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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)**

## **DISCLOSEABLE TRANSACTIONS IN RELATION TO TOP-UP PLACING AND SUBSCRIPTION OF CHINA GAS SHARES**

References are made to the announcements of China Gas dated 22 April 2021 and 30 April 2021 in relation to, among others, the Placing and the Subscription.

### **PLACING AGREEMENT**

On 22 April 2021, China Gas, the Vendors, the Placing Agents and HSBC entered into the Placing Agreement, pursuant to which the Vendors have agreed to appoint the Placing Agents, and the Placing Agents have agreed to act as agents, for the purpose of procuring (as the placing agents of the Vendors) Placees for, on a best effort basis, a total of 392,000,000 Sale Shares at the Placing Price, among which 72,000,000 and 320,000,000 Sale Shares were placed by the Company and CGGL respectively when completion of the Placing took place on 26 April 2021. The consideration of HK\$2,142,000,000 for the 72,000,000 Sale Shares placed by the Company was settled to China Gas in cash at completion of the Placing Agreement with a view to securing the funds for payment of the consideration in respect of the 72,000,000 Subscription Shares subscribed by the Company.

## **SUBSCRIPTION AGREEMENT**

China Gas and the Vendors also on the same date entered into the Subscription Agreement, pursuant to which the Vendors have agreed to subscribe for, and China Gas has agreed to issue to the Vendors, a total of 392,000,000 new China Gas Shares (equivalent to the number of Sale Shares actually placed by the Vendors pursuant to the Placing Agreement) at the Subscription Price (being the same as the Placing Price) and free from all liens, charges, security interests, encumbrances and adverse claims, in consideration for the payment of the Subscription Monies by the Vendors to China Gas, among which 72,000,000 and 320,000,000 Subscription Shares were allotted to the Company and CGGL respectively by China Gas when completion of the Subscription took place on 30 April 2021. The consideration of HK\$2,142,000,000 for the 72,000,000 Subscription Shares subscribed by the Company was settled to China Gas in cash at completion of the Subscription Agreement by utilising the funds for the 72,000,000 Sale Shares placed by the Company as described above.

The Placing Price was determined with reference to the prevailing market price of the China Gas Shares, the recent trading volume of the China Gas Shares and the prospects of China Gas and its subsidiaries and was negotiated on an arm's length basis. The Subscription Price is the same as the Placing Price. For further details of the Placing Agreement and the Subscription Agreement, please refer to the announcements of China Gas dated 22 April 2021 and 30 April 2021.

## EFFECT OF THE PLACING AND THE SUBSCRIPTION

The table set out below illustrates the Company's interest in China Gas on the Placing and the Subscription:

Shareholders of China Gas	Immediately before the Placing		Immediately after the Completion of the Placing but before the Subscription		Immediately after the Completion of the Placing and the Subscription	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
BE Group and its entities <i>(Note)</i>	1,239,163,143	23.77	1,167,163,143	22.39	1,239,163,143	22.11
– the Company	72,752,000	1.40	752,000	0.01	72,752,000	1.30
– Hong Mao Developments Limited (泓茂發展有限公司)	1,164,911,143	22.35	1,164,911,143	22.35	1,164,911,143	20.78
– Other BE Group entity	1,500,000	0.03	1,500,000	0.03	1,500,000	0.03
Other existing shareholders including CGGL	3,973,205,829	76.23	3,653,205,829	70.09	3,973,205,829	70.90
Placees	–	–	392,000,000	7.52	392,000,000	6.99
<b>Total</b>	<b>5,212,368,972</b>	<b>100.00</b>	<b>5,212,368,972</b>	<b>100.00</b>	<b>5,604,368,972</b>	<b>100.00</b>

*Note:* the Company and its wholly-owned subsidiary Hong Mao Developments Limited are ultimately controlled by BE Group, a state-owned enterprise.

## REASONS FOR THE PLACING AND THE SUBSCRIPTION FOR THE GROUP

The Directors consider that the Placing will facilitate the raising of funds by China Gas of which the Group (through the Company and its wholly-owned subsidiary Hong Mao Developments Limited) is one of the substantial shareholders (as defined in the Listing Rules) whereas the Subscription will enable the Group to restore its investment in China Gas in terms of the number of China Gas Shares held to the same level immediately prior to the Placing. The Directors (including the independent non-executive Directors) are of the view that the terms of the Placing and the Subscription are fair and reasonable and the Placing and the Subscription are in the interests of the Company and its shareholders as a whole.

## FINANCIAL INFORMATION OF CHINA GAS

Based on the 2020/2021 interim results of China Gas as at 30 September 2020, China Gas had an unaudited consolidated equity attributable to owners of China Gas of approximately HK\$44,688 million, unaudited consolidated total assets of approximately HK\$124,514 million and unaudited consolidated total liabilities of approximately HK\$72,611 million.

