

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

(Hong Kong, 27th August 2020) Beijing Enterprises Clean Energy Group Limited and its subsidiaries (Stock Code: 1250, hereinafter referred to as “**Beijing Enterprises Clean Energy**”, the “**Company**” or the “**Group**”, as appropriate) announced its interim results for the six months ended 30 June 2020.

1. Financial information

Revenue was approximately HK\$2,285.0 million, representing a decline of approximately 33% as compared to the corresponding period of last year; gross profit margin increased from 47.7% for the six months ended 30 June 2019 to 54.8% for the six months ended 30 June 2020; profit attributable to the equity holders of the Company was approximately HK\$334.5 million, representing a decline of approximately 43% as compared to the corresponding period of last year; basic earnings per share for the period was HK0.47 cent; and EBITDA amounted to approximately HK\$1,725.9 million, representing a decline of approximately 10% as compared to the corresponding period of last year.

As at 30 June 2020, total assets amounted to approximately HK\$51,580.1 million, representing a decrease of approximately 1% as compared to the end of last year; total equity amounted to approximately HK\$10,920.3 million, representing a decrease of approximately 1% as compared to the end of last year; and total liabilities amounted to approximately HK\$40,659.8 million, representing a decrease of approximately 1% as compared to the end of last year.

Since 2018, 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. Revenue from the sale of electricity and entrusted management services reached approximately HK\$1,711.9 million (six months ended 30 June 2019: approximately HK\$1,723.5 million) in aggregate, which was comparable to the corresponding period of last year; and construction services revenue was approximately HK\$80.8 million (six months ended 30 June 2019: approximately HK\$1,146.5 million), representing a decrease of 93% as compared to

the corresponding period of last year.

Gross profit for the sale of electricity decreased from approximately HK\$1,078.9 million for the six months ended 30 June 2019 to approximately HK\$1,068.1 million during the period, representing 85% (six months ended 30 June 2019: 66%) 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 1% (six months ended 30 June 2019: 14%) during the period.

2. Capacity highlights

(a) Centralised Photovoltaic Power Plant Projects

As at 30 June 2020, 50 (30 June 2019: 52) centralised photovoltaic power plants covering 12 provinces, 1 municipality and 2 autonomous regions in the PRC and 1 (30 June 2019: 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 2,143 megawatt (“**MW**”) (30 June 2019: 2,233MW). Most of the Group's projects in the PRC were 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. The Group recorded revenue of approximately HK\$1,234.2 million (six months ended 30 June 2019: approximately HK\$1,277.7 million) from the sale of electricity from the Group's centralised photovoltaic power plants, representing 54% (six months ended 30 June 2019: 38%) of the Group's total revenue during the period.

Pursuant to the “Several Opinions on Facilitating the Healthy Development of Non-hydro Renewable Energy Power Generation*” (《關於促進非水可再生能源發電健康發展的若干意見》) and “Administrative Measures on the Additional Subsidies for Renewable Energy Electricity Prices*” (《可再生能源電價附加補助資金管理辦法》) jointly announced by the Ministry of Finance, the NDRC and the National Energy Administration in January 2020, and the “Notice on Carry Out Relevant Review Work on the Projects List of Renewable Energy Power Generation with Subsidies*” (《關於開展可再生能源發電補貼項目清單審核有關工作的通知》) (the “**Project List**”) announced by the Ministry of Finance in March 2020, the conditions and application procedures for entering the list of this batch of national financial subsidy for the renewable energy power generation projects were clarified. Based on the Group's understanding and estimation, the capacity of the Group that may meet the application requirements of the Project List is over 2,000 MW. The promulgation shows that the government is doing its best to solve the problem of arrears in subsidies for renewable energy power generation, which is beneficial to the betterment of the Group's cash flow.

As at 30 June 2020, the Group's aggregate installed capacity of the photovoltaic power

plants registered into the first to seventh batches Renewable Energy Tariff Subsidy Catalogues (the “**Subsidy Catalogues**”) reached approximately 314MW. Among which, an aggregate installed capacity of 287MW was held by the Group’s subsidiaries and an installed capacity of 27MW was held by a joint venture of the Group. Those projects listed in the Subsidy Catalogues will be enlisted in the Project List automatically. Currently, certain photovoltaic power plant projects of the Group are in the process of applying for enlisting in the Project List. The directors are of the opinion that the approvals for enlisting in the Project List will be obtained in due course. The Group will continue its effort on registering the remaining photovoltaic power plant projects into the Project List once upcoming Project List are available for application.

(b) Distributed Photovoltaic Power Plant Projects

As at 30 June 2020, the total installed capacity of the distributed photovoltaic power plants held and/or managed by the Group and in operation achieved over 600MW, mainly located in photovoltaic 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. Revenue from the sale of electricity from the Group’s distributed photovoltaic power plants reached approximately HK\$217.5 million during the period (six months ended 30 June 2019: approximately HK\$200.4 million).

