北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00392.HK)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

RESULTS HIGHLIGHTS

- Revenue amounted to approximately RMB45.005 billion, representing a year-on-year increase of 1.1%.
- Profit attributable to shareholders amounted to approximately RMB3.540 billion, representing a year-on-year increase of 4.0%.
- Basic and diluted earnings per share amounted to RMB2.81, representing a year-on-year increase of 4.0%.
- Distribution of an interim dividend of HK$0.85 per share.

BUSINESS HIGHLIGHTS

- Beijing Gas continued to consolidate its main business of gas distribution in the capital city while strengthening market expansion. By issuing RMB bonds to refinance existing high-interest loans, it has reduced costs and increased efficiency. Profit from operating activities increased year-on-year, showing a stabilized momentum, thereby effectively maintaining the foundation for the corporate development.
- BE Water ranked first among the "Top 10 Most Influential Companies in China's Water Industry" for the 16th consecutive year and maintained a stable free cash flow. Process AI drives a comprehensive shift of the operational mode towards an upgrade featured by "data-driven, model-driven, and edge-cloud collaboration".
- BE Environment witnessed a continuous rapid growth from value-added businesses, among which contributions from sludge co-processing, heat and steam supply, and leachate treatment continued to improve, effectively driving the transformation of existing waste incineration projects from a revenue model based solely on waste treatment services toward one based on integrated energy and environmental services.
- EEW GmbH continuously optimized its contract structure and energy sales arrangements, resulting in further increased revenue stability. At the same time, it steadily advanced expansion projects and low-carbon projects, providing strong support for medium- to long-term revenue growth.
- Yanjing Brewery's flagship product, Yanjing U8, continued to maintain a rapid growth, while the new product Yanjing A10 was successfully launched. Working in synergy, these two flagship products continue to drive the deepening of the Group's premiumization and rejuvenation market strategy with the further optimization of product mix.

FINANCIAL HIGHLIGHTS

- The Company successfully achieved the conversion of net current assets through debt replacement, while effectively balancing cost control and structural optimization. The headquarters' financial expenses decreased by over RMB50.00 million year-on-year.

I. HIGHLIGHTS DURING IN THE FIRST HALF OF THE YEAR

For the six months ended 30 June 2026 (the "First Half of the Year" or "Interim Period"), Beijing Enterprises Holdings Limited (the "Company") adhered to the principle of seeking progress while maintaining stability, improving quality and efficiency, actively responded to diverse changes in both internal and external environment, and continued to improve operational efficiency, market expansion and financial management capabilities focusing on its main business of comprehensive public utilities, promoting the steady and positive development of its main business segments. The key highlights are as follows:

(i) Business highlights

- Beijing Gas Group Company Limited ("Beijing Gas") continued to consolidate its main business of gas distribution in the capital city while strengthening market expansion. By issuing RMB bonds to refinance existing high-interest loans, it has reduced costs and increased efficiency. Profit from operating activities increased year-on-year, showing a stabilized momentum, thereby effectively maintaining the foundation for the corporate development.

- Beijing Enterprises Water Group Limited ("BE Water", stock code: 00371.HK) ranked first among the "Top 10 Most Influential Companies in China's Water Industry" for the 16th consecutive year and maintained a sustained improvement in free cash flow. Its process AI drives a comprehensive shift of the operational mode towards an upgrade featured by "data-driven, model-driven, and edge-cloud collaboration".

- Beijing Enterprises Environment Group Limited ("BE Environment", stock code: 00154.HK) has offset industry pressure through diversified business expansion and refined operations. Among which contributions from sludge co-processing, heat and steam supply, and leachate treatment continued to improve, effectively driving the transformation of existing waste incineration projects from a revenue model based solely on waste treatment services toward one based on integrated energy and environmental services.

- EEW Energy from Waste GmbH ("EEW GmbH") optimizes contract structure and energy sales arrangements amid the fluctuating energy prices in Europe. Both solid waste treatment volume and energy sales volume increased, with further enhanced revenue stability. Projects including the expansion of waste-to-energy plants, flue gas purification, sludge incineration, and battery energy storage are progressing in an orderly manner, providing robust support for medium and long-term revenue growth.

- Beijing Yanjing Brewery Co., Ltd. ("Yanjing Brewery", stock code: 000729.SZ) continues to unleash the effectiveness of its flagship product strategy, with Yanjing U8 maintaining rapid growth, and its new premium all-malt product Yanjing A10 was successfully launched. Working in synergy, these two flagship products drive the deepening of the premiumization and rejuvenation market strategy with the further optimization of product mix.

(ii) Financial highlights

- In the first half year, we successfully achieved the positive conversion to net current assets through continuous debt replacement, while effectively balancing cost control and structural optimization, and has reduced the headquarters' financial expenses by over RMB50.00 million year-on-year, demonstrating significant results in financial management.

II. SUMMARY OF OPERATIONAL PERFORMANCE

The key operating data for the first half of the year ended 30 June 2026 are as follows:

	Unit	2026	2025	Change
(1) Gas Business				
1. Natural gas sales volume of Beijing Gas	100 million cubic meters	**123.9**	125.7	-1.4%
Including:				
Pipeline gas sales volume in Beijing	100 million cubic meters	**91.5**	91.9	-0.5%
LNG distribution volume	100 million cubic meters	**19.6**	17.4	12.4%
LNG international trade volume	100 million cubic meters	**7.5**	9.9	-24.1%
Total Shaanxi-Beijing Line Gas Transmission Volume	100 million cubic meters	**502**	497.8	0.9%
Oil sales volume of Overseas Oil and Gas Field Project	Million tons	**2.75**	2.71	1.5%
2. Natural gas sales volume of China Gas	100 million cubic meters	**240.2**	228.3	5.2%
(2) Water Business (BE Water)				
Sewage and reclaimed water treatment volume	Million tons	**3,096.1**	3,014.4	2.7%
Water supply volume	Million tons	**1,113.9**	1,180.9	-5.7%
Total design treatment capacity as of the end of the interim period	Million tons/day	**42.57**	43.30	-1.7%
Total operating capacity as of the end of the interim period	Million tons/day	**34.28**	33.79	1.5%
(3) Environmental Business				
1. BE Environment/BEHET				
Domestic waste treatment volume	Million tons	**3.85**	3.73	3.1%
Domestic on-grid power generation volume	GWh	**1,203**	1,162	3.5%
2. EEW GmbH				
Waste treatment volume	Million tons	**2.61**	2.52	3.5%
Electricity sales volume	GWh	**1,012**	890	13.7%
Heat sales volume	GWh	**655**	587	11.6%
Steam sales volume	GWh	**1,178**	1,209	-2.5%
Domestic and overseas total waste incineration and power generation treatment capacity	Tons/day	**35,944**	35,547	1.1%
(4) Beer Business (Yanjing Brewery)				
Total sales volume of beer	Million kiloliters	**2.427**	2.352	3.2%

III. SUMMARY OF FINANCIAL RESULTS

The Company announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2026, together with the comparative figures for the same period of 2025. The revenue of the Group was approximately RMB45.005 billion for the first half of 2026, representing an increase of 1.1% from the same period last year. Profit attributable to shareholders of the Company amounted to approximately RMB3.540 billion, representing a year-on-year increase of 4.0%.

