北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

BEIJING ENTERPRISES HOLDINGS LIMITED

Stock Code : 392

2025
Interim Report

CONTENTS

I. CORPORATE INFORMATION

As at 28 August 2025

DIRECTORS

Executive Directors

Mr. YANG Zhichang *(Chairman)*
Mr. XIONG Bin *(Chief Executive Officer)*
Mr. XU Tong
Mr. GENG Chao
Mr. TUNG Woon Cheung Eric

Independent Non-Executive Directors

Mr. WU Jiesi
Mr. LAM Hoi Ham
Dr. YU Sun Say
Ms. CHAN Man Ki Maggie

AUDIT COMMITTEE

Mr. WU Jiesi
Mr. LAM Hoi Ham *(Committee Chairman)*
Dr. YU Sun Say

REMUNERATION COMMITTEE

Mr. YANG Zhichang
Mr. WU Jiesi *(Committee Chairman)*
Mr. LAM Hoi Ham

NOMINATION COMMITTEE

Mr. YANG Zhichang *(Committee Chairman)*
Dr. YU Sun Say
Ms. CHAN Man Ki Maggie

INVESTMENT COMMITTEE

Mr. YANG Zhichang *(Committee Chairman)*
Mr. LAM Hoi Ham
Ms. CHAN Man Ki Maggie

COMPANY SECRETARY

Mr. TUNG Woon Cheung Eric

STOCK CODE

392

WEBSITE

www.behl.com.hk

SHARE REGISTRAR

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16 Harcourt Road, Hong Kong

REGISTERED OFFICE

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AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISERS

Hong Kong Law

Mayer Brown

PRC Law

East & Concord Partners

II. HIGHLIGHTS DURING THE PERIOD

Through active response to market changes in the first half of 2025, BEHL worked closely with its member companies towards ongoing innovation and development. The Company achieved positive progress in its principal business operations, technological innovation, industry expansion and financial management, effectively driving the high-quality development of its various businesses. The key highlights are as follows:

(I) SHARE PRICE HIGHLIGHTS

In the first half of 2025, the Company's share price increased by 23.6%, outperforming the Hang Seng Index and the Hang Seng China-Affiliated Corporations Index, highlighting the defensive properties of the Company's shares, and fully reflecting strong market confidence in the Company's financial health, cash flow stability and future growth potential.

(II) BUSINESS HIGHLIGHTS

1. Beijing Gas secured a three-year tolling contract for 4.5 million tonnes of LNG with major domestic supply enterprise through the Nangang LNG project and hosted the World Gas Conference for the first time in China, highlighting its brand value, industry leadership and international influence.

2. BE Water (stock code: 371) was ranked the first among China's top ten most influential water companies for 15 consecutive years. BE Water capitalised on debt resolution policy opportunities to advance the disposal of non-performing assets, enhance the accounts receivable collection rate for the current period, and intensify efforts in cost reduction and efficiency improvement, resulting in a notable improvement in both operating cash flow and free cash flow.

3. Domestic environmental business achieved a significant growth in the sludge collaborative treatment volume and the external steam supply volume with capacity utilisation and operational efficiency at a high level.

4. Overseas EEW GmbH commenced commercial operation of an expanded waste-to-energy plant and continued to promote the construction of projects such as sludge incineration, flue gas purification, and battery energy storage and established a long-term proprietary storage system under its current three major operating regions and launched an ALL-IN storage strategy, which is accessible to third-party solid waste management companies. This initiative has effectively reduced external storage costs, improved logistics flexibility and safeguarded the supply of materials and solid waste.

5. Yanjing Brewery (stock code: 000729) commenced the dual-drive layout of "beer + soft drinks" and leveraged its highly synergistic advantages of beer and soft drinks in production equipment, supply chains and terminal channels to accelerate its expansion into non-beer sectors and explore new breakthroughs.

(III) FINANCIAL HIGHLIGHTS

The Company continued to focus on its debt management objectives of "cost reduction and structural adjustment". Through bond issuance and low-interest loans, the Company effectively controlled financing costs, with interest expenses at the headquarters in the first half of the year decreasing by over RMB100 million year-on-year.

III. FINANCIAL HIGHLIGHTS

The Board is pleased to announce, the unaudited interim condensed consolidated results of the Group for the six months ended 30 June 2025, together with the comparative figures for 2024. The revenue of the Group was approximately RMB44.529 billion for the first half of 2025, representing an increase of 5.2% from the same period last year. Profit attributable to shareholders of the Company amounted to approximately RMB3.404 billion, representing a year-on-year increase of 8.1%.

Contributions by each business segment is set out as follows:

	Revenue				Profit attributable to shareholders of the Company			
	Mid-2025	Mid-2024	Increase/(decrease)		**Mid-2025**	Mid-2024	Increase/(decrease)	
	RMB in 100 million	*RMB in 100 million*	*RMB in 100 million*	*%*	***RMB in 100 million***	*RMB in 100 million*	*RMB in 100 million*	*%*
Gas operation	**325.64**	306.63	19.01	6.20%	**28.48**	28.03	0.45	1.61%
Gross profit margin	***7.76%***	*8.10%*		*-0.34%*				
Water operation	**–**	–			**3.69**	4.62	(0.93)	–20.13%
Environmental operation	**45.30**	44.93	0.37	0.82%	**4.11**	4.60	(0.49)	–10.65%
Gross profit margin	***25.25%***	*28.75%*		*–3.50%*				
Brewery operation	**73.94**	71.29	2.65	3.72%	**5.74**	3.75	1.99	53.07%
Gross profit margin	***43.64%***	*39.82%*		*3.82%*				
Others	**0.41**	0.40	0.01	2.50%	**0.28**	0.21	0.07	33.33%
Operating performance	**445.29**	423.25	22.04	5.21%	**42.30**	41.21	1.09	2.64%
Gross profit margin	***15.55%***	*15.69%*		*-0.14%*				
Others					**(8.26)**	(9.72)	1.46	15.02%
Total					**34.04**	31.49	2.55	8.10%

IV. SUMMARY OF OPERATIONAL PERFORMANCE

The key operating data for the six months ended 30 June are as follows:

	Unit	**2025**	2024*	Change
(1) Gas Business				
Natural gas sales volume of Beijing Gas	100 million cubic meters	**125.7**	119.1	5.5%
Including:				
Pipeline gas sales volume in Beijing	100 million cubic meters	**91.9**	93.6	-1.7%
LNG distribution volume	100 million cubic meters	**17.4**	13.1	32.8%
LNG international trade volume	100 million cubic meters	**9.9**	7.98	24.1%
Shaanxi-Beijing Line Gas Transmission Volume	100 million cubic meters	**497.8**	450.1	10.6%
Oil sales volume of VCNG	Million tons	**2.7**	2.9	-6.6%
(2) Water Business (in which the Company holds shareholdings)				
Sewage and reclaimed water treatment volume of BE Water	Million tons	**3,014.4**	3,044.7	-1.0%
Water supply volume of BE Water	Million tons	**1,180.9**	1,153.4	2.4%
Total design treatment capacity as of the end of the period	Million tons/day	**43.30**	44.00	-1.6%
Total operating capacity as of the end of the period	Million tons/day	**33.79**	33.61	0.5%
Number of water treatment plants and township sewage treatment facilities as of the end of the period		**1,463**	1,457	0.4%
(3) Environmental Business				
Domestic waste treatment volume	Million tons	**3.73**	3.62	3.1%
Domestic on-grid power generation volume	GWH	**1,162**	1,139	2.0%
Overseas waste treatment volume	Million tons	**2.52**	2.51	0.3%
Overseas electricity sales volume	GWH	**889**	847	4.9%
Overseas heat sales volume	GWH	**565**	524	8.0%
Overseas steam sales volume	GWH	**1,231**	1,233	–0.2%
Total waste incineration and power generation treatment capacity as of the end of the period	Tons/day	**35,547**	34,687	2.5%
(4) Beer Business				
Total sales volume of Yanjing Brewery	Million kiloliters	**2.352**	2.305	2.03%

* *Restated*

V. INTERIM DIVIDEND

The Board has resolved to declare an interim dividend for the year 2025 of HK85 cents (2024: HK85 cents). The dividend will be paid on 31 October 2025 to Shareholders whose names appear on the register of members of the Company as at 16 September 2025.

VI. CHAIRMAN'S STATEMENT

RESPONDING WITH STABILITY, PERSEVERING WITH RESILIENCE

In the just concluded first half year, international macroeconomic environment remained complex and volatile, with global trade, investment and market expectations severely disrupted, industrial and supply chains deeply fragmented, and financial markets experienced significant turbulence. Domestically, leveraging its ultra large market size, comprehensive industrial system and effective policy measures, the Chinese economy maintained its overall stable growth in counteracting external bombardments.

BEHL has most of its businesses deployed in the public utilities and infrastructure sectors, which play a fundamental role in safeguarding livelihood, providing public services and supporting sustained economic and social development. These sectors demonstrate notable operating stability and counter-cyclicality, providing solid assurance for the Company's long-term healthy development.

Looking at the results for the first half year, the Company maintained its sound and stable development momentum. Revenue amounted to RMB44.5 billion, representing a year-on-year increase of 5.2%, while net profit attributable to the parent company was RMB3.4 billion, representing a year-on-year increase of 8.1%. An interim dividend is HK85 cents per share. Such a performance not only reflects the Company's industry strengths of focusing on core businesses, taking concrete steps and achieving sustained growth, but also demonstrates active efforts in structure optimization, management enhancement, cost reduction and efficiency improvement, as well as risk prevention and resolution. In particular, it underscores the high-quality nature of the Company's development.

Firstly, the foundation of its core businesses was further consolidated. As a leading integrated utility services enterprise with nationwide coverage and overseas expansion, the Company has always placed top priority on ensuring safe, stable and efficient service supply. In the first half of the year, continuous investments were made in pipeline maintenance, equipment renewal and technological upgrades, resulting in ongoing improvement in operational efficiency and service quality, while customer satisfaction remained at a relatively high level. Core subsidiaries, through refined management, have unlocked the potential of existing resources and moderately expanding the user base, consolidated their advantageous positions in their respective business areas.

Secondly, profitability was further enhanced. Net profit growth outpaced revenue growth, reflecting the Company's continuously strengthened cost control capability and an increasingly optimized profit structure. In facing external price fluctuations and rising operating costs, the Company comprehensively advanced cost reduction and efficiency enhancement through a variety of initiatives including technological innovation, process optimization and centralized procurement, thereby improving value creation effectiveness. At the same time, it placed emphasis on investment efficiency, focusing on core projects with stable returns, to ensure the sustainability and stability of profit growth.

Thirdly, new growth drivers were further cultivated. With a long-term strategic perspective, the Company focused on business transformation, quality upgrading and intrinsic safety enhancement, accelerated the renewal and upgrading of existing infrastructure and aging facilities, promoted resource recycling, and drove the transformation of traditional businesses towards high-end, intelligent and green development. Closely aligned with such frontier areas as green and low-carbon, digital economy and artificial intelligence, and leveraging its business resources and capability foundations, the Company planned forward-looking deployment in emerging industries consistent with national policy directions and sound market outlooks, thereby steadily driving the shift of its business focus towards high value-added and technology-intensive directions.

Fourthly, corporate governance was further improved. The Company emphasized sound governance and controllable risks, strictly complied with listing rules, continuously improved corporate governance mechanisms, and enhanced the effectiveness of the Board's decision-making. It adhered to transparent and efficient communication mechanisms and focused on protecting the legitimate rights and interests of all shareholders, particularly minority investors. Compliance management was continuously strengthened, the internal control system and risk management system were improved, and responsibility constraints were reinforced to firmly uphold the bottom line of preventing material risks.

In the second half of the year, the Company will continue to adhere to the principle of high-quality and sustainable development, striving to improve operating results and continue to deliver stable returns for shareholders. The Company will focus on a few key tasks in its development.

Firstly, formulating the five-year plan from a high starting point. The Company regards the building of four strongholds – strongholds in business presence, value creation, institutional reform and talent aggregation – as strategic tasks. By fostering new quality productive forces, it aims to reshape future core competitiveness and scientifically determine the goals, direction and priorities for development over the next five years.

Secondly, advancing technological innovation and business innovation. The Company will adhere to technological innovation-led quality upgrading of its businesses, use intelligent approaches to enhance operational quality and efficiency across business segments, and actively explore new business deployment in emerging areas of the industrial and supply chains.

Thirdly, strengthening management empowerment. The Company will coordinate and promote the implementation of government policies, propel to resolve the difficulties faced by subsidiaries, continue management enhancement, further unlock the potential for cost reduction and efficiency improvement across business segments, and improve value creation. It will optimize governance mechanisms, raise the efficiency of decision-making and execution at headquarters, and carry out capital operations to reflect asset value and promote capital flow and appreciation.

VI. CHAIRMAN'S STATEMENT

Fourthly, building a solid risk defence line. The Company will strengthen its strategic execution management, compliance system development, financial and treasury management, asset quality control, public service assurance and workplace safety, ensuring controllable risks across all areas including strategy, operations, finance, compliance, production and services.

On behalf of the Board, I would like to express my sincere gratitude to all shareholders, investors, financial institutions and business partners for their trust and support, as well as to the management team and all employees for their hard work and contributions.

YANG Zhichang
Chairman

Hong Kong
28 August 2025

VII. BUSINESS OF THE GROUP

(I) BASIC INFORMATION

BEHL is listed on the Main Board of the Hong Kong Stock Exchange (stock code: 392) and is controlled by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality through BE Group. It is one of its largest overseas investment and financing flagship enterprise.

Established in 1997, BEHL has consistently gained the attention and support of the capital market by virtue of its strengths and strong background support. On the day of its listing, the Company set several records on Hong Kong Stock Exchange in terms of the amount of funds raised from initial public offering, the price-earning multiples, and the over-subscription multiples. After undergoing a series of reforms such as restructuring, transformation and resources integration, the Company has successfully transformed into 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.

The Company is currently included as a constituent stock of the Hang Seng China-Affiliated Corporations Index, Hang Seng Composite Index, Hang Seng SCHK Index, Hang Seng SCHK High Dividend Yield Index, Hang Seng SCHK SOEs High Dividend Yield ESG Index and Hang Seng High Dividend Yield Index. In terms of credit rating, the Company obtained a domestic rating of AAA from CCXI, the overseas ratings of A- from Fitch Ratings and Baa1 from Moody's Investors Service, all of which are high investment ratings.

