

[For Immediate Release]



北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

Beijing Enterprises Announces 2017 Interim Results

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Net Profit Increases by 10.3% to HK\$3.78 Billion

All Business Segments Maintain Stable Growth

Builds Leading International Public Utilities Services Platform

Financial Data Highlights (Unaudited)

(HK\$ million)	For the Six Months Ended 30 June		Change
	2017	2016	
Revenue	27,596.9	28,417.1	-2.9%
Profit from Major Operations	4,462.2	3,748.3	+19.0%
- Piped Gas Operation	3,248.4	2,696.1	+20.5%
- Water and Environmental Operation	835.9	691.4	+20.9%
- Solid Waste Treatment Operation	143.7	131.2	+9.5%
- Beer Operation	234.2	229.5	+2.1%
Profit Attributable to Shareholders of the Company	3,776.4	3,423.3	+10.3%
Basic and Diluted Earnings per Share (HK\$)	2.99	2.69	+11.2%

(31 August 2017 - Hong Kong) **Beijing Enterprises Holdings Limited** (“BEHL” or “the Company”, together with its subsidiaries “the Group”; stock code: 392), an integrated public utilities services provider focusing on gas, water and solid waste treatment as well as engaging in the beer business, has announced its unaudited interim results for the six months ended 30 June 2017 (the period under review).

During the period under review, the operating revenue of the Group was approximately HK\$27.6 billion, decreased by 2.9% year-on-year. The Group’s profit from major operations increased by 19.0% year-on-year to HK\$4.46 billion. Profit attributable to shareholders was up by 10.3% year-on-year to HK\$3.78 billion. Basic and diluted earnings per share was HK\$2.99, increased by 11.2% year-on-year. The Board of Directors recommended the payment of an interim dividend of HK30 cents per share for the six months ended 30 June 2017.

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Mr. Zhou Si, Vice Chairman & Chief Executive Officer of BEHL, said, “In 2017, as the supply-side structural reform goes deeper, the Chinese economy has been steadily developing and heading in the positive direction overall. In line with the economic development trend of China, BEHL and its subsidiaries have worked hard in relevant business areas and maintained steady and healthy development during the period under review. The Company, which is celebrating the 20th anniversary of its listing this year, has been pursuing the vision of building a leading international public utilities service platform, supporting in particular clean energy development, betterment of people’s livelihood and construction of an ecologically-friendly environment, or in other words, to contribute to the sustainable development of the society.”

Natural Gas Distribution Business

The revenue of Beijing Gas Group Company Limited (“Beijing Gas”) recorded a decrease by 4.9% year-on-year to HK\$18.62 billion in the first half of 2017, accounting for 67.5% of the Group’s overall revenue. The drop was mainly due to the depreciation in RMB exchange rate on a year-on-year basis. The gas sales volume was approximately 7.222 billion cubic meters, a year-on-year decrease of 1.2%, which was mainly attributable to higher temperature in winter as compared with the same period of last year and a decrease of gas consumption volume from the heating and power generation subscribers.

During the period under review, Beijing Gas implemented the 2017 Clean Air Plan actively. 336 villages in 10 suburbs were involved in the “coal-to-gas replacement” projects of the year. The construction work of all the planned projects has been commenced, and 766 km of pipeline were completed by end of June. The tender and bidding work of design and construction was completed for the projects of “coal-to-gas conversion” for boilers, and the construction work has been commenced in succession.

Moreover, Beijing Gas has successfully completed the acquisition of 20% equity interest in Verkhnechonskneftegaz (“VCNG”) of Rosneft Oil Company, which laid a foundation for the further cooperation of both parties in future. The VCNG project will greatly increase natural gas supply capacity in the capital city, and will also contribute stable profits to the Group.

Natural Gas Transmission Business

PetroChina Beijing Gas Pipeline Co., Ltd. (“PetroChina Beijing Pipeline Co.”) recorded a gas transmission volume of 18.73 billion cubic meters in first half of 2017, representing a year-on-year growth of 12.7%. Through its 40% equity interest in PetroChina Beijing Pipeline Co., Beijing Gas shared a net profit after tax of HK\$1.493 billion, representing a year-on-year increase of 6.1%.

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China Gas

During the financial year ended 31 March 2017, China Gas Holdings Limited (“China Gas”, stock code: 384) achieved a sales volume of 12.22 billion cubic metres in natural gas, representing a year-on-year increase of 24.0% and achieved a sales volume of 3.699 million tons in LPG, representing a year-on-year increase of 19.2%. 2.565 million households were newly connected. During the period under review, the profit attributable to the Group recorded a significant increase by 163% year-on-year to approximately HK\$556 million.

