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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

RENEWAL OF EXEMPTED CONTINUING CONNECTED TRANSACTION

On 30 June 2017 (after trading hours), the Company, as licensee, and BEWG, as licensor, entered into the Licence to renew the terms of the Existing Licence.

As at the date of this announcement, BEWG, through its wholly-owned subsidiary, is interested in 17,721,519,000 Shares, representing approximately 32.37% of the issued share capital of the Company. BEWG is a controlling shareholder of the Company and hence is a connected person of the Company. The transactions under the Licence constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Licence, the Existing Licence and the Beijing Lease were entered into by the Group within a 12-month period with BEWG (in the case of the Licence and Existing Licence) and a wholly-owned subsidiary of BEWG (in the case of the Beijing Lease), the transactions contemplated under the Licence are required to be aggregated with those under the Existing Licence and the Beijing Lease 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 caps under the Licence, when aggregated with the Existing Licence and the Beijing Lease, are more than 0.1% but less than 5%, the transactions contemplated under the Licence are subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 1 March 2017 in relation to, among others, the Existing Licence. The Existing Licence will expire on 1 July 2017. On 30 June 2017 (after trading hours), the Company, as licensee, and BEWG, as licensor, entered into the Licence to renew the terms of the Existing Licence.

SUBJECT MATTER

The Company, as licensee, will occupy and use a portion of the Property with floor area of approximately 1,608.6 square feet, representing 30% of the total floor area of the Property from 2 July 2017 to 1 July 2019 or the date on which BEWG ceases to be a tenant of the Property under the terms of the Lease, whichever is earlier.

LICENCE FEE

The Company will pay BEWG a monthly fee, being the sum of:

- (i) HK\$101,341.80, representing 30% of the rent payable by BEWG under the Lease;
- (ii) HK\$15,442.56, representing 30% of the service charges (inclusive of the management fees, air-conditioning charges and internal office cleaning charges) payable by BEWG under the Lease;
- (iii) HK\$6,460.20, representing 30% of the coolant fees payable by BEWG; and
- (iv) 30% of the government rates of the Property payable by BEWG.

The licence fee was determined after arm's length negotiations between the parties with reference to the actual amount payable by BEWG apportioned on a pro-rata basis with reference to the total floor area occupied by the Company and the total floor area of the Property.

The Group will use its internal resources to fund the above payments.

ANNUAL CAPS

The Directors propose that the annual cap amounts will not exceed:

- (i) HK\$1,547,292.84 for the period between 2 July 2017 to 1 July 2018; and
- (ii) HK\$1,559,962.05 for the period between 2 July 2018 to 1 July 2019.

The annual caps were determined with reference to (i) 30% of the rent payable by BEWG under the Lease of HK\$101,341.80 per month; (ii) 30% of the service charges (inclusive of the management fees, air-conditioning charges and internal office cleaning charges) payable by BEWG under the Lease of HK\$15,442.56 per month and a buffer of 4% per year for taking into account the historical increment in the service charges; (iii) 30% of the coolant fee payable by BEWG of HK\$6,460.20 per month and a buffer of 4% per year for taking into account the historical increment in the coolant fee; and (iv) 30% of the current government rates payable by BEWG of approximately HK\$4,680 per month and a buffer of 3% per year taking into account the historical increment in the government rates.

Under the Existing Licence, the cap amount for the period from 1 January 2017 to 1 July 2017 was HK\$745,522.57 and the actual amount incurred was HK\$741,385.13.

INFORMATION OF THE PARTIES TO THE LICENCE

The principal business activity of the Company is investment holding. The Group is principally engaged in the investment, development, construction, operation and management of photovoltaic power plants, photovoltaic power-related businesses and wind power-related businesses and the design, printing and sale of cigarette packages in the PRC.

BEWG is an investment holding company and its subsidiaries are principally engaged in construction of sewage and reclaimed water treatment and seawater desalination plants, and provision of construction services for comprehensive renovation projects in the PRC, Malaysia and Republic of Singapore; provision of sewage and reclaimed water treatment services in the PRC and Portuguese Republic; distribution and sale of piped water in the PRC and Portuguese Republic; 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 the licensing of technical know-how related to sewage treatment in the PRC.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LICENCE

The Property is the principal place of business of BEWG and the Company in Hong Kong. Since August 2015, it has been used as the Group's headquarters in Hong Kong to house the Group's Hong Kong operations. The Existing Licence will expire on 1 July 2017. The Company considered that locating the Group's Hong Kong headquarters in the Property will enhance the corporate image and branding under the "Beijing Enterprises" group.

Having taken into account that the amount payable under the Licence was determined on the basis of the total floor area occupied by the Company over the total floor area of the Property, the Directors (including the independent non-executive Directors but excluding Mr. Hu Xiaoyong who is the honorary chairman of BEWG) consider that the Licence was entered into after arm's length negotiations and on normal commercial terms, and the terms of the Licence and the proposed annual cap (as set out above) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, BEWG, through its wholly-owned subsidiary, is interested in 17,721,519,000 Shares, representing approximately 32.37% of the issued share capital of the Company. BEWG is a controlling shareholder of the Company and hence is a connected person of the Company. The transactions under the Licence constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Licence, the Existing Licence and the Beijing Lease were entered into by the Group within a 12-month period with BEWG (in the case of the Licence and Existing Licence) and a wholly-owned subsidiary of BEWG (in the case of the Beijing Lease), the transactions contemplated under the Licence are required to be aggregated with those under the Existing Licence and the Beijing Lease 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 caps under the Licence, when aggregated with the Existing Licence and the Beijing Lease, are more than 0.1% but less than 5%, the transactions contemplated under the Licence are subject to the reporting and announcement 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”	the agreement dated 1 March 2017 entered into between Beijing Enterprises New Energy Company Limited* (北京北控光伏科技發展有限公司) and Beijing Enterprises Water (China) Investment Co., Ltd* (北控水務(中國)投資有限公司) in relation to a property in Beijing, details of which are disclosed in the announcement of the Company dated 1 March 2017
“BEWG”	Beijing Enterprises Water Group Limited, a company incorporated in the Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“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
“Director(s)”	the director(s) of the Company
“Existing Licence”	the agreement dated 1 March 2017 entered into between BEWG and the Company in relation to a portion of the Property
“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 People’s Republic of China
“Lease”	the tenancy agreement of the Property between the landlords of the Property and BEWG

“Licence”	the agreement dated 30 June 2017 entered into between BEWG and the Company in relation to a portion of the Property
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Property”	Rooms 6706-07, 67th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong leased by BEWG from independent third parties
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary shares of HK\$0.001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

* *for identification purposes only.*

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

Hong Kong, 30 June 2017

As at the date of this announcement, the Directors of the Company comprises eight Directors, namely Mr. Hu Xiaoyong, Mr. Shi Xiaobei, Mr. Huang Weihua, Mr. Wang Ye and Mr. Wen Hui as executive Directors; and Mr. Li Fujun, Mr. Xu Honghua and Mr. Chiu Kung Chik as independent nonexecutive Directors.