北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 392)

MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO ENTERING INTO THE FINANCIAL SERVICES AGREEMENT

FINANCIAL SERVICES AGREEMENT

As the currently effective financial services agreement entered into between the Company and the Finance Company will expire on 27 August 2026 and in order to continue and improve the quality of financial services provided by the Finance Company, the Company entered into the Financial Services Agreement with the Finance Company on 14 July 2026 for a term of three years from 28 August 2026 to 27 August 2029. According to such agreement, the Finance Company will provide the Deposit Services, the Loan Services and the Other Financial Services to the Group.

LISTING RULES IMPLICATIONS

As of the date of this announcement, BE Group and its subsidiaries hold approximately 62.23% equity interest in the Company, while BE Group and its subsidiaries (excluding the Group and BE Water Group) and the Group hold approximately 48.52% and approximately 44.79% equity interests in the Finance Company, respectively. Accordingly, BE Group is a connected person of the Company, the Finance Company is an associate of the BE Group, and the Finance Company is regarded as a connected person of the Company under the Listing Rules. The entering into of the Financial Services Agreement constitutes continuing connected transactions of the Company.

Deposit Services: As the highest applicable percentage ratio in respect of the Proposed Annual Caps exceeds 5%, the Deposit Services are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the ratio also exceeds 25%, the Deposit Services also constitute a major transaction of the Company and are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Loan Services: The Loan Services are provided on normal commercial terms and no asset security is required to be provided by the Group. The Loan Services constitute financial assistance provided to the Group by a connected person. According to Rule 14A.90 of the Listing Rules, the Loan Services are fully exempt from all requirements under Chapter 14A of the Listing Rules.

Other Financial Services: As the highest applicable percentage ratio in respect of the aggregate fees payable to the Finance Company for the Other Financial Services is expected to be below the de minimis threshold stipulated in Rule 14A.76(1) of the Listing Rules, the Other Financial Services are fully exempt. Should the transaction amount(s) exceed the de minimis threshold in the future, the Company will comply with the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules accordingly.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors of the Company, has been formed to advise the Independent Shareholders on the terms of the Deposit Services to be provided under the Financial Services Agreement.

The Company has appointed Diligent Capital as its independent financial adviser, which will advise the Independent Board Committee and the Independent Shareholders on the terms of the Deposit Services to be provided under the Financial Services Agreement.

CONVENING OF THE EGM

The Company will convene an EGM for the Independent Shareholders to consider the Financial Services Agreement and Proposed Annual Caps in respect of the Deposit Services thereunder.

As BE Group has a material interest in the Financial Services Agreement and relevant transactions contemplated thereunder, it and its close associates are required to abstain from voting on the relevant resolution(s) at the EGM.

The circular relating to the convening of the EGM, containing, among other things, a notice convening the EGM; details of the Financial Services Agreement; a letter from the Independent Board Committee; and a letter from the Independent Financial Adviser containing its advice on the terms of the Deposit Services to be provided under the Financial Services Agreement, will be despatched to the Shareholders on or before 4 August 2026.

I. FINANCIAL SERVICES AGREEMENT

(I) Background

The Company published an announcement on 2 June 2023 and a circular on 8 August 2023 in relation to the currently effective financial services agreement entered into between the Company and the Finance Company for a term of three years from 28 August 2023 to 27 August 2026. In order to continue and improve the quality of financial services provided by the Finance Company, the Company entered into the Financial Services Agreement with the Finance Company on 14 July 2026 for a term of three years from 28 August 2026 to 27 August 2029. According to the agreement, the Finance Company will provide the Deposit Services, the Loan Services and the Other Financial Services to the Group.

(II) Scope of services

As the currently effective financial services agreement will expire on 27 August 2026, the Group intends to continue to use and enhance the quality of the financial services provided by the Finance Company. To this end, the Company entered into the Financial Services Agreement with the Finance Company on 14 July 2026 for a term of three years, pursuant to which the Finance Company will continue to provide the Group with deposit, loan and other financial services.

The Group is not obliged to exclusively use the financial services under the Financial Services Agreement and is still free to choose the services provided by other financial institutions according to the interests of Shareholders and the Company.

The services provided by the Finance Company will be conducted in the usual course of business of the Group and on normal commercial terms (or on better terms) on an equitable basis. If there is a lack of sufficient comparable transactions as a reference to determine whether such terms and conditions have been met, the transaction conditions should be no less favourable to the Group than terms available to or from (as the case may be) independent third parties. Such transactions shall be fair and reasonable to all Shareholders of the Group. The parties will sign a separate agreement or contract for the specific transaction, and make detailed provisions on the specific transaction conditions in accordance with the principles and terms determined in the Financial Services Agreement, and relevant legal provisions. Among others:

1. Deposit Services

The Finance Company opens a deposit account for the Group, and the Group may deposit funds into such account based on the principle of free deposit and retrieval access. The Finance Company provides the Group with various types of deposit business services, including demand deposits, call deposits, time deposits and agreement deposits. The applicable deposit interest rate is based on the deposit rate standard set by the People's Bank of China, which should be no less favourable than the terms offered by independent third parties.