In the future, BEHL will join hands with BE Group to fulfill its mission of "serving the national carbon peak and carbon neutral strategy, facilitating sustainable urban development, and building better cities", focus on key drivers of modern urban construction by aligning with national strategic needs, with targeted investment in public services, infrastructure development, ecological and environmental protection, improvement of people's livelihood and strategic emerging industries, and promote equal access to public services and infrastructure connectivity, striving to provide domestic leading and international first-class modern urban integrated services to make cities better.

VII. BUSINESS OF THE GROUP

(II) BUSINESS STRUCTURE

To effectively improve its corporate governance standards, increase its exclusive financing channels, and independently reflect its corporate value, the Company adopts the business layout structure of "single business, separate listing" for its principal business, and gives full play to the independent advantages of every business platform through the exclusive listed companies of each business segment.

The main business platform companies held by the Company are leading enterprises in various industries, among which:

Beijing Gas: The largest single city gas transmission and distribution enterprise in China;

China Gas (Stock Code: 384): One of the largest trans-regional, integrated energy suppliers and service providers in China;

BE Water (Stock Code: 371): The largest integrated water company in China, topped the list of China's Top Ten Influential Enterprises in the Water Industry for 15 consecutive years;

BE Environment (Stock Code: 154): One of the large solid waste treatment enterprises in China;

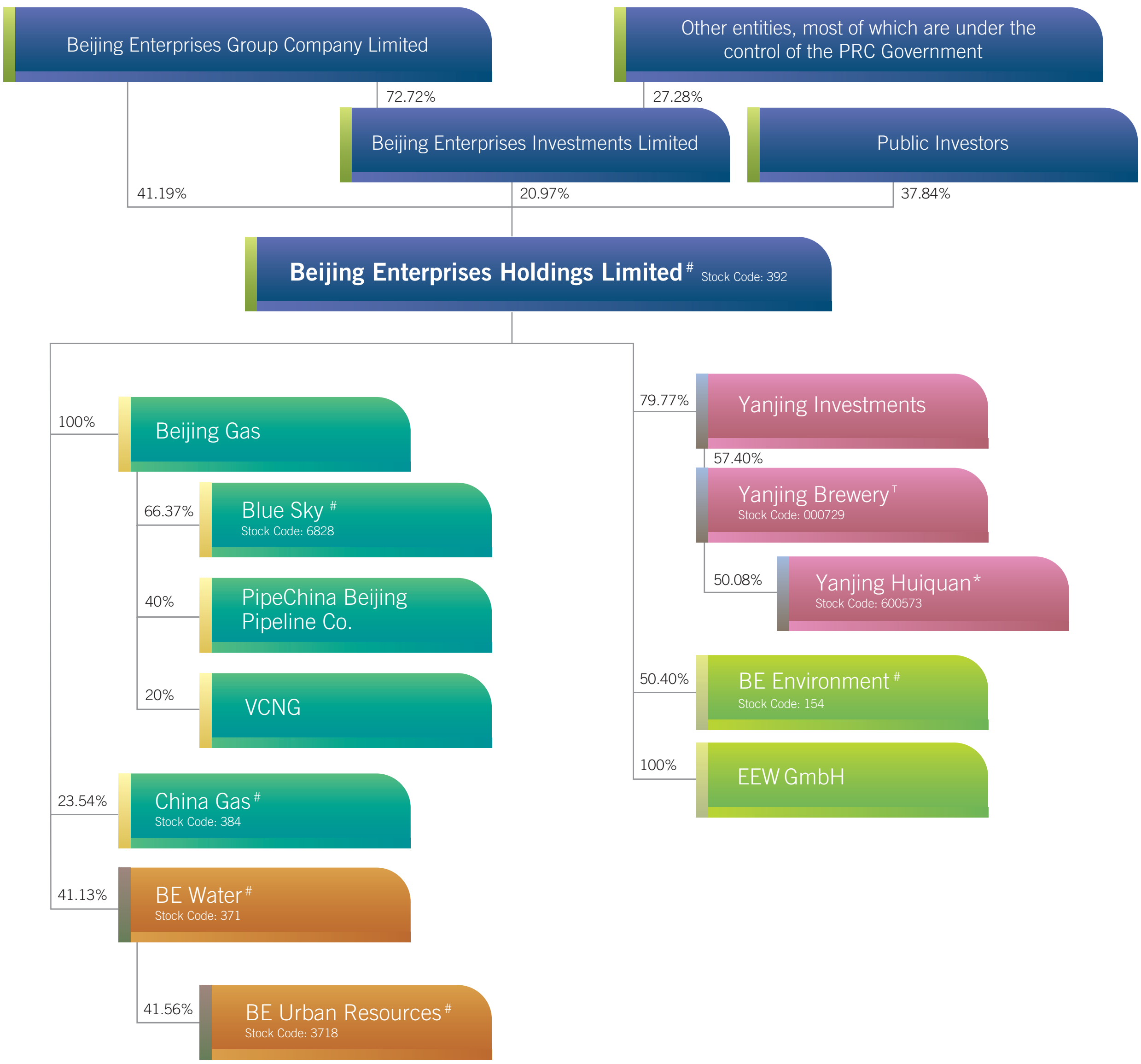
EEW GmbH: Germany's largest and Europe's leading waste-to-energy company;

Yanjing Brewery (Stock Code: 000729): Ranking among China's top three beer brands.

VII. BUSINESS OF THE GROUP

(III) CORPORATE STRUCTURE

As at 30 June 2025



* Listed on The Shanghai Stock Exchange

T Listed on The Shenzhen Stock Exchange

\# Listed on The Main Board of The Hong Kong Stock Exchange

VII. BUSINESS OF THE GROUP

(IV) MAIN BUSINESS SEGMENTS

1. Gas Business

The business scope of gas business encompasses natural gas storage, transmission and sales, as well as urban gas pipeline construction and management, gas for vehicles and vessels and refuelling stations, distributed energy, liquefied petroleum gas, new energy-related technology and product development, natural gas trade and value-added services, etc., with operations spanning upstream resources, midstream transmission and downstream market applications, achieving full industrial chain development. The Group has achieved annual gas sales volume of more than 65 billion cubic meters, possesses a total gas pipeline network of approximately 600,000 kilometers, and serves over 57 million gas customers. The main enterprises under the Group include Beijing Gas and China Gas.

The Company completed the acquisition of Beijing Gas in 2007 and established the main business framework with city gas as the core. Beijing Gas mainly serves the supply and sales of natural gas in Beijing and its peripheral urban areas. It is the largest single city gas supplier in China's urban gas industry, with the scale of pipeline network, the number of gas users, the annual gas consumption and the annual sales revenue all ranking among the top in China. At the same time, it is also an enterprise with cumulative natural gas supply exceeding 100 billion cubic meters, annual gas supply exceeding 10 billion cubic meters, and daily gas supply exceeding 100 million cubic meters. While maintaining the steady development of its natural gas distribution business, Beijing Gas has also been accelerating its presence in the LNG sector. Leveraging the Tianjin Nangang LNG project, the Company is building an integrated industrial chain covering "trading-processing-sales". This project features the largest onshore LNG film storage tanks in the world, the first of their kind to be constructed in China, and represents the receiving terminal with the highest storage and outward transmission capacity among all operational terminals in China. Furthermore, Beijing Gas continues to expand into the midstream and upstream segments of the industrial chain. In terms of the midstream sector, Beijing Gas holds 40% equity interest in PipeChina Beijing Pipeline Co., which is primarily engaged in the natural gas transmission business and owns and operates the Shaanxi-Beijing Natural Gas Pipeline Lines 1 to 4. In terms of the upstream sector, Beijing Gas successfully invested in the VCNG project of Rosneft Oil Company in 2017. The project owns the oil and natural gas exploration rights for one of the largest oil and gas fields in East Siberia, signifying Beijing Gas's expansion of its value chain into the resource side of the oil and natural gas.

The Company invested in China Gas in 2013 and achieved a nationwide layout of gas business. China Gas operates under a diversified development structure with focus on pipeline natural gas business, while also encompassing liquefied natural gas, liquefied petroleum gas, smart energy services, electricity and new energy, new thermal mining equipment and technology development and application, gas equipment and kitchen utensils, home living services, grid-based "shop-commerce" new retail. As of 30 March 2025, China Gas acquired 662 franchised pipeline gas projects in 30 provinces, municipalities and autonomous regions in China, and owned 32 long-distance natural gas pipelines, 488 compressed/liquefied natural gas refueling stations for vehicles and vessels, one coal-bed methane development project and 120 liquefied petroleum gas distribution projects.

VII. BUSINESS OF THE GROUP

2. Water Business

The water business is operated by BE Water. Established in 2008, BE Water is a flagship enterprise focusing on water recycling and water-related environmental protection, integrating industrial investment, design, construction, operation, technical services and capital operation. With urban water supply and sewage treatment business as its main core, its scale of water treatment excelled the market in China and is currently the largest domestic integrated water company and has topped the list of the Top 10 Influential companies in the Chinese Water Industry for 15 consecutive years.

As of 30 June 2025, BE Water operated a total of 1,463 water treatment plants and rural sewage treatment facilities, with a total design capacity of approximately 43.29 million tons/day. Its service coverage spans 20 provinces, 5 autonomous regions, and 4 municipalities directly under the Central Government across Chinese Mainland, as well as overseas markets including Portugal, Singapore, Australia, and Saudi Arabia.

3. Environmental Business

The business scope of the environmental business covers household waste incineration and power generation, hazardous and medical waste treatment, sludge disposal and garbage collection and transportation, possessing the world's leading waste incineration technology and project management standard. As of 30 June 2025, the Group has a total of 33 solid waste treatment projects in operation and under construction, with 16 in Chinese Mainland and 17 in Europe. The domestic and overseas waste incineration and power generation treatment capacity reaches 35,547 tons/day. The main enterprises include BE Environment and BEHET, which is based in China, and EEW GmbH, an overseas company headquartered in Germany.

BE Environment is a professional platform engaged in investment, construction and operation in the field of solid waste through capital operation, asset integration and investment operation. BEHET is an enterprise focusing on the development of environmental protection segments such as municipal solid waste, industrial hazardous waste, medical waste, construction waste disposal and ecological environment treatment and restoration.

EEW GmbH, which was wholly acquired by the Company in 2016, is a German enterprise focusing on waste-to-energy utilization, with its main business in waste incineration and power generation, steam supply and district heating. At present, its market share ranks first in Germany, and has 17 waste-to-energy utilization plants with world's first-class technology and equipment in Germany, the Netherlands and Luxembourg. As a leading enterprise in waste incineration and power generation in Germany, EEW GmbH represents the world's first-class standard in terms of equipment standards, operational efficiency, technical level and emission indicators.

VII. BUSINESS OF THE GROUP

4. Beer Business

The beer business constitutes an important part of the value investment strategy of BEHL, and is operated by Yanjing Brewery, with its business scope covers the production and sales of beer and beverages products. As a large brewery conglomerate in China and one of the major beer manufacturers in Asia, Yanjing Brewery boasts an annual beer sales volume of over 4 million kiloliters, and operates over 30 wholly-owned and controlled production bases in China. Yanjing Brewery ranks among the Top 500 China's Brands for several consecutive years, with a brand value of approximately RMB237.9 billion, and owns renowned domestic beer brands such as Liquan, Huiquan and Xuelu. Yanjing Brewery, with a strong commitment to quality, continues to advance its bulk single product strategy, forming a matrix of nationwide bulk single product represented by Yanjing U8, Yanjing V10, Fresh Beer 2022, and New Refreshing, alongside a matrix of differentiated and distinctive single product matrix represented by U8 plus, Alcohol-free White Beer and others. Additionally, Yanjing Brewery has launched Yanjing Lionk, an independent craft beer brand, to meet diverse consumer demands. In 2025, Yanjing Brewery initiated and implemented the "Beer + Beverage" dual-wheel drive strategy to further expand its product matrix beyond beer, optimize coverage across consumption scenarios and achieve full consumer penetration and full-time market reach, so as to drive new growth opportunities and enhance market expansion.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

(I) BUSINESS REVIEW

1. Overview

In the first half of 2025, the Company continued to advance its "Four Strongholds" strategic deployment in business layout, value creation, mechanism reform and talent pooling by focusing on its principal business of integrated public utilities and adhering to high-quality development as its core principle, while continuously enhancing the core competitiveness of its traditional principal business. The Company expedited the cultivation of new quality productive forces, reinforced science and technology innovation-driven development, and actively facilitated the layout of emerging businesses and the construction of science and technology innovation platforms, further enhancing its market competitiveness and sustainable development capabilities. Facing the complicated and volatile external environment and industry challenges, the Company adhered to refined operational management and high-standard risk prevention and control. Through improving the lean management system and optimizing asset structure, the Company effectively promoted key tasks such as cost reduction and efficiency improvement, receivables management and loss management. Key operational and financial indicators achieved phasal goals, with operational quality and profitability continuously improving. Meanwhile, the Company constantly improves its financing structure and optimizes capital management to enhance capital utilization efficiency, further solidifying the foundation for financial stability. Various reform and innovation measures were steadfastly implemented to stimulate the Company's endogenous growth driver and value creation vitality.

