



北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

BEIJING ENTERPRISES HOLDINGS LIMITED

Stock Code : 00392.HK



Interim Report
2026

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I. INFORMATION ABOUT THE COMPANY

DIRECTORS

Executive Directors

Mr. YANG Zhichang (*Chairman of the Board*)
Mr. XIONG Bin
Mr. XU Tong
Mr. GENG Chao
Mr. TUNG Woon Cheung Eric

Non-executive Directors

Mr. YU Xijian
Mr. SU Junjie

Independent Non-executive Directors

Mr. WU Jiesi
Mr. LAM Hoi Ham
Dr. YU Sun Say
Ms. CHAN Man Ki Maggie

AUDIT COMMITTEE

Mr. WU Jiesi
Mr. LAM Hoi Ham (*Committee Chairman*)
Dr. YU Sun Say

REMUNERATION COMMITTEE

Mr. XIONG Bin
Mr. WU Jiesi (*Committee Chairman*)
Mr. LAM Hoi Ham

NOMINATION AND GOVERNANCE COMMITTEE

Mr. YANG Zhichang (*Committee Chairman*)
Dr. YU Sun Say
Ms. CHAN Man Ki Maggie

STRATEGY AND INVESTMENT COMMITTEE

Mr. XIONG Bin (*Committee Chairman*)
Mr. XU Tong
Mr. TUNG Woon Cheung Eric
Mr. LAM Hoi Ham
Ms. CHAN Man Ki Maggie

RULE OF LAW AND COMPLIANCE COMMITTEE

Mr. XIONG Bin (*Committee Chairman*)
Mr. GENG Chao
Mr. TUNG Woon Cheung Eric
Mr. SU Junjie
Ms. CHAN Man Ki Maggie

SUSTAINABILITY COMMITTEE

Mr. XIONG Bin (*Committee Chairman*)
Mr. TUNG Woon Cheung Eric
Mr. YU Xijian
Mr. SU Junjie
Mr. WU Jiesi

COMPANY SECRETARY

Mr. TUNG Woon Cheung Eric

STOCK CODE

00392.HK

SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre,
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I. INFORMATION ABOUT THE COMPANY

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AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISERS

Hong Kong Law
Johnson Stokes & Master

PRC Law

East & Concord Partners



I. INFORMATION ABOUT THE COMPANY

COMPANY PROFILE

BEHL is listed on the Main Board of the Hong Kong Stock Exchange (stock code: 00392.HK) and is controlled by SASAC of Beijing Municipality through BE Group. It is one of its largest overseas investment and financing flagship enterprise.

Established in 1997, the Company has consistently gained the attention and support of the capital market by virtue of its strengths and strong background support. On the day of its listing, the Company set several records on Hong Kong Stock Exchange in terms of the amount of funds raised from initial public offering, the price-earning multiples, and the over-subscription multiples. After undergoing a series of reforms such as restructuring, transformation and resources integration, the Company has successfully transformed into an integrated urban public utility company underpinned by gas, water and environmental sectors as well as the related upstream and downstream investment as the principal businesses, with the beer business as a complementary, forming a collaborative development layout. Member enterprises are all taking leading position of the industry or the region, and have a strong influence on the market, ecology and development of related industries.

The Company is currently included as a constituent stock of the Hang Seng China-Affiliated Corporations Index, Hang Seng Composite Index, Hang Seng SCHK Index, Hang Seng SCHK High Dividend Yield Index, Hang Seng SCHK SOEs High Dividend Yield ESG Index and Hang Seng High Dividend Yield Index. In terms of credit rating, the Company obtained a domestic rating of AAA from CCXI, the overseas ratings of A- from Fitch Ratings and Baa1 from Moody's Investors Service, all of which are high investment ratings.

In the future, BEHL will join hands with BE Group to serve the national carbon peak and carbon neutral strategy, facilitate sustainable urban development, and focus on key drivers of modern urban construction by aligning with national strategic needs, with targeted investment in public services, infrastructure development, ecological and environmental protection, improvement of people's livelihood and strategic emerging industries, and promote equal access to public services and infrastructure connectivity, striving to provide domestic leading and international first-class modern urban integrated services to make cities better.

BUSINESS LAYOUT

To effectively improve its corporate governance standards, increase its exclusive financing channels, and independently reflect its corporate value, the Company adopts the business layout structure of "single business, separate listing" for its principal business, and gives full play to the independent advantages of every business platform through the exclusive listed companies of each business segment.

The main business platform companies held by the Company are leading enterprises in various industries, among which:

Beijing Gas: The largest single city gas transmission and distribution enterprise in China;

China Gas (Stock Code: 00384.HK): One of the largest trans-regional, integrated energy suppliers and service providers in China;

BE Water (Stock Code: 00371.HK): The largest integrated water company in China, topped the list of China's Top Ten Influential Enterprises in the Water Industry for 16 consecutive years;

BE Environment (Stock Code: 00154.HK): One of the large solid waste treatment enterprises in China;

EEW GmbH: Germany's largest and Europe's leading waste-to-energy company;

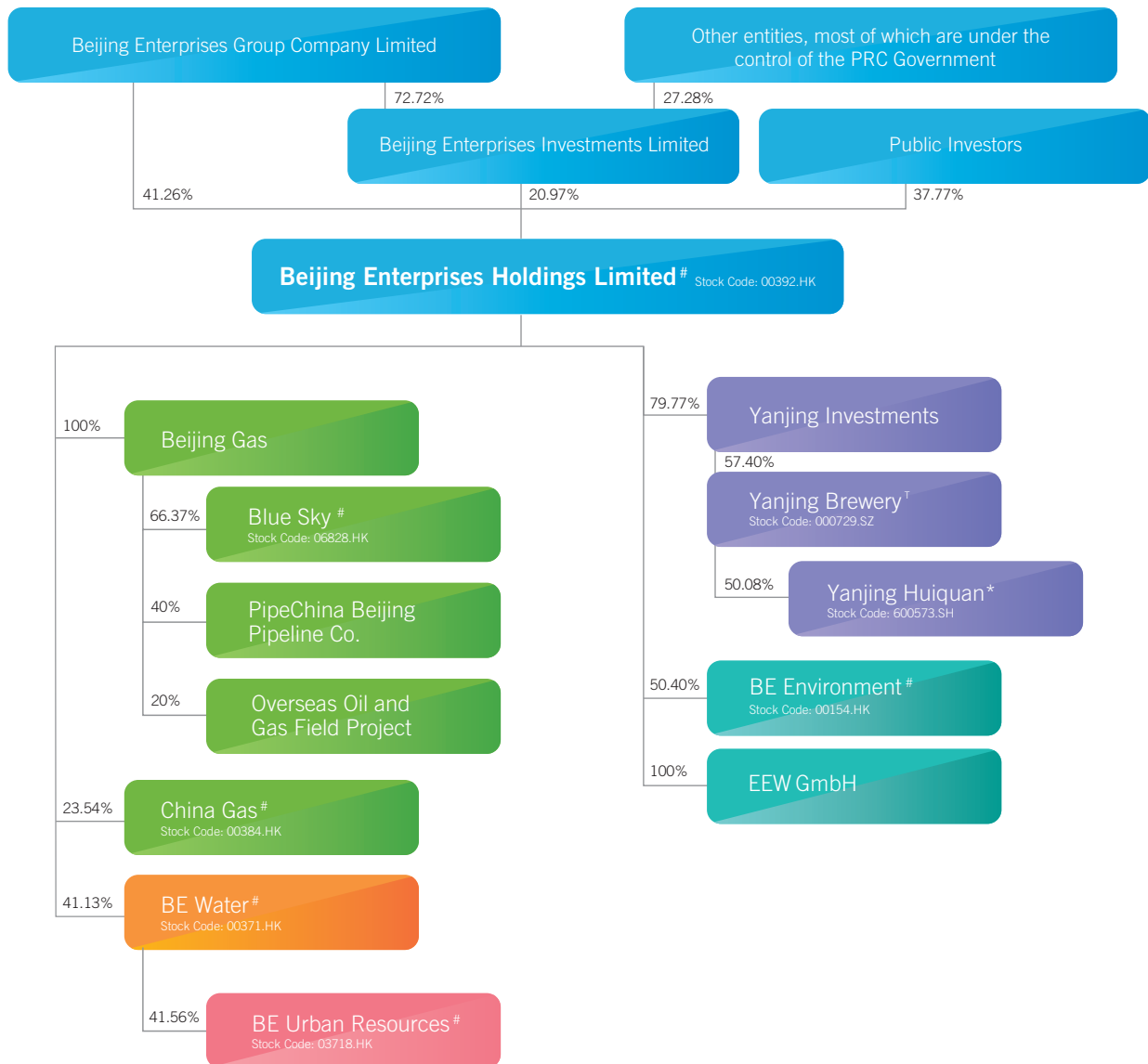
Yanjing Brewery (Stock Code: 000729.SZ): Ranking among China's top three beer brands.



