

ANNUAL RESULTS 2022

BEIJING ENTERPRISES HOLDINGS LIMITED

Stock Code : 392



Content

- **Part 1. Results Summary**
- Part 2. Operating Highlights
- Part 3. Business Updates
- Part 4. Strategic Outlook
- Part 5. Investment Highlights
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Results Summary – Key Financial Indicators Remain Stable



北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

<i>Unit: Million HKD</i>	2021	2022	Change
Revenue(restated)	80,522	92,297	+14.6%
Gross Profit(restated)	12,331	12,289	-0.3%
Profit for the Year	10,519	8,264	-21.4%
Profit Attributable to Shareholder	9,919	7,573	-23.7%
Recurring Profit attributable to Shareholder	8,622	8,236	-4.5%
Basic and Diluted EPS (HKD)	7.86	6.0	-23.7%
Dividend Per Share (HKD)	1.25	1.60	+28%
Dividend Payout Ratio	15.9%	26.7%	+10.8ppts
EBIT	13,280	11,429	-13.9%
EBITDA	18,540	16,130	-13.0%
Total Asset	222,822	221,071	-0.8%

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Operating Highlights - Convert the growth momentum, accelerate the quality and efficiency of industrial operation



- Continued consolidation of main business advantages and strong growth in outside Beijing markets
- Main business grew steadily and the purchase and sales margin remained low
- Not affected by international gas price fluctuations, sufficient upstream gas volume, stable gas price, timely pass-through and stable dollar margin
- Completion of the first phase of the key project Tianjin Nangang LNG emergency reserve project



- Continued to improve the dollar margin through multiple ways and complete 100% pass-through for non-residential users
- Signed LNG long-term agreement of **3.7 million tons, locking in LNG resources in advance to supplement the gas supply in winter**
- Expanding LPG terminal projects with asset-light approach
- Piloting and implementing YiPin Smart Living new retail operation model



- Main economic indicators grew across the board, with sales growth far exceeding the industry average
- Firmly focus on **U8 strategy**, empowering the national market and optimizing channel construction
- Excellence in management system construction promotes stable and consistent product quality and steady improvement in production efficiency
- Brand image renewed and upgraded, to young, high-end transformation
- Established **ESG Development Committee** and released ESG five-year strategic plan



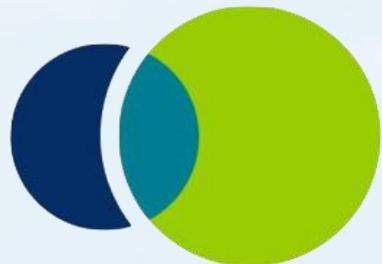
- Solid development of core traditional water operations business and segment profit growth
- The company's cash flow position improved significantly year-on-year
- Insisted on "**customer-oriented**" quality assurance and iterative upgrade of intelligent operation model
- First release of BEAOA and BEWG Speedgrain, helping to reduce carbon and consumption with technological innovation
- Included in the Dow Jones Sustainability Index, **the only Asian company in the industry to receive an A rating from MSCI**

Environment Business

- **Domestic business:** continued to carry out sludge blending and co-disposal to expand business fields and revenue channels; explored new investment directions and won the first light asset operation project; the first single carbon emission allowance was successfully traded
- **EEW GmbH:** Against the backdrop of the Russia-Ukraine conflict, EEW, as a non-gas energy infrastructure project, is a scarce asset in the European energy market with a certain degree of risk resistance, and its operating results remained stable during the year



Operating Highlights - Promote ESG Rating Improvement, Focus on Sustainable Development



Dow Jones Sustainability Indexes

Score: 52

(33 for the industrial Average)

DJSI announces rating results, BEHL Scored 52



DRIVING SUSTAINABLE ECONOMIES

Rating: B

2022

BEHL climate change questionnaire rated B, equal to energy utilities sector rating

MSCI



Rating: BB

Dedicated to improving ESG management

Enforce Corporate Governance



- Increased board diversity with the introduction of a female director
- Continued improvement of corporate governance and sustainability objectives through initiatives such as enhancing board independence and strengthening board functions



Improve System Construction

Strengthened systems in anti-corruption, letters and visits, addressing climate change and HSE

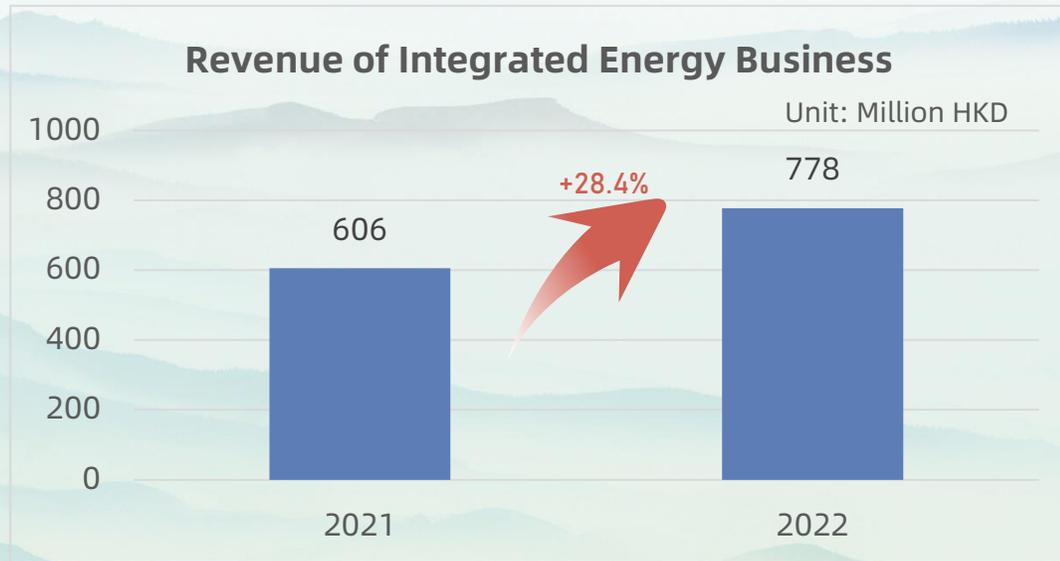
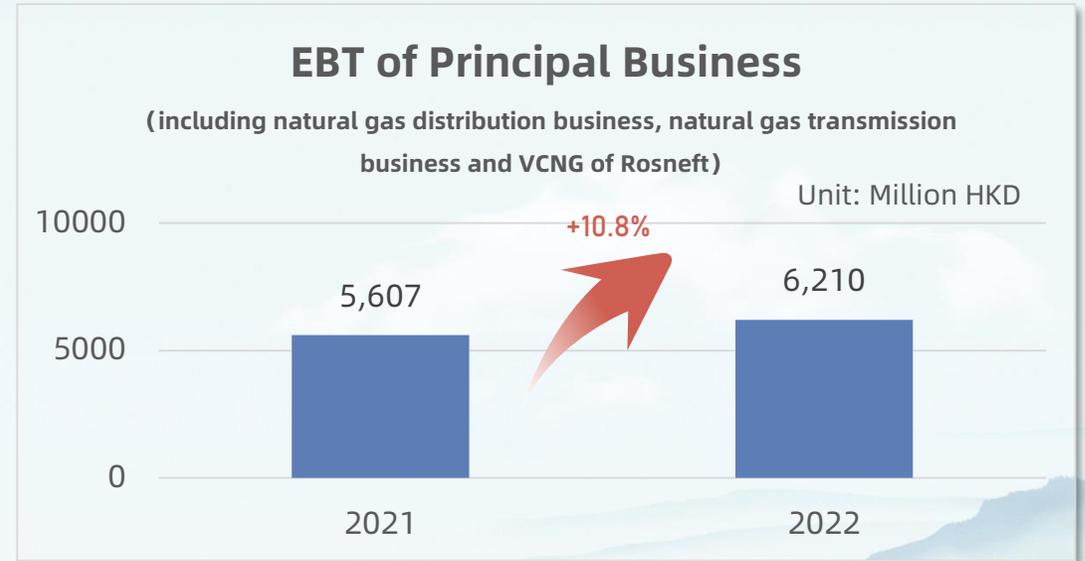
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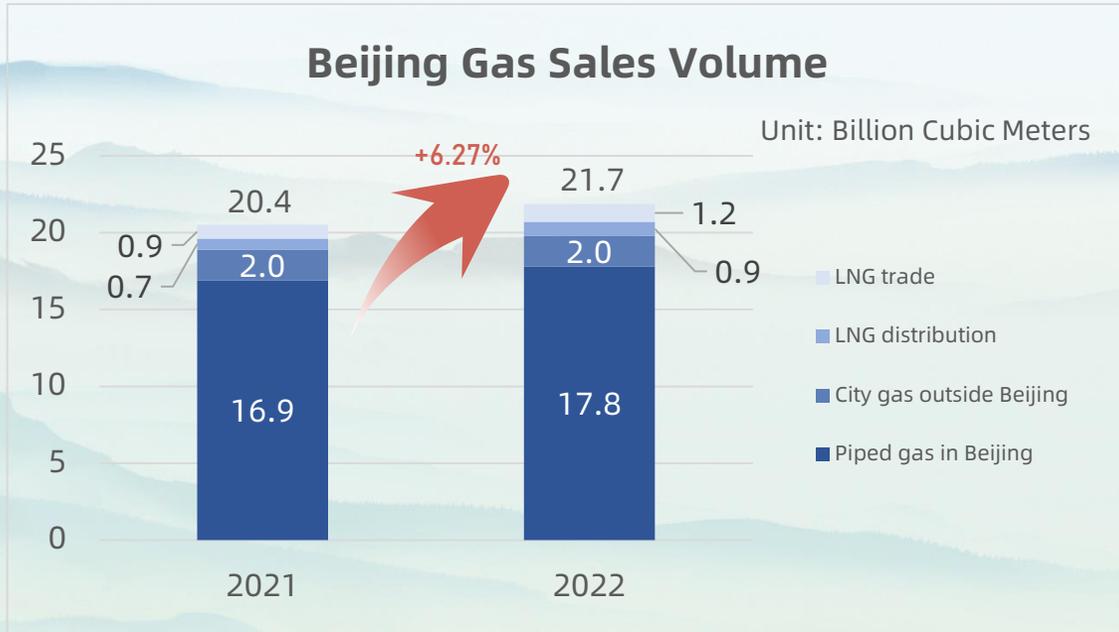
Business Update - Beijing Gas



