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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01250)**

## **DISCLOSEABLE TRANSACTION**

- (1) THE COOPERATION AGREEMENT**
- (2) ACQUISITION OF THE ENTIRE EQUITY INTEREST IN THE PHASE ONE PROJECT COMPANY**
- (3) THE DEBT SETTLEMENT AGREEMENT**

### **THE COOPERATION AGREEMENT**

On 26 September 2016, the Subsidiary, the Owner, the Phase One Project Company and the Phase Two Project Company entered into the Cooperation Agreement pursuant to which, among other things, the parties agreed to collaborate in relation to phase one of the Project according to the terms set out therein including the Phase One Project Price. The parties also agreed that, subject to the fulfillment of certain conditions set out therein, the Owner and the Subsidiary shall enter into a sale and purchase agreement for the Equity Transfer.

### **THE EQUITY TRANSFER AGREEMENT**

On 26 September 2016, the Owner and the Subsidiary entered into the Equity Transfer Agreement pursuant to which the Owner agreed to dispose of, and the Subsidiary agreed to acquire, the entire equity interest in the Phase One Project Company.

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

### **THE DEBT SETTLEMENT AGREEMENT**

On 26 September 2016, the Subsidiary, the Owner and the Phase One Project Company entered into the Debt Settlement Agreement pursuant to which the parties agreed to certain terms relating to the settlement of their respective obligations arising from phase one of the Project.

## **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 are more than 5% and all of such ratios are below 25%, the entering into of the Equity Transfer Agreement and the transactions contemplated therein 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.

## **THE COOPERATION AGREEMENT**

On 26 September 2016, the Subsidiary, the Owner, the Phase One Project Company and the Phase Two Project Company entered into the Cooperation Agreement pursuant to which, among other things, the parties agreed to collaborate in relation to phase one of the Project. The material terms of the Cooperation Agreement are as follows.

### **Date**

26 September 2016

### **Parties**

- (1) The Subsidiary
- (2) The Owner
- (3) The Phase One Project Company
- (4) The Phase Two Project Company

Save as disclosed in this announcement and to the best of the Directors' knowledge and belief, having made all reasonable enquires, the Owner, the Phase One Project Company and the Phase Two Project Company and their respective ultimate beneficial owners are independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

### **Major terms**

The material terms of the Cooperation Agreement are as follows:

- (a) as at the date of the Cooperation Agreement, the construction of phase one of the Power Plant with successful grid-connected power generation has been fully completed, and the Subsidiary shall conduct due diligence on phase one of the Power Plant;

- (b) upon satisfactory due diligence results, the Subsidiary shall enter into a sale and purchase agreement to acquire the entire equity interest in the Phase One Project Company from the Owner;
- (c) subject to the terms to be set out in the definitive sale and purchase agreement, the Phase One Project Price would be RMB477,600,000, being the grid connection installed capacity of phase one of the Power Plant, i.e. 60MW, multiplied by the unit price at RMB7.96 per watt; and
- (d) the construction of phase two of the Power Plant is still in progress as at the date of the Cooperation Agreement. The parties will separately enter into other agreements in relation to the cooperation in phase two of the Project.

## **THE EQUITY TRANSFER AGREEMENT**

On 26 September 2016, the Owner and the Subsidiary entered into the Equity Transfer Agreement pursuant to which the Owner agreed to dispose of, and the Subsidiary agreed to acquire, the entire equity interest in the Phase One Project Company. The material terms of the Equity Transfer Agreement are as follows.

### **Date**

26 September 2016

### **Parties**

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

Save as disclosed in this announcement and to the best of the Directors' knowledge and belief, having made all reasonable enquires, the Owner and its ultimate beneficial owner 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, the Owner agreed to dispose of, and the Subsidiary agreed to acquire, the entire equity interest in the Phase One Project Company.

As at the date of this announcement, the entire equity interest in the Phase One Project Company has been pledged in favour of certain creditors of the Phase One Project Company. Pursuant to the terms of the Equity Transfer Agreement, the pledge over the equity interest in the Phase One Project Company will be released and the equity interest in the Phase One Project Company will be transferred to the Subsidiary in two tranches, the first tranche being 80% and the second tranche being 20% of the equity interest in the Phase One Project Company.