II. INFORMATION ABOUT THE GROUP

(I) SHAREHOLDING STRUCTURE

As at 30 June 2026



- * Listed on The Shanghai Stock Exchange
- ^T Listed on The Shenzhen Stock Exchange
- # Listed on The Main Board of The Hong Kong Stock Exchange



II. INFORMATION ABOUT THE GROUP

(II) BUSINESS SEGMENTS

1. Gas Business

The business scope of gas business encompasses natural gas storage, transmission and sales, as well as urban gas pipeline construction and management, gas for vehicles and vessels and refuelling stations, distributed energy, liquefied petroleum gas, new energy-related technology and product development, natural gas trade and value-added services, etc., with operations spanning upstream resources, midstream transmission and downstream market applications, achieving full industrial chain development. The Group has achieved annual gas sales volume of more than 65 billion cubic meters, possesses a total gas pipeline network of approximately 600,000 kilometers, and serves over 57 million gas customers. The main enterprises under the Group include Beijing Gas and China Gas.

The Company completed the acquisition of Beijing Gas in 2007 and established the main business framework with city gas as the core. Beijing Gas mainly serves the supply and sales of natural gas in Beijing and its peripheral urban areas. It is the largest single city gas supplier in China's urban gas industry, with the scale of pipeline network, the number of gas users, the annual gas consumption and the annual sales revenue all ranking among the top in China. At the same time, it is also an enterprise with cumulative natural gas supply exceeding 100 billion cubic meters, annual gas supply exceeding 10 billion cubic meters, and daily gas supply exceeding 100 million cubic meters. While maintaining the steady development of its natural gas distribution business, Beijing Gas has also been accelerating its presence in the LNG sector. Leveraging the Tianjin Nangang LNG project, the Company is building an integrated industrial chain covering "trading-processing sales". This project features the largest onshore LNG film storage tanks in the world, the first of their kind to be constructed in China, and represents the receiving terminal with the storage and outward transmission capacity ranking high among all operational terminals in China. Furthermore, Beijing Gas continues to expand into the midstream and upstream segments of the industrial chain. In terms of the midstream sector, Beijing Gas holds 40% equity interest in PipeChina Beijing Pipeline Co., which is primarily engaged in the natural gas transmission business and owns and operates the Shaanxi-Beijing Natural Gas Pipeline Lines 1 to 4. In terms of the upstream sector, Beijing Gas participates in overseas oil and gas resource-related projects through equity investments, further extending its business value chain.

The Company invested in China Gas in 2013 and achieved a nationwide layout of gas business. China Gas operates under a diversified development structure with focus on pipeline natural gas business, while also encompassing liquefied petroleum gas, liquefied natural gas, smart energy services, gas equipment and kitchen utensils, grid-based new retail in the private domain backed by stores. As of 31 March 2026, China Gas acquired 662 franchised pipeline gas projects in 30 provinces, municipalities and autonomous regions in China, and owned 32 long-distance natural gas pipelines, 484 compressed/liquefied natural gas refueling stations for vehicles and vessels, one coal-bed methane development project and 128 liquefied petroleum gas distribution projects.



II. INFORMATION ABOUT THE GROUP

2. Water Business

The water business is operated by BE Water. Established in 2008, BE Water is a flagship enterprise focusing on water recycling and water-related environmental protection, integrating industrial investment, design, construction, operation, technical services and capital operation. With urban water supply and sewage treatment business as its main core, its scale of water treatment excelled the market in China and is currently the largest domestic integrated water company and has topped the list of the Top 10 Influential companies in the Chinese Water Industry for 16 consecutive years.

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, with a total design capacity of approximately 42.566 million tons/day. Its service coverage spans 20 provinces, 5 autonomous regions, and 4 municipalities directly under the Central Government across Chinese Mainland, as well as overseas markets including Portugal, Singapore, Australia, and Saudi Arabia.

3. Environmental Business

The business scope of the environmental business covers household waste incineration and power generation, hazardous and medical waste treatment, sludge disposal and garbage collection and transportation, possessing the world's leading waste incineration technology and project management standard. As of 30 June 2026, the Group has a total of 33 solid waste treatment projects in operation and under construction, with 16 in Chinese Mainland and 17 in Europe. The total domestic and overseas waste incineration and power generation treatment capacity reaches 35,944 tons/day. The main enterprises include BE Environment and BEHET, which are based in China, and EEW GmbH, an overseas company headquartered in Germany.

BE Environment is a professional platform engaged in investment, construction and operation in the field of solid waste through capital operation, asset integration and investment operation. BEHET is an enterprise focusing on the development of environmental protection segments such as municipal solid waste, industrial hazardous waste, medical waste, construction waste disposal and ecological environment treatment and restoration.

EEW GmbH, which was wholly acquired by the Company in 2016, is a German enterprise focusing on waste-to-energy utilization, with its main business in waste incineration and power generation, steam supply and district heating. At present, its market share ranks first in Germany, and has 17 waste-to-energy utilization plants with world's first-class technology and equipment in Germany, the Netherlands and Luxembourg. As a leading enterprise in waste incineration and power generation in Germany, EEW GmbH represents the world's first-class standard in terms of equipment standards, operational efficiency, technical level and emission indicators.



II. INFORMATION ABOUT THE GROUP

4. Beer Business

The beer business constitutes an important part of the value investment strategy of BEHL, and is operated by Yanjing Brewery, with its business scope covers the production and sales of beer and beverage products. As a large brewery conglomerate in China and one of the major beer manufacturers in Asia, Yanjing Brewery boasts an annual beer sales volume of over 4 million kiloliters, and operates over 30 production bases in China, and owns renowned domestic beer brands such as Liquan, Huiquan and Xuelu. Yanjing Brewery, with a strong commitment to quality, continues to advance its bulk single product strategy, forming a matrix of nationwide bulk single product represented by Yanjing U8, Yanjing V10, Fresh Beer 2022, and New Refreshing, alongside a matrix of differentiated and distinctive single product matrix represented by U8 plus, Alcohol-free White Beer and others. Additionally, Yanjing Brewery has launched Yanjing Lionk, an independent craft beer brand, and Yanjing A10, a new premium all-malt product, to meet diverse consumer demands. In 2025, Yanjing Brewery initiated and implemented the “Beer + Beverage” dualwheel drive strategy to further expand its product matrix beyond beer, optimize coverage across consumption scenarios and achieve full consumer penetration and full-time market reach, so as to drive new growth opportunities and enhance market expansion.



III. HIGHLIGHTS DURING THE FIRST HALF OF THE YEAR

For the first half of 2026 (the “First Half of the Year”), 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 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 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”.
- BE Environment 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 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.
- Yanjing Brewery 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 of the 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.

IV. SUMMARY OF FINANCIAL RESULTS

Contributions by each business segment of the Group for the First Half of the Year are set out as follows:

	Revenue				Profit attributable to shareholders of the Company			
	Mid-2026 RMB in 100 million	Mid-2025 RMB in 100 million	Increase/(decrease) RMB in 100 million	%	Mid-2026 RMB in 100 million	Mid-2025 RMB in 100 million	Increase/(decrease) RMB in 100 million	%
Gas operation	322.74	325.64	(2.90)	-0.89%	30.14	28.48	1.66	5.83%
<i>Gross profit margin</i>	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%
<i>Gross profit margin</i>	24.86%	25.25%		-0.39%				
Brewery operation	77.18	73.94	3.24	4.38%	6.73	5.74	0.99	17.25%
<i>Gross profit margin</i>	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%
<i>Gross profit margin</i>	16.14%	15.55%		0.59%				
Others					(8.29)	(8.26)	(0.03)	-0.36%
Total					35.40	34.04	1.36	4.00%



V. SUMMARY OF OPERATIONAL PERFORMANCE

The key operating data of each business segment for the First Half of the Year 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:				
<i>Pipeline gas sales volume in Beijing</i>	100 million cubic meters	91.5	91.9	-0.5%
<i>LNG distribution volume</i>	100 million cubic meters	19.6	17.4	12.4%
<i>LNG international trade volume</i>	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%

V. SUMMARY OF OPERATIONAL PERFORMANCE

	Unit	2026	2025	Change
(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%

VI. INTERIM DIVIDEND

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 Shareholders whose names appear on the register of members of the Company as at 16 September 2026.



VII. CHAIRMAN'S STATEMENT

CONSOLIDATING THE FOUNDATION AND ADVANCING WITH STABILITY, PURSUING PRAGMATICALLY AND PROGRESSIVELY

Dear Shareholders,

In the first half of 2026, the international environment was marked by intertwined turbulence and changes as geopolitical rivalry and supply-chain restructuring continued to weigh on global markets with complex disruptions. Bolstered by its ultra-sized domestic market, complete industrial system, and a suite of forward-looking macro policies, China's economy effectively withstood external shocks and sustained an overall stable trajectory, marched toward new drivers and higher quality and demonstrated strong economic resilience in fostering new quality productive forces and advancing high-quality development.

