



北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

(Stock code: 0392.HK)

**Beijing Enterprises Holdings Limited Announces 2020 Annual Results
Solid Development during Covid-19
Practiced the Responsibilities of State-owned-enterprises**

Financial Highlights

	for the year ended 31 December		Change
	2020 (HK\$ million)	2019 (HK\$ million)	
Revenue	68,407	67,783	+0.9%
EBITDA	13,131	15,950	-17.7%
Profit attributable to shareholders of the Company	5,287	8,055	-34.4%
Profit attributable to Shareholders (After excluding the effect of one-off events)	7,197	8,055	-10.7%
Basic and diluted earnings per share	4.19HKD	6.38HKD	-34.4%
Final dividend	1.14 HKD	1.14HKD	-
Dividend payout ratio	27.2%	17.9%	+930 bps

(31 March 2021 — Hong Kong) The Board of Directors of Beijing Enterprises Holdings Limited ("BEHL" or the "Company", stock code: 0392.HK) hereby present the consolidated results of the Company and its subsidiaries (collectively the "Group") for the twelve months ended 31 December 2020 (the "Reporting Period"), together with the comparative figures in 2019.

In 2020, the novel coronavirus (COVID-19) pandemic broke out and spread across the world, causing a major impact on global economic development and the world's political and economic landscape. The main business segments within the Group had also been affected in various degrees by reductions in operating activities, consumption shrinkage, and projects delay. The Company and the subsidiaries actively responded to the profound and complex changes in the development environment both domestically and abroad, adhered to the coordinated promotion of normalized pandemic prevention and control and business development, delivered best services in urban operation service guarantee of gas, water and environmental protection, and practiced the responsibilities of state-owned-enterprises.

During the Reporting Period, The revenue of the Group was approximately HK\$68.41 billion for 2020, representing an increase of 1% over last year. Profit attributable to shareholders of the Company was approximately HK\$5.29 billion, representing a decrease of 34.4% as compared to 2019. Affected by the change in the national electricity tariff subsidy policy during the year, there was impairment on certain assets of solid waste businesses. Furthermore, during the year, the Group provided for asset value adjustment for its associate, Beijing Gas Blue Sky Holdings Limited (“Beijing Gas Blue Sky”, stock code: 6828), with reference to its share price and the impact on profit was a decrease of HK\$1.12 billion. The profit attributable to the shareholders of the Company for the year ended 31 December 2020 was HK\$5.29 billion. After excluding the effect of one-off events for the year, profit attributable to shareholders of the Company amounted to HK\$7.2 billion, representing a decrease of 10.7% over last year. Basic and diluted earnings per share amounted to HK\$4.19. Final dividend of HK 74 cents per share is proposed for 2020.

Natural Gas Distribution Business of Beijing Gas

Beijing Gas Group Company Limited (“Beijing Gas”) recorded an operating revenue of HK\$48.55 billion in 2020, representing a YoY increase of 2.2%. Profit before taxation from principal businesses (including natural gas distribution business, natural gas transmission business and VCNG of Rosneft) was HK\$4.51 billion, representing a YoY decrease of 17%. Beijing Gas accomplished an aggregate gas sales volume of 17.07 billion cubic meters after combining with that of the subsidiaries outside Beijing, representing a YoY decrease of 0.8%. The gas sales volume accomplished inside Beijing amounted to 16.57 billion cubic meters, remaining at the same level as last year. An analysis by subscriber sector is shown as follows: Gas power plants users take up 49.4 %; heating and cooling users take up 25.9 %; household and other users take up 21.1 %; public sector users take up 2.9 %; industrial users take up 0.7% .

In 2020, Beijing Gas developed 241,800 new household subscribers and 4,902 new public sector subscribers. New heating boiler subscribers with a total capacity of 3,301 t/h were developed. As at 31 December 2020, Beijing Gas had a total of 6.53 million piped gas subscribers in Beijing and approximately 25,100 kilometers of natural gas pipelines in operation. Beijing Gas’s capital expenditure for the year amounted to approximately HK\$2.88 billion.

Beijing Gas completed its high quality natural gas supply mission in the capital city in 2020, and had established a secured mechanism for key pandemic prevention and control units such as hospitals and disease control and prevention centers to ensure the safe and stable supply of natural gas. In addition, the Tangshan LNG emergency reserve project was completed during the year, and the construction of the Tianjin Nangang LNG project progressed steadily, which further enhanced the capabilities of Beijing Gas in natural gas supply. In terms of market expansion, Beijing Gas had accelerated the acquisition and centralized integration of assets inside Beijing, and participated in the facilitation of the gas supporting facilities construction in the Xiong’an New Area outside Beijing and completed the natural gas ventilation project of Xiong’an High-speed Railway Station. It had also steadily propelled the integrated energy projects, among which the Universal Beijing Resort project completed its natural gas ventilation installation. In addition, the value-added businesses centering on product sales and gas insurance grew rapidly and its service capabilities and service quality also continued to improve.

