北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)
(website: www.behl.com.hk)
(Stock Code: 392)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

HIGHLIGHTS

- Revenue for the year amounted to approximately HK$42.36 billion, representing an increase of 19.1% over last year.
- Profit attributable to shareholders of the Company amounted to approximately HK$4.18 billion, representing an increase of 29.3% over last year.
- Operating profit attributable to shareholders of the Company amounted to HK$3.56 billion, representing an increase of 24.5% over last year.
- Basic earnings per share amounted to HK$3.61.
- A final dividend of HK60 cents per share is proposed for 2013.

RESULTS

The Board of Directors of Beijing Enterprises Holdings Limited (the "Company") is pleased to present the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2013, together with comparative figures for the previous year. The revenue of the Group was HK$42.36 billion for 2013, representing an increase of 19.1% as compared to last year. Profit attributable to shareholders of the Company was HK$4.18 billion, representing an increase of 29.3% as compared to 2012.

Profit attributable to shareholders of the Company contributed by each business segment during the year are set out as follows:

	Profit attributable to shareholders of the Company *HK$'000*	Proportion *%*
Piped gas operation	3,520,112	80.1
Beer production operation	357,986	8.2
Sewage and water treatment operations	514,454	11.7
Profit from major operations	4,392,552	100
Other operations and headquarter expenses	(837,331)	
Non-operating gains, net	628,657	
Profit attributable to shareholders of the Company	4,183,878	

MANAGEMENT DISCUSSION AND ANALYSIS

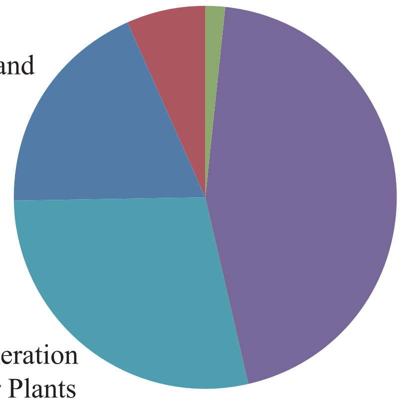
I. Business Review

Natural Gas Distribution Business

Beijing Gas Group Company Limited ("Beijing Gas") recorded a gas sales volume of 8.72 billion cubic metres in 2013, representing a year-on-year growth of 9.8%. Revenue amounted to HK$25.16 billion, representing a year-on-year growth of 21.9%. Net profit attributable to shareholders amounted to HK$1.32 billion, representing a year-on-year growth of 24.9%.

In 2013, there were approximately 260,000 new subscribers, of which 255,000 were household subscribers and 4,402 were public-sector subscribers. At the end of 2013, the total number of natural gas subscribers has reached 4,960,000 and pipelines in operation in Beijing increased to 15,942 kilometers in length. During the year, heating boilers with a total capacity of 6,424 t/h steam were developed, with a loading of 375t/h steam in summer. Capital expenditure for basic pipeline and gateway stations infrastructure in Beijing amounted to HK$4.46 billion.

The sales volume of Beijing Gas in 2013 was approximately 8.72 billion cubic metres, analysed as follows:



During the second half of 2013, the sales volume growth slowed considerably, for the heating season began from mid November, which was one week later than 2012. Furthermore, the temperature in November and December 2013 in Beijing was higher than the corresponding period in 2012, reducing the gas consumption for heating. Due to the continuous increase of household subscribers, the relevant gas sales volume rose steadily. The gas used for power generation grew robustly, mainly due to the commencement of Caoqiao Power Plant in April and increasing consumption volume by Huaneng Cogeneration Plant.

Beijing Gas continued to seize the opportunities presented by the Capital City's initiatives to eliminate air pollutants, continuously strengthened the application market of natural gas, enhanced the coverage of the suburban market in Capital City, and actively explored the gas projects of other cities when safe and stable supply of gas energy to Capital City is secured.

Beijing Gas has realized the overall coverage of Beijing suburban market in 2013, and the annual sales volume of suburban county has become the new growth point of business. The coal-to-gas conversion of boilers project kept developing. Beijing's 6 metro area will hit the target of no coal-fired boiler by 2016. During the year, gas vehicle consumption market developed quickly, and Beijing City has developed 4,000 liquefied natural gas ("LNG") buses, 2,000 compressed natural gas ("CNG") taxis, over 400 regional buses and over 1,000 driving school and other gas vehicles. Beijing Gas has built 3 LNG transfer stations with total storage capacity of 1,950,000 cubic metres, and the city has built 18 LNG gas filling stations. Beijng Gas currently has 10 CNG main stations with daily production capacities of over 1 million cubic metres. It also has 32 CNG gas filling stations. In 2013, Beijing Gas's CNG sales for vehicles and LNG sales for vehicles amounted to 42.27 million cubic metres and 13,700 tons, respectively. The large-scaled application of gas-fueled vehicles will effectively reduces the emission of CO_2, which is of great importance to improve air pollution of the Capital City.

During the year, Beijing Gas quickened the construction of gas source and urban main pipeline network, promoted the construction of intra-city ancillary facilities of No. 4 Shaanxi-Beijing Pipeline, construction of intra-city reception facilities for the Datang Coal-to-Gas Project, pipeline facilities of Northwest and Northeast Thermal Gas Power Center, 6 metro area West Project and construction of ancillary pipelines for the Tangshan LNG Project to ensure the sufficient gas resource and supply for the Capital City.

In mid December 2013 Datang Coal-to-Gas Project initially supplied gas to Beijing, and phase I is predicted to produce 1 billion cubic meters of methane gas annually, which will effectively relieve the shortage of gas resource in heating season. This is the first coal-to-gas project under commercial operation in China, creating a benchmark for industry development. Beijing Gas will quicken the extension of business chain, actively study the upstream resources projects of coal to gas, coal seam gas, shale gas and LNG, etc.