Water and Environmental Business

Beijing Enterprises Water Group Limited (“BE Water”, stock code: 371) continued to strengthen and expand its core businesses in the first half of 2017. Its turnover increased by 16% to HK\$9.126 billion due to the increase in turnover from comprehensive renovation projects and water treatment services. Profit attributable to shareholders of BE Water increased by 22% to HK\$1.914 billion, of which HK\$836 million was net profit attributable to the Group, representing a year-on-year increase of 20.9%.

As at the end of June 2017, BE Water already participated in 544 water plants which are or will be in operation, including 423 sewage treatment plants, 110 water distribution plants, 10 reclaimed water plants and 1 seawater desalination plant. The total designed capacity was 29.651 million tons/day. Total designed capacity of new projects for the period was 2.668 million tons/day. BE Water participated in various projects that spread across 21 provinces, 4 autonomous regions and 2 municipalities nationwide as well as in countries and regions overseas.

Solid Waste Treatment Business

At the end of the first half of the year, the solid waste treatment business segment of the Group has realized a waste incineration and power generation integrated treatment capacity of 27,575 tons/day. The revenue of the segment was HK\$2.88 billion, which included the revenue of EEW Energy from Waste GmbH (“EEW GmbH”) amounting to HK\$2.32 billion. In the first half of 2017, the solid waste treatment business of the Group in China completed a waste treatment volume of 1.602 million tons and accomplished an on-grid power generation volume of 390 million KWH. EEW GmbH achieved actual waste treatment volume of 2.197 million tons and sale of electricity of 790 million KWH.

Beijing Enterprises Environment Group Limited (Stock Code: 154) currently has 8 solid waste treatment projects under operation and one project under construction, which recorded a significant growth in its operation scale as compared with the same period last year, and the expansion construction plan and technical reconstruction have been carried out for Shandong Tai’an project, Hunan Changde project and Jiangsu Shuyang project.

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Beer Business

In the first half of 2017, benefited from the gradual macroeconomic recovery, the consolidation in the beer industry showed signs of bottoming out. Beijing Yanjing Brewery Co., Ltd. (Yanjing Beer) kept abreast of consumption market upgrading, continued to facilitate the three key structural adjustments in products, branding and market. It moved forward the strategy of Yanjing fresh beer and cans, increased efforts in selling midrange products, sorted out product lines and promoted price growth of unit products. At the same time, through dual branding operational strategy, it enhanced the proportion and efficiency of Yanjing main brands. During the first half of 2017, sales volume of Yanjing Beer was 2.73 million kilolitres, representing a year-on-year increase of 2.2%. The sales volume of Yanjing main brand was 2.0 million kilolitres, representing a year-on-year increase of 4.7%, sales volume of “1+3” brand was 2.48 million kilolitres, representing a year-on-year increase of 2.6%. The revenue recorded was HK\$6.093 billion. Its profit before tax was HK\$759 million. Profit attributable to the shareholders of the Group in the first half year was HK\$234 million, representing a year-on-year increase of 2.1%.

Mr. Zhou concluded, “In the second half of 2017, the Group will continue to aim for green and high-end development by actively capturing the golden opportunities presented by national strategies and the industrial environment. We will strive to drive business upgrade of all member companies, help them boost profit growth and their ability to achieve sustainable development. At the same time, we will also actively seek to provide comprehensive integrated public utilities construction solutions to the new development regions, with the Xiong’an New Area as an example, so as to achieve yet more outstanding results with the implementation of the national ‘13th Five-year Plan’.”

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About Beijing Enterprises Holdings Limited (0392.HK)

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

As of 31 December 2016, the core assets held by BEHL include: 100% interest in Beijing Gas Group Company Limited (the largest integrated citywide natural gas distributor in the PRC); 23.11% interest in China Gas Holdings Limited (0384.HK); 45.79% interest in the A Share listed Beijing Yanjing Brewery Co., Ltd. (000729.SZ); 43.77% interest in Beijing Enterprises Water Group Limited (0371.HK) which is BEHL’s major vehicle for investing in the water projects in mainland China; 50.40% interest in Beijing Enterprises Environment Group Limited (0154.HK) which is developing into a flagship company in solid waste treatment industry in the PRC, and 100% interest in EEW Energy from Waste GmbH which is the leading European waste to energy company with headquarter in Germany.

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

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