2. Gas Business

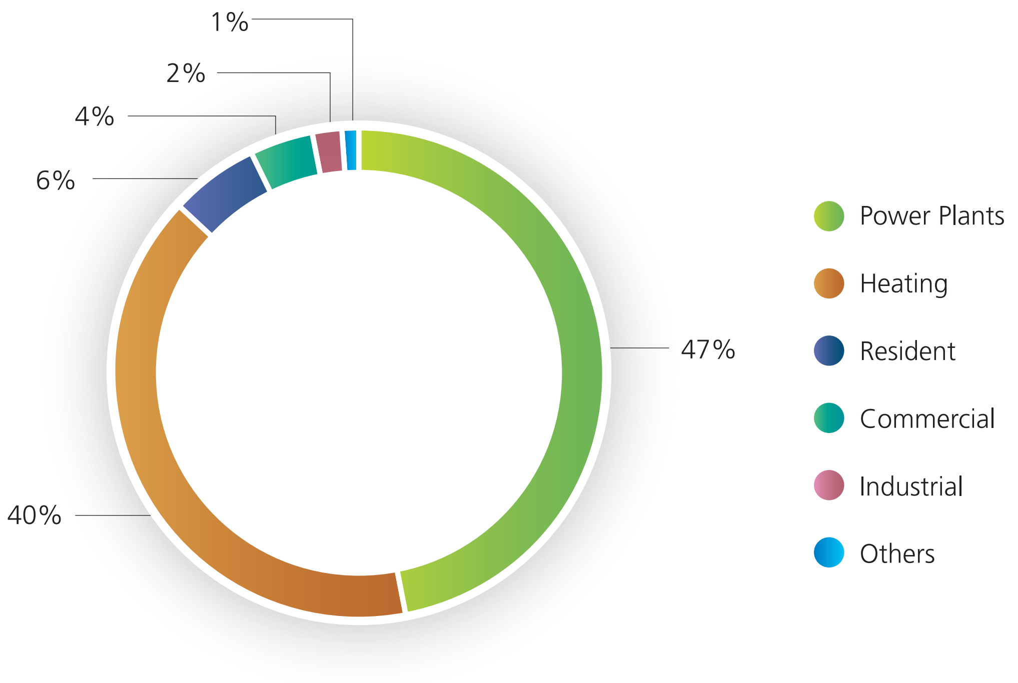
(1) Natural Gas Distribution Business

During the Period, natural gas distribution, the principal business of Beijing Gas, steadily consolidated its foundation by establishing market expansion strategies in competitive regions under the principle of one policy for one enterprise.

As of 30 June 2025, Beijing Gas had a total of about 7.56 million pipeline gas users in Beijing and operated a total length of the natural gas pipelines of about 29,500 kilometers. During the Period, Beijing Gas developed approximately 59,200 new household subscribers and 1,036 new public sector subscribers in Beijing.

During the Period, Beijing Gas' combined natural gas sales volume was 12.57 billion cubic metres, representing a year-on-year increase of 5.5%. Among which, pipeline gas sales volume in Beijing was 9.19 billion cubic metres, representing a year-on-year decrease of 1.7%, which was mainly due to factors such as warmer temperatures.

An analysis of the natural gas sales volume accomplished inside Beijing by subscriber sector is shown as follows:



(2) LNG Business

During the Period, Beijing Gas actively and steadily promoted the development of its LNG business. In terms of upstream operation, the scale of international trade business has been continuously expanding. In the first half year, Beijing Gas dynamically deployed 11 vessels for international trade shipment, achieving an international trade volume of 0.99 billion cubic meters, representing a year-on-year increase of 24.1%. In terms of downstream operation, Beijing Gas has established a diversified sales system of "gas + liquid" products based in the North China and extending to nationwide with domestic distribution reaching 1.25 million tons, representing a year-on-year increase of 33%.

Meanwhile, Beijing Gas has been actively expanding its LNG tolling business through the Tianjin Nangang project, with business volume continuing to grow.

In addition, Tianjin Nangang project successfully applied for and was granted the qualification as a bonded warehouse. The LNG bonded warehouse of Beijing Gas in Nangang, Tianjin has been officially put into operation, becoming the second LNG bonded warehouse in the Beijing-Tianjin-Hebei region and the first LNG bonded warehouse in the Nangang Industrial Park. The leasing business of bonded warehouse has gradually formed a new driver of profit growth.

(3) Natural Gas Transmission Business

During the Period, Beijing Pipeline Co., in which Beijing Gas is holding its shares, recorded a gas transmission volume of 49.78 billion cubic meters, representing a year-on-year increase of 10.6%.

(4) VCNG of Rosneft

During the Period, VCNG in which Beijing Gas is holding its shares, recorded petroleum sales of 2.71 million tons, representing a year-on-year decrease of 6.6%, being a natural decline in production.

(5) China Gas

China Gas, in which BEHL is holding its shares, adhered to the business strategy of "facilitating payment collection, expanding dollar margin, reducing expenses, strengthening the organization, enhancing quality, and pursuing development". Its natural gas business drove the improvement in dollar margin through price pass-through. Its liquefied petroleum gas (LPG) business navigated against adversity in the terminal market through light asset integration. Its value-added business deepened channel operation and optimized product offerings, thus achieving business volume growth. Its integrated energy business achieved breakthroughs in the industrial and commercial energy storage sector, laying the foundation for future growth.

By prioritizing safety management as a core task, China Gas is committed to building an intelligent-controlled safety defence line and establishing a new long-term safety management and control mechanism. Additionally, China Gas strengthened comprehensive process management, and proactively propelled the upgrading, renovation and maintenance of aging gas pipelines and user facilities to build a solid foundation for sustainable development. Adhering to the quality-first principle, China Gas exercised stringent control over capital expenditures, maintained rigorous cash flow management and continuously enhanced intrinsic corporate value to deliver stable returns for shareholders.

During the six months ended 30 March 2025, China Gas achieved a total of 68% in residential gas volume price pass-through rate in the regions where it operates, with total natural gas sales volume reaching 22.83 billion cubic meters and LPG sales volume reaching 1.85 million tons.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

3. Water Business

BE Water continued to focus on accounts receivable collection, and actively disposed of inefficient and ineffective assets, facilitating the continuous preservation and appreciation of strategic investment assets. BE Water reduced its financing costs and management fees, enhanced production efficiency, with the actual financial costs decreased by over RMB300 million year-on-year.

As of 30 June 2025, BE Water has entered into service concession arrangements and entrustment agreements for a total of 1,463 water treatment plants and rural sewage treatment facilities, including 1,214 sewage treatment plants and rural sewage treatment facilities, 174 water supply plants, 74 reclaimed water treatment plants, and 1 seawater desalination plant, of which 1,280 were in operation.

As of 30 June 2025, the total design capacity was 43.296 million tons/day, including the total design capacity of new projects of 119,831 tons/day during the Period and the total design capacity of plants in operation of 3,379 tons/day.

4. Environmental Business

The environmental business segment of BEHL includes BE Environment and BEHET, which is based in China, and EEW GmbH, a company based in overseas.

During the Period, our domestic projects adhered to the business philosophy of "stabilizing operations, exploring new ideas and facilitating development", continuously advanced the sludge collaborative treatment and steam supply business, and constantly enhanced project profitability. In the first half year, the volume of sludge collaborative treatment reached 497,100 tons, representing a year-on-year increase of 32.74%; and steam supply reached 186,000 tons, representing a year-on-year increase of 180%. Continuous facilitation of refined management ensured that the capacity utilisation rate and operational efficiency of projects remain at a high level.

For overseas projects, the business of EEW GmbH covers Germany, the Netherlands, and Luxembourg. In recent years, EEW GmbH has actively seized the opportunities in the local solid waste treatment and power markets. In the first half year, EEW GmbH commenced commercial operation of an expanded waste-to-energy plant and continuously propelled the construction of projects such as sludge incineration, flue gas purification and battery energy storage. Meanwhile, EEW GmbH is also committed to exploring other European markets to further enhance the supply sources of solid waste and increase the processing volume of high-value solid waste.

(1) As of 30 June 2025, the Group had:

- 33 solid waste treatment projects in operation, of which: 16 in China, 17 in Europe;
- solid waste incineration and power generation treatment capacity of 35,547 tons/day, of which: 21,255 tons/day in China, 14,292 tons/day in Europe;

(2) During the Period, the Group completed:

- solid waste treatment volume of 6.25 million tons, representing a year-on-year growth of 1.96%. Among which: domestic treatment volume was 3.73 million tons, representing a year-on-year growth of 3.1%, which was mainly due to the commencement of operation of Shiyan project;
- solid waste treatment volume of 2.52 million tons in Europe, representing a year-on-year growth of 0.3%;
- domestic on-grid power generation volume of 1,162 GWH, representing a year-on-year increase of 2.0%;
- energy sales of 2,685 GWH in Europe, representing a year-on-year increase of 3.1%, mainly attributable to the increased waste processing volumes and enhanced operational efficiency. In particular, sales of electricity amounted to 889 GWH, a year-on-year increase of 4.9%; sales of heat amounted to 565 GWH, a year-on-year increase of 8.0%; and sales of steam amounted to 1,231 GWH, a year-on-year decrease of 0.2%.

5. Beer Business

In the first half of 2025, Yanjing Brewery achieved a beer sales volume of 2.3517 million kiloliters, representing a year-on-year increase of 2.03%. The proportion of revenue from Yanjing Brewery's premium and mid-range products increased to 70.11% and effectively driving the increase in the overall sales volume and profitability simultaneously.

In the first half of 2025, Yanjing Brewery continued to facilitate the construction of its premier management mechanism and deeply carry out multi-dimensional KPI benchmarking in 28 factories, propelling the implementation of best practices and strengthening cost management. It accelerated the digital and intelligent transformation of the supply chain and the full operation of the SRM procurement platform to achieve cost reduction, significantly enhancing procurement and logistics efficiency.

Through diversified marketing activities and frequent exposure, Yanjing Brewery continuously promoted its brand's upgrade towards youthfulness, fashionable and premiumization. With the constant enhancement of technological empowerment and iterations in the research and development of premium products, Yanjing Brewery has successfully been enlisted in the first batch of China's renowned consumer products published by the Ministry of Industry and Information Technology in China. Meanwhile, Yanjing Brewery, together with its four sub-brands, have once again been included in the "China's 500 Most Valuable Brands" list released by the World Brand Lab. The brand value of Yanjing Brewery has further risen to RMB237.916 billion, and the total value of its sub-brands reached RMB115.254 billion, demonstrating its strong brand strength.

(II) FINANCIAL REVIEW

1. By business segment

(1) General situation

The revenue of the Group in the first half of 2025 was approximately RMB44.529 billion, representing an increase of 5.2% year-on-year. Profit before tax was RMB4.925 billion, representing an increase of 10.2% year-on-year. The profit attributable to shareholders of the Company amounted to approximately RMB3.404 billion, representing a year-on-year increase of 8.1%.

The Group's capital expenditure in the first half of 2025 totalling approximately RMB2.4 billion, including RMB1 billion in the gas segment, RMB0.9 billion in the environment segment, and RMB0.5 billion in the beer segment.

(2) Gas operation

The revenue from gas sales of the Group in the first half of 2025 was approximately RMB32.564 billion, representing an increase of 6.2% year-on-year, and profit before tax was approximately RMB3.038 billion, remaining basically unchanged year-on-year, of which:

1) Natural Gas Distribution Business

The natural gas distribution business and other businesses, including the sale of gas-related equipment and construction services, etc. (including Beijing Gas Blue Sky), contributed approximately RMB24.794 billion to the revenue in the first half of 2025, representing a decrease of 3.1% year-on-year, which was mainly attributable to higher temperatures during the heating season compared to the heating season of last year, resulting in a decline in gas sales volume in Beijing, and profit before tax was RMB1.054 billion, representing a decrease of 7.1% year-on-year, which was mainly attributable to the decline in profit resulting from the decrease in gas sales volume.

2) LNG Trade Business

The LNG trade contributed revenue of approximately RMB7.770 billion in the first half of 2025, representing an increase of 52.7% year-on-year, which was mainly due to the full-scale production of Tianjin Nangang LNG project and the increase in volume of international LNG trade and LNG distribution.

3) Natural Gas Transmission Business

In the first half of 2025, the Group's share of profit, through its 40% equity interest in Beijing Pipeline Co., remained stable at approximately RMB1.256 billion, representing a year-on-year increase of 1.5%.

4) VCNG of Rosneft

In the first half of 2025, the Group's share of profit, through its 20% equity interest in VCNG, amounted to approximately RMB328 million, representing a year-on-year decrease of 29.4%, which was mainly due to a year-on-year reduction in oil sales volume and oil price.

5) China Gas

In the first half of 2025, the Group's share of profit, through its approximately 23.5% equity interest in China Gas, amounted to approximately RMB313 million, representing a year-on-year increase of 11.7%, which was mainly due to the accelerated implementation of the linkage mechanism for natural gas prices and the strengthening of management to strictly control expenses and procurement costs.

(3) Water Business

In the first half of 2025, the Group's share of profit, through its approximately 41.13% equity interest in BE Water, amounted to approximately RMB369 million, representing a year-on-year decrease of 20.1%. The decrease was mainly due to the decrease in the profits of the construction segment resulting from the adjustment of investment strategies and stringent control over the investment in new projects.

(4) Environmental Business

The revenue of the environmental business in the first half of 2025 was approximately RMB4.530 billion, representing an increase of 0.8% year-on-year, and profit before tax was approximately RMB728 million, representing a decrease of 15.4% year-on-year, of which:

1) Domestic Business

The revenue of the domestic business in the first half of 2025 was approximately RMB1.125 billion, representing a decrease of 2.1% year-on-year, which was mainly due to the decrease in construction revenue of BE Environment. Profit before tax was approximately RMB307 million, representing a decrease of 9.8% year-on-year. There was a slight year-on-year increase if excluding the impact of the one-off adjustment factor in both periods.

2) EEW GmbH

The revenue of EEW GmbH in the first half of 2025 was approximately RMB3.405 billion, representing an increase of 1.9% year-on-year, which was mainly attributable to the increase in revenues from waste treatment, and profit before tax was RMB422 million, representing a decrease of 19.1% year-on-year, which was mainly attributable to the decrease in electricity selling price, which offset the positive impact of the increase in volume of waste treatment.

(5) Beer Business

The revenue of the beer business in the first half of 2025 was approximately RMB7.394 billion, representing an increase of 3.7% year-on-year, and profit before tax was RMB1.541 billion, representing an increase of 42.7% year-on-year, which was mainly attributable to the effective control of cost expenses by progressing the construction of the management system and strengthening cost management as well as the year-on-year increase in gross profit margin resulting from the promotion in the beer market for medium- and high-end products.

2. By accounting item

(1) Revenue

The revenue of the Group in the first half of 2025 was RMB44.529 billion, representing an increase of 5.2% year-on-year. Of which, the revenue of Beijing Gas was RMB32.564 billion, which accounted for 73.1% of total revenue. The revenue from beer sales was RMB7.394 billion, which accounted for 16.6% of total revenue. The environmental business contributed total revenue of RMB4.530 billion, which accounted for 10.2% of total revenue.

