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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

EXEMPTED CONTINUING CONNECTED TRANSACTIONS

THE BEIJING LEASE I

On 4 January 2022, Beiqing Smart, as lessee, and BEWCI, as lessor, entered into the Beijing Lease I.

THE BEIJING LEASE II

On 4 January 2022, BE Clean Heat Energy, as lessee, and BEWCI, as lessor, entered into the Beijing Lease II.

IMPLICATIONS UNDER THE LISTING RULES

BEWCI is a wholly-owned subsidiary of BEWG. 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 BEWG and BEWCI are connected persons of the Company. As such, the transactions contemplated under the Beijing Lease I and the Beijing Lease II constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Beijing Lease I, the Beijing Lease II and the Existing Licence were entered into by the Group with BEWG and its subsidiary, the transactions contemplated under the Beijing Lease I, the Beijing Lease II and the Existing Licence 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 cap under the Beijing Lease I and the Beijing Lease II, when aggregated with the Existing Licence, exceed 0.1% but all of them are less than 5%, the transactions contemplated under the Beijing Lease I and the Beijing Lease II are subject to the reporting, announcement and annual review requirements but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

(1) THE BEIJING LEASE I

Reference is made to the announcement of the Company dated 4 January 2021 in relation to, among others, the Existing Beijing Lease. The Existing Beijing Lease expired on 31 December 2021.

On 4 January 2022, Beiqing Smart, as lessee, and BEWCI, as lessor, entered into the Beijing Lease I in respect of the leasing of the certain units and car parking spaces of the Property. The principal terms of the Beijing Lease I are set out below:

Premise:	Units 201 and 302 of the Property with gross floor area of 3,499.90 square metres and four car parking spaces in the Property
Term:	One year commencing from 1 January 2022 and expiring on 31 December 2022 (both days inclusive)
Use:	Office premises
Rent:	The monthly rent (inclusive of management fee and other service charges) and monthly rent for four car parking spaces in the Property are RMB745,187.04 and RMB2,000 respectively.

The rent was determined after arm's length negotiations between the parties with reference to the prevailing market rent of comparable properties in Beijing, the PRC. The rent payable by Beiqing Smart under the Beijing Lease I will be paid in cash and funded by internal resources.

(2) THE BEIJING LEASE II

On 4 January 2022, BE Clean Heat Energy, as lessee, and BEWCI, as lessor, entered into the Beijing Lease II in respect of the leasing of unit 301 of the Property. The principal terms of the Beijing Lease II are set out below:

Premise:	Unit 301 of the Property with gross floor area of 800 square metres
Term:	One year commencing from 1 January 2022 and expiring on 31 December 2022 (both days inclusive)
Use:	Office premises
Rent:	The monthly rent (inclusive of management fee and other service charges) is RMB170,333.33.

The rent was determined after arm's length negotiations between the parties with reference to the prevailing market rent of comparable properties in Beijing, the PRC. The rent payable by BE Clean Heat Energy under the Beijing Lease II will be paid in cash and funded by internal resources.

ANNUAL CAP

Based on the monthly rent payable under the Beijing Lease I, the Directors propose that the annual cap amount for the transactions contemplated under the Beijing Lease I for the year ending 31 December 2022 is RMB8,966,244.50.

Based on the monthly rent payable under the Beijing Lease II, the Directors propose that the annual cap amount for the transactions contemplated under the Beijing Lease II for the year ending 31 December 2022 is RMB2,044,000.

Under the Existing Beijing Lease, the annual cap amount for the year ended 31 December 2021 is RMB8,966,244.50 and the actual amount incurred was RMB8,539,280.40.

REASONS FOR AND BENEFITS OF ENTERING INTO THE BEIJING LEASE I AND THE BEIJING LEASE II

The headquarters of BEWG is located at the Property, which is owned by BEWCI and part of the Property is held for investment purposes. As the principal business activities of the Group are in the PRC, it is essential for the Group to set up its headquarters in the PRC. Since January 2017, the Premises have been used as the Group's headquarters in the PRC to accommodate the Group's PRC operations. The Company considered that to have the Group's PRC headquarters at the Premises will enhance its corporate image and branding under the "Beijing Enterprises" group.

