



北京控股有限公司

BEIJING ENTERPRISES HOLDINGS LIMITED

(Stock code: 0392.HK)

Beijing Enterprises Holdings Limited Announces 2020 Interim Results Practiced the Responsibilities of State-owned Enterprises Delivered Best Services in Urban Operation Service Guarantee

Financial Highlights

	for the six months ended 30 June		Change
	2020 (HK\$ million)	2019 (HK\$ million)	
Revenue	32,039	34,233	-6.4%
Profit attributable to shareholders of the Company	3,568	4,745	-24.8%
Basic and diluted earnings per share	2.83HKD	3.76HKD	-24.8%

(31 August 2020 — 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 six months ended 30 June 2020 (the "Reporting Period"), together with the comparative figures in 2019.

In the first half of 2020, the continuous spreading of the novel coronavirus (COVID-19) epidemic globally brought tremendous impact to most countries world-wide. The main business segments within the Group had also been adversely affected in various degrees by consumption shrinkage, dropping operating activities and projects delay. During the epidemic prevention and control period, the Group and our subsidiaries delivered best services in urban operation service guarantee. The gas, water and solid waste treatment business segments fulfilled their duties and missions, ensured stable operation, and practiced the responsibilities of state-owned enterprises. During the Reporting Period, the Group's revenue from operating activities in the first half year of 2020 was approximately HK\$32.04 billion. Profit attributable to shareholders of the Company in the first half year of 2020 was HK\$3.57 billion. Basic earnings per share attributable to shareholders of the Company amounted to HK\$2.83. An interim cash dividend of HK 40 cents per share is declared for the six months ended 30 June 2020.

Natural Gas Distribution Business of Beijing Gas

Beijing Gas Group Company Limited ("Beijing Gas") recorded a revenue of HK\$23.11 billion in the first half of 2020. Profit before taxation from principal businesses (including natural gas distribution business, natural gas transmission business and VCNG of Rosneft) was HK\$2.65 billion. Beijing Gas accomplished an aggregate gas sales volume of 8.946 billion cubic meters, after combining with that of the subsidiaries outside Beijing. Affected by the combining issues of

the COVID-19 epidemic and the extension of the heating period, the gas sales volume accomplished inside Beijing amounted to 8.576 billion cubic meters, which remained flat compared with the same period of last year.

During the Reporting Period, Beijing Gas developed 31,000 new household subscribers and 1,063 new public sector subscribers. New heating boiler subscribers with a capacity of 606t/h were developed. As of 30 June 2020, Beijing Gas had a total of approximately 6.459 million piped gas subscribers in Beijing and approximately 24,600 kilometres of natural gas pipelines in operation. Beijing Gas's capital expenditure in the first half of the year amounted to approximately HK\$681 million.

In the first half of the year, Beijing Gas proactively implemented all the works relating to security and emergency, and it completed the key gas supply projects assigned by the Beijing municipal government during the epidemic with high quality. At the same time, it endeavoured to collaborate with upstream enterprises to secure gas supply sources to cope with the extension of heating period and the heavily snowing and freezing weather effectively, and ensured the stable supply of natural gas for the capital city. During the period, Beijing Gas had also accelerated the construction of its major infrastructure projects, including the orderly development of the construction works of the LNG project in Nangang, Tianjin and the LNG emergency reserve project in Tangshan.

Natural Gas Transmission Business

PetroChina Beijing Gas Pipeline Co., Ltd. ("PetroChina Beijing Pipeline Co.,") recorded a gas transmission volume of 26.21 billion cubic meters in the first half of 2020. During the period, Beijing Gas's share of net profit after taxation was HK\$954 million, through its 40% equity interests in PetroChina Beijing Pipeline Co.,.

VCNG of Rosneft

In the first half of the year, the international crude oil prices fluctuated vigorously. The PJSC Verkhnechonskneftegaz ("VCNG") project of Rosneft Oil Company achieved its petroleum sales of 3.814 million tons during the Reporting Period. Beijing Gas shared a net operating profit after taxation of HK\$310 million through its 20% equity interest in VCNG in the first half of the year.

China Gas

The Group's share of profit of China Gas Holdings Limited ("China Gas", stock code: 384) in the first half of 2020 was HK\$1 billion, which was calculated based on the share of profit attributable to shareholders of China Gas for the six months ended 31 March 2020 and representing an increase of 4.1% when compared with the same period of last year. China Gas vigorously promoted the "coal-to-gas conversion" campaign in industrial and commercial sectors nationwide, continued to expand the natural gas market in heating and residential sectors in townships, enlarged the development efforts in LPG, value-added businesses and also the thermoelectric power business. China Gas focused on expanding its customer base, optimized its market layout, proactively exploited new development opportunities in the micropipe network (「微管網」) business in townships. At the same time, in response to the COVID-19 epidemic, the "Battle the Pandemic and Safeguard People's Livelihood" (「同心戰疫，保障民生」) campaign had been initiated rapidly to promote the comprehensive implementation of the grid-based operation model for its value-added services. For the 2020 financial year, China Gas' total gas sales volume increased by 2.9% to 25.37 billion cubic meters, and its LPG sales volume decreased by 4.2% to

3.83 million tons. Approximately 5.43 million households were newly connected, and the cumulative number of households connected reached 35.11 million as at 31 March 2020.