Natural Gas Transmission Business

PetroChina Beijing Natural Gas Pipeline Company Limited ("PetroChina Beijing Pipeline Co."), a company in which Beijing Gas holds 40% equity interests, achieved an annual gas transmission volume of 25.21 billion cubic meters in 2013, representing a year-on-year increase of 6.3%. The profit after taxation attributable to the Company was HK$2.22 billion, representing a year-on-year increase of 29.3%, mainly due to the useful life of certain pipeline facilities had been extended from 14 to 30 years, which has reduced the depreciation expense. In 2013, the total net fixed asset of PetroChina Beijing Pipeline Co. has increased by RMB4.95 billion, mainly due to the construction cost for completing No.3 Shaanxi-Beijing Pipeline and special pipeline of Datang Coal-to-Gas Project as well as the preliminary project cost of No.4 Shaanxi-Beijing Pipeline.

Beer Business

In 2013, nationwide beer sales volume of Beijing Yanjing Brewery Co., Ltd. (北京燕京啤酒股份有限公司) ("Yanjing Beer") reached 5.71 million kilolitres, representing a year-on-year increase of 5.7%. Revenue amounted to HK$16.84 billion, representing a year-on-year increase of 16.6%, mainly due to the increased average selling price of products and increasing sales volume of medium and premium products. According to the PRC accounting principles, Beijing Yanjing Brewery Co., Ltd., whose A shares are listed in China, has achieved a total profit of RMB1.016 billion, representing a year-on-year growth of 18.73%; Profit attributable to shareholders of the Company amounted to HK$358 million, representing a year-on-year increase of 2.6%.

On the basis of consolidating and maintaining the market advantage of Beijing base, Yanjing further strengthened the development and strategy for great southwest and midwest market, and successively put companies in Guizhou and Alar, Xinjiang into operation. Both companies have achieved profits during the year in which they commenced operation. Regional markets in other provinces such as Guangxi, Guangdong, Kunming, Sichuan and Xinjiang also showed a good growth trend, and the production and sales volume, revenue and profit maintained at a high growth rate. It significantly integrated great northern China and Hunan market, clarifies the marketing strategy, reasonably allocated resources, reduced the internal competition, steadily operated and improved the efficiency.

With medium grade wine as a key breakthrough point, Yanjing Beer increased the proportion of medium and premium products, promoted the profit margin, intensified the promotion effort at national market; researched and developed new products according to market demand, optimized the product mix and increased the added value of products. It also increased its sales effort for canned beer and draught beer in response to the development trend of the beer market.

During the year, Yanjing Beer insisted "1+3" brand development strategy, integrated and analyzed the leading product line and image of Yanjing, accelerated technological upgrade project, enhanced product control towards Yanjing brand, strengthened consumer popularity and reputation among consumers, improved the competitiveness of core products. The total sales volume of "1+3" brand was 5.15 million kilolitres, accounted for 90% of the total sales volume of the Company, of which 3.78 million kilolitres were from sales of Yanjing Beer, representing a year-on-year growth of 0.24 million kilolitres or 6.78%.

Sewage and Water Treatment Operations

The sewage treatment and water supply businesses of Beijing Enterprises Water Group Limited ("BE Water") (stock code: 371) grew rapidly in 2013. Its turnover increased by 72% to HK$6.41 billion as a result of the overall increase in income from water environmental renovation projects, sewage treatment charges and reclaimed water service charges. Profit attributable to shareholders of BE Water increased by 44% to HK$1.08 billion, of which net profit of HK$514 million was attributable to the Company. As at the end of 2013, BE Water already participated in 282 water plants which are or will be in operation, including 226 sewage treatment plants, 51 water distribution plants, 4 reclaimed water plants and 1 seawater desalination plant. Its total designed capacity reached 16.71 million tons/day, increased by 59% year-on-year. Its operation capacity was 9.49 million tons/day, and the capacity under development was 7.22 million tons/day. The projects developed by BE Water are located in different regions in the PRC and it has developed into a leading water treatment company nationwide.

The Company has completed the capital injection to BE Water for the future revenue of Beijing No.9 Water Plant, the equity interests of Beijing No.10 Water Plant, Weifang and Hainan company, and increased its shareholding in BE Water to 49.8%, to make it become the only water company within the Company system and complete the strategic transformation. Subsequently, BE Water raised funds of approximately HK$2.3 billion through two placements of new shares. As at 31 December 2013, the equity interest of BE Water held by the Company was diluted to 45.3%.

Solid Waste Treatment Business

The Company follows the national policy on environmental protection to solely develop the investment of solid waste project, engineering construction and producing operation. During the year, the company has invested, built and operated seven waste incineration power generation projects, two hazardous and medical waste disposal projects. The total treating scale of seven power generation projects is designed to be 10,025 ton/day. Some projects use circulating fluidized bed technology and other projects use chain grate stoker technology. Most are BOT projects, the operating period is usually 30 years (including the construction period), and the total investing scale is about RMB3.63 billion, part of which is equity capital, and the rest is loan. The total scale of two hazardous waste treatment projects is designed to be 73,000 ton/year, and the total investment amounts to RMB396 million.

For power generation project, the BOT project of Waste Incineration Power Plant in Wenchang city of Hainan province has begun operation. Guodingshan BOT project in Hanyang of Wuhan province is under trial operation. The phase I of Shuangqi BOT project in Harbin is under pilot run. Phase I of Xiangyang BOT project has been formally operated and other projects are under construction. The BOT project of Hengyang Hazardous Waste Disposal Center has commenced operation, while the one in Taiyuan is under construction.

Material Capital Operation and Implementation of Strategic Business Layout

Firstly, we have completed purchase of equity interests in China Gas Holdings Limited ("China Gas")(stock code: 384). In 2013, Beijing Enterprises Group Company Limited ("Beijing Enterprises Group"), the Company's holding company has signed Strategic Co-operation Framework Agreement with China Gas, and injected its 22% equity interests in China Gas into the Company in exchange for the Company's new shares and cash as consideration. The injection of China Gas assets is a significant boost for expanding strategic territory of natural gas. It has not only accelerated the development of urban gas business and improvement of national market layout, thereby further improving its domestic market share, but it will also help creating synergy among various core businesses under the Company to further promote value-added business such as compressed natural gas, cooling-heating-power supply and gas filling station, urban infrastructure and service business chain such as water and solid waste treatment. Thus, it will enhance the Company's opportunities to get new projects outside Beijing in the future. This successful capital transaction has also achieved the Company's goal of rapid expansion of the strategic layout of its core businesses, which was well received and recognised by the capital markets, thereby improving the Company's image.