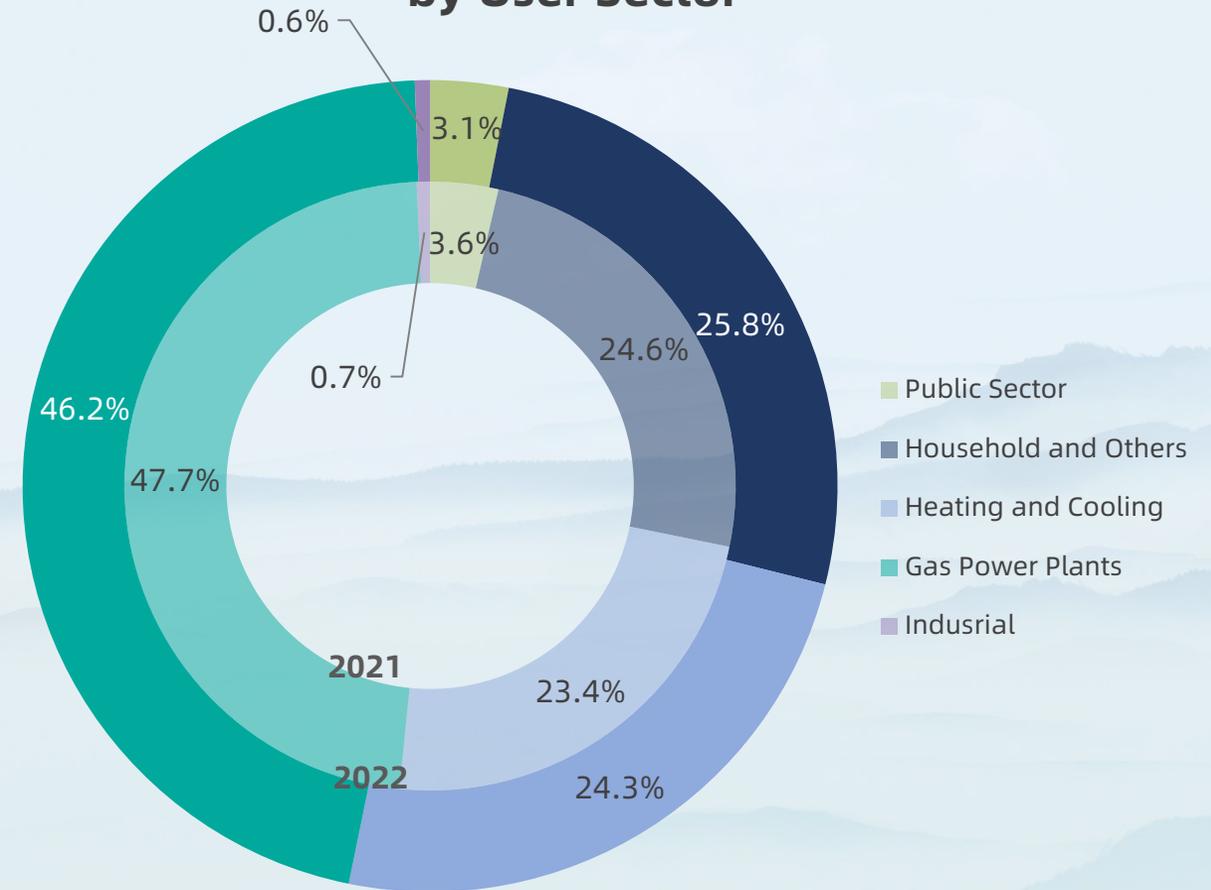


Business Update – Beijing Gas

Data cut-off date	Items	Key operating data
During the year 2022	New developed household (k)	70.9
	New public sector subscribers	1,492
	New heating boilers(t/h)	437
31 st December 2022	Accumulated subscribers(million)	7.19
	Accumulated length of Pipelines (thousand kilometers)	30.1



Gas sales Volume Inside Beijing by User Sector



Note: Total sales volume excluded duplicate statistics in different categories

Safety supervision and management

- Beijing Gas has made every effort to promote the political work of safety potential investigation and effectively prevent and resolve major safety risks

Service guarantee for major events

- Service for Beijing Winter Olympic Games, Winter Paralympic Games

LNG Business

- LNG business has witnessed strong growth, with 13 ships of international spot trade and 840,000 tons of gas sold during the year

Value-added Business

- Value-added business further optimized business model, solid performance

Key Project

- First phase of Tianjin Nangang LNG emergency reserve project machinery completed, expected to further enhance the capital's natural gas security capacity

Integrated energy and new energy projects

- A total of 1.64 million square meters of integrated energy heating area was added, and the total installed capacity of new energy reached 149 megawatts

