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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

**EXEMPTED CONNECTED TRANSACTION
ACQUISITION OF ADDITIONAL 20.21% EQUITY INTEREST IN
BEIJING ENTERPRISES WIND POWER GENERATION
COMPANY LIMITED***

THE TARGET EQUITY TRANSFER AGREEMENTS

On 14 May 2021, the Purchaser (an indirect non-wholly owned subsidiary of the Company) and Great First entered into the Great First Target Equity Transfer Agreement, pursuant to which the Purchaser agreed to acquire, and Great First agreed to dispose of, approximately 8.33% equity interest in the Target Company.

On 14 May 2021, the Purchaser also entered into a Target Equity Transfer Agreement with each of Ningbo Junyuan and Super Bright respectively, pursuant to which the Purchaser agreed to acquire, and Ningbo Junyuan and Super Bright agreed to dispose of, an aggregate of approximately 11.88% equity interest in the Target Company.

As at the date of this announcement, the Purchaser holds approximately 75.55% equity interest in the Target Company and the Target Company is a non-wholly owned subsidiary of the Company. Upon completion of the Target Equity Transfers, the Purchaser will hold an aggregate of approximately 95.76% equity interest in the Target Company. The Target Company will continue to be a non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated into the financial results of the Group.

IMPLICATION UNDER THE LISTING RULES

Mr. Hu, an executive Director of the Company, is a connected person of the Company. As Mr. Hu ultimately owns the entire issued share capital of Great First, Great First is an associate of a connected person of the Company. Accordingly, the entering into of the Great First Target Equity Transfer Agreement with Great First and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As certain applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Great First Target Equity Transfer exceed 0.1% but all of them are less than 5%, the entering into of the Great First Target Equity Transfer Agreement with Great First is subject to the reporting and announcement requirements but is exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Great First Target Equity Transfer, when aggregated with the Target Equity Transfers by Ningbo Junyuan and Super Bright, are less than 5%, the entering into of the Target Equity Transfer Agreements with such Existing Shareholders does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

THE TARGET EQUITY TRANSFER AGREEMENTS

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On 14 May 2021, the Purchaser also entered into a Target Equity Transfer Agreement with each of Ningbo Junyuan and Super Bright respectively, pursuant to which the Purchaser agreed to acquire, and Ningbo Junyuan and Super Bright agreed to dispose of, an aggregate of approximately 11.88% equity interest in the Target Company.

The principal terms of the Target Equity Transfer Agreements are as follows:

Subject matter

The Purchaser agreed to acquire, and the Existing Shareholders agreed to dispose of, an aggregate of approximately 20.21% equity interest in the Target Company pursuant to the terms of the Target Equity Transfer Agreements.

Consideration

Details of the consideration payable by the Purchaser for the respective Target Equity Transfers (the “**Consideration**”) are as follows:

Name of the Existing Shareholders	Equity interest of the Target Company being transferred (approximate %)	Consideration (in RMB)
Great First	8.33	33,222,712
Ningbo Junyuan	4.17	16,758,900
Super Bright	7.71	30,761,826
Total	20.21	80,743,438

The Consideration shall be settled by payment in cash within three business days from the date of the respective Target Equity Transfer Agreements.

The Consideration was determined after arm's length negotiations between the Purchaser and each of the Existing Shareholders with reference to, among others, (i) the appraised fair value of the Target Company as at 31 December 2020 of approximately RMB408 million, based on the valuation report prepared by an independent valuer under the market approach in accordance with the International Valuation Standard; and (ii) the financial condition and the future prospects of the Target Company.

The Group intends to fund the Consideration by using its internal financial resources and/or bank borrowings of the Group.

Registered capital of the Target Company

The registered capital (the “**Registered Capital**”) of the Target Company was RMB720 million, out of which approximately RMB288.06 million has been paid up and approximately RMB431.94 million has not been paid up as at the date of this announcement. The Registered Capital was determined after arm's length negotiations among shareholders of the Target Company (including the Purchaser) in 2017 with reference to the funding requirement of the wind power-related projects to be invested by the Target Company.

Total capital commitment of the Purchaser

Upon completion of the Target Equity Transfers, the Purchaser's total capital commitment to the Registered Capital will be approximately RMB689.50 million, representing (i) an amount of approximately RMB544 million pro rata to its approximately 75.55% equity interest in the Target Company (out of which approximately RMB217.60 million has been paid up and approximately RMB326.40 million has not been paid up) as at the date of this announcement; and (ii) an amount of approximately RMB145.50 million pro rata to its additional approximately 20.21% equity interest in the Target Company (out of which approximately RMB58.26 million has been paid up and approximately RMB87.24 million has not been paid up as at the date of this announcement) upon completion of the Target Equity Transfers.

According to the articles of association of the Target Company, the outstanding Registered Capital shall be paid up on or before 7 August 2047 in cash. The Group intends to fund its capital commitment in the Target Company by using its internal financial resources and/or bank borrowings of the Group.

