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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

RENEWAL OF EXEMPTED CONTINUING CONNECTED TRANSACTION

THE LICENCE

On 26 June 2019 (after trading hours), the Company, as licensee, and BEWG, as licensor, entered into the Licence to renew the terms of the Existing Licence.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, BEWG, through its wholly-owned subsidiary, is interested in 20,253,164,571 Shares, representing approximately 31.88% of the total issued share capital of the Company. BEWG is a controlling shareholder of the Company and hence is a connected person of the Company. As such, the transactions contemplated under the Licence constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Licence, the Existing Licence, the Baiziwan Lease, the Beijing Lease and the New Beijing Lease were entered into by the Group with BEWG and its subsidiaries, the transactions contemplated under the Licence, the Existing Licence, the Baiziwan Lease, the Beijing Lease and the New Beijing Lease are required to be aggregated in the calculation of the relevant percentage ratios to determine the classification of the connected transactions under Rule 14A.81 of the Listing Rules.

As certain applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the annual caps under the Licence, when aggregated with the Existing Licence, the Baiziwan Lease, the Beijing Lease and the New Beijing Lease are more than 0.1% but all of them are less than 5%, the transactions contemplated under the Licence are subject to the reporting, annual review and announcement requirements but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 30 June 2017 in relation to, among others, the Existing Licence. The Existing Licence will expire on 1 July 2019. On 26 June 2019 (after trading hours), the Company, as licensee, and BEWG, as licensor, entered into the Licence to renew the terms of the Existing Licence.

THE LICENCE

The Company, as licensee, will occupy and use a portion (the “**Occupied Portion**”) of the Hong Kong Property from 2 July 2019 to 30 June 2022 or the date on which BEWG ceases to be a tenant of the Hong Kong Property under the terms of the Lease, whichever is earlier.

LICENCE FEE

The Company will pay BEWG a monthly fee, being the sum of:

- (i) HK\$101,791.50, representing the rent payable by BEWG for the Occupied Portion under the Lease;
- (ii) HK\$14,070.00, representing the service charges (inclusive of the management fees, air-conditioning charges and internal office cleaning charges) payable by BEWG for the Occupied Portion under the Lease;
- (iii) HK\$6,816.00, representing the coolant fees payable by BEWG for the Occupied Portion under the Lease; and
- (iv) the government rates of the Hong Kong Property payable by BEWG for the Occupied Portion under the Lease.

The licence fee was determined after arm’s length negotiations between the parties with reference to the actual amount payable by BEWG apportioned on a pro-rata basis with reference to the total floor area of the Occupied Portion and the total floor area of the Hong Kong Property.

The Group will use its internal resources to fund the above payments.

ANNUAL CAPS

The Directors propose that the annual cap amounts for the transactions contemplated under the Licence will not exceed:

For the period between 2 July 2019 to 31 December 2019	For the year ending 31 December 2020	For the year ending 31 December 2021	For the period between 1 January 2022 to 30 June 2022
HK\$773,220.80	HK\$1,562,646.78	HK\$1,579,704.22	HK\$798,807.26

The annual caps were determined with reference to (i) the rent payable by BEWG for the Occupied Portion under the Lease of HK\$101,791.50 per month; (ii) the service charges (inclusive of the management fees, air-conditioning charges and internal office cleaning charges) payable by BEWG for the Occupied Portion under the Lease of HK\$14,070.00 per month and a reasonable buffer for any upward adjustment per year taking into account the historical increment in the service charges; (iii) the coolant fee payable by BEWG for the Occupied Portion of HK\$6,816.00 per month and a reasonable buffer for any upward adjustment per year taking into account the historical increment in the coolant fee; and (iv) the current government rates payable by BEWG for the Occupied Portion of approximately HK\$4,900.00 per month and a reasonable buffer for any upward adjustment per year taking into account the historical increment in the government rates.

Under the Existing Licence, the cap amount for the period from 1 January 2019 to 1 July 2019 was HK\$779,981.03 and the actual amount incurred was HK\$766,372.70.