Secondly, the Company has injected its equity interests in Beijing No. 10 Water Plant, the future revenue of Beijing No. 9 Water Plant, equity interests of Weifang and Hainan company to BE Water by way of share swap and increased the shareholdings to 49.8%. The injection of water assets solved the historical problems, fully completed building of water businesses, thereby making BE Water the only water platform within the Company structure, and finally accomplished the strategic transformation of water business.

Thirdly, we has committed injecting capital into Beijing Development (Hong Kong) Limited ("Beijing Development") (stock code: 154). Such capital injection will fully support the strategic transformation of Beijing Development and further realize the Company's strategic goal of establishing environmental protection and solid waste treatment platform.

In addition, according to the arrangement of Beijing Enterprises Group and the Company, we have completed the transfer of 85% equity interests in phase I of Golmud Photovoltaic Power Plant at the end of the year, thereby realizing the goal of gradually reducing shareholding and finally withdrawing from the business of Photovoltaic Power Plant.

II. Prospects

Natural Gas Distribution Business

Pursuant to the new requirements imposed on rectification of PM2.5 hazard and improvement of air quality in Beijing, the city accelerated the development and application of natural gas as clean energy, and pushed forward development of natural-gas vehicles and coal-to-gas operation, the construction of four major Thermal Power Centres in full scale. The demands for natural gas in Beijing will continue to rise. According to the "Action Plan for Clean Air in Beijing city 2013-2017", the general requirement of government in 2013-2017 will be as follows: Clean energy transformation for coal-fire boiler of 10,500 t/h steam across the city, among which 6 metro area District achieved clean energy transformation for coal-fire boiler of 4,900 t/h steam, outer suburban districts and counties achieved clean energy transformation for coal-fire boiler of 2,400 t/h steam and Industrial Park of city-level or above achieved 3,200 t/h steam. The transformation plan for power plants was as follows: In 2014, the construction of Northwest and Northeast Gas Thermal Power Centres will be completed and commence operation, and the coal-fired generation units of the thermal power centre at Gaojing will be closed down. In 2015, the construction of a new gas-fired generation unit of Huaneng Beijing Power Plant will be completed and commence operation and the coal-fired generation units of Guohua and Jingneng will be closed down. The gas consumption of natural gas thermal power centre will exceed 7 billion cubic metres per year in 2015. In 2016, the coal-fired generation units of Huaneng Beijing Power Plant will be closed down. By the end of 2017, the scale of application for natural gas vehicles in the city will seek to reach the benchmark of 100,000.

In order to support the application and development of natural gas vehicles, the Xiji LNG liquefying plant of Beijing Gas is currently under construction with a daily LNG liquefying capacity of 300,000 cubic metres and a emergency gasification capacity of 3 million cubic metres. During the 12th Five-Year Plan period, Beijing Gas will build 143 CNG filling stations and 98 LNG filling stations. During the 13th Five-Year Plan period, there will be 54 new CNG filling stations and 163 LNG filling stations across Beijing city, covering all outer suburban districts and counties of the city.

Natural Gas Transmission Business

No. 4 Shaanxi Beijing Pipeline is currently under construction and will increase gas transmission capacity of over 15 billion cubic metres/year upon completion. The total annual gas transmission capacity of the Shanxi-Beijing Pipeline system will exceed 50 billion cubic metres/year, satisfying the gas demand in Beijing city and the surrounding areas in the long term.

Business opportunities arising from urbanization and clean energy

Following the injection of strategic investment of China gas, the Company has completed strategic transformation. With business network across 128 cities nationwide of China Gas, the Company will speed up expansion of piped gas, sewage treatment and solid waste treatment business across the country, and is well positioned to benefit from the implementation of acceleration in urbanization policy by China, turning itself into a leading clean energy and of public facilities operator in China.

As the air pollution worsens in China, the Government is promoting the application of clean energy, including natural gas, wind energy and solar power. The Company is actively exploring expansion into non-conventional natural gas business, especially opportunities in coal-to-gas projects. In addition, the Company will cultivate some value investment projects to offset and reduce the cyclical impact of conventional business.

Beer Business

Yanjing Beer will focus on strengthening efforts in expansion in the markets in central and western regions in China and acceleration in capturing the market share in such regions. Meanwhile, Yanjing Beer will actively explore adjustment in business structure and catch up with the rising trend of e-commerce, and conduct trial of online sales business model. It also pursued diversification of business structure for a higher market share, and lifted its corporate profitability so as to raise its overall competitiveness and market position.

III. Financial Review

Revenue

The revenue of the Group in 2013 was approximately HK$42.36 billion, increased by 19.1% compared with the revenue of HK$35.57 billion in 2012. This was mainly driven by the stable growth of Beijing Gas and Yanjing Beer's revenue. Other business contributed an aggregate of not more than 1% of the total revenue.

Cost of Sales

Cost of sales increased by 20.6% to HK$34.02 billion. The cost of sales for gas distribution business included purchase cost of natural gas as well as depreciation of piped line network. Cost of sales of beer business includes raw materials, wage expenses and absorption of certain direct overhead.

Gross Profit Margin

Overall gross profit margin was 19.7% as compared to 20.7% in 2012. The decrease in gross profit margin was mainly attributable to the increase in raw materials costs and energy charges, resulting in the higher cost of sales as a whole. Disposal of the sewage and water treatment business also lowered the gross profit margin as a whole.

Gain on Deemed Disposal of Partial Interest in an Associate

BE Water raised capital by placement of new shares twice in 2013 at a price higher than net asset value per share, and the Group received a gain on deemed disposal of interest in an associate of HK$581 million.

Other Income

Other income was mainly comprised of government grants amounted to HK$120 million, transfer of pipeline networks amounted to HK$130 million and bank interest income amounted to HK$180 million and so on.

Selling and Distribution Expenses

Selling and distribution expenses of the Group in 2013 increased by 9.6% to HK$2.61 billion and was mainly due to the continuous expansion of natural gas and beer business in which new sales staff were recruited as well as higher increase in logistics and marketing expenditure.

