding payment obligations of the Project Company in relation to the Project
“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 Holdings Photovoltaic Technology Development Co., Ltd.*), an entity established under the laws of the PRC, and an indirect wholly-owned subsidiary of the Company
“Supplemental Agreement”	the supplemental agreement entered into by the Subsidiary, the Project Company and the Vendor on 14 September 2016 amending and supplementing the terms of the Cooperation Agreement
“Vendor”	東方日升(寧波)電力開發有限公司 (Dongfang Risheng (Ningbo) Power Development Co., Ltd.*), a company established in the PRC and the sole shareholder of the Project Company as at the date of this announcement
“%”	per cent

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

Hong Kong, 14 September 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. Li Fujun, Mr. Xu Honghua and Mr. Chiu Kung Chik as independent non-executive Directors.*

\* *for identification purposes only*