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**北控清潔能源集團有限公司**

BEIJING ENTERPRISES CLEAN ENERGY GROUP LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01250)**

## **MAJOR TRANSACTION CAPITAL CONTRIBUTION AGREEMENT**

### **THE SECOND CAPITAL INCREASE**

Reference is made to the announcement of the Company dated 27 December 2019 in relation to the First Capital Increase.

On 30 July 2020, the Company, the Subsidiary and the Target Company, both being subsidiaries of the Company, entered into the Agreement with the Second Investors, pursuant to which the Second Investors agreed to contribute new capital in the aggregate amount of RMB400 million in return for approximately 4.30% of the enlarged capital of the Target Company.

The Target Company and its subsidiaries are principally engaged in the investment and development of photovoltaic power businesses, wind power businesses and clean heat supply businesses in the PRC. As at the date of this announcement, the Target Company is held as to approximately 93.26% by the Subsidiary and as to approximately 6.74% by the First Investors. Upon completion of the Second Capital Increase, the Target Company will be held as to approximately 89.25% by the Subsidiary and the Target Company will continue to be accounted as a subsidiary of the Company.

## **THE OPTION**

On 30 July 2020, the Company, the Subsidiary, the Target Company and BENE entered into the Supplemental Agreement with the Second Investors, pursuant to which the Option has been granted to the Second Investors under which the Second Investors shall have the right to request BENE or the Target Company to repurchase the equity interests in the Target Company held by the Second Investors at any time after the occurrence of any of the events detailed under the paragraph headed “The Option” in this announcement. The repurchase price shall be determined by reference to a fixed formula.

## **IMPLICATIONS UNDER THE LISTING RULES**

On 27 December 2019, the Company, the Subsidiary and the Target Company, entered into an agreement and a supplemental agreement with the First Investors in relation to the First Capital Increase and the First Option. The entering into of the First Capital Increase and the First Option were approved by the Board. The First Capital Increase and the First Option constituted discloseable transactions for the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. As Second Investor A is associated with the First Investors and that the First Capital Increase and the First Option were completed within 12 months of the Agreement, the Second Capital Increase and the Option would need to be aggregated with the First Capital Increase and the First Option, respectively, pursuant to Rule 14.22 of the Listing Rules.

### **The Second Capital Increase**

The Second Capital Increase constitutes a deemed disposal by the Company of its interests in the Target Company under Chapter 14 of the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Second Capital Increase when aggregated with the First Capital Increase, are more than 25% but less than 75%, the Second Capital Increase constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

### **The Option**

The exercise right of the Option is vested with the Second Investors. The Option will be treated as if exercised at the time of its grant pursuant to Rule 14.74(1) of the Listing Rules. Given that the applicable percentage ratios in respect of the maximum consideration payable under the Option for the equity interest of the Second Investors under the formula set out in the Option, when aggregated with the First Option, is more than 25% but less than 100%, the grant of the Option constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

### **Written approval pursuant to Rule 14.44 of the Listing Rules**

No Shareholders or any of their respective associates are interested in the Second Capital Increase or the Option and no Shareholders would be required to abstain from voting at the general meeting convened for the approval of the Second Capital Increase or the Option. As at the date of this announcement, the Relevant Shareholders, being a closely allied group of Shareholders, control in aggregate 35,443,037,981 Shares, representing approximately 55.79% of the Company's issued share capital, have approved the Second Capital Increase and the Option by way of a written approval pursuant to Rule 14.44 of the Listing Rules. Accordingly, no general meeting of the Company shall be convened to approve the Second Capital Increase and the Option.

A circular containing, among other information, further details of the Second Capital Increase and the Option and other information as required under the Listing Rules would need to be despatched to the Shareholders on or before 20 August 2020. As the Company expects that it will require more than 15 business days to prepare the financial and other information to be included in the circular because of the COVID-19 pandemic, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and delay the despatch of the circular to the Shareholders to on or before 25 September 2020.