Administration Expenses

Administration expenses of the Group in 2013 were HK$3.35 billion, increased by 9.4% comparing to last year. The increase in administration expenses was mainly due to the continuing expansion of the scale of gas distribution business and beer business and increase in related wages and fixed costs.

Finance Costs

Finance costs of the Group in 2013 was HK$1.13 billion, increased by 13.8% comparing to 2012, which was mainly due to the calculation of annual interest expenses of the issuance of guaranteed senior notes of US$800 million in April 2012.

Share of Profits and Losses of Associates

Share of profits and losses of associates mainly included the 40% share of the profit after taxation of PetroChina Beijing Pipeline Co. and in average approximately 47% share of the profit after taxation of BE Water. PetroChina Beijing Pipeline Co. is 40% owned by Beijing Gas and 60% owned by Kunlun Energy Company Limited. The primary business of PetroChina Beijing Pipeline Co. is natural gas transmission which supplies natural gas to city gas operators along the three long piped lines with an approximate total length of 3,000 kilometers owned by PetroChina Beijing Pipeline Co..

During 2013, the Group shared 40% of PetroChina Beijing Pipeline Co.'s profits after taxation, amounting to HK$2.22 billion. The Group's share of net profits of BE Water amounted to HK$514 million in 2013.

Tax

After deducting the share of profits and losses of associates, the effective income tax rate is 21.3%, lower than that of 26.5% in last year. It was because gain from deemed disposal of interest in an associate during the year were not subject to tax.

Profit Attributable to Shareholders of the Company

The profit attributable to the shareholders of the Company for the year ended 31 December 2013 was HK$4.18 billion (2012: HK$3.23 billion).

IV. Financial Position of the Group

Non-current assets

Property, plant and equipment and capital expenditure

The net book value of property, plant and equipment increased by HK$6.19 billion. During 2013, Beijing Gas incurred a capital expenditure of approximately HK$4.46 billion in gas distribution business. The capital expenditure of Yanjing Beer was approximately HK$1.9 billion.

Interests in associates

The increased balances attributed to the share of net profits in 2013 of PetroChina Beijing Pipeline Co. and BE Water and share of gain on deemed disposal of interests in BE Water.

Receivables under service concession arrangements

The balance was nil, and was mainly because the relevant amount was reclassified as current assets.

Available-for-sale Investments

The substantial increase in the balance by HK$433 million was mainly attributable to the substantial appreciation of the market value the shares of Beijing Jingneng Clean Energy Co., Limited held by the Group.

Current assets

Trade and bills receivables

The substantial increase in the balance by HK$1.99 billion was mainly because major power plant users of Beijing Gas had not received the subsidy from the Beijing Municipal Commission of Development and Reform resulting in delay of settlement. In the first quarter of 2014, Beijing Gas has received HK$917 million of account receivables.

Prepayments, deposits and other receivables

The increase in the balance by HK$298 million was mainly attributable to prepayment of input VAT of HK$1.22 billion by Beijing Gas and offsetting of current account with holding company after acquisition of China Gas.

Cash and Bank Borrowings

As at 31 December 2013, cash and bank deposits held by the Group amounted to HK$10.86 billion. If the receipts in advance for the replenishment of IC Card value of Beijing Gas which approximate to HK$4 billion are to be excluded, the Group had net current assets of HK$4.3 billion, representing a strong net working capital. The Group maintains sufficient banking facilities for its working capital requirement and has sufficient cash resources to finance its capital expenditures in the foreseeable future.

The Group's total borrowings amounted to HK$25.77 billion as at 31 December 2013, which mainly comprised three guaranteed senior notes of US$1.8 billion in total, five year syndicated loans amounting to HK$3 billion and convertible bonds amounting to HK$770 million with the remaining working capital loans of HK$8.15 billion denominated in Renminbi and Hong Kong dollars. Around 26.8% of the bank loans were denominated in Hong Kong dollars with the rest mainly in Renminbi. The Group was in a net debt position of HK$14.91 billion as at 31 December 2013.

Non-current liabilities

Liability component of convertible bonds

The decrease in the balance by HK$1.49 billion was mainly attributable to the partial exercise of the HK$ convertible bonds issued by the Company in 2009 for conversion into the issued share capital of the Company.

Current liabilities

Trade and bills payables

The decrease in the balance by HK$233 million was mainly attributable to the reduction in inventory purchases made by Beijing Gas and Yanjing Beer.

Receipts in advance

The significant increase in the balance of HK$2.27 billion was mainly due to the increase in receipts in advance of Beijing Gas from residential users and public sector subscribers for the replenishment of IC Card value.

Other payables and accruals

The substantial increase in the balance by HK$2.06 billion was mainly attributable to the significant increase in the balance of construction in progress as a result of the acceleration of a number of pipeline construction projects in Beijing in the fourth quarter by Beijing Gas.

Liquidity and Capital Resources

The downstream gas distribution business and brewery business has been constantly contributing to the operating cash flow of the Group and significantly increased its liquidity. During the year, the issued capital of the Company significantly increased by 133,000,000 shares, mainly due to the issue of new shares for acquisition of equity interests in China Gas as consideration. As at the end of 2013, the issued capital of the Company amounted to 1,270,193,509 shares and the shareholders' equity grew to HK$54.02 billion. Total equity was HK$64.07 billion comparing to HK$47.67 billion as at the end of 2012.