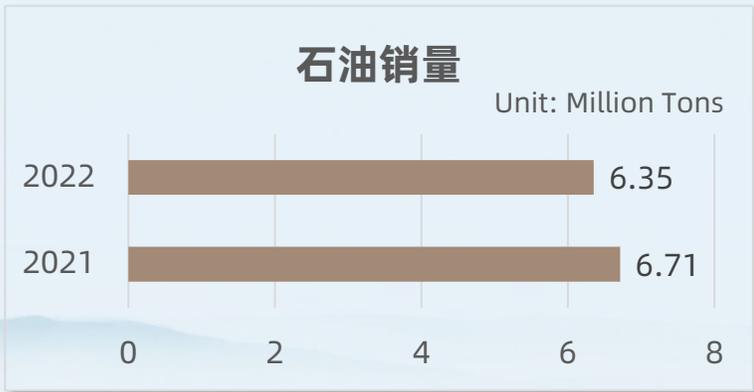


Business Updates - Investments on Gas Supply Chain




VCNG of Rosneft

ROSNEFT



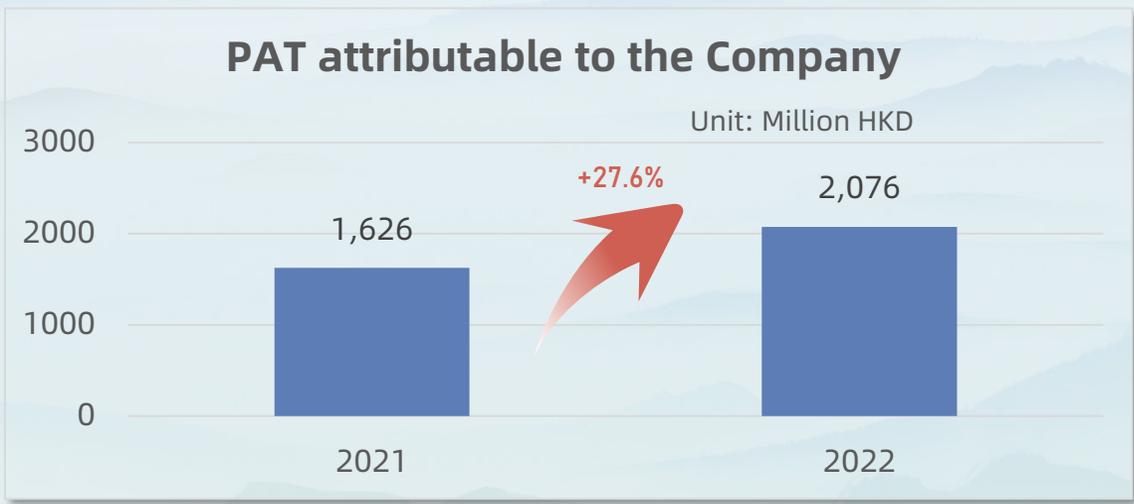
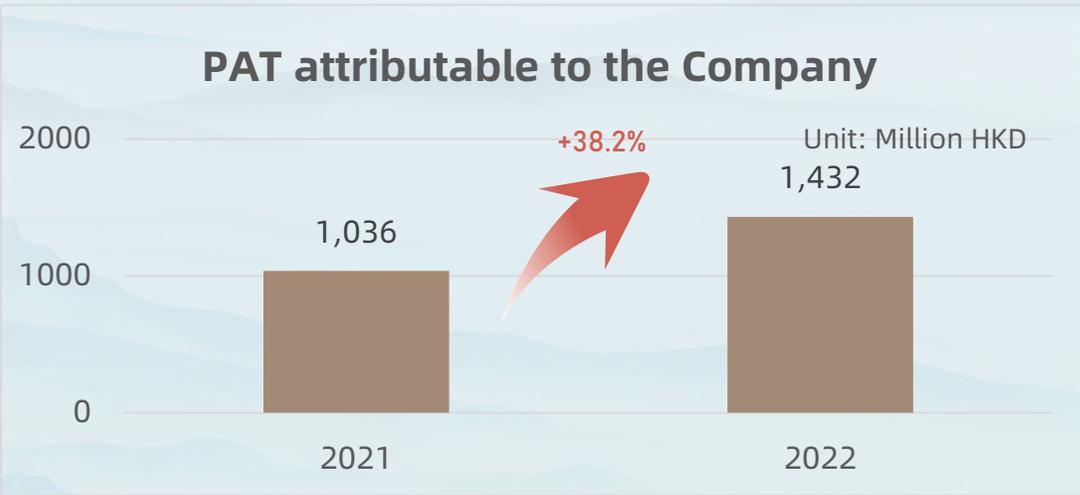
Reason:
The natural decay of oil field capacity is in line with the curve pattern of decreasing production year by year of the project acquisition model




PipeChina Beijing Pipeline Co.



With the rebound of the national natural gas market, PipeChina Beijing Pipeline Co., as an important link between upstream resources and downstream markets, has seen its gas transmission volume and net profit growth rate higher than the average growth rate of the national natural gas market



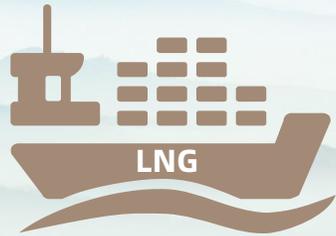
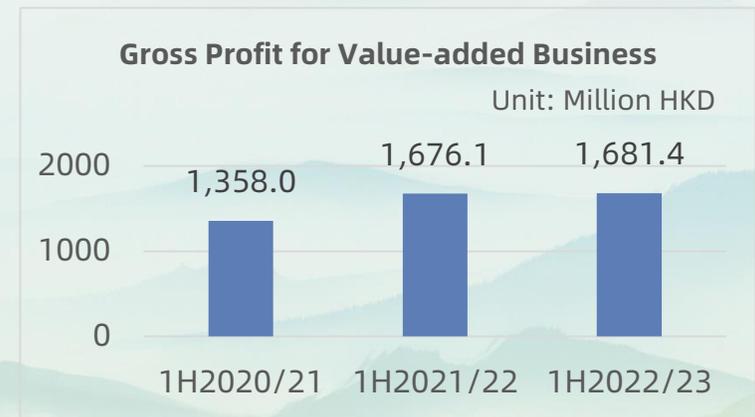
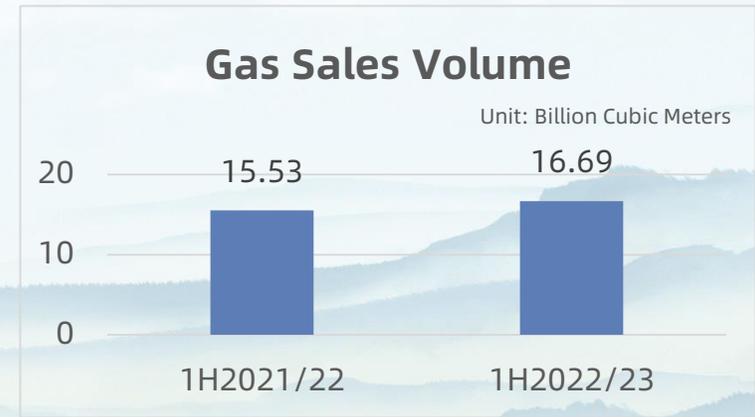


Business Updates - China Gas



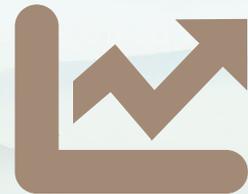
Natural Gas Business	Accumulated User Number as at 30 September 2022
Residential	44,673,026
Industrial	21,440
Commercial	313,810
CNG/LNG Refilling Stations	533

LPG Business	Accumulated Number as at 30 September 2022
Receiving Terminals	7
Distribution Projects	106
Wholesale Business	1.45 million tons
Retail Business	350 thousand tons



LNG Trade

As one of the largest LNG distribution companies in China, China Gas continues to broaden domestic and international resource channels, deepen LNG import cooperation and expand end-user markets



Value-added Business

Thanks to the implementation of the new retail system, China Gas' value-added business brand "Yipin Smart Living" launched high growth and released independent value

