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

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 31 December 2014, in relation to, inter alia, certain continuing connected transactions of the Company carried out between Beijing Gas Group Companies and Beiran Enterprises Group Companies under the 2015 Agreements for three years from 1 January 2015 to 31 December 2017.

The Board announces that as the 2015 Agreements will expire on 31 December 2017, to regulate such transactions that will continue to take place, Beijing Gas (being an indirect wholly-owned subsidiary of the Company) and Beiran Enterprises (being a subsidiary of BE Group) have entered into the 2018 Agreements on 29 December 2017, whereby Beijing Gas Group Companies and Beiran Enterprises Group Companies will continue to carry out the transactions for three years from 1 January 2018 to 31 December 2020, with the terms and conditions substantially the same as those under the 2015 Agreements.

As Beiran Enterprises is a subsidiary of BE Group, and BE Group is the ultimate controlling shareholder of the Company, Beiran Enterprises Group Companies are connected persons of the Company and the Transactions constitute continuing connected transactions of the Company under the Listing Rules. Since the highest Applicable Ratios calculated with reference to the highest Annual Caps of each category of the Transactions is more than 0.1% but less than 5%, each of such categories of the Transactions constitutes continuing connected transactions under Chapter 14A of the Listing Rules, and are subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirements.

BACKGROUND – THE 2015 AGREEMENTS

Reference is made to the announcement of the Company dated 31 December 2014, in relation to, inter alia, certain continuing connected transactions of the Company carried out between Beijing Gas Group Companies and Beiran Enterprises Group Companies under the 2015 Agreements for three years from 1 January 2015 to 31 December 2017:

Category	2015 Agreements	Parties to the agreements
(A)	2015 Engineering Services Framework Agreement	Beijing Gas and Beiran Enterprises
(B)	2015 Comprehensive Services Framework Agreement	Beijing Gas and Beiran Enterprises
(C)	2015 Sale and Purchase of Gas Framework Agreement	Beijing Gas and Beiran Enterprises
(D)	2015 Sale and Purchase of Goods Framework Agreement	Beijing Gas and Beiran Enterprises
(E)	E1. 2015 Leasing Contract (Beijing Gas Group Companies as tenants)	Beijing Gas and Beiran Enterprises
	E2. 2015 Leasing Contract (Beiran Enterprises Group Companies as tenants)	Beijing Gas and Beiran Enterprises

THE 2018 AGREEMENTS

The Board announces that as the 2015 Agreements will expire on 31 December 2017, to regulate such transactions that will continue to take place, Beijing Gas (being an indirect wholly-owned subsidiary of the Company) and Beiran Enterprises (being a subsidiary of BE Group) have entered into the 2018 Agreements on 29 December 2017, whereby Beijing Gas Group Companies and Beiran Enterprises Group Companies will continue to carry out the transactions for three years from 1 January 2018 to 31 December 2020, with the terms and conditions substantially the same as those under the 2015 Agreements:

Category	2018 Agreements	Parties to the agreements
(A)	2018 Engineering Services Framework Agreement	Beijing Gas and Beiran Enterprises
(B)	2018 Comprehensive Services Framework Agreement	Beijing Gas and Beiran Enterprises
(C)	2018 Sale and Purchase of Gas Framework Agreement	Beijing Gas and Beiran Enterprises
(D)	2018 Sale and Purchase of Goods Framework Agreement	Beijing Gas and Beiran Enterprises
(E)	E1. 2018 Leasing Contract (Beijing Gas Group Companies as tenants)	Beijing Gas and Beiran Enterprises
	E2. 2018 Leasing Contract (Beiran Enterprises Group Companies as tenants)	Beijing Gas and Beiran Enterprises

Category (A): Engineering services

Beijing Gas Group Companies and Beiran Enterprises Group Companies have always been providing engineering services to each other. To regulate such transactions which will continue to take place, Beijing Gas entered into the 2018 Engineering Services Framework Agreement with BE Group on 29 December 2017 for a term of three years from 1 January 2018 to 31 December 2020, pursuant to which:

- Beiran Enterprises Group Companies may provide various engineering services to Beijing Gas Group Companies, including but not limited to project planning, design and various evaluation and appraisal services, engineering survey and geological exploration and survey services, construction, equipment and facilities installation, maintenance and examination services, gas pipeline conjoining engineering services, engineering supervision services, technical consultation services and other engineering services; and
- Beijing Gas Group Companies may provide various engineering services to Beiran Enterprises Group Companies, including but not limited to entrusted engineering construction services, engineering survey services, technical consultation services and other engineering services.