Contributions by each business segment during the period are set out as follows:

	Revenue				Profit attributable to shareholders of the Company			
	Mid-2026	Mid-2025	**Increase/(decrease)**		**Mid-2026**	Mid-2025	**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	**322.74**	325.64	(2.90)	-0.89%	**30.14**	28.48	1.66	5.83%
Gross profit margin	***7.50%***	*7.76%*		*-0.26%*				
Water operation	**–**	–			**2.83**	3.69	(0.86)	–23.31%
Environmental operation	**49.80**	45.30	4.50	9.93%	**3.79**	4.11	(0.32)	–7.79%
Gross profit margin	***24.86%***	*25.25%*		*-0.39%*				
Brewery operation	**77.18**	73.94	3.24	4.38%	**6.73**	5.74	0.99	17.25%
Gross profit margin	***46.44%***	*43.64%*		*2.80%*				
Others	**0.33**	0.41	(0.08)	-19.51%	**0.20**	0.28	(0.08)	–28.57%
Operating performance	**450.05**	445.29	4.76	1.07%	**43.69**	42.30	1.39	3.29%
Gross profit margin	***16.14%***	*15.55%*		*0.59%*				
Others					**(8.29)**	(8.26)	(0.03)	–0.36%
Total					**35.40**	34.04	1.36	4.00%

IV. FINANCIAL STATEMENTS

(1) CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		Unaudited	Unaudited
REVENUE		**45,004,558**	44,528,870
Cost of sales		**(37,742,521)**	(37,604,491)
Gross profit		**7,262,037**	6,924,379
Other income, other gains and losses	*4*	**1,137,877**	1,232,743
Selling and distribution expenses		**(1,080,287)**	(1,099,337)
Administrative expenses		**(3,140,906)**	(3,148,030)
Other operating expenses, net		**(436,917)**	(362,737)
Finance costs	*5*	**(1,028,259)**	(1,082,732)
Share of profits and losses of:			
Joint ventures		**3,129**	5,775
Associates		**2,474,814**	2,454,864
PROFIT BEFORE TAX	*6*	**5,191,488**	4,924,925
Income tax expense	*7*	**(540,133)**	(599,198)
PROFIT FOR THE PERIOD		**4,651,355**	4,325,727
ATTRIBUTABLE TO:			
Shareholders of the Company		**3,539,807**	3,403,590
Non-controlling interests		**1,111,548**	922,137
		4,651,355	4,325,727
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	*9*		
Basic and diluted		**RMB2.81**	RMB2.71

(2) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
PROFIT FOR THE PERIOD	**4,651,355**	4,325,727
OTHER COMPREHENSIVE (LOSS) INCOME		
Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(727,428)**	1,246,359
Share of other comprehensive income (loss) of associates	**213,657**	(664,998)
Fair value changes on hedging instruments designated in cash flow hedge	**(145,606)**	55,794
Gains reclassified to profit or loss on hedged items	**(41,729)**	(38,388)
Net other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods	**(701,106)**	598,767
Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:		
Defined benefit obligations:		
Actuarial gains (losses), net	**96,076**	98,501
Income tax effect	**(23,987)**	(27,518)
	72,089	70,983
Equity investments at fair value through other comprehensive income:		
Changes in fair value	**(552,768)**	68,551
Income tax effect	**136,442**	(15,865)
	(416,326)	52,686
Share of other comprehensive income (loss) of associates	**33,730**	(13,862)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Net other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent periods	**(310,507)**	109,807
OTHER COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD, NET OF INCOME TAX	**(1,011,613)**	708,574
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**3,639,742**	5,034,301
ATTRIBUTABLE TO:		
Shareholders of the Company	**2,549,168**	3,992,714
Non-controlling interests	**1,090,574**	1,041,587
	3,639,742	5,034,301

(3) CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	**30 June 2026** *RMB'000* **Unaudited**	31 December 2025 *RMB'000* Audited
ASSETS			
Non-current assets:			
Property, plant and equipment		**61,392,956**	62,537,070
Investment properties		**1,179,008**	1,178,747
Right-of-use assets		**2,348,744**	2,517,737
Goodwill		**14,871,353**	15,270,149
Operating concessions		**4,948,403**	5,075,130
Other intangible assets		**2,334,019**	2,486,228
Investments in joint ventures		**151,344**	151,880
Investments in associates		**61,741,663**	60,007,519
Equity investments at fair value through other comprehensive income		**1,872,828**	2,433,527
Receivables under service concession arrangements	*10*	**3,068,688**	3,116,155
Prepayments, other receivables and other assets		**6,952,160**	6,583,901
Deferred tax assets		**1,483,378**	1,420,096
Derivative financial instruments		**–**	82,585
		162,344,544	162,860,724
Current assets:			
Inventories		**6,949,009**	7,376,674
Receivables under service concession arrangements	*10*	**143,142**	142,726
Trade receivables	*11*	**6,234,818**	4,835,300
Prepayments, other receivables and other assets		**13,791,754**	7,583,516
Other tax recoverables		**375,579**	453,093
Restricted cash and pledged deposits		**66,293**	39,574
Cash and cash equivalents		**29,277,555**	31,267,524
		56,838,150	51,698,407
Non-current assets classified as held for disposal		**302,173**	302,173
		57,140,323	52,000,580
TOTAL ASSETS		**219,484,867**	214,861,304

