

**INTERIM RESULTS OF
BEIJING ENTERPRISES CLEAN ENERGY GROUP LIMITED**

(Hong Kong, 29th August 2018) Beijing Enterprises Clean Energy Group Limited and its subsidiaries (Stock Code: 1250, hereinafter referred to as “**BECE**”, the “**Company**” or the “**Group**”, as appropriate) announced its interim results for the six months ended 30 June 2018.

1. Financial information

Revenue was approximately HK\$3,897.2 million, which was comparable to the corresponding period of last year; profit attributable to the equity holders of the Company was approximately HK\$690.9 million, representing an increase of approximately 10% as compared to the corresponding period of last year; basic earnings per share were HK1.09 cents and EBITDA amounted to approximately HK\$1,664.9 million, representing an increase of approximately 50% as compared to the corresponding period of last year.

As at 30 June 2018, total assets amounted to approximately HK\$40,921.2 million, representing an increase of approximately 13.68% as compared to the end of last year; total equity amounted to approximately HK\$9,411.0 million, representing an increase of approximately 4.52% as compared to the end of last year; and total liabilities amounted to approximately HK\$31,510.2 million, representing an increase of approximately 16.74% as compared to the end of last year.

As a result of the continuous optimisation for business structure of the Group based on market conditions, revenue from construction services reduced while revenue from other business sectors increased during the six months ended 30 June 2018 as compared to the corresponding period of last year. In particular, revenue from the sale of electricity and entrusted management services reached approximately HK\$1,473.6 million (six months ended 30 June 2017: approximately HK\$701.0 million) in aggregate. Gross profit for the sale of electricity increased from approximately HK\$471.1 million for the six months ended 30 June 2017 to approximately HK\$874.4 million during the six months ended 30 June 2018, representing 60% (six months ended 30 June 2017: 46%) to the total gross profit of the Group. The increase in contribution of sale of electricity to the Group’s total gross profit was mainly attributable to the steady expansion of the Group’s operating capacity of the photovoltaic power plant projects.

2. Capacity highlight

(a) Centralised Photovoltaic Power Plant Projects

As at 30 June 2018, the total capacity of centralised photovoltaic power plant projects held or under joint development by the Group in the PRC reached over 2,300 megawatt (“**MW**”), with 52 projects in aggregate covering 12 provinces and 3 autonomous regions in the PRC. These projects were mainly situated in photovoltaic resource areas II and III as promulgated by the National Development and Reform Commission of the PRC (the “**NDRC**”), locations considered by the management to be favourable for the development of the Group’s Photovoltaic Power Business. As at 30 June 2018, 48 (30 June 2017: 33) centralised photovoltaic power plants held by the Group in the PRC were in operation, and the aggregate on-grid capacity of these photovoltaic power plants reached 1,967MW (30 June 2017: 1,156MW), including two projects under the photovoltaic top runner program* (領跑者計劃, the “**Top Runner Program**”) with an aggregate designed capacity of 150MW. The Top Runner Program was approved by the National Energy Administration of the PRC and sets out advanced technology benchmarks for photovoltaic industry in the PRC. Securing the centralised photovoltaic power plant projects under the Top Runner Program demonstrates the comprehensive technical strengths of the Group and signifies industry recognition and market leadership in the photovoltaic industry in the PRC.

On 11 June 2018, 12 photovoltaic power plants held by the Group with an aggregate installed capacity of approximately 384MW have been successfully registered into the seventh batch of the Renewable Energy Tariff Subsidy Catalogues (the “**Subsidy Catalogues**”) according to the notice of the registration results for the seventh batch of the Subsidy Catalogues jointly made by the Ministry of Finance, NDRC and National Energy Administration. Alongside the Group’s photovoltaic power plant registered in the sixth batch of the Subsidy Catalogues, the Group’s aggregate installed capacity of the photovoltaic power plants registered into the Subsidy Catalogues reached approximately 434MW. It is expected that settlements of the accrued and unpaid renewable energy subsidies of these power plants in the total amount of approximately HK\$990.8 million as at 30 June 2018 and the related future subsidies will be accelerated and the Group’s liquidity position will be enhanced. The Group will continue its effort on registering the remaining photovoltaic power plant projects into the Subsidy Catalogues once upcoming Subsidy Catalogues are available for application.

In relation to international business, construction of the Group’s first overseas centralised photovoltaic power plant with an operating capacity of 6MW situated in Whyalla, Southern Australia, Australia was completed during the period. It represents the first centralised photovoltaic power plant in Southern Australia developed by a Chinese renewable energy company, signifying the recognition of the Group’s technical strength.

(b) Distributed Photovoltaic Power Plant Projects

In respect of the distributed photovoltaic power business, as at 30 June 2018, the total installed capacity of the distributed photovoltaic power plants held and/or managed by the Group and in operation achieved over 500MW, mainly located in resource area III as promulgated by the NDRC such as Henan Province, Anhui Province, Shandong Province, Jiangsu Province and Hebei Province, which included the distributed photovoltaic power stations constructed by the Group in certain water plants of Beijing Enterprises Water Group Limited of which the Group sold electricity to respective water plants.

