

## **ANNUAL RESULTS OF BEIJING ENTERPRISES CLEAN ENERGY GROUP LIMITED**

(Hong Kong, 29 March 2022) Beijing Enterprises Clean Energy Group Limited and its subsidiaries (Stock Code: 1250, hereinafter referred to as the “**Company**” or the “**Group**”, as appropriate) announced its annual results for the year ended 31 December 2021 (the “**Year**”).

### **1. Financial information**

Revenue was approximately HK\$6,023.4 million, representing an increase of approximately 8% as compared to last year; gross profit margin decreased from 48.0% to 42.8% as compared to the corresponding period of last year; loss attributable to the equity holders of the Company was approximately HK\$321.3 million and profit attributable to the equity holders of the Company of last year was approximately HK\$763.7 million (restated); basic loss per share for the Year was HK0.62 cent; and EBITDA amounted to approximately HK\$2,941.9 million, representing a decrease of approximately 17% as compared to last year.

As at 31 December 2021, total assets amounted to approximately HK\$54,874.2 million, representing a decrease of approximately 4% as compared to the end of last year; total equity amounted to approximately HK\$12,082.1 million, representing a decrease of approximately 8% as compared to the end of last year; and total liabilities amounted to approximately HK\$42,792.1 million, representing a decrease of approximately 3% as compared to the end of last year.

The Group’s revenue and business structure have been successfully optimised by focusing on the power generation business with stronger sustainability, driving quality and efficiency enhancement of its existing projects, implementing cost control and efficiency enhancement by achieving further optimisation of its business mix in an active move to advance business structure with an objective to improve the Group’s overall performance. During the Year, the Group steadily developed its operating capacity through the investment, development, construction, operation and management of clean energy power plant projects, and the aggregate revenue in respect of the sale of electricity and the provision of entrusted management services amounted to approximately HK\$4,136.6 million (2020: approximately HK\$3,369.8 million), representing an increase of approximately 23% as compared to the

corresponding period of last year.

Gross profit for the sale of electricity increased from approximately HK\$2,153.8 million for the year ended 31 December 2020 to approximately HK\$2,346.9 million during the Year, representing 91% (2020: 81%) 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 development of the Group's operating capacity of the photovoltaic and wind power plant projects. On the other hand, contribution of construction services to the Group's total gross profit was 2% (2020: 9%) during the Year.

Loss for the Year of the Group was approximately HK\$288.8 million (2020: profit of approximately HK\$886.4 million). Excluding (i) the impairments for the Group's property, plant and equipment, operating concessions and financial assets and contract assets, net, which are one-off and non-cash items; and (ii) the recognition of the interest on options granted to non-controlling interests during the Year, which is one-off item, of approximately HK\$1,127.9 million in aggregate (2020: approximately HK\$75.9 million), profit for the Year of the Group was approximately HK\$839.1 million, as compared with that of approximately HK\$962.3 million (after excluding non-recurring items) in last year. It can be seen that the Group continues to maintain a steady development for its operating activities.

For the Year, the power generation of the Group on a consolidated basis amounted to approximately 4.8 million megawatt-hour ("MWh") (2020: approximately 3.8 million MWh), representing an increase of approximately 26% as compared with the corresponding period of last year. The aggregate operating power generation<sup>1</sup> of the projects held and/or managed by the Group, the associates and the joint ventures of the Group for 2021 was approximately 5.8 million MWh (2020: approximately 4.8 million MWh), representing an increase of approximately 19.5% as compared with the corresponding period of last year.

## **2. Capacity highlights**

As at 31 December 2021, the total installed capacity of the photovoltaic power plants and the wind power plants held and/or managed by the Group and in operation reached approximately 3,540 megawatt ("MW"), out of which aggregated capacity of approximately 2,900MW (2020: approximately 1,800MW) successfully enlisted in the list of national renewable energy power generation subsidies for the renewable energy power generation projects (the "**Project List**"), representing over 80% (2020: over 50%) of the Group's current on-grid capacity. The directors of the Company (the "**Directors**") expect that the remaining projects of the Group will receive the review approval and be enrolled in the Project List within 2022 and coming future.

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<sup>1</sup> The operating power generation included (i) the power generation of the projects held by the Group, the associates and the joint ventures of the Group; and (ii) the power generation of the projects managed by the Group through the provision of entrusted management services.