Given the primarily cash nature business of gas distribution, brewery and water concession, the Group is benefiting from a very strong recurring cash flow and is well positioned to capture investment opportunities in the future. The Group will continue its stable dividend distribution policy and at least 30% of its recurring earnings per share will be used for dividend distribution.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2013

	Notes	**2013** **HK$'000**	2012 HK$'000 (Restated)
REVENUE	2	**42,360,528**	35,569,649
Cost of sales		**(34,023,315)**	(28,207,604)
Gross profit		**8,337,213**	7,362,045
Gain on disposal of interests in subsidiaries		**25,935**	601,976
Gain on deemed disposal of partial interest in an associate		**581,428**	–
Other income and gains, net		**908,099**	897,481
Selling and distribution expenses		**(2,611,439)**	(2,382,424)
Administrative expenses		**(3,345,808)**	(3,057,777)
Other operating expenses, net		**(197,707)**	(319,085)
PROFIT FROM OPERATING ACTIVITIES	3	**3,697,721**	3,102,216
Finance costs	4	**(1,133,744)**	(996,636)
Share of profits and losses of:			
Joint ventures		**(5,847)**	(343)
Associates		**2,742,612**	2,049,495
PROFIT BEFORE TAX		**5,300,742**	4,154,732
Income tax	5	**(545,287)**	(557,155)
PROFIT FOR THE YEAR		**4,755,455**	3,597,577
ATTRIBUTABLE TO:			
Shareholders of the Company		**4,183,878**	3,234,992
Non-controlling interests		**571,577**	362,585
		4,755,455	3,597,577
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	7		
Basic		**HK$3.61**	HK$2.84
Diluted		**HK$3.54**	HK$2.78

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013

	2013 *HK$'000*	2012 *HK$'000* (Restated)
PROFIT FOR THE YEAR	**4,755,455**	3,597,577
OTHER COMPREHENSIVE INCOME/(LOSS)		
Items to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**550,728**	95,318
Reclassification adjustments for gain on disposal included in the consolidated statement of profit or loss	**(106,200)**	(52,938)
Income tax effect	**20,941**	(22,333)
	465,469	20,047
Exchange differences:		
Translation of foreign operations	**1,860,766**	23,096
Reclassification adjustments for gain on disposal of interests in subsidiaries included in the consolidated statement of profit or loss	**(15,081)**	(353,123)
	1,845,685	(330,027)
Share of other comprehensive income of an associate	**119,749**	–
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	**2,430,903**	(309,980)
Items not to be reclassified to profit or loss in subsequent periods:		
Defined benefit plans:		
Actuarial gain/(loss)	**36,832**	(84,107)
Income tax effect	**(9,208)**	21,027
	27,624	(63,080)
Share of other comprehensive income of an associate	**13,072**	–
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	**40,696**	(63,080)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX	**2,471,599**	(373,060)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**7,227,054**	3,224,517
ATTRIBUTABLE TO:		
Shareholders of the Company	**6,347,464**	2,871,455
Non-controlling interests	**879,590**	353,062
	7,227,054	3,224,517

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2013

	Notes	**31 December 2013 HK$'000**	31 December 2012 HK$'000 (Restated)	1 January 2012 HK$'000 (Restated)
ASSETS				
Non-current assets:				
Property, plant and equipment		**38,996,767**	32,805,468	26,317,184
Investment properties		**719,968**	665,144	681,096
Prepaid land premiums		**1,785,609**	1,640,194	1,275,264
Goodwill		**7,659,735**	7,549,326	7,453,561
Operating concessions		**606,292**	419,238	1,225,011
Other intangible assets		**64,120**	19,650	23,681
Investments in joint ventures		**217,350**	136,706	210,878
Investments in associates		**29,184,338**	15,120,306	12,573,986
Available-for-sale investments		**1,315,859**	883,170	917,412
Amounts due from contract customers		**947,102**	769,559	566,032
Receivables under service concession arrangements	8	**–**	505,248	1,588,046
Prepayments, deposits and other receivables		**1,316,771**	1,139,600	430,583
Deferred tax assets		**601,056**	552,926	552,566
Total non-current assets		**83,414,967**	62,206,535	53,815,300
Current assets:				
Prepaid land premiums		**53,509**	43,643	30,165
Property held for sale		**–**	28,511	27,611
Inventories		**5,661,492**	5,913,959	5,285,611
Amounts due from contract customers		**28,599**	16,441	46,631
Receivables under service concession arrangements	8	**701,582**	1,007,375	1,003,260
Trade and bills receivables	9	**4,393,374**	2,403,154	1,586,438
Prepayments, deposits and other receivables		**4,290,561**	3,992,633	2,313,196
Other taxes recoverable		**219,169**	203,152	588,996
Restricted cash and pledged deposits		**63,104**	60,953	36,631
Cash and cash equivalents		**10,795,467**	12,236,964	12,579,439
		26,206,857	25,906,785	23,497,978
Non-current asset and assets of disposal groups classified as held for sale		**–**	1,385,301	–
Total current assets		**26,206,857**	27,292,086	23,497,978
TOTAL ASSETS		**109,621,824**	89,498,621	77,313,278

	Notes	**31 December 2013 HK$'000**	31 December 2012 HK$'000 (Restated)	1 January 2012 HK$'000 (Restated)
EQUITY AND LIABILITIES				
Equity attributable to shareholders of the Company				
Issued capital		**127,019**	113,757	113,757
Reserves		**53,130,524**	38,951,411	37,110,463
Proposed final dividend	6	**763,695**	572,286	511,907
		54,021,238	39,637,454	37,736,127
Non-controlling interests		**10,046,841**	8,030,221	7,587,062
TOTAL EQUITY		**64,068,079**	47,667,675	45,323,189
Non-current liabilities:				
Bank and other borrowings		**4,519,636**	4,224,787	4,070,115
Guaranteed senior notes		**13,866,081**	13,853,502	7,699,084
Liability component of convertible bonds		**93,501**	2,259,313	2,711,835
Derivative component of convertible bonds		**8,851**	9,428	61,783
Defined benefit plans		**535,655**	507,148	353,775
Provision for major overhauls		**30,544**	29,414	196,157
Other non-current liabilities		**361,859**	244,060	239,320
Deferred tax liabilities		**233,462**	375,979	371,353
Total non-current liabilities		**19,649,589**	21,503,631	15,703,422
Current liabilities:				
Trade and bills payables	10	**2,383,225**	2,616,491	1,904,594
Amounts due to contract customers		**325,794**	177,874	123,822
Receipts in advance		**5,690,597**	3,418,479	3,446,916
Other payables and accruals		**9,014,718**	6,951,842	4,430,794
Income tax payables		**378,319**	504,624	342,313
Other taxes payables		**821,418**	240,517	333,277
Liability component of convertible bonds		**673,054**	–	–
Bank and other borrowings		**6,617,031**	6,276,941	5,704,951
		25,904,156	20,186,768	16,286,667
Liabilities directly associated with the assets of disposal groups classified as held for sale		**–**	140,547	–
Total current liabilities		**25,904,156**	20,327,315	16,286,667
TOTAL LIABILITIES		**45,553,745**	41,830,946	31,990,089
TOTAL EQUITY AND LIABILITIES		**109,621,824**	89,498,621	77,313,278