	Notes	**30 June 2026** *RMB'000* **Unaudited**	31 December 2025 *RMB'000* Audited
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital	*12*	**28,340,052**	28,340,052
Reserves		**62,372,682**	60,701,864
		90,712,734	89,041,916
Non-controlling interests		**14,701,666**	13,692,898
TOTAL EQUITY		**105,414,400**	102,734,814
Non-current liabilities:			
Bank and other borrowings		**41,929,377**	38,937,907
Guaranteed bonds and notes		**10,994,484**	6,914,912
Lease liabilities		**450,575**	459,514
Defined benefit obligations		**2,151,821**	2,204,650
Provision for onerous contracts and major overhauls		**291,989**	302,146
Other non-current liabilities		**3,000,267**	2,693,765
Deferred tax liabilities		**1,849,546**	2,155,922
Derivative financial instruments		**202,967**	98,217
		60,871,026	53,767,033
Current liabilities:			
Trade and bills payables	*13*	**4,962,773**	4,269,016
Other payables, accruals and contract liabilities		**20,331,434**	19,768,729
Provision for onerous contracts and major overhauls		**44,079**	46,745
Income tax payables		**760,360**	590,813
Other tax payables		**585,776**	370,110
Bank and other borrowings		**26,408,541**	27,690,884
Guaranteed bonds and notes		**–**	5,402,445
Lease liabilities		**106,478**	220,715
		53,199,441	58,359,457
TOTAL LIABILITIES		**114,070,467**	112,126,490
TOTAL EQUITY AND LIABILITIES		**219,484,867**	214,861,304

(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").

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

The financial information relating to the year ended 31 December 2025 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 2025 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 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

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 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the classification and measurement of Financial instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

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 2026 and 2025:

Period ended 30 June 2026

	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	32,274,417	–	4,979,784	7,717,535	32,822	45,004,558
Cost of sales	(29,853,779)	–	(3,741,845)	(4,133,385)	(13,512)	(37,742,521)
Gross profit	2,420,638	–	1,237,939	3,584,150	19,310	7,262,037
Segment result:						
Profit from operating activities	1,283,303	–	785,259	1,864,136	20,205	3,952,903
Finance costs	(261,635)	–	(126,383)	(14,542)	–	(402,560)
Share of profits and losses of:						
Jointly-controlled entities	643	–	2,486	–	–	3,129
Associates	2,179,878	282,959	3,476	–	–	2,466,313
	3,202,189	282,959	664,838	1,849,594	20,205	6,019,785
The Company and other unallocated income and expenses, net						(211,099)
Share of profits of an associate						8,501
Finance costs						(625,699)
Profit before tax						5,191,488
Income tax						(540,133)
Profit for the period						4,651,355
Profit attributable to shareholders of the Company Operating segments	3,014,259	282,959	378,596	673,405	20,108	4,369,327
The Company and other unallocated items						(829,520)
						3,539,807

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
The Company 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 period						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
The Company and other unallocated items						(826,715)
						3,403,590

During each of the six months ended 30 June 2026 and 2025, 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	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Bank interest income	**347,566**	348,010
Income from sales of scrap materials, packaging materials and promotion products	**307,934**	248,330
Government grants	**154,964**	250,313
Compensation received from early termination of a lease	**–**	74,357
Others	**327,413**	311,733
Other income and gains, net	**1,137,877**	1,232,743

5. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Interest on bank loans and other loans	**798,479**	875,804
Interest on guaranteed bonds and notes	**266,651**	310,152
Interest on lease liabilities	**10,837**	13,345
Total interest expenses	**1,075,967**	1,199,301
Increase in discounted amounts of provision for major overhauls arising from the passage of time	**461**	451
Total finance costs	**1,076,428**	1,199,752
Less: Interest capitalised	**(6,440)**	(78,632)
	1,069,988	1,121,120
Less: Fair value gain reclassified from equity to profit or loss on currency swaps designed as cash flow hedges for foreign currency debts	**(41,729)**	(38,388)
	1,028,259	1,082,732

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Depreciation of property, plant and equipment	**2,007,960**	1,915,311
Depreciation of right-of-use assets	**170,347**	144,955
Amortisation of operating concessions	**137,091**	122,177
Amortisation of other intangible assets	**107,864**	115,228
Loss on disposal of items of property, plant and equipment, net	**(6,953)**	2,682

7. INCOME TAX

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Current:		
Hong Kong	**920**	959
Chinese Mainland	**564,342**	466,281
Germany	**134,488**	155,086
Others	**50,591**	48,282
Deferred	**(210,208)**	(71,410)
Total tax expense for the period	**540,133**	599,198

8. INTERIM DIVIDEND

On 27 August 2026, the Board declared an interim cash dividend of HK$0.85 per share (six months ended 30 June 2025: HK$0.85 per share), totalling approximately RMB940,986,000 (six months ended 30 June 2025: RMB983,759,000) for the six months ended 30 June 2026.

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 RMB3,539,807,000 (six months ended 30 June 2025: RMB3,403,590,000), and the weighted average number of ordinary shares of 1,258,003,268 (six months ended 30 June 2025: 1,258,003,268) 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 2026 and 2025 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 2026 and 31 December 2025.

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 2026	31 December 2025
	RMB'000	*RMB'000*
	Unaudited	Audited
Billed:		
Within one year	**5,339,523**	3,919,980
One to two years	**205,765**	225,671
Two to three years	**105,180**	49,022
Over three years	**76,308**	27,286
	5,726,776	4,221,959
Unbilled*	**508,042**	613,341
	6,234,818	4,835,300

* *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 2026	31 December 2025
	RMB'000	*RMB'000*
	Unaudited	Audited
Issued and fully paid:		
1,258,003,268 (31 December 2025: 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 2026	31 December 2025
	RMB'000	*RMB'000*
	Unaudited	Audited
Billed:		
Within one year	**3,905,428**	3,232,297
One to two years	**374,078**	292,345
Two to three years	**114,905**	55,101
Over three years	**80,319**	25,804
	4,474,730	3,605,547
Unbilled*	**488,043**	663,469
	4,962,773	4,269,016

* *The unbilled balance was attributable to (i) purchase of natural gas near the period end which was billed subsequently in July 2026; 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 the year, 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. While consolidating its principal businesses, 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 collection and loss-making business management. Key operational and financial indicators achieved phasal goals, with operational quality and profitability steadily improving. In addition, the Company constantly improves its financing structure and strengthens capital management to enhance capital utilization efficiency, further solidifying the foundation for financial stability.

