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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

TERMINATION OF CONTINUING CONNECTED TRANSACTION IN RELATION TO THE LEASE

This announcement is made by Beijing Enterprises Clean Energy Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 14A.35 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Reference is made to the announcement of the Company dated 29 March 2018 (the “**Announcement**”) in relation to the leasing of certain premises by 北控清潔熱力有限公司 (BE Clean Heat Energy Company Limited*) (formerly known as 西藏北控清潔熱力有限公司 (Tibet BE Clean Heat Energy Company Limited*)) (“**BE Clean Heat**”), an indirect non-wholly-owned subsidiary of the Company, as lessee, and 北控水務(中國)投資有限公司 (Beijing Enterprises Water (China) Investment Co., Ltd*) (“**BEWCI**”), as lessor, which constituted continuing connected transaction of the Company under Chapter 14A of the Listing Rules. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

TERMINATION OF THE LEASE

On 30 June 2020, BE Clean Heat and BEWCI entered into a termination agreement (the “**Termination Agreement**”) in relation to the termination of the Lease. Upon termination of the Lease, each of BE Clean Heat and BEWCI shall be released and discharged from its respective further liabilities and obligations thereunder absolutely; and neither BE Clean Heat nor BEWCI shall have any claims against each other as a result of the termination of the Lease.

REASONS FOR THE TERMINATION OF THE LEASE

As part of the Group's review of the current leasing arrangements and its plan to centralise the Group's Beijing offices into another designated building for better efficiency and internal synergy, BE Clean Heat decided to terminate the Lease.

The Directors (including the independent non-executive Directors) are of the view that the Termination Agreement was entered into after arm's length negotiations and on normal commercial terms, and the terms of which are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. The Directors are of the view that the entry into of the Termination Agreement will not cause any material adverse effect on the operation, business and financial position of the Group.

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

Hong Kong, 30 June 2020

As at the date of this announcement, the Board comprises seven Directors, namely Mr. Hu Xiaoyong, Mr. Shi Xiaobei, Mr. Tan Zaixing and Ms. Huang Danxia as executive Directors; and Mr. Li Fujun, Mr. Xu Honghua and Mr. Chiu Kung Chik as independent non-executive Directors.

* *For identification purposes only*