(2) Cost of Sales

Cost of sales increased by 5.4% to RMB37.604 billion. Cost of sales of the gas distribution business included the purchase cost of natural gas as well as the depreciation charge of the pipeline network. Cost of sales of the brewery business included raw materials, wage expenses, and absorption of certain direct overheads. Cost of sales of the solid waste treatment business included fuel charges, amortization, and waste disposal costs.

(3) Gross Profit Margin

In the first half of 2025, the overall gross profit margin was 15.55%, representing a slight decrease of 0.14% when compared to 15.69% in the corresponding period of last year, which was mainly due to the decrease in the gross profit margin of Beijing Gas.

(4) Other Income, Other Gains and Losses

Other income was mainly comprised of government grants of RMB250 million and bank interest income amounting to RMB348 million.

(5) *Selling and Distribution Expenses*

Selling and distribution expenses of the Group in the first half of 2025 were RMB1.099 billion, generally on par with the corresponding period of last year, which were mainly incurred by the brewery operation.

(6) *Administrative Expenses*

Administrative expenses of the Group in the first half of 2025 were RMB3.148 billion, generally on par with the corresponding period of last year through continuously implementing effective expense and cost control measures.

(7) *Other Operating Expenses, Net*

Other operating expenses, net mainly include the provision for impairment of certain assets.

(8) *Finance Costs*

The finance costs of the Group in the first half of 2025 were RMB1.083 billion, which decreased by 10.6% year-on-year through controlling finance costs continuously and effectively.

(9) *Share of Profits and Losses of Associates*

The share of profits and losses of associates mainly comprised the share of profits attributable to the Group from Beijing Pipeline Co., VCNG, the China Gas, and BE Water, respectively.

(10) *Taxation*

After deducting the share of profits and losses of associates and joint ventures, the effective income tax rate was 24.3%, which was less than 33.3% in the corresponding period of last year and was mainly due to higher expenses not deductible for tax last year.

(11) *Profit Attributable to Shareholders of the Company*

The profit attributable to the shareholders of the Company in the first half of 2025 was RMB3.404 billion, representing a year-on-year increase of 8.1%.

(III) FINANCIAL POSITION OF THE GROUP

1. Non-current Assets

The net value of property, plant and equipment increased by approximately RMB883 million as compared to the end of 2024, which was mainly attributable to the increase in fixed assets of EEW GmbH.

Other intangible assets were mainly from EEW GmbH.

The increase in investments in associates of RMB1.397 billion was mainly due to the Group's share of profit in VCNG, Beijing Pipeline Co., BE Water and China Gas in the first half of the year.

The balances in prepayments, other receivables and other assets increased by RMB490 million. The balances were mainly composed of time deposits and certificates of deposit of Beijing Gas in banks with maturity dates over one year.

2. Current Assets

Inventories mainly represented the balances in the inventory of Yanjing Brewery.

The balance of trade receivables increased by RMB94 million, which was basically flat as compared to the end of 2024. The balance mainly represented the account receivables from Beijing Gas's gas sales during the heating period and the account receivables from the environmental business.

The balances in prepayments, other receivables and other assets increased by RMB4.066 billion, which were mainly due to the increase in the balance of contract assets related to the construction services provided by Beijing Gas and EEW GmbH as well as dividends receivable from VCNG by Beijing Gas.

The balances in cash and bank deposits were RMB30.086 billion, representing a decrease of RMB874 million from the end of 2024. The Group continued to maintain sufficient cash reserves.

3. Non-current Liabilities

The balance of bank and other borrowings increased by RMB5.113 billion. The main reason was that during the Period, the Company arranged long-term bank loans and issued RMB bonds in exchange for short-term loans totaling approximately RMB7.49 billion, offsetting the impact of reclassification of certain bank loans and RMB bonds maturing within one year following the Period to current liabilities. Beijing Gas also increased its balance of long-term loans and RMB bonds during the Period.

The balance of guaranteed bonds and notes decreased by RMB5.183 billion, which was mainly due to the reclassification of green notes of EUR400 million and bonds of US$300 million maturing within one year following the Period to current liabilities.

The provision for onerous contracts and major overhauls were mainly from EEW GmbH.

4. Current Liabilities

The balances in trade and bills payables increased by RMB527 million, which were primarily due to an increase in the balances in accounts payables of Yanjing Brewery.

Other payables, accrued expenses and contract liabilities increased by RMB597 million, which were mainly due to an increase in payables for construction work of Beijing Gas and payables for container deposit of Yanjing Brewery.

The balance of bank and other borrowings decreased by RMB1.795 billion, which was mainly due to repayment of certain short-term bank loans by the Company during the Period and replacement of short-term loans totaling approximately RMB7.49 billion with long-terms bank loans and issuance of RMB bonds, offsetting the impact of the increase in balance of current liabilities as a result of reclassification of bank loans and RMB bonds maturing within one year following the Period.

The balance of guaranteed bonds and notes increased by RMB2.309 billion, which was mainly due to the reclassification of green notes of EUR400 million and bonds of US$300 million maturing within one year following the Period to current liabilities, offsetting the impact of repayment of guaranteed bonds of US$500 million by Beijing Gas during the Period.

5. Cash and bank borrowings

As at 30 June 2025, cash and bank deposits held by the Group amounted to RMB30.086 billion, representing a decrease of RMB874 million as compared to the end of 2024.

The Group's total borrowings amounted to RMB79.350 billion as at 30 June 2025, which mainly comprised guaranteed bonds and notes of US$1.3 billion in total, Euro guaranteed bonds amounting to EUR0.9 billion, RMB bonds amounting to RMB24.0 billion and RMB bank loans amounting to RMB30.0 billion in total.

6. Liquidity and capital resources

As at 30 June 2025, the Group's net current liabilities amounted to RMB11.041 billion, representing a decrease of RMB1.048 billion from the end of 2024. The main reason for the net current liabilities was that certain guaranteed bonds and notes maturing within 1 year after the Period were required to be classified as current liabilities. Therefore, the EUR400 million green bonds and USD300 million bonds issued in the first half of 2025 were reclassified from long-term to current liabilities. The relevant guaranteed bonds and notes can only be repaid upon maturity. The Group has already made new financing arrangements for the upcoming maturities and plans to replace the relevant guaranteed bonds and notes with long-term debt upon maturity.

The Group maintains sufficient bank credit facilities in Chinese Mainland and Hong Kong to satisfy its working capital requirements and also holds ample cash resources to fund capital expenditures in the foreseeable future.

As at 30 June 2025, the issued share capital of the Company was 1,258,003,268 shares, and the equity attributable to shareholders of the Company was RMB88.031 billion. Total equity was RMB101.634 billion as compared to RMB97.615 billion as at the end of 2024. The gearing ratio, being all the interest-bearing borrowings and guaranteed bonds and notes divided by the sum of total equity plus all interest-bearing borrowings and guaranteed bonds and notes, was 44% (31 December 2024: 45%).

(IV) OUTLOOK

1. Overview

Looking ahead to the second half of the year, amid complex and challenging external environment and industry challenges, BEHL will proactively adapt to changes in both internal and external markets and persistently advance its "Four Strongholds" strategic deployment. The Company will focus on the advantages of its principal businesses to enhance the quality and efficiency, management upgrade and innovation reforms, deepen lean operation and management standards, optimize capital operation and financing structure, consistently reduce financial expenses, and improve capital utilization efficiency. To expedite the cultivation of new-quality productive forces. The Company will propel technological innovation and industrial transformation, strengthen risk prevention and control and receivables collection governance, thereby providing a robust foundation for sustainable and high-quality development. Concurrently, the Company shall anchor its strategic objectives in high-quality development, scientifically establish strategic targets, and execute the "15th Five-Year Plan" to the highest standards, thereby fully leveraging the its guiding role in corporate development.

2. Adhering to Strategic Planning

The Group steadfastly upholds its founding mission of creating a better future for cities, maintaining core focus on urban energy, urban water services, urban environment, and urban consumption sectors, while consistently striving to become a top-tier comprehensive public utility service provider. Amid China modernization is advancing, the Group's initiatives to consolidate the leading advantages of its four core businesses will continue to be underpinned by robust external drivers, including the deepening of national urbanization, industrial restructuring and upgrading and accelerated deployment of technological innovations, while gaining expanded access to reduce costs and enhance efficiency.

As an enterprise rooted in investment, financing and capital operation, the Group will continue to leverage strategic opportunities by optimizing its financing structure and consolidating the cost of capital advantages while enhancing capital deployment to boost value creation capabilities. The Group will maintain its "limited diversification" strategy to carry out mergers and acquisitions and business extensions, empowers through resources integration and optimal allocation, business synergy, and management, and creates incremental value in the process of mergers and acquisitions and business extensions.

As an enterprise committed to sustainable excellence, the Group prioritizes both qualitative enhancements in operational performance and reasonable quantitative expansion of business scale, accelerating the development of new quality productive forces by continuously addressing evolving urban development needs and generating new values required by society. The Group will concentrate on low-carbon green emerging industries, expand new businesses in innovative clean energy systems, leverage the growth of new quality productivity to optimize its business layout and asset structure, and achieve the strategic objective of building its "Four Strongholds".

We are confident that the sustained implementation of the "Four Strongholds" strategy will naturally generate favorable investment returns for long-term shareholders embracing our growth.

3. All Business Segments

(1) Gas Business

1) Beijing Gas

- Natural Gas Distribution Business

  Beijing Gas will consolidate its dominance in the Beijing gas sector by leveraging local expertise to solidify market expansion achievements. Concurrently, it will advance pipeline network deployment, accelerate ancillary infrastructure construction development, enhance regional service capabilities, and actively explore new market segments.

- LNG Business

  Regarding LNG Business, Beijing Gas will: advance pilot studies on hedging in an orderly manner while continuously enhancing the operational efficiency of its bounded warehouse; closely monitor domestic and international market dynamics to flexibly optimize resources procurement structures and rationally adjust Nangang inventories to ensure adequate seasonal reserves; expand sales volume along Nangang pipeline routes while strengthening the management and services for tolling clients; continuously improve LNG business quality and scale, cultivating it as Beijing Gas' second core business to drive diversified and high-quality growth.

- Natural Gas Transmission Business

  Beijing Gas will further strengthen communication and collaboration with fellow shareholders, actively monitor and focus on enhancing the operational performance and pipeline maintenance capabilities of Beijing Pipeline Co.. Simultaneously, it will support Beijing Pipeline Co. in actively expanding into new energy sectors such as hydrogen blending, continuously improving its core competitiveness.

- VCNG of Rosneft

  Beijing Gas will further enhance communication and collaboration with Rosneft Oil Company, continuously deepening the mutually beneficial cooperation with it in the natural gas sector. Beijing Gas will maintain close attention to the crude oil production and development progress of VCNG of Rosneft, provide optimization suggestions for the oilfield development plan, and closely monitor trends in oil prices and exchange rates.

2) China Gas

Driven by both deepening reforms of natural gas market and energy transformation, China Gas is leveraging its customer base covering nearly 50 million households nationwide, its hundred billion-level natural gas asset reserves, and over two decades of operational experience accumulated in the industry, while accelerating in seizing the historical opportunities of strategic transformation from a traditional public utility to an intelligent energy ecosystem and living service platform.

China Gas will continue to advance the implementation of gas distribution pricing linkage mechanisms to secure returns and seek policy-based funding support for aging neighborhood renovation projects. Leveraging the stable recovery of the real estate market, China Gas will expand new user connection services. China Gas will integrate LPG resources and innovate business models to enhance terminal retail profitability. Relying on consumption policies, China Gas will deepen omnichannel operation, optimize product offerings of value-added services and accelerate the exploration of new businesses. China Gas will prioritize the development of biomass and integrated energy projects, boosting the synergistic development of photovoltaic and electricity sales businesses with industrial and commercial user-side energy storage as the focus.

(2) Water Business

In the second half of 2025, BE Water will adhere to a proactive yet prudent approach, continuously strengthen cash flow management, and enhance capital fund recovery efficiency. The Company will improve payment collection mechanisms and risk warning mechanisms, optimize asset structure, actively expand creditworthy client resources, and sustain the operational efficiency of assets.

Simultaneously, BE Water will advance regional intensive management and the integration of business and finance, refine management processes to holistically improving operational efficiency. Through diversified measures to reduce production and financial costs, the Company will further optimize its financing structure and consolidate operational foundation.

Additionally, BE Water will accelerate the deployment of innovative technologies such as artificial intelligence in process control, work order management, and knowledge management applications. The Company will proactively advance digitalization and intelligent operation to steadfast the foundation for sustainable development.

(3) Environmental Business

It will strengthen collaboration in the environmental business both domestically and overseas, continuously enhancing the overall performance growth contribution of the segment. Among which:

For domestic environmental businesss, the focus will center on enhancing the quality and efficiency of existing asset operations, optimizing underperforming assets, and advancing technological innovation capabilities. The Company will actively expand diversified services including collaborative treatment and heating supply to extend industrial chains and cultivate new growth drivers in niche markets。Steadily advancing quality project acquisitions, it will optimize asset structure，boost synergistic effects，and improve profitability. The Company will deepen lean management，strengthen safety compliance with cost controls, and elevate operation efficiency. Simultaneously, it will accelerate technological innovation and digital transformation construction to reinforce technical and digital foundations, continuously unlock asset potential, and actively develop new profit growth points.

Overseas, EEW GmbH will continue to monitor trends in the solid waste electricity futures price market, formulate mid-to-long-term plans for the solid waste resource market and optimize its energy sales structure. It will further expand solid waste resource supply channels and expedite new production lines' commencement of commercial operations to enhance performance contributions in accordance with the annual plan. Simultaneously, EEW GmbH will leverage its strengths across R&D initiatives, including warehouse management systems and intelligent material flow dispatching tools, coupled with advancing environmental technologies such as carbon capture, utilization and storage and also flue gas purification, to consistently strengthen core competitiveness.

(4) Beer Business

Looking ahead to the second half of the year, Yanjing Brewery will enhance benchmarking against the world's first-class standard by deepening system development. The Company will intensify per-unit beer cost control and drive continuous optimization across breweries in quality management, cost control, production efficiency, and digital transformation. At the same time, it will advance green factory development through strict compliance with national-level green factory standards while expediting technological upgrades and management enhancements.