2. Gas Business

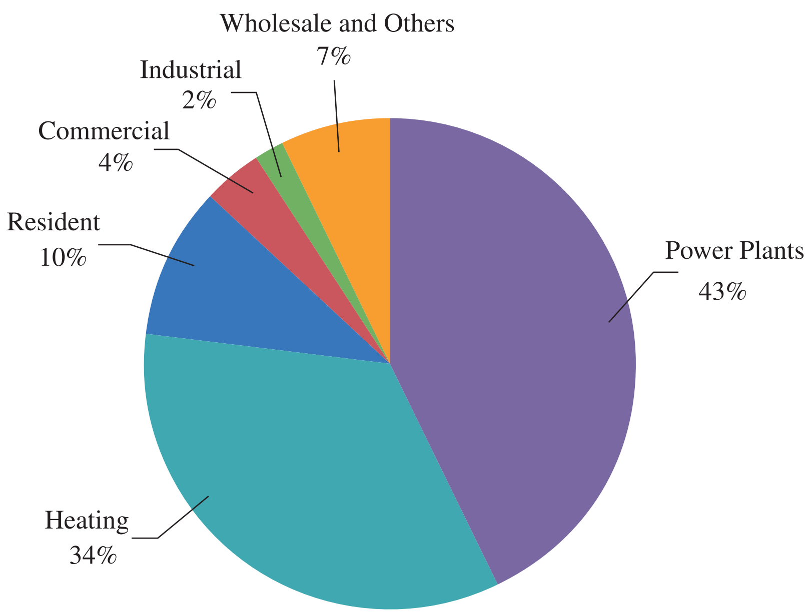
(1) Natural Gas Distribution Business

In the first half of the year, Beijing Gas continued to consolidate its core business of natural gas distribution, actively fulfilled its responsibilities for ensuring energy security in the capital, and strengthened its capabilities in gas source coordination, pipeline operation, safety management, and customer service. Meanwhile, Beijing Gas steadily expanded its customer base across the residential, commercial and industrial, and heating and cooling segments, while actively optimizing its market expansion strategies in light of the needs of different regional markets and the characteristics of individual projects, thereby supporting the steady development of its natural gas distribution business.

As of 30 June 2026, Beijing Gas had a total of about 7.69 million pipeline gas users in Beijing and operated a total length of the natural gas pipelines of about 30,200 kilometers. In the first half of the year, Beijing Gas developed approximately 57,200 new household subscribers, 756 new public sector subscribers and 246 t/h of heating and cooling subscribers in Beijing.

In terms of natural gas sales volume, Beijing Gas' combined natural gas sales volume was 12.39 billion cubic metres, representing a year-on-year decrease of 1.4%. Among which, pipeline gas sales volume in Beijing was 9.15 billion cubic metres, remaining largely par year-on-year.

An analysis of the natural gas sales volume accomplished inside Beijing by subscriber sector is shown as follows:



(2) LNG Business

In the first half of the year, Beijing Gas actively and prudently advanced the development of the LNG business, continuously optimised domestic and international resource deployment as well as procurement-sales strategies, and enhanced the operational efficiency and risk-resilience. On the upstream side, Beijing Gas closely monitored changes in the international market, dynamically carried out international resource procurement and trading activities, and promoted the orderly growth of natural gas trading volume. On the downstream side, leveraging the Tianjin Nangang project, Beijing Gas continued to improve the diversified sales system of "gas + liquid" products, expanded customer resources across North China and nationwide, and fostered the synergistic development of domestic distribution, toll-processing and bonded warehousing businesses.

Meanwhile, Beijing Gas continued to improve the operational standard of the Tianjin Nangang project, strengthened inventory management and customer service capabilities, and proactively expanded the LNG toll-processing business. It also enhanced warehousing and supporting service capabilities by virtue of its bonded warehouse qualifications. As sales along the outbound transmission pipelines of the Tianjin Nangang project, toll-processing services and bonded warehousing businesses were gradually built up, the comprehensive service capacity and strategic supporting role of Beijing Gas' LNG business have been further strengthened.

(3) Natural Gas Transmission Business

In the first half of the year, PipeChina Group Beijing Pipeline Co., Ltd. ("Beijing Pipeline Co."), in which Beijing Gas holds an equity interest, achieved a gas transmission volume of 50.2 billion cubic meters, representing a year-on-year increase of 0.9%.

(4) Overseas Oil and Gas Field Project

In the first half of the year, the overseas oil and gas field project in which Beijing Gas holds an equity interest, recorded petroleum sales of 2.75 million tons, representing a year-on-year increase of 1.5%.

(5) China Gas

China Gas Holdings Limited ("China Gas", stock code: 00384.HK), in which the Company holds an equity interest, adhered to the philosophy of "digital intelligence-driven and strategic restructuring", prioritized safety management as its core mission, deeply embedded digital tools across core operations, and steadily reinforced its competitive moat.

In terms of natural gas business, focusing on key priorities such as "passing through cost increases to optimize margins and reducing costs to enhance efficiency", China Gas provided strong support for improving the quality and effectiveness of its operations. For the six months ended 31 March 2026, natural gas sales volume was 24.02 billion cubic meters, representing a year-on-year increase of 5.2%. Among which, sales through urban and township pipeline networks amounted to 14.28 billion cubic meters, an increase of 0.6% year-on-year, while trading and direct supply pipeline sales were 9.74 billion cubic meters, an increase of 12.7% year-on-year.

In terms of pricing linkage, 26 provinces/municipalities/autonomous regions had successively issued policies on natural gas upstream and downstream pricing linkage. China Gas achieved a total of approximately 76.3% in residential gas volume price pass-through rate. Benefiting from cost control and gas source structure optimization, the comprehensive dollar margin was RMB0.53 per cubic meter, representing a year-on-year increase of RMB0.02 per cubic meter, or 4.7%.

In terms of LPG business, China Gas achieved substantive breakthroughs in international trade by restructuring its team and risk control framework, which drove an increase in gross profit from import distribution. Concurrently, it advanced the marketization and digital synergy of its storage and logistics operations. Leveraging digital controls and asset-light integration, the Company achieved refined terminal management and high-quality development.

In terms of value-added service business, artificial intelligence has been fully deployed across all operational touch points of value-added service, spanning smart marketing, store management, product upgrading, and customer service, driving a dual improvement in both digitalization of consumption scenarios and operational efficiency.

In terms of integrated energy business, closely aligned with the national "Dual Carbon" strategy, China Gas leverages advanced biomass pyrolysis poly-generation technology as its core to supply industrial customers with high-value-added products, including green steam, zero-carbon gas, and biocharcoal. With a cumulative contracted capacity of 9.66 million tons per annum, it is committed to building a differentiated competitive edge in the field of green industrial energy.

In terms of grid-side energy storage, as a core pillar of its power and new energy business, combined with energy storage on industrial and commercial users' side, China Gas has pursued horizontal integration across distributed photovoltaic, charging piles, energy-saving services, and other businesses to build a multi-energy complementary synergistic ecosystem. The total contracted scale of energy storage projects stood at 3.8GWh.