Against this backdrop, BEHL has remained deeply rooted in the public utilities and infrastructure sectors, demonstrating irreplaceable foundational support value in safeguarding people's livelihoods and public services, advancing the green and low-carbon transition of cities, and ensuring the security of energy and infrastructure.

RESULTS REVIEW

In the first half of the year, by adhering to the business principle of consolidating the foundation and advancing with stability, and pursuing pragmatically and progressively, the Group maintained sound and steady overall operations. We achieved a revenue of approximately RMB45.005 billion, representing a year-on-year increase of 1.1%. Profit attributable to shareholders of the Company amounted to approximately RMB3.540 billion, representing a year-on-year increase of 4%. These results fully demonstrate the fruitful outcomes of consolidating our business fundamentals and pursuing development with pragmatism.

Consolidating our business foundation and safeguarding operational stability. In the first half of the year, amid ongoing external changes and various headwinds, the Group remained anchored in strengthening fundamentals and reinforcing core capabilities, with all business operations maintaining stable and orderly performance. Specifically in the gas distribution business, in a complex and downward-pressure operating environment, Beijing Gas achieved a natural gas sales volume that was broadly flat compared with the same period last year, while China Gas recorded year-on-year growth in natural gas sales volume. BE Water's core water supply, sewage, and reclaimed water treatment businesses sustained a sound growth momentum. Both domestic and overseas solid waste businesses posted steady year-on-year increases in metrics, including waste treatment volume and on-grid power generation volume. The beer business continued its growth trajectory in sales volume, fully reflecting the Group's pragmatic and pioneering development achievements.



VII. CHAIRMAN'S STATEMENT

Deepening value-driven operations and demonstrating resilient returns. In the first half of the year, profit attributable to shareholders of the Company increased by 4% year-on-year, fully demonstrating BEHL's strength in staying rooted in its core businesses and delivering sustainable, stable returns to shareholders and investors. Among these, Beijing Gas has steadily advanced its natural gas trading, integrated energy services, and overseas market expansion, further enhancing its business resilience, with operating profit increasing by 4.6% year-on-year, continuing to serve as a “ballast” in terms of performance. Profit attributable to shareholders, contributed by Yanjing Brewery, maintained rapid growth, reaching 17.25%, and emerged as a highlight of value creation. The solid foundations and steady improvement of these two business segments have effectively offset the performance pressure from the water business segment, once again highlighting BEHL's outstanding strengths of a resilient business portfolio and a solid operational foundation.

Strengthening operational management to drive quality and efficiency improvements. Beijing Gas achieved cost reduction and efficiency improvement through debt structure optimization. China Gas enhanced gas source optimisation and cost control, lifting the comprehensive dollar margin by RMB0.02 per cubic meter year-on-year, representing an increase of 4.7%. BE Water prioritised accounts receivable collection and asset quality improvement, recording a net inflow of free cash flow of approximately RMB1.1 billion in the first half of the year. BE Environment continued to refine its sophisticated operational performance, with further improvements in key metrics, including power generation per tonne of waste fed into incinerators, comprehensive auxiliary power consumption rate of plants, and power consumption per tonne of waste. EEW in Germany optimised its contract structure and energy sales arrangements, recording a 3.5% year-on-year growth in waste processing volumes and a 13.7% year-on-year growth in electricity sales. Yanjing Brewery leveraged the development of an excellent management mechanism, conducting regular selection, documentation and roll-out of best production practices, with its beer production cost fell by RMB114 per kilolitre in the first half of the year, and its efficiency-related KPIs recorded an overall year-on-year improvement of 21.9%. Its high-end product strategy continued to deliver results, driving a substantial increase in the profit growth rate.

Consolidating the foundation for development and pursuing pragmatic iterative upgrading. Building on solid operational quality and efficiency, the Group has pragmatically advanced the high-end, smart, and green transformation of its businesses. Beijing Gas has deployed integrated energy services and fostered digitalisation of natural gas trading. Leveraging AI to empower its core businesses and aligning with the dual-carbon strategy, China Gas provides customers with products such as green steam and zero-carbon gas. It has also integrated energy storage and distributed photovoltaics to build a multi-energy complementary ecosystem. BE Water has reconstructed its operations with AI, shifting toward data-driven management and edge-cloud collaboration. BE Environment is transforming into an integrated environmental and energy service provider. EEW in Germany has built smart power plants and enhanced carbon asset management capabilities. Yanjing Brewery sustained the growth of its U8 product and newly launched its high-end product A10. These pragmatic upgrading initiatives have further consolidated the core competitiveness of each business segment.



VII. CHAIRMAN'S STATEMENT

OUTLOOK AND STRATEGIES

In the second half of 2026, the pressure and challenges posed by the complexity and uncertainty of the external environment will remain acute, and there is also a possibility of short-term fluctuations in the domestic economic growth rate. However, we also recognise that the favourable conditions supporting the stable operation of China's economy still outweigh the unfavourable factors, and the long-term trend of improvement and optimisation remains intact. Based on this fundamental judgment, the management team of BEHL is confident in taking proactive and vigorous measures to seize opportunities, meet challenges, mitigate risks, address structural imbalances, and strive to achieve healthy, sustainable and stable growth in performance. To achieve the above goals, the Group will focus on advancing the following key initiatives:

Focusing on core responsibilities and main businesses to further enhance operational quality and efficiency. We will continue to expand the gas operations market, consolidate the advantages of its traditional urban gas business, accelerate the growth of its natural gas trading business, and drive new breakthroughs in the performance of the Nangang project. Furthermore, we will step up our efforts to improve our balance sheet in relation to the water business by focusing on receivables collection and cash flow improvement. We will continue to make every effort to ensure the expansion of production capacity in the domestic solid waste business, expand the diversified operations model, and deepen cost reduction and efficiency enhancement. EEW GmbH will strengthen market development and price management, and accelerate the commissioning of key projects while unfolding their benefits. Yanjing Brewery will continue to optimise its best-practice operating system, expand the coverage of high-quality case implementations, strengthen market management, and improve procurement and supply chain management.

Strengthening technological innovation to accelerate the incubation and expansion of new quality productive forces. We will improve the innovation management mechanism, deepen industry-academia-research collaboration and the construction of scientific and technological innovation platforms, enhance cooperation with universities and research institutes, and expedite product and technological innovation. We will propel the integration of technological innovation with industrial innovation to accelerate the incubation of new quality productive forces. We will continue to deepen the application of artificial intelligence (AI), further expand application scenarios, increase the intensity and breadth of AI empowerment in industrial development, consistently enhance the Group's competitiveness, and consolidate and strengthen its leading position in the industry.

Emphasising value creation to facilitate quality and efficiency improvements in assets and businesses. We will closely monitor domestic and international monetary policies and capital market trends, constantly optimise the financing structure of the Company and its subsidiaries, and reduce financial expenses and administrative costs. Enhancing the quality and profitability of assets across all business segments is regarded as a crucial initiative to bolster the Company's value creation capability. This includes: advancing the rectification of loss-making enterprises, phasing out inefficient and non-performing assets, divesting non-core and non-competitive businesses, and adopting multiple measures to improve asset quality and capital return levels.



VII. CHAIRMAN'S STATEMENT

Intensifying management enhancement to stimulate vibrancy and efficiency in business management. In accordance with the requirements of state-owned asset supervision and administration and the relevant rules for listed companies, we will continue to improve our corporate governance standards. We will further advance various reform measures in a deep and pragmatic manner to eliminate institutional obstacles, and continue to refine differentiated control measures for member enterprises, optimise the management systems for delegation of authority, decision-making, and assessment and evaluation to stimulate the vitality and momentum for high-quality development of member enterprises.

Implementing compliance supervision to prevent and mitigate various risks. We will strengthen investment control and improve investment risk assessment and decision-making risk prevention and control management. We will enhance financial and capital risk management for BEHL and its member enterprises, fully leverage our information technology and digital monitoring capabilities to strengthen the tracking of major risks. We will strengthen compliance management to guard against legal and compliance risks, as well as enhance safety production management and resolutely prevent major safety accidents.

The year 2026 marks the inaugural year of the 15th Five-Year Plan period. Standing at this momentous threshold, the management of BEHL deeply feels the significant responsibilities it bears. We will continue to uphold the philosophy of consolidating foundations for steady progress and pursuing pragmatic advancement, and we look forward to fostering steady growth together with our shareholders and investors. Throughout this process, we will adopt a more proactive and pragmatic attitude to strive for more robust and superior performance in order to reward our shareholders and investors.