Adhering to a market-oriented approach, Yanjing Brewery will persist in driving product innovation and business expansion to enhance market competitiveness while consolidating existing market share. It will prioritize the R&D and commercialization of mainstream products, wellness-focused products, craft premium offerings, beverage categories, and seasonal offerings, thereby establishing differentiated and diversified product lines to satisfy heterogeneous consumer demand.

IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(I) CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the six months ended 30 June 2025

	NOTES	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	4	**44,528,870**	42,324,604
Cost of sales		**(37,604,491)**	(35,683,938)
Gross profit		**6,924,379**	6,640,666
Other income, other gains and losses	5	**1,232,743**	894,486
Selling and distribution expenses		**(1,099,337)**	(1,089,833)
Administrative expenses		**(3,148,030)**	(3,115,539)
Other operating expenses, net		**(362,737)**	(340,156)
Finance costs	6	**(1,082,732)**	(1,210,621)
Share of profits and losses of:			
Joint ventures		**5,775**	(1,966)
Associates		**2,454,864**	2,690,430
Profit before tax	7	**4,924,925**	4,467,467
Income tax	8	**(599,198)**	(592,971)
Profit for the period		**4,325,727**	3,874,496
Attributable to:			
Shareholders of the Company		**3,403,590**	3,149,443
Non-controlling interests		**922,137**	725,053
		4,325,727	3,874,496
Earnings per share attributable to shareholders of the company			
Basic and diluted	10	**RMB2.71**	RMB2.50

IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(II) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period	**4,325,727**	3,874,496
Other comprehensive income (loss)		
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**1,246,359**	(546,755)
Share of other comprehensive loss of associates	**(664,998)**	(33,141)
Fair value changes on hedging instruments designated in cash flow hedge	**17,406**	–
Net other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods	**598,767**	(579,896)
Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:		
Defined benefit obligations:		
Actuarial gains (losses), net	**98,501**	(78,662)
Income tax effect	**(27,518)**	17,119
	70,983	(61,543)
Equity investments at fair value through other comprehensive income:		
Changes in fair value	**68,551**	210,263
Income tax effect	**(15,865)**	(6,970)
	52,686	203,293
Share of other comprehensive (loss) income of associates	**(13,862)**	5,909
Exchange differences arising from translation of the Company's financial statements into presentation currency	**–**	434,533
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**109,807**	582,192
Other comprehensive income for the period, net of income tax	**708,574**	2,296
Total comprehensive income for the period	**5,034,301**	3,876,792
Attributable to:		
Shareholders of the Company	**3,992,714**	3,199,124
Non-controlling interests	**1,041,587**	677,668
	5,034,301	3,876,792

IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(III) CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 June 2025

	NOTES	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
ASSETS			
Non-current Assets			
Property, plant and equipment	*11*	**61,600,119**	60,717,270
Investment properties		**1,175,472**	1,182,841
Right-of-use assets		**2,595,845**	2,437,119
Goodwill		**15,424,477**	14,668,188
Operating concessions		**5,109,858**	5,176,717
Other intangible assets		**2,500,378**	2,430,886
Investments in joint ventures		**161,398**	148,992
Investments in associates		**61,553,520**	60,156,687
Equity investments at fair value through other comprehensive income		**1,916,822**	1,861,425
Receivables under service concession arrangements	*12*	**3,176,368**	3,223,201
Prepayments, other receivables and other assets		**6,517,621**	6,027,285
Deferred tax assets		**1,957,802**	1,965,021
Derivative financial instruments		**172**	29,332
		163,689,852	160,024,964
Current Assets			
Inventories		**6,505,266**	6,815,913
Receivables under service concession arrangements	*12*	**139,747**	136,807
Trade receivables	*13*	**5,228,550**	5,134,785
Prepayments, other receivables and other assets		**9,968,785**	5,902,307
Other tax recoverable		**542,230**	467,621
Restricted cash and pledged deposits		**24,563**	7,340
Cash and cash equivalents		**30,086,100**	30,960,207
		52,495,241	49,424,980
Non-current assets classified as held for disposal		**302,173**	302,173
		52,797,414	49,727,153
Total Assets		**216,487,266**	209,752,117

IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(III) CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 June 2025

	NOTES	**30 June 2025 RMB'000 (Unaudited)**	31 December 2024 RMB'000 (Audited)
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	*14*	**28,340,052**	28,340,052
Reserves		**59,691,243**	56,541,082
		88,031,295	84,881,134
Non-controlling interests		**13,602,978**	12,734,049
Total Equity		**101,634,273**	97,615,183
Non-current Liabilities			
Bank and other borrowings	*15*	**35,805,367**	30,692,409
Guaranteed bonds and notes	*16*	**7,039,082**	12,222,436
Lease liabilities		**431,482**	353,387
Defined benefit obligations		**2,328,650**	2,301,531
Provision for major overhauls and onerous contracts		**293,309**	279,216
Other non-current liabilities		**2,787,932**	2,156,727
Deferred tax liabilities		**2,168,124**	2,107,690
Derivative financial instruments		**160,575**	207,141
		51,014,521	50,320,537
Current Liabilities			
Trade and bills payables	*17*	**4,433,377**	3,906,197
Other payables, accruals and contract liabilities		**21,197,471**	20,600,778
Provision for major overhauls and onerous contracts		**47,653**	42,717
Income tax payables		**811,939**	636,822
Other tax payables		**572,090**	388,881
Bank and other borrowings	*15*	**26,813,605**	28,608,957
Guaranteed bonds and notes	*16*	**9,691,588**	7,382,326
Lease liabilities		**270,749**	249,719
		63,838,472	61,816,397
Total Liabilities		**114,852,993**	112,136,934
Total Equity and Liabilities		**216,487,266**	209,752,117

IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(IV) CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2025

	Attributable to shareholders of the Company											
	Share capital *RMB'000* (Unaudited)	Capital reserve *RMB'000* (Unaudited)	Investment revaluation reserve *RMB'000* (Unaudited)	Property revaluation reserve *RMB'000* (Unaudited)	Defined benefits plan reserve *RMB'000* (Unaudited)	Exchange fluctuation reserve *RMB'000* (Unaudited)	PRC reserve funds and other reserve *RMB'000* (Unaudited)	Hedging reserve *RMB'000* (Unaudited)	Retained profits *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)	Non-controlling interests *RMB'000* (Unaudited)	Total equity *RMB'000* (Unaudited)
Six months ended 30 June 2025												
At 1 January 2025	28,340,052	615,354*	(437,933)*	87,638*	(121,280)*	(7,583,435)*	16,476,788*	(159,687)*	47,663,637*	84,881,134	12,734,049	97,615,183
Profit for the period	–	–	–	–	–	–	–	–	3,403,590	3,403,590	922,137	4,325,727
Other comprehensive income (loss) for the period:												
Equity investments at fair value through other comprehensive income:												
Changes in fair value	–	–	68,551	–	–	–	–	–	–	68,551	–	68,551
Income tax effect	–	–	(15,865)	–	–	–	–	–	–	(15,865)	–	(15,865)
Exchange differences on translation of foreign operations and the Company's financial statements	–	–	–	–	–	1,127,450	–	–	–	1,127,450	118,909	1,246,359
Fair value changes on derivative financial instruments	–	–	–	–	–	–	–	17,406	–	17,406	–	17,406
Defined benefit obligations:												
Actuarial gains, net	–	–	–	–	97,797	–	–	–	–	97,797	704	98,501
Income tax effect	–	–	–	–	(27,355)	–	–	–	–	(27,355)	(163)	(27,518)
Share of other comprehensive loss of associates	–	–	(12,039)	–	(1,823)	(634,342)	–	(30,656)	–	(678,860)	–	(678,860)
Total comprehensive income (loss) for the period	–	–	40,647	–	68,619	493,108	–	(13,250)	3,403,590	3,992,714	1,041,587	5,034,301
Capital contribution from non-controlling equity holder of subsidiaries	–	–	–	–	–	–	–	–	–	–	280	280
Share of reserves of associates	–	38,930	–	–	–	–	–	–	–	38,930	–	38,930
Final 2024 dividend	–	–	–	–	–	–	–	–	(881,483)	(881,483)	–	(881,483)
Dividends paid to non-controlling equity holders of subsidiaries	–	–	–	–	–	–	–	–	–	–	(172,938)	(172,938)
Transfer to PRC reserve funds and other reserves	–	–	–	–	–	–	878,798	–	(878,798)	–	–	–
At 30 June 2025	28,340,052	654,284*	(397,286)*	87,638*	(52,661)*	(7,090,327)*	17,355,586*	(172,937)*	49,306,946*	88,031,295	13,602,978	101,634,273

* *These reserve accounts comprise the consolidated reserves of RMB59,691,243,000 (Unaudited) (31 December 2024: RMB56,541,082,000 (audited)) in the condensed consolidated statement of financial position as at 30 June 2025.*

IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IV) CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2025

	Attributable to shareholders of the Company										
	Share capital *RMB'000* (Unaudited)	Capital reserve *RMB'000* (Unaudited)	Investment revaluation reserve *RMB'000* (Unaudited)	Property revaluation reserve *RMB'000* (Unaudited)	Defined benefits plan reserve *RMB'000* (Unaudited)	Exchange fluctuation reserve *RMB'000* (Unaudited)	PRC reserve funds and other reserve *RMB'000* (Unaudited)	Retained profits *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)	Non-controlling interests *RMB'000* (Unaudited)	Total equity *RMB'000* (Unaudited)
Six months ended 30 June 2024											
At 1 January 2024	28,340,052	456,096*	(708,550)*	87,638*	(119,464)*	(7,782,397)*	16,534,681*	44,189,668*	80,997,724	12,051,641	93,049,365
Profit for the period	–	–	–	–	–	–	–	3,149,443	3,149,443	725,053	3,874,496
Other comprehensive income (loss) for the period:											
Equity investments at fair value through other comprehensive income:											
Changes in fair value	–	–	210,263	–	–	–	–	–	210,263	–	210,263
Income tax effect	–	–	(6,970)	–	–	–	–	–	(6,970)	–	(6,970)
Exchange differences on translation of foreign operations and the Company's financial statements	–	–	–	–	–	(64,366)	–	–	(64,366)	(47,856)	(112,222)
Defined benefit obligations:											
Actuarial gains (losses), net	–	–	–	–	(79,274)	–	–	–	(79,274)	612	(78,662)
Income tax effect	–	–	–	–	17,260	–	–	–	17,260	(141)	17,119
Share of other comprehensive income (loss) of associates	–	–	4,330	–	1,579	(33,141)	–	–	(27,232)	–	(27,232)
Total comprehensive income (loss) for the period	–	–	207,623	–	(60,435)	(97,507)	–	3,149,443	3,199,124	677,668	3,876,792
Repurchase of Company's shares	–	–	–	–	–	–	–	(46,801)	(46,801)	–	(46,801)
Capital contribution from non-controlling equity holder of subsidiaries	–	–	–	–	–	–	–	–	–	31,100	31,100
Disposal of a subsidiary	–	(11,470)	–	–	–	–	(940)	6,721	(5,689)	(38,558)	(44,247)
Share of reserves of associates	–	207,006	–	–	–	–	–	–	207,006	–	207,006
Transfer of investment revaluation reserve upon the disposal of an equity investment at fair value through other comprehensive income	–	–	(159,107)	–	–	–	–	159,107	–	–	–
Final 2023 dividend	–	–	–	–	–	–	–	(760,663)	(760,663)	–	(760,663)
Dividends paid to non-controlling equity holders of subsidiaries	–	–	–	–	–	–	–	–	–	(401,087)	(401,087)
Transfer to PRC reserve funds and other reserves	–	–	–	–	–	–	342,457	(342,457)	–	–	–
At 30 June 2024	28,340,052	651,632*	(660,034)*	87,638*	(179,899)*	(7,879,904)*	16,876,198*	46,355,018*	83,590,701	12,320,764	95,911,465

* *These reserve accounts comprise the consolidated reserves of RMB55,250,649,000 (Unaudited) (31 December 2023: RMB52,657,672,000 (audited)) in the condensed consolidated statement of financial position as at 30 June 2024.*

IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(V) CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	**4,359,082**	4,694,913
Finance income on the net investment in a finance lease received	**3,000**	13,949
Chinese Mainland income tax paid	**(343,348)**	(530,630)
Overseas income tax paid	**(152,143)**	(151,956)
Net cash flows from operating activities	**3,866,591**	4,026,276
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	**(1,815,100)**	(3,553,436)
Increase in investments in an associate	**(173,000)**	(7,963)
Dividends received from associates	**317,436**	197,222
Proceeds from disposal of items of property, plant and equipment	**91,687**	83,704
Disposal of a subsidiary	**–**	(53,910)
Receipt of assets-related government grants	**2,000**	36,419
Increase in time deposits with maturity of more than three months when acquired	**(714,932)**	(2,784,238)
Purchases of financial assets at fair value through profit or loss	**(1,175,000)**	(1,095,000)
Proceeds from disposal of an equity investment at fair value through other comprehensive income	**–**	234,191
Other cash flows from investing activities	**317,297**	221,288
Net cash flows used in investing activities	**(3,149,612)**	(6,721,723)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contributions from non-controlling equity holders of subsidiaries	**280**	31,100
New loans	**29,609,314**	25,145,528
Repayment of loans	**(26,378,967)**	(18,769,858)
Repayment of guaranteed bonds and notes	**(3,623,656)**	–
Interest paid	**(1,168,568)**	(1,248,902)
Repurchases of the Company's shares	**–**	(46,801)
Other cash flows used in financing activities	**(212,688)**	(285,132)
Net cash flows (used in) from financing activities	**(1,774,285)**	4,825,935

IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(V) CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net (decrease) increase in cash and cash equivalents	**(1,057,306)**	2,130,488
Cash and cash equivalents at beginning of period	**24,571,407**	24,095,821
Effect of foreign exchange rate changes, net	**16,999**	(7,112)
Cash and cash equivalents at end of period	**23,531,100**	26,219,197
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances other than time deposits	**10,629,963**	19,036,060
Saving deposits placed in a financial institution (an associate of the Group)	**787,219**	357,445
Time deposits:		
Placed in banks	**11,512,900**	7,146,174
Placed in a financial institution (an associate of the Group)	**7,180,581**	7,251,663
Less: Restricted cash and pledged deposits	**(24,563)**	(14,189)
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	**30,086,100**	33,777,153
Less: Time deposits with maturity of more than three months when acquired	**(6,555,000)**	(7,557,956)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	**23,531,100**	26,219,197

IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(VI) NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") "*Interim Financial Reporting*" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Despite that the Group had net current liabilities of RMB11,041,058,000 as at 30 June 2025, the directors consider that the Group will have adequate funds available to enable it to operate as a going concern, based on the Group's cash flow projection which, inter alia, has taken into account the historical operating performance of the Group and the following:

(a) the existing banking facilities available to the Group as at 30 June 2025 and on the assumption that such facilities will continue to be available from the Group's principal bankers; and

(b) certain of the capital commitments are expected to be fulfilled by the Group after 30 June 2025 with reference to the terms of the respective agreements and the current status of the respective projects.