Natural Gas Transmission Business

In 2020, PetroChina Beijing Gas Pipeline Co., Ltd. (“PetroChina Beijing Pipeline Co.”) recorded a gas transmission volume of 49.33 billion cubic meters, representing a YoY decrease of 4.86%. Beijing Gas’s share of net profit after taxation, through its 40% equity interests in PetroChina Beijing Pipeline Co., decreased by 26.5% over the year to HK\$1.36 billion. The total capital expenditure of PetroChina Beijing Pipeline Co. for the year was HK\$1.16 billion.

VCNG of Rosneft

The PJSC Verkhnechonskneftegaz (“VCNG”) project of Rosneft Oil Company achieved its petroleum sales of approximately 7.445 million tons in 2020. Beijing Gas shared a net operating profit after taxation of HK\$710 million through its 20% equity interest in VCNG, representing a YoY decrease of 41.8%, which was mainly due to the impact of intense fluctuations in oil price.

China Gas

China Gas Holdings Limited (“China Gas”, stock code: 384) achieved a profit attributable to the Group of HK\$2.2 billion in 2020, representing a YoY increase of 3.9%. During the six months ended 30 September 2020, China Gas achieved a sales volume of 12.83 billion cubic meters in natural gas, representing an increase of 8.4% over the corresponding period of last year. It achieved a sales volume of 1.95 million tons in LPG, representing a decrease of 1.1% over the corresponding period of last year. It completed 2.83 million new household connections and the cumulative number of households connected by China Gas was approximately 37.94 million as of 30 September 2020, with a natural gas pipeline network of approximately 447,000 kilometers.

Beer Business

Owing to the impact of the pandemic on consumer activities, the production and operation of Beijing Yanjing Brewery Co., Ltd. (“Yanjing Brewery”) faced relatively higher pressure. Yanjing Brewery took the four key measures of “brand enhancement, channel consolidation, market intensification, and precision operation” as an important layout of strategic transformation, focused on the three important means in products, channels and markets to actively adopt various measures such as enriching product matrix and innovating communication media. The beer sales volume had achieved continuous growth since the second quarter.

During the year, Yanjing Brewery achieved a sales volume of 3.53 million kilolitres, of which, the sales volume of Yanjing main brand was 2.34 million kilolitres and the sales volume of “1+3” brand was 3.25 million kilolitres. The operating revenue that Beijing Yanjing Brewery Investments Co., Limited* (北京燕京啤酒投資有限公司) (“Yanjing Limited”) recorded was HK\$11.05 billion during the year with its profit before taxation from major operations of HK\$460 million. The capital expenditure of Yanjing Limited for the year was approximately HK\$345 million.

Water and Environmental Business

In 2020, Beijing Enterprises Water Group Limited (“BE Water”, stock code: 371) continued to develop its core capabilities to operate distinctively, facilitated the construction of standardized model plants, strengthened the guidance on corporate investment strategy and enhanced internal investment capabilities. BE Water’s profit attributable to its shareholders decreased by 15% YoY to HK\$4.183 billion due to the factors such as delay in construction caused by the epidemic and higher costs in fighting against the epidemic, and the net profit attributable to the

Group was HK\$1.72 billion, a YoY decrease of 15.1%.

As of 31 December 2020, BE Water entered into service concession arrangements and entrustment agreements with 1,334 water plants in total, including 1,115 sewage treatment plants, 174 water distribution plants, 43 reclaimed water treatment plants and 2 seawater desalination plants, with a total daily design capacity of 42.12 million tons. The net increase in daily design capacity for the year was 2.736 million tons.

Solid Waste Treatment Business

As at the end of 2020, the waste incineration power generation treatment capacity of the solid waste treatment business segment reached 29,932 tons/day, and the hazardous waste treatment capacity reached 115,000 tons/year. During the year, EEW Energy from Waste GmbH (“EEW GmbH”) accomplished a waste treatment volume of 4.811 million tons, representing a YoY increase of 1.9%. The sales volume of electricity was 1,818 million KWH, a YoY increase of 2.5%, the sales volume of heat was 887 million KWH, a YoY increase of 12.1%, and the sales volume of steam was 2,096 million KWH, with a YoY decrease of 3.7%. EEW GmbH maintained an overall stable operation during the height of the pandemic in Europe, and its operating revenue for the year reached HK\$5.66 billion, a YoY increase of 6.5%.