(c) Wind Power Plant Projects

As at 30 June 2020, 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 over 1,400MW. These projects mainly located in Hebei Province, Henan Province, Shandong Province and the Inner Mongolia Autonomous Region and mainly situated in wind resource area IV as promulgated by the NDRC. Among which, 8 projects (30 June 2019: 5 projects) with an aggregate on-grid capacity of 225MW (30 June 2019: 167MW) were held by the Group and in operation as at 30 June 2020. The Group recorded revenue of approximately HK\$149.7 million (six months ended 30 June 2019: approximately HK\$111.5 million) from the sale of electricity from the Group’s wind power plants.

As at 30 June 2020, the Group’s aggregate installed capacity of the wind power plants registered into the Subsidy Catalogues reached 88MW. Those projects listed in the Subsidy Catalogues will be enlisted in the Project List automatically. Currently, certain wind power plant projects of the Group are in the process of applying for enlisting in the Project List. The directors are of the opinion that the approvals for enlisting in the Project List will be obtained in due course. The Group will continue its effort on registering the remaining wind power plant projects into the Project List once upcoming Project List are available for application.

(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. With various supportive government policies issued including 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 and the “Notice on the Budget for Air Pollution Prevention and Control in 2019*” (《關於下達2019年度大氣污染防治資金預算的通知》) by the Ministry of Finance in June 2019, the Clean Heat Supply Business shall have a favourable business prospects.

As at 30 June 2020, through development and business acquisition, 17 projects (30 June 2019: 15 projects) in operation with an aggregate actual clean heat supply area of approximately 27.4 million square meters locating in Henan, Hebei, Shanxi, Shaanxi, the Ningxia Hui Autonomous Region, Liaoning and other provinces were held and/or managed by the Group. Revenue of approximately HK\$463.6 million (six months ended 30 June 2019: approximately HK\$459.1 million) arising from the provision of clean heat supply services was recognised by the Group during the period, which was comparable 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, hydropower, energy storage, distribution and sales of electricity 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.

The Group aggressively explored other clean energy segments, and expanded into the hydropower industry. Hydropower generation enjoys a number of advantages which other clean energy do not possess, such as more utilisation hours, stronger stability, adjustable peaks and better cash flow, which makes it a grid-friendly power source. During the first half of 2020, the Group continued to explore development opportunities in the investment, construction and operation of hydropower sector. As a new strategic business of the Group, the hydropower business is coordinated with other business segments. Relying on hydropower, the Group may establish energy bases which integrate the storage and transmission of wind power, photovoltaic power and hydropower, and carry out multiple operations such as tourism and breeding, which will deliver greater scale advantages and operating benefits. It is integral to the development of the Group’s clean energy businesses, and will contribute stable income and optimise the Group’s clean energy power station asset portfolio in the future.

Energy storage is an important component and a key supporting technology for smart grid, energy systems with high proportion level of renewable energy and “internet plus” smart energy, which offers peak shaving, frequency modulation, back-up and demand-supply response support and other services for the grid operation, and is an important mean to enhance the flexibility, cost-effectiveness and safety of the traditional power system. At the same time, energy storage can significantly enhance the consumption level of renewable energy such as photovoltaic and wind power and support distributed power and micro-grid, and is a key technology to facilitate the clean energy power replacement. Also, energy storage can promote multi-energy complement and the opening and sharing, and the trading flexibility of energy production and consumption, and is a core foundation for constructing energy internet, advancing power system reform and facilitating the development of new energy business models, and there is a broad development prospect. The Group will continue to pursue persistent effort on energy storage technology and development.

3. Future outlook

Despite the difficulties and uncertainties ahead, the group is determined to overcome this headwind and keep moving forward. Faced with the new normal and new challenges, the Group remains committed to its mission of “promoting the revolution in energy production and consumption, building a clean, low-carbon, safe and efficient energy system”, and will make great efforts to overcome the difficulties, foster new opportunities amid challenges and make new advances amid changes. In 2020, the COVID-19 outbreak led to much more volatility in the global economy. Amidst the outbreak of the epidemic, all of the Group’s business partners are determined to overcome the challenges, and will stick to focus on epidemic containment and production operation, so as to ensure safe and orderly resumption of work and production. On this basis, the group will continue to strengthen corporate culture building, promote organizational reform, deepen risk control management and solidify the safety foundation, and exert great efforts in revenue increase, expenditure cutting, cost reduction and efficiency enhancement. The Group is dedicated to facilitating high-quality development of clean energy business in the new era with firm beliefs and solid actions, in the hope of contributing to the construction of a community of shared future for mankind in the global village for the benefit of all humankind and future generations.

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 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*