北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 392)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

RESULTS HIGHLIGHTS

- Revenue amounted to approximately RMB44.529 billion, representing a year-on-year increase of 5.2%.
- Profit attributable to shareholders of the Company amounted to approximately RMB3.404 billion, representing a year-on-year increase of 8.1%. Recurring profit attributable to shareholders amounted to HK$3.279 billion, representing a year-on-year increase of 4.1%.
- Basic and diluted earnings per share amounted to RMB2.71.
- Distribution of an interim dividend of HK85 cents per share (either in HK$ or RMB).

SHARE PRICE HIGHLIGHTS

- In the first half of 2025, the Company's share price increased by 23.6%, highlighting the defensive properties of the Company.

BUSINESS HIGHLIGHTS

- Beijing Gas secured a three-year contract for the processing of 4.5 million tonnes of LNG with major domestic supply enterprise through the Nangang LNG project.
- 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.
- BE Environment 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.
- EEW GmbH in Germany commenced commercial operation of an expanded waste-to-energy plant and continued to advance the construction of projects such as sludge incineration, flue gas purification and battery energy storage.
- Yanjing Brewery commenced the dual-drive layout of "beer + soft drinks" to accelerate its expansion into non-beer sectors and explore new breakthroughs.

FINANCIAL HIGHLIGHTS

- The Company continued to focus on its debt management objectives of "cost reduction and structural adjustment", with interest expenses at the headquarters in the first half of the year decreasing by over RMB100 million year-on-year.

I. HIGHLIGHTS DURING THE PERIOD

Through active response to market changes in the first half of 2025 (the "Reporting Period"), Beijing Enterprises Holdings Limited ("BEHL" or the "Company") 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 Group Company Limited ("Beijing Gas") secured a three-year contract for the processing of 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. Beijing Enterprises Water Group Limited ("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. Beijing Enterprises Environment Group Limited ("BE Environment", stock code: 154) 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. EEW Energy from Waste GmbH ("Germany 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. Beijing Yanjing Brewery Co., Ltd. ("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.

II. 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 of Rosneft	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*

III. SUMMARY OF FINANCIAL RESULTS

The Board of Directors of the Company is pleased to announce, the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively 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 during the year 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. FINANCIAL STATEMENTS

(1) CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
		Unaudited	Unaudited
REVENUE		**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	*4*	**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	*5*	**(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	*6*	**4,924,925**	4,467,467
Income tax expense	*7*	**(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	*9*		
Basic and diluted		**RMB2.71**	RMB2.50

(2) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	Unaudited	Unaudited
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

(3) CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	**30 June 2025** *RMB'000* **Unaudited**	31 December 2024 *RMB'000* Audited
ASSETS			
Non-current assets:			
Property, plant and equipment		**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	*10*	**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	*10*	**139,747**	136,807
Trade receivables	*11*	**5,228,550**	5,134,785
Prepayments, other receivables and other assets		**9,968,785**	5,902,307
Other tax recoverables		**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

	Notes	**30 June 2025** *RMB'000* **Unaudited**	31 December 2024 *RMB'000* Audited
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital	*12*	**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		**35,805,367**	30,692,409
Guaranteed bonds and notes		**7,039,082**	12,222,436
Lease liabilities		**431,482**	353,387
Defined benefit obligations		**2,328,650**	2,301,531
Provision for onerous contracts and major overhauls		**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	*13*	**4,433,377**	3,906,197
Other payables, accruals and contract liabilities		**21,197,471**	20,600,778
Provision for onerous contracts and major overhauls		**47,653**	42,717
Income tax payables		**811,939**	636,822
Other tax payables		**572,090**	388,881
Bank and other borrowings		**26,813,605**	28,608,957
Guaranteed bonds and notes		**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

(4) NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION:

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:

(1) 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

(2) 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.

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 year						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

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

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. 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
Other income and gains, net	**1,232,743**	894,486

5. FINANCE COSTS

	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

6. 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
Depreciation of right-of-use assets	**144,955**	121,910
Amortisation of operating concessions	**122,177**	119,937
Amortisation of other intangible assets	**115,228**	131,352
Loss on disposal of items of property, plant and equipment, net	**2,682**	112

7. INCOME TAX

An analysis of the Group's income tax is as follows:

	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

8. 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.

9. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of 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.

10. 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.

11. 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.*

12. 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

13. 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	31 December 2024
	RMB'000	*RMB'000*
	Unaudited	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; and (iii) accrued construction costs for solid waste incineration plant which have not been billed by the suppliers.*

