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*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 01250)**

## **EXEMPTED CONTINUING CONNECTED TRANSACTION**

### **THE LEASE**

On 29 March 2018 (after trading hours), TBEC as lessee entered into the Lease with BEWCI as lessor, in respect of the leasing of the Premises for a term of three years commencing from 1 April 2018 and ending on 31 March 2021.

### **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 substantial shareholder of the Company and hence BEWG and BEWCI are connected persons of the Company. As such, the transactions contemplated under the Lease constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Lease, the Existing Licence and the Beijing Lease were entered into by the Group with BEWG and its subsidiaries, the transactions contemplated under the Lease, the Existing Licence and the Beijing Lease are required to be aggregated under rule 14A.81 of the Listing Rules.

As one of the applicable percentage ratios (as defined under rule 14.07 of the Listing Rules) for the annual caps under the Lease, when aggregated with the Existing Licence and the Beijing Lease is more than 0.1% but less than 5%, the transactions contemplated under the Lease are subject to the reporting, annual review and announcement requirements but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## THE LEASE

On 29 March 2018 (after trading hours), TBEC as lessee entered into the Lease with BEWCI as lessor in respect of the leasing of the Premises. The principal terms of the Lease are set out as follows:

|           |   |
|-----------|---|
| Premises: | 3rd and 4th floors of the Property with gross floor area of 1,399.51 square metres  |
| Term:     | Three years commencing from 1 April 2018 to 31 March 2021 (both days inclusive)   |
| Use:      | Office premises   |
| Rent:     | The monthly rent (exclusive of management fee, water charges, electricity charges and other services charges) is RMB184,321.30 (equivalent to approximately HK\$228,558.41) |

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 and the prevailing market rent of the Property offered by BEWCI to other lessees.

## ANNUAL CAPS

Based on the monthly rent payable under the Lease, the annual caps for transactions contemplated under the Lease are set out as follows:

| <b>For the nine months ending 31 December 2018</b> | <b>For the year ending 31 December 2019</b> | <b>For the year ending 31 December 2020</b> | <b>For the three months ending 31 March 2021</b> |
|--|---|---|--|
| RMB1,658,891.70<br>(HK\$2,057,025.71)              | RMB2,211,855.60<br>(HK\$2,742,700.94)       | RMB2,211,855.60<br>(HK\$2,742,700.94)       | RMB552,963.90<br>(HK\$685,675.24)                |

## REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE

The Board considered that additional office spaces are required for the Group's business expansion in recent years and to meet the Group's operational needs.

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 and the prevailing market rent of the Property offered by BEWCI to other lessees, the Directors (including the independent non-executive Directors but excluding Mr. Hu Xiaoyong who is the honorary chairman of BEWG) consider that the Lease was entered into after arm's length negotiations and on normal commercial terms, and the terms of the Lease and the annual caps 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**

TBEC is an indirect non-wholly-owned subsidiary of the Company and is principally engaged in the investment, development, operation and management of clean heat supply business.

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 businesses, wind power businesses and clean heat supply businesses in the PRC.

BEWCI is a wholly-owned subsidiary of BEWG. The principal business activity of BEWCI is investment holding.

BEWG is an investment holding company and its subsidiaries are principally engaged in the construction of sewage and reclaimed water treatment and seawater desalination plants, and provision of construction services for comprehensive renovation projects in the PRC and Malaysia; provision of sewage and reclaimed water treatment services in the PRC, the Republic of Singapore 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.

## **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 substantial shareholder of the Company and hence BEWG and BEWCI are connected persons of the Company. As such, the transactions contemplated under the Lease constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Lease, the Existing Licence and the Beijing Lease were entered into by the Group with BEWG and its subsidiaries, the transactions contemplated under the Lease, the Existing Licence and the Beijing Lease are required to be aggregated under rule 14A.81 of the Listing Rules.

As one of the applicable percentage ratios (as defined under rule 14.07 of the Listing Rules) for the annual caps under the Lease, when aggregated with the Existing Licence and the Beijing Lease is more than 0.1% but less than 5%, the transactions contemplated under the Lease are subject to the reporting, annual review 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), an indirect wholly-owned subsidiary of the Company, and BEWCI in relation to the lease of certain office premises in Beijing, the PRC from BEWCI, details of which are disclosed in the Company’s announcement dated 1 March 2017 |
| “BEWCI”            | Beijing Enterprises Water (China) Investment Co., Ltd * (北控水務(中國)投資有限公司), 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 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 30 June 2017 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 30 June 2017   |
| “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  |
| “Lease”            | the agreement dated 29 March 2018 entered into between TBEC and BEWCI in relation to the leasing of the Premises  |
| “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 PRC and Taiwan   |
| “Premises”         | 3rd and 4th Floors of the Property  |

|                  |  |
|------------------|--|
| “Property”       | a building located at no. 101, Baiziwan Dongli, Chaoyang District, Beijing, the PRC  |
| “RMB”            | Renminbi, the lawful currency of the PRC   |
| “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  |
| “TBEC”           | Tibet BE Clean Heat Energy Company Limited* (西藏北控清潔熱力有限公司), a company established in the PRC with limited liability and an indirect non-wholly-owned subsidiary of the Company |
| “%”              | per cent   |

*For the purpose of this announcement, the exchange rate of RMB 1.00 = HK\$1.240 has been used for currency translation. Such exchange rate is for illustration purposes and does not constitute a representation that any amount in RMB or HK\$ have been, could have been or may be converted at such rate.*

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

Hong Kong, 29 March 2018

*As at the date of this announcement, the Board 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 non-executive Directors.*

*\* for identification purposes only*