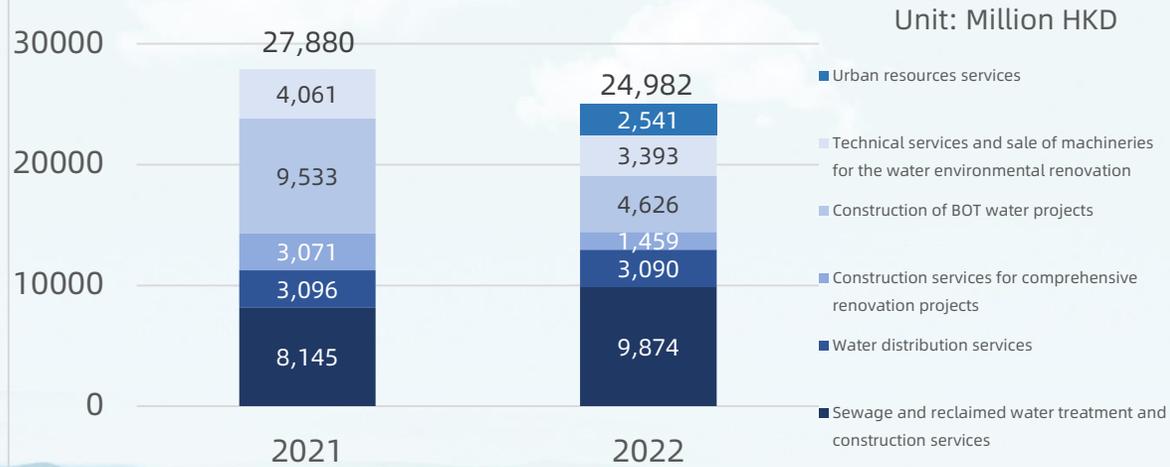


Sustainability

China Gas is actively responding to the national dual carbon initiative by announcing its industry-leading "carbon neutral" action roadmap, and is committed to creating core competencies in the dual carbon new energy sector



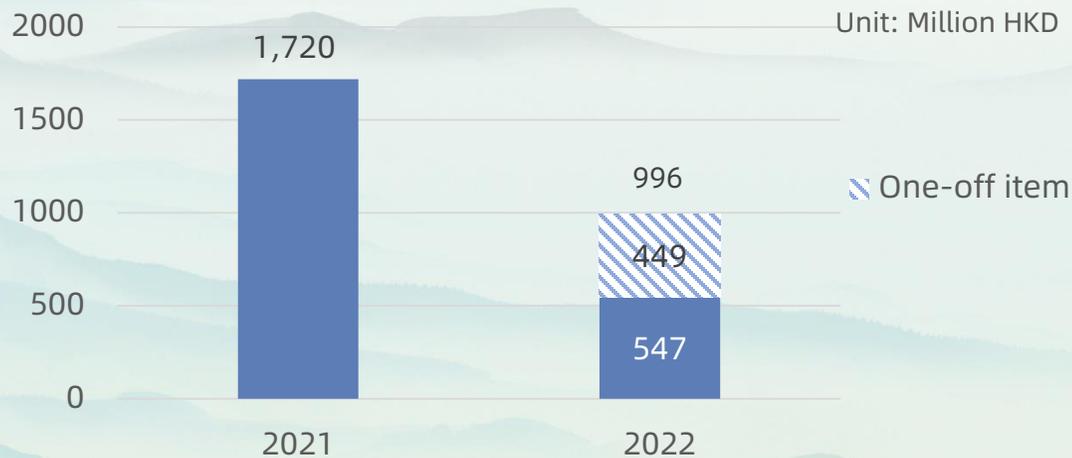
Operating Income Segment Analysis



Segmental Analysis of Profit Attributable to Shareholders



Profit Attributable to BEHL



Basic EPS and Dividend





Business Updates - BE Water

Weighted average water prices for sewage and reclaimed water projects in mainland China



Weighted average water price of water supply projects in mainland China



- In 2022, **27** water plants adjusted water prices, with a total of **1.567 million tons** per day
- **12 companies agreed to raise prices**, the weighted average increase of **10.9%** in water prices
- The price of 15 water plants increased by 58.56% on average due to **technical upgrading/expansion/Standard upgrading**

1,196
Sewage treatment plants

180
Water distribution plants

1
Seawater desalination plants

70
Reclaimed water treatment plants

Total design capacity
44.287 million tons/day

Net increase in design capacity
2.84 million tons/day



Continued to acquire bulk assets, deepen regional reform, and complete the establishment of several regional companies and regional-like organizations

Build asset management capability and intelligent operation management capability



Adhere to the innovation drive, play the leading role of experts, and enhance the overall innovation capacity

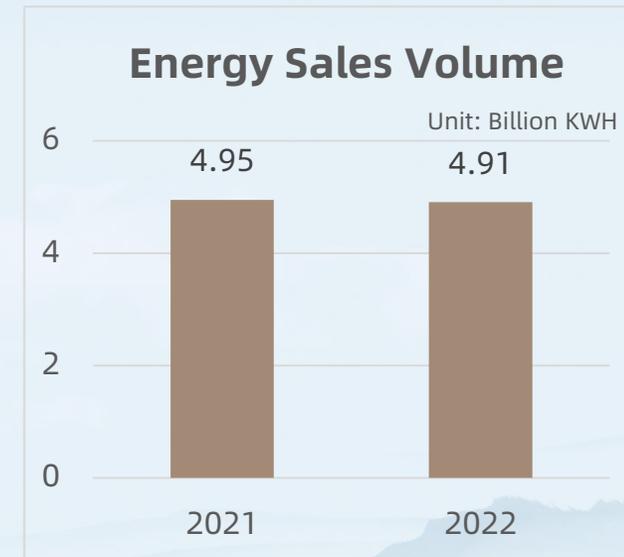
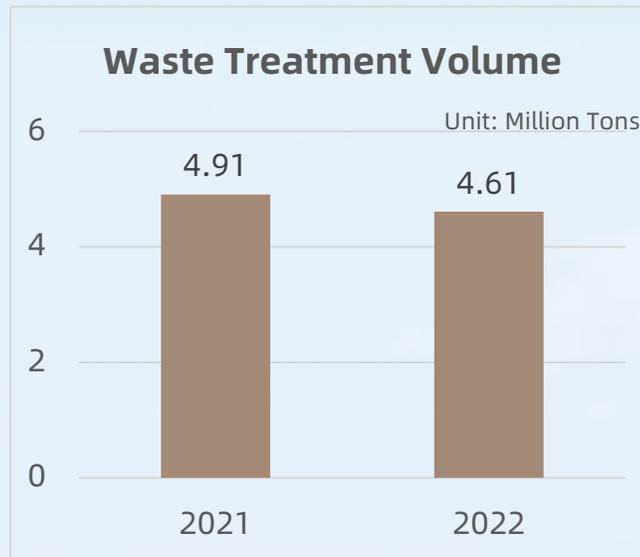


Focusing on the specialized field of water services, actively laying out in the upstream and downstream of the industry chain and completed investments in a number of enterprises

Business Updates - Environmental Business

EEW GmbH

EEW GmbH had solid performance in key operating indicators

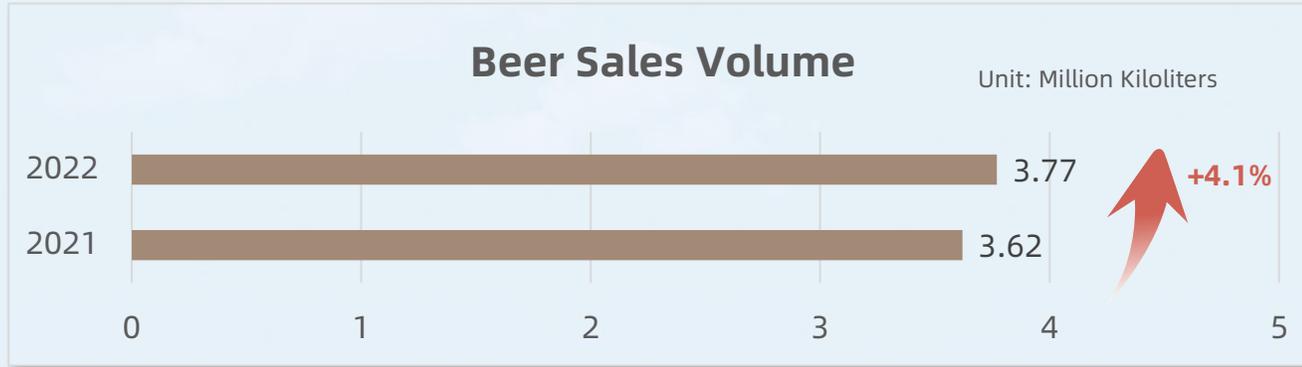


Domestic Solid Waste Treatment Platform

(BE Environment, BEHET and etc.)

