



北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

(Stock Code : 0392.HK)

Press Release
August 31, 2022, Hong Kong

Beijing Enterprises Holdings Limited Announces 2022 Interim Results Steady Development in Diversified Business DPS Increases Amid Market Downturn

Results Highlights:

1. The combined sales volume of Beijing Gas reached 10.88 billion cubic meters in the first half of the year, up 6.3% year-on-year; It recorded a revenue of HK\$34.16 billion in the first half of 2022, representing a year-on-year increase of 16.3%;
2. BE Water made breakthrough in technological innovation, successfully released two revolutionary products, BEAOA and BEWG speedgrain;
3. The environmental business improved its operating efficiency across the board, Domestic Solid Waste Treatment Platform achieved double-digit growth in both the waste treatment volume and operating revenue;
4. Yanjing Brewery sales rebounded, with Yanjing U8 achieved 214,000 kilolitres of sales volume, representing a year-on-year increase of 58%, which was one of the fastest-growing bulk single product in the industry during the past two years;
5. Based on the TCFD framework, climate risks are identified, and corresponding strategies are formulated, it is also disclosed in the *BEHL 2021 Sustainability Report*, and some of its subsidiaries set corresponding greenhouse gas emission reduction targets;
6. The Board declared an interim dividend of HK50 cents per share, up 25% year-on-year, dividend per share increases amid market downturn.

Financial Summary:

Unit: HK\$ million	First half of 2022	First half of 2021	Change
Revenue	45,989	40,388	+13.9%
Profit Attributable to Shareholders of the Company	5,029	6,316	-20.4%
Profit Attributable to Shareholders (After Excluding the Effect of One-off Events)	5,473	4,939	+10.8%
Basic Earnings Per Share	HK\$3.99	HK\$5.00	-20.2%
Interim Dividend per share	HK50 cents	HK40 cents	+25%

(31 August 2022 — Hong Kong) The Board of Directors of **Beijing Enterprises Holdings Limited** (“BEHL” or the “Company”, stock code: 0392.HK) hereby presents the results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2022. In the first half of 2022, the global economy faced new crises and challenges under the dual pressure of international geopolitical and economic complexities and uncertainties of COVID-19. However, China has been focusing on stabilizing macroeconomic situation, coordinating pandemic prevention and control with economic development, taking various actions to sustain growth, and implementing precise measures to maintain long-term economic fundamentals.

Gas Business Remained Positive Momentum Each Project Carried out in an Orderly Manner to a New Level

In the first half of the year, Beijing Gas actively implemented the enterprise development strategy with safety production as its fundamental, propelled the construction of major projects and its key tasks steadily and orderly, the overall development was steady and progress was made. During the period, Beijing Gas recorded a revenue of HK\$34.16 billion, profit before taxation from principal businesses (including natural gas distribution business, natural gas transmission business and VCNG of Rosneft) was HK\$3.87 billion, representing an increase of 32.4% over the corresponding period of last year. As of 30 June 2022, Beijing Gas had a total of approximately 7.19 million gas subscribers in Beijing and approximately 30,100 kilometers of natural gas pipelines in operation.

In terms of project progress, the service support for the Beijing Winter Olympics and Winter Paralympic Games was successfully completed, in addition, investigations and rectifications of hidden hazards in gas construction, supply and use were conducted. The principal part of the outbound pipelines for the Tianjin Nangang LNG Emergency Reserve Project was completed, and the same of its terminal project was qualified for acceptance inspection. The four storage tanks and receiving stations under the first phase was

completed 85% or more. The LNG business secured a stable growth, with deepened international cooperation, while its popularity and influence in the international market had enhanced, it effectively responded to the decline in market demand and adjusted its sales strategies and export prices in a flexible manner to facilitate the scalable growth of LNG sales. It made strenuous effort in expanding new energy projects, proactively developed new markets for heating supply, and continued to develop the photovoltaic market in Beijing. The management system of value-added business had improved and while the business was developing in a regulated and healthy manner, the categories of terminal products had increased correspondingly along with the daily life usage scenarios of family.

Gas supply chain investments are also an important component of Beijing Gas's main business. In terms of upstream oil and gas, the military conflict between Russia and Ukraine did not exert any direct impact on the production and operation of the VCNG project, in which Beijing Gas holds a 20% equity interest. During the period, due to the natural decline of oilfield production capacity, the VCNG project completed oil sales of 3.146 million tons, representing a decrease of 7.3% year-on-year. Beijing Gas shared a net operating profit after taxation of HK\$0.86 billion in the first half of the year, representing a significant year-on-year increase, which was mainly due to an increase in international oil prices beyond expectation resulting from the military conflict between Russia and Ukraine. In the midstream pipeline, PipeChina Group Beijing Pipeline Co., Ltd. ("PipeChina Beijing Pipeline Co."), in which Beijing Gas holds a 40% equity interest, recorded a gas transmission volume of 31.8 billion cubic meters. Beijing Gas's share of net profit after taxation amounted to HK\$1.15 billion, representing an increase of 21% when compared with the same period of last year.