Notes:

1.1 BASIS OF PREPARATION

The Group's financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for (i) investment properties, certain available-for-sale investments and the derivative component of convertible bonds which have been measured at fair value; and (ii) non-current asset and disposal groups held for sale which are stated at the lower of their carrying amounts and fair values less costs to sell. The Group's financial statements are presented in Hong Kong dollar ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2013. The financial statements of the subsidiaries are prepared for the same reporting period as the Company. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in HKFRS 10 *Consolidated Financial Statements*. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in the statement of profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to the statement of profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements:

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* (early adopted)
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 10, HKFRS 11, HKFRS 12, and HKAS 19 (2011), the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements and addresses the issues in HK(SIC)-Int 12 *Consolidation – Special Purpose Entities*. It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in HKFRS 10, an investor must have (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled.

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group. The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 January 2013.

(b) HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The classification of joint arrangements under HKFRS 11 depends on the parties' rights and obligations arising from the arrangements. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities of the arrangement and is accounted for on a line-by-line basis to the extent of the joint operators' rights and obligations in the joint operation. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement and is required to be accounted for using the equity method in accordance with HKAS 28 (2011). The application of HKFRS 11 does not change any of the joint arrangements conclusions of the Group in respect of its involvement with investees as at 1 January 2013 and the only impact is the change of the term "jointly-controlled entities" to "joint ventures" in the financial statements.

(c) HKFRS 12 sets out the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

(d) HKAS 19 (2011) changes the accounting for defined benefit plans. The revised standard removes the choice to defer the recognition of actuarial gains and losses. All actuarial gains and losses are required to be recognised immediately in OCI. The interest cost and expected return on plan assets used in the previous version of HKAS 19 are replaced with a net interest amount under HKAS 19 (2011), which is calculated by applying the discount rate to the net defined benefit liability or asset at the start of each annual reporting period. Prior to the adoption of HKAS 19 (2011), the Group elected to recognise actuarial gains or losses as income or expense over the expected average remaining service periods of the employees participating in the defined benefit plan when the net cumulative unrecognised actuarial gains or losses for the plan at the end of the previous period exceeded 10% of the present value of the defined benefit obligation. Upon the adoption of HKAS 19 (2011), all actuarial gains and losses are recognised in OCI immediately. As a result, all deferred actuarial gains and losses as at 1 January 2012 and 31 December 2012 were recognised in OCI and the actuarial gains and losses recognised in the statement of profit or loss for the year ended 31 December 2012 was adjusted to OCI.

Furthermore, upon the adoption of HKAS 19 (2011), all past service costs are recognised at the earlier of when an amendment/curtailment occurs and when the related restructuring or termination costs are recognised. As a result, unvested past service costs can no longer be deferred and recognised over the future vesting period. The amortisation of past service costs for the year ended 31 December 2012 has been adjusted.

Other than the changes to the accounting for defined benefit plans, HKAS 19 (2011) also changes the timing of recognition for termination benefits and the classification of short term employee benefits. The revised standard requires termination benefits outside of a wider restructuring to be recognised only when the offer becomes legally binding and cannot be withdrawn. Under the revised standard, the distinction between short term and other long term employee benefits is now based on the expected timing of settlement rather than employee entitlement. As the Group does not have any significant employee benefits that are expected to be settled for more than twelve months after the reporting period or had no events giving rise to termination benefits, the changes to the accounting for these benefits have had no effect on the financial position or performance of the Group.

The effects of the changes to the accounting for the Group's defined benefit plan are summarised below:

Impact on the consolidated statement of profit or loss for the year ended 31 December:

	2013	2012
	HK$'000	*HK$'000*
Increase in administrative expenses and decrease in profit before tax	**(333)**	(47,189)
Decrease in income tax	**84**	11,798
Decrease in profit for the year and profit attributable to shareholders of the Company	**(249)**	(35,391)
Decrease in earnings per share attributable to shareholders of the Company		
Basic	**(HK0.02 cents)**	(HK3.11 cents)
Diluted	**(HK0.02 cents)**	(HK2.98 cents)

Impact on the consolidated statement of comprehensive income for the year ended 31 December:

	2013 *HK$'000*	2012 *HK$'000*
Decrease in profit for the year	**(249)**	(35,391)
Actuarial gain/(loss) on defined benefit plans	**36,832**	(84,107)
Decrease/(increase) in income tax	**(9,208)**	21,027
Increase/(decrease) in other comprehensive income for the year, net of tax	**27,624**	(63,080)
Increase/(decrease) in total comprehensive income for the year and total comprehensive income attributable to shareholders of the Company	**27,375**	(98,471)

Impact on the consolidated statement of financial position as at 31 December:

	2013 *HK$'000*	2012 *HK$'000*
Decrease in defined benefit obligations, which are classified as non-current liabilities	**73,818**	37,319
Decrease in deferred tax assets, which are classified as non-current assets	**(18,454)**	(9,330)
Increase in net assets and total equity	**55,364**	27,989

Impact on the consolidated statement of financial position as at 1 January 2012:

	HK$'000
Decrease in defined benefit obligations, which are classified as non-current liabilities	168,615
Decrease in deferred tax assets, which are classified as non-current assets	(42,155)
Increase in net assets and total equity	126,460

2. REVENUE AND OPERATING SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents (1) the aggregate of the invoiced value of goods sold, net of value-added tax, consumption tax and government surcharges, and after allowances for returns and trade discounts; (2) the aggregate of toll revenue, net of business tax; (3) an appropriate proportion of contract revenue of construction contracts and service contracts, net of value-added tax, business tax and government surcharges; and (4) the imputed interest income on receivables under service concession arrangements.

For management purposes, 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 its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on the profit for the year of each reportable operating segment, which is measured consistently with the Group's profit for the year.

Segment assets and liabilities of each of the reportable operating segments are separately managed by each of the individual operating segments.