3. Water Business

In the first half of the year, BE Water continued to focus on accounts receivable collection, and prioritised the disposal of inefficient water-environment-related assets, facilitating the continuous preservation and appreciation of strategic investment assets. In terms of cost control, BE Water reduced its financing costs and management fees, enhanced production efficiency, with the financial costs decreased by over RMB90 million year-on-year.

BE Water has ranked first among the "Top 10 Most Influential Companies in China's Water Industry" for the 16th consecutive year, and has been included in the S&P Global Sustainability Yearbook (China Edition) for the 4th consecutive year, and once again received the accolade of "Industry Mover", thereby further consolidating its leading position in the industry.

As of 30 June 2026, BE Water has entered into service concession arrangements and entrustment agreements for a total of 1,210 water treatment plants and rural sewage treatment facilities, including 966 sewage treatment plants and rural sewage treatment facilities, 169 water supply plants, 74 reclaimed water treatment plants, and 1 seawater desalination plant, of which 1,052 were in operation. The total design capacity was 42.566 million tons/day, and the operational capacity was 34.276 million tons/day, including the total design capacity of new projects of 244,138 tons/day during the first half of the year.

4. *Environmental Business*

The environmental business segment of the Company includes BE Environment and Beijing Enterprises Holdings Environment Technology Co., Ltd. in China, and EEW GmbH overseas.

The domestic environmental business adheres to the business philosophy of pursuing progress while ensuring stability and improving quality and efficiency. It continuously enhances refined operation standards, proactively expands diversified businesses including sludge co-processing, heat and steam supply, and leachate treatment, addresses the operating pressures arising from sluggish growth in waste volume and changes in subsidy policies, and improves the overall profitability of projects. In the first half year, the volume of sludge collaborative treatment reached 617,000 tons, representing a year-on-year increase of 24.1%; and steam supply reached 262,000 tons, representing a year-on-year increase of 41.0%. In addition, domestic projects continued to strengthen management of production operations, environmental protection materials, energy consumption, maintenance and repairs, and advanced the implementation of technical renovation, energy-saving and consumption-reduction measures. Key operating indicators such as power generation per tonne of waste fed into incinerators and comprehensive auxiliary power consumption rate continued to improve, further enhancing project operational efficiency and cost-control capability.

As of 30 June 2026, the Group had a total of 33 solid waste treatment projects which are all in operation. Of which, 16 projects were in China, and 17 projects in Europe. Total treatment capacity for solid waste incineration and power generation stood at 35,944 tons/day, of which, 21,255 tons/day were in China, and 14,689 tons/day in Europe.

During the first half of the year, the Group completed solid waste treatment volume of 6.45 million tons, representing a year-on-year growth of 3.3%. Among which, domestic solid waste treatment volume was 3.85 million tons, representing a year-on-year growth of 3.1%; solid waste treatment volume in Europe was 2.61 million tons, representing a year-on-year increase of 3.5%; domestic on-grid power generation volume of 1,203 GWh, representing a year-on-year increase of 3.5%.

With respect to overseas operations, the business of EEW GmbH covers Germany, the Netherlands, and Luxembourg. In the first half of the year, EEW GmbH continued to consolidate its core business of energy-from-waste in markets including Germany, the Netherlands and Luxembourg. It proactively coped with fluctuations in European solid waste resources and energy prices, and enhanced operational resilience and revenue predictability by reinforcing key-customer relationship management, raising the proportion of volume secured under long-term contracts and optimising energy sales arrangements. Meanwhile, EEW GmbH advanced the construction and pre-commissioning preparations for key projects in an orderly manner, such as the expansion of solid-waste incineration combined heat-and-power plants, flue-gas purification, sludge incineration and battery energy storage projects to provide strong support for improving its long-term operational efficiency, enhancing energy flexibility and achieving a low-carbon transition.

In the first half of the year, EEW GmbH achieved energy sales of 2,845 GWh, representing a year-on year increase of 5.9%, mainly attributable to the increased waste processing volumes and enhanced operational efficiency. Among which, sales of electricity amounted to 1,012 GWh, a year-on-year increase of 13.7%; sales of heat amounted to 655 GWh, a year on-year increase of 11.6%; and sales of steam amounted to 1,178 GWh, a year-on-year decrease of 2.5%.

5. Beer Business

In the first half of 2026, Yanjing Brewery achieved a beer sales volume of 2.427 million kiloliters, representing a year-on-year increase of 3.2%. The proportion of revenue from the premium and mid-range products was approximately 70.85%, effectively driving the increase in the overall sales volume and profitability simultaneously.

In the first half of the year, Yanjing Brewery continued to facilitate the construction of its operational excellence management system, and optimised its management in respect of quality improvement, cost control, production efficiency and digital transformation, so as to drive the steady enhancement of operational quality and efficiency. In respect of its flagship product strategy, Yanjing Brewery focused on its core product Yanjing U8 to drive product mix upgrade. Yanjing A10, a new premium all-malt beer, was launched at the end of March, and channel expansion progressed in an orderly manner. Products such as Besta Champagne Soda also achieved healthy growth. Meanwhile, efforts were stepped up to promote brand rejuvenation and premiumization. Continuous progress was made in R&D and commercialisation of new products, including premium beer, craft beer, low-alcohol and non-alcohol beer, and carbonated beverages, to further strengthen long-term growth momentum.

(II) FINANCIAL REVIEW

1. By business segment

(1) General situation

The revenue of the Group in the first half of 2026 was approximately RMB45.005 billion, representing an increase of 1.1% year-on-year. Profit before tax was RMB5.191 billion, representing an increase of 5.4% year-on-year. The profit attributable to shareholders of the Company amounted to approximately RMB3.540 billion, representing a year-on-year increase of 4%.

The Group's capital expenditure in the first half of 2026 totalling approximately RMB1.8 billion, including RMB0.81 billion in the gas segment, RMB0.41 billion in the environment segment, and RMB0.58 billion in the beer segment.

(2) Gas operation

The revenue from gas sales of the Group in the first half of 2026 was approximately RMB32.274 billion, and profit before tax was approximately RMB3.202 billion, representing an increase of 5.4% 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 RMB24.437 billion to the revenue in the first half of 2026, representing a slight decrease of 1.4% year-on-year, which was mainly attributable to the impact of a decline in gas sales volume outside Beijing.

2) LNG Business

The natural gas trade contributed revenue of approximately RMB7.838 billion in the first half of 2026, remaining basically unchanged year-on-year. Its overall movement trend was consistent with the volume of natural gas international trade and distribution for the corresponding period.