2. Loan Services

The Finance Company shall, to the extent as permitted by laws, regulations and policies, in accordance with the requirements of the regulatory authority and in conjunction with its own operating principles and credit policies, fully support the Group's capital needs in its business development, structure scientific and reasonable financing solutions and provide loan services for the Group. For business applications that meet the conditions for loans from the Finance Company, the Group will be given priority under the same conditions. The relevant loans shall be at rates based on the loan prime rate policy (LPR) published by the National Interbank Funding Center authorised by the People's Bank of China, which should be no less favourable than the terms offered by independent third party lenders.

3. Other Financial Services

The Finance Company will provide the Group with efficient fund settlement and cross-border services of funds, as well as non-financing guarantee letter services, financial advisory and consulting services. Other than the free settlement services, the service fees charged by the Finance Company for the provision of the Other Financial Services shall be in compliance with the relevant standard service fee scales as prescribed by the People's Bank of China or National Financial Regulatory Administration（國家金融監督管理總局）. The terms of the service fee should be no less favourable than the terms offered by independent third parties.

(III) Annual Caps for Deposit Amounts

1. Usage of Deposits Caps under the Currently Effective Financial Service Agreement

According to the currently effective financial service agreement, the actual maximum daily deposit amount (including accrued interest) and annual caps during the validity period are as follows:

Period	Actual amount *(RMB100 million)*	Annual caps *(RMB100 million)*
From 28 August 2023 to 31 December 2023	approximately 65.63	87
From 1 January 2024 to 31 December 2024	approximately 86.91	87
From 1 January 2025 to 31 December 2025	approximately 86.99	87
From 1 January 2026 to 27 August 2026	approximately 86.96	87

2. Proposed Annual Caps and Basis of Determination

According to the Financial Services Agreement, the annual caps on the maximum daily deposit amount (including accrued interest) during the validity period are as follows:

Period	Annual caps *(RMB100 million)*
From 28 August 2026 to 31 December 2027	125
From 1 January 2027 to 31 December 2027	125
From 1 January 2028 to 31 December 2028	125
From 1 January 2029 to 27 August 2029	125

In determining the above Proposed Annual Caps, the Company primarily considered the following factors: (1) the maximum daily deposit balance of the Group with the Finance Company in the past; (2) the cash flow and available cash of the Group; (3) the future cash flow and cash position of the Group; (4) the capital needs of the Group in its future business development.

II. INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES

(I) Internal Control and Risk Management Measures Adopted by the Group

1. Ensuring the Most Favourable Terms through Competitive Bidding

As Finance Company was one of several financial institutions participating in the competitive bidding process, the Group selected the proposal offering the most favourable terms from a shortlist of no fewer than three institutions. Deposit interest rates are no lower than those offered by independent financial institutions for comparable products, while loan interest rates, costs, terms and approval times were no less favourable than those of independent financial institutions; and the bidding documents and evaluation records were complete for inspection.

2. Regular Inspection and Audit

The Group conducts regular inspection and assessment on whether all financial services are executed in accordance with their terms. It monitors the deposit balance daily through online banking to ensure that it does not exceed the annual caps. It engages accounting firms annually to audit the continuing connected transactions to ensure that the total deposits at any point of time during the year do not exceed the caps, and that every transaction received the best arrangement.

(II) Internal control and risk management measures adopted by the Finance Company

1. Subject to Stringent Regulation by Law

As a non-banking financial institution approved and established by the National Financial Regulatory Administration, the Finance Company accepts the guidance and supervision of multiple regulatory authorities, and its regulatory standards and fund security are consistent with those of commercial banks. The regulatory authorities conduct comprehensive supervision through on-site and off-site inspections, and the Finance Company is required to submit various reports on a daily, monthly, quarterly and annual basis.

2. Establishment of a Compliance Monitoring System

The Finance Company has formulated management measures for connected transactions to regulate matters such as financial service agreements, pricing, credit extension, settlement and information disclosure. In 2022, a deposit monitoring system was established, which automatically compiles deposit data on a daily basis and identifies whether the limit has been exceeded. If the limit is exceeded, the funds are automatically returned and the Group is being notified.

III. REASONS FOR AND BENEFITS OF THE FINANCIAL SERVICES AGREEMENT

(I) Improving and Enhancing Capital Utilisation Efficiency and Synergies

While the capital pool of the Group is ample but its distribution is uneven, the regulatory restrictions prohibit its direct intercompany lending, leaving external financing as the primary source, a practice that elevates both financial risk and borrowing costs. As a licensed institution, the Finance Company offers deposits pooling and financing services, and deploys funds precisely to the segments that are in need, thereby improving overall returns and serving as a pivotal strategic partner of the Group.