The following information is extracted respectively from the financial statements for the two financial years ended 31 March 2020 and 31 March 2019 of China Gas:

<b>For the year ended 31 March</b>	<b>2020</b>	<b>2019</b>
	<i>HK\$' million</i>	<i>HK\$' million</i>
	(audited)	(audited)
Revenue	59,540	59,386
Profit before taxation	12,725	11,183
Profit after taxation attributable to owners of China Gas	9,188	8,224

## FINANCIAL EFFECTS OF THE PLACING AND SUBSCRIPTION ON THE GROUP

Prior to the Placing and the Subscription, the Group (through the Company and its wholly-owned subsidiary Hong Mao Developments Limited) held an aggregate of 1,237,663,143 China Gas Shares, representing approximately 23.74% of the entire issued share capital of China Gas as at the date of signing the Placing Agreement. Upon completion of the Placing and the Subscription on 26 April 2021 and 30 April 2021 respectively and as at the date of this announcement, the Group held approximately 22.08% of the China Gas Shares as enlarged by the Subscription Shares. China Gas will continue to be accounted for as an associate of the Company, and since there was no change in the number of China Gas Shares held by the Company before the Placing and after the Subscription, and the Placing Price was the same as the Subscription Price, hence there is no gain or loss directly arising from the transactions under the Placing Agreement and the Subscription Agreement for the Company.

## **IMPLICATIONS UNDER THE LISTING RULES**

Pursuant to the Placing Agreement, the Company has agreed to temporarily dispose of part of its shareholding interest in China Gas. Further, pursuant to the Subscription Agreement, China Gas has agreed to allot and issue new China Gas Shares to the Company which is equivalent to the number of Sale Shares actually placed by the Company under the Placing. As one of the applicable Percentage Ratios in respect of each of the Placing and the Subscription exceeds 5% and is below 25%, each of the Placing and the Subscription constitutes a discloseable transaction for the Company under the Listing Rules, which is subject to the reporting and announcement requirements and exempt from the shareholders' approval requirement under the Listing Rules.

The main reason for the delayed disclosure for the Placing and the Subscription by the Company was due to different interpretations of a figure affecting the calculation of one of the Percentage Ratios. After clarifying with the Stock Exchange on such calculation, the Company has published this announcement to provide further details of the transactions under the Placing and the Subscription without further undue delay.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, all counterparties in the Placing Agreement and the Subscription Agreement and their ultimate beneficial owners are independent third parties and are not connected persons of the Company.

## **GENERAL INFORMATION**

The Group is principally engaged in integrated public utility with core businesses covering city gas, water treatment, solid waste treatment, and beer.

China Gas and its subsidiaries are principally engaged in the investment, construction and operation of city and town gas pipeline infrastructure facilities, gas terminals, storage and transportation facilities and gas logistics systems, transmission of natural gas and LPG to residential, industrial and commercial users, construction and operation of compressed natural gas/liquefied natural gas refilling stations; and development and application of technologies relating to natural gas and LPG in the PRC.

CGGL is owned as to 50% by Joint Coast Alliance Market Development Limited which, in turn, is wholly-owned by Mr. LIU Ming Hui, the Chairman, Managing Director and President of China Gas. CGGL is also owned as to 50% by Fortune Oil PRC Holdings Limited. CGGL is an investment holding company.

## DEFINITIONS

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

“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
“CGGL”	China Gas Group Limited, a company incorporated with limited liability under the laws of Hong Kong
“China Gas”	China Gas Holdings Limited, an exempted company incorporated with limited liability under the laws of Bermuda, the shares of which are listed on the Main Board of the Stock Exchange (stock code:384)
“China Gas Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of China Gas
“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(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	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
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“independent third party(ies)”	person(s) who is(are) third party(ies) independent of the Company and its connected person(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LPG”	liquefied petroleum gas
“Percentage Ratios”	percentage ratios as defined under Rule 14.07 of the Listing Rules
“Placee(s)”	any professional, institutional or other investor(s) whom the Placing Agents have procured to subscribe for any Sale Shares pursuant to the Placing Agreement
“Placing”	the placing of 392,000,000 existing China Gas Shares by the Vendors to independent Placees to be procured by the Placing Agents under the Placing Agreement
“Placing Agreement”	the placing agreement dated 22 April 2021 and entered into between China Gas, the Vendors, the Placing Agents and HSBC

“Placing Agents”	UBS AG Hong Kong Branch and Goldman Sachs (Asia) L.L.C.
“Placing Price”	HK\$29.75 per China Gas Share
“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
“Sale Shares”	an aggregate of up to 392,000,000 China Gas Shares to be placed by the Vendors pursuant to the Placing Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendors pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 22 April 2021 entered into between China Gas and the Vendors
“Subscription Monies”	such sum as is the aggregate of the Subscription Price multiplied by the number of Subscription Shares less the relevant expenses incurred under the Placing and the Subscription
“Subscription Price”	HK\$29.75 per Subscription Share, being a price equal to the Placing Price
“Subscription Shares”	an aggregate of up to 392,000,000 new China Gas Shares to be issued by China Gas and subscribed by the Vendors under the Subscription Agreement
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Vendors” the Company and CGGL

“%” per cent

By Order of the Board  
**Beijing Enterprises Holdings Limited**  
**Xiong Bin**  
*Executive Director & CEO*

Hong Kong, 11 May 2021

*As at the date of this announcement, the board of directors of the Company comprises Mr. Li Yongcheng (Chairman), Mr. Jiang Xinhao (Vice Chairman), Mr. Zhao Xiaodong (Vice Chairman), Mr. Dai Xiaofeng, Mr. Xiong Bin (Chief Executive Officer) and Mr. Tam Chun Fai as executive directors; Mr. Wu Jiesi, Mr. Lam Hoi Ham, Dr. Sze Chi Ching and Dr. Yu Sun Say as independent non-executive directors.*

\* *For identification purposes only.*