



北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

(Stock Code: 0392.HK)

PRESS RELEASE
29 August 2024, Hong Kong

BEHL Announces 2024 Interim Results

Focus on Cost Reduction and Efficiency Enhancement in All Business Segments Maintain Steady Progress in Business Development

Results Highlights:

1. Beijing Gas' combined natural gas sales volume was 11.83 billion cubic metres, revenue amounted to RMB30.66 billion;
2. BE Water implemented the business strategy of "Survival, Efficiency and Development", and advanced regional intensification reform to promote quality improvement, efficiency increase and cost reduction in existing operations. The net profit attributable to the Group was RMB462 million;
3. Domestic environmental business continued to broaden the market, with steady growth in waste treatment volume and on-grid power generation volume; Offshore EEW GmbH strengthened operational and financial management, with revenue increasing by 23.1% year-on-year to RMB3.34 billion;
4. While its beer sales growth in the first half of the year outpacing the industry average, Yanjing Brewery enriched the "on-line + off-line" marketing and diversified communication methods, and laid out new scenarios of e-commerce, new retail and experiential consumption, with its profit before taxation representing a year-on-year increase of 58.8%;
5. The Board of Directors announced an interim dividend of HKD0.85 per share. The interim dividend payout ratio reached to 30.9%, representing a year-on-year increase of 5.7 percentage points, to show appreciation to shareholders for their support.

Financial Summary:

Unit: RMB million	1H2024	1H2023 (Restated)	Change
Revenue	42,325	42,560	-0.6%
Gross Profit	6,487	6,306	+2.9%
EBITDA	8,153	8,571	-4.9%
Profit Attributable to Shareholders of the Company	3,149	4,091	-23.0%
Profit Attributable to Shareholders (Excluding One-off Items)	3,149	3,426	-8.1%
Basic and Diluted EPS	RMB2.50	RMB3.25	-23.1%
Interim Dividend Per Share	HK 85 cents	HK 93 cents	-8.6%
Interim Dividend Payout Ratio	30.9%	25.2%	+5.7ppts

(29 August 2024, Hong Kong) The Board of Directors of **Beijing Enterprises Holdings Limited** (“BEHL” or the “Company”, stock code: 0392.HK) announces the results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2024 (the “Period”). In 1H2024, global economic activities and trade rebound stably with gradual recovery in major economies. However, the uncertainties linger on. Investment remained weak due to inflation in the service sector and worldwide unyielding high costs in financing amid high interest rates. In facing a more complicated and acute external environment, China accelerated its economic transformation while maintaining a steady performance. During the Reporting Period, the Company proactively responded to internal and external opportunities and challenges. While focusing on cost reduction and efficiency enhancement in all business segments, we persevere in achieving positive interaction between high-quality development and high-level safety by transforming and incubating new quality productivity factors to maintain steady progress in business development.

Gas business focused on key issues and optimized operations, explored innovative new paths for growth

Beijing Gas Group Company Limited (“Beijing Gas”) recorded a revenue of RMB30.66 billion in the first half of 2024, representing a year-on-year decrease of 2.9%. Profit before taxation from the principal businesses (including natural gas distribution business, natural gas transmission business and VCNG of Rosneft) was RMB2.56 billion. As of 30 June 2024, Beijing Gas had a total of approximately 8.2 million gas subscribers in and outside Beijing.

In the first half of the year, Beijing Gas focused on key issues and continued to enhance its operating efficiency. While maintaining the core business existing market in Beijing, it optimized the layout of the pipeline network in markets outside Beijing. In the LNG business, it completed the signing of upstream long-term resource agreements and carried out diversified innovation in downstream business models to enhance market adaptability. 12 LNG shipments were completed at the receiving terminal of Tianjin Nangang LNG project during the year. Meanwhile, the first and second phases of the storage tanks and the outbound pipelines were put into operation, thus practically fulfilling the role of emergency peak-regulation to ensure sufficient supply. At the same time, it has accelerated its investment in new projects of hydrogen energy, battery charging and replacing, integrated energy, and photovoltaic while expanding its new energy business.

As an energy company covering the entire natural gas industry chain, Beijing Gas is also involved in upstream resource development and midstream long-distance pipeline operations. In terms of upstream resource development, Beijing Gas conducts its business through its 20% owned PJSC Verkhnechonskneftegaz (“VCNG”) project of Rosneft Oil Company. For the first half of the year, Beijing Gas shared a net operating profit after taxation of RMB464 million through VCNG. In terms of pipeline operation business, Beijing Gas conducts its business through PipeChina Group Beijing Pipeline Co., Ltd. (“PipeChina Beijing Pipeline Co.”), a company in which Beijing Gas has a 40% equity interest. During the Period, Beijing Gas’ share of net profit after tax amounted to RMB1.24 billion.