(II) Diversifying Funding Channels and Mitigating External Debt Risk

The Agreement will help broaden our funding sources, reduce reliance on external debts, and provide advantageous conditions to enterprises demanding high liquidity turnover while simultaneously strengthening the Group's bargaining power with external financial institutions.

(III) Accessing Convenient and Diversified Services to Reduce Funding Costs

With deep familiarity with the Group's operations, the Finance Company delivers more agile and efficient solutions. The Group is able to secure preferential deposit and lending rates, boosting interest income while curbing costs. Fee waivers on settlement services accelerate cross-border fund flows, while low-cost instruments such as credit guarantees and cash management platforms further sharpen our treasury efficiency.

(IV) Indirectly Enhancing Investment Returns and Strengthening Cash Flow Contributions

The Group holds an aggregate of approximately 44.79% equity interest in the Finance Company. The agreement is conducive to expand the Finance Company's business scale and bolster its profitability. The Group stands to receive investment returns from annual cash dividends, which will supplement our cash flows and reinforce our overall financial resilience.

In respect of the deposits placed by the Group with the Finance Company under the Financial Services Agreement, the Finance Company shall use its best endeavors and all reasonable means to ensure that such deposits are utilised to provide loan services to the Group, thereby prioritising and satisfying the Group's funding requirements.

In summary, the entering into the Financial Services Agreement with the Finance Company will enable the Group to enhance its capital efficiency, lower funding costs, and diversify its financing options beyond external financial institutions. Both parties are committed to implementing comprehensive and robust risk control measures to ensure the delivery of more tailored and agile financial services to the Group.

Having considered the foregoing factors, the Directors consider that the Financial Services Agreement is entered into in the ordinary and usual course of business of the Group on normal commercial terms or better terms and that the terms of the Financial Services Agreement (including the Proposed Annual Caps) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

IV. BASIC INFORMATION ON THE PARTIES TO THE CONNECTED TRANSACTION

(I) The Company

The Company is a limited company incorporated in Hong Kong, with its shares listed on the Main Board of the Stock Exchange. The Company is an integrated urban public utility company underpinned by gas, water and environmental sectors as well as the related upstream and downstream investment as the principal businesses, with the beer business as a complementary, forming a collaborative development layout. Member enterprises are all taking leading position of the industry or the region, and have a strong influence on the market, ecology and development of related industries.

(II) Finance Company

The Finance Company is incorporated in the PRC with limited liability. It is licensed to conduct financial business and is subject to the supervision of the National Financial Regulatory Administration. Its substantial shareholders comprise Beijing Enterprises Group Company Limited (approximately 35.14%), Beijing Gas Group Company Limited*(北京市燃氣集團有限責任公司)(approximately 24.80%), Beijing Yanjing Brewery Co., Ltd. (approximately 11.08%), the Company (approximately 8.91%), Beijing Holdings Jingtai Investment Management Co., Ltd.*(北京北控京泰投資管理有限公司)(approximately 6.69%), Beijing Enterprises Water Group Limited (approximately 6.69%), and Beijing General Municipal Engineering Design & Research Institute Co., Ltd.*(北京市市政工程設計研究總院有限公司)(approximately 6.69%). The Finance Company provides financial services to members of the BE Group through a range of financial products, including deposits and loans.

The ultimate controlling shareholder of the Finance Company is BE Group. The ultimate beneficial owner of the BE Group is the People's Government of Beijing Municipality(北京市人民政府), which has authorised the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality(北京市人民政府國有資產監督管理委員會)to exercise ownership rights and control over BE Group.

V. LISTING RULES IMPLICATIONS

As of the date of this announcement, BE Group and its subsidiaries hold approximately 62.23% equity interest in the Company, while BE Group and its subsidiaries (excluding the Group and BE Water Group) and the Group hold approximately 48.52% and approximately 44.79% equity interests in the Finance Company, respectively. Accordingly, BE Group is a connected person of the Company, the Finance Company is an associate of the BE Group, and the Finance Company is regarded as a connected person of the Company under the Listing Rules. The entering into of the Financial Services Agreement constitutes continuing connected transactions of the Company. Among them:

(I) Deposit Services

As the highest applicable percentage ratio in respect of the Proposed Annual Caps exceeds 5%, the Deposit Services are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the ratio also exceeds 25%, the Deposit Services also constitute a major transaction of the Company and are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

(II) Loan Services

The Loan Services are provided on normal commercial terms and no asset security is required to be provided by the Group. The Loan Services constitute financial assistance provided to the Group by a connected person. According to Rule 14A.90 of the Listing Rules, the Loan Services are fully exempt from all requirements under Chapter 14A of the Listing Rules.