The transactions under the 2018 Engineering Services Framework Agreement will be conducted on terms which shall not be less favourable than those similar engineering services offered to Independent Third Parties and the price shall be determined according to the following principles:

- (i) price prescribed by the PRC Government;
- (ii) where there is no government-prescribed price but there is a government indicating price, at a price not higher than the indicating price set by the PRC Government;
- (iii) where there is neither a government-prescribed price nor a government indicating price, the market price; and
- (iv) where none of the above is applicable, the price will be agreed between the relevant parties based on costs plus a margin of up to 10%.

Both Beijing Gas Group Companies and Beiran Enterprises Group Companies have the option to receive from Independent Third Parties, or provide to Independent Third Parties, the engineering services (as the case may be). The schedule, location, specification, standard, method, examination, pricing and payment of fees regarding the provision of engineering services under the 2018 Engineering Services Framework Agreement will be agreed separately by both parties or their subsidiaries or associates based on normal commercial terms and otherwise in accordance with the provisions of the agreement. The parties may enter into detailed engineering services provision agreements for further requirements. However, the agreement for the provision of specific engineering services is subject to the principles under such agreement and the relevant requirements under relevant laws and regulations (including but not limited to the Listing Rules).

Historical transaction figures

The expenditure of Beijing Gas Group Companies for receiving the engineering services provided by Beiran Enterprises Group Companies amounted to approximately RMB82,545,000, RMB78,040,000 and RMB16,390,000 respectively for the year of 2015, the year of 2016 and the six months from 1 January to 30 June 2017. For the corresponding period, the revenue of Beijing Gas Group Companies of providing the engineering services to Beiran Enterprises Group Companies amounted to approximately RMB11,887,000, RMB9,292,000 and RMB8,085,000 respectively.

Annual Caps

The Company expects that the Annual Caps of the expenditure of Beijing Gas Group Companies for receiving the engineering services provided by Beiran Enterprises Group Companies will be approximately RMB550,000,000, RMB550,000,000 and RMB550,000,000 respectively for each of the three years ending 31 December 2018, 2019 and 2020, and the Annual Caps of the revenue of Beijing Gas Group Companies for providing engineering services to Beiran Enterprises Group Companies will be approximately RMB250,000,000, RMB250,000,000 and RMB250,000,000 respectively for the corresponding period.

The Annual Caps are determined after taking into consideration the followings:

- the historical transaction amounts for the year of 2015, the year of 2016 and the six months from 1 January to 30 June 2017;
- the estimates of engineering services for 2018 as determined in the comprehensive plan of Beijing Gas for 2018;
- the estimated scale of engineering works for the years of 2018 to 2020;
- the relevant development plan of Beijing Gas for the Thirteenth Five-year Period; and
- the increase in engineering costs in the coming few years due to policy adjustments, increase in raw materials prices and increase in labour costs.

Category (B): Comprehensive services

Beijing Gas Group Companies and Beiran Enterprises Group Companies have always been providing certain non-engineering services to each other. To regulate such transactions which will continue to take place, Beijing Gas entered into the 2018 Comprehensive Services Framework Agreement with BE Group on 29 December 2017 for a term of three years from 1 January 2018 to 31 December 2020, pursuant to which:

- Beiran Enterprises Group Companies may provide various services to Beijing Gas Group Companies, including but not limited to training services and employee continuing education services, conference services, labour import/export services, lease of equipment services, property management services (office equipment and facilities maintenance services, heating services, lift maintenance services, planting services and cleaning services etc), wastewater treatment services, equipment calibration and inspection services and technology consultation services and other non-engineering services; and
- Beijing Gas Group Companies may provide various services to Beiran Enterprises Group Companies, including but not limited to inspection services before pipeline conjoins up, heating services, pipeline drawing archive inquiry services, technology consultation services and other non-engineering services.