YANG Zhichang
Chairman

Hong Kong
27 August 2026



VIII. 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*

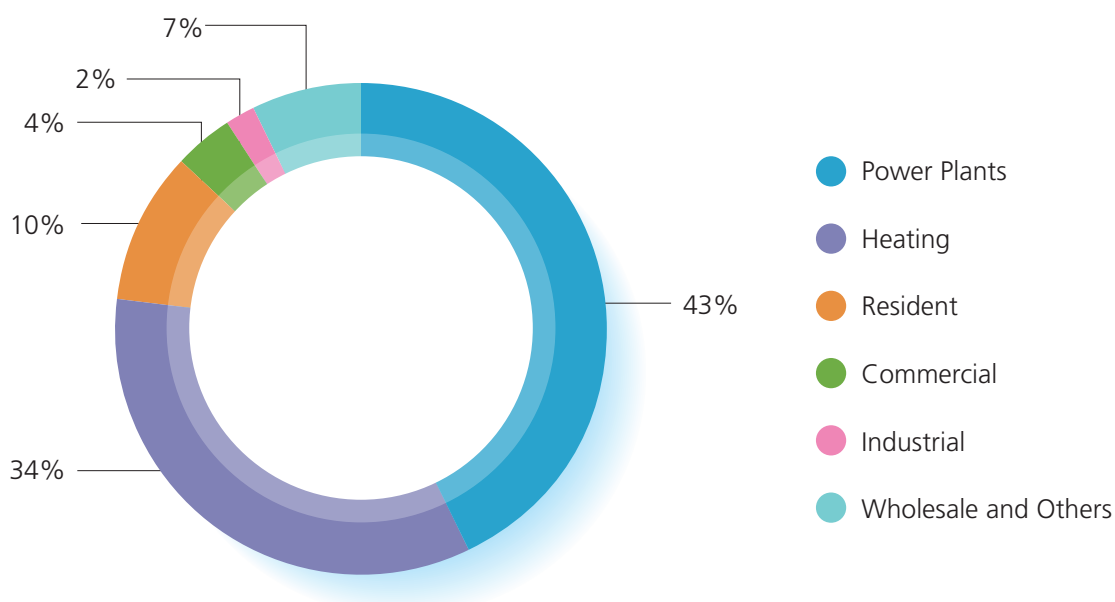
In the first half of the year, Beijing Gas continued to consolidate its core business of natural gas distribution, actively fulfilled its responsibilities for ensuring energy security in the capital, and strengthened its capabilities in gas source coordination, pipeline operation, safety management, 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.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

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.



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

(3) *Natural Gas Transmission Business*

In the first half of the year, 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, 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 continuously 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.



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

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.



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

4. Environmental Business

The environmental business segment of the Company includes BE Environment and BEHET 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.



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

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.



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

(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.



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

(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.



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

(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.



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

(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.



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

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 EURO.55 billion, RMB bonds amounting to RMB35.4 billion and RMB bank loans amounting to RMB25.6 billion in total.



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

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.



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

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.



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

- **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 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”.



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

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.



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

(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.



IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(I) CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

		Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
	NOTES		
Revenue	4	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	5	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	6	(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	7	5,191,488	4,924,925
Income tax	8	(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			
Basic and diluted	10	RMB2.81	RMB2.71

IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(II) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Profit for the period	4,651,355	4,325,727
Other comprehensive (loss) income		
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:</i>		
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
<i>Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:</i>		
Defined benefit obligations:		
Actuarial gains, net	96,076	98,501
Income tax effect	(23,987)	(27,518)
	72,089	70,983
Equity investments at fair value through other comprehensive (loss) 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)
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



IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(III) CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	NOTES	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
ASSETS			
Non-current Assets			
Property, plant and equipment	11	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	12	3,068,688	3,116,155
Prepayments, other receivables and other assets	13	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	12	143,142	142,726
Trade receivables	14	6,234,818	4,835,300
Prepayments, other receivables and other assets	13	13,791,754	7,583,516
Other tax recoverable		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



IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(III) CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	NOTES	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	15	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	16	41,929,377	38,937,907
Guaranteed bonds and notes	17	10,994,484	6,914,912
Lease liabilities		450,575	459,514
Defined benefit obligations		2,151,821	2,204,650
Provision for major overhauls and onerous contracts		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	18	4,962,773	4,269,016
Other payables, accruals and contract liabilities		20,331,434	19,768,729
Provision for major overhauls and onerous contracts		44,079	46,745
Income tax payables		760,360	590,813
Other tax payables		585,776	370,110
Bank and other borrowings	16	26,408,541	27,690,884
Guaranteed bonds and notes	17	–	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



IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(IV) CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to shareholders of the Company											
	Share capital <i>RMB'000</i> (Unaudited)	Capital reserve <i>RMB'000</i> (Unaudited)	Investment revaluation reserve <i>RMB'000</i> (Unaudited)	Property revaluation reserve <i>RMB'000</i> (Unaudited)	Defined benefits plan reserve <i>RMB'000</i> (Unaudited)	Exchange fluctuation reserve <i>RMB'000</i> (Unaudited)	PRC	Hedging reserve <i>RMB'000</i> (Unaudited)	Retained profits <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)	Non-controlling interests <i>RMB'000</i> (Unaudited)	Total equity <i>RMB'000</i> (Unaudited)
							reserve funds					
							and other reserve					
Six months ended 30 June 2026												
At 1 January 2026	28,340,052	644,040	(28,732)	87,638	61,003	(7,379,289)	17,428,555	(23,907)	49,912,556	89,041,916	13,692,898	102,734,814
Profit for the period	-	-	-	-	-	-	-	-	3,539,807	3,539,807	1,111,548	4,651,355
Other comprehensive (loss) income for the period:												
Equity investments at fair value through other comprehensive (loss) income:												
Changes in fair value	-	-	(552,768)	-	-	-	-	-	-	(552,768)	-	(552,768)
Income tax effect	-	-	136,442	-	-	-	-	-	-	136,442	-	136,442
Exchange differences on translation of foreign operations and the Company's financial statements	-	-	-	-	-	(706,325)	-	-	-	(706,325)	(21,103)	(727,428)
Fair value changes on derivative financial instruments	-	-	-	-	-	-	-	(145,606)	-	(145,606)	-	(145,606)
Defined benefit obligations:												
Actuarial gains, net	-	-	-	-	95,947	-	-	-	-	95,947	129	96,076
Income tax effect	-	-	-	-	(23,987)	-	-	-	-	(23,987)	-	(23,987)
Gains reclassified to profit or loss on hedged items	-	-	-	-	-	-	-	(41,729)	-	(41,729)	-	(41,729)
Share of other comprehensive income (loss) of associates	-	-	34,075	-	(345)	212,516	-	1,141	-	247,387	-	247,387
Total comprehensive (loss) income for the period	-	-	(382,251)	-	71,615	(493,809)	-	(186,194)	3,539,807	2,549,168	1,090,574	3,639,742
Capital contribution from non-controlling equity holder of subsidiaries	-	-	-	-	-	-	-	-	-	-	450	450
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	-	-	7,000	-	-	-	-	-	(7,000)	-	-	-
Share of reserves of associates	-	11,580	-	-	-	-	-	-	1,240	12,820	-	12,820
Final 2025 dividend	-	-	-	-	-	-	-	-	(891,170)	(891,170)	-	(891,170)
Dividends paid to non-controlling equity holders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(82,256)	(82,256)
Transfer to PRC reserve funds and other receives	-	-	-	-	-	-	289,230	-	(289,230)	-	-	-
At 30 June 2026	28,340,052	655,620	(403,983)	87,638	132,618	(7,873,098)	17,717,785	(210,101)	52,266,203	90,712,734	14,701,666	105,414,400

* These reserve accounts comprise the consolidated reserves of RMB62,372,682,000 (Unaudited) (31 December 2025: RMB60,701,864,000 (audited)) in the condensed consolidated statement of financial position as at 30 June 2026.

IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(IV) CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to shareholders of the Company											
	Share capital <i>RMB'000</i> (Unaudited)	Capital reserve <i>RMB'000</i> (Unaudited)	Investment revaluation reserve <i>RMB'000</i> (Unaudited)	Property revaluation reserve <i>RMB'000</i> (Unaudited)	Defined benefits plan reserve <i>RMB'000</i> (Unaudited)	Exchange fluctuation reserve <i>RMB'000</i> (Unaudited)	PRC	Hedging reserve <i>RMB'000</i> (Unaudited)	Retained profits <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)	Non-controlling interests <i>RMB'000</i> (Unaudited)	Total equity <i>RMB'000</i> (Unaudited)
							reserve funds					
							and other reserve					
Six months ended 30 June 2025												
At 1 January 2025	28,340,052	615,354*	(437,933)*	87,638*	(121,280)*	(7,583,435)*	16,476,788*	(159,687)*	47,663,637*	84,881,134	12,734,049	97,615,183
Profit for the period	–	–	–	–	–	–	–	–	3,403,590	3,403,590	922,137	4,325,727
Other comprehensive income (loss) for the period:												
Equity investments at fair value through other comprehensive income:												
Changes in fair value	–	–	68,551	–	–	–	–	–	–	68,551	–	68,551
Income tax effect	–	–	(15,865)	–	–	–	–	–	–	(15,865)	–	(15,865)
Exchange differences on translation of foreign operations and the Company's financial statements	–	–	–	–	–	1,127,450	–	–	–	1,127,450	118,909	1,246,359
Fair value changes on derivative financial instruments	–	–	–	–	–	–	–	55,794	–	55,794	–	55,794
Defined benefit obligations:												
Actuarial gains, net	–	–	–	–	97,797	–	–	–	–	97,797	704	98,501
Income tax effect	–	–	–	–	(27,355)	–	–	–	–	(27,355)	(163)	(27,518)
Gains reclassified to profit or loss on hedged items	–	–	–	–	–	–	–	(38,388)	–	(38,388)	–	(38,388)
Share of other comprehensive loss of associates	–	–	(12,039)	–	(1,823)	(634,342)	–	(30,656)	–	(678,860)	–	(678,860)
Total comprehensive income (loss) for the period	–	–	40,647	–	68,619	493,108	–	(13,250)	3,403,590	3,992,714	1,041,587	5,034,301
Capital contribution from non-controlling equity holder of subsidiaries	–	–	–	–	–	–	–	–	–	–	280	280
Share of reserves of associates	–	38,930	–	–	–	–	–	–	–	38,930	–	38,930
Final 2024 dividend	–	–	–	–	–	–	–	–	(881,483)	(881,483)	–	(881,483)
Dividends paid to non-controlling equity holders of subsidiaries	–	–	–	–	–	–	–	–	–	–	(172,938)	(172,938)
Transfer to PRC reserve funds and other reserves	–	–	–	–	–	–	878,798	–	(878,798)	–	–	–
At 30 June 2025	28,340,052	654,284	(397,286)	87,638	(52,661)	(7,090,327)	17,355,586	(172,937)	49,306,946	88,031,295	13,602,978	101,634,273

* These reserve accounts comprise the consolidated reserves of RMB59,691,243,000 (Unaudited) (31 December2024: RMB56,541,082,000 (audited)) in the condensed consolidated statement of financial position as at 30 June 2025.



IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(V) CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	4,795,267	4,359,082
Finance income on the net investment in a finance lease received	–	3,000
Chinese Mainland income tax paid	(414,595)	(343,348)
Overseas income tax paid	(110,780)	(152,143)
Net cash flows from operating activities	4,269,892	3,866,591
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(1,701,069)	(1,815,100)
Increase in investments in an associate	–	(173,000)
Dividends received from associates	217,885	317,436
Proceeds from disposal of items of property, plant and equipment	45,526	91,687
Receipt of assets-related government grants	34,154	2,000
Increase in time deposits with maturity of more than three months when acquired	804,000	(714,932)
Purchases of financial assets at fair value through profit or loss	(4,956,589)	(1,175,000)
Proceeds from disposal of an equity investment at fair value through other comprehensive income	10,000	–
Proceeds from disposal of an equity investment at fair value through profit or loss	20,000	–
Other cash flows from investing activities	347,412	317,297
Net cash flows used in investing activities	(5,178,681)	(3,149,612)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contributions from non-controlling equity holders of subsidiaries	450	280
New loans	29,372,188	29,609,314
Repayment of loans	(27,574,089)	(26,378,967)
New guaranteed bond issued	4,429,069	–
Repayment of guaranteed bonds and notes	(5,279,219)	(3,623,656)
Interest paid	(1,065,130)	(1,168,568)
Other cash flows used in financing activities	(134,420)	(212,688)
Net cash flows used in financing activities	(251,151)	(1,774,285)



IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(V) CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Net decrease in cash and cash equivalents	(1,159,940)	(1,057,306)
Cash and cash equivalents at beginning of period	23,728,524	24,571,407
Effect of foreign exchange rate changes, net	(26,029)	16,999
Cash and cash equivalents at end of period	22,542,555	23,531,100
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances other than time deposits	11,546,324	10,629,963
Saving deposits placed in a financial institution (an associate of the Group)	322,615	787,219
Time deposits:		
Placed in banks	9,104,213	11,512,900
Placed in a financial institution (an associate of the Group)	8,370,696	7,180,581
Less: Restricted cash and pledged deposits	(66,293)	(24,563)
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	29,277,555	30,086,100
Less: Time deposits with maturity of more than three months when acquired	(6,735,000)	(6,555,000)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	22,542,555	23,531,100



IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(VI) NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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.



IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(VI) NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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

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.



IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(VI) NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. OPERATING SEGMENT INFORMATION *(Continued)*

The following tables present revenue and profit information regarding the Group's operating segments for the six months ended 30 June 2026 and 2025:

Six months 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
Corporate and other unallocated income and expenses, net						(211,099)
Share of profits of an associate						8,501
Finance cost						(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
Corporate and other unallocated items						(829,520)
						3,539,807

IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(VI) NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. OPERATING SEGMENT INFORMATION *(Continued)*

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 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
Corporate and other unallocated items						(826,715)
						3,403,590



IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(VI) NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. OPERATING SEGMENT INFORMATION *(Continued)*

The following is an analysis of the Group's assets and liabilities by operating segment:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Total assets:		
Gas operation	131,978,969	129,371,719
Water operation	13,304,733	13,183,127
Environmental operation	40,035,901	41,078,512
Brewery operation	27,923,294	25,268,462
Corporate and others	12,814,234	12,467,992
Eliminations	(6,572,264)	(6,508,508)
	219,484,867	214,861,304
Total liabilities:		
Gas operation	37,193,599	36,868,980
Environmental operation	21,501,045	22,232,236
Brewery operation	9,977,843	8,958,050
Corporate and others	51,970,244	50,575,732
Eliminations	(6,572,264)	(6,508,508)
	114,070,467	112,126,490

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.

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For the six months ended 30 June 2026

4. REVENUE

Revenue of the Group for each of the six months ended 30 June 2026 and 2025 was all revenue from contracts with customers and the following tables set out the disaggregated revenue information for revenue from contracts with customers:

Six months ended 30 June 2026

Segment	Gas operation RMB'000 (Unaudited)	Environmental operation RMB'000 (Unaudited)	Brewery operation RMB'000 (Unaudited)	Corporate and others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Types of goods or services					
Sale of piped natural gas	23,910,511	–	–	–	23,910,511
Sale of gas-related equipment	190,060	–	–	–	190,060
Trading of liquefied natural gas	7,837,530	–	–	–	7,837,530
Sale of brewery products	–	–	7,717,535	–	7,717,535
Construction services	336,316	76	–	–	336,392
Solid waste collection services	–	3,361,518	–	–	3,361,518
Sale of electricity, steam and heat	–	1,618,190	–	–	1,618,190
Total revenue from contract with customers	32,274,417	4,979,784	7,717,535	–	44,971,736
Revenue from another source:					
– Gross rental income	–	–	–	32,822	32,822
Total revenue	32,274,417	4,979,784	7,717,535	32,822	45,004,558
Geographical markets					
Chinese Mainland	29,599,743	1,146,016	7,717,535	–	38,463,294
Germany	–	3,833,768	–	–	3,833,768
Others	2,674,674	–	–	–	2,674,674
Total revenue from contracts with customers	32,274,417	4,979,784	7,717,535	–	44,971,736
Revenue from another source:					
– Gross rental income	–	–	–	32,822	32,822
Total revenue	32,274,417	4,979,784	7,717,535	32,822	45,004,558
Timing of revenue recognition					
Goods transferred at a point in time	31,938,101	1,618,190	7,717,535	–	41,273,826
Services transferred at a point in time	–	3,361,518	–	–	3,361,518
Services transferred over time	336,316	76	–	–	336,392
Total revenue from contracts with customers	32,274,417	4,979,784	7,717,535	–	44,971,736
Revenue from another source:					
– Gross rental income	–	–	–	32,822	32,822
Total revenue	32,274,417	4,979,784	7,717,535	32,822	45,004,558