- Collaborative innovation, multi-channel expansion of business revenue, construction of a market development channel system, and all-out efforts to enhance the development of the main business;
- Continuously consolidate the basic management level by strengthening strategic management and enhancing the standardized management level





Overall growth in key economic indicators in 2022

In an environment of economic downturn and shrinking demand, Yanjing Beer's annual sales growth was much higher than the industry average and was at the forefront of headline companies, with continued positive development



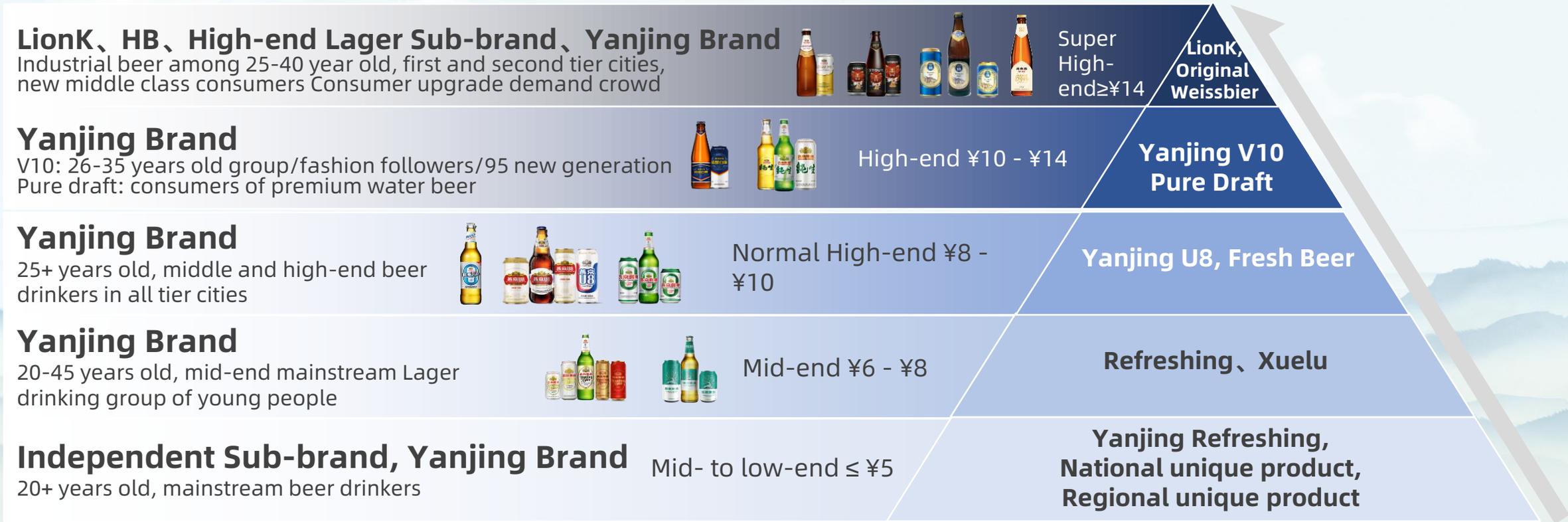
V-shaped reversal of performance

- Ideological change, organizational change, mechanism change, production change, operational change, marketing change, R&D change, cultural change, value creation of listed companies
- Earnings rebounded from a low base, with more room for future growth
- Positive change in market shape, number of loss-making enterprises and loss amount reduced significantly, market value of listed companies, brand value increased significantly, brand value of Yanjing Beer reached **RMB 163.7 billion** in 2022

Business Updates - Beer Business



Yanjing U8 bulk single product strategy advanced deeper, product matrix enriched



- Yanjing U8 performed well, with one step a year, strongly supporting the rise in performance
- Successive launches of U8 Plus, V10, S12, Fresh Beer 2022 and other large single products, as well as the LionK series of fine brew and fruity specialty products, leading to a clearer product line and a richer mid- to high-end product matrix

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Strategic Outlook - The Macro Situation of the Industry Improving



Gas

Strong growth fix in China's apparent natural gas consumption in 2023 compared to 2022, with a large rebound in LNG imports. Core city fuel gas sales business is back in growth territory. Further acceleration of the consolidation wave in the domestic city fuel industry or better M&A and restructuring opportunities;

Lower LNG prices and stabilization of energy prices favor the recovery of gas consumption demand



Water

A series of national policies to boost the economy and the water industry, continuous reduction of loan interest rates, the precise implementation of corporate tax "retained credit refund" and so on. Driven by the goal of "double carbon", pollution reduction, sewage resource utilization and sludge harmless treatment policies have been introduced intensively. At the same time, along with local inventory and state-owned enterprises mixed reform, the environmental protection industry ushered in a new wave of mergers and acquisitions;

The government's demand for water management and management ideas are gradually shifting to high-quality development, which puts forward higher requirements for supply-side products and services and technical solutions, and also brings new market opportunities for North China Water



Environment

China is in a period of favorable policy environment for the development of the environmental protection industry: the report of the 18th National Congress clarifies the importance of the construction of ecological civilization, the direction and pattern of development of the environmental protection industry is becoming clearer, the comprehensive service capacity will become the core element for companies to participate in the environmental market competition. At the same time, the economy has stabilized and recovered, the amount of waste entering the plant has grown, the revenue of waste incineration business has more room for growth, and the situation of the state subsidy and provincial subsidy arrears has improved



Beer

The overall consumption environment is picking up: the government continues to release positive signals to restore and expand consumption. As market confidence is boosted and economic activity resumes, various factors such as policy, market, consumption and technology will help consumer goods companies accelerate their recovery to normal levels and enter a new period of development opportunities. At the same time, the process of upgrading the industry structure is expected to accelerate as consumption concepts upgrade and demand for high-end products increases



Advantages and Opportunities

Beijing Gas is the largest single city piped gas supplier and service provider in China in terms of annual gas usage, number of gas subscribers, pipeline network size and sales volume:

1. Special position of Beijing Gas:

- Beijing Gas operates natural gas distribution business in six districts and some suburbs of Beijing, which has unique advantages in the Beijing area
- Beijing Gas has a stable upstream gas supply, low gas purchase costs and a well-developed and effective price compliance mechanism to ensure a stable gross margin

2. Existed Advantages:

- More complete capital city gas market and customers
- Well-established infrastructure and sales and service network
- High quality brand and good reputation
- Significant advantages in terms of resources, policies, capital and management
- Significant improvement in the operation of outbound projects in the future

3. Incremental Conditions:

- The Tianjin Nangang project will be completed and put into operation this year, which will enhance the supply guarantee capacity, drive the development of LNG trading and new energy projects, and promote further optimization of the market layout
- If the Tianjin Nangang project is incorporated into the effective assets after its commissioning, it will generate stable permitted income and will contribute stable profits to Beijing Gas

2023 Priorities

1. Better integrate development and safety, and promote production safety management to a higher level

- **Sound and complete safety management system:** build a safety production responsibility assessment mechanism and improve safety management level
- **In-depth investigation and treatment of hidden dangers:** Continued renovation of old gas pipeline networks, renovation of rusted pipelines in households, and increased investment in the retrofitting of safety fittings
- **Improving the level of gas safety at the customer end:** installing safety fittings and replacing IOT meters

2. Accelerate the transformation and upgrade to "energy focus" by increasing the expansion of new businesses

- **Promote the development of LNG business and implement long-term LNG purchase and sales agreements**
- **Expand the integrated energy business, consolidate and enhance the traditional gas business,** further increase the expansion of new energy and integrated energy business such as photovoltaic, and accelerate the cultivation of new dynamic energy for transformation and development
- **Dig deeper into the potential of value-added business and promote the expansion of value-added business scale**

3. Consolidate and strengthen the advantages of the main business and promote the service quality to a new level

- **Continuously consolidate and expand the market in Beijing,** and strive to develop 110,000 household customers, 2,500 commercial customers and 1,000 steam tons of heating
- **Increase efforts to expand the market in foreign ports** and promote sustainable growth of natural gas sales in foreign ports
- **Strengthen upstream and downstream investment in the industry chain,** seek cooperation with large central enterprises, and continue to focus on upstream business
- **Deepen service capacity building** and optimize business environment

4. Promote the construction of key projects

Prepare for the commissioning of the first phase of the Tianjin Nangang project and its production and operation after the commissioning, and actively lay out the development of large users along the Nangang LNG transmission pipeline



Advantages and Opportunities

1. Volume advantage: China Gas is one of the **largest city gas companies and LNG distribution companies in China**, with a total of 661 piped gas projects under franchise in 30 provinces, municipalities and autonomous regions, and the most extensive LPG import and distribution network in China.