Completion of the Target Equity Transfers

Completion of each of the Target Equity Transfers will take place upon signing of the Target Equity Transfer Agreements and payment of the Consideration.

As at the date of this announcement, the Purchaser holds approximately 75.55% equity interest in the Target Company and the Target Company is a non-wholly owned subsidiary of the Company. Upon completion of the Target Equity Transfers, it is expected that the Purchaser will hold an aggregate of approximately 95.76% equity interest in the Target Company. The Target Company will continue to be a non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated into the financial results of the Group.

INFORMATION ON THE COMPANY AND THE GROUP

The principal activity of the Company is investment holding. The Group is principally engaged in the investment, development, construction, operation and management of photovoltaic power businesses, wind power businesses and clean heat supply businesses in the PRC.

INFORMATION ON THE PARTIES

The Purchaser

The Purchaser is a general partnership established in the PRC which is held as to 81% interest and 19% interest, respectively, by Tianjin Fuhua and Tianjin Fuyi, both of which are non-wholly owned subsidiaries of the Company. As at the date of this announcement, the Purchaser is an indirect non-wholly owned subsidiary of the Company.

The Purchaser is principally engaged in the development, construction and operation of clean energy and wind power businesses; the provision of clean energy and wind power-related technology development and technical services; and the provision of business management services.

Great First

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) Great First is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding; and (ii) the ultimate beneficial owner of Great First is Mr. Hu, an executive Director of the Company. Great First's initial total capital commitment to the Registered Capital upon its subscription of approximately 8.33% equity interest in the Target Company was RMB60 million (out of which approximately RMB24.02 million has been paid up and approximately RMB35.98 million has not been paid up as at the date of this announcement).

Ningbo Junyuan

Ningbo Junyuan is a limited partnership established in the PRC and is principally engaged in equity investment and the provision of consultancy services. It is owned as to 99.9% interest by 王潔 (Wang Jie*) and 0.1% interest by 北京鈞源資本投資管理有限公司 (Beijing Junyuan Capital Investment Management Co., Ltd.*) ("**Junyuan Management**").

The general partner of Ningbo Junyuan is Junyuan Management and it is owned as to (i) 40% interest by 沈振鴻 (Shen Zhenhong*); (ii) 35% interest by 陳金龍 (Chen Jinlong*); (iii) 15% interest by 柳建都 (Liu Jiandu*); and (iv) 10% interest by 曾鑄涵 (Zeng Zhuhan*).

Super Bright

Super Bright is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. It is owned as to 100% interest by 李鑽昌 (Lee Chuen Cheong*).

To the best knowledge of the Directors, having made reasonable enquiry, Ningbo Junyuan, Super Bright and their ultimate beneficial owners are Independent Third Parties.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability and is an indirect non-wholly owned subsidiary of the Company as at the date of this announcement. The Target Company was incorporated on 29 August 2017 as the Group's business platform on wind power businesses. It is principally engaged in the investment, development and operation of clean energy power-related projects, including wind power generation.

Set out below is the shareholding structure of the Target Company as at the date of this announcement and immediately upon completion of the Target Equity Transfers:

Shareholders	As at the	Immediately
	date of this	upon
	announcement	completion
	%	of the
	<i>approximately</i>	Target Equity
		Transfers
		%
	<i>approximately</i>	<i>approximately</i>
the Purchaser	75.55	95.76
Great First	8.33	–
Ningbo Junyuan	4.17	–
Super Bright	7.71	–
Tibet Chuang He (<i>Note</i>)	4.24	4.24
Total	100.00	100.00

Note: Tibet Chuang He is a general partnership established in the PRC and is principally engaged in the investment in the clean energy and wind power-related businesses and the provision of business management services. It is owned as to 99% interest by 范海江 (Fan Haijiang*) and 1% interest by 李海鹰 (Li Haiying*). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Tibet Chuang He and its ultimate beneficial owners are Independent Third Parties.

The table below sets forth certain unaudited financial information of the Target Company for the two years ended 31 December 2019 and 2020 (prepared under the Hong Kong Financial Reporting Standards):–

	For the year ended 31 December 2019 (RMB'000) <i>approximately</i>	For the year ended 31 December 2020 (RMB'000) <i>approximately</i>
Net profit before taxation	46,512	16,501
Net profit after taxation	45,574	17,467

The unaudited net asset value and total asset value of the Target Company as at 31 December 2020 (prepared under the Hong Kong Financial Reporting Standards) amounted to approximately RMB328.95 million and RMB4,958.15 million, respectively.

REASONS FOR AND BENEFITS OF THE TARGET EQUITY TRANSFERS

As disclosed in the Company's announcements dated 8 August 2017 and 10 January 2018, the Target Company was established on 29 August 2017 as the Group's business platform on wind power businesses, with an objective to provide the Group with an additional source of funding to enable the Group to strengthen its business development in the wind power-related businesses.