The financial information relating to the year ended 31 December 2024 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21	*Lack of Exchangeability*

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

For management purpose, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit for the period attributable to shareholders of the Company. The segment profit for the period attributable to shareholders of the Company is measured consistently with the Group's profit attributable to shareholders of the Company, except finance costs, share of profits of an associate, as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets and liabilities of each of the reportable operating segments are separately managed by each of the individual operating segments.

3. OPERATING SEGMENT INFORMATION *(Continued)*

The following tables present revenue and profit information regarding the Group's operating segments for the six months ended 30 June 2025 and 2024:

Six months ended 30 June 2025

	Gas operation *RMB'000* (Unaudited)	Water operation *RMB'000* (Unaudited)	Environmental operation *RMB'000* (Unaudited)	Brewery operation *RMB'000* (Unaudited)	Others *RMB'000* (Unaudited)	Consolidated *RMB'000* (Unaudited)
Segment revenue	32,563,910	–	4,530,233	7,393,556	41,171	44,528,870
Cost of sales	(30,036,645)	–	(3,386,203)	(4,167,334)	(14,309)	(37,604,491)
Gross profit	2,527,265	–	1,144,030	3,226,222	26,862	6,924,379
Segment result:						
Profit from operating activities	1,276,082	–	801,922	1,552,599	27,970	3,658,573
Finance costs	(304,249)	–	(88,154)	(11,348)	–	(403,751)
Share of profits and losses of:						
Jointly-controlled entities	3,479	–	2,296	–	–	5,775
Associates	2,062,883	368,972	12,408	–	–	2,444,263
	3,038,195	368,972	728,472	1,541,251	27,970	5,704,860
Corporate and other unallocated income and expenses, net						(111,555)
Share of profits of an associate						10,601
Finance costs						(678,981)
Profit before tax						4,924,925
Income tax						(599,198)
Profit for the period						4,325,727
Profit attributable to shareholders of the Company:						
Operating segments	2,848,417	368,972	410,927	574,129	27,860	4,230,305
Corporate and other unallocated items						(826,715)
						3,403,590

3. OPERATING SEGMENT INFORMATION *(Continued)*

Six months ended 30 June 2024

	Gas operation RMB'000 (Unaudited)	Water operation RMB'000 (Unaudited)	Environmental operation RMB'000 (Unaudited)	Brewery operation RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Consolidated RMB'000 (Unaudited)
Segment revenue	30,662,293	–	4,492,833	7,129,224	40,254	42,324,604
Cost of sales	(28,177,596)	–	(3,200,945)	(4,290,609)	(14,788)	(35,683,938)
Gross profit	2,484,697	–	1,291,888	2,838,615	25,466	6,640,666
Segment result:						
Profit from operating activities	1,129,793	–	952,404	1,095,839	20,974	3,199,010
Finance costs	(271,040)	–	(102,810)	(27,168)	–	(401,018)
Share of profits and losses of:						
Jointly-controlled entities	378	–	(2,344)	–	–	(1,966)
Associates	2,195,292	461,514	13,685	11,052	–	2,681,543
	3,054,423	461,514	860,935	1,079,723	20,974	5,477,569
Corporate and other unallocated income and expenses, net						(209,386)
Share of profits of an associate						8,887
Finance costs						(809,603)
Profit before tax						4,467,467
Income tax						(592,971)
Profit for the period						3,874,496
Profit attributable to shareholders of the Company:						
Operating segments	2,803,259	461,514	460,290	374,531	20,974	4,120,568
Corporate and other unallocated items						(971,125)
						3,149,443

3. OPERATING SEGMENT INFORMATION *(Continued)*

The following is an analysis of the Group's assets and liabilities by operating segment:

	30 June 2025 *RMB'000* **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
Total assets:		
Gas operation	**128,386,817**	128,720,684
Water operation	**13,135,065**	13,161,488
Environmental operation	**41,064,867**	37,673,777
Brewery operation	**26,148,158**	23,953,507
Corporate and others	**14,418,023**	13,715,129
Eliminations	**(6,665,664)**	(7,472,468)
	216,487,266	209,752,117
Total liabilities:		
Gas operation	**36,863,183**	38,598,235
Environmental operation	**21,804,929**	20,357,566
Brewery operation	**10,135,444**	9,274,874
Corporate and others	**52,715,101**	51,378,727
Eliminations	**(6,665,664)**	(7,472,468)
	114,852,993	112,136,934

During each of the six months ended 30 June 2025 and 2024, no single external customer contributed 10% or more of the Group's revenue.

4. REVENUE

Revenue of the Group for each of the six months ended 30 June 2025 and 2024 was all revenue from contracts with customers and the following tables set out the disaggregated revenue information for revenue from contracts with customers:

Six months ended 30 June 2025

Segment	Gas operation *RMB'000* (Unaudited))	Environmental operation *RMB'000* (Unaudited)	Brewery operation *RMB'000* (Unaudited)	Corporate and others *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Types of goods or services					
Sale of piped natural gas	24,344,687	–	–	–	24,344,687
Sale of gas-related equipment	239,156	–	–	–	239,156
Trading of liquefied natural gas	7,770,246	–	–	–	7,770,246
Sale of brewery products	–	–	7,393,556	–	7,393,556
Construction services	209,821	184,792	–	–	394,613
Solid waste collection services	–	2,725,041	–	–	2,725,041
Sale of electricity, steam and heat	–	1,620,400	–	–	1,620,400
Total revenue from contract With customers	32,563,910	4,530,233	7,393,556	–	44,487,699
Revenue from another source:					
– Gross rental income	–	–	–	41,171	41,171
Total revenue	32,563,910	4,530,233	7,393,556	41,171	44,528,870
Geographical markets					
Chinese Mainland	28,213,454	1,125,469	7,393,556	–	36,732,479
Germany	–	3,404,764	–	–	3,404,764
Others	4,350,456	–	–	–	4,350,456
Total revenue from contracts with customers	32,563,910	4,530,233	7,393,556	–	44,487,699
Revenue from another source:					
– Gross rental income	–	–	–	41,171	41,171
Total revenue	32,563,910	4,530,233	7,393,556	41,171	44,528,870
Timing of revenue recognition					
Goods transferred at a point in time	32,354,089	1,620,400	7,393,556	–	41,368,045
Services transferred at a point in time	–	2,725,041	–	–	2,725,041
Services transferred over time	209,821	184,792	–	–	394,613
Total revenue from contracts with customers	32,563,910	4,530,233	7,393,556	–	44,487,699
Revenue from another source:					
– Gross rental income	–	–	–	41,171	41,171
Total revenue	32,563,910	4,530,233	7,393,556	41,171	44,528,870

4. REVENUE *(Continued)*

Six months ended 30 June 2024

Segment	Gas operation *RMB'000* (Unaudited)	Environmental operation *RMB'000* (Unaudited)	Brewery operation *RMB'000* (Unaudited)	Corporate and others *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Types of goods or services					
Sale of piped natural gas	24,889,991	–	–	–	24,889,991
Sale of gas-related equipment	490,479	–	–	–	490,479
Trading of liquefied natural gas	5,087,251	–	–	–	5,087,251
Sale of brewery products	–	–	7,129,224	–	7,129,224
Construction services	194,572	278,561	–	–	473,133
Solid waste collection services	–	2,550,774	–	–	2,550,774
Sale of electricity, steam and heat	–	1,663,498	–	–	1,663,498
Total revenue from contract with customers	30,662,293	4,492,833	7,129,224	–	42,284,350
Revenue from another source:					
– Gross rental income	–	–	–	40,254	40,254
Total revenue	30,662,293	4,492,833	7,129,224	40,254	42,324,604
Geographical markets					
Chinese Mainland	24,934,828	1,150,041	7,129,224	–	33,214,093
Germany	–	3,342,792	–	–	3,342,792
Others	5,727,465	–	–	–	5,727,465
Total revenue from contracts with customers	30,662,293	4,492,833	7,129,224	–	42,284,350
Revenue from another source:					
– Gross rental income	–	–	–	40,254	40,254
Total revenue	30,662,293	4,492,833	7,129,224	40,254	42,324,604
Timing of revenue recognition					
Goods transferred at a point in time	30,504,860	1,663,498	7,129,224	–	39,297,582
Services transferred at a point in time	–	2,550,774	–	–	2,550,774
Services transferred over time	157,433	278,561	–	–	435,994
Total revenue from contracts with customers	30,662,293	4,492,833	7,129,224	–	42,284,350
Revenue from another source:					
– Gross rental income	–	–	–	40,254	40,254
Total revenue	30,662,293	4,492,833	7,129,224	40,254	42,324,604

5. OTHER INCOME, OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Bank interest income	**348,010**	389,776
Finance income on the net investment in a finance lease	**3,298**	13,949
Government grants	**250,313**	189,052
Compensation received from early termination of a lease	**74,357**	–
Others	**556,765**	301,709
	1,232,743	894,486

6. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank loans and other loans	**875,804**	1,012,017
Interest on guaranteed bonds and notes	**271,764**	261,286
Interest on lease liabilities	**13,345**	15,635
Total interest expenses	**1,160,913**	1,288,938
Increase in discounted amounts of provision for major overhauls arising from the passage of time	**451**	337
Total finance costs	**1,161,364**	1,289,275
Less: Interest capitalised	**(78,632)**	(78,654)
	1,082,732	1,210,621

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging (crediting):

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**1,915,311**	2,101,365
Less: Amount included in cost of inventories sold and cost of services rendered	**(1,467,022)**	(1,566,871)
	448,289	534,494
Depreciation of right-of-use assets	**144,955**	121,910
Less: Amount included in cost of inventories sold and cost of services rendered	**(22,070)**	(9,158)
	122,885	112,752
Amortisation of operating concessions, included in cost of inventories sold and cost of services rendered	**122,177**	119,937
Amortisation of other intangible assets	**115,228**	131,352
Less: Amount included in cost of inventories sold and cost of services rendered	**(66,585)**	(99,030)
Amount included in administrative expenses	**48,643**	32,322
Loss on disposal of items of property, plant and equipment, net	**2,682**	112
Loss on disposal of a subsidiary	**–**	3,929
Loss on deemed disposal of interest in associates	**10,981**	–
Reversal of impairment of property, plant and equipment, net*	**–**	(5,628)
Impairment (reversal of impairment) of financial assets, net:		
Trade receivables*	**(5,665)**	15,898
Other receivables*	**4,387**	(1,469)
	(1,278)	14,429

* *These items are included in "Other operating expenses, net" on the face of the condensed consolidated statement of profit or loss.*

8. INCOME TAX

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current:		
Chinese Mainland	**517,515**	433,028
Germany	**104,811**	57,390
Others	**48,282**	124,684
Deferred	**(71,410)**	(22,131)
Total tax expense for the period	**599,198**	592,971

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. In accordance with the relevant tax rules and regulations in Chinese Mainland, certain of the Company's subsidiaries established in Chinese Mainland enjoy PRC corporate income tax exemptions and reductions.

9. INTERIM DIVIDEND

On 28 August 2025, the Board declared an interim cash dividend of HK85 cents per share (six months ended 30 June 2024: HK85 cents per share), totalling approximately RMB983,759,000 (six months ended 30 June 2024: RMB972,093,000) for the six months ended 30 June 2025.

10. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit attributable to shareholders of the Company of RMB3,403,590,000 (six months ended 30 June 2024: RMB3,149,443,000), and the weighted average number of ordinary shares of 1,258,003,268 (six months ended 30 June 2024: 1,259,635,136) in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for each of the six months ended 30 June 2025 and 2024 for a dilution as the dilutive potential ordinary shares of associates in issue during these periods either have a minimal impact or have no diluting effect on the earnings per share amounts presented.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment at a total cost of RMB1,893,732,000 (six months ended 30 June 2024: RMB3,553,436,000), which did not include property, plant and equipment acquired through transfer of assets from customers with a total deemed cost of RMBNil (six months ended 30 June 2024: RMB6,849,000).

Property, plant and equipment with an aggregate carrying amount of RMB94,369,000 (six months ended 30 June 2024: RMB83,816,000) were disposed of by the Group during the six months ended 30 June 2025, resulting in a net loss on disposal of RMB2,682,000 (six months ended 30 June 2024: RMB112,000) (note 7).

12. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

The Group's receivables under service concession arrangements represented the Group's unconditional right to receive cash or another financial asset for the construction services rendered and/or the consideration paid and payable by the Group for the right to charge users of the public service under service concession arrangements. They were all unbilled as at 30 June 2025 and 31 December 2024.

The amounts of contract assets included in the carrying amounts of operating concessions and receivables under service concession arrangements as at the end of the reporting period are as follows:

	30 June 2025 ***RMB'000*** **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
Contract assets included in:		
Operating concessions	**2,288,372**	2,249,477
Receivables under service concession arrangements	**860,385**	857,082
Total	**3,148,757**	3,106,559

The above contract assets are initially recognised for revenue earned from the provision of construction services of solid waste incineration plants during the period of construction under service concession arrangements. Pursuant to the service concession agreements, the Group receives no payment from grantors during the construction period and receives service fees when relevant solid waste collection service is rendered. The receivables under service concession arrangements (including the contract assets therein) are not yet due for payment and will be settled by service fees to be received during the operating periods of the service concession arrangements. Amounts billed will then be transferred to trade receivables. The Groups trading terms and credit policy with customers are disclosed in note 13 to the financial information.

