



**北京控股有限公司**  
BEIJING ENTERPRISES HOLDINGS LIMITED  
(Stock code: 0392.HK)

## Beijing Enterprises Holdings Limited Announces 2021 Interim Results Revenue Exceeded HK \$40 Billion with Gradual Recovery in Various Business Sectors

### *Financial Highlights*

	For the Six Months Ended June 30		Change
	2021 (HK\$ Million)	2020 (HK\$ Million)	
<b>Revenue</b>	40,388	32,039	+26.1%
<b>Profit Attributable to Shareholders of the Company</b>	6,316	3,568	+77%
<b>Profit Attributable to Shareholders (After Excluding the Effect of One-off Event)</b>	4,599	3,568	+28.9%
<b>Basic Earnings Per Share</b>	5.00HKD	2.83HKD	+77%
<b>Interim Dividend</b>	HK40 cents	HK40 cents	-

(31 August 2021 — Hong Kong) The Board of Directors of **Beijing Enterprises Holdings Limited** (“BEHL” or the “Company”, stock code: 0392.HK) hereby present the unaudited interim consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2021 (the “Reporting Period”).

In the first half of 2021, China’s economy sustained steady recovery after the novel coronavirus (COVID-19) epidemic came under control domestically. On the premise of ensuring normalised epidemic prevention and control, the Group proactively carried out production and operation management and implemented various key tasks, achieving a considerable growth in the operating results of the Group’s principal businesses in the first half of the year.

During the Reporting Period, the Group’s revenue from operating activities in the first half of 2021 was approximately HK\$40.39 billion, increased by 26.1% when compared with the corresponding period of last year, which was mainly due to the benefits brought by the easing of COVID-19 epidemic. The revenue of gas sales was HK\$29.37 billion. The revenue of beer sales was HK\$6.78 billion. The revenue of the solid waste treatment and environment protection businesses was HK\$4.23 billion. Profit attributable to shareholders of the Company for the first half of 2021 amounted to HK\$6.32 billion, representing an increase of 77% over the corresponding period of last year. After excluding the effect of a one-off event for the period, profit attributable to

shareholders of the Company amounted to HK\$4.6 billion, representing an increase of 28.9% over the corresponding period of last year. Basic earnings per share attributable to shareholders of the Company amounted to HK\$5, representing a year-on-year increase of 77%. An interim cash dividend of HK40 cents per share is declared for the six months ended 30 June 2021.

### **Natural Gas Distribution Business of Beijing Gas**

Beijing Gas Group Company Limited (“Beijing Gas”) recorded a revenue of HK\$29.37 billion in the first half of 2021, representing a year-on-year increase of 27.1%. Profit before taxation from principal businesses (including natural gas distribution business, natural gas transmission business and VCNG of Rosneft) was HK\$2.92 billion, representing an increase of 10.4% over the corresponding period of last year. Beijing Gas accomplished an aggregate gas sales volume of 9.481 billion cubic meters in the first half of the year, after combining with that of the subsidiaries outside Beijing, representing a year-on-year increase of 5.99%. Affected by the combining factors such as temperature, increasing demand and market expansion, the natural gas sales volume accomplished inside Beijing increased by 3.4% year-on-year to 8.869 billion cubic meters. An analysis of the same by subscriber sector is shown as follows: Gas power plants users take up 44.7%; heating and cooling users take up 25.9%; household and other users take up 25.4%; public sector users take up 3.4%; industrial users take up 0.6% .

During the Reporting Period, Beijing Gas developed approximately 45,900 new household subscribers and 3,255 new public sector subscribers. New heating boiler subscribers with a capacity of 683 t/h were developed. As of 30 June 2021, Beijing Gas had a total of approximately 6.58 million piped gas subscribers in Beijing and approximately 26,400 kilometers of natural gas pipelines in operation. Beijing Gas’s capital expenditure in the first half of the year amounted to approximately HK\$3.22 billion.

During the first half of the year, Beijing Gas continued to strengthen its overall management with safety and efficiency as its core and propelled key project construction and principal business layout in an orderly manner. The natural gas business continued to expand its market scale. While developing piped natural gas projects proactively, Beijing Gas also secured rapid development in LNG business, with procurement and sales system becoming increasingly matured. Revenue from value-added businesses, which were mainly end-products and gas insurance, grew substantially over the corresponding period, which posed enhanced synergy effects with the principal businesses. During the period, Beijing Gas also continued to improve its service quality, optimise business environment and comprehensive service capabilities, strengthen its safety production and potential risk management efforts, and strive to improve risk prevention and control level. In addition, the construction of the LNG project in Nangang, Tianjin, a key national project, was under progress as scheduled.