Upon completion of the Target Equity Transfers, the Group's equity interest in the Target Company will increase from approximately 75.55% to approximately 95.76%, which would in turn allow the Group to further increase its controlling interests in the Target Company and to further benefit from the positive earnings contributions that may be brought by the Target Company and the prospects of the wind power industry. The Target Company is principally engaged in the investment, development and operation of clean energy power-related projects, including wind power generation. The Target Equity Transfers are therefore in line with the Group's development strategy to promote the revolution in energy production and consumption, and building a clean, low-carbon, safe and efficient energy system.

In view of the above, the Board (including the independent non-executive Directors but excluding Mr. Hu) considers that the terms of the Target Equity Transfer Agreements (including the Great First Target Equity Transfer Agreement) are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

Mr. Hu, who ultimately owns the entire issued share capital of Great First, was considered to be interested in the transactions as contemplated under the Target Equity Transfer Agreements, and had therefore abstained from voting for the relevant Board resolution to approve the Target Equity Transfer Agreements. Save for Mr. Hu, none of the Directors has any material interest in the Target Equity Transfer Agreements and the transactions contemplated thereunder or was required to abstain from voting on the relevant resolutions of the Board.

IMPLICATION UNDER THE LISTING RULES

Mr. Hu, an executive Director of the Company, is a connected person of the Company. As Mr. Hu ultimately owns the entire issued share capital of Great First, Great First is an associate of a connected person of the Company. Accordingly, the entering into of the Great First Target Equity Transfer Agreement with Great First and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As certain applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Great First Target Equity Transfer exceed 0.1% but all of them are less than 5%, the entering into of the Great First Target Equity Transfer Agreement with Great First is subject to the reporting and announcement requirements but is exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

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DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Beijing Enterprises Clean Energy Group Limited (北控清潔能源集團有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 01250)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Shareholders”	certain existing shareholders of the Target Company, namely Great First, Ningbo Junyuan and Super Bright
“Great First”	Great First (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability
“Great First Target Equity Transfer”	the transfer of approximately 8.33% equity interest in the Target Company from Great First to the Purchaser in accordance with the terms of the Great First Target Equity Transfer Agreement
“Great First Target Equity Transfer Agreement”	equity transfer agreement dated 14 May 2021 entered into by the Purchaser with Great First in respect of the Great First Target Equity Transfer
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Hu”	Mr. Hu Xiaoyong, who is an executive Director of the Company and hence a connected person of the Company
“Ningbo Junyuan”	寧波梅山保稅港區鈞源三號股權投資合夥企業(有限合夥)(Ningbo Meishan Free Trade Port Zone Jinyuan (No. 3) Equity Investment Partnership Enterprise (Limited Partnership)*), a limited partnership established under the laws of the PRC
“PRC”	the People’s Republic of China
“Purchaser”	西藏多能共拓企業管理合夥企業(普通合夥)(Tibet Duoneng Gongtuo Enterprise Management Partnership Enterprise (General Partnership)*) (formerly known as 西藏多能共拓創業投資合夥企業(普通合夥)(Tibet Duo Neng Gong Tuo Chuang Ye Investment Partnership Corporation (General Partnership)*)), a general partnership established under the laws of the PRC and an indirect non-wholly owned subsidiary of the Company which is held as to 83.15% interest by the Company as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary shares of HK\$0.001 each in the share capital of the Company

“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Super Bright”	Super Bright (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability
“Target Company”	北控風力發電有限公司 (Beijing Enterprises Wind Power Generation Company Limited*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company as at the date of this announcement
“Target Equity Transfers”	the transfers of an aggregate of approximately 20.21% equity interest in the Target Company from the Existing Shareholders to the Purchaser in accordance with the terms of the Target Equity Transfer Agreements
“Target Equity Transfer Agreements”	three equity transfer agreements dated 14 May 2021 entered into by the Purchaser with each of the Existing Shareholders respectively in respect of the Target Equity Transfers, including the Great First Equity Transfer Agreement
“Tianjin Fuhua”	天津富樺企業管理諮詢有限公司 (Tianjin Fuhua Enterprise Management Consulting Co., Ltd.*), a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of the Company which is held as to 83.15% interest by the Company as at the date of this announcement
“Tianjin Fuyi”	天津富驛企業管理諮詢有限公司 (Tianjin Fuyi Enterprise Management Consulting Co., Ltd.*), a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of the Company which is held as to 83.15% interest by the Company as at the date of this announcement

“Tibet Chuang He”

西藏創合享惠創業投資合夥企業（普通合夥）
(Tibet Chuang He Xiang Hui Chuang Ye Investment
Partnership Corporation (General Partnership)*), a
general partnership established under the laws of the
PRC

“%”

per cent.

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

Hong Kong, 14 May 2021

As at the date of this announcement, the Board comprises seven Directors, namely Mr. Hu Xiaoyong, Mr. Shi Xiaobei, Mr. Tan Zaixing and Ms. Huang Danxia as executive Directors; and Mr. Li Fujun, Mr. Xu Honghua and Mr. Chiu Kung Chik as independent non-executive Directors.

* *for identification purposes only*