V. 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 optimize 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

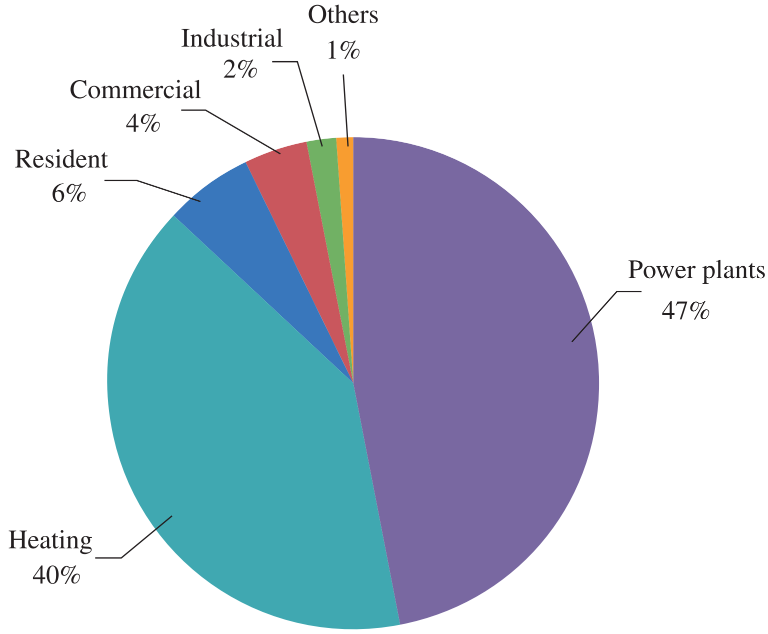
(1) Natural Gas Distribution Business

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, PipeChina Group Beijing Pipeline Co., Ltd. ("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, the PJSC Verkhnechonskneftegaz ("VCNG") project of Rosneft Oil Company, 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 Holdings Limited ("China Gas", stock code: 384), 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.

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 Beijing Enterprises Holdings Environment Technology Co., Ltd ("BEHET"), which is based in China, and EEW GmbH, a German 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, a German company, 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) Germany EEW GmbH

The revenue of Germany 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 Germany EEW GmbH.

Other intangible assets were mainly from Germany 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 Germany 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 Mainland China 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 acute external conditions 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 productivity, the Company will propel technological innovation and industrial transformation, fortify 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 and financing and capital operation, the Group will continue to leverage strategic opportunities by optimizing its financing structure to consolidate the advantages of cost of capital 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 in Germany 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 seal up 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.

VI. INTERIM DIVIDEND

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

Shareholders will be given the option to elect to receive the Interim Dividend in Hong Kong dollars or in Renminbi.

If Shareholders elect to receive the Interim Dividend in Renminbi, the Company only arranges for the Shareholders to receive all of the Interim Dividend in Renminbi, save in case of HKSCC Nominees Limited, which may elect to receive part of its entitlement in Renminbi.

Shareholders who are minded to elect to receive all of their dividends in Renminbi by cheques should note that:

(I) Shareholders should complete the dividend currency election form, which is expected to be despatched to Shareholders on or about Tuesday, 23 September 2025 and return to the share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, 10 October 2025;

(II) The amount of the Interim Dividend in Renminbi shall be converted into Renminbi at the exchange rate of HK$1.0:RMB0.912162 at the average benchmark exchange rate of Hong Kong dollars to Renminbi announced by the People's Bank of China for the five business days prior to and including 28 August 2025, and such dividend will be paid to Shareholders at RMB0.7753377 per share;

(III) Shareholders should ensure that they have an appropriate bank account to which the Renminbi cheques for dividend can be presented for payment; and

(IV) There is no assurance that Renminbi cheques can be cleared without handling charges or delay in Hong Kong or that Renminbi cheques will be honored for payment upon presentation outside Hong Kong. The cheques are expected to be posted to the relevant Shareholders by ordinary post on Friday, 31 October 2025 at the Shareholders' risk.

If Shareholders wish to receive the Interim Dividend in Hong Kong dollars in the usual way, no additional action is required.

Shareholders should seek professional advice with a certified public accountant in Hong Kong or a qualified tax adviser regarding the possible tax implications of the Interim Dividend payment on their own.

VII. CLOSURE OF REGISTER OF MEMBERS

The Company's register of members will be closed from Friday, 12 September 2025 to Tuesday, 16 September 2025, both dates inclusive, during which period, no transfer of shares will be registered. To be eligible to qualify for the Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 11 September 2025.

VIII. AUDIT COMMITTEE

The Board has established the Audit Committee (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.

IX. 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.

X. OTHER FINANCIAL INFORMATION

(I) 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 Renminbi to replace its high-cost debt. Together with the low-cost advantage of Renminbi 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.

(II) Foreign Exchange Exposure

The Group primarily operates its businesses in the PRC, and therefore, most of its transactions, revenues and expenses are denominated in Renminbi. The exchange rate of Renminbi against Hong Kong dollar and other currencies may change due to the impact of market fluctuation. The conversion of Renminbi into foreign currencies, including Hong Kong dollar, U.S. dollar 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.

(III) Pledge of the Group's Assets

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

XI. 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.

XII. 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.

XIII. MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules to govern securities transactions by the directors of the Company. 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 of the Company confirm that they complied with the Model Code regarding regulations governing securities transactions by directors during the six months ended 30 June 2025.

XIV. PUBLICATION OF THE 2025 INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement of the Company is published on the website of the Company (www.behl.com.hk) and the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (www.hkexnews.hk).

The interim report of the Company will be sent to Shareholders and will be published on the websites of the Company and the Stock Exchange in due course.

By order of the Board
Beijing Enterprises Holdings Limited
YANG Zhichang
Chairman

Hong Kong, 28 August 2025

As at the date of this announcement, the board of directors of the Company comprises Mr. YANG Zhichang (Chairman), Mr. XIONG Bin (Chief Executive Officer), Mr. XU Tong, Mr. GENG Chao and Mr. TUNG Woon Cheung Eric as executive directors; Mr. WU Jiesi, Mr. LAM Hoi Ham, Dr. YU Sun Say and Ms. CHAN Man Ki Maggie as independent non-executive directors.