*(a) Centralised Photovoltaic Power Plant Projects*

As at 31 December 2021, 52 (2020: 50) centralised photovoltaic power plants covering 13 provinces, 2 autonomous regions and 1 municipality in the People's Republic of China (the "PRC") and 1 (2020: 1) centralised photovoltaic power plant in Whyalla, Southern Australia, Australia were held by the Group and in operation, and the aggregate on-grid capacity of these photovoltaic power plants reached 2,252MW (2020: 2,239MW). Most of the Group's centralised photovoltaic power plant projects in the PRC were located in the east and central regions of the PRC; and were situated in photovoltaic resource areas II and III as promulgated by the National Development and Reform Commission (the "NDRC"), locations considered by the management to be favourable for the development of the Group's photovoltaic power businesses. During the Year, the Group's centralised photovoltaic power business operated steadily. The Group recorded revenue of approximately HK\$2,503.7 million (2020: approximately HK\$2,390.9 million) from the sale of electricity of the Group's centralised photovoltaic power plants, representing approximately 42% (2020: approximately 43%) of the Group's total revenue during the Year.

As at 31 December 2021, the Group's aggregate installed capacity of the centralised photovoltaic power plants registered into the Project List reached approximately 1,950MW (2020: approximately 1,300MW).

*(b) Distributed Photovoltaic Power Plant Projects*

As at 31 December 2021, the total installed capacity of the distributed photovoltaic power plants held and/or managed by the Group and in operation reached approximately 700MW (2020: approximately 700MW), mainly located in photovoltaic resource area III as promulgated by the NDRC such as Henan Province, Jiangsu Province, Shandong Province, Hebei Province and Anhui 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. Revenue from the sale of electricity of the Group's distributed photovoltaic power plants reached approximately HK\$622.3 million during the Year (2020: approximately HK\$455.3 million).

As at 31 December 2021, the Group's aggregate installed capacity of the distributed photovoltaic power plants registered into the Project List reached approximately 550MW (2020: approximately 300MW).

*(c) Wind Power Plant Projects*

As at 31 December 2021, through self-development, joint development and acquisitions, etc., the Group's aggregate capacity of the grid-connected, under-construction and approved-to-construct wind power projects reached over 1,400MW. These projects mainly located in Hebei Province, Henan Province and Shandong Province, and mainly situated in wind resource area IV as promulgated by the NDRC. Among which, 13 (2020: 11) wind power plants covering 4 provinces and 1

autonomous region in the PRC with an aggregate on-grid capacity of 588MW (2020: 438MW) were held by the Group and in operation as at 31 December 2021. Most of the Group's wind power plant projects in the PRC were situated in wind resource area IV as promulgated by the NDRC, locations considered by the management to be favourable for the development of the Group's wind power businesses. During the Year, the wind power generation of the Group on a consolidated basis amounted to approximately 1.42 million MWh (2020: approximately 0.65 million MWh), representing an increase of approximately 118.6% as compared with the corresponding period of last year. During the Year, the Group recorded revenue of approximately HK\$815.9 million (2020: approximately HK\$322.1 million) from the sale of electricity of the Group's wind power plants, representing an increase of approximately 153% as compared with the corresponding period of last year.

As at 31 December 2021, the Group's aggregate installed capacity of the wind power plants registered into the Project List reached approximately 400MW (2020: approximately 200MW).

*(d) Clean Heat Supply Businesses*

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. With existing supportive government policies issued, such as the "Notice on Improving the Work Related to Heating by Renewable Energy Based on Local Conditions\*" (《關於因地制宜做好可再生能源供暖相關工作的通知》) issued by the National Energy Administration (the "NEA") in January 2021, which encouraged the local governments to actively support renewable energy heating projects; and the "China Energy Expected Goals in 2021\*" (《2021年能源工作指導意見》) issued by the NEA in April 2021, which stated to intensify the action on clean heat supply to achieve a clean heat supply rate of 70% in the northern region in the PRC. In addition, pursuant to the "Opinions on Complete and Accurate Implementation of the New Development Concept and Full Preparation on the Works of Carbon Dioxide Emissions Peak and Carbon Neutrality\*" (《關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》) issued by the State Council of the PRC in October 2021, which steadily promoted clean and low-carbon heat supply methods, such as heat pumping, natural gas, biomass energy and geothermal energy based on local conditions. The clean heat supply businesses shall have a favourable business prospects.