3) Natural Gas Transmission Business

In the first half of 2026, the Group's share of profit, through its 40% equity interest in Beijing Pipeline Co., amounted to approximately RMB1.178 billion, representing a year-on-year decrease of 6.2%, which was mainly due to an increase in costs and expenses.

4) Overseas Oil and Gas Field Project

In the first half of 2026, the Group's share of profit, through its 20% equity interest in the overseas oil and gas field project, amounted to approximately RMB585 million, representing a year-on-year increase of 78.4%, which was mainly due to a year-on-year increase in oil sales volume and oil price.

5) China Gas

In the first half of 2026, the Group's share of profit, through its approximately 23.5% equity interest in China Gas, amounted to approximately RMB277 million, representing a year-on-year decrease of 11.6%, which was mainly due to the decline in new connection business driven by the slowdown in the real estate market.

(3) Water Business

In the first half of 2026, the Group's share of profit, through its approximately 41.13% equity interest in BE Water, amounted to approximately RMB283 million, representing a year-on-year decrease of 23.3%. The decrease was mainly due to the decrease in the contribution from the construction segment and the technology segment.

(4) Environmental Business

The revenue of the environmental business in the first half of 2026 was approximately RMB4.980 billion, representing an increase of 9.9% year-on-year, and profit before tax was approximately RMB665 million, representing a decrease of 8.7% year-on-year, of which:

1) Domestic Business

The revenue of the domestic business in the first half of 2026 was approximately RMB1.146 billion, representing an increase of 1.8% year-on-year, which was mainly due to the increase in the collaborative treatment volume such as sludge and heating of BE Environment. Profit before tax was approximately RMB386 million, representing an increase of 25.6% year-on-year, mainly benefited from revenue growth together with stringent control over costs and expenses.

2) EEW GmbH

The revenue of EEW GmbH in the first half of 2026 was approximately RMB3.834 billion, representing an increase of 12.6% year-on-year, which was mainly attributable to the increase in revenues from waste treatment, and profit before tax was RMB279 million, representing a decrease of 33.7% year-on-year, which was mainly attributable to downward adjustment of electricity selling prices together with higher depreciation and amortisation expenses arising from the commissioning of new projects, 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 2026 was approximately RMB7.718 billion, representing an increase of 4.4% year-on-year, and profit before tax was RMB1.850 billion, representing an increase of 20.0% year-on-year, which was mainly attributable to the tangible results from refined cost control by continuously progressing and strengthening cost management, as well as a notable year-on-year profit increase enabled by the effective control over costs and expenses resulting from a sustained rise in the proportion of high-margin products driven by 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 2026 was RMB45.005 billion, representing an increase of 1.1% year-on-year. Of which, the revenue of Beijing Gas was RMB32.274 billion, which accounted for 71.7% of total revenue. The revenue from beer sales was RMB7.718 billion, which accounted for 17.1% of total revenue. The environmental business contributed total revenue of RMB4.980 billion, which accounted for 11.1% of total revenue.

(2) *Cost of Sales*

Cost of sales slightly increased by 0.4% to RMB37.743 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 environmental business included fuel charges, amortization, and waste disposal costs.

(3) *Gross Profit Margin*

In the first half of 2026, the overall gross profit margin was 16.14%, representing an increase of 0.59% when compared to 15.55% in the corresponding period of last year, which was mainly attributable to the increase in gross profit margin of Yanjing Brewery.

(4) *Other Income, Other Gains and Losses*

Other income was mainly comprised of government grants of RMB155 million; income from sales of scrap materials, packaging materials, and promotion products amounting to RMB308 million, bank interest income amounting to RMB348 million and others.

(5) *Selling and Distribution Expenses*

Selling and distribution expenses of the Group in the first half of 2026 were RMB1.080 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 2026 were RMB3.141 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 2026 were RMB1.028 billion, decreased by 5.0% 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., overseas oil and gas field project, 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 19.9%, which was less than the 24.3% 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 2026 was RMB3.540 billion, representing a year-on-year increase of 4%.

(III) FINANCIAL POSITION OF THE GROUP

1. Non-current Assets

The net value of property, plant and equipment decreased by approximately RMB1.144 billion as compared to the end of 2025, which was mainly attributable to the normal depreciation charged after the completion and capitalisation of Tianjin Nangang project of Beijing Gas, as well as a reduction arising from the translation of EEW GmbH's Euro-denominated assets into RMB as a result of RMB appreciation.

Other intangible assets were mainly from EEW GmbH.

The increase in investments in associates of RMB1.734 billion was mainly due to the Group's share of profit in the overseas oil and gas field project, Beijing Pipeline Co., BE Water and China Gas in the first half of the year.

The balance of equity investments at fair value through other comprehensive income mainly originates from Beijing Gas's investment in CNPC Capital Company Limited. The decrease in the balance was resulted from a decrease in its fair value.

The balances in prepayments, other receivables and other assets increased by RMB368 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 and gas reserves held to ensure supply in Tianjin Nangang of Beijing Gas.

The balance of trade receivables increased by RMB1.4 billion, which was mainly due to the increase in the account receivables from Beijing Gas.

The balances in prepayments, other receivables and other assets increased by RMB6.208 billion, which was mainly due to the increase in structured deposits of Beijing Gas and Yanjing Brewery.

The balances in cash and bank deposits were RMB29.278 billion, representing a decrease of RMB1.990 billion from the end of 2025. The Group continued to maintain sufficient cash reserves.

3. *Non-current Liabilities*

The balance of bank and other borrowings increased by RMB2.991 billion. The main reason was that in the first half of the year, the Company arranged long-term bank loans and issued RMB bonds in exchange for USD300 million bonds and certain maturing RMB-denominated bonds falling due within the first half of the year.

The balance of guaranteed bonds and notes increased by RMB4.080 billion, which was mainly due to the issuance of EUR550 million green notes by EEW GmbH in the first half of the year.

The onerous contracts and major overhauls were mainly from EEW GmbH.

4. Current Liabilities

The balances in trade and bills payables increased by RMB694 million, which were primarily due to an increase in the balances in accounts payables for raw materials and packaging materials purchased by Yanjing Brewery.

Other payables, accrued expenses and contract liabilities increased by RMB563 million, which were mainly due to an increase in payables for container deposit prior to Yanjing Brewery's peak sales season.

The balance of bank and other borrowings decreased by RMB1.282 billion, which was mainly due to repayment of certain maturing RMB-denominated bonds by the Company in the first half of the year.

The balance of guaranteed bonds and notes was nil, which was mainly due to the maturity and repayment of the green notes of EUR400 million and bonds of US$300 million in the first half of the year.