**Completion of the Agreement is subject to fulfillment of conditions as set out in the paragraph headed "Conditions" in this announcement. Shareholders and potential investors should be aware that the Company does not guarantee that the proposed A-Share listing of the Target Company will materialise, nor the timing thereof. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.**

## **THE AGREEMENT**

On 30 July 2020, the Company, the Subsidiary, the Target Company and the Second Investors entered into the Agreement. The principal terms of the Agreement are summarised below:

## **The Second Capital Increase**

The Second Investors agreed to contribute new capital in the aggregate amount of RMB400 million in return for approximately 4.30% of the enlarged capital of the Target Company. Of which, Second Investor A and Second Investor B will contribute RMB100 million and RMB300 million to the new capital of the Target Company, respectively.

Of the RMB400 million new capital to be contributed by the Second Investors to the Target Company, approximately RMB265.1 million will be accounted by the Target Company as registered capital and approximately RMB134.9 million will be accounted as capital reserve.

## **Subscription price**

The subscription price was determined by the parties after arm's length negotiations with reference to the existing registered capital of the Target Company, the amount of new capital to be contributed by the Second Investors as a percentage of the net asset value of the Target Company, and the future business potential of the Target Company.

## **Conditions**

The Second Capital Increase is conditional upon the satisfaction or waiver of the following conditions:

- (1) the Agreement has been duly executed and became effective;
- (2) the representations, warranties and undertakings of the Target Company, the Company and the Subsidiary remaining true, accurate and without material omissions, and are not misleading, and that the Target Company, the Company and the Subsidiary have not been in breach of their obligations under the Agreement on or prior to the date on which the conditions to the Agreement have been satisfied;
- (3) there has not been any material adverse effect on the Target Company or the proposed holding of such equities in the Target Company by the Second Investors prior to and including the date on which the conditions to the have been satisfied, and there is no evidence that there may be such material adverse effect;
- (4) save as disclosed in the Agreement, there is no encumbrances on the Target Company or its subsidiaries;

- (5) the Target Company has obtained the consents and approvals of, and signed the Agreement and the Supplemental Agreement with, all third parties in respect of the transactions contemplated under the Second Capital Increase;
- (6) the new articles of association of the Target Company have been signed by the Target Company, the Subsidiary and the Second Investors;
- (7) the shareholders' agreement of the Target Company have been duly executed by the First Investors, the Second Investors and the relevant parties and became effective;
- (8) the Target Company having appointed the director nominated by the First Investors and the Second Investors; and
- (9) the Target Company, the Company, the Subsidiary and BENE having provided the written confirmation required under the Agreement to the Second Investors.

The Company, the Subsidiary and the Target Company shall use their best endeavours to satisfy the conditions within 30 business days of the signing of the Agreement. The Second Investors may waive any and all of the conditions to the Agreement.

### **Completion**

Completion of the Second Capital Increase shall take place upon the payment of RMB400 million by the Second Investors to the designated account of the Target Company within 5 business days of the satisfaction or waiver of the conditions to the Agreement.

Upon completion of the Second Capital Increase, the Target Company will continue to be accounted as a subsidiary of the Company.

## THE SUPPLEMENTAL AGREEMENT

On 30 July 2020, the Company, the Subsidiary, the Target Company, BENE and the Second Investors entered into the Supplemental Agreement in relation to, among others, the Option.

### The Option

Under the Supplemental Agreement, the Option has been granted to the Second Investors pursuant to which the Second Investors shall have the right to request BENE or the Target Company to repurchase their equity interests in the Target Company at any time after the occurrence of any of the following events:

- (i) the Target Company is unable to complete a qualified listing of its shares (the “**Qualified Listing**”) on or before 31 December 2022 and the Target Company could not reasonably be expected to complete the Qualified Listing before 31 December 2022;
- (ii) the new accumulative losses of the Target Company have reached 20% of the net asset value of the Target Company as at 31 December 2018;
- (iii) there has been material integrity issues with the Subsidiary or the Company, in particular if there has been any off-book cash sales income of the Target Company without the knowledge of the Second Investors;
- (iv) the actual control of the Target Company (that is, the State-owned Assets Supervision and Administration Commission of the Beijing Municipal People’s Government) has changed, save and except for any transfers due to the needs of the state-owned assets supervision and management agency;
- (v) there have been material changes to the core business of the Target Company, save and except for those changes that have been approved by the designated party of the First Investors in accordance with the company’s normal voting procedures;
- (vi) the Target Company has conducted transactions or provided guarantees to related parties that are detrimental to the interests of the Second Investors, save and except for matters that consents have been granted by the Second Investors;

