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北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 392)

CONNECTED TRANSACTION

Acquisition of 29% Equity Interest in PetroChina Jingtang LNG Co., Ltd.

The Company announces that on 30 September 2017, the Purchaser (Beijing Beiran Jingtang, being an entity indirectly wholly-owned by the Company's indirect wholly-owned subsidiary Beijing Gas) and the Seller (BE Group, being the ultimate controlling shareholder of the Company) entered into the Share Transfer Agreement pursuant to which the Purchaser has conditionally agreed to acquire, and the Seller has conditionally agreed to sell, the Target Equity Interest at the Consideration of RMB965,972,900.

The Seller is the ultimate controlling shareholder of the Company. Therefore, the Seller is regarded as a connected person of the Company, and the Share Transfer Agreement constitutes a connected transaction for the Company under the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transaction are more than 0.1% but less than 5%, the Transaction is only subject to the reporting and announcement requirements set out in Chapter 14A of the Listing Rules and is exempt from the independent shareholders' approval requirement. The Transaction does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

THE SHARE TRANSFER AGREEMENT

Date	:	30 September 2017
Seller	:	BE Group
Purchaser	:	Beijing Beiran Jingtang
Target Company	:	PetroChina Jingtang
Target Equity Interest	:	29% equity interest in the Target Company

(The Seller and the Purchaser shall collectively be referred to as the “*Parties*” and each individually as a “*Party*”.)

Consideration

Pursuant to the Share Transfer Agreement, the Purchaser has conditionally agreed to acquire, and the Seller has conditionally agreed to sell, the Target Equity Interest at the Consideration of RMB965,972,900. Details of the payment date of the Consideration are set out in the section headed “Conditions Precedent and Payment Date of the Consideration” in this announcement below.

The net asset value of the Target Company was RMB3,245,913,900 according to the audited financial statements of the Target Company as at 31 May 2017. The Consideration has been arrived at after arm’s length negotiations between the parties with reference to 29% of the fair net asset value of the Target Company (equivalent to RMB3,330,941,100) according to the valuation report of the Target Company as at 31 May 2017.

Conditions Precedent and Payment Date of the Consideration

The Purchaser shall pay the Consideration in cash within 30 days after the following conditions precedent (“*Conditions Precedent*”) are fulfilled:

- (1) complying with all applicable laws and rules necessary for the transfer of the Target Equity Interest by the Parties, including (i) obtaining approval from the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality; and (ii) completing all legal procedures related to the transfer of the Target Equity Interest; and

- (2) obtaining all internal approvals from the Parties which are necessary for the Share Transfer Agreement and other relevant documents including (but not limited to) (i) conformity to the rules under the Target Company’s articles of association; and (ii) conformity to the Listing Rules governing disclosure responsibilities by the Company.

If the Conditions Precedent are not fulfilled within 6 months after the date of the Share Transfer Agreement (or such other date as mutually agreed by the Parties), the Share Transfer Agreement will be terminated unless the Parties otherwise agreed.

Completion

Completion of the Transaction took place after the completion of the change of the commerce and industry registration regarding the transfer of the Target Equity Interest.

THE TARGET COMPANY

The Target Company is incorporated with limited liability in Tangshan City, Hebei Province, the PRC and is owned by PetroChina, the Seller and Hebei Natural Gas as to 51%, 29% (the “*Target Equity Interest*”) and 20%. The original investment cost of the Target Equity Interest to the Seller is RMB754,000,000.

The Target Company is principally engaged in provision of port facilities for vessels; provision of cargo handling services, warehousing and loading services within the port area; receiving, storage and re-gasification of liquefied natural gas (“*LNG*”).

The following are the financial results of the Target Company prepared in conformity with “Accounting Standard for Enterprises” of the PRC:

	<u>For the year ended 31 December</u>	
	2016	2015
	Audited	Audited
	<i>(RMB\$’000)</i>	<i>(RMB\$’000)</i>
Profit before taxation	222,236	175,781
Profit after taxation	166,048	131,552
Net Asset Value	2,995,753	2,825,836

According to the audited financial statements and valuation report of the Target Company as at 31 May 2017, the net asset value of the Target Company was RMB3,245,913,900 and the fair net asset value of the Target Company was RMB3,330,941,100, respectively.

THE PARTIES

The Seller is a company wholly owned by the People's Government of Beijing Municipality and is the ultimate controlling shareholder of the Company. Its principle business activity is investments holding.

The Group is principally engaged in natural gas operations, brewery operations, sewage and water treatment operations, as well as solid waste treatment operations in the PRC. The Purchaser is an entity indirectly wholly-owned by the Company's indirect wholly-owned subsidiary Beijing Gas. Beijing Gas is one of the leading companies in the market of natural gas distribution to end-users in PRC, mainly providing natural gas supply, operation, management, infrastructure construction and related services for the Beijing city.