The transactions under the 2018 Comprehensive Services Framework Agreement will be conducted on terms which shall not be less favourable than those similar services offered to Independent Third Parties and the price shall be determined according to the following principles:

- (i) price prescribed by the PRC Government;
- (ii) where there is no government-prescribed price but there is a government indicating price, at a price not higher than the indicating price set by the PRC Government;
- (iii) where there is neither a government-prescribed price nor a government indicating price, the market price; and
- (iv) where none of the above is applicable, the price will be agreed between the relevant parties based on costs plus a margin of up to 10%.

Both Beijing Gas Group Companies and Beiran Enterprises Group Companies have the option to receive from Independent Third Parties, or provide to Independent Third Parties, the comprehensive services (as the case may be). The schedule, location, specification, standard, method, examination, pricing and payment of fees regarding the provision of comprehensive services under the 2018 Comprehensive Services Framework Agreement will be agreed separately by both parties or their subsidiaries or associates based on normal commercial terms and otherwise in accordance with the provisions of the agreement. The parties may enter into detailed comprehensive services provision agreements for further requirements. However, the agreement for the provision of specific services is subject to the principles under such agreement and the relevant requirements under relevant laws and regulations (including but not limited to the Listing Rules).

Historical transaction figures

During the year of 2015, the year of 2016 and the six months from 1 January to 30 June 2017, the expenditure of Beijing Gas Group Companies for receiving the non-engineering services provided by Beiran Enterprises Group Companies amounted to approximately RMB36,552,000, RMB38,302,000 and RMB5,544,000 respectively. For the corresponding period, the revenue of Beijing Gas Group Companies for providing non-engineering services to Beiran Enterprises Group Companies amounted to approximately RMB9,862,000, RMB6,892,000 and RMB1,592,000 respectively.

Annual Caps

The Company expects that the Annual Caps of the expenditure of Beijing Gas Group Companies for receiving non-engineering services provided by Beiran Enterprises Group Companies will be approximately RMB350,000,000, RMB350,000,000 and RMB350,000,000 respectively for each of the three years ending 31 December 2018, 2019 and 2020, and the Annual Caps of the revenue of Beijing Gas Group Companies for providing non-engineering services to Beiran Enterprises Group Companies will be approximately RMB250,000,000, RMB250,000,000 and RMB250,000,000 respectively for the corresponding period.

The Annual Caps are determined after taking into consideration the followings:

- the historical transaction amounts for the year of 2015, the year of 2016 and the six months from 1 January to 30 June 2017;
- the relevant aspects of services to be provided as auxiliary services to Beijing Gas in future;
- the relevant development plan of Beijing Gas for the Thirteenth Five-year Period; and
- the increase in engineering costs in the coming few years due to policy adjustments, increase in raw materials prices and increase in labour costs.

Category (C): Sale and purchase of gas

Beijing Gas Group Companies have been selling gas and gas products to Beiran Enterprises Group Companies. To regulate such transactions which will continue to take place, Beijing Gas entered into the 2018 Sale and Purchase of Gas Framework Agreement with BE Group on 29 December 2017 for a term of three years from 1 January 2018 to 31 December 2020, pursuant to which, Beijing Gas Group Companies may sell natural gas products to Beiran Enterprises Group Companies.

The transactions under the 2018 Sale and Purchase of Gas Framework Agreement will be conducted on terms which shall not be less favourable than those similar products offered to Independent Third Parties and the price shall be determined according to the following principles:

- (i) price prescribed by the PRC Government;
- (ii) where there is no government-prescribed price but there is a government indicating price, at a price not higher than the indicating price set by the PRC Government;
- (iii) where there is neither a government-prescribed price nor a government indicating price, the market price; and
- (iv) where none of the above is applicable, the price will be agreed between the relevant parties based on costs plus a margin of up to 10%.

Both Beijing Gas Group Companies and Beiran Enterprises Group Companies have the option to purchase goods from or sell goods to Independent Third Parties (as the case may be). The brand names, specification, standard, method of transportation, examination, pricing and payment of fees of the products under the 2018 Sale and Purchase of Gas Framework Agreement will be agreed separately by both parties or their subsidiaries or associates based on normal commercial terms and otherwise in accordance with the provisions of the agreement. The parties may enter into detailed agreements in respect of the sale and purchase of gas for further requirements. However, the sale and purchase agreement for specific products is subject to the principles under such agreement and the relevant requirements under relevant laws and regulations (including but not limited to the Listing Rules).

