



北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

(Stock code: 0392.HK)

BEIJING ENTERPRISES HOLDINGS ANNOUNCES 2018 INTERIM RESULTS

Revenue Increases by 24.5%

**Profit and basic earnings per share attributable to shareholders of the Company
Increases by 13%**

Committed to becoming the leader in the utilities and environmental industry

Financial summary

	<i>For the six months ended 30 June</i>		<i>Changes</i>
	<i>2018 (HKD million)</i>	<i>2017 (HKD million)</i>	
<i>Revenue</i>	34,345	27,597	+24.5%
<i>Profit attributable to shareholders of the Company</i>	4,267	3,776	+13.0%
<i>Basic earnings per share attributable to shareholders of the Company</i>	3.38 HKD	2.99 HKD	+ 13.0%

(Hong Kong, 30 August 2018) The Board of Directors (the "Board") of **Beijing Enterprises Holdings Limited** ("Beijing Enterprises" or the "Company", Stock Code: 0392.HK) is pleased to announced the unaudited interim condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2018 and the unaudited interim condensed consolidated statement of financial position of the Group as at 30 June 2018 together with the comparative figures in 2017.

The consolidated revenue of the Group for the first half of 2018 was HK\$34.35 billion, representing an increase of 24.5% over the corresponding period of last year. Profit attributable to shareholders of the Company was HK\$4.267 billion, representing an increase of 13% over the corresponding period in 2017. An interim cash dividend of HK32 cents per share is declared for the six months ended 30 June 2018. In the first half year of 2018, the Group achieved outstanding performance in the four segments of natural gas business, beer business, water and environmental business and solid waste treatment business.

Natural Gas Distribution Business

Beijing Gas Group Company Limited ("Beijing Gas") recorded a revenue of HK\$24.45 billion in the first half of 2018, increased by 31.3% as compared with the same period of last year. As driven by gas consumption in the public and heating sectors, the gas sales volume was approximately 8.888 billion cubic meters in the first half year, representing a year-on-year increase of 23.1%. During the period,

Beijing Gas developed 71,521 new household subscribers and 3,042 new public sector subscribers. New heating boiler subscribers with a capacity of 878 t/h were developed. As at 30 June 2018, Beijing Gas had a total of approximately 6.12 million piped gas subscribers in Beijing with approximately 22,300 kilometers of natural gas pipelines in operation.

In the first half year, Beijing Gas actively promoted different blue-sky protection tasks, accelerated the implementation of the coal-to-gas conversion projects for boilers in suburbs, coal-to-gas replacement projects in villages and piped gas connection for all towns in plain regions. At the same time, Beijing Gas strengthened its pipeline network operation and is in active planning for its LNG receiving terminal and storage tanks facilities to continue enhancing its supply assurance capability. Beijing Gas also accelerated its intelligent business sector construction and formulated its intelligent facility and communication standard during the period, so as to provide intelligent gas planning solutions for Beijing Tongzhou sub-center and Xiong'an New District.

Natural Gas Transmission Business

Benefiting from the official operation of the No.4 Shaanxi-Beijing Pipeline at the end of 2017, PetroChina Beijing Natural Gas Pipeline Company Limited ("PetroChina Beijing Pipeline Company") achieved a gas transmission volume of 24.63 billion cubic meters in the first half of 2018, representing a year-on-year increase of 31.5%. Beijing Gas shared a net profit after tax of HK\$922 million during the period through its 40% equity interests in PetroChina Beijing Pipeline Company, representing a decrease of 38.2% when compared with the same period of last year, which was mainly due to the downward adjustment of the inter-provincial gas pipeline transmission price that came into effect on 1 September 2017.

VCNG of Rosneft

The PJSC Verkhnechonskneftegaz ("VCNG") project of Rosneft Oil Company has become a new source of profit for the Group since the second half of 2017. VCNG achieved its petroleum sales of 4.036 million tons in the first half of 2018. Beijing Gas shared a net profit after tax of HK\$635 million through its 20% equity interest in VCNG.

China Gas

In the first half of 2018, the Group's share of profit of China Gas Holdings Limited ("China Gas", stock code: 0384.HK) was HK\$660 million, which was computed based on the profit attributable to shareholders of China Gas for the six months ended 31 March 2018, representing a growth of 18.8% when compared with the corresponding period of last year. On the basis of continuing to consolidate its urban gas business, China Gas vigorously promoted businesses such as "replacement of coal with gas" in towns and villages and "beautiful villages", so as to ensure sustainable high growth in its traditional primary businesses. In the 2018 financial year, China Gas achieved a sales volume of 18.66 billion cubic meters in natural gas, representing a year-on-year increase of 52.6%. It achieved a sales volume of 4.03 million tons in LPG, representing a year-on-year increase of 9.0%. Approximately 3.93 million households were newly connected and the cumulative number of households connected reached 24.57 million as at 31 March 2018.