- (vii) the Target Company is unable to distribute dividends in accordance with the resolutions of its shareholders;
- (viii) any statements and guarantees made by the Target Company, the Subsidiary and the Company in the Agreement and the Supplemental Agreement have been found to be untrue, incomplete, inaccurate or misleading, or the Target Company, the Subsidiary and the Company failed to fulfill their obligations in the Agreement and the Supplemental Agreement, causing significant losses to the Second Investors;
- (ix) the Target Company has entered into receivership or bankruptcy proceedings; and
- (x) the Company, the Subsidiary and the Target Company have materially failed to complete the rectification matters set out in the Agreement within the agreed time limit.

In the occurrence of the event set out in paragraph (i) above, the Second Investors may waive the immediate performance of the repurchase obligation by BENE or the Target Company and extend the performance period of the Qualified Listing by a further twelve months.

***Premium for the Option***

No premium is payable by the Second Investors for the Option.

***Repurchase price***

The repurchase price of the equities under the Option shall be determined by the parties in accordance with the formula:

Repurchase price = the aggregate investment amount x (1+10% x investment period<sup>#</sup>/365 days)

# *Investment period refers to the number of days from the date of completion of Second Capital Increase to the date when BENE or the Target Company paid the repurchase price to the Second Investors in full.*

Based on the above formula and on the basis of the capital contributed by the Second Investors to the Target Company of RMB400 million, the repurchase price that may be payable if the Option is exercised on 31 December 2022 would be approximately RMB500 million. If the Qualified Listing does not occur on or before 31 December 2022 and the Second Investors elect to extend the performance period of the Qualified Listing by a further twelve months, the repurchase price that may be payable under such circumstances would be approximately RMB540 million.

### ***Payment of the repurchase price***

BENE or the Target Company shall pay the repurchase price within 30 business days after the receipt of the notice for the exercise of the Option.

### ***Guarantee***

The Company shall guarantee the obligations of the Subsidiary, the Target Company and BENE under the Agreement and the Supplemental Agreement.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company was established on 12 November 2015 with a registered capital of RMB5,897.6 million. As at the date of this announcement, the Target Company is owned as to approximately 93.26% by the Subsidiary. The Target Company and its subsidiaries are principally engaged in the investment and development of photovoltaic power businesses, wind power businesses and clean heat supply businesses in the PRC.



Changes to the shareholding of the Target Company before and after the Second Capital Increase are as follow:

| <b>Shareholders</b>   | <b>Percentage<br/>of the<br/>existing<br/>shareholding<br/>%</b> | <b>Percentage<br/>of the<br/>Second<br/>Capital<br/>Increase<br/>%</b> |
|---|--|--|
| the Subsidiary  | 93.26  | 89.25  |
| the First Investors ( <i>Note 1</i> )   |  |  |
| – 天津市平安消費科技投資合夥企業 (有限合夥)<br>(Tianjin Ping An Consumption Technology<br>Investment Partnership (Limited Partnership)*) | 5.90   | 5.64   |
| – 嘉興智精投資合夥企業 (有限合夥)<br>(Jiaxing Zhijing Investment Partnership<br>(Limited Partnership)*)                             | 0.40   | 0.38   |
| – 嘉興智精恒錦投資合夥企業 (有限合夥)<br>(Jiaxing Zhijing Hengjin Investment Partnership<br>(Limited Partnership)*)                   | 0.33   | 0.32   |
| – 嘉興智精恒睿投資合夥企業 (有限合夥)<br>(Jiaxing Zhijing Hengrui Investment Partnership<br>(Limited Partnership)*)                   | 0.11   | 0.11   |
| Second Investor A ( <i>Note 1</i> )   | –  | 1.07   |
| Second Investor B   | –  | 3.23   |
| <b>Total</b>  | <b>100.00</b>  | <b>100.00</b>  |

*Note:*

- Each of the First Investors and Second Investor A is controlled by Ping An.

