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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

CANCELLATION AND GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

CANCELLATION OF SHARE OPTIONS

Reference is made to the announcement of Beijing Enterprises Clean Energy Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 18 September 2017 in relation to the grant of share options (the “**2017 Grant**”) to certain grantees (the “**2017 Grantees**”) to subscribe for a total of 1,490,000,000 ordinary shares of HK\$0.001 each in the share capital of the Company (the “**Shares**”) in accordance with the share option scheme adopted by the Company on 11 June 2013 (the “**Share Option Scheme**”). Among those 1,490,000,000 share options of the 2017 Grant, 1,030,000,000 share options remain outstanding and not exercised as at the date of this announcement and 460,000,000 share options were lapsed.

To better align with the latest business development and objective of the Company, the board (the “**Board**”) of directors (the “**Directors**”) of the Company considers that the vesting conditions to the share options granted pursuant to the 2017 Grant shall be further enhanced. In particular, grantee(s) of any granted share options shall be subject to certain pre-determined performance assessment, including assessment on the grantees’ individual performance and alignment with the Company’s cultural values.

As approved by the Board (including the approval of the independent non-executive Directors) and subject to the written consent of all the relevant 2017 Grantees, an aggregate of 630,000,000 share options of the 2017 Grant (the “**Cancelled Share Options**”) for subscribing a total of 630,000,000 Shares will be cancelled with effect from 15 September 2020 in accordance with the Share Option Scheme. The Cancelled Share Options represents the share options of the 2017 Grant which remain outstanding and not exercised as at the date of this announcement and excluding the 400,000,000 share options granted to Mr. Huang Weihua under the 2017 Grant. Mr. Huang Weihua was an executive Director who has tendered his resignation on 26 June 2020. Pursuant to the Share Option Scheme, upon Mr. Huang Weihua having ceased to be an employee of the Group, the share options granted to him shall lapse automatically upon the expiry of 3 months after the date of cessation of such employment (i.e. 27 September 2020). Thereafter, all the share options under the 2017 Grant shall either be cancelled or lapsed.

Upon the cancellation, the Cancelled Share Options ceased to have any effect.

GRANT OF SHARE OPTIONS

Subject to the cancellation of the Cancelled Share Options, the Board further announces that, on 15 September 2020 (the “**Date of Grant**”), the Company has resolved to grant 1,060,000,000 share options (the “**2020 Share Options**”) to subscribe for a total of 1,060,000,000 Shares to the eligible participants (the “**2020 Grantees**”), part of them are served as replacement share options to the Cancelled Share Options, subject to acceptance of the 2020 Grantees, under the Share Option Scheme.

Details of the 2020 Share Options are as follows:

Date of Grant : 15 September 2020

Exercise price of
2020 Share Options : HK\$0.08 to subscribe for one Share, which is the higher of:

- (i) the closing price of HK\$0.039 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Date of Grant;

(ii) the average closing price of HK\$0.0396 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the Date of Grant; and

(iii) the nominal value of the Share, which is HK\$0.001.

Number of 2020 Share Options : 1,060,000,000 share options (each 2020 Share Option shall entitle the holder of the share option to subscribe for one Share)

Closing price of a Share on the Date of Grant : HK\$0.039 per Share

Validity period of the 2020 Share Options : The 2020 Share Options will be valid for 10 years from the Date of Grant.

Vesting conditions of the 2020 Share Options : The vesting dates of the 2020 Share Options are as follows:

- (i) the first 20% of the 2020 Share Options granted will be vested on the third anniversary of the Date of Grant;
- (ii) the next 20% of the 2020 Share Options granted will be vested on the fourth anniversary of the Date of Grant;
- (iii) the next 20% of the 2020 Share Options granted will be vested on the fifth anniversary of the Date of Grant;
- (iv) the next 20% of the 2020 Share Options granted will be vested on the sixth anniversary of the Date of Grant; and

- (v) the remaining 20% of the 2020 Share Options granted will be vested on the seventh anniversary of the Date of Grant.

Apart from the abovementioned vesting dates, each tranche of the 2020 Share Options shall be vested and exercisable on the condition that the relevant 2020 Grantee has passed the cultural values and performance assessment of the Company.

Among the 2020 Share Options granted above, 800,000,000 share options were granted to Directors and 260,000,000 share options were granted to other eligible participants, details of which are as follows:

Name of Directors	Position held with the Company/capacity	Number of Shares entitled to subscribe under the 2020 Share Options granted
Mr. Hu Xiaoyong <i>(Note 1)</i>	Executive Director	400,000,000
Mr. Tan Zaixing	Executive Director	340,000,000
Ms. Huang Danxia	Executive Director	30,000,000
Mr. Li Fujun <i>(Note 1)</i>	Independent Non-executive Director	10,000,000
Mr. Xu Honghua <i>(Note 1)</i>	Independent Non-executive Director	10,000,000
Mr. Chiu Kung Chik <i>(Note 1)</i>	Independent Non-executive Director	<u>10,000,000</u>
Sub-total granted to Directors		800,000,000
Other eligible participants <i>(Note 2)</i>		<u>260,000,000</u>
Total		<u><u>1,060,000,000</u></u>

Notes:

1. The grant of the 2020 Share Options to each of Mr. Hu Xiaoyong, Mr. Li Fujun, Mr. Xu Honghua and Mr. Chiu Kung Chik served as replacement options to their respective Cancelled Share Options and is therefore subject to the written consent to cancel their respective Cancelled Share Options.
2. Other eligible participants include employees of the Group and associated corporations of the Group.

In accordance with Rule 17.04(1) of the Listing Rules, the grant of 2020 Share Options to each of the above Directors had been approved by the independent non-executive Directors (with each of the independent non-executive Directors abstaining from voting on the resolution in respect of the grant of the 2020 Share Options to himself). Save as disclosed above, none of the other 2020 Grantees is a Director, chief executive or substantial shareholder of the Company, or any of their respective associate (as defined under the Listing Rules). No share options were granted by the Company in the 12-month period immediately preceding the Date of Grant.

The Board believes that the grant of the 2020 Share Options will better serve the objective of the Share Option Scheme in recognising the contributions towards the continued operation and development of the Group of the 2020 Grantees, which in turns will benefit the Group and its shareholders in the long run.

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

Hong Kong, 15 September 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.