(III) Other Financial Services

As the highest applicable percentage ratio in respect of the aggregate fees payable to the Finance Company for the Other Financial Services is expected to be below the de minimis threshold stipulated in Rule 14A.76(1) of the Listing Rules, the Other Financial Services are fully exempt. Should the transaction amount(s) exceed the de minimis threshold in the future, the Company will comply with the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules accordingly.

VI. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors of the Company (namely, Mr. WU Jiesi, Mr. LAM Hoi Ham, Dr. YU Sun Say and Ms. CHAN Man Ki Maggie), has been formed to advise the Independent Shareholders on the terms of the Deposit Services to be provided under the Financial Services Agreement.

The Company has appointed Diligent Capital as its independent financial adviser, which will advise the Independent Board Committee and the Independent Shareholders on the terms of the Deposit Services to be provided under the Financial Services Agreement.

VII. CONVENING OF THE EGM

The Company will convene an EGM for the Independent Shareholders to consider the Financial Services Agreement and the Proposed Annual Caps in respect of the Deposit Services thereunder.

As BE Group has a material interest in Financial Services Agreement and relevant transactions contemplated thereunder, it and its close associates are required to abstain from voting on the relevant resolution(s) at the EGM.

As of the date of this announcement, none of the Directors has a material interest in the Financial Services Agreement. However, Mr. YANG Zhichang, by virtue of his concurrent directorship at BE Group, has voluntarily abstained from voting on the board resolution approving the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps). Save as disclosed above, no other Director has abstained from voting on the relevant resolution.

The circular relating to the convening of the EGM, containing, among other things, a notice convening the EGM; details of the Financial Services Agreement; a letter from the Independent Board Committee; and a letter from the Independent Financial Adviser containing its advice on the terms of the Deposit Services to be provided under the Financial Services Agreement, will be despatched to the Shareholders on or before 4 August 2026.

VIII. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

Term	**Definition**
"associate"	has the meaning ascribed to it under the Listing Rules
"BE Group"	Beijing Enterprises Group Company Limited* (北京控股集團有限公司), a company incorporated in the PRC with limited liability and is the ultimate controlling shareholder of the Company
"BE Water Group"	Beijing Enterprises Water Group Limited* (北控水務集團有限公司), a company incorporated in Bermuda with limited liability
"Board"	the board of Directors of the Company
"Company"	Beijing Enterprises Holdings Limited (北京控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 392)
"connected person"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules

"Deposit Services"	the deposit services provided by the Finance Company to the Group under the currently effective Financial Services Agreement and the Financial Services Agreement
"Diligent Capital"	Diligent Capital Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Financial Services Agreement and the transaction contemplated thereunder
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to consider, if thought fit, approve the Financial Services Agreement and the transaction contemplated thereunder and the Proposed Annual Caps, including any adjournment thereof
"Finance Company"	Beijing Enterprises Group Finance Co., Ltd.* (北京控股集團財務有限公司), a company incorporated in the PRC with limited liability and is an associate of BE Group
"Financial Services"	the financial services to be provided by the Finance Company to the Group under the Financial Services Agreement
"Financial Services Agreement"	the Financial Services Agreement entered into between the Company and the Finance Company on 14 July 2026
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	an independent committee of the Board, comprising all four independent non-executive Directors, established to advise the Independent Shareholders in respect of the Financial Services Agreement and the transaction contemplated thereunder (including the Proposed Annual Caps)
"Independent Shareholder(s)"	the Shareholders who do not have a material interest in the Financial Services Agreement and the transaction contemplated thereunder
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"Loan Services"	the loan services to be provided by the Finance Company to the Group under the Financial Services Agreement
"Other Financial Services"	the financial services to be provided by the Finance Company to the Group under the Financial Services Agreement, other than the Deposit Services and the Loan Services, such as fund settlement, cross-border fund transfers and financial advisory services
"PRC"	the People's Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Proposed Annual Caps"	the maximum amounts of daily outstanding deposits balance placed by the Group with the Finance Company (including the corresponding interest accrued thereon) on any given day during the term of the Financial Services Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	the shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

* *For identification purpose only*

By Order of the Board
Beijing Enterprises Holdings Limited
YANG Zhichang
Chairman

Hong Kong, 14 July 2026

As at the date of this announcement, the board of directors of the Company comprises: five executive directors, namely Mr. YANG Zhichang (Chairman), Mr. XIONG Bin (Chief Executive Officer), Mr. XU Tong, Mr. GENG Chao and Mr. TUNG Woon Cheung Eric; two non-executive directors, namely Mr. YU Xijian and Mr. SU Junjie; four independent non-executive directors, namely Mr. WU Jiesi, Mr. LAM Hoi Ham, Dr. YU Sun Say and Ms. CHAN Man Ki Maggie.