Operating segment information

Year ended 31 December 2013

	Piped gas operation *HK$'000*	Brewery operation *HK$'000*	Sewage and water treatment operation *HK$'000*	Expressway and toll road operations *HK$'000*	Corporate and others *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Segment revenue	25,159,146	16,836,952	–	–	364,430	–	42,360,528
Cost of sales	(21,953,351)	(11,821,943)	–	–	(248,021)	–	(34,023,315)
Gross profit	3,205,795	5,015,009	–	–	116,409	–	8,337,213
Profit from operating activities	1,706,754	1,376,690	–	–	614,277	–	3,697,721
Finance costs	(165,210)	(140,638)	–	–	(827,896)	–	(1,133,744)
Share of profits and losses of:							
Joint ventures	(5,561)	–	–	–	(286)	–	(5,847)
Associates	2,207,821	(2,899)	514,454	–	23,236	–	2,742,612
Profit/(loss) before tax	3,743,804	1,233,153	514,454	–	(190,669)	–	5,300,742
Income tax	(206,065)	(300,026)	–	–	(39,196)	–	(545,287)
Profit/(loss) for the year	3,537,739	933,127	514,454	–	(229,865)	–	4,755,455
Segment profit/(loss) attributable to shareholders of the Company	3,520,112	357,986	514,454	–	(208,674)	–	4,183,878
Segment assets	64,223,753	24,934,992	9,492,533	541,531	14,332,614	(3,903,599)	109,621,824
Segment liabilities	19,444,955	9,424,766	766,389	232,646	19,588,588	(3,903,599)	45,553,745

Year ended 31 December 2012

	Piped gas operation HK$'000 (Restated)	Brewery operation HK$'000	Sewage and water treatment operations HK$'000	Expressway and toll road operations HK$'000	Corporate and others HK$'000	Inter-segment elimination HK$'000	Consolidated HK$'000 (Restated)
Segment revenue	20,644,716	14,442,726	185,549	150,022	146,636	–	35,569,649
Cost of sales	(17,974,593)	(9,942,636)	(4,841)	(213,293)	(72,241)	–	(28,207,604)
Gross profit/(loss)	2,670,123	4,500,090	180,708	(63,271)	74,395	–	7,362,045
Profit/(loss) from operating activities	1,255,946	1,236,166*	184,384	(98,111)	523,831	–	3,102,216
Finance costs	(34,666)	(207,542)	(159)	(5,114)	(749,155)	–	(996,636)
Share of profits and losses of:							
Joint ventures	(343)	–	–	–	–	–	(343)
Associates	1,696,913	(1,553)	330,999	–	23,136	–	2,049,495
Profit/(loss) before tax	2,917,850	1,027,071	515,224	(103,225)	(202,188)	–	4,154,732
Income tax	(163,800)	(270,541)	(45,647)	(243)	(76,924)	–	(557,155)
Profit/(loss) for the year	2,754,050	756,530	469,577	(103,468)	(279,112)	–	3,597,577
Segment profit/(loss) attributable to shareholders of the Company	2,752,436	348,860	469,577	(99,330)	(236,551)	–	3,234,992
Segment assets	44,511,225	23,973,359	7,032,770	1,991,483	16,262,690	(4,272,906)	89,498,621
Segment liabilities	13,604,124	10,949,960	1,002,626	539,759	20,007,383	(4,272,906)	41,830,946

* The amount included a fair value gain on the derivative component of convertible bonds of HK$13,973,000, which was wholly attributable to non-controlling shareholders of the relevant subsidiary company recognised during the year ended 31 December 2012 and therefore did not affect profit attributable to shareholders of the Company for that year.

Geographical information

Geographical information is not presented since over 90% of the Group's revenue from external customers is generated in Mainland China and over 90% of the assets of the Group are located in Mainland China. Accordingly, in the opinion of the directors, the presentation of geographical information would provide no additional useful information to the users of these financial statements.

Information about major customers

During each of the years ended 31 December 2013 and 2012, none of the Group's individual external customers contributed 10% or more of the Group's revenue.

3. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging/(crediting):

	2013	2012
	HK$'000	*HK$'000*
Cost of inventories sold	**33,755,633**	27,902,611
Cost of services provided	**260,199**	252,183
Depreciation	**2,240,146**	1,800,332
Amortisation of prepaid land premiums	**73,948**	33,221
Amortisation of operating concessions*	**7,483**	52,810
Amortisation of computer software*	**6,140**	9,988
Loss on disposal of items of property, plant and equipment, net	**6,270**	61,792

* The amortisations of operating concessions and computer software for the year are included in "Cost of sales" and "Administrative expenses" on the face of the consolidated statement of profit or loss, respectively.

4. FINANCE COSTS

	2013	2012
	HK$'000	*HK$'000*
Interest on bank loans, overdrafts and other loans wholly repayable within five years	**414,757**	396,321
Interest on guaranteed senior notes	**722,170**	627,186
Interest on convertible bonds	**37,889**	64,819
Imputed interest on convertible bonds	**3,532**	3,481
Total interest expense	**1,178,348**	1,091,807
Increase in discounted amounts of provision for major overhauls arising from the passage of time	**–**	5,004
Total finance costs	**1,178,348**	1,096,811
Less: Interest included in construction in progress	**(44,604)**	(100,175)
	1,133,744	996,636

5. INCOME TAX

No provision for Hong Kong profits tax has been made during the year ended 31 December 2013 as the Group did not generate any assessable profits in Hong Kong during the year (2012: Nil). 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 of the PRC, certain of the Company's subsidiaries enjoy PRC corporate income tax exemptions and reductions.

	2013	2012
	HK$'000	*HK$'000*
Current – PRC:		(Restated)
Mainland China	**532,211**	654,047
Underprovision in prior years	**–**	2,985
Deferred	**13,076**	(99,877)
Total tax expense for the year	**545,287**	557,155

6. DIVIDENDS

	2013	2012
	HK$'000	*HK$'000*
Interim – HK$0.25 (2012: HK$0.25) per ordinary share	291,658	284,393
Proposed final – HK$0.6 (2012: HK$0.5) per ordinary share	763,695	572,286
	1,055,353	856,679

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

7. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of basic earnings per share amounts is based on the profit for the year attributable to shareholders of the Company, and the weighted average number of ordinary shares in issue during the year.

