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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)

**INSIDE INFORMATION –
POSITIVE PROFIT ALERT
AND
LATEST DEVELOPMENT OF
CIGARETTE PACKAGING BUSINESS**

This announcement is made by Beijing Enterprises Clean Energy Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

POSITIVE PROFIT ALERT

Based on the preliminary review of the unaudited management accounts for the six months ended 30 June 2017 for the Group’s core business, that is, the clean energy businesses (the “**Clean Energy Businesses**”), it is expected that there will be a significant increase of not less than 700% and not more than 900% in the unaudited consolidated net profit arising from the Clean Energy Businesses attributable to equity holders of the Company for the six months ended 30 June 2017 as compared to the unaudited consolidated net profit attributable to equity holders of the Company of approximately HK\$65.8 million for the six months ended 30 June 2016. Based on the information currently available, the directors of the Company consider that such significant increase is primarily attributable to, among others, the increases in (i) the sale of electricity in respect of the photovoltaic and wind power projects in operation; and (ii) the provision of engineering, procurement and construction services for photovoltaic power projects during the six months ended 30 June 2017.

THE CIGARETTE PACKAGING BUSINESS

(1) Non-core business

Since 2015, the Group has successfully diversified into the clean energy businesses sector. The cigarette packaging business of the Group (the “**Cigarette Packaging Business**”) has become a non-core business of the Group.

The Cigarette Packaging Business has recorded significant year-on-year decrease in its contribution to the consolidated revenue of the Group (the year ended 31 December 2015: approximately 83.0%; and the year ended 31 December 2016: approximately 5.8%). With (i) the Group’s effort in the expansion of the Clean Energy Businesses in the first half of 2017; and (ii) the continued competitive environment, increased labour costs and the stringent government regulations and policies with respect to smoking, it is expected that the contribution to the Group attributable to the Cigarette Packaging Business will be further reduced and insignificant. As at the date of this announcement, the Company and other members of the Group have not provided any security and guarantee for any indebtedness, obligations or liabilities of the Cigarette Packaging Business.

Given that the Cigarette Packaging Business as a non-core business is expected to have a further diminished role to the Group, the Company has been assessing whether the Cigarette Packaging Business should be divested so that the Group could focus on the Clean Energy Businesses. As at the date of this announcement, there is no definitive agreement regarding the potential disposal. In the event that the Company enters into any binding agreement for the disposal of the Cigarette Packaging Business, the Company will comply with the disclosure requirements under the Listing Rules.

(2) Latest development

The Cigarette Packaging Business involves two of the Group’s indirect wholly-owned subsidiaries, namely 深圳大洋洲印務有限公司 (Shenzhen Oceania Printing Company Limited*) (the “**First PRC Company**”) and 惠州金彩印務有限公司 (Huizhou Jin Cai Printing Company Limited*) (the “**Second PRC Company**”). The First PRC Company was in operation during the year ended 31 December 2016 while the operation of the Second PRC Company has not yet commenced as at 31 December 2016. The First PRC Company and the Second PRC Company were managed by Huang Li (“**Ms. Huang**”).

The Company has reason to believe that without the knowledge or approval of the board of the Company, the 100% equity interest in the Second PRC Company held by the First PRC Company has been transferred to a party related to Ms. Huang.

(3) Action taken

Ms. Huang was removed as director of the First PRC Company and the other members of the Group of which she was a director, on 12 August 2017 with immediate effect.

The Company is in consultation with its legal advisers on its rights and claims against Ms. Huang. The Company will take all the necessary action for the protection of the interests and assets of the Group.

The Company will keep its shareholders informed on further development in compliance with the Listing Rules and the SFO.

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

Hong Kong, 14 August 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 purpose only*