13. TRADE RECEIVABLES

The various group companies have different credit policies, depending on the requirements of their markets and the businesses which they operate. Ageing analysis of trade receivables is prepared and closely monitored in order to minimise any credit risk associated with the receivables. The Group does not hold any collateral or other credit enhancement over its trade receivables.

An ageing analysis of the Group's trade receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Billed:		
Within one year	**4,435,075**	4,444,767
One to two years	**143,584**	136,127
Two to three years	**27,500**	65,484
Over three years	**59,947**	23,222
	4,666,106	4,669,600
Unbilled*	**562,444**	465,185
Total	**5,228,550**	5,134,785

* *The unbilled balance was attributable to (i) the sale of natural gas near the period/year end date and such sale will be billed in the next meter reading date; and (ii) entitlements to renewable energy tariff subsidies from the sale of electricity generated from waste incineration.*

Included in the Group's trade receivables as at 30 June 2025 were aggregate amounts of RMB24,404,000 (31 December 2024: RMB27,025,000) and RMB199,473,000 (31 December 2024: RMBNil) due from fellow subsidiaries and a joint venture of the Group, arising from transactions carried out in the ordinary course of business of the Group, respectively. The balances are unsecured, interest-free and are repayable within credit periods similar to those offered by the Group to its major customers.

14. SHARE CAPITAL

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Issued and fully paid:		
1,258,003,268 (31 December 2024: 1,258,003,268) ordinary shares	**28,340,052**	28,340,052

A summary of a movement in the Company's share capital is as follows:

	Number of shares in issue	**Share capital**
		RMB'000
At 1 January 2024	1,260,203,268	28,340,052
Shares repurchased and cancelled (note)	(2,200,000)	–
At 31 December 2024 and 1 January 2025 and 30 June 2025	1,258,003,268	28,340,052

Note: During the period ended 30 June 2024, the Company repurchased a total of 2,200,000 ordinary shares of the Company on the Hong Kong Stock Exchange at a weighted average cost of HK$23.32 per share. All the repurchased shares were cancelled by the Company during the period and the total amount paid for the repurchase of these shares of HK$51,481,277, including transaction costs of HK$183,902 (equivalent to RMB46,801,000, including transaction costs of RMB167,000) has been charged to retained profits of the Company in accordance with section 257 of the Hong Kong Companies Ordinance.

15. BANK AND OTHER BORROWINGS

	Notes	**30 June 2025** *RMB'000* **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
Bank loans:			
Secured		**3,118,053**	3,188,155
Unsecured	*(a)*	**30,234,011**	32,855,072
		33,352,064	36,043,227
Other loans:			
Secured		**78,440**	298,149
Unsecured	*(b)*	**29,188,468**	22,959,990
		29,266,908	23,258,139
Total bank and other borrowings		**62,618,972**	59,301,366
Portion classified as current liabilities		**(26,813,605)**	(28,608,957)
Non-current portion		**35,805,367**	30,692,409

Notes:

(a) The loan agreements in respect of certain bank loans outstanding as at 30 June 2025 include certain conditions imposing specific performance obligations on the Company's holding companies, among which the following events would constitute events of default on the loan facilities:

(i) if Beijing Enterprises Group Company Limited (''Beijing Enterprises Group'') does not or ceases to own, directly or indirectly, at least 40% or 50% of the beneficiary interest of the Company; and

(ii) if Beijing Enterprises Group ceases to be controlled and supervised by the Beijing Municipal Government.

(b) Included in the Group's other borrowings as at 30 June 2025 were loans of RMB1,552 million (31 December 2024: RMB1,218 million) in total advanced from an associate, which bear interest at rates ranging from one-year Loan Prime Rate less 25 basis points to 4.65% (31 December 2024: ranging from one-year Loan Prime Rate less 25 basis points to 4.65%) per annum and are repayable in 2024 to 2035. Interest expenses of RMB12,092,000 (six months ended 30 June 2024: RMB11,222,000) were recognised in profit or loss during the period in respect of the loans (note 19(a)(x)).

15. BANK AND OTHER BORROWINGS *(Continued)*

Notes: (Continued)

(c) Certain corporate bonds classified as other borrowings include covenants imposing specific performance obligations of the Company, among which any one of the following events would constitute events of default:

(i) if there is a change of control: change of beneficial controller of the Company; and

(ii) there is a change in credit rating within six months of the date of such change of control: offshore rating of the Company downgraded to non-investment grade.

To the best knowledge of the directors of the Company, none of the above default events took place during the period ended 30 June 2025 and as at the date of approval of this unaudited interim condensed consolidated financial information.

16. GUARANTEED BONDS AND NOTES

A summary of the guaranteed bonds and notes issued by the Group and outstanding as at 30 June 2025 is as follows:

	Principal at original currency *'million*	Contractual interest rate per annum	Maturity	30 June 2025 *RMB'000* (Unaudited)	31 December 2024 *RMB'000* (Audited)
2011 Second Senior Notes	US$400	6.375%	2041	**2,812,678**	2,823,881
2015 US$ Bonds	US$200	4.99%	2040	**1,398,004**	1,403,523
2020 Green Bonds	EUR500	1%	2025	**4,195,581**	3,756,822
EEW Green Notes	EUR400	0.361%	2026	**3,356,699**	3,007,572
2021 US$ Bonds Series 1	US$300	2%	2026	**2,139,308**	2,149,170
2021 US$ Bonds Series 2	US$400	3.125%	2031	**2,828,400**	2,838,290
2022 Guaranteed Notes	US$500	1.875%	2025	**–**	3,625,504
				16,730,670	19,604,762
Portion classified as current liabilities				**(9,691,588)**	(7,382,326)
Non-current liabilities				**7,039,082**	12,222,436

Except for the 2022 Guaranteed Notes and EEW Green Notes which are guaranteed by Beijing Gas Group Company Limited ("Beijing Gas") and EEW Holding GmbH, respectively, all the above guaranteed bonds and notes are guaranteed by the Company.

The fair value of the Group's guaranteed bonds and notes as at 30 June 2025 was approximately RMB16.8 billion (31 December 2024: RMB19.2 billion), based on price quotations from financial institutions at the reporting date.

17. TRADE AND BILLS PAYABLES

An ageing analysis of the Group's trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Billed:		
Within one year	**3,606,401**	2,990,026
One to two years	**270,634**	254,120
Two to three years	**54,771**	74,894
Over three years	**58,814**	60,804
	3,990,620	3,379,844
Unbilled*	**442,757**	526,353
	4,433,377	3,906,197

* *The unbilled balance was attributable to (i) purchase of natural gas near the period end which was billed subsequently in July 2025; and (ii) accrued extra purchase costs which will be billed when the price is agreed by Beijing Gas with the supplier; (iii) accrued construction costs for solid waste incineration plant which have not been billed by the suppliers.*

Included in the trade and bills payables as at 30 June 2025 were amounts of RMB33,326,000 (31 December 2024: RMB72,886,000) in total due to fellow subsidiaries, arising from transactions carried out in the ordinary course of business of the Group. The balances are unsecured, interest-free and are repayable within credit periods similar to those offered by the related parties to their major customers.

18. CAPITAL COMMITMENTS

The Group had the following contractual commitments as at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Gas pipelines and plant and machinery	**6,136,496**	5,881,075
Service concession arrangements	**–**	11,420
Total	**6,136,496**	5,892,495

19. RELATED PARTY DISCLOSURES

(a) In addition to the transactions detailed elsewhere in this interim condensed consolidated financial information, the Group had the following material transactions with related parties during the period:

			Six months ended 30 June	
Name of related party	Nature of transaction	*Notes*	**2025** ***RMB'000*** **(Unaudited)**	2024 *RMB'000* (Unaudited)
Non-controlling equity holders of subsidiaries and their associates:				
北京燕京啤酒集團公司	Purchase of bottle labels	*(i)*	**44,629**	41,106
And its associates	Canning service fees paid[Y]	*(ii)*	**–**	11,490
	Comprehensive support service fees paid[Y]	*(iii)*	**7,324**	7,403
	Land rental expenses[Y]	*(iv)*	**854**	880
	Trademark licensing fees paid[Y]	*(v)*	**31,838**	34,717
	Less: refund for advertising subsidies[Y]	*(v)*	**(410)**	(4,261)
Fellow subsidiaries:				
北京北燃實業有限公司	Sale of piped natural gas[#]	*(vi)*	**383,897**	354,352
And its subsidiaries	Engineering service income[#]	*(vii)*	**2,306**	8,841
	Comprehensive service income[#]	*(vii)*	**2,752**	734
	Engineering service expenses[#]	*(vii)*	**117,982**	121,906
	Comprehensive service expenses[#]	*(vii)*	**63,163**	76,477
	Building rental expenses[#]	*(viii)*	**105,160**	63,594
	Purchase of goods[#]	*(viii)*	**45,776**	36,664
	Sale of goods[#]	*(ix)*	**35,422**	21,105
Associate:				
北京控股集團財務有限公司	Interest expenses	*(x)*	**12,092**	11,222
("BE Group Finance")	Interest income[@]	*(x)*	**32,852**	10,822

19. RELATED PARTY DISCLOSURES *(Continued)*

(a) *(Continued)*

In the opinion of the directors, the above transactions were entered into by the Group in the normal course of its business.

Y These related party transactions also constitute continuing connected transactions that are exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

These related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

@ These related party transactions also constitute continuing connected transactions that are subject to the announcement, reporting and annual review requirements but are exempted from the independent shareholders1 approval requirement under Chapter 14A of the Listing Rules.

Notes:

(i) The purchase prices for bottle labels and bottle caps were determined by reference to the agreed prices for the preceding year and an annual adjustment determined by reference to the price index in Beijing in the preceding year.

(ii) The canning service fees were charged at a rate equal to the costs of the canning services incurred by Yanjing Beer Group plus a mutually-agreed profit margin.

(iii) The comprehensive support service fees paid included the following:

- fees for security and canteen services which were determined based on the annual cost of labour, depreciation and maintenance for the preceding year and an annual adjustment by reference to the price index in Beijing; and
- rental expenses, related to the premises occupied and used by Yanjing Brewery as its office, canteen and staff dormitories, which were determined by reference to the prevailing market rentals at the time when the relevant agreements were entered into.

(iv) The land rental expenses were charged at a mutually-agreed amount of RMB1,849,000 (six months ended 30 June 2024: RMB1,849,000) per annum.

(v) The trademark licensing fees paid were for the use of "Yanjing" trademark and were determined based on 1% (six months ended 30 June 2024: 1%) of the annual sales of beer and mineral water products made by Yanjing Brewery and at a rate of RMB0.008 (six months ended 30 June 2024: RMB0.008) per bottle of beer sold by the subsidiaries of Yanjing Brewery. Yanjing Brewery Group would refund 20% of the trademark licensing fees from sales of beer received from Yanjing Brewery for the use by Yanjing Brewery to develop and promote the "Yanjing" trademark.

19. RELATED PARTY DISCLOSURES *(Continued)*

(a) *(Continued)*

Notes: (Continued)

(vi) The selling price of piped natural gas was prescribed by the PRC government.

(vii) The service fees were determined by reference to the then prevailing market rates and set at prices not higher than the guidance prices set by the PRC government.

(viii) The purchase prices of goods and the building rentals were determined by reference to the then prevailing market rates.

(ix) The selling prices of goods were determined on a cost-plus basis.

(x) BE Group Finance is a 38.78% owned associate of the Group and also a subsidiary of Beijing Enterprises Group. BE Group Finance was established to act as platform for members of Beijing Enterprises Group for the provision of intra-group loan facilities through financial products including deposit-taking, money-lending and custodian services.

On 28 August 2023 (the "Effective Date"), a financial services agreement (the "Financial Services Agreement") was approved at an extraordinary general meeting, pursuant to which, BE Group Finance shall provide financial services to the Group, including deposit services and loan services for three years from the Effective Date. The cumulative daily outstanding deposits balance placed by the Group with BE Group Finance (including any interest accrued thereon) during the term of the Financial Services Agreement will not exceed RMB8.70 billion.

Interest rates on deposits placed in and loans offered by BE Group Finance denominated in RMB were determined by reference to the then prevailing market rates offered by the Peopled Bank of China, while the related interest rates for deposits and loans denominated in other currencies were determined by reference to the then prevailing market rates offered by major banks in the PRC.

The amount of deposits placed by the Group with BE Group Finance as at 30 June 2025 amounted to RMB7,968 million (31 December 2024: RMB6,725 million).

The amounts of loans borrowed by the Group from BE Group Finance as at the end of reporting period are disclosed in note 15(b) to the financial information.

19. RELATED PARTY DISCLOSURES *(Continued)*

(b) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Salaries, allowances and benefits in kind	**5,455**	4,101
Pension scheme contributions	**13**	13
Total compensation paid to key management personnel	**5,468**	4,114

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Other than guaranteed bonds and notes and corporate bonds, the carrying amounts of the Group's financial assets and other financial liabilities which are due to be received or settled within one year are reasonable approximation of their respective fair values, and accordingly, no disclosure of the fair values of these financial instruments is made. The fair value of the Group's guaranteed bonds and notes is disclosed in note 16 to the unaudited interim condensed consolidated financial information.

The listed equity investments of the Group are stated at fair value based on their quoted market prices (as categorised within Level 1 of the fair value hierarchy).

For other non-current financial assets and liabilities, in the opinion of the directors of the Company, since their carrying amounts are not significantly different from their respective fair values, no disclosure of the fair values of these financial instruments is made.

X. OTHER FINANCIAL INFORMATION

(I) LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2025, the Group's net current liabilities amounted to RMB11.041 billion, representing a decrease of RMB1.048 billion from the end of 2024. The main reason for the net current liabilities was that certain guaranteed bonds and notes maturing within 1 year after the Period were required to be classified as current liabilities. Therefore, the EUR400 million green bonds and USD300 million bonds issued in the first half of 2025 were reclassified from long-term to current liabilities. The relevant guaranteed bonds and notes can only be repaid upon maturity. The Group has already made new financing arrangements for the upcoming maturities and plans to replace the relevant guaranteed bonds and notes with long-term debt upon maturity, among which, the EUR500 million guaranteed bonds maturing after the Period (24 September 2025) have been arranged to be replaced with medium-to-long-term bank loans. Excluding the balance of the relevant euro-denominated guaranteed bonds presented under current liabilities, the Group's net current liabilities would decrease to approximately RMB6.845 billion.