Historical transaction figures

The revenue of Beijing Gas Group Companies from selling gas products to Beiran Enterprises Group Companies for the year of 2015, the year of 2016 and the six months from 1 January to 30 June 2017 amounted to approximately RMB30,254,000, RMB60,447,000 and RMB33,889,000 respectively.

Annual Caps

The Company expects that the Annual Caps of the revenue of Beijing Gas Group Companies from selling gas and gas products to Beiran Enterprises Group Companies for each of the three years ending 31 December 2018, 2019 and 2020 will be approximately RMB800,000,000, RMB1,000,000,000 and RMB1,100,000,000 respectively.

The Annual Caps are determined after taking into consideration the followings:

- the historical transaction amounts for the year of 2015, the year of 2016 and the six months from 1 January to 30 June 2017; and
- the development plan of Beijing Gas for the Thirteenth Five-year Period.

Category (D): Sale and purchase of goods

Beijing Gas Group Companies and Beiran Enterprises Group Companies have been purchasing from and selling to each other non-gas products. To regulate such transactions which will continue to take place, Beijing Gas entered into the 2018 Sale and Purchase of Goods Framework Agreement with Beiran Enterprises on 29 December 2017 for a term of three years from 1 January 2018 to 31 December 2020, pursuant to which:

- Beiran Enterprises Group Companies may sell various goods to Beijing Gas Group Companies, including but not limited to pipes, gas valves, gas equipment, various instrument and metres and spare parts, and other gas-related materials and equipment; and
- Beijing Gas Group Companies may sell various goods to Beiran Enterprises Group Companies, including but not limited to pipes, gas valves, gas equipment, various instrument and metres, pipe fittings, polyethylene pipes and polyethylene pipe fittings and other gas related materials and equipment.

The transactions under the 2018 Sale and Purchase of Goods Framework Agreement will be conducted on terms which shall not be less favourable than those similar goods offered to Independent Third Parties and the price shall be determined according to the following principles:

- (i) price prescribed by the PRC Government;
- (ii) where there is no government-prescribed price but there is a government indicating price, at a price not higher than the indicator price set by the PRC Government;
- (iii) where there is neither a government-prescribed price nor a government indicating price, the market price; and
- (iv) where none of the above is applicable, the price will be agreed between the relevant parties based on costs plus a margin of up to 10%.

Both Beijing Gas Group Companies and Beiran Enterprises Group Companies have the option to purchase the goods from or sell the goods to Independent Third Parties (as the case may be). The brand names, specification, standard, method of transportation, examination, pricing and payment of fees of the goods under the 2018 Sale and Purchase of Goods Framework Agreement will be agreed separately by both parties or their subsidiaries or associates based on normal commercial terms and otherwise in accordance with the provisions of the 2018 Sale and Purchase of Goods Framework Agreement. The parties may enter into detailed sale and purchase of goods agreements for further requirements. However, the purchase and sale agreement for specific goods is subject to the principles under the 2018 Sale and Purchase of Goods Framework Agreement and the relevant requirements under relevant laws and regulations (including but not limited to the Listing Rules).

Historical transaction figures

The expenditure of Beijing Gas Group Companies on goods purchased from Beiran Enterprises Group Companies amounted to approximately RMB127,920,000, RMB106,154,000 and RMB28,564,000 respectively for the year of 2015, the year of 2016 and the six months from 1 January to 30 June 2017. For the corresponding period, the revenue of Beijing Gas Group Companies from selling goods to Beiran Enterprises Group Companies amounted to approximately RMB74,320,000, RMB50,104,000 and RMB29,105,000 respectively.

Annual Caps

The Company expects that the Annual Caps of the expenditure of Beijing Gas Group Companies for purchasing goods from Beiran Enterprises Group Companies will be approximately RMB350,000,000, RMB350,000,000 and RMB350,000,000 respectively for each of the three years ending 31 December 2018, 2019 and 2020, and the Annual Caps of the revenue of Beijing Gas Group Companies from selling goods to Beiran Enterprises Group Companies will be approximately RMB450,000,000, RMB450,000,000 and RMB450,000,000 respectively for the corresponding period.

The Annual Caps are determined after taking into consideration the followings:

- the historical transaction amounts for the year of 2015, the year of 2016 and the six months from 1 January to 30 June 2017;
- the relevant development plan of Beijing Gas for the Thirteenth Five-year Period;
- the infrastructure, technology upgrade and future customer development plan of Beijing Gas;
- the change of raw materials and the surge of labour costs for manufacturing in future;and
- the operating costs and profit margin in future.

