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

**(Stock Code: 01250)**

**EXEMPTED CONNECTED TRANSACTION  
ACQUISITION OF 20% EQUITY INTEREST IN  
BEIJING ENTERPRISES WIND POWER GENERATION  
COMPANY LIMITED\***

**THE EQUITY TRANSFER AGREEMENT**

On 10 January 2018, the Purchaser (a wholly-owned subsidiary of the Company), the First Vendor and the Second Vendor entered into the Equity Transfer Agreement pursuant to which (i) the Purchaser agreed to acquire, and the First Vendor agreed to dispose of, 12.5% equity interest in the Target Company; and (ii) the Purchaser agreed to acquire, and the Second Vendor agreed to dispose of, 7.5% equity interest in the Target Company.

As at the date of this announcement, the Company holds 50% equity interest in the Target Company and the Target Company is accounted for as a 50%-owned subsidiary of the Company. Upon completion of the Equity Transfer, the Company will hold 70% 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 with the financial results of the Group.

## **IMPLICATION UNDER THE LISTING RULES**

As at the date of this announcement, each of the First Vendor and the Second Vendor holds 12.5% and 15.2% equity interest in the Target Company respectively. The Target Company is an insignificant subsidiary of the Company pursuant to Rule 14A.09 of the Listing Rules. Therefore, each of the First Vendor and the Second Vendor is not regarded as a connected person of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, Mr. Hu Xiaoyong and Mr. Huang Weihua, both executive Directors and connected persons of the Company, indirectly own 8.33% and 4.17% equity interests in the Target Company respectively. The Target Company is therefore a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules. Accordingly, the entering into of the Equity Transfer Agreement and the transactions contemplated therein constitute a connected transaction for the Company under Rule 14A.28 of the Listing Rules.

As certain applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Equity Transfer exceed 0.1% but all of them are less than 5%, the entering into of the Equity Transfer Agreement is subject to the reporting and disclosure requirements but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **THE EQUITY TRANSFER AGREEMENT**

On 10 January 2018, the Purchaser (a wholly-owned subsidiary of the Company), the First Vendor and the Second Vendor entered into the Equity Transfer Agreement.

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

### **Subject Matter**

Pursuant to the terms of the Equity Transfer Agreement, (i) the Purchaser agreed to acquire, and the First Vendor agreed to dispose of, 12.5% equity interest in the Target Company for nil consideration; and (ii) the Purchaser agreed to acquire, and the Second Vendor agreed to dispose of, 7.5% equity interest in the Target Company for nil consideration.

The nil consideration of the Equity Transfer was determined after arm's length negotiations between the Purchaser, the First Vendor and the Second Vendor with reference to, among others, (i) as at the date of this announcement, no capital contribution has been made by the First Vendor and the Second Vendor in respect of the 12.5% and 7.5% equity interests in the Target Company to be transferred to the Purchaser respectively; (ii) the net asset value of the Target Company of approximately RMB186 million based on the unaudited financial information of the Target Company as at 30 November 2017; and (iii) the financial condition and the future prospects of the Target Company.

### **Registered Capital of the Target Company**

The registered capital (the “**Registered Capital**”) of the Target Company was RMB720,000,000, which was determined after arm's length negotiations between the Purchaser and other shareholders of the Target Company with reference to the funding requirement of the wind power-related projects to be invested by the Target Company.

As disclosed in the Company's announcement dated 28 December 2017, the Target Company agreed to acquire the entire equity interest in Changdu Beikong (the “**Changdu Acquisition**”), which owns the entire equity interest in the Project Company and certain subsidiaries which have not commenced any business operation. The Project Company is principally engaged in the investment, development and operation of the Project.

As at 30 November 2017, the unaudited consolidated total liabilities less current assets (i.e. the unaudited consolidated non-current assets) of Changdu Beikong amounted to approximately RMB476 million. Upon completion of the Changdu Acquisition, part of the net proceeds in respect of the Registered Capital will be used to settle (1) certain liabilities of Changdu Beikong; and (2) the consideration for the acquisition of Changdu Beikong by the Target Company of RMB25,002,900.

### **Total Capital Commitment of the Purchaser**

Upon completion of the Equity Transfer, the Purchaser's total capital commitment to the Registered Capital is RMB504,000,000, representing (i) an amount of RMB360,000,000 pro rata to its 50% equity interest in the Target Company as at the date of this announcement; and (ii) an amount of RMB144,000,000 pro rata to its additional 20% equity interest in the Target Company upon completion of the Equity Transfer.

The Group intends to fund its capital commitment in the Target Company using its internal financial resources and/or bank borrowings of the Group.