2. Favorable policy: The National Development and Reform Commission (NDRC) issued a **notice on organizing the signing of medium- and long-term contracts for natural gas in 2023**, which clarifies the livelihood attributes of rural "coal-to-gas" and requires upstream gas supply units to ensure full supply at residential gas prices. The National Development and Reform Commission actively promotes the reform of the upstream and downstream price linkage mechanism of natural gas, and accelerates the rationalization of the city's gas price mechanism.



3. Expansion of heating market demand: Southern non-traditional heating areas are increasingly urgent for safe, efficient, high-quality winter heating needs, and the market for urban residents with strong heating needs is estimated at 4 billion square meters, which is conducive to the further expansion of China's gas heating projects market size



2023 Priorities

1. In Terms of High quality development

- Focus on **operational management improvement, dollar margin management and accounts receivable recovery**, while creating a more customer and market demand-oriented management mechanism around value creation
- Further strengthen the **acquisition of upstream gas resources**, optimize the main business growth model, and explore a new regional business model that combines light and heavy assets
- Establishing ecological partnerships with safety management, government regulation and smart gas as the core of products, and mutual attraction and cooperation to build together
- Further respond to market and user needs, actively cultivate new businesses such as **dual carbon and new retail**, and further explore new high-quality business development models and market potential

2. In Terms of Safety Production

- Fully promote the construction and application of digital safety system and accelerate the renovation of old pipeline network
- Completing the reengineering of the HSE management system of the project company and optimizing the functions of the iterative "Long Sounding Bell" program
- Take safety and people's livelihood as our responsibility, focus on safety and quality improvement, continue to invest in safety, continuously improve the safety of gas supply and emergency response capabilities, and ensure the safety and stability of gas supply

3. In Terms of Sustainability

- China Gas adhere to the concept of green development, respond to the national clean energy development strategy and "double carbon target", and build a green low-carbon value chain.
- Continuously focus on issues including climate change, biodiversity protection, employee safety and health, green supply chain and green finance to better fulfill the three major responsibilities of economy, environment and society.

Advantages and Opportunities



1. The unique scale of operation and market position of BE Water

- Largest water treatment capacity among Hong Kong listed water companies
- A large number of high-quality projects all over the world, forming a national scale advantage
- The most extensive project coverage in the region, making BE Water a well-known brand in the water sector
- Large population in the project coverage area, ensuring high asset utilization and growth potential

2. Favorable policies bring development opportunities:

The National Development and Reform Commission recently released the "Implementation Plan for Harmless Treatment and Resourceful Utilization of Sludge" and the "Notice on Promoting Urban and Rural Health Care and Environmental Protection to Make Up for Shortcomings and Strengthen Weaknesses", emphasizing the expansion of the scale of harmless disposal of sludge and accelerating the construction of urban pipeline networks. It may bring new development opportunities for BE Water



2023 Priorities

01

Improving the quality of growth

- Secure the overall scale of newly signed contracts by **acquiring large-volume assets through investment**
- **Targeted strengthening of the business portfolio** and active expansion of the water division M&A business to continue to acquire large-volume assets
- **Leverage financial instruments to lighten assets** and achieve more qualitative growth

02

Improved cash flow position

Make prevention and control of cash flow risk a top priority for development and further tilt resources to the front line

03

Create new business growth points

Relying on technological innovation and model innovation to create new business growth points

04

Unleash organizational dynamics

Enhance organizational dynamics and capabilities to improve operational efficiency

Strategic Outlook – Environmental Business

Advantages and Opportunities

1.* The future of China's solid waste sector has huge room for subsequent development: The development of China's solid waste treatment industry was later than the waste gas and sewage treatment, but with the gradual emergence of the impact of solid waste on the environment, the solid waste treatment industry has also entered a period of rapid development along with the waste water and waste gas treatment industry;

Referring to the process of pollution control and environmental protection investment structure changes in developed countries, there is a pattern of environmental protection investment focus from the atmosphere to sewage and then to the solid waste field, solid waste treatment in developed countries is the largest sub-sector of environmental protection investment and output value of more than 50%, while China is currently less than 30% of the above-mentioned ratio, the future of China's solid waste field of follow-up development space is huge

2. Europe sees new opportunities for environmental industry growth : EU launches a series of policies to promote phosphorus recycling, carbon capture technology development. Recently, the first cross-border carbon capture and storage project in the EU and the world has been put into operation. If the project progresses smoothly, Germany will also join the project to promote the decarbonization of German domestic industry. There may be more market space in this field in the future

3. Germany is relieving its dependence on Russian energy imports through multiple channels : The German government is trying to reduce energy problems by rapidly shifting fossil energy sources and expanding renewable energy sources, accelerating the construction of LNG receiving terminals, making up for the shortcomings of natural gas supply infrastructure, and phasing out restrictive policies on fossil energy, coal power and nuclear power

*Reference: 《 Policy : Trends and Opportunities in the Solid Waste Management Industry 》

2023 Priorities

Domestic Solid Waste Treatment Platform

- Benchmarking with industry benchmarks to comprehensively improve the economic efficiency of existing projects;
- Preferred track direction for incremental expansion and good balance of investment returns;
- Accelerate the progress of non-performing assets disposal and clarify the operation strategy of hazardous waste business early. Actively promote the integration of environmental platform assets and enhance the management efficiency output of headquarters

Environmental Business

- Accelerate the commissioning of projects under construction and realize the benefit contribution as early as possible;
- At the same time, do a good job to cope with the challenges of various external economic uncertainties and ensure the stability of solid waste resources and production capacity, while strengthening comprehensive cost control

EEW GmbH

Advantages and Opportunities

1. High Brand Value:

Yanjing Beer, one of the head companies in China's beer industry, has a brand value of RMB **163.7 billion** in 2022



2 * Diversification of tastes of young groups may push up the profit level of the industry:

Research shows that young people are an important growth driver in the alcoholic beverage market, with the number of consumers and per capita consumption levels showing growth trends. And young people pay attention to taste level, for low alcohol, flavor diversification of the high-end beer demand may pull up the industry margin level



*Reference: 《 Yicai Business Data Center: 2020 Young People's Liquor Consumption Insight Report 》

2023 Priorities

Deepening the U8 bulk single product strategy

On the basis of rapid development in the first two years, firmly focus on the U8 strategy, tilt marketing resources investment, and actively explore innovative ways of cooperation with more industries, take online and offline linkage to form an all-round, wide coverage, three-dimensional brand publicity, the whole chain to release brand marketing energy, empowering the national market

Upgrade Market Form

Accelerate the pace of market development and construction, take Beijing as the foundation, consolidate the North China market, strengthen the development of the pan-North China market, and then drive the development of the southern region

Strengthen the governance of loss-making enterprises

Strengthen the governance for loss-making enterprises, timely elimination of backward production capacity, and improve the utilization rate of existing capacity