The domestic solid waste projects of the Group completed a waste treatment volume of 4.683 million tons during the year, a YoY increase of 9.9%. It completed an on grid power generation volume of 1,450 million KWH, representing a YoY increase of 18.5%. The domestic enterprises had strengthened the operation and maintenance management, put more efforts in equipment maintenance and overhaul during the pandemic, improved machinery unit stability and equipment serviceability, and well prepared for the post stage operation after reaching the capacity in stable production. Beijing Enterprises Environment Group Limited (“BE Environment”, stock code: 154) and Beijing Enterprises Holdings Environment Technology Co., Ltd (“BEHET”) achieved a total operating revenue of HK\$3,050 million. The capital expenditure for solid waste related businesses (both domestic and overseas) during the year was approximately HK\$2,300 million.

Currently, the epidemic prevention and control has become normalized. Those policies, industries and market environment that are related to our business segments have triggered many changes already. The Group will respond positively, seize any opportunity that comes along, be on guard with risks and view challenges as our motivation. As we will integrate epidemic prevention and control into our business operation, we would ensure that we are on the track of stable development.”

1. From the perspective of the domestic natural gas industry, driven by the target of “carbon neutrality”, natural gas will continue to play an important role in the realization of the medium-term environmental policy goals. Beijing Gas will further strive to integrate the market inside Beijing and expand the share of point-to-point supply, while the LNG business is committed to opening up the entire process of independent procurement of overseas resources, storage in own LNG tanks, and sales in own market. Meanwhile, we will conform to the energy development situation, actively explore clean energy and integrated energy projects, promote the multi-energy coupling and smart synergy of natural gas and renewable

energies, and realize the diversified development of aerothermal- power and other businesses.

2. China Gas will focus on improving its efficiency and effectiveness, and continue to endeavor every effort to advance its established development strategy. In the urban gas business, China Gas will strive to increase its gas sales volume while optimizing the gas sales structure. In the liquefied petroleum gas business, it will strengthen operation management, improve market-oriented mechanisms, and increase overall profitability by enhancing terminal market sales. In terms of value-added services, it will rely on its huge piped natural gas and liquefied petroleum gas service network and high quality customer resources to open up new market growth potential for value-added services.
3. In line with the development trend of the beer industry, Yanjing Brewery will follow the strategic marketing direction of “channel consolidation and market intensification”, continue to develop the incremental potential for retail channels, and make every effort to stabilize its market competitive position. Meanwhile, to meet the needs of consumption upgrade, Yanjing Brewery will expand the supply of mid-to-high-end products, speed up the development and storage of new products, take the new product creation and old product upgrade as opportunities to optimize production capacity layout, and build a full-cycle, efficient production and operation system centering on product development, supply chain, production control and marketing management.
4. The water and environmental operation of the Group is transforming from high-speed development to high-quality development. BE Water will focus on smart water upgrading, create technological innovation drive and promote the integration of technology and operation so as to enhance the core competitiveness of light assets operation through connecting the water-related assets in the whole region with the metropolitan smart platform. Meanwhile, we will promote the capacity upgrading of our investment system and implement high-quality project investment strategy.
5. The solid waste treatment business segment of the Group will strive to comprehensively improve production efficiency and expand profitability growth potential. The domestic enterprises will strengthen the efficient and stable operation of existing projects, while continuing to improve the co-processing capabilities of new types of solid waste such as sludge, kitchen waste and biomass waste. We will conduct in-depth study of resources utilization of industrial solid waste and hazardous waste, and expand new revenue streams. For the overseas projects through EEW GmbH, we will actively respond to the impact of the pandemic in Europe, rely on the internal growth brought about by the commissioning of new projects and steadily increase its revenue contributions on the basis of ensuring a stable waste supply.

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About Beijing Enterprises Holdings Limited (0392.HK)

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

businesses covering city gas, water treatment, solid waste treatment, and beer.

As at 31 December 2020, its core assets included: 100% of the equity in Beijing Gas Group Company Limited, China's largest integrated city gas company; 23.74% of the equity in China Gas Holdings Limited (0384.HK); 57.40% of the equity in the A-Share listed company, Beijing Yanjing Brewery Co., Ltd. (000729.SZ), through 79.77% of the equity in Beijing Yanjing Beer Investment Co., Ltd.; 41.13% of the equity in Beijing Enterprises Water Group Limited (0371.HK) which is deemed as a major platform to invest in water projects in Mainland China; 50.40% of the equity in Beijing Enterprises Environment Group Limited (0154.HK) committed to becoming a flagship company in the solid waste treatment industry; and 100% of the equity in EEW Energy from Waste GmbH, a leading European waste recycling company headquartered in Germany. For more information, please visit <http://www.behl.com.hk>.

This news is released by Wonderful Sky Financial Group Holdings Limited on behalf of Beijing Enterprises Holdings Limited. For more information:

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