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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 Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review (the “**Preliminary Review**”) of the unaudited consolidated management accounts for the six months ended 30 June 2020, 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 six months ended 30 June 2020 as compared to the corresponding period of 2019. Based on the information currently available, the Directors consider that such decrease was primarily attributable to the combined effect of (i) the decrease of the Group’s revenue arising from construction services business for the six months ended 30 June 2020 as compared to the corresponding period of 2019; and (ii) the increase in finance costs attributable to the increases in average total balances of corporate bond, bank and other borrowings and lease liabilities for the six months ended 30 June 2020 as compared to the corresponding period of 2019.

On the other hand, based on the Preliminary Review, it is expected that there will be an increase in the Group's overall gross profit ratio for the six months ended 30 June 2020 as compared to the corresponding period of 2019, despite that the Group's consolidated revenue for the six months ended 30 June 2020 is expected to record a decrease of between 28% and 38% as compared to the corresponding period in 2019. The expected increase in the Group's overall gross profit ratio was principally attributable to the Group's recent change in business structure. Since 2018 and as disclosed in the Company's annual report for the year ended 31 December 2019, the Group has been focusing on the development of businesses with higher gross profit ratio and stronger sustainability, improving the quality of existing projects, implementing cost reduction and efficiency enhancement by streamlining the business segment which has a relatively lower gross profit ratio with an objective to improve the Group's overall performance (the "**Change in Business Structure**").

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, hydropower, etc. with an aim to become a leading integrated clean energy service provider. The Company expects that, with the implementation of the Change in Business Structure, the continuing improvement of the quality of existing projects and the optimization of the asset portfolio of the Group, there will be 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 interim results for the six months ended 30 June 2020. The information contained in this announcement is solely 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/or the audit committee of the Company, and may be subject to adjustments. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six month ended 30 June 2020 which is expected to be published by the end of August 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, 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.