China Gas Holdings Limited ("China Gas", stock code: 0384), one of our associates, is also celebrating its 20th anniversary of establishment this year, facing the internal and external environment abound with challenges and opportunities, China Gas increased the investments in digital safety management in the first half of the year, and accelerated the development of an OMP system (Operation Management Platform) with group-wide coverage and advanced technology. It continuously promoted value-added business, and actively adjusted and optimized its sales structure by improving the organizational structure of value-added business system; At the same time, it actively promoted new "dual-carbon" businesses, expand the low-carbon ecosystem, and vigorously develop the green financial market. In the 2022 fiscal year, China Gas's total natural gas sales increased by 17.6% to 36.703 billion cubic metres; its LPG sales recorded 4.27 million tons and integrated energy sales recorded 7.6 billion KWH.

Promote Specialization in Innovation

Two of BE Water's technology products released

In recent years, China has been building a high-quality urban sewage treatment system and continuously promoted urban sewage treatment and resource utilization, the demand for efficient and low consumption of sewage treatment technology rises. Beijing

Enterprises Water Group Limited (“BE Water”, stock code: 0371.HK) has started its technology deployment since 2017 to continuously improve its professionalism. During the period, it unveiled two technical products, BEAOA and BEWG speedgrain (北控速粒), which are of paramount significance to sewage treatment, pollution reduction and carbon reduction and the virtuous circle of the ecosystem. BEAOA is a new treatment process of high efficiency deep nitrogen and phosphorus removal, which was developed in cooperation with academician Peng Yongzhen of the Chinese Academy of Engineering, which is a powerful tool to reduce pollution and carbon in wastewater treatment, and successfully realized the first domestic and foreign application of AOA technology for 10,000-ton projects. BEWG speedgrain, is a leading technology product independently developed by BE Water based on aerobic granular sludge technology mechanism according to the characteristics of China’s low carbon to nitrogen ratio wastewater quality, mastering completely independent intellectual property rights, and has been the first in China to achieve large-scale long-term stable operation.

During the period, BE Water already participated in 1,412 water plants which are or will be in operation, with a total design capacity of 45.38 million tons/day. The net increase in design capacity for the period was 0.5 million tons/day.

Environmental Business Improved Overall Efficiency Solid Waste Platform Achieved Breakthrough

During the period, the Company’s environmental business segment achieved parallel development domestically and overseas. Domestic Solid Waste Treatment Platform upgraded energy-saving transformation, improved production capacity utilization, conducted centralized procurement to reduce production costs. It also strengthened regional coordination to implement technological upgrade to improve management standards. Moreover, proactive efforts have been made for its key project, the Beihai Domestic Waste Incineration Power Generation Project. EEW Energy from Waste GmbH (“EEW GmbH”) proactively paid attention to the impact of the Russia-Ukraine situation on the economic growth of Germany and the European Union, and tried to overcome the operational interference to the maximum extent, which also maintained stable growth in the first half of the year.

The Domestic Waste Treatment Platform of the Company recorded a waste treatment volume of 2.9053 million tons, representing a year-on-year increase of 15.4%. It completed an on grid power generation volume of 862.9 million KWH, representing a year-on-year increase of 2.3%. The revenue of EEW increased by 4.4% year-on-year to HK\$3.09 billion, which was mainly due to the higher sales prices of energy (electricity, heat, steam) than that of the same period last year. The sales of electricity were 866 million KWH, which remained unchanged over the same period of last year. The sales volume of heat was 503 million KWH, representing a slight year-on-year decrease. The sales volume of steam was 1.217 billion KWH, representing a year-on-year increase of 14.0%.

Remarkable Results Accomplished through Reformation

Yanjing U8 Became One of the Fastest Growing Bulk Single Products in the industry

Facing the multiple obstacles such as the outbreak of COVID-19 in different places, maturity of the market competition pattern as well as price surge of raw materials, Beijing Yanjing Brewery Co., Ltd. (“Yanjing Brewery”) evaluated the situation and deepened the reformation. It increased investments in marketing resources, adopted the Online-Merge-Offline approach and comprehensive branding strategy, adjusted product structure, reduced costs and increased efficiency, which injected consumption vitality for the national brewery market.