## **Consideration**

The consideration payable for the Equity Transfer is RMB4,052,219.65, which shall be paid in three instalments: the first instalment of RMB810,443.93 will be payable within two business days after the signing of the Equity Transfer Agreement, the second instalment of RMB2,026,109.83 will be payable within 2 business days after registration with the relevant authorities of the transfer of 80% of the equity interest in the Phase One Project Company, and the last instalment of the remaining RMB1,215,665.9 will be payable within two business days after registration with the relevant authorities of the transfer of the remaining 20% of the equity interest in the Phase One Project Company.

The consideration for the Equity Transfer was determined after arm's length negotiations between the parties with reference to the construction cost of phase one of the Project and the total liabilities owed by the Phase One Project Company. The consideration for the Equity Transfer will be financed by the Group's internal resources and/or bank borrowings.

## **Phase One Project Price**

The Phase One Project Price of RMB477,600,000 consists of three components, including the total liabilities owed by the Phase One Project Company in the amount of RMB480,147,780.35 and the consideration for the Equity Transfer in the amount of RMB4,052,219.65, minus the lease financing receivables of the Phase One Project Company in the amount of RMB6,600,000. The Phase One Project Price will be financed by the Group's internal resources and/or bank borrowings.

## **Completion**

Pursuant to the terms of the Equity Transfer Agreement, the transfer of 80% of the equity interest in the Phase One Project Company shall be completed within 30 calendar days after the first instalment payment under the Equity Transfer Agreement and the first payment into the escrow accounts under the Debt Settlement Agreement, and the transfer of the remaining 20% of the equity interest in the Phase One Project Company shall be completed within three business days after release of the relevant equity pledge which shall occur within four months after the signing of the Equity Transfer Agreement.

If the Owner receives the first instalment payment under the Equity Transfer Agreement and the first payment in the escrow accounts under the Debt Settlement Agreement but fails to complete the relevant procedures necessary for the transfer of 80% of the equity interest in the Phase One Project Company within 30 calendar days, the Owner shall return all the payments made by the Subsidiary and the parties shall bear no other liabilities for any breach of the Equity Transfer Agreement. If the Owner fails to transfer the entire equity interest in the Phase One Project Company to the Subsidiary in accordance with the terms of the Equity Transfer Agreement, the Owner shall return payments already made by the Subsidiary together with interests.

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

## **THE DEBT SETTLEMENT AGREEMENT**

On 26 September 2016, the Subsidiary, the Owner and the Phase One Project Company entered into the Debt Settlement Agreement pursuant to which the parties agreed to certain terms relating to the settlement of their respective obligations arising from phase one of the Project.

### **Major terms**

The material terms of the Debt Settlement Agreement are as follows:

- (a) the total liabilities of the Phase One Project Company would amount to RMB480,147,780.35 as at 31 July 2016 if the lease financing receivables of the Project Company in the amount of RMB6,600,000 would be received by the Phase One Project Company and would amount to RMB473,547,780.35 if the aforesaid lease financing receivables would not be received by the Phase One Project Company; the Subsidiary shall repay such liabilities on behalf of the Phase One Project Company and an equivalent amount of the Phase One Project Price payable by the Subsidiary to the Owner would be deemed to have been paid;
- (b) the Subsidiary undertakes to repay the lease financing receivables in the amount of RMB6,600,000 to the Owner within three business days after the Phase One Project Company receives the same amount, and an equivalent amount of the liabilities payable by the Phase One Project Company to the Owner would be deemed to have been paid;
- (c) the Subsidiary shall inject an aggregate of RMB470,676,060.73 into the jointly controlled escrow accounts to be set up by the parties of which RMB331,483,446.25 shall be injected no later than the third business day after the escrow accounts are initially set up no later than the tenth business day after the Owner has delivered certain agreements set out in the Debt Settlement Agreement; and RMB139,192,614.48 shall be injected to the relevant escrow account which shall be effective no later than the third business day after 20% of the equity interest in the Phase One Project Company has been released. The amount held in the escrow accounts shall be released to repay the liabilities of the Phase One Project Company upon completion of the Equity Transfer in accordance with the terms of the Debt Settlement Agreement;
- (d) the Subsidiary shall repay the remaining liabilities of the Phase One Project Company in the aggregate amount of RMB2,871,719.62 on behalf of the Phase One Project Company in accordance with the terms of the Debt Settlement Agreement; and
- (e) the Owner shall procure the delivery to the Subsidiary of the Letter of Guarantee in the amount of RMB23,880,000 in favour of the Phase One Project Company; the Letter of Guarantee shall be returned by the Subsidiary and the Phase One Project Company to the Owner upon expiry of the one-year validity period of the Letter of Guarantee.

