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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

INSIDE INFORMATION THE AGREEMENT OF INTENT ON MATERIAL ASSET REORGANISATION

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Beijing Enterprises Clean Energy Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 15 March 2021, 天津北清電力智慧能源有限公司 (Tianjin Beiqing Electric Smart Energy Co., Ltd.*) (“**Beiqing Smart**”), an indirect non-wholly owned subsidiary of the Company, entered into the Agreement of Intent on Material Asset Reorganisation (the “**Agreement**”) with 中電電機股份有限公司 (SEC Electric Machinery Co., Ltd.*) (“**SEC Electric**”), pursuant to which Beiqing Smart and SEC Electric proposed to undertake a material asset swap transaction, whereby SEC Electric will use all or part of its assets, liabilities and businesses to swap with the equivalent value of part of the equity interests of Beiqing Smart held by 天津富清投資有限公司 (Tianjin Fuqing Investment Co., Ltd.*) (“**Tianjin Fuqing**”), an indirect wholly-owned subsidiary of the Company and one of the direct shareholders of Beiqing Smart (the “**Asset Swap**”). Upon completion of the Asset Swap, SEC Electric will acquire all the remaining equity interests of Beiqing Smart from all the shareholders of Beiqing Smart through the issuance of A-shares of SEC Electric (together with the Asset Swap, the “**Transaction**”).

Upon the execution of the Agreement, the parties will conduct specific negotiations with respect to, among others, the specific plan, transaction price and other respective clauses for the Transaction. Each party shall actively engage in discussions with a view to finalising all the terms of the Transaction and entering into a definitive agreement.

The Agreement only demonstrates the preliminary cooperation intent of each party and the specific rights and obligations of each party, and the arrangements in relation to the Transaction will be subject to the definitive agreement to be signed by the parties. The Transaction will be subject to obtaining approvals from the board of directors and/or shareholders of each party (as applicable), and the competent regulatory authorities before implementation. If materialised, it is expected that the Transaction will constitute a notifiable transaction of the Company and the Company will comply with the relevant requirement of Chapter 14 of the Listing Rules. It is also expected that the Transaction will constitute a material asset reorganisation* (重大資產重組) of SEC Electric pursuant to the “*Measures for the Material Asset Reorganisation of Listed Companies**” (《上市公司重大資產重組管理辦法》) issued by the China Securities Regulatory Commission (“CSRC”) and the relevant rules and regulations of the CSRC and the Shanghai Stock Exchange.

INFORMATION OF THE COMPANY, THE GROUP, TIANJIN FUQING AND BEIQING SMART

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 China.

Tianjin Fuqing is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. The principal activity of Tianjin Fuqing is investment holding. As at the date of this announcement, Tianjin Fuqing holds approximately 88.31% equity interests in Beiqing Smart.

Beiqing Smart is a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company. It is principally engaged in the investment and development of photovoltaic power businesses, wind power businesses and clean heat supply businesses in China.

INFORMATION OF SEC ELECTRIC

SEC Electric is a company established in the PRC with limited liability whose shares are listed on the Shanghai Stock Exchange (stock code: 603988.SH). It is principally engaged in the research and development, design, manufacturing, processing, sales and provision of services related to AC and DC motors, generators and units, transformers, frequency converters and electrical control systems; sales of wooden packaging boxes; general freight; and import and export businesses for self-operated and agency of products and technology.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, SEC Electric and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

As at the date of this announcement, the Transaction is still in the planning stage and the parties have not entered into any definitive agreements. Specific transaction plan is still under discussion and consideration and there is no assurance that any finalised transactions will be materialised as described or at all. The abovementioned proposed Transaction is subject to the approval of the relevant regulatory authorities and may not materialise due to various reasons. The Company will make further announcement(s) pursuant to the Listing Rules as and when appropriate.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 15 March 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*