The financial results of the Target Company for each of the two years ended 31 December 2018 and 2019 are as follows:

|                   | <b>For the year ended</b> |                     |
|-------------------|---------------------------|---------------------|
|                   | <b>31 December</b>        |                     |
|                   | <b>2018</b>               | <b>2019</b>         |
|                   | (audited)                 | (unaudited)         |
|                   | <i>RMB' million</i>       | <i>RMB' million</i> |
| Profit before tax | 1,453.5                   | 1,133.6             |
| Profit after tax  | 1,322.6                   | 1,025.6             |

The unaudited net asset value of the Target Company as at 31 March 2020 was RMB9,215.0 million.

Upon completion of the Second Capital Increase, the equity interest of the Company (through the Subsidiary) in the Target Company will decrease from approximately 93.26% to approximately 89.25%. As such, the Target Company will remain as a subsidiary of the Company and its financial results, assets, liabilities and cash flows will continue to be consolidated in the Company's consolidated financial statements. As the Second Capital Increase will not result in the Company's loss of control over the Target Company, the Second Capital Increase will be accounted for as an equity transaction and will not result in the recognition of any gain or loss in the Company's consolidated statement of profit or loss and other comprehensive income.

The proceeds from the Second Capital Increase will be applied for the development of the Target Company's businesses, as general working capital of the Group, and/or other purposes as agreed by the Second Investors.

## **INFORMATION ON THE PARTIES**

### **The Company and the Group**

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.

### **The Subsidiary**

The Subsidiary is an indirect wholly-owned subsidiary of the Company and is principally engaged in the business of investment holding.

### **The Target Company**

The Target Company is a 93.26%-owned subsidiary of the Company and is principally engaged in the investment and development of photovoltaic power businesses, wind power businesses and clean heat supply businesses in the PRC.

## **BENE**

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 Second Investors**

The Second Investors comprise two entities, namely (i) 深圳市海匯全贏投資諮詢合夥企業(有限合夥) (Shenzhen Haihui Quanying Investment Consulting Partnership Enterprise (Limited Partnership)\*) and (ii) 啟鷺(廈門)股權投資合夥企業(有限合夥) (Qilu (Xiamen) Equity Investment Partnership Enterprise (Limited Partnership)\*) which are limited partnerships established in the PRC and are principally engaged in investment holding and provision of consultancy services.

Second Investor A is controlled by Ping An Insurance (Group) Company of China, Ltd. (“**Ping An**”). Ping An is a company whose H shares are listed on the Stock Exchange (Stock Code: 2318). Ping An is engaged in the provision of insurance, banking, investment and internet finance products and services.

Ping An controls the First Investors and Second Investor A. Second Investor B is referred by Ping An for the Second Capital Increase.

Second Investor B is controlled by China International Capital Corporation Limited (“**CICC**”). CICC is a company whose H shares are listed on the Stock Exchange (Stock Code: 3908). CICC is engaged in investment banking business, equities business, fixed-income, currency and commodity business, investment management business, wealth management business and other business activities.

Save for Ping An’s indirect non-controlling interests in the Target Company, to the best knowledge of the Directors, having made reasonable enquiry, each of Ping An, the Second Investors and their ultimate owners are independent of and not connected with the Company and its connected persons.

## **REASONS FOR AND BENEFIT OF THE AGREEMENT AND THE SUPPLEMENTAL AGREEMENT**

The Company introduced the First Investors as strategic shareholders in the Target Company in December 2019. The Second Capital Increase will serve to further enhance the capital structure of the Target Company for its future business development, further improve the asset liability structure of the Target Company, increase debt capacity for future new projects and further decrease the Group’s financial risks.

Given that the Second Capital Increase was being made after arm’s length negotiations, the Directors (including the independent non-executive Directors) consider that the Agreement and the Supplemental Agreement were entered into under normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

On 27 December 2019, the Company, the Subsidiary and the Target Company, entered into an agreement and a supplemental agreement with the First Investors in relation to the First Capital Increase and the First Option. The entering into of the First Capital Increase and the First Option were approved by the Board. The First Capital Increase and the First Option constituted discloseable transactions for the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. As Second Investor A is associated with the First Investors and that the First Capital Increase and the First Option were completed within 12 months of the Agreement, the Second Capital Increase and the Option would need to be aggregated with the First Capital Increase and the First Option, respectively, pursuant to Rule 14.22 of the Listing Rules.

