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EXEMPTED CONTINUING CONNECTED TRANSACTION

THE NEW BEIJING LEASE

On 19 January 2019, BENE, as lessee, entered into the New Beijing Lease with BEWCI, as lessor, in respect of the leasing of the Premise for a term of three years commencing from 1 February 2019 and ending on 31 January 2022.

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 New Beijing Lease constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the New Beijing Lease and the Existing Leases were entered into by the Group with BEWG and its subsidiaries, the transactions contemplated under the New Beijing Lease and the Existing Leases 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 caps under the New Beijing Lease, when aggregated with the Existing Leases, exceed 0.1% but all of them are less than 5%, the transactions contemplated under the New Beijing 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 NEW BEIJING LEASE

On 19 January 2019, BENE, as lessee, entered into the New Beijing Lease with BEWCI, as lessor, in respect of the leasing of the Premise. The principal terms of the New Beijing Lease are set out below:

Premise:	Unit 301 of the Property with gross floor area of 800 square metres
Term:	Three years commencing from 1 February 2019 to 31 January 2022 (both days inclusive)
Use:	Office premises
Rent:	The monthly rent (inclusive of management fee and other services charges) is RMB170,333.30 (equivalent to approximately HK\$195,883.30).

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 New Beijing Lease, the annual caps for the transactions contemplated under the New Beijing Lease are as follows:

For the eleven months ending 31 December 2019	For the year ending 31 December 2020	For the year ending 31 December 2021	For the one month ending 31 January 2022
RMB1,873,666.30 (HK\$2,154,716.24)	RMB2,043,999.60 (HK\$2,350,599.54)	RMB2,043,999.60 (HK\$2,350,599.54)	RMB170,333.30 (HK\$195,883.30)

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW BEIJING LEASE

The Board considered that additional office spaces are required for business expansion in recent years and to meet 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 New Beijing Lease was entered into after arm's length negotiations and on normal commercial terms, and the terms of the New Beijing 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

BENE is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding, trading of equipment and provision of consultancy services.

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.

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

BEWG is an investment holding company. BEWG and its subsidiaries specialise in water services and environmental protection industries with sewage treatment as their core business segment.

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 New Beijing Lease constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the New Beijing Lease and the Existing Leases were entered into by the Group with BEWG and its subsidiaries, the transactions contemplated under the New Beijing Lease and the Existing Leases 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 caps under the New Beijing Lease, when aggregated with the Existing Leases, exceed 0.1% but all of them are less than 5%, the transactions contemplated under the New Beijing 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:

“BENE”	Beijing Enterprises New Energy Company Limited* (北京北控光伏科技發展有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“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 Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Board”	the board of Directors
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“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 Baiziwan Lease”	the agreement dated 29 March 2018 entered into between BE Clean Heat Energy Company Limited* (北控清潔熱力有限公司) (formerly known as Tibet BE Clean Heat Energy Company Limited* (西藏北控清潔熱力有限公司)), an indirect non 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 29 March 2018
“Existing Beijing Lease”	the agreement dated 1 March 2017 entered into between BENE 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
“Existing Leases”	the Existing Beijing Lease, the Existing Licence and the Existing Baiziwan Lease
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Beijing Lease”	the agreement dated 19 January 2019 entered into between BENE and BEWCI in relation to the leasing of the Premise
“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
“Premise”	Unit 301 of the Property
“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
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.15 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, 19 January 2019

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*