

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

TERMINATION OF CONTINUING CONNECTED TRANSACTION IN RELATION TO THE NEW BEIJING 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 19 January 2019 (the “**Announcement**”) in relation to the leasing of certain premises by 北京北控光伏科技發展有限公司 (Beijing Enterprises New Energy Company Limited*) (“**BENE**”), an indirect 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 NEW BEIJING LEASE

On 1 February 2021, BENE and BEWCI entered into a termination agreement (the “**Termination Agreement**”) in relation to the termination of the New Beijing Lease. Upon termination of the New Beijing Lease, each of BENE and BEWCI shall be released and discharged from its respective further liabilities and obligations thereunder absolutely; and neither BENE nor BEWCI shall have any claims against each other as a result of the termination of the New Beijing Lease.

REASONS FOR THE TERMINATION OF THE NEW BEIJING LEASE

As part of the Group's review of the current leasing arrangements and to cope with the Group's strategic business development, certain business units of the Group will relocate to other office premises in the PRC for better efficiency and synergy. As such, the Premise will no longer be required by the Group and BENE decided to terminate the New Beijing Lease.

The Directors (including the independent non-executive Directors but excluding Mr. Hu Xiaoyong who is the honorary chairman of BEWG) 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.

INFORMATION OF THE PARTIES

The Company, the Group and BENE

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.

BENE is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding, trading of equipment and provision of consultancy services.

BEWG and BEWCI

BEWG is a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 371). BEWG is an investment holding company and its group is principally engaged in construction of sewage and reclaimed water treatment plants and seawater desalination plants, and provision of construction services for comprehensive renovation projects in the PRC, Malaysia, Australia and the Republic of Botswana; provision of sewage and reclaimed water treatment services in the PRC, the Republic of Singapore, the Portuguese Republic and Australia; distribution and sale of piped water in the PRC, the Portuguese Republic and Australia; provision of technical and consultancy services and sale of machineries related to sewage treatment and construction services for comprehensive renovation projects in the PRC and Australia; and the licensing of technical know-how related to sewage treatment in the PRC.

BEWCI is a company established in the PRC with limited liability and a wholly-owned subsidiary of BEWG. The principal business activity of BEWCI is investment holding.

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

Hong Kong, 1 February 2021

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*