Beer Business

In the first half of 2018, as affected by continuous industry adjustments and sustained heavy rains in many places across the country, although Beijing Yanjing Brewery Co., Ltd. ("Yanjing Beer") was still under a relatively high operating pressure, Yanjing Beer was in firm confidence in adhering to its goals of overall market quality and efficiency improvement, focused on enhancing base markets construction,

propelled adjustments in product mix, market mix and brand mix. Yanjing Beer has established an optimized direction of “taking refreshing beer as its base, mid-range beer as its main breakthrough and increasing its brand value by high-end beer”. At the same time, Yanjing Beer followed positively the new trends of being younger, fashionable and personalized in beer consumption in China and achieved increase in its average selling price per ton of beer. During the first half of 2018, the sales volume of Yanjing Beer was 2.6 million kilolitres. The sales volume of Yanjing main brand was 1.83 million kilolitres, sales volume of “1+3” brand was 2.39 million kilolitres. The revenue that Yanjing Beer recorded was HK\$6.64 billion during the period, representing a year-on-year increase of 8.9%. Its profit before tax was HK\$810 million, representing a year-on-year increase of 6.7%.

Water and Environmental Business

Beijing Enterprises Water Group Limited (“BE Water”, stock code: 0371.HK) strategically aimed at establishing the dual platforms of “assets management and operational management” and transformed itself from asset intensive to light asset model development in the first half of 2018. It continued to strengthen and expand its two core businesses in urban water business and water environment treatment and explored new profit growth points by centering on its resources advantageous segments, with its every business maintained a healthy development momentum. Its turnover increased by 9.7% to HK\$10.01 billion due to the increase in turnover from comprehensive renovation projects and water treatment services. Profit attributable to shareholders of BE Water increased by 23.6% to HK\$2.37 billion, of which HK\$1.0 billion was net profit attributable to the Group representing a year-on-year increase of 20.1%. As at 30 June 2018, BE Water already participated in 860 water plants which are or will be in operation, including 704 sewage treatment plants, 133 water distribution plants, 21 reclaimed water plants and 2 seawater desalination plants. The total design capacity was 34.04 million tons/day, and the net increase in daily design capacity during the period was 2.65 million tons.

Solid Waste Treatment Business

At the end of the first half year, the solid waste treatment business segment of the Group had realized a waste incineration and power generation integrated treatment capacity of 24,768 tons/day. During the period, EEW Energy from Waste GmbH (“EEW GmbH”) achieved an operating revenue of HK\$2.52 billion, representing a year-on-year increase of 8.5%. Beijing Enterprises Environment Group Limited (“BE Environment”, Stock Code: 0154.HK) and Beijing Enterprises Holdings Environment Technology Co., Ltd (“BEHET”) together achieved a total operating revenue of HK\$690 million during the period and profit attributable to shareholders of the Group of HK\$68.59 million.

In the first half of 2018, EEW GmbH accomplished a waste treatment volume of 2.281 million tons, representing a year-on-year increase of 3.8%, and sales of electricity of 830 million KWH, representing a year-on-year increase of 5.1%. The solid waste treatment business of the Group in China completed a waste treatment volume of 2.084 million tons, representing a year-on-year increase of 30.1%. It accomplished an on-grid power generation volume of 550 million KWH, representing a year-on-year increase of 41%. The signature Haidian Domestic Waste Incineration Project of BE Environment has entered into commercial operation and began to generate stable operating profit. At the same time, the Group’s domestic projects conducted in-depth training and communication on technology and management with EEW GmbH and its overall economic efficiency increased in a stable manner.

About Beijing Enterprises Holdings Limited (0392.HK)

Beijing Enterprises Holdings Limited ("BEHL") is the largest investment and financing flagship enterprise of the Beijing Municipal Government for channeling capital, technology and management expertise from international markets into Beijing's development priorities. After a series of reforms including reorganization, transformation and resources integration, BEHL has successfully transformed itself into an integrated public utilities operator with focus on gas, water and environment, solid waste treatment and beer business.

As of 30 June 2018, the core assets held by BEHL include: 100% interest in Beijing Gas Group Company Limited (the largest integrated citywide natural gas distributor in the PRC); 24.91% interest in China Gas Holdings Limited (0384.HK); 57.40% interest in the A Share listed Beijing Yanjing Brewery Co., Ltd. (000729.SZ); 42.43% interest in Beijing Enterprises Water Group Limited (0371.HK) which is BEHL's major vehicle for investing in the water projects in mainland China; 50.40% interest in Beijing Enterprises Environment Group Limited (0154.HK) which is developing into a flagship company in solid waste treatment industry in the PRC, and 100% interest in EEW Energy from Waste GmbH which is the leading European waste to energy company with headquarter in Germany.

Further information about BEHL can be found at www.behl.com.hk.

This press release is issued by **Wonderful Sky Financial Group Limited** on behalf of Beijing Enterprises Holdings Limited.

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