As at 30 June 2025, the total available bank financing facility at the headquarters amounted to RMB22.431 billion. The Group maintains sufficient bank credit facilities in Chinese Mainland and Hong Kong to satisfy its working capital requirements and also holds ample cash resources to fund capital expenditures in the foreseeable future.

(II) FINANCING STRUCTURE

The Group's total borrowings amounted to RMB79.350 billion as at 30 June 2025, which mainly comprised guaranteed bonds and notes of US$1.3 billion in total, Euro guaranteed bonds amounting to EUR0.9 billion, RMB bonds amounting to RMB24.0 billion and RMB bank loans amounting to approximately RMB30.0 billion in total, among which: the guaranteed bonds and notes with a total book value of USD700 million have been hedged into RMB using currency swap contracts. All guaranteed bonds, notes and corporate bonds bear interest at fixed rates. Over 50% of bank and other borrowings are subject to floating interest rates.

(III) MAJOR INVESTMENTS, MERGERS & ACQUISITIONS AND CAPITAL OPERATIONS

In the first half of 2025, by seizing the low-cost financing opportunities both in the PRC and abroad, the Company issued the Panda Science and Technology Innovation Bonds and withdrew overseas loans denominated in RMB to replace its high-cost debt. Together with the low-cost advantage of RMB obtained through currency swap transactions last year, the interest expenses at head office were reduced by more than RMB100 million year-on-year compared to last year.

(IV) FOREIGN EXCHANGE EXPOSURE

The Group primarily operates its businesses in the PRC, and therefore, most of its transactions, revenues and expenses are denominated in RMB. The exchange rate of RMB against HK$ and other currencies may change due to the impact of market fluctuation. The conversion of RMB into foreign currencies, including HK$, US$ and Euro, has been based on rates guided by the People's Bank of China. The Group will continue to track the exchange rate fluctuations and trends and manage the exchange rate risk by means of debt swap and hedging to name a few in a timely and appropriate manner.

X. OTHER FINANCIAL INFORMATION

(V) GUARANTEES AND PLEDGE

As at 30 June 2025, the Group's secured bank and other loans are secured by the following assets:

1. Property, plant and equipment
2. Operating concessions
3. Receivables under service concession arrangements
4. Other intangible assets
5. Trade receivables
6. Deposit paid to a bank
7. Bank balances

(VI) CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities.

XI. CORPORATE GOVERNANCE

(I) AUDIT COMMITTEE

The Board has established the Audit Committee and set out its written Terms of Reference in accordance with the Listing Rules. The Audit Committee comprises three independent non-executive directors of the Company, namely, Mr. LAM Hoi Ham (the chairman of the Audit Committee), Mr. WU Jiesi and Dr. YU Sun Say.

The Audit Committee has reviewed the unaudited interim results for the six months ended 30 June 2025 and considers that appropriate accounting policies have been adopted in preparation of the relevant results and sufficient disclosures have been made.

(II) CORPORATE GOVERNANCE CODE

The Company complied with the code provisions of the "Corporate Governance Code"as set out in Appendix C1 to the Listing Rules for the six months ended 30 June 2025.

(III) MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct to govern securities transactions by the Directors. In addition, the Board has also established similar guidelines for relevant employees who may possess inside information about the Group or its securities.

In response to specific enquiry from the Company, all Directors confirm that they complied with the Model Code regarding regulations governing securities transactions by directors during the six months ended 30 June 2025.

XII. OTHER INFORMATION OF THE COMPANY

(I) CHANGES IN THE BOARD AND DIRECTORS' INFORMATION

In 2025 and as of the date of this Report:

1. On 1 January 2025, Mr. JIANG Xinhao resigned as an Executive Director and the Vice Chairman of the Board as well as a Member of the Investment Committee of the Company; Mr. TAM Chun Fai resigned as an Executive Director and the Company Secretary of the Company and ceased to act as an authorised representative of the Company (the "Authorised Representative") under Rule 3.05 of the Listing Rules; and Mr. TUNG Woon Cheung Eric has been appointed as an Executive Director and the Company Secretary of the Company and the Authorised Representative.

2. On 16 July 2025, Mr. XU Tong has been appointed as an Executive Director of the Company by the Board.

3. Mr. YANG Zhichang ceased to act as a vice general manager of BE Group.

Save as disclosed above, no other information is required to be disclosed in accordance with Rule 13.51B(1) of the Listing Rules.

(II) DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND DEBENTURES

At 30 June 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) entered in the register required to be kept pursuant to Section 352 of the SFO, or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

1. Long positions in shares of the Company

Director	Number of ordinary shares directly beneficially owned	Percentage of the Company's total number of issued shares
XIONG Bin	40,000	0.003%

2. Long positions in shares of associated corporations

Director	Associated corporation	Number of ordinary shares directly beneficially owned	Percentage of the associated corporations' total number of issued shares
TUNG Woon Cheung Eric	BE Water	590,404	0.006%
YU Sun Say	BE Water	100,000	0.001%

Save as disclosed above, as at 30 June 2025, none of the Directors or the chief executive of the Company had registered an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded in the register pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(III) DIRECTORS' ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

At no time during the Period was the Company or the Company's subsidiary or parent company or a subsidiary of the Company's parent company a party to any arrangements to enable Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

XII. OTHER INFORMATION OF THE COMPANY

(IV) SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2025, the following interests and short positions of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name	**Nature of Interests/Capacity**	**Number of ordinary shares held**	**Percentage of the Company's total number of issued shares**
MOL	Beneficial owner	100,050,000	7.95%
BEIL	Beneficial owner/Interest in controlled corporation	263,780,288 *(Note 1)*	20.97%
BE Group BVI	Beneficial owner/Interest in controlled corporation	781,967,788 *(Note 2)*	62.16%
BE Group	Interest in controlled corporation	781,967,788 *(Note 3)*	62.16%
New China Asset Management Co., Ltd.	Investment manager	74,970,500 *(Note 4)*	5.96%
New China Life Insurance Company Ltd.	Beneficial owner	75,498,500	6.00%

Notes:

1. The interest disclosed includes 163,730,288 Shares directly owned by BEIL and 100,050,000 Shares owned by MOL. MOL is a wholly-owned subsidiary of BEIL. Accordingly, BEIL is deemed to be interested in the Shares owned by MOL.

2. The interest disclosed includes 518,187,500 Shares directly owned by BE Group BVI, 163,730,288 Shares owned by BEIL, and 100,050,000 Shares owned by MOL. BEIL, the holding company of MOL, is held directly as to 72.72% by BE Group BVI. Accordingly, BE Group BVI is deemed to be interested in the Shares owned by BEIL and MOL.

3. The interest disclosed includes the interest in Shares held by BE Group BVI as detailed in note 2. BE Group BVI is a wholly-owned subsidiary of BE Group. Accordingly, BE Group is deemed to be interested in the Shares held by BE Group BVI, BEIL and MOL.

4. Pursuant to the investment management agreement executed by New China Asset Management Co., Ltd. ("New China Asset") and New China Life Insurance Company Ltd. ("New China Life"), New China Asset agreed to provide investment management and consulting services for the assets of New China Life. The interest disclosed forms part of the assets of New China Life's client under the management of New China Asset.

Save as disclosed above, as at 30 June 2025, no other person, other than the Directors, whose interests are set out in the section "Directors' and Chief Executive's Interests in Shares and Debentures" above, had registered an interest or a short position in the shares or underlying shares of the Company that was recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

XII. OTHER INFORMATION OF THE COMPANY

(V) SPECIFIC PERFORMANCE OBLIGATIONS OF THE CONTROLLING SHAREHOLDERS

As at the date of this Report, details of the agreements (the "Agreement(s)") with covenants relating to specific performance obligations of the Company's holding companies which constitute disclosure obligation pursuant to Rules 13.18 and 13.21 of the Listing Rules are as follows:

Date of the Agreement(s)/ Issuance of Notes	Nature of the Agreement(s)/Notes	Aggregate amount *(million)*	Final maturity	Specific performance obligations
5 May 2011	Purchase agreement for issuance of senior notes	US$400	May 2041	*Note 1*
1 December 2015	Subscription agreement for issuance of bonds	US$200	December 2040	*Note 1*
17 September 2020	Subscription agreement for issuance of bonds	EUR500	September 2025	*Note 1*
28 April 2021	Subscription agreement for issuance of bonds	US$300	May 2026	*Note 1*
28 April 2021	Subscription agreement for issuance of bonds	US$400	May 2031	*Note 1*
24 March 2023	Issuance of medium-term notes	RMB4,000	March 2026	*Note 2*
12 July 2023	Issuance of medium-term notes	RMB3,000	July 2026	*Note 2*
15 April 2024	Issuance of medium-term notes	RMB2,000	April 2034	*Note 2*
27 March 2025	Term loan facility with a bank	RMB2,000	March 2026, March 2028	*Note 1*

Date of the Agreement(s)/ Issuance of Notes	Nature of the Agreement(s)/Notes	Aggregate amount *(million)*	Final maturity	Specific performance obligations
27 March 2025	Term loan facility with a bank	RMB3,000	March 2028	*Note 1*
14 May 2025	Term loan facility with a bank	RMB3,000	May 2028	*Note 1*

Notes:

1. (a) If BE Group does not or ceases to own, directly or indirectly, at least 40% or 50%, where applicable, of the beneficial interest of the Company; (b) BE Group is not or ceases to be the, direct or indirect, single largest shareholder of the Company; and (c) if BE Group ceases to be controlled and supervised, where applicable, by the People's Government of Beijing Municipality or SASAC of Beijing Municipality.

2. (a) If there is a change of control: change of beneficial controller of the Company; and (b) there is a change in credit rating within six months of the date of such change of control: offshore rating of the Company downgraded to non-investment grade.

The Agreements include certain conditions imposing specific performance obligations on the Company's holding companies. Breach of the above specific performance obligations will constitute events of default.

(VI) PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company for the six months ended 30 June 2025.

(VII) HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had approximately 34,000 employees in total. Guided by the principle of value creation, the Group continuously stimulates the motivation of managers and employees to engage in work and start businesses. The employees' compensation is determined by comprehensively considering factors such as work performance, professional capabilities and experience, prevailing industry practices at that time, and market conditions. The Group regularly reviews its employees' salary policies and benefits, and also provides discretionary bonuses and other rewards to employees based on their performance and individual performance evaluations. In addition to pension benefits, the Group also provides insurance and other welfare benefits to safeguard its employees. In terms of employee cultivation, the Group nurtures and develops talents through multiple channels such as professional training, communication and sharing, and practical exercises. At the same time, it encourages employees to learn independently and improve themselves, so as to achieve common development with the enterprise.

XIII. GLOSSARY

In this Report, the following expressions have the following meanings:

"Audit Committee"	:	audit committee of the Company
"BE Environment"	:	Beijing Enterprises Environment Group Limited, a company listed on the Main Board of the HKSE (stock code: 154)
"BE Group"	:	Beijing Enterprises Group Company Limited* (北京控股集團有限公司), a company established in the PRC with limited liability. It is a state-owned enterprise wholly-owned by SASAC of Beijing Municipality and is the ultimate controlling shareholder of the Company
"BE Group BVI"	:	Beijing Enterprises Group (BVI) Company Limited
"BE Urban Resources"	:	Beijing Enterprises Urban Resources Group Limited, a company listed on the Main Board of the HKSE (stock code: 3718)
"BE Water"	:	Beijing Enterprises Water Group Limited, a company listed on the Main Board of the HKSE (stock code: 371)
"BEHET"	:	Beijing Enterprises Holdings Environment Technology Co., Ltd.* (北京北控環保工程技術有限公司)
"Beijing Gas"	:	Beijing Gas Group Company Limited* (北京市燃氣集團有限責任公司)
"BEIL"	:	Beijing Enterprises Investments Limited
"Blue Sky"	:	Beijing Gas Blue Sky Holdings Limited, a company listed on the Main Board of the HKSE (stock code: 6828)
"Board"	:	the board of Directors of the Company
"China Gas"	:	China Gas Holdings Limited, a company listed on the Main Board of the HKSE (stock code: 384)
"Company" or "BEHL"	:	Beijing Enterprises Holdings Limited, a company listed on the Main Board of the HKSE (stock code: 392)
"Director(s)"	:	the director(s) of the Company

XIII. GLOSSARY

"EEW GmbH"	:	EEW Energy from Waste GmbH
"Euro" or "EUR"	:	the Euro, the lawful currency of the member states of the European Union
"Group"	:	the Company and its subsidiaries from time to time
"HKSE" or "Hong Kong Stock Exchange"	:	The Stock Exchange of Hong Kong Limited
"HK$"	:	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	:	The Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	:	the Rules Governing the Listing of Securities on the HKSE
"Model Code"	:	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"MOL"	:	Modern Orient Limited
"Period"	:	for the six months ended 30 June 2025
"PipeChina Beijing Pipeline Co." or "Beijing Pipeline Co."	:	PipeChina Group Beijing Pipeline Co., Ltd.* (國家管網集團北京管道有限公司)
"PRC" or "China" or "Chinese Mainland"	:	the People's Republic of China, and for the purpose of this Report, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Report"	:	this 2025 interim report of the Company
"RMB"	:	Renminbi, the lawful currency of the PRC
"SASAC of Beijing Municipality"	:	the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality
"SFO"	:	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time

XIII. GLOSSARY

"Shareholder(s)"	:	holder(s) of Share(s)
"Shares"	:	ordinary share(s) in the capital of the Company
"US$"	:	United States dollar, the lawful currency of the United States of America
"VCNG"	:	PJSC Verkhnechonskneftegaz project of Rosneft Oil Company
"Yanjing Brewery"	:	Beijing Yanjing Brewery Co., Ltd.* (北京燕京啤酒股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000729)
"Yanjing Huiquan"	:	Fujian Yanjing Huiquan Brewery Co., Ltd.* (福建省燕京惠泉啤酒股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600573)
"Yanjing Investments"	:	Beijing Yanjing Brewery Investments Co., Ltd.* (北京燕京啤酒投資有限公司)

* *For identification purpose only*