Mr. Zhang Tiefu and Mr. Hu Xiaoyong as the executive Directors of the Company, who are the executive director of BEWG and the honorary chairman of BEWG respectively, have abstained from voting on the relevant board resolutions of the Company approving the Beijing Lease I and the Beijing Lease II. Save as above, none of the Directors has material interest in the Beijing Lease I and the Beijing Lease II, no Director has abstained from voting on the relevant board resolutions of the Company.

Having taken into account that the rent was determined after arm's length negotiations between the parties with reference to the prevailing market rent of comparable properties in Beijing, the PRC. Other than Mr. Zhang Tiefu and Mr. Hu Xiaoyong who have abstained from voting on the relevant board resolutions approving the Beijing Lease I and the Beijing Lease II as referred to above, the Directors (including the independent non-executive Directors) consider that the Beijing Lease I and the Beijing Lease II were entered into after arm's length negotiations and on normal commercial terms, and the terms of the Beijing Lease I and the Beijing Lease II and the annual cap as set out above are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Company, the Group, Beiqing Smart and BE Clean Heat Energy

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.

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 and wind power businesses in the PRC.

BE Clean Heat Energy 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 infrastructure development and provision of clean heat supply services in the PRC.

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 (i) 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 Republic of Botswana; (ii) provision of sewage and reclaimed water treatment services in the PRC, the Republic of Singapore, Portuguese Republic, Australia and New Zealand; (iii) distribution and sale of piped water in the PRC, Portuguese Republic and Australia; (iv) 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 (v) 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 and consultancy services.

IMPLICATIONS UNDER THE LISTING RULES

BEWCI is a wholly-owned subsidiary of BEWG. 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 BEWG and BEWCI are connected persons of the Company. As such, the transactions contemplated under the Beijing Lease I and the Beijing Lease II constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Beijing Lease I, the Beijing Lease II and the Existing Licence were entered into by the Group with BEWG and its subsidiary, the transactions contemplated under the Beijing Lease I, the Beijing Lease II and the Existing Licence 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 cap under the Beijing Lease I and the Beijing Lease II, when aggregated with the Existing Licence, exceed 0.1% but all of them are less than 5%, the transactions contemplated under the Beijing Lease I and the Beijing Lease II are subject to the reporting, announcement and annual review 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:

“Beijing Lease I”	the agreement dated 4 January 2022 entered into between Beijing Smart and BEWCI in relation to the leasing of units 201 and 302 of the Property and four car parking spaces in the Property
“Beijing Lease II”	the agreement dated 4 January 2022 entered into between BE Clean Heat Energy and BEWCI in relation to the leasing of unit 301 of the Property

“BE Clean Heat Energy”	北控清潔熱力有限公司 (BE Clean Heat Energy Company Limited*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Beiqing Smart”	天津北清電力智慧能源有限公司 (Tianjin Beiqing Electric Smart Energy Co., Ltd*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“BEWCI”	北控水務(中國)投資有限公司 (Beijing Enterprises Water (China) Investment Co., Ltd*), 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 Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 371)
“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 (Stock Code: 1250)
“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 Beijing Lease”	the agreement dated 4 January 2021 entered into between Beijing Smart and BEWCI in relation to the lease of the Units 201 and 302 of the Property from BEWCI, details of which are disclosed in the Company’s announcement dated 4 January 2021
“Existing Licence”	the agreement dated 26 June 2019 entered into between the Company and BEWG in relation to the licence of a portion of certain office premises in Hong Kong, details of which are disclosed in the Company’s announcement dated 26 June 2019
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Premises”	those premises and carparks being the subject matter of the Beijing Lease I and the Beijing Lease II
“Property”	BEWG Building, an office building located at Poly International Plaza T3, Zone 7, Wangjingdongyuan, Chaoyang District, Beijing, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares

“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Beijing Enterprises Clean Energy Group Limited
Zhang Tiefu and Hu Xiaoyong
Joint Chairmen

Hong Kong, 4 January 2022

As at the date of this announcement, the Board comprises nine Directors, namely Mr. Zhang Tiefu, Mr. Hu Xiaoyong, Mr. Yang Guang, 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*