Beer Business

The COVID-19 epidemic has brought tremendous bombardment to the beer industry nationwide, and it has also induced changes in consumption patterns and habits. By adapting to the new environment arising from the epidemic, Beijing Yanjing Brewery Co., Ltd. (“Yanjing Brewery”) explored the possibilities of developing new marketing channels such as community group buying, enhanced the operational planning and resources investments of the e-commerce and Key Account channels, sorted out the product pricing regime of e-commerce platforms, and scientifically planned and implemented the activities for e-commerce promotions. In the first half of the year, the sales volume and revenue of the beer sold through e-commerce channel achieved year-on-year growth of 74% and 82% respectively. At the same time, Yanjing Brewery had taken steps to rationalize product line and put forth product upgrade. Thus, a big single product Yanjing U8 tinned series (Yanjing U8 聽裝系列) was successfully launched nationwide, embarking brand rejuvenation, and transforming into higher end.

During the Reporting Period, Yanjing Brewery achieved a sales volume of 2.10 million kilolitres, of which, the sales volume of Yanjing main brand was 1.39 million kilolitres and the sales volume of “1+3” brand was 1.92 million kilolitres. The revenue that Beijing Yanjing Brewery Investments Co., Limited* (北京燕京啤酒投資有限公司) (“Yanjing Limited”) recorded during the period was HK\$5.55 billion, with its profit before taxation of HK\$315 million. The capital expenditure of Yanjing Limited for the first half year was approximately HK\$85.50 million.

Water and Environmental Business

Beijing Enterprises Water Group Limited (“BE Water”, stock code: 371) commenced the construction project that comprises of 10 intelligent groups during the period. It conducted in-depth implementation of the innovative upgrade of the operating model to proactively bring the brand concept into the Water and Environmental Business. Affected by the COVID-19 pandemic, in the first half of 2020, BE Water’s revenue was HK\$12.45 billion, profit attributable to its shareholders was HK\$ 2.27 billion. The net profit attributable to the Group was HK\$933 million.

As at 30 June 2020, BE Water already participated in 1,289 water plants which are or will be in operation, including 1,087 sewage treatment plants, 166 water distribution plants, 34 reclaimed water treatment plants and 2 seawater desalination plants, with a total design capacity of 40.22 million tons/day. The net increase in design capacity for the period was 0.828 million tons/day.

Solid Waste Treatment Business

At the end of the first half year, the solid waste treatment business segment of the Group realised a waste incineration and power generation integrated treatment capacity of 29,932 tons/day. During the period, EEW Energy from Waste GmbH (“EEW GmbH”) accomplished a waste treatment volume of 2.364 million tons, representing a year-on-year increase of 3.1%. The sales of electricity was 901 million KWH with a year-on-year increase of 6.8%. It recorded a revenue of HK\$2.64 billion with a year-on-year increase of 1.2%. The growth in treatment volume of commercial waste offset the negative impact brought to EEW GmbH by the reduction of imported waste volume during the epidemic. During the peak period of the epidemic, despite the impact of European energy price volatility, we made utmost efforts to overcome the adversities and ensured that the sales of electricity and its pricing be steadily maintained, same as the overall

stable operation as a whole.

In the first half of the year, the domestic solid waste treatment business of the Group recorded a waste treatment volume of 2.12 million tons, representing a year-on-year decrease of 0.7%. It completed an on grid power generation volume of 665 million KWH, representing a year-on-year increase of 11.6%. Beijing Enterprises Environment Group Limited (“BE Environment”, stock code: 154) and Beijing Enterprises Holdings Environment Technology Co., Ltd (“BEHET”) together achieved a total revenue of HK\$698 million. As the waste input volume during the epidemic period is at a relatively lower level, the domestic solid waste projects made use of such opportunity to expand the repair and maintenance capacity, improve the stability and workability of the equipment, so as to be prepared for the restoration of normal production load and long cycle operation in the future. The domestic projects also actively expanded solid waste revenue streams, proactively expanded into the peripheral markets and explored potential sources of solid waste to pave the way for reaching the capacity of these projects in the future. The capital expenditure of solid waste related business (both domestically and overseas) for the first half year amounted to approximately HK\$1.062 billion.

In the second half of 2020, the company will implement the following plans:

1. Beijing Gas will intensify its efforts in market development, focus on expanding the market size. It will carry forward the acquisitions of gas projects and pipeline connection works in the suburbs within the greater Beijing area. It will also strengthen its collaboration with the government of Tangshan City outside the Beijing market and endeavour market share expansion. At the same time, Beijing Gas will capture the business opportunities both domestically and abroad to plan proactively for the development of LNG business, value-added business as well as the comprehensive energy services business.
2. Yanjing Brewery will strive to improve product quality, put forth product upgrade and enhance brand image. Yanjing Brewery will also carry out on-line and off-line product marketing and advertising works, continue to expand the resource investments in the on-line e-commerce and Key Account channels to achieve structure optimization of marketing and distribution channels.
3. BE Water will strive to develop a strategic model which is based on an asset-light model and comprises dual platforms for development, further enhancing its core competitiveness by strengthening investment capability, innovating and optimizing technology, applying intelligent technology, improving asset quality and efficiency, and recruiting high calibre talent.
4. The domestic solid waste treatment projects of the Group will vigorously embark quality and efficiency improvement measures, lower operating costs, enhance overall operation effectiveness, and endeavor to reduce the business damages brought by the COVID-19 in the first half year. At the same time, the domestic projects will strengthen the production and operation management, improve the operation and maintenance standard and continue to expand into other revenue sources of solid waste treatments.

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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 30 June 2020, its core assets included: 100% of the equity in Beijing Gas Group Company Limited, China's largest integrated city gas company; 23.72% 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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