Improve per capita performance

Optimize personnel structure, save labor cost and improve per capita efficiency through information technology and intelligent construction and application

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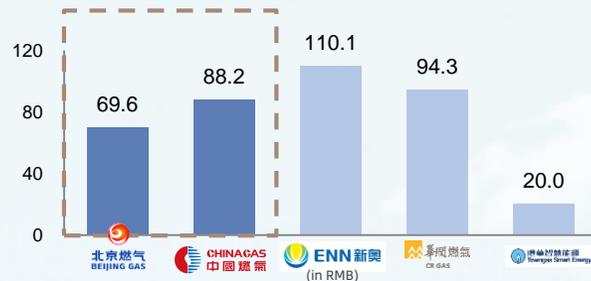


Investment Highlights - Focus on utility development strategy with synergy effect

Gas Business - Holding Company Strategic Associates Core Highlights of Market Position



2022 Revenue Billion HKD



✓ Beijing Gas and China Gas are the leading city gas distributors in China



BEHL focuses on the development of large public utilities mainly in the three major businesses of natural gas, water and environment, which has a high degree of industrial synergy and market synergy effect, and improves the overall competitiveness of the company's new project expansion

Water Business Strategic Associate Core Highlights of Market Position

Water Business



- ✓ Constituents of Hang Seng Hong Kong Chinese Enterprises Index
- ✓ Constituents of Hang Seng Composite MidCap Index
- ✓ Constituents of Hang Seng Sustainability Benchmark Index
- ✓ Constituents of S&P Dow Jones Emerging Markets

👍 Topping the list of "Top Ten Influential Enterprises in China's Water Industry" for 13 consecutive years

Environmental Business - Holding Companies Core Highlights of Market Position



- 🏆 EEW ranks first among German non-listed energy-from-waste companies in terms of capacity in 2021
- 🚚 Haidian and Gaoantun projects of BE Environment have the largest market share of solid waste treatment projects in Beijing in terms of waste treatment scale (20.6%)



Beijing Gas' Nangang project synergizes with China Gas' huge downstream demand, and Beijing Gas can expand its LNG trading and import business, which can also provide more gas source security for China Gas

Beer Business - Holding Company Core Highlights of Market Position



🏭 Yanjing Brewery is a large brewery company in China and one of the largest beer producers in Asia

Investment Highlights - Positive future performance prospects for all segments of the company



- Stable performance and strong cash flow
- The Nangang project will ensure the basic income through the permitted return mechanism and further enhance the profitability through market-oriented operation after its commissioning
- Beijing Gas will prudently develop new energy business in Beijing
- Ensure that performance will be stable and upward in the coming years



With the strong implementation of the NDRC to include rural gas into the scope of residential gas protection and the recovery of relevant government arrears, China Gas' rural coal gas conversion business is expected to usher in a substantial operating inflection point, and the company's cash flow position will also improve significantly



- Expect to continue to improve operating efficiency and yield levels in the future
- Continue to develop the youth and high-end market with products such as U8 and LionK, and strive to return to the first tier of the beer industry



- Firmly transform to high-quality development, the core traditional water operation business will maintain a solid growth of more than 20% per year
- Take advantage of large volume to develop intelligent water services, promote engineering equipment and technology productization, and establish core competitiveness in technology and operation
- With the advantages of volume and technology, it is expected to obtain more potential opportunities in the consolidation phase of the existing market



- EEW is located in a mature market with solid development and good cash flow position
- New lines will be put into operation one after another in the future to increase production capacity and EBITDA
- Deepen strategic research and compile "Strategy 2032+" medium and long-term development plan; set up data center to implement digital transformation goals
- As Europe is firmly transformed towards sustainable development, EEW has set the carbon reduction targets of "climate neutral" by 2030 and "climate positive" by 2040, and is expected to create more value in the German carbon sink market and phosphorus recycling in the future



- Domestic solid waste business will strengthen operation management and improve quality and efficiency of existing projects
- Develop new profit growth points such as sludge and waste liquid blending, heat supply for industrial customers, and high-end resourceization of fly ash



Investment Highlights - Advantageous position thanks to government policy support

《the Several Opinions of the China Securities Regulatory Commission on Launching the Pilot Program of Innovative Enterprises Domestically Issuing Stocks or Depository Receipts》

《Implementation Measures for the Supervision of Domestic Issuance of Shares or Depository Receipts and Listing of Innovative Enterprises》

The above policy allows red chip enterprises that meet the conditions of the pilot enterprises to issue depository receipts for listing or issue shares for listing in the domestic capital market in accordance with the procedures and rules. The promulgation of the above documents establishes for the first time a framework for the A-share listing of red chip enterprises, which is a milestone for the A-share listing of red chip enterprises



Huge potential capital operation space

As the only red-chip listed company of Beijing in Hong Kong and the flagship listed company of BE Group, BEHL will continue to play a good role as an overseas investment and financing platform of Beijing, carry out capital operation according to the regulatory policies and corporate development needs of the Mainland, and fully release the value of its assets

《Notice by the People's Bank of China and the State Administration of Foreign Exchange of Issues Concerning the Administration of Funds of Overseas Institutions Raised from Bond Issuance in China》

China continues to expand the two-way opening of its financial market, and the issuance of the above-mentioned policy has further improved the capital management requirements for foreign institutions to issue bonds in China (hereinafter referred to as "Panda bonds"), making it more convenient for foreign institutions to raise funds in the domestic bond market.



Low-cost access to convenient financing

Thanks to the government's policy support, Beijing Holdings successfully issued a 3-year RMB 4 billion panda bond with a credit rating of AAA by China Credit Rating, which is the largest single issue size in the history of local SOEs and the lowest issue rate in the history of local SOEs of the same maturity



Investment Highlights - Non-cyclical, diversified business to reduce concentration risk

BEHL's diversified business portfolio helps diversify its concentration risk in a single business area while ensuring stable operating cash flows



Non-cyclical and diversified business portfolio
Low concentration risk

- Utilities are **not subject to cyclicity** and the overall industry risk is low as the main business is about the **basic needs of life**
- To mitigate seasonal fluctuations in demand and consumption of natural gas in Beijing, Beijing Gas has further expanded its customer base to include customers of cogeneration and gas cooling
- BEHL' businesses have a **diverse end-user base**, demonstrating low concentration risk



Stable cash flow from extensive regional and global operations in China

- **Gas distribution business:** BEHL holds a 23.39% stake in China Gas, which has acquired a total of 661 piped gas projects with franchises in 30 provinces, municipalities and autonomous regions
- **Oil and gas supply business:** BEHL's investment in VCNG in Russia is a testament to BEHL's ability to expand its gas value chain and **enhance the geographic diversity of its business.**
- **Water Business:** BEHL was able to leverage its track record and diversified market position in **20 provinces, 5 autonomous regions and 3 municipalities in China**; BEHL further diversified its business by exploring international markets in **Malaysia, Singapore, New Zealand, Portugal, Australia and Botswana**
- **Environmental business:** BEHL developed its business and strengthened its domestic and international presence through acquisitions and expansion of existing projects, as evidenced by its acquisition of **EEW in Germany**