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4. REVENUE *(Continued)*

Six months ended 30 June 2025

Segment	Gas operation RMB'000 (Unaudited)	Environmental operation RMB'000 (Unaudited)	Brewery operation RMB'000 (Unaudited)	Corporate and others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Types of goods or services					
Sale of piped natural gas	24,344,687	–	–	–	24,344,687
Sale of gas-related equipment	239,156	–	–	–	239,156
Trading of liquefied natural gas	7,770,246	–	–	–	7,770,246
Sale of brewery products	–	–	7,393,556	–	7,393,556
Construction services	209,821	184,792	–	–	394,613
Solid waste collection services	–	2,725,041	–	–	2,725,041
Sale of electricity, steam and heat	–	1,620,400	–	–	1,620,400
Total revenue from contract with customers	32,563,910	4,530,233	7,393,556	–	44,487,699
Revenue from another source:					
– Gross rental income	–	–	–	41,171	41,171
Total revenue	32,563,910	4,530,233	7,393,556	41,171	44,528,870
Geographical markets					
Chinese Mainland	28,213,454	1,125,469	7,393,556	–	36,732,479
Germany	–	3,404,764	–	–	3,404,764
Others	4,350,456	–	–	–	4,350,456
Total revenue from contracts with customers	32,563,910	4,530,233	7,393,556	–	44,487,699
Revenue from another source:					
– Gross rental income	–	–	–	41,171	41,171
Total revenue	32,563,910	4,530,233	7,393,556	41,171	44,528,870
Timing of revenue recognition					
Goods transferred at a point in time	32,354,089	1,620,400	7,393,556	–	41,368,045
Services transferred at a point in time	–	2,725,041	–	–	2,725,041
Services transferred over time	209,821	184,792	–	–	394,613
Total revenue from contracts with customers	32,563,910	4,530,233	7,393,556	–	44,487,699
Revenue from another source:					
– Gross rental income	–	–	–	41,171	41,171
Total revenue	32,563,910	4,530,233	7,393,556	41,171	44,528,870



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5. OTHER INCOME, OTHER GAINS AND LOSSES

	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (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
	1,137,877	1,232,743



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6. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(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 designated as cash flow hedges for foreign currency debts	(41,729)	(38,388)
	1,028,259	1,082,732

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7. PROFIT BEFORE TAX

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

	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Depreciation of property, plant and equipment	2,007,960	1,915,311
Less: Amount included in cost of inventories sold and cost of services rendered	(1,496,755)	(1,467,022)
	511,205	448,289
Depreciation of right-of-use assets	170,347	144,955
Less: Amount included in cost of inventories sold and cost of services rendered	(39,312)	(22,070)
	131,035	122,885
Amortisation of operating concessions, included in cost of inventories sold and cost of services rendered	137,091	122,177
Amortisation of other intangible assets	107,864	115,228
Less: Amount included in cost of inventories sold and cost of services rendered	(60,672)	(66,585)
Amount included in administrative expenses	47,192	48,643
(Gain) loss on disposal of items of property, plant and equipment, net	(6,953)	2,682
Loss on deemed disposal of interest in associates	–	10,981
Impairment (reversal of impairment) of financial assets, net:		
Trade receivables*	6,449	(5,665)
Other receivables*	29,597	4,387
	36,046	(1,278)

* These items are included in "Other operating expenses, net" on the face of the condensed consolidated statement of profit or loss.



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8. INCOME TAX

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(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

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. In accordance with the relevant tax rules and regulations in Chinese Mainland, certain of the Company's subsidiaries established in Chinese Mainland enjoy PRC corporate income tax exemptions and reductions.

9. INTERIM DIVIDEND

On 27 August 2026, the Board declared an interim cash dividend of HK85 cents per share (six months ended 30 June 2025: HK85 cents per share), totalling approximately RMB940,986,000 (six months ended 30 June 2025: RMB983,759,000) for the six months ended 30 June 2026.

10. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the 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.



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11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment at a total cost of RMB1,673,355,000 (six months ended 30 June 2025: RMB1,893,732,000).

Property, plant and equipment with an aggregate carrying amount of RMB38,573,000 (six months ended 30 June 2025: RMB94,369,000) were disposed of by the Group during the six months ended 30 June 2026, resulting in a net gain on disposal of RMB6,953,000 (six months ended 30 June 2025: net loss on disposal RMB2,682,000) (note 7).

12. 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.

The amounts of contract assets included in the carrying amounts of operating concessions and receivables under service concession arrangements as at the end of the reporting period are as follows:

	30 June 2026 <i>RMB'000</i> (Unaudited)	31 December 2025 <i>RMB'000</i> (Audited)
Contract assets included in:		
Operating concessions	2,198,867	2,243,720
Receivables under service concession arrangements	847,497	839,247
Total	3,046,364	3,082,967

The above contract assets are initially recognised for revenue earned from the provision of construction services of solid waste incineration plants during the period of construction under service concession arrangements. Pursuant to the service concession agreements, the Group receives no payment from grantors during the construction period and receives service fees when relevant solid waste collection service is rendered. The receivables under service concession arrangements (including the contract assets therein) are not yet due for payment and will be settled by service fees to be received during the operating periods of the service concession arrangements. Amounts billed will then be transferred to trade receivables. The Groups trading terms and credit policy with customers are disclosed in note 14 to the financial information.



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13. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

Prepayments, other receivables, and other assets within the Group primarily comprised prepayments amounting to RMB1,836,464,000 (31 December 2025: RMB1,519,481,000), deposits and other receivables amounting to RMB3,836,714,000 (31 December 2025: RMB3,328,575,000) and financial assets at fair value through profit or loss totalling RMB5,026,634,000 (31 December 2025: RMB90,045,000).

14. 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 RMB'000 (Unaudited)	31 December 2025 RMB'000 (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
Total	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.

Included in the Group's trade receivables as at 30 June 2026 were aggregate amounts of RMB15,759,000 (31 December 2025: RMB27,674,000) and RMB278,809,000 (31 December 2025: RMB306,725,000) due from fellow subsidiaries and a joint venture of the Group, arising from transactions carried out in the ordinary course of business of the Group, respectively. The balances are unsecured, interest-free and are repayable within credit periods similar to those offered by the Group to its major customers.



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15. SHARE CAPITAL

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Issued and fully paid:		
1,258,003,268 (31 December 2025: 1,258,003,268) ordinary shares	28,340,052	28,340,052

16. BANK AND OTHER BORROWINGS

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Bank loans:			
Secured		2,365,608	2,357,115
Unsecured	(a)	27,493,573	29,554,839
		29,859,181	31,911,954
Other loans:			
Secured		313,216	150,417
Unsecured	(b)	38,165,521	34,566,420
		38,478,737	34,716,837
Total bank and other borrowings		68,337,918	66,628,791
Portion classified as current liabilities		(26,408,541)	(27,690,884)
Non-current portion		41,929,377	38,937,907



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16. BANK AND OTHER BORROWINGS *(Continued)*

Notes:

- (a) The loan agreements in respect of certain bank loans outstanding as at 30 June 2026 include certain conditions imposing specific performance obligations on the Company's holding companies, among which the following events would constitute events of default on the loan facilities:
 - (i) if Beijing Enterprises Group Company Limited ("Beijing Enterprises Group") does not or ceases to own, directly or indirectly, at least 40% or 50% of the beneficiary interest of the Company; and
 - (ii) if Beijing Enterprises Group ceases to be controlled and supervised by the Beijing Municipal Government.
- (b) Included in the Group's other borrowings as at 30 June 2026 were loans of RMB1,371 million (31 December 2025: RMB1,462 million) in total advanced from an associate, which bear interest at rates ranging from 2.11% to five-year Loan Prime Rate (31 December 2025: ranging from one-year Loan Prime Rate less 25 basis points to 4.65%) per annum and are repayable in 2026 to 2036. Interest expenses of RMB20,524,000 (six months ended 30 June 2025: RMB12,092,000) were recognised in profit or loss during the period in respect of the loans (note 20(a)(x)).
- (c) Certain corporate bonds classified as other borrowings include covenants imposing specific performance obligations of the Company, among which any one of the following events would constitute events of default:
 - (i) if there is a change of control: change of beneficial controller of the Company; and
 - (ii) there is a change in credit rating within six months of the date of such change of control: offshore rating of the Company downgraded to non-investment grade.

To the best knowledge of the directors of the Company, none of the above default events took place during the period ended 30 June 2026 and as at the date of approval of this unaudited interim condensed consolidated financial information.

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17. GUARANTEED BONDS AND NOTES

A summary of the guaranteed bonds and notes issued by the Group and outstanding as at 30 June 2026 is as follows:

	Principal at original currency 'million	Contractual interest rate per annum	Maturity	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
2011 Second Senior Notes	US\$400	6.375%	2041	2,676,371	2,762,214
2015 US\$ Bonds	US\$200	4.99%	2040	1,330,912	1,373,549
EEW 2021 Green Notes	EUR400	0.361%	2026	–	3,300,334
EEW 2026 Green Notes	EUR555	3.875%	2029	4,291,006	–
2021 US\$ Bonds Series 1	US\$300	2%	2026	–	2,102,111
2021 US\$ Bonds Series 2	US\$400	3.125%	2031	2,696,195	2,779,149
				10,994,484	12,317,357
Portion classified as current liabilities				–	(5,402,445)
				10,994,484	6,914,912

Except for the 2021 and 2026 EEW Green Notes which are guaranteed by EEW Holding GmbH, all the above guaranteed bonds and notes are guaranteed by the Company.

