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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)

PROFIT WARNING

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Beijing Enterprises Clean Energy Group Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Group principally engages in the clean development and use of energy, and aims at building a clean energy business ecosystem featuring multi-energy complement and synergies on diverse of business lines and profit sources, and continuously explores into various clean energy areas including photovoltaic power, wind power, clean heat supply, energy storage, geothermal energy, hydropower, etc. with an aim to become a leading integrated clean energy service provider. As disclosed in the Company’s interim report for the six months ended 30 June 2019, as a result of the continuous change in the Group’s business structure, the revenue from construction services has been decreased while the revenue from other business sectors (including sales of electricity and clean heat supply) increased as compared to the corresponding period of 2018. In the second half of the year 2019, the Group has continued to accommodate the industry policies and adjust its business structure by facilitating the development of businesses with a higher gross profit ratio and stronger sustainability (such as sales of electricity and clean heat supply), improving the quality of existing projects, implementing cost reduction and efficiency enhancement and reducing the focus on construction services business which has a lower gross profit ratio.

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts for the year ended 31 December 2019, it is expected that there will be a decrease of not less than 35% and not more than 45% in the Group’s consolidated profit for the year ended 31 December 2019 as compared to 2018. Based on the information currently available, the Directors consider that such decrease is primarily attributable to the combined effect of (i) an increase in finance costs attributable to the increases in average total balances of bank and other borrowings and lease liabilities under finance lease arrangements/finance lease payables as compared to 2018; (ii) the recognition of an impairment loss in relation to the Group’s investments in certain projects, construction of which have not been completed. Having considered the unexpected delays for some of the under-constructed projects (the “**Projects**”), the management recently considered to

cease the development of the Projects and to switch the resources to developing other more favourable projects. Accordingly, subject to confirmation and audit, the Group intends to recognise a one-off impairment in respect of the upfront costs of the Projects during the year 2019 (compared to nil impairment in the year 2018); and (iii) the decrease in administrative expenses as a result of the Group's cost control efforts during the year.

The Company expects that, following the change of business structure and the continuing improvement of the quality of existing projects, there will be a further improvement on the Group's sustainable development, which is constructive to the Group's strategy for becoming a leading integrated clean energy service provider.

The Company is still in the process of finalising the Group's annual results for the year ended 31 December 2019. The information contained in this announcement is only based on the preliminary assessment by the Board on the information currently available to the Company, and is not based on any figures or information that have been audited or reviewed by the Company's auditors, and may be subject to amendments. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for 2019 which is expected to be published by the end of March 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 17 January 2020

As at the date of this announcement, the Board comprises eight Directors, namely Mr. Hu Xiaoyong, Mr. Shi Xiaobei, Mr. Huang Weihua, 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.