INFORMATION OF THE PARTIES TO THE LICENCE

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.

BEWG is an investment holding company. BEWG and its subsidiaries specialise in water services and environmental protection industries with sewage treatment as their core business segment.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LICENCE

The Hong Kong Property is the principal place of business of BEWG and the Company in Hong Kong. Since August 2015, it has been used as the Group's headquarters in Hong Kong to house the Group's Hong Kong operations. The Existing Licence will expire on 1 July 2019. The Company considered that locating the Group's Hong Kong headquarters in the Hong Kong Property will enhance the corporate image and branding under the "Beijing Enterprises" group.

Having taken into account that the amount payable under the Licence was determined on the basis of the total floor area occupied by the Company over the total floor area of the Hong Kong Property, the Directors (including the independent non-executive Directors but excluding Mr. Hu Xiaoyong who is the honorary chairman of BEWG) consider that the Licence was entered into after arm's length negotiations and on normal commercial terms, and the terms of the Licence and the proposed annual caps (as set out above) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, BEWG, through its wholly-owned subsidiary, is interested in 20,253,164,571 Shares, representing approximately 31.88% of the total issued share capital of the Company. BEWG is a controlling shareholder of the Company and hence is a connected person of the Company. As such, the transactions contemplated under the Licence constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Licence, the Existing Licence, the Baiziwan Lease, the Beijing Lease and the New Beijing Lease were entered into by the Group with BEWG and its subsidiaries, the transactions contemplated under the Licence, the Existing Licence, the Baiziwan Lease, the Beijing Lease and the New Beijing Lease are required to be aggregated in the calculation of the relevant percentage ratios to determine the classification of the connected transactions under Rule 14A.81 of the Listing Rules.

As certain applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the annual caps under the Licence, when aggregated with the Existing Licence, the Baiziwan Lease, the Beijing Lease and the New Beijing Lease are more than 0.1% but all of them are less than 5%, the transactions contemplated under the Licence are subject to the reporting, annual review and announcement requirements but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Baiziwan Lease”	the agreement dated 29 March 2018 entered into between BE Clean Heat Energy Company Limited* (北控清潔熱力有限公司) (formerly known as Tibet BE Clean Heat Energy Company Limited* (西藏北控清潔熱力有限公司)), an indirect non wholly-owned subsidiary of the Company, and BEWCI in relation to the lease of certain office premises in Beijing, the PRC from BEWCI, details of which are disclosed in the Company’s announcement dated 29 March 2018
“Beijing Lease”	the agreement dated 1 March 2017 entered into between BENE and BEWCI in relation to the lease of certain office premises in Beijing, the PRC from BEWCI, details of which are disclosed in the Company’s announcement dated 1 March 2017
“BENE”	Beijing Enterprises New Energy Company Limited* (北京北控光伏科技發展有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“BEWCI”	Beijing Enterprises Water (China) Investment Co., Ltd* (北控水務(中國)投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of BEWG
“BEWG”	Beijing Enterprises Water Group Limited, a company incorporated in the Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Board”	the board of Directors
“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
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Licence”	the agreement dated 30 June 2017 entered into between BEWG and the Company in relation to a portion of the Hong Kong Property, details of which are disclosed in the Company’s announcement dated 30 June 2017
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Property”	67th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong with floor area of 6,769 square feet leased by BEWG from independent third parties
“Lease”	the tenancy agreements of the Hong Kong Property between the landlords of the Hong Kong Property and BEWG
“Licence”	the agreement dated 26 June 2019 entered into between BEWG and the Company in relation to a portion of the Hong Kong Property
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Beijing Lease”	the agreement dated 19 January 2019 entered into between BENE and BEWCI in relation to the lease of certain office premises in Beijing, the PRC from BEWCI, details of which are disclosed in the Company’s announcement dated 19 January 2019
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“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
“%”	per cent.

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

Hong Kong, 26 June 2019

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*