The fair value of the Group's guaranteed bonds and notes as at 30 June 2026 was approximately RMB14.3 billion (31 December 2025: RMB12.5 billion), based on price quotations from financial institutions at the reporting date.



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18. 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 RMB'000 (Unaudited)	31 December 2025 RMB'000 (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; (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 and ecological construction services which have not been billed by the suppliers.

Included in the trade and bills payables as at 30 June 2026 were amounts of RMB102,682,000 (31 December 2025: RMB43,688,000) in total due to fellow subsidiaries, arising from transactions carried out in the ordinary course of business of the Group. The balances are unsecured, interest-free and are repayable within credit periods similar to those offered by the related parties to their major customers.

19. CAPITAL COMMITMENTS

The Group had the following contractual commitments as at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Gas pipelines and plant and machinery	5,390,837	5,271,408
Service concession arrangements	–	5,385
Total	5,390,837	5,276,793

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20. RELATED PARTY DISCLOSURES

- (a) In addition to the transactions detailed elsewhere in this interim condensed consolidated financial information, the Group had the following material transactions with related parties during the period:

			Six months ended	
			30 June	
Name of related party	Nature of transaction	Notes	2026	2025
			RMB'000 (Unaudited)	RMB'000 (Unaudited)
Non-controlling equity holders of subsidiaries and their associates:				
北京燕京啤酒集團公司 (“Yanjing Brewery Group”) and its associates	Purchase of bottle labels	(i)	13,812	44,629
	Comprehensive support service fees paid ^Y	(iii)	5,995	7,324
	Land rental expenses ^Y	(iv)	830	854
	Trademark licensing fees paid ^Y	(v)	21,220	31,838
	Less: refund for advertising subsidies ^Y	(v)	–	(410)
Fellow subsidiaries:				
北京北燃實業有限公司 and its subsidiaries	Sale of piped natural gas [#]	(vi)	558,043	383,897
	Engineering service income [#]	(vii)	5,526	2,306
	Comprehensive service income [#]	(vii)	329	2,752
	Engineering service expenses [#]	(vii)	51,067	117,982
	Comprehensive service expenses [#]	(vii)	21,999	63,163
	Building rental expenses [#]	(viii)	5,831	105,160
	Purchase of goods [#]	(viii)	63,747	45,776
	Sale of goods [#]	(ix)	17,485	35,422
Associate:				
北京控股集團財務有限公司 (“BE Group Finance”)	Interest expenses	(x)	20,524	12,092
	Interest income [@]	(x)	5,533	32,852



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20. RELATED PARTY DISCLOSURES *(Continued)*

(a) *(Continued)*

In the opinion of the directors, the above transactions were entered into by the Group in the normal course of its business.

Y These related party transactions also constitute continuing connected transactions that are exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

These related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

® These related party transactions also constitute continuing connected transactions that are subject to the announcement, reporting and annual review requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Notes:

(i) The purchase prices for bottle labels and bottle caps were determined by reference to the agreed prices for the preceding year and an annual adjustment determined by reference to the price index in Beijing in the preceding year.

(ii) The canning service fees were charged at a rate equal to the costs of the canning services incurred by Yanjing Beer Group plus a mutually-agreed profit margin.

(iii) The comprehensive support service fees paid included the following:

- fees for security and canteen services which were determined based on the annual cost of labour, depreciation and maintenance for the preceding year and an annual adjustment by reference to the price index in Beijing; and
- rental expenses, related to the premises occupied and used by Yanjing Brewery as its office, canteen and staff dormitories, which were determined by reference to the prevailing market rentals at the time when the relevant agreements were entered into.

(iv) The land rental expenses were charged at a mutually-agreed amount of RMB2,366,800 (six months ended 30 June 2025: RMB1,849,000) per annum.

(v) The trademark licensing fees paid were for the use of "Yanjing" trademark and were determined based on 1% (six months ended 30 June 2025: 1%) of the annual sales of beer and mineral water products made by Yanjing Brewery and at a rate of RMB0.01 (six months ended 30 June 2025: RMB0.008) per bottle of beer sold by the subsidiaries of Yanjing Brewery. Yanjing Brewery Group would refund 20% of the trademark licensing fees from sales of beer received from Yanjing Brewery for the use by Yanjing Brewery to develop and promote the "Yanjing" trademark.



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20. RELATED PARTY DISCLOSURES *(Continued)*

(a) *(Continued)*

Notes: (Continued)

- (vi) The selling price of piped natural gas was prescribed by the PRC government.
- (vii) The service fees were determined by reference to the then prevailing market rates and set at prices not higher than the guidance prices set by the PRC government.
- (viii) The purchase prices of goods and the building rentals were determined by reference to the then prevailing market rates.
- (ix) The selling prices of goods were determined on a cost-plus basis.
- (x) BE Group Finance is a 38.78% owned associate of the Group and also a subsidiary of Beijing Enterprises Group. BE Group Finance was established to act as platform for members of Beijing Enterprises Group for the provision of intra-group loan facilities through financial products including deposit-taking, money-lending and custodian services.

On 28 August 2023 (the “Effective Date”), a financial services agreement (the “Financial Services Agreement”) was approved at an extraordinary general meeting, pursuant to which, BE Group Finance shall provide financial services to the Group, including deposit services and loan services for three years from the Effective Date. The cumulative daily outstanding deposits balance placed by the Group with BE Group Finance (including any interest accrued thereon) during the term of the Financial Services Agreement will not exceed RMB8.70 billion.

Interest rates on deposits placed in and loans offered by BE Group Finance denominated in RMB were determined by reference to the then prevailing market rates offered by the Peoples Bank of China, while the related interest rates for deposits and loans denominated in other currencies were determined by reference to the then prevailing market rates offered by major banks in the PRC.

The amount of deposits placed by the Group with BE Group Finance as at 30 June 2026 amounted to RMB8.69 billion (31 December 2025: RMB8.70 billion).

The amounts of loans borrowed by the Group from BE Group Finance as at the end of reporting period are disclosed in note 16(b) to the financial information.



IX. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(VI) NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

20. RELATED PARTY DISCLOSURES *(Continued)*

(b) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Salaries, allowances and benefits in kind	4,444	5,455
Pension scheme contributions	13	13
Total compensation paid to key management personnel	4,457	5,468

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Other than guaranteed bonds and notes and corporate bonds, the carrying amounts of the Group's financial assets and other financial liabilities which are due to be received or settled within one year are reasonable approximation of their respective fair values, and accordingly, no disclosure of the fair values of these financial instruments is made. The fair value of the Group's guaranteed bonds and notes is disclosed in note 17 to the unaudited interim condensed consolidated financial information.

The listed equity investments of the Group are stated at fair value based on their quoted market prices (as categorised within Level 1 of the fair value hierarchy).

For other non-current financial assets and liabilities, in the opinion of the directors of the Company, since their carrying amounts are not significantly different from their respective fair values, no disclosure of the fair values of these financial instruments is made.



X. OTHER FINANCIAL INFORMATION

(I) PURCHASE, SALE AND 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 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

(I) AUDIT COMMITTEE

The Board has established 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, 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 considers that appropriate accounting policies have been adopted in preparation of the relevant results and sufficient disclosures have been made.

(II) 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.

(III) MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct to govern securities transactions by the Directors. 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 confirm that they complied with the Model Code regarding regulations governing securities transactions by directors during the six months ended 30 June 2026.

XII. OTHER INFORMATION OF THE COMPANY

(I) CHANGES IN DIRECTORS' INFORMATION

In 2026 and as of the date of this Report:

- Mr. XU Tong ceased to act as a general manager of Beijing Gas and was appointed as the chairman of Beijing Gas.

Save as disclosed above, no other information is required to be disclosed in accordance with Rule 13.51B(1) of the Listing Rules.

(II) DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND DEBENTURES

At 30 June 2026, the interests and short positions of the Directors and the chief executive in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) entered in the register required to be kept pursuant to Section 352 of the SFO, or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in shares of associated corporations

Director	Associated corporation	Number of ordinary shares directly beneficially owned	Percentage of the associated corporations' total number of issued shares
TUNG Woon Cheung Eric	BE Water	590,404	0.006%
YU Sun Say	BE Water	100,000	0.001%

Save as disclosed above, as at 30 June 2026, none of the Directors or the chief executive had registered an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded in the register pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(III) DIRECTORS' ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

At no time during the Period was the Company or the Company's subsidiary or parent company or a subsidiary of the Company's parent company a party to any arrangements to enable Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.