During the period, new products such as “fresh beer 2022”, U8 plus and high-end Lager Super12 Pilsner have been launched one after another, which further enriched the mid-and high-end product matrix. In particular, the special Yanjing 12° launched during the year won the gold medal at the first National Light Industrial Products Expo, the gold medal at the 31st Brussels Expo and other well-known domestic and international awards.

Benefiting from the series of reforms in product matrix, marketing layout, brand culture, Yanjing Brewery achieved a sales volume of 2.15 million kilolitres during the period, representing a year-on-year increase of 0.9%, of which, the sales volume of Yanjing U8 recorded 214,000 kilolitres, representing a year-on-year increase of 58%, which was one of the fastest-growing bulk single product in the industry in the past two years. The revenue that Beijing Yanjing Brewery Investments Co., Limited (“Yanjing Limited”) recorded during the period was HK\$7.26 billion, representing a year-on-year increase of 7%, with its profit before taxation of HK\$597 million, representing a year-on-year increase of 22.6%.

Continuously Fulfilled Sustainability Concept

ESG Performance Recognized by the Capital Markets

Under the goal of “Dual-Carbon”, energy saving, emission reduction and green development have gradually become the main theme in various fields. As an integrated public utility company, BEHL not only undertakes responsibility of economic development, but also bears the social responsibility that resonates with the strategy of sustainability.

During the first half of 2022, BEHL has been promoting ESG-related work in an orderly manner. The Company has identified climate risks based on the TCFD framework, formulated corresponding strategies and disclosed in BEHL 2021 Sustainability Report, while some of its subsidiaries also set corresponding greenhouse gas emission reduction targets. As for gas business, Beijing Gas set methane reduction targets, with methane emission intensity reduced to less than 0.12% by 2025 and to nearly 0% by 2030; China Gas released the carbon neutral action report, set the carbon neutral target and defined

the net zero path, which is of great significance to achieve its own low carbon transformation and drive the energy saving, carbon reduction and green development of the industrial chain. For environmental business, EEW GmbH committed to reducing greenhouse gas emissions from fossil fuels, with targets to achieve "climate neutrality" by 2031 and "climate positive" by 2040; BE Environment achieved the first carbon emission allowance transaction, marking a breakthrough in the work of "carbon emission reduction". For brewery business, Yanjing Brewery established the ESG Development Committee during the period, formulated an ESG strategic plan, established reasonable rules of procedure, and formed a top-down ESG management organization system. It will carry out "green governance" through deep cultivation of modern governance, green environmental protection, industrial innovation, and talent cultivation, so as to improve risk response capabilities, and achieve green, low-carbon, recyclable, and sustainable development. In the future, BEHL will adhere to the low-carbon development path and integrate the concept of sustainability into all aspects of production and operation, to make due contributions to social development.

At present, BEHL is still facing the complex impact of internal and external environmental interferences, and the industrial development is still in a critical period of strategic transformation and upgrading at the present stage. Mr. Xiong Bin, Executive Director and Chief Executive Officer of BEHL, stated, "In the second half of 2022, BEHL will manage to overcome the negative influences of the external policy situation and market environment, accelerate the self-change, to promote transformation and upgrading of industries, and give full play to the advantages of our own capital operation, empower the Company to release new growth potential, reshape the capital market value. We will make greater contribution to BEHL's '14th Five-Year Plan' with better performance."

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About Beijing Enterprises Holdings Limited:

Beijing Enterprises Holdings Limited ("BEHL") is the largest flagship company for overseas investment and financing of the People's Government of Beijing Municipality. It is designated to attract capital, technology, and management knowledge from the international market to support the priority projects in Beijing. After reforms like reorganisation, transition, and resources integration, BEHL successfully transformed into an integrated public utility company with core businesses covering city gas, water treatment, environment, and beer.

As at 30 June 2022, its core assets included: 100% of the equity in Beijing Gas Group Company Limited, China's largest integrated city gas company; 23.37% of the equity in China Gas Holdings Limited (00384.HK); 57.40% of the equity in the A-Share listed company, Beijing Yanjing Brewery Co., Ltd. (000729.SZ), through 79.77% of the equity in Beijing Yanjing Beer Investment Co., Ltd.; 40.66% of the equity in Beijing Enterprises Water Group Limited (00371.HK) which is deemed as a major platform to invest in water projects in Mainland China; 50.40% of the equity in Beijing Enterprises Environment Group Limited (00154.HK) committed to becoming a flagship company in the solid waste treatment industry; and 100% of the equity in EEW Energy from Waste GmbH, a leading European waste recycling company headquartered in Germany.

For more information, please visit <http://www.behl.com.hk>.

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