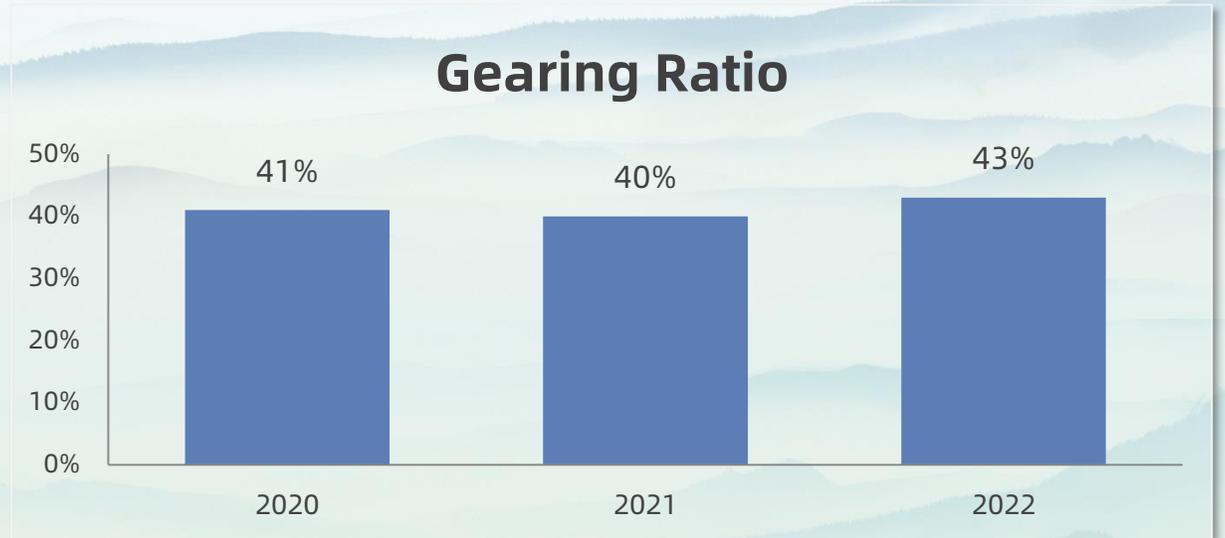
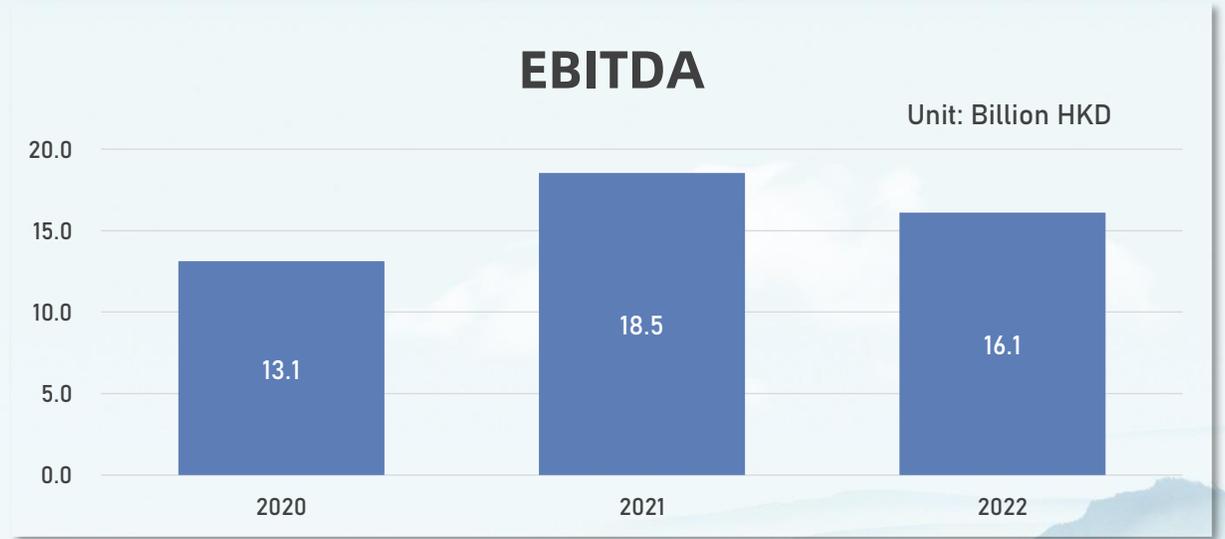
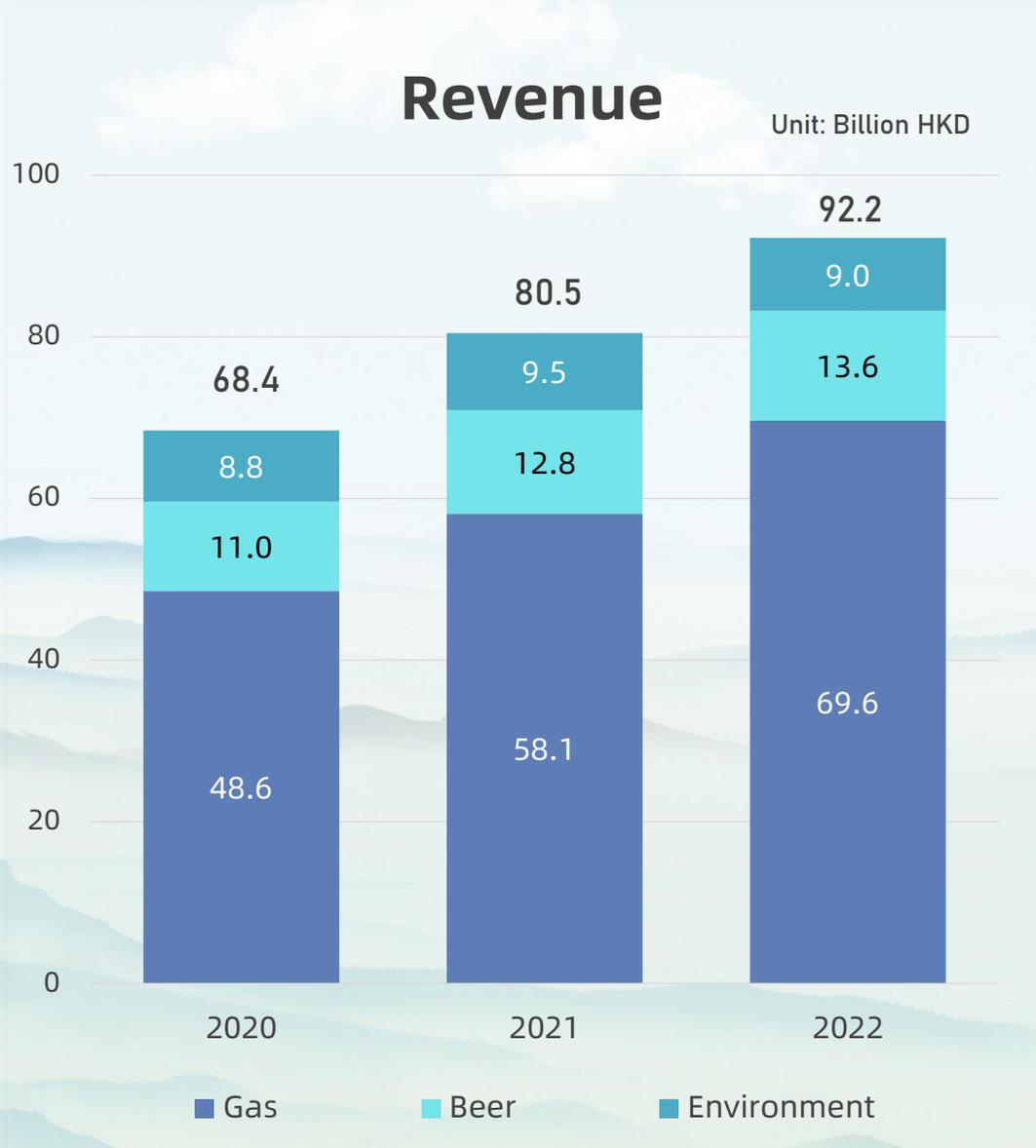


Stable dividend income from subsidiaries and associates

- Establish a stable dividend distribution mechanism from Beijing Gas and other subsidiaries to BEHL's headquarters
- Dividends from subsidiaries and affiliates provide the company with continued operating cash flow and significantly increase its liquidity
- BEHL is extremely well positioned to capitalize on future investment opportunities and continue to expand its business



Investment Highlights - Resilient profitability, healthy capital structure



**Note: Gearing Ratio=all the interest bearing borrowings, guaranteed bonds, and notes/ (Total equity + all the interest bearing borrowings, guaranteed bonds, and notes)*

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Q&A