XII. OTHER INFORMATION OF THE COMPANY

(IV) SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2026, the following interests and short positions of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long Positions:

Name	Nature of interest/Capacity	Number of ordinary shares held	Percentage of the Company's total number of issued shares
BHL	Beneficial owner	834,000	0.07%
MOL	Beneficial owner	100,050,000	7.95%
BEIL	Beneficial owner/Interest in controlled corporation	263,780,288 (Note 1)	20.97%
BE Group BVI	Beneficial owner/Interest in controlled corporation	781,967,788 (Note 2)	62.16%
BE Group	Interest in controlled corporation	782,801,788 (Note 3)	62.23%
New China Asset	Investment manager	83,668,000 (Note 4)	6.65%
New China Life	Beneficial owner	84,196,000	6.69%
Yuxiu Capital	Beneficial owner/Interest in controlled corporation	64,997,500	5.17%
Yuxiu Group	Interest in controlled corporation	64,997,500 (Note 5)	5.17%

Notes:

- (1) The interest disclosed includes 163,730,288 Shares directly owned by BEIL and 100,050,000 Shares owned by MOL. MOL is a wholly-owned subsidiary of BEIL. Accordingly, BEIL is deemed to be interested in the shares owned by MOL.
- (2) The interest disclosed includes 518,187,500 Shares directly owned by BE Group BVI, 163,730,288 Shares owned by BEIL, and 100,050,000 Shares owned by MOL. BEIL, the holding company of MOL, is held directly as to 72.72% by BE Group BVI. Accordingly, BE Group BVI is deemed to be interested in the shares owned by BEIL and MOL.
- (3) The interest disclosed includes the interest in shares held by BE Group BVI as detailed in note (2) and the interest in shares held by BHL. BE Group BVI and BHL are wholly-owned subsidiaries of BE Group. Accordingly, BE Group is deemed to be interested in the shares held by BE Group BVI, BEIL, MOL and BHL.

XII. OTHER INFORMATION OF THE COMPANY

- (4) Pursuant to the investment management agreement executed by New China Asset and New China Life, New China Asset agreed to provide investment management and consulting services for the assets of New China Life. The interest disclosed represent the interests in the assets of New China Life's relevant client under the management of New China Asset as investment manager/trustee.
- (5) The interests disclosed are the shares held by Yuexiu Capital and its controlled corporations. Yuexiu Group holds a 47% equity interest in Yuexiu Capital. Accordingly, Yuexiu Group is deemed to be interested in the shares held by Yuexiu Capital.

Save as disclosed above, as at 30 June 2026, no person, other than the Directors, whose interests are set out in the section "Directors' and Chief Executive's Interests in Shares and Debentures" above, had registered an interest or a short position in the shares or underlying shares of the Company that was recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

(V) SPECIFIC PERFORMANCE OBLIGATIONS OF THE CONTROLLING SHAREHOLDERS

As at the date of this Report, details of the agreements (the "Agreement(s)") with covenants relating to specific performance obligations of the Company's holding companies which constitute disclosure obligation pursuant to Rules 13.18 and 13.21 of the Listing Rules are as follows:

Date of the Agreement(s)/ Issuance of Notes	Nature of the Agreement(s)/Notes	Aggregate amount (million)	Final maturity	Specific performance obligations
5 May 2011	Purchase agreement for issuance of senior notes	US\$400	May 2041	<i>Note 1</i>
1 December 2015	Subscription agreement for issuance of bonds	US\$200	December 2040	<i>Note 1</i>
28 April 2021	Subscription agreement for issuance of bonds	US\$400	May 2031	<i>Note 1</i>
15 April 2024	Issuance of medium-term notes	RMB2,000	April 2034	<i>Note 2</i>
27 March 2025	Term loan facility with a bank	RMB2,000	March 2028	<i>Note 1</i>
27 March 2025	Term loan facility with a bank	RMB3,000	March 2028	<i>Note 1</i>



XII. OTHER INFORMATION OF THE COMPANY

Date of the Agreement(s)/ Issuance of Notes	Nature of the Agreement(s)/Notes	Aggregate amount (million)	Final maturity	Specific performance obligations
14 May 2025	Term loan facility with a bank	RMB3,000	May 2028	<i>Note 1</i>
19 September 2025	Term loan facility with a bank	EUR500	September 2028	<i>Note 1</i>
24 April 2026	Term loan facility with a bank	RMB950	April 2029	<i>Note 1</i>

Notes:

- (a) If BE Group does not or ceases to own, directly or indirectly, at least 40% or 50%, where applicable, of the beneficial interest of the Company; (b) BE Group is not or ceases to be the, direct or indirect, single largest shareholder of the Company; and (c) if BE Group ceases to be controlled and supervised, where applicable, by the People's Government of Beijing Municipality or SASAC of Beijing Municipality
- (a) If there is a change of control: change of beneficial controller of the Company; and (b) there is a change in credit rating within six months of the date of such change of control: offshore rating of the Company downgraded to non-investment grade.

The Agreements include certain conditions imposing specific performance obligations on the Company's holding companies. Breach of the above specific performance obligations will constitute events of default.

(VI) 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.



XIII. GLOSSARY

In this Report, the following expressions have the following meanings:

“Audit Committee”	:	audit committee of the Company
“BE Environment”	:	Beijing Enterprises Environment Group Limited, a company listed on the Main Board of the HKSE (stock code: 00154.HK)
“BE Group”	:	Beijing Enterprises Group Company Limited* (北京控股集團有限公司), a company established in the PRC with limited liability. It is a state-owned enterprise wholly-owned by SASAC of Beijing Municipality and is the ultimate controlling shareholder of the Company
“BE Group BVI”	:	Beijing Enterprises Group (BVI) Company Limited
“BE Urban Resources”	:	Beijing Enterprises Urban Resources Group Limited, a company listed on the Main Board of the HKSE (stock code: 03718.HK)
“BE Water”	:	Beijing Enterprises Water Group Limited, a company listed on the Main Board of the HKSE (stock code: 00371.HK)
“BEHET”	:	Beijing Enterprises Holdings Environment Technology Co., Ltd.* (北京北控環保工程技術有限公司)
“Beijing Gas”	:	Beijing Gas Group Company Limited* (北京市燃氣集團有限責任公司)
“BEIL”	:	Beijing Enterprises Investments Limited
“BHL”	:	Beijing Holdings Limited
“Blue Sky”	:	Beijing Gas Blue Sky Holdings Limited, a company listed on the Main Board of the HKSE (stock code: 06828.HK)
“Board”	:	the board of Directors of the Company
“China Gas”	:	China Gas Holdings Limited, a company listed on the Main Board of the HKSE (stock code: 00384.HK)
“Company” or “BEHL”	:	Beijing Enterprises Holdings Limited, a company listed on the Main Board of the HKSE (stock code: 00392.HK)
“Director(s)”	:	the director(s) of the Company



XIII. GLOSSARY

“EEW GmbH”	:	EEW Energy from Waste GmbH
“Euro” or “EUR”	:	the Euro, the lawful currency of the member states of the European Union
“Group”	:	the Company and its subsidiaries from time to time
“HKSE” or “Hong Kong Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“HK\$”	:	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	:	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	:	the Rules Governing the Listing of Securities on the HKSE
“Model Code”	:	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“MOL”	:	Modern Orient Limited
“New China Asset”	:	New China Asset Management Company Limited
“New China Life”	:	New China Life Insurance Company Limited
“Period”	:	for the six months ended 30 June 2026
“PipeChina Beijing Pipeline Co.” or “Beijing Pipeline Co.”	:	PipeChina Group Beijing Pipeline Co., Ltd.* (國家管網集團北京管道有限公司)
“PRC” or “China” or “Chinese Mainland”	:	the People’s Republic of China, and for the purpose of this Report, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Report”	:	this 2026 interim report of the Company
“RMB”	:	Renminbi, the lawful currency of the PRC
“SASAC of Beijing Municipality”	:	the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality



XIII. GLOSSARY

“SFO”	:	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Shareholder(s)”	:	holder(s) of Share(s)
“Shares”	:	ordinary share(s) in the capital of the Company
“US\$”	:	United States dollar, the lawful currency of the United States of America
“Overseas Oil and Gas Field Project”	:	PJSC Verkhnechonskneftegaz project of Rosneft Oil Company
“Yanjing Brewery”	:	Beijing Yanjing Brewery Co., Ltd.* (北京燕京啤酒股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000729.SZ)
“Yanjing Huiquan”	:	Fujian Yanjing Huiquan Brewery Co., Ltd.* (福建省燕京惠泉啤酒股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600573.SH)
“Yanjing Investments”	:	Beijing Yanjing Brewery Investments Co., Ltd.* (北京燕京啤酒投资有限公司)
“Yuexiu Capital”	:	Guangzhou Yuexiu Capital Holdings Group Company Limited
“Yuexiu Group”	:	Guangzhou Yuexiu Holdings Limited

* For identification purpose only