5. Cash and bank borrowings

As at 30 June 2026, cash and bank deposits held by the Group amounted to RMB29.278 billion, representing a decrease of RMB1.990 billion as compared to the end of 2025.

The Group's total borrowings amounted to RMB79.332 billion as at 30 June 2026, which mainly comprised guaranteed bonds and notes of US$1.0 billion in total, Euro guaranteed bonds amounting to EUR0.55 billion, RMB bonds amounting to RMB35.4 billion and RMB bank loans amounting to RMB25.6 billion in total.

6. Liquidity and capital resources

As at 30 June 2026, the Group's net current assets amounted to RMB3.941 billion (31 December 2025: net current liabilities of RMB6.359 billion). Guaranteed bonds and notes maturing within the first half of the year were fully repaid and replaced with long-term debts, resulting in a positive liquidity position. This fully demonstrates the Group's excellent capital and financing management capabilities.

The Group maintains sufficient bank credit facilities in Chinese Mainland 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 2026, the issued share capital of the Company was 1,258,003,268 shares, and the equity attributable to shareholders of the Company was RMB90.713 billion. Total equity was RMB105.414 billion as compared to RMB102.735 billion as at the end of 2025. 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 42.9% (31 December 2025: 43.5%).

(IV) OUTLOOK

1. *Overall Strategic Planning*

2026 marks the inaugural year of the 15th Five-Year Plan, and the policy and market environment for the Group's core businesses continues to improve. Upholding the general principle of pursuing progress while ensuring stability, the State maintains economic growth within a reasonable range at the macro level. Meanwhile, it implements a more proactive fiscal policy and a moderately accommodative monetary policy, providing solid macro-economic support for the Group's development. In the infrastructure sector, the State accelerates the development of the modernised infrastructure system, focusing on urban renewal and resilient urban development, creating structural growth opportunities for the gas, water services and environmental protection businesses. In terms of expanding domestic demand, the State gives priority to fostering urban consumption upgrading. It promotes the upgrade of urban commercial systems, improvement of community consumption scenarios and unlocking of consumption potential at the county level, opening up broader market prospects for food businesses including beer and beverages.

At the same time, the State comprehensively accelerates the green transition of economic and social development and drives the energy structure toward greener and newer sources, which provides clear policy guidance for the transformation and upgrading of the Group's core urban environmental protection and energy businesses. The State also resolutely fosters and develops new-quality productive forces and has rolled out a series of major initiatives in fields such as new energy, new materials, green and low-carbon technologies, and artificial intelligence. This creates ample market opportunities for the Group to accelerate the cultivation of emerging green and low-carbon industries and build new growth curves.

Looking ahead, the Group will maintain strategic composure and thoroughly implement the strategic initiative of building the "Four Strongholds". On one hand, it will continue to deepen its core businesses including gas, water services, environmental protection and beer, seize opportunities arising from urban infrastructure renewal and consumption upgrading, pursue both effective improvement in quality and reasonable growth in volume in a coordinated manner, further advance cost reduction and efficiency enhancement, and elevate overall value-creation capability. On the other hand, the Group will give full play to the headquarters' strengths in investment-financing and capital operation, capture investment opportunities for new-quality productive forces in core businesses and emerging green and low-carbon industries, and drive the Group's high-quality development through efficient investment.

2. *All Business Segments*

(1) Gas Business

1) Beijing Gas

- Natural Gas Distribution Business

  Beijing Gas will continue to consolidate its strengths in the Beijing gas sector and appropriately fulfill its responsibility to ensure the capital's energy security by continuously enhancing the operational resilience of its pipeline network, the quality of customer service, and its safety assurance standards. It will actively advance the renovation and reconstruction of aging pipeline networks, the upgrading of critical facilities and the development of smart pipeline infrastructure, while refining its digital safety management and control systems to strengthen risk identification, early warning, and emergency response capabilities across all operations. Concurrently, Beijing Gas will continue to optimise its market expansion and customer service strategies to stabilise natural gas sales volume, consolidate existing market achievements, and actively explore incremental market opportunities.

- LNG Business

  Beijing Gas will continue to strengthen its standards in resource coordination, market analysis, and risk management, closely monitor domestic and international natural gas and LNG market dynamics to flexibly optimise procurement and sales strategies, and rationally utilise the inventories of the Tianjin Nangang LNG project to ensure adequate seasonal reserves and safe and stable supply. It will further improve the operating efficiency of the Tianjin Nangang LNG project, expand sales volume along pipeline routes while strengthening the management and services for tolling clients, and raise the operational standard of its bonded warehousing business. Beijing Gas will foster the synergistic development between its LNG business and its core city-gas operations, natural gas trading, and integrated energy businesses, steadily expand the business scale and improve the operational quality, cultivating it as Beijing Gas' key growth segment and strategic pillar segment, driving the optimisation of its business mix and diversified and high-quality growth.

- Natural Gas Transmission Business

  As an important part of the national energy corridor, Beijing Pipeline Co. possesses business stability, which is expected to contribute stable and sustainable investment income.

- Overseas Oil and Gas Field Project

  The project has been operating steadily for many years with a sound cash flow position. It is expected to continue to deliver robust and predictable returns on investment in the future.

2) China Gas

Amid the profound restructuring of the global energy landscape, China Gas has formulated a five-year development plan anchored in its core operational philosophy of "building foundations through transformation, creating value with artificial intelligence, and winning the opening phase with new strategies, new businesses, and a new organisation", aiming to break through its existing development model and precisely unlock the growth potential of new business lines. The Company is committed to evolving into "a comprehensive technology group that empowers society through science and technology and delivers all-around intelligent services for a better life". By advancing data assetisation, China Gas is building a closed-loop value system of "energy + services + data".

The core gas business, as the fundamental segment, will export its professional management capabilities through an asset-light operating model to achieve low-cost, high-quality expansion. The value-added services segment will deeply integrate AI and big data capabilities, achieving a fundamental leap from experience-driven to data-driven operations. Integrated energy, as the "second curve" of growth, will focus on biomass energy and target high-value customer segments such as high-energy-consuming industries, industrial parks, and data centers, driving China Gas' strategic transformation from an energy distributor to a green, integrated energy service provider. Simultaneously, it will advance the coordinated development of energy storage, electricity trading, and smart energy businesses, leverage diversified financial instruments to achieve asset-light expansion, continuously expand the boundaries of its integrated energy business, and enhance profitability across multiple dimensions.