Adhering to the core spirit of “transforming concepts to strengthen the organization and improving quality for development”, China Gas Holdings Limited (“China Gas”, stock code: 384), an associated company, explored new ways to its innovative business growth and realized synergistic development of gas business, value-added business and integrated energy as its core business segments. The Group’s share of profit of China Gas in the first half of 2024 was RMB280 million, representing an increase of 38.2% when compared with the same period of last year. During the fiscal year ended 31 March 2024, China Gas’ total natural gas sales volume increased by 6.2% to 41.7 billion cubic metres, net operating cash flow increased by 13.1% to HK\$11.34 billion and free cash flow surged by 70.2% to HK\$4.29 billion, resulting in the best cash flow performance in history.

Water business focused on the business strategy of “Survival, Efficiency and Development”, enhanced the quality of existing operations and increased efficiency and reduced costs

Beijing Enterprises Water Group Limited’s (“BE Water”, stock code: 371) focused on the business strategy of “Survival, Efficiency and Development” during the Period. It leveraged debt restructuring policies to push forward the collection of large receivables. It optimized the asset structure by disposing of non-core assets and low-efficiency assets in the principal business and optimized debt level by adjusting the currency structure of domestic and overseas debts with compressed capital expenditures and new equity financing. Meanwhile, it advanced regional intensification reform to promote quality improvement, efficiency increase and cost reduction in existing operations. BE Water’s revenue for the first half of the year reached RMB11.31 billion. The net profit attributable to the Group was 462 million. As at 30 June 2024, BE Water participated in 1,457 water plants that are or will be in operation, including 1,217 sewage treatment plants, 167 water distribution plants, 72 reclaimed water treatment plants and 1 seawater desalination plant, with a total design capacity of 44 million tons/day.

Environmental business continuously reduced costs and enhanced efficiency, broadened the market to improve additional benefits

During the Period, the Group’s offshore company Energy from Waste GmbH (“EEW GmbH”) recorded year-on-year growth in its primary business indicators, with a 5.5% increase in its waste treatment volume to 2.51 million tons, a 7% increase in its energy sales volume to 2.69 billion kWh, and a 23.1% increase in its revenue to RMB3.34 billion in the first half of the year.

The Group’s domestic environmental business segment includes Beijing Enterprises Environment Group Limited (“BE Environment”, stock code: 154) and Beijing Enterprises Holdings Environment Technology Co., Ltd (“BEHET”) etc. During the Period, the domestic environmental business segment broadened the market around its main business and tapped into waste incineration resource channels to ensure the stable output of equipment capacity, recording a waste treatment volume of 3.6181 million tons, representing a year-on-year increase of 7.6%. It completed an on-grid power generation volume of 1.139 billion kWh, representing a year-on-year increase of 5.6%. It successfully won the bidding for the Qidong project, making a major breakthrough in the practice of the light asset operation mode. It deepened the existing projects and facilitated the traditional solid waste projects to carry out technology promotion of heat supply, sludge disposal, and de-nitrification of leachate furnaces segments to name a few to effectively enhance economic value added.

Beer Business achieved multi-line growth, “on-line + off-line” marketing and diversified communication methods received outstanding results

Beijing Yanjing Brewery Co., Ltd. (“Yanjing Brewery”) grasped the opportunities arising from the consumption recovery during the Period, reduced costs and increased efficiency, and maintained growth in its key performance indicators, with the growth rate of its beer sales volume in the first half of the year outpacing the industry average; steadily pushed forward the forming of a management excellence system; steadfastly implemented the strategy of bulk single product, adding several production bases for U8 bulk single product; and enriched the “on-line + off-line” marketing and diversified communication methods, and laid out new scenarios of e-commerce, new retail and experiential consumption to reshape the image of Yanjing Brewery to be youthful and high-end. The revenue that Beijing Yanjing Brewery Investments Co., Limited* (“Yanjing Limited”) recorded was RMB7.13 billion during the Period, representing a year-on-year increase of 5.0%, with its profit before taxation of RMB1.08 billion, representing a year-on-year increase of 58.8%.

Mr. Xiong Bin, Executive Director and CEO of BEHL, said, “The current global economy is expected to continue its recovery and global inflation may continue to fall. Meanwhile, factors such as trade protectionism and geopolitical conflicts will continue to create greater uncertainty, instability and imbalance. In the second half of the year, the Group will focus on the established business strategies and enhancement initiatives to explore potentials and increase efficiency to reshape its core competitiveness.”

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About Beijing Enterprises Holdings Limited (0392.HK):

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 2024, its core assets included: 100% of the equity in Beijing Gas Group Company Limited, China’s largest integrated city gas company; 23.59% 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.; 41.13% 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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