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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made by the Company pursuant to rule 13.18 of the Listing Rules.

On 1 November 2016, the Company as borrower entered into the Facility Agreement with the Lender, pursuant to which the Lender agreed to make available to the Company the Facility for refinancing part of the principal amount of an existing term loan facility of the Group.

Pursuant to the relevant provisions of the Facility Agreement, the Company accepted certain specific performance obligations, details of which are set out below.

This announcement is made by Beijing Enterprises Clean Energy Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) in compliance with the announcement requirements under rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company announces that on 1 November 2016, the Company as borrower entered into a facility agreement (the “**Facility Agreement**”) with a bank as lender (the “**Lender**”), pursuant to which the Lender agreed to make available to the Company a term loan facility in the aggregate principal amount of HK\$1,000,000,000 with a final maturity date on 1 November 2019 (the “**Facility**”), for refinancing part of the principal amount of an existing term loan facility of the Group.

The rate of interest on the loan under the Facility at any time is the percentage rate per annum which is the aggregate of the margin of 1.80% per annum and the Hong Kong interbank offered rate as determined in the manner set out in the Facility Agreement.

Pursuant to the Facility Agreement, it shall be an event of default if, among others:

- (i) Beijing Enterprises Water Group Limited (“**BEWG**”) does not or ceases to own, directly or indirectly, at least 25% of the beneficial shareholding carrying at least 25% of the voting rights in the Company, free from mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect (each, a “**Security**”).
- (ii) BEWG is not or ceases to be the, direct or indirect, single largest shareholder of the Company, and does not or ceases to supervise the Company.
- (iii) Beijing Enterprises Holdings Limited (“**BEH**”) does not or ceases to own, directly or indirectly, at least 35% of the beneficial shareholding carrying at least 35% of the voting rights in BEWG, free from any Security.
- (iv) BEH is not or ceases to be the, direct or indirect, single largest shareholder of BEWG, and does not or ceases to (a) supervise BEWG; and/or (b) have management control over BEWG.
- (v) Beijing Enterprises Group Company Limited (“**BE Group**”) does not or ceases to own, directly or indirectly, at least 40% of the beneficial shareholding carrying at least 40% of the voting rights in BEH, free from any Security.
- (vi) BE Group is not or ceases to be the, direct or indirect, single largest shareholder of BEH and does not or ceases to supervise BEH.
- (vii) BE Group is not or ceases to be effectively wholly-owned, supervised and controlled by the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality* (北京市人民政府國有資產監督管理委員會).

If an event of default under the Facility Agreement occurs and is continuing, the agent of the Lender may by notice to the Company:

- (i) cancel the entire Facility whereupon it shall immediately be cancelled; or

- (ii) cancel any part of the Facility whereupon the relevant part of the Facility shall immediately be cancelled; and/or
- (iii) declare that the whole or any part of the Facility, together with accrued interest, and all other amounts accrued or outstanding under the Facility Agreement be immediately due and payable, whereupon they shall become immediately due and payable; and/or
- (iv) declare that the whole or any part of the Facility be payable on demand, whereupon they shall immediately become payable on demand by the agent on the instructions of the Lender.

As at the date of this announcement, BEWG, the controlling shareholder (as defined in the Listing Rules) of the Company, indirectly holds approximately 32.21% of the issued share capital of the Company and approximately 30.63% of the issued share capital of the Company on an as-converted basis (assuming conversion in full of all preference shares of the Company in issue) and is the single largest shareholder of the Company; (ii) BEH is the controlling shareholder of BEWG; and (iii) BE Group is the controlling shareholder of BEH.

The Company will continue to comply with the disclosure requirements under rule 13.21 of the Listing Rules for so long as circumstances giving rise to the obligation continue to exist.

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

Hong Kong, 1 November 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 of the Company; and Mr. Li Fujun, Mr. Xu Honghua and Mr. Chiu Kung Chik as independent non-executive directors of the Company.

* *For identification purposes only*