REASONS FOR AND THE BENEFITS OF THE SHARE TRANSFER AGREEMENT

The Company expects that the Transaction will further secure the source of supply of natural gas to Beijing Gas and bring significant synergies to Beijing Gas. The Transaction represents strategic importance for the Group through improving the security for gas supply to the Beijing city as well as enhancing the Group's industry position in the gas distribution sector.

Directors (including the Independent Non-executive Directors), having considered the terms and conditions of the Share Transfer Agreement, are of the view that its terms and conditions are on normal commercial terms, which are fair and reasonable and in the interests of the Company and its shareholders as a whole. None of the Directors has a material interest in the Transaction and therefore none of them is required to abstain from voting on the Board resolution for considering and approving the Share Transfer Agreement.

IMPLICATIONS UNDER THE LISTING RULES

The Seller is the ultimate controlling shareholder of the Company. Therefore, the Seller is regarded as a connected person of the Company, and the Share Transfer Agreement constitutes a connected transaction for the Company under the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transaction are more than 0.1% but less than 5%, the Transaction is only subject to the reporting and announcement requirements set out in Chapter 14A of the Listing Rules and is exempt from the independent shareholders' approval requirement. The Transaction does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

For the purposes of this announcement, capitalized terms appearing herein shall, unless the context otherwise admits, have the meanings set out below:

- "Beijing Gas" : Beijing Gas Group Company Limited* (北京市燃氣集團有限責任公司), a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company.
- "Board" : the board of Directors
- "Company" : Beijing Enterprises Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 392).
- "Completion" : the completion of the sale and purchase of the Target Equity Interest in accordance with the terms of the Share Transfer Agreement.
- "connected person(s)" : has the meaning ascribed to it under the Listing Rules
- "Consideration" : the consideration amounted to RMB965,972,900 for the sale and purchase of the Target Equity Interest in accordance with the terms of the Share Transfer Agreement
- "Directors" : the directors of the Company
- "Group" : the Company and its subsidiaries

" Hebei Natural Gas "	Hebei Natural Gas Company Limited* (河北省天然氣有限責任公司), a company incorporated in the PRC.
"Hong Kong"	: the Hong Kong Special Administrative Region of the PRC
"Independent Non-executive Directors"	: the independent non-executive Directors are Mr. Wu Jiesi, Mr. Lam Hoi Ham, Mr. Shi Chi Ching, Mr. Yu Sun Say and Mr. Ma She.
"Listing Rules"	: the Rules Governing the Listing of Securities on the Stock Exchange
"PetroChina"	PetroChina Company Limited (中國石油天然氣股份有限公司), a company listed on the Stock Exchange (stock code: 857).
"PRC"	: the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Purchaser " or "Beijing Beiran Jingtang"	: Beijing Beiran Jingtang Gas Technology Company Limited* (北京北燃京唐燃氣科技有限責任公司), a company incorporated in the PRC, and is an entity indirectly wholly-owned by the Company's indirect wholly-owned subsidiary Beijing Gas.
"Share Transfer Agreement"	: the share transfer agreement that the Purchaser and the Seller entered into on 30 September 2017 whereby the Purchaser has conditionally agreed to acquire, and the Seller has conditionally agreed to sell, the Target Equity Interest.

"Stock Exchange"	: The Stock Exchange of Hong Kong Limited
"Target Company" or "PetroChina Jingtang"	: PetroChina Jingtang LNG Co., Ltd. (中石油京唐液化天然氣有限公司), a company incorporated in Tangshan City, Hebei Province, the PRC., and is owned by PetroChina, the Seller and Hebei Natural Gas as to 51%, 29% (the " Target Equity Interest ") and 20%.
"Target Equity Interest"	: 29% equity interest in the Target Company
"Transaction"	: the transaction contemplated under the Share Transfer Agreement
"Seller" or "BE Group"	: Beijing Enterprises Group Company Limited* (北京控股集團有限公司), a company incorporated in the PRC, is a state-owned enterprise established by The People's Government of Beijing Municipality, and is the ultimate controlling shareholder of the Company.
"%"	: per cent

By Order of the Board
Beijing Enterprises Holdings Limited
HOU Zibo
Chairman

Hong Kong, 30 September 2017

As at the date of this announcement, the board of directors of the Company comprises Mr. Hou Zibo (Chairman), Mr. Li Yongcheng, Mr. Zhao Xiaodong, Mr. E Meng, Mr. Jiang Xinhao and Mr. Tam Chun Fai as executive directors; Mr. Wu Jiesi, Mr. Lam Hoi Ham, Mr. Sze Chi Ching, Mr. Yu Sun Say and Mr. Ma She as independent non-executive directors.

** For identification purposes only.*