### **Natural Gas Transmission Business**

PipeChina Group Beijing Pipeline Co., Ltd. (“PipeChina Beijing Pipeline Co.,” formerly known as PetroChina Beijing Gas Pipeline Co., Ltd.) recorded a gas transmission volume of 26.829 billion cubic meters in the first half of 2021, representing a year-on-year increase of 2.35%. During the period, Beijing Gas’s share of net profit after taxation, through its 40% equity interests in PipeChina Beijing Pipeline Co., amounted to HK\$954 million, which remained unchanged over the same period of last year. The total capital expenditure of PipeChina Beijing Pipeline Co., for the first half of the year was approximately HK\$692 million.

### **VCNG of Rosneft**

The PJSC Verkhnechonskneftegaz (“VCNG”) project of Rosneft Oil Company achieved its petroleum sales of 3.393 million tons during the Reporting Period, representing a year-on-year decrease of 11%. Beijing Gas shared a net operating profit after taxation of HK\$280 million through its 20% equity interest in VCNG in the first half of the year, representing a year-on-year decrease of 8.1%, which was mainly due to the impact from the exchange rate fluctuations.

### **China Gas**

The Group’s share of profit of China Gas Holdings Limited (“China Gas”, stock code: 384) in the first half of 2021 was HK\$1.27 billion, which was calculated based on the share of profit attributable to shareholders of China Gas for the six months ended 31 March 2021 and representing an increase of 26.4% when compared with the same period of last year. In facing the epidemic, as well as the opportunities and challenges posed by the development of the natural gas industry, China Gas conducted the reform of the management and control system steadily with main focus on the management target of “reducing costs and increasing efficiency”, so as to stimulate organisational dynamism. It continued to expand the urban gas project footprint, facilitated the conversion of coal to gas in the industrial and commercial sectors as well as the natural gas supply for winter heating in northern villages and towns, and safeguard gas supply. It strengthened the development efforts of LPG, value-added business and integrated energy and other businesses, and commenced the market development of two new businesses, namely LPG Smart Microgrid and Urban Heating. For the 2021 financial year, China Gas’ total natural gas sales volume increased by 23.0% to 31.21 billion cubic meters, and its LPG sales volume increased by 11.0% to 4.25 million tons. Approximately 5.05 million households were newly connected, and the cumulative number of households connected reached approximately 40.15 million as at 31 March 2021. Moreover, in 2021, the Group’s equity interest in China Gas Holdings Limited was diluted upon placing of 392,000,000 new shares by China Gas Holdings Limited under a top-up placing arrangement, resulting in a gain on deemed disposal of HK\$1,717,201,000 recognised by the Group, which is a one-off event during the Reporting Period.

### **Beer Business**

Since this year, the overall epidemic situation in China has been well controlled and the consumption environment has improved as compared with the corresponding period of last year, and Beijing Yanjing Brewery Co., Ltd. (“Yanjing Brewery”) recorded growth in production and sales. During the Reporting Period, Yanjing Brewery strengthened its quality concept, promoted the unification and standardisation of product standards, and carried out comprehensive quality evaluation. The company continued to promote its strategy of bulk single product during the period and successively launched a series of new products to optimise the product structure while highlighting the strategic core position of U8. In addition, Yanjing Brewery carried out full-chain brand marketing during the Reporting Period to build a brand content system and enrich brand promotion methods.

During the Reporting Period, Yanjing Brewery achieved a sales volume of 2.13 million kilolitres, representing a year-on-year increase of 1.65%, of which, the sales volume of Yanjing main brand was 1.48 million kilolitres and the sales volume of “1+3” brand was 1.97 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\$6.78 billion, representing a year-on-year increase of 22.3%, with its profit before taxation of HK\$487 million, representing a year-on-year

increase of 54.7%. The capital expenditure of Yanjing Limited for the first half of the year was approximately HK\$221 million.

### **Water and Environmental Business**

Beijing Enterprises Water Group Limited (“BE Water”, stock code: 371) comprehensively promoted the construction of smart water business, and made concrete achievements in 1+N group construction, application products development, and new technology research and development during the period. In addition, the First reclaimed water project in Yinchuan City and the EPCO project of the comprehensive water environment treatment programme in Pengjiang District, Jiangmen City (Phase II) were implemented in an orderly manner during the period. In the first half of the year, BE Water’s revenue increased by 9.8% year-on-year to HK\$13.67 billion, profit attributable to its shareholders increased by 6.7% year-on-year to HK\$2.42 billion. The net profit attributable to the Group was HK\$1 billion, representing a year-on-year increase of 6.7%.