Category (E): Leases of properties

(E1) Beijing Gas Group Companies have been leasing from Beiran Enterprises certain buildings which are legally owned by Beiran Enterprises. Beiran Enterprises and Beijing Gas entered into the 2018 Leasing Contract on 29 December 2017, relating to the lease of 30 buildings which are all located in Beijing. The uses of such buildings are mainly for offices and public utilities purposes. The total gross floor area is 1,367.32 square metres. The term of the lease is from 1 January 2018 to 31 December 2020. The contract provides that the rent should not be higher than the market rent for similar buildings at the time the contract is executed. The prevailing total rent under the 2018 Leasing Contract is RMB375,700 per annum. During the term of the contract, both parties may negotiate and adjust the rent of the buildings once every year. The rent to be adjusted shall be the market rent confirmed by any independent valuer recognised by both parties or shall not be higher than the market rent. If Beijing Gas Group Companies terminate the use of certain buildings according to the provisions of the contract, the amount of total rent to be paid shall be reduced correspondingly according to the period actually leased.

(E2) Beiran Enterprises Group Companies have been leasing from Beijing Gas certain buildings which are legally owned by Beijing Gas. Beijing Gas and Beiran Enterprises entered into another 2018 Leasing Contract on 29 December 2017, relating to the lease of 1 building which is located in Beijing. The uses of such building are mainly for offices and public utilities purposes. The total gross floor area is 1,367.32 square metres. The term of the lease is from 1 January 2018 to 31 December 2020. The contract provides that the rent should not be higher than the market rent for similar buildings at the time the contract is executed. The prevailing total rent under the 2018 Leasing Contract is RMB375,700 per annum. During the term of the contract, both parties can negotiate and adjust the rent of the building once every year. The rent to be adjusted shall be the market rent confirmed by the independent valuer recognised by both parties or not higher than the market rent. If Beiran Enterprises Group Companies terminate the use of certain buildings according to the provisions of the contract, the amount of total rent to be paid shall be reduced correspondingly according to the period of actually leased.

Beijing Gas and Beiran Enterprises negotiated the rents payable under the 2018 Leasing Contracts above in accordance with the current market rents and practices in the PRC.

Historical transaction figures

The rental expenses paid by Beijing Gas Group Companies to Beiran Enterprises for the leasing of relevant buildings were approximately RMB81,358,000, RMB74,873,000 and RMB31,080,000, respectively for the year of 2015, the year of 2016, and the six months from 1 January to 30 June 2017. For the corresponding period, the rent received by Beijing Gas from Beiran Enterprises Group Companies (and its subsidiaries) for the leasing of relevant buildings were approximately RMB389,000, RMB385,000 and RMB187,000 respectively.

Annual Caps

Based on the historical transaction values, the current agreed amount of rental payments and the estimated future market rental value of similar properties, it is expected that the Annual Caps of the rent payable by Beijing Gas Group Companies to Beiran Enterprises for the leasing of relevant buildings under the relevant leasing contract will be approximately RMB250,000,000, RMB300,000,000 and RMB350,000,000 respectively, and the Annual Caps of the rent receivable by Beijing Gas from Beiran Enterprises for the leasing of relevant buildings under the relevant leasing contract will be approximately RMB2,500,000, RMB3,000,000 and RMB3,500,000 respectively, for the years of 2018, 2019 and 2020.

REASONS FOR AND THE BENEFITS OF THE 2018 AGREEMENTS

Categories (A), (B), (C) and (D)

In view of the strengths and scope of Beiran Enterprises Group Companies' business activities and the strong favourable support that the Transactions would bring to the Group's business activities, the Board considers it to be beneficial for the Group to continue carrying out the continuing connected transactions with Beiran Enterprises Group Companies as the Transactions have always been facilitating and will expect to continue facilitating the operation and growth of the Group's business. The Board is also aware of the long-term smooth cooperation history between the Group and Beiran Enterprises Group Companies in relation to the above Transactions.

Category (E)

As Beijing Gas Group Companies and Beiran Enterprises Group Companies have already been leasing out certain properties at prevailing market rates to each other, the Directors are of the view that substantial time and costs can be saved if Beijing Gas entered into the 2018 Leasing Contracts with Beiran Enterprises instead of moving to other properties or leasing out the properties to other parties.