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

The Owner is a company established in the PRC with limited liability and is the sole shareholder of the Phase One Project Company. The Owner is engaged in the businesses of construction and design of new energy application technologies and products, solar photovoltaic power generation systems, the power supply, operation management and technology consultancy of solar photovoltaic power stations.

The Phase One Project Company is a company established in the PRC with limited liability and is wholly-owned by the Owner. It is involved in the businesses of the distributed power supply, operation management and technology consultancy for large and medium scale distributed photovoltaic grid connected power stations and small scale and grid (or non-grid) connected photovoltaic power generation systems. The Phase One Project Company holds phase one of the Power Plant.

Based solely on the unaudited financial information provided by the Phase One Project Company, as at 31 July 2016, the net and total assets of the Phase One Project Company were approximately RMB1.9 million and approximately RMB484.3 million, respectively. Based solely on the unaudited financial information provided by the Phase One Project Company, the Phase One Project Company did not record any revenue or profit or loss for the financial period from its date of incorporation on 9 September 2014 till 31 December 2014 and for the financial year ended 31 December 2015, respectively.

## **INFORMATION ON THE COMPANY AND REASONS FOR AND BENEFITS OF THE COOPERATION AGREEMENT, THE EQUITY TRANSFER AGREEMENT AND THE DEBT SETTLEMENT AGREEMENT**

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 Cooperation Agreement, the Equity Transfer Agreement and the Debt Settlement Agreement were determined after arm's length negotiations between the parties thereto. The transactions contemplated under the Cooperation Agreement and the Equity Transfer Agreement provide the Company with an opportunity to acquire phase one of the Project, which is located in An'hui Province of the PRC, a location considered by the Company to be favourable for the development of its photovoltaic business. Further, the Debt Settlement Agreement would clarify the positions of the relevant parties with respect to the performance of their respective obligations arising from phase one of the Project.

In view of the above, the Directors are of the view that the terms of the Cooperation Agreement, the Debt Settlement Agreement, the Equity Transfer Agreement and the Equity Transfer Agreement are fair and reasonable and 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 are more than 5% and all of such ratios are below 25%, the entering into of the Equity Transfer Agreement and the transactions contemplated therein 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.

## **GENERAL**

In the event the Group enters into any definitive agreement in respect of phase two of the Project, the Company will comply with the requirements of the Listing Rules in respect thereof and make further announcement(s) as and when appropriate.

## **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 Phase One Project Company and the Phase Two Project Company dated 26 September 2016 in relation to the collaboration on the Project
“Debt Settlement Agreement”	the debt settlement agreement entered into among the Subsidiary, the Owner and the Phase One Project Company dated 26 September 2016 relating to the settlement of certain obligations of the relevant parties arising from phase one of the Project
“Director(s)”	the director(s) of the Company
“Equity Transfer”	the acquisition of the entire equity interest in the Phase One Project Company by the Subsidiary in accordance with the terms of the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement entered into between the Owner and the Subsidiary dated 26 September 2016 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
“Letter of Guarantee”	an irrevocable letter of guarantee to be provided by a bank in the amount of RMB23,880,000 in favour of the Phase One Project Company, which shall be valid until 1 July 2017
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	Megawatts, which is equal to 1,000,000 watts
“Owner”	合肥聚能新能源科技有限公司 (Hefei Jntech New Energy Co., Ltd.*), a company established in the PRC with limited liability
“Phase One Project Company”	穎上聚安光伏發電有限公司 (Yingshang Ju An PV Power Generation Co., Ltd.*), a company established in the PRC with limited liability and which holds phase one of the Project
“Phase One Project Price”	the total price of phase one of the Project
“Phase Two Project Company”	穎上聚銘光伏發電有限公司(Yingshang Juming PV Power Generation Company Limited*), a company established in the PRC with limited liability and which holds phase two of the Project
“Power Plant”	a photovoltaic power plant in Fuyang City (阜陽市), Anhui Province, the PRC, which is constructed in two phases of 60MW and 90MW respectively
“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 construction of the Power Plant in two phases of 60MW and 90MW respectively



“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) 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”	天津富歡企業管理諮詢有限公司(Tianjin Clean Energy Investment 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, 26 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*