As at 30 June 2021, BE Water already participated in 1,317 water plants which are or will be in operation, including 1,092 sewage treatment plants, 174 water distribution plants, 49 reclaimed water treatment plants and 2 seawater desalination plants, with a total design capacity of 43.43 million tons/day. The net increase in design capacity for the period was approximately 1.31 million tons/day.

### **Solid Waste Treatment Business**

At the end of the first half of the year, the solid waste treatment business segment of the Group realised a waste incineration and power generation treatment capacity of 29,932 tons/day. During the period, EEW Energy from Waste GmbH (“EEW GmbH”) accomplished a waste treatment volume of 2.376 million tons, which remained basically the same year-on-year. The sales of electricity was 864 million KWH. It recorded a revenue of HK\$2.96 billion, representing a year-on-year increase of 12.2%.

In the first half of the year, the domestic solid waste treatment business segment of the Group recorded a waste treatment volume of 2.518 million tons, representing a year-on-year increase of 18.8%. It completed an on grid power generation volume of 843 million KWH, representing a year-on-year increase of 26.7%. 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\$1.22 billion during the period, representing a year-on-year increase of 74.8%, which was mainly due to the construction revenue recognised from new construction projects and the operating revenue contributed by newly commissioned projects. During the period, the domestic solid waste treatment business segment established a headquarter management and control model to reduce costs and increase efficiency through centralised procurement, so as to ensure the quality of project procurement; and continued to strengthen safety and environmental protection management and control, and improved the safe production accountability system, so as to ensure production safety. Capital expenditures for domestic and overseas solid waste-related businesses amounted to approximately HK\$1.34 billion in the first half of the year.

Currently, the industrial development of the Group is at a critical stage of strategic transformation and upgrading. In the second half of the year, the Group will continue to implement various key tasks, strengthen strategic guidance and support, accelerate business restructuring, leverage capital advantages, enhance communication and coordination, so as to lay a solid foundation for a new start of high-quality development under the 14th Five-Year Plan.

1. Beijing Gas will continue to consolidate and expand its market size, promote market integration in the Beijing-Tianjin-Hebei region, and accelerate the overall planning and synergistic development of the Beijing market, Tianjin Nangang LNG project and Tangshan market. By coordinating and promoting the LNG business, Beijing Gas will continue to expand the scale of international trade, expand downstream distribution markets, build a system of purchasing and selling resources with multi-source of supply and multi-form of adjustment; and create growth drivers for value-added business, as well as carrying out optimisation and iteration of major products and category expansion of e-commerce products.
2. In the second half of the year, the beer segment will steadily carry out the construction of quality system, leveraging the promotion of the three major single products, namely Yanjing U8, Yanjing V10, and Xuelu Beer, as starting points to comprehensively promote the construction of an excellent quality system; increase efforts in technological transformation and create a centralized brewing center, and improve the efficiency of labor and production and brewing control by leveraging automation and information technologies. By consolidating the market foundation in an all-round way, it will implement the strategies of U8 and bulk single product, and supplemented by three-dimensional (diversified, online and offline) marketing; and consolidate its position in Beijing as the base market, and support sales growth with increased market share.
3. In the second half of the year, the water segment will continue to propel the construction of a market development system, speed up the establishment of a customer relationship management system, build a digitalised business support and empowerment platform, and continue to promote the capacity upgrading of the market and investment system. Meanwhile, BE Water will proactively respond to the national policy and objectives, continue to optimise the environmental management system, strengthen the pollutant emissions control, implement green construction and green operational modes to save energy and reduce consumption, optimise the resources usage and improve the operating efficiency of projects. BE Water will actively implement low-carbon concepts and become a leader in promoting high-quality industrial development, so as to help achieve the national emission peak and carbon neutrality targets.
4. The Group will promote the development of the solid waste industry towards a professional, large-scale and intensive direction. Operational projects shall comprehensively improve economic and management efficiency, strengthen operation management and maintenance, implement various elimination, maintenance, and transformation projects step by step, and maintain a safe, stable and sound operating condition; actively pay attention to the development of the carbon trading market and carbon emissions trading; and explore resources utilization of industrial wastes, promote organic waste treatment projects, and facilitate the ecological environment management business. Overseas projects through EEW GmbH will continue to expand production and capacity based on existing project facilities, optimize the management of procurement and logistics, control operating costs, and improve capital efficiency.

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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 2021, its core assets included: 100% of the equity in Beijing Gas Group Company Limited, China's largest integrated city gas company; 22.17% 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.; 41.12% 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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