The Group will actively respond to national policies, seize the opportunities arising from the new round of industrial revolution, vigorously develop our clean heat supply businesses, continuously increase our investments in technology research and development, actively explore green, low-carbon and environmentally friendly clean heat supply methods. As at 31 December 2021, through self-development and acquisitions, 14 projects (2020: 15 projects) in operation with an aggregate actual

clean heat supply area reached approximately 49.7 million square meters (“sq.m.”) (2020: approximately 29.1 million sq.m.), representing a year-on-year increase of 70.4%; and the number of clean heat supply services users of approximately 310,478 households (2020: approximately 228,108 households), representing a year-on-year increase of 36.1%, with its projects locating in Henan Province, Jiangsu Province, Shanxi Province, Shaanxi Province, Liaoning Province, the Ningxia Hui Autonomous Region and other provinces and autonomous regions were held and/or managed by the Group and the joint ventures of the Group 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), river water source, etc. Revenue of approximately HK\$1,092.4 million (2020: approximately HK\$960.5 million) arising from the provision of clean heat supply services was recognised by the Group during the Year, representing an increase of approximately 14% as compared to the corresponding period of last year.

*(e) Other Clean Energy Businesses*

The Group has been exploring other clean energy businesses such as multi-energy complement, energy storage, distribution and sales of electricity, hydrogen production 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. During the Year, the Group has also entered into several strategic cooperation agreements with certain local governments and well-established enterprises, and proactively established integrated partnerships to seek joint development in the field of clean energy for the purpose of mutual benefits and complementarity.

**3. Future outlook**

Facing the development opportunities brought by the “double carbon” (“**Carbon Dioxide Emissions Peak** and **Carbon Neutrality**”) targets, the Group always keeps in mind the original aspiration of “promoting the revolution in energy production and consumption, building a clean, low-carbon, safe and efficient energy system”, closely follows the “14<sup>th</sup> Five-Year” development plan of the industry, takes account of the development of each business, persistently promotes the clean energy development with photovoltaic power, wind power and smart energy management service as the business core, and stays committed to becoming an integrated operator and provider of efficient, green, low-carbon and smart energy solutions with cutting-edge technologies, cost advantage, high-quality assets and solid operation in the PRC.

Going forward in 2022, for investment and development, the Group will closely monitor policy changes, review and adjust the business strategy in a timely manner, strengthen efforts in market development and acquire high-quality resources with differentiated competitiveness by employing all available means. For project construction, the Group will continue to develop the internal strength and further improve the standardisation, streamlining and informatisation of project construction management to improve the

quality of project construction. In production and operation, the Group will persist in enhancing quality internally and building brand image externally, apply delicacy management to improve power generation and reduce energy consumption of heat supply, and build the livelihood brand and the entrusted power operation and maintenance service brand. In risk management and control, the Group will establish a specialised risk system, set the bottom line, strengthen employees' risk awareness, build the scientific decision-making mechanism and the standard operation mechanism, and allow the frontline to control risks with independent initiative. In safety management, the Group will further consolidate the foundation to achieve another progress in building the enterprise of inherent safety. In technology management, the Group will continue to improve the technical standard system, strengthen the technological innovation capability, application capability and service capacity, promote the technology-driven market development, advance projects with the "resource + technology" pattern that coordinates technology with investment and development. In the back-end support, the Group will enhance the materials management and reduce impairment and additional stock loss, and will benchmark against market prices and update the cost standard system in a timely manner to develop the cost advantage. It will establish the "management + professionalism" dual career development channel, launch the programmes of key position successor and reserve talent selection, and improve the remuneration review system, therefore strengthening the competitiveness in the industry. The Group will promote the high-quality development of the clean energy in the new era with firm belief and solid actions, and facilitate the country to achieve the goals of "Carbon Dioxide Emissions Peak and Carbon Neutrality" in all aspects.

#### 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 Group has positioned itself strategically to be a clean energy enterprise with leading position and differentiated competitiveness in the industry. The Group focuses on the clean development and use of energy so as to provide "clean energy plus smart energy" solutions and build up a clean energy business ecosystem featuring multi-energy complement, and synergies on diverse of business lines and profit sources.

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

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

*\* For identification purpose only*