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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 THE DEVELOPMENT AGREEMENT

THE DEVELOPMENT AGREEMENT

On 10 February 2017, the Company and Xintai Government entered into the Development Agreement in relation to the construction and development of a 100MW photovoltaic power plant in Xintai City* (新泰市), Shandong Province, the PRC.

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 Development Agreement and the transactions contemplated therein are more than 5% and all of such ratios are below 25%, the entering into of the Development 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 DEVELOPMENT AGREEMENT

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Date

10 February 2017

Parties

- (1) the Company
- (2) Xintai Government

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

Details of the Project

Pursuant to the terms of the Development Agreement, Xintai Government agreed to grant to the Company exclusive rights to (a) develop and construct a photovoltaic power plant of 100MW in Xintai City* (新泰市), Shandong Province, the PRC; and (b) operate and manage the Power Plant during the Operation Period.

Total Investment

The total investment amount of the Project is estimated to be not exceeding RMB820 million, which was determined on an arm's length basis between the Company and Xintai Government with reference to the planned installed capacity of the Power Plant, the Power Plant and the ancillary facilities to be constructed as part of the Project, including but not limited to ecological greening and agricultural facilities, and the corresponding estimated cost of construction.

The Company shall be responsible for the funding of the Project. The Company intends to finance the total investment in the Project using the internal resources and/or bank borrowings of the Group.

Construction

Pursuant to the terms of the Development Agreement, the Company shall be responsible for all the construction work of the Project (including but not limited to, construction of ecological greening, agricultural facilities, and production and transportation facilities), and shall bear all the expenses and risks in relation to such construction works. The construction period of the Power Plant shall commence from the date of the Development Agreement until 30 September 2017 (the “**Construction Period**”), unless extended by the parties under the Development Agreement.

The Company shall complete the filing of the Project with Xintai Government within one month after signing of the Development Agreement, and commence the construction work within two months thereafter. If the Company fails to commence the construction work on time, Xintai Government shall be entitled to terminate the Development Agreement and revoke the right granted to the Company to operate the Power Plant.

Pursuant to the terms of the Development Agreement, Xintai Government shall:

- (a) ensure and assist the Company in obtaining the land use right necessary for the development of the Project;
- (b) coordinate and facilitate all matters in relation to the relevant government approvals during the Construction Period;
- (c) use all reasonable endeavours to assist the Company in obtaining all relevant government approvals necessary to carry out the construction work of the Project;
- (d) coordinate with the relevant government authorities in order to provide electricity and power supply for the construction work of the Project; and

- (e) construct and provide basic infrastructure, including roads, electricity and water supply for the Project, and transfer relevant parts of such infrastructure to the Company upon completion of the construction. Expenses and construction costs for such relevant parts of the infrastructure relating to the Project shall be borne by the Company in accordance with the Development Agreement.

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.

Expiration and the Operation Period

The Development Agreement shall terminate upon the expiration of the Operation Period. Subject to any applicable laws and regulations in the PRC, the Company shall transfer without consideration the land, the Power Plant and all the constructed facilities to Xintai Government within 30 days after the expiration of the Operation Period.

INFORMATION OF THE PARTIES TO THE DEVELOPMENT 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, photovoltaic power-related businesses and wind power-related businesses and the design, printing and sale of cigarette packages in the PRC.

Xintai Government is the People's Government of the PRC in Xintai City* (新泰市), Shandong Province, the PRC.

REASONS FOR AND BENEFITS OF THE DEVELOPMENT AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREIN

The Project is under the photovoltaic top runner program* (領跑者計劃, the “**Top Runner Program**”) in Xintai City* (新泰市), Shandong Province, the PRC as approved by the National Energy Administration of the PRC. The Top Runner Program sets out advanced technology benchmarks for photovoltaic industry in the PRC. The Directors consider that securing of the Project under the Top Runner Program demonstrates the comprehensive technical strengths of the Group, and signifies industry recognition and market leadership in the photovoltaic industry in the PRC.

The terms of the Development Agreement were determined after arm's length negotiations between the parties thereto. The transactions contemplated therein provide the Company with an opportunity to construct, develop and operate a photovoltaic power plant in Shandong Province, the PRC, a location considered by the Company to be favourable for the development of its photovoltaic business in the PRC. In addition, the Group would be able to expand its portfolio of photovoltaic power plants in the PRC and broaden its sources of income, ultimately enhancing value to the Shareholders.

In view of the above, the Directors are of the views that the terms of the Development Agreement and the transactions contemplated therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

DEFINITIONS

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

“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

“Development Agreement”	the project development agreement entered into between the Company and Xintai Government dated 10 February 2017 in relation to the construction, development and management of the Project
“Director(s)”	the director(s) of the Company
“EPC”	engineering, procurement and construction
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	Megawatts, which is equal to 1,000,000 watts
“Operation Period”	the operation period of the Power Plant granted to the Company under the Development Agreement, being 25 years from the commercial operation of the Power Plant
“Power Plant”	a photovoltaic power plant of 100MW to be constructed in the advanced photovoltaic technology demonstration base in the coal mining subsidence area of Xintai City* (新泰市採煤沉陷區光伏領跑技術基地), Shandong Province, the PRC
“PRC”	the People’s Republic of China, which, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Project”	the design, investment, construction, development, operation and maintenance of the Power Plant

“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
“Xintai Government”	Xintai City People’s Government* (新泰市人民政府)
“%”	per cent

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

Hong Kong, 10 February 2017

As at the date of this announcement, the Board comprises eight Directors, namely Mr. Hu Xiaoyong, Mr. Shi Xiaobei, Mr. Huang Weihua, Mr. Wang Ye and Mr. Wen Hui as executive Directors; and Mr. Li Fujun, Mr. Xu Honghua and Mr. Chiu Kung Chik as independent non-executive Directors.

* *for identification purposes only.*