### **The Second Capital Increase**

The Second Capital Increase constitutes a deemed disposal by the Company of its interests in the Target Company under Chapter 14 of the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Second Capital Increase when aggregated with the First Capital Increase, are more than 25% but less than 75%, the Second Capital Increase constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### **The Option**

The exercise right of the Option is vested with the Second Investors. The Option will be treated as if exercised at the time of its grant pursuant to Rule 14.74(1) of the Listing Rules. Given that the applicable percentage ratios in respect of the maximum consideration payable under the Option for the equity interest of the Second Investors under the formula set out in the Option, when aggregated with the First Option, is more than 25% but less than 100%, the grant of the Option constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## Written approval pursuant to Rule 14.44 of the Listing Rules

No Shareholders or any of their respective associates are interested in the Second Capital Increase or the Option and no Shareholders would be required to abstain from voting at the general meeting convened for the approval of the Second Capital Increase or the Option. As at the date of this announcement, the Relevant Shareholders, being a closely allied group of Shareholders, control in aggregate 35,443,037,981 Shares, representing approximately 55.79% of the Company's issued share capital, have approved the Second Capital Increase and the Option by way of a written approval pursuant to Rule 14.44 of the Listing Rules. Accordingly, no general meeting of the Company shall be convened to approve the Second Capital Increase and the Option.

The respective interests of the Relevant Shareholders in the Shares and relationship among the Relevant Shareholders are summarised in the table below:

| <b>Name of the Relevant Shareholders (place of incorporation)</b>                | <b>Number and percentage of Shares held</b><br><i>(Note 1)</i> | <b>The beneficial owner(s) of the Relevant Shareholders</b>  |
|--|--|--|
| Fast Top Investment Limited<br>(Incorporated in the British Virgin Islands)      | 20,253,164,571<br>(31.88%)                                     | Wholly-owned subsidiary of Beijing Enterprises Water Group Limited (“ <b>BEWG</b> ”), a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange  |
| CTSL Green Power Investment Limited (Incorporated in the British Virgin Islands) | 7,594,936,710<br>(11.96%)                                      | Jointly-controlled by CPEChina Fund II, L.P. and CPEChina Fund IIA, L.P.. The general partner of CPEChina Fund II, L.P. and CPEChina Fund IIA, L.P. is CITIC PE Associates II, L.P., an exempted limited partnership registered under the laws of the Cayman Islands |

| <b>Name of the Relevant Shareholders (place of incorporation)</b>               | <b>Number and percentage of Shares held</b><br><i>(Note 1)</i> | <b>The beneficial owner(s) of the Relevant Shareholders</b>  |
|---|--|--|
| CTSL New Energy Investment Limited (Incorporated in the British Virgin Islands) | 7,594,936,700<br>(11.95%)                                      | Wholly-owned subsidiary of 北京中信投資中心(有限合夥)(CITIC Private Equity Fund III (RMB)*), which is a limited partnership registered under the laws of the PRC |

*Note:*

1. The percentage was calculated based on 63,525,397,057 issued Shares as at the date of this announcement.

A circular containing, among other information, further details of the Second Capital Increase and the Option and other information as required under the Listing Rules would need to be despatched to the Shareholders on or before 20 August 2020. As the Company expects that it will require more than 15 business days to prepare the financial and other information to be included in the circular because of the COVID-19 pandemic, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and delay the despatch of the circular to the Shareholders to on or before 25 September 2020.

## **PROPOSED A-SHARE LISTING OF THE TARGET COMPANY**

It is the plan of the Company to seek a separate listing of the shares of the Target Company in a qualified securities exchange in the PRC in the future. The Directors believe that the proposed A-Share listing of the Target Company will enable the market to assess the intrinsic value of the Company positively, reflect the true value of the Company as well as providing an additional fund-raising platform. As of the date of this announcement, no formal application has been made by the Company to any securities exchange and no concrete timetable has been set. The proposed A-Share listing of the Target Company would need to be consulted and approved by BEWG, the single largest shareholder of the Company, and the Board of the Company. Should the Company proceed with such plan, the Company will make the necessary disclosure and comply with the requirements for spin-off under the Listing Rules.