## **Completion of the Equity Transfer**

Completion of the Equity Transfer will take place on the date of receipt of the new business license of the Target Company in respect of the Equity Transfer.

As at the date of this announcement, the Company holds 50% equity interest in the Target Company and the Target Company is accounted for as a 50%-owned subsidiary of the Company. Upon completion of the Equity Transfer, the Company will hold 70% 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 with the financial results of the Group.

## **INFORMATION OF THE GROUP AND THE COMPANY**

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 business in the PRC. It also had a non-core business in the design, printing and sale of cigarette packages in the PRC.

## **INFORMATION OF THE FIRST VENDOR AND THE SECOND VENDOR**

The First Vendor is a company incorporated in Hong Kong and principally engaged in investment holding.

The Second Vendor is a company incorporated in Hong Kong and principally engaged in investment holding.

## **INFORMATION OF THE TARGET COMPANY**

The Target Company is a company established in the PRC with limited liability and is an indirect 50%-owned subsidiary of the Company as at the date of this announcement. It is principally engaged in the investment, development and operation of clean energy power-related projects, including wind power generation.

Based on the unaudited financial information of the Target Company as at 30 November 2017 prepared in accordance with Hong Kong Financial Reporting Standards, the net and total assets of the Target Company amounted to approximately RMB186 million and RMB197 million, respectively.

The table below sets forth the unaudited net loss before and after taxation of the Target Company for the financial period from 29 August 2017 (date of incorporation) to 30 November 2017 based on the unaudited financial information of the Target Company:

**For the financial period  
from 29 August 2017  
(date of incorporation)  
to 30 November 2017**  
(approximately)  
(RMB)

Loss before taxation	(11,090,000)
Loss after taxation	(11,090,000)

## **REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER**

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

Upon completion of the Equity Transfer, the Group's equity interest in the Target Company will increase from 50% to 70%, 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 its subsidiaries. The Equity Transfer is therefore in line with the Group's development strategy to further strengthen its business development in the wind power-related businesses.

In view of the above, the Board (including the independent non-executive Directors but excluding Mr. Hu Xiaoyong and Mr. Huang Weihua) considers that the terms of the 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. At the Board meeting held to approve the Equity Transfer Agreement, Mr. Hu Xiaoyong and Mr. Huang Weihua, who were considered to be interested in the transactions as contemplated under the Equity Transfer Agreement, had abstained from voting for the resolution to approve the Equity Transfer Agreement. Save for Mr. Hu Xiaoyong and Mr. Huang Weihua, none of the Directors has any material interest in the Equity Transfer Agreement and the transactions contemplated thereunder or was required to abstain from voting on the relevant resolutions of the Board.

## **IMPLICATION UNDER THE LISTING RULES**

As at the date of this announcement, each of the First Vendor and the Second Vendor holds 12.5% and 15.2% equity interest in the Target Company respectively. The Target Company is an insignificant subsidiary of the Company pursuant to Rule 14A.09 of the Listing Rules. Therefore, each of the First Vendor and the Second Vendor is not regarded as a connected person of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, Mr. Hu Xiaoyong and Mr. Huang Weihua, both executive Directors and connected persons of the Company, indirectly own 8.33% and 4.17% equity interests in the Target Company respectively. The Target Company is therefore a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules. Accordingly, the entering into of the Equity Transfer Agreement and the transactions contemplated therein constitute a connected transaction for the Company under Rule 14A.28 of the Listing Rules.

As certain applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Equity Transfer exceed 0.1% but all of them are less than 5%, the entering into of the Equity Transfer Agreement is subject to the reporting and disclosure requirements but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“Changdu Beikong”	昌都北控清潔能源開發有限公司 (Changdu BE Clean Energy Development Co. Ltd.*), a company established in the PRC with limited liability
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer”	the transfer of an aggregate 20% equity interest in the Target Company from the First Vendor and the Second Vendor to the Purchaser in accordance with the terms of the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated 10 January 2018 entered into between the Purchaser, the First Vendor and the Second Vendor in respect of the Equity Transfer
“First Vendor”	Grand Victory (Hong Kong) Limited (宏業(香港)有限公司), a company incorporated in Hong Kong with limited liability
“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
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Project”	a 48MW wind power plant in Shangdong Province, the PRC
“Project Company”	山東魯薩風電有限公司 (Shandong Lusa Wind Power Limited*), a company established in the PRC with limited liability
“Purchaser”	Champion South (Hong Kong) Limited (冠南(香港)有限公司), a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Second Vendor”	Super Bright (Hong Kong) Limited (建暉(香港)有限公司), a company incorporated in Hong Kong with limited liability
“Share(s)”	ordinary share(s) 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



“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 50%-owned subsidiary of the 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, 10 January 2018

*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.*