On the globalisation front, China Gas will accelerate the development of an intelligent LNG trading system and foster a strategic upgrade of its LPG business, strengthening its global asset deployment capabilities. At the same time, it will deepen its integrated energy presence in key regions, using regional breakthroughs to propel its global footprint and advancing from resource trading to exporting technical standards, accelerating its journey toward becoming a world-class energy enterprise. With the full rollout of its "Six-Brain"(六腦)system, artificial intelligence technology will be embedded across the entire value chain, production, and operations, achieving comprehensive intelligent empowerment. China Gas will adhere to a long-term perspective, steadily executing its strategic roadmap, and continue to create steady, sustainable long-term value for its shareholders, employees, and society.

(2) Water Business

In the second half of the year, BE Water will continue to uphold its business philosophy of "customer as the source, survival as the foundation, and innovation as the way", remain diligently focused on cash flow as its core priority, placing accounts receivable collection at the top of its agenda. It will systematically deepen the recovery of receivables, actively monitor and respond to debt-relief policies, and continuously improve the efficiency of cash collection. At the same time, BE Water will advance asset structure optimisation with precision and momentum, dispose of inefficient and non-performing assets in an orderly manner, strengthen its balance sheet, and consolidate its operational foundation. BE Water will advance regional intensive management and lean management, deploy multiple measures to reduce both production and finance costs, optimise its financing structure, holistically improving operational efficiency. Furthermore, BE Water will fully drive the upgrade of its "Cloud chain end" operation paradigm, accelerating the application of AI in process control, water plant operations, and specialised management scenarios. This will shift its operational model from "end control" to "end–cloud collaboration". BE Water will also launch pilot projects for entrusted operations, proactively build out its asset-light operation services, next-generation operational service capabilities, and solidify the foundation for sustainable development.

(3) Environmental Business

The environmental business will strengthen domestic and overseas collaboration and continuously enhance the segment's contribution to overall performance growth. Among which:

For domestic environmental business, 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. Meanwhile, the Company will deepen lean management, strengthen safety compliance with cost controls, and elevate operation efficiency. It will accelerate technological innovation and digitalization to reinforce technical and digital foundations, continuously unlock asset potential, and actively develop new profit growth points.

Overseas, EEW GmbH will closely monitor market trends in solid waste prices and spot power prices, scientifically 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 strive to bring new production lines into operation as early as possible to increase its contribution to performance. Simultaneously, it will leverage its strengths across R&D initiatives to advance the application of warehouse management systems and intelligent material flow dispatching tools, while deepening the research, development and promotion of environmental technologies such as plastic pre-sorting, carbon capture, utilization and storage and flue gas purification, thereby continuously strengthen its core competitiveness.

(4) Beer Business

Yanjing Brewery will continue to benchmark itself against world-class enterprises by deepening system development. The Company will intensify per-ton 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, health-oriented products, premium craft products, beverage categories, and seasonal offerings, thereby establishing differentiated and diversified product lines to meet diverse consumer needs.

VI. INTERIM DIVIDEND

The board of directors of the Company (the "Board") has resolved to declare an interim dividend for the year 2026 of HK$0.85 (the "Interim Dividend") (2025: HK$0.85). The dividend will be paid on 30 October 2026 to the Shareholders whose names appear on the register of members of the Company as at 16 September 2026.

Shareholders will be given the option to elect to receive the full Interim Dividend in Hong Kong dollars or 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 will be despatched to Shareholders at the end of September 2026 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, 9 October 2026;

(II) The amount of the Interim Dividend in Renminbi shall be converted into Renminbi at the average central parity rate of Hong Kong dollars against Renminbi announced by the People's Bank of China for the five business days prior to and including 27 August 2026, at an exchange rate of HK$1.0 to RMB0.865306, and such dividend will be paid at RMB0.7355101 per share;

(III) Shareholders should ensure that they have a valid bank account to which the Renminbi cheques can be presented for payment and encashment; and

(IV) There is no assurance that Renminbi cheques can be cleared without handling charges or delay in Hong Kong or that Renminbi cheques can be successfully encashed outside Hong Kong. The cheques are expected to be posted to the relevant Shareholders by ordinary post on Friday, 30 October 2026 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 who are in any doubt regarding the possible tax implications of receiving the Interim Dividend should consult a certified public accountant in Hong Kong or a qualified tax adviser on their own.

VII. CLOSURE OF REGISTER OF MEMBERS

The Company's register of members will be closed from Monday, 14 September 2026 to Wednesday, 16 September 2026, both dates inclusive. The record date will be Wednesday, 16 September 2026. To be eligible to qualify for the Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged by Shareholders for registration of share transfer 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 Friday, 11 September 2026.

VIII. AUDIT COMMITTEE

The audit committee of the Company (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 2026 and confirms that such interim results have been prepared in accordance with applicable accounting standards and sufficient disclosures have been made.

IX. HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had approximately 34,000 employees in total. Guided by the philosophy of value-creation, the Group continues to enhance the motivation and creativity of its management and staff. Remuneration policy is determined based on factors such as job performance, professional competence and experience, industry practices as well as market conditions, and relevant policies are reviewed on a regular basis. Meanwhile, discretionary bonuses are awarded based on business performance and individual performance evaluations. In addition to pension schemes, the Group also provides insurance and various benefits to its employees. In terms of talent development, the Group strengthens its talent pool through various methods, including professional training, knowledge sharing and practical training.

X. OTHER FINANCIAL INFORMATION

(I) Purchase, sale or redemption of listed securities of the Company

Redemption of US$300,000,000 2.00% Bonds

On 6 May 2026, the Group fully redeemed the US$300,000,000 2.00% bonds (the “Bonds”) upon maturity. The Bonds were issued by a wholly-owned subsidiary of the Company in May 2021 and were listed on the The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Save as disclosed above, 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 2026.

(II) Major investments, mergers & acquisitions and capital operations

During the year ended 30 June 2026, the Group did not have any significant investments, mergers & acquisitions and capital operations.

(III) Pledge of significant assets

As at 30 June 2026, 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

(IV) 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. Foreign exchange exposure primarily originates from fluctuations in the exchange rates of the Renminbi against foreign currencies such as Hong Kong dollar, U.S. dollar and Euro.

In the first half of 2026, Renminbi experienced significant fluctuations against major foreign currencies. The Group continuously monitored market dynamics and effectively enhanced its risk-resistance capabilities through optimising debt currency structures and improving the risk prevention mechanism, thereby ensuring financial stability.

XI. 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 2026.

XII. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 2026.

XIII. PUBLICATION OF THE 2026 INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the website of the Company (www.behl.com.hk) and the website of 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, 27 August 2026

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