IMPLICATIONS UNDER THE LISTING RULES

As Beiran Enterprises is a subsidiary of BE Group, and BE Group is the ultimate controlling shareholder of the Company, Beiran Enterprises Group Companies are connected persons of the Company and the Transactions constitute continuing connected transactions to the Company under the Listing Rules. Since the highest Applicable Ratios calculated with reference to the highest Annual Caps of each category of the Transactions is more than 0.1% but less than 5%, each of such categories of the Transactions constitutes continuing connected transactions under Chapter 14A of the Listing Rules, and are subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirements.

None of the Directors has a material interest in the Transactions and therefore none of them is required to abstain from voting in respect of the Board resolution for considering and approving the 2018 Agreements and the Transactions. The Directors (including the Independent Non-executive Directors) are of the view that it is for the benefit of the Group to continue carrying out the Transactions in the ordinary and usual course of business under the 2018 Agreements. They are of the view that the 2018 Agreements are on normal commercial terms, the terms of which (including the Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

The Company is 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). The Group is principally engaged in natural gas operations, brewery operations, water and environmental operations, as well as solid waste treatment operations in the PRC.

Beijing Gas is a company incorporated in the PRC with limited liability. It is principally engaged in supplying and selling piped natural gas and related businesses in Beijing.

Beiran Enterprises is a company incorporated in the PRC with limited liability. The principal businesses of Beiran Enterprises are supplying and selling compressed natural gas and LPG; manufacturing, processing and selling gas equipments and tools; construction of gas pipelines, installation of equipments, municipal gas, planning and design of thermal engineering projects, engineering survey, technical services for gas and heating, production of coke, sales of raw chemical materials; and property management, etc.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

- “Annual Caps”** : in respect of each of the five categories (on the basis that Category (E1) and Category (E2) are grouped under one category) of the Transactions, the maximum aggregate annual transaction amount estimated by the Company for each of the three years ending 31 December 2020
- “Applicable Ratios”** : applicable percentage ratios as defined under Rule 14.07 of the Listing Rules
- “associate(s)”** : has the meaning ascribed to it under the Listing Rules
- “BE Group”** : Beijing Enterprises Group Company Limited* (北京控股集團有限公司), a company incorporated in the PRC with limited liability and is the ultimate controlling shareholder of the Company
- “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
- “Beijing Gas Group Companies”** : Beijing Gas and its subsidiaries
- “Beiran Enterprises”** : Beijing Beiran Enterprises Company Limited* (北京北燃實業有限公司), a company incorporated in the PRC with limited liability, and is a wholly-owned subsidiary of BE Group
- “Beiran Enterprises Group Companies”** : Beiran Enterprises and its associates
- “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)
“connected person”	: has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	: has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	: has the meaning ascribed to it under the Listing Rules
“Directors”	: the directors of the Company
“Group”	: the Company and its subsidiaries
“HK\$”	: Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	: the Hong Kong Special Administrative Region of the PRC
“Independent Non-executive Directors”	: independent non-executive Directors including Mr. Wu Jiesi, Mr. Lam Hoi Ham, Mr. Sze Chi Ching, Mr. Yu Sun Say and Mr. Ma She.
“Independent Third Parties”	person(s) who by themselves and together with their respective ultimate beneficial owner(s) are, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, independent of the Company and its connected persons
“Listing Rules”	: the Rules Governing the Listing of Securities on the Stock Exchange
“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

“RMB”	: Reminbi, the lawful currency of the PRC
“Shareholder(s)”	: the shareholder(s) of the Company
“Stock Exchange”	: The Stock Exchange of Hong Kong Limited
“subsidiaries”	: has the meaning ascribed to it under the Listing Rules
“Transactions”	: the transactions contemplated under the 2018 Agreements
“2015 Agreements”	: the agreements dated 31 December 2014 entered into between Beijing Gas and Beiran Enterprises, details of which are set out in the section headed “Background – The 2015 Agreements” in this announcement
“2018 Agreements”	: the agreements dated 29 December 2017 entered into between Beijing Gas and Beiran Enterprises, details of which are set out in the section headed “The 2018 Agreements” in this announcement
“%”	: per cent

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

Hong Kong, 29 December 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.*