### **GENERAL**

**Completion of the Agreement is subject to fulfillment of conditions as set out in the paragraph headed “Conditions” in this announcement. Shareholders and potential investors should be aware that the Company does not guarantee that the proposed A-Share listing of the Target Company will materialise, nor the timing thereof. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.**

### **DEFINITIONS**

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

|             |   |
|-------------|---|
| “Agreement” | the agreement dated 30 July 2020 between, the Company, the Subsidiary, the Target Company and the Second Investors;   |
| “BENE”      | 北京北控光伏科技發展有限公司 (Beijing Enterprises New Energy Company Limited), a company established in the PRC with limited liability and an indirect subsidiary of the Company; |
| “Board”     | the board of the Company;   |



|                          |  |
|--------------------------|--|
| “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; |
| “connected person(s)”    | has the meaning ascribed to it under the Listing Rules;  |
| “Director(s)”            | the director(s) of the Company;  |
| “First Capital Increase” | the subscription of new capital in the Target Company by the First Investors, the particulars of which are disclosed in the announcement of the Company dated 27 December 2019;              |
| “First Investors”        | the investors involved in the First Capital Increase, the details of which are disclosed in the announcement of the Company dated 27 December 2019;  |
| “First Option”           | the option granted to the First Investors, the particulars of which are disclosed in the announcement of the Company dated 27 December 2019;   |
| “Group”                  | the Company and its subsidiaries;  |
| “Hong Kong”              | the Hong Kong Special Administrative Region of the People’s Republic of China;   |
| “Listing Rules”          | the Rules Governing the Listing of Securities on the Stock Exchange;   |
| “PRC”                    | the People’s Republic of China;  |
| “Option”                 | the option granted to the Second Investors, the particulars of which are set out in the paragraph headed “ <b>The Option</b> ” in this announcement;   |

|                           |   |
|---------------------------|---|
| “Relevant Shareholders”   | Fast Top Investment Limited, CTSL Green Power Investment Limited and CTSL New Energy Investment Limited, a closely allied group of Shareholders which control in aggregate 35,443,037,981 Shares, representing approximately 55.79% of the issued share capital of the Company as at the date of this announcement; |
| “RMB”                     | Renminbi, the lawful currency of the PRC;   |
| “Second Capital Increase” | the subscription of new capital in the Target Company by the Second Investors, the particulars of which are set out in the paragraph headed “ <b>The Second Capital Increase</b> ” in this announcement;  |
| “Second Investor A”       | 深圳市海匯全贏投資諮詢合夥企業（有限合夥）(Shenzhen Haihui Quanying Investment Consulting Partnership Enterprise (Limited Partnership)*) which is limited partnership established in the PRC;  |
| “Second Investor B”       | 啟鷺（廈門）股權投資合夥企業（有限合夥）(Qilu (Xiamen) Equity Investment Partnership Enterprise (Limited Partnership)*) which is limited partnership established in the PRC;  |
| “Second Investors”        | comprising Second Investor A and Second Investor B;   |
| “Share(s)”                | ordinary share(s) of HK\$0.001 each in the share capital of the Company;  |
| “Shareholder(s)”          | the holder(s) of the Share(s);  |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited;  |
| “Subsidiary”              | Harvest Sunny International Limited（富歡國際有限公司），a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company;   |

|                          |   |
|--------------------------|---|
| “Supplemental Agreement” | the agreement dated 30 July 2020 between, the Company, the Subsidiary, the Target Company, BENE and the Second Investors;   |
| “Target Company”         | 天津北清電力智慧能源有限公司 (Tianjin Beiqing Power and Smart Energy Co., Ltd.*), formerly known as 北清清潔能源投資有限公司 (Beiqing Clean Energy Investment Co., Ltd.*), a limited liability company established in the PRC and an indirect non-wholly-owned subsidiary of the Company as at the date of this announcement; |
| “%”                      | per cent.   |

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

Hong Kong, 30 July 2020

*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.