(c) Wind Power Plant Projects

As at 30 June 2018, through self-development, joint development, acquisitions, etc., the Group's aggregate capacity of the grid-connected, under-construction and approved-to-construct wind power projects reached approximately 840MW. In addition, the Group had aggregate projects capacity of 350MW listed in the 2018 national development plan for wind power projects under the "13th Five-Year Plan". These projects mainly locate in Hebei Province, Henan Province, Shandong Province and the Inner Mongolia Autonomous Region and mainly situate in resource area IV as promulgated by the NDRC. Among the above total capacity of approximately 1,190MW, a 48MW wind power plant locating in Shandong Province, the PRC, resource area IV as promulgated by the NDRC, was held by the Group and in stable operation, and was also registered into the seventh batch of the Subsidy Catalogues. Revenue of approximately HK\$42.7 million (six months ended 30 June 2017: approximately HK\$36.8 million) from the sale of wind power electricity was recognised by the Group during the period with respective gross profit ratio of 66.5% (six months ended 30 June 2017: 62.4%). The project performance is enhanced during the period, in particular, (i) the curtailment ratio reduced from 2.17% during the six months ended 30 June 2017 to 0.17% during the six months ended 30 June 2018; and (ii) the actual utilisation improved from 1,277 hours during the six months ended 30 June 2017 to 1,393 hours during the six months ended 30 June 2018.

(d) Clean Heat Supply Business

Clean heat supply represents the production of low emission heat through the utilisation of clean energies such as natural gas, electricity, geothermal energy, biomass energy, photovoltaic power, industrial excess heat energy, clean coal (ultra-low emission) energy, river water source etc., and the supply of such heat to end users. In 2017, 83% of the heat supply region in the Northern PRC adopts coal as the source of heat supply, and increasing the proportion of clean heat supply usage shall improve the air pollution issue in the PRC. With various supportive government policies issued including but not limited to the issuance of "the Notice on the Winter Clean Heat Plan (2017 to 2021) of the Northern China*" ("關於印發北方地區冬季清潔取暖規劃(2017-2021年)的通知") jointly by ten government authorities in December 2017, the Clean Heat Supply Business shall have a favourable business prospects.

The Group commenced to develop the Clean Heat Supply Business during the year ended 31 December 2017. As at 30 June 2018, through development and business acquisition, 10 projects in operation locating in Henan, Hebei, Shanxi, Shaanxi, Jiangsu, Liaoning, Shandong and other provinces were held and/or managed by the Group. Revenue of approximately HK\$47.8 million (six months ended 30 June 2017: Nil) arising from the provision of clean heat supply services was recognised by the Group during the period.

(e) Other Clean Energy Businesses

The Group has been exploring other clean energy businesses such as multienergy complement, energy storage, micro-grid network technologies, geothermal power, distribution and sales of electricity, liquefied natural gas business and other business lines, and exploring international opportunities for strategic development and diversification, with an aim to become a leading integrated clean energy service provider.

In respect of the energy storage business, the Group has completed a photovoltaic energy storage demonstrative project with a capacity of 20MWh in Tibet Autonomous Region, the PRC during the year ended 31 December 2017, representing the world's highest altitude energy storage project. During the period, the project was awarded as the "Top Ten Models of Energy Storage Application and Innovation in 2018*" ("二零一八年度十大儲能應用創新典範") in the Second International Energy Storage Innovation Competition* (第二屆國際儲能創新大賽) organised by the China Energy Research Society* (中國能源研究會). In addition, the Group's energy storage technological development is well-recognised by the industry. At the 8th China International Energy Storage Conference* (第八屆中國國際儲能大會) organised by the committee of China International Energy Storage Conference* (中國國際儲能大會組委會), the Group was awarded the "2018 China Energy Storage Industry Best Photovoltaic Storage Integration Solution Award*" ("二零一八年度中國儲能產業最佳光儲充一體化解決方案獎"), the "2018 China Energy Storage Industry Best System Integration Solution Supplier Award*" ("二零一八年度中國儲能產業最佳系統集成解決方案供應商獎") and the "2018 China Energy Storage Industry Best Design Institution Award*" ("二零一八年度中國儲能產業最佳設計院獎").

3. Future outlook

2018 marks the 40th anniversary of China's reform and opening-up. The reforms of the political structure, the economic structure, the state-owned enterprises and the energy achieved phased results and in the meantime, phased strategic deployment has also been formulated to promote the transformations from "Made in China" to "Innovated in China", from "China Pace" to "China Quality" and from "Manufacturing Country" to "Manufacturing Powerhouse". The Group upholds its core values of "being responsible, having values and being sharing" and its mission of "contributing our clean energy and building a green future". With the prominent pride on the industry, self-confidence and the strong sense of social responsibility and by leveraging its advantageous unique

mixed ownership structure, concentrating on high quality social capitals and combining its mission and the sense of responsibility with business profitability, the Group shall seek and identify business models and innovation features of different businesses under the new environment. Amid the evolving policies and economic environment, the Group will cohere to the trend, aim at achievement with safety and stability, and pay emphasis on refining its development and optimising its operation to grasp the opportunities in the reforms. We will remain committed to our mission and continue forging ahead, believe that green water and green mountains are invaluable assets, and contribute our efforts in building the “Beautiful China Dream”.

About Beijing Enterprises Clean Energy Group Limited

The Company was incorporated in Cayman Islands with limited liability and the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited, stock code: 1250. The single largest controlling shareholder of the Company is Beijing Enterprises Water Group Limited (a company listed on the main board of The Stock Exchange of Hong Kong Limited, stock code: 371). The Group has positioned itself strategically to be a leading integrated clean energy service provider. The Group focuses on the clean development and use of energy so as to provide “clean energy plus” solutions and build up a clean energy business ecosystem featuring multi-energy complement, and varieties of business lines and profit sources.

For more information, please visit the Group's website at: <http://www.bece.com.hk>

The English translation is for reference only and the Chinese version shall prevail in case of any inconsistency between the Chinese version and the English translation thereof.

** For identification purpose only*