The calculation of diluted earnings per share for the year is based on the profit for the year attributable to shareholders of the Company, adjusted to reflect the effect of the deemed conversion of all dilutive convertible bonds of the Group at the beginning of the year, and the weighted average number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed conversion of those convertible bonds of the Group which are convertible into ordinary shares of the Company at the beginning of the year.

The calculation of the basic and diluted earnings per share amounts is based on the following data:

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Earnings		
Profit for the year attributable to shareholders of the Company, used in the basic earnings per share calculation	**4,183,878**	3,234,992
Interest expense for the year relating to the liability component of the dilutive convertible bonds of the Group	**35,932**	62,844
Profit for the year attributable to shareholders of the Company, used in the diluted earnings per share calculation	**4,219,810**	3,297,836

	2013	2012
Number of ordinary shares		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation	**1,160,128,990**	1,137,571,000
Effect of dilution – weighted average number of ordinary shares:		
Convertible bonds	**30,935,982**	50,000,000
Weighted average number of ordinary shares, used in the diluted earnings per share calculation	**1,191,064,972**	1,187,571,000

8. 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. Aged analysis of receivables under service concession arrangements are closely monitored in order to minimise any credit risk associated with the receivables.

An aged analysis of receivables under service concession arrangements as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	2013	2012
	HK$'000	*HK$'000*
Billed:		
Within one year	**–**	327,484
One to two years	**358,585**	1,685
Two to three years	**342,997**	372,102
Three to four years	**–**	306,104
	701,582	1,007,375
Unbilled	**–**	505,248
	701,582	1,512,623
Portion classified as current assets	**(701,582)**	(1,007,375)
Non-current portion	**–**	505,248

9. TRADE AND BILLS RECEIVABLES

The various group companies have different credit policies, depending on the requirements of their markets and the businesses which they operate. Aged analyses of trade and bills receivables are prepared and closely monitored in order to minimise any credit risk associated with the receivables.

An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	2013	2012
	HK$'000	*HK$'000*
Billed:		
Within one year	**2,260,699**	1,027,936
One to two years	**66,176**	24,639
Two to three years	**34,955**	13,269
Over three years	**28,804**	17,742
	2,390,634	1,083,586
Unbilled	**2,002,740**	1,319,568
	4,393,374	2,403,154

10. TRADE AND BILLS PAYABLES

An aged 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:

	2013	2012
	HK$'000	*HK$'000*
Within one year	**1,920,092**	2,546,259
One to two years	**437,011**	48,430
Two to three years	**9,378**	7,485
Over three years	**16,744**	14,317
	2,383,225	2,616,491

11. EVENT AFTER THE REPORTING PERIOD

On 24 February 2014, Beijing Development (Hong Kong) Limited ("Beijing Development", a 54.71% indirectly-held subsidiary of the Company) entered into a sale and purchase agreement with KCS Green Energy International (Group) Investments Company Limited, an independent third party, for the acquisition of all the issued shares of KCS Changde Investments Company Limited and KCS Taian Investments Company Limited and the related shareholders' loan at an aggregate consideration of RMB520,000,000 (equivalent to approximately HK$666,430,000). The consideration will be satisfied: (a) as to RMB86,790,000 (equivalent to approximately HK$111,230,000) in cash, and (b) as to RMB433,210,000 (equivalent to approximately HK$555,200,000) by the issue of Beijing Development's ordinary shares at the issue price of HK$1.60 per share.

The Group's equity interest in Beijing Development will be reduced from 54.68% to 50.64% after the acquisition and this, in the opinion of the directors, will not result in a loss of control over Beijing Development. As at the date of this announcement, the acquisition has not been completed.

Further details of the acquisition are set out in Beijing Development's announcement dated 24 February 2014.

12. OTHER FINANCIAL INFORMATION

The net current assets and total assets less current liabilities of the Group as at 31 December 2013 amounted to HK$302,701,000 (2012: HK$6,964,771,000) and HK$83,717,668,000 (2012: HK$69,171,306,000 (restated)), respectively.

13. COMPARATIVE AMOUNTS

As further explained in note 1.2, due to the adoption of revised HKFRSs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made and comparative amounts have been reclassified and restated to conform to the current year's presentation and accounting treatment and a third statement of financial position as at 1 January 2012 has been presented.

DIVIDEND

The Directors of the Company recommended the payment of a final dividend of HK60 cents per share for the year ended 31 December 2013 payable to shareholders whose names appear on the register of members of the Company on 2 July 2014. Subject to the approval of shareholders at the forthcoming annual general meeting, the final dividend will be paid on or around 18 July 2014.

ANNUAL GENERAL MEETING

The 2014 annual general meeting will be held on Wednesday, 18 June 2014. The notice of the 2014 annual general meeting, which constitutes part of the circular to shareholders, will be sent to all shareholders and will be published on the Company's website (www.behl.com.hk) and The Stock Exchange of Hong Kong Limited's ("Stock Exchange") website (www.hkexnews.hk) in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the 2014 annual general meeting, and entitlement to the final dividend, the register of members will be closed. Details of such closures are set out below:

(i) For determining eligibility to attend and vote at the 2014 annual general meeting:

Latest time to lodge transfer documents for registration	4:30 pm on Thursday, 12 June 2014
Closure of register of members	Friday, 13 June 2014 to Wednesday, 18 June 2014 (both dates inclusive)

(ii) For determining entitlement to the final dividend:

Latest time to lodge transfer documents for registration	4:30 pm on Wednesday, 25 June 2014
Closure of register of members	Thursday, 26 June 2014 to Wednesday, 2 July 2014 (both dates inclusive)
Record date	Wednesday, 2 July 2014

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2014 annual general meeting, and to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the aforementioned latest time.

EMPLOYEES

At 31 December 2013, the Group had approximately 49,000 employees. The employees are remunerated based on their work performance, professional experiences and prevailing industry practices. The Group's employee remuneration policy and package are periodically reviewed by the management. Apart from pension funds, discretionary bonuses and share options are awarded to certain employees according to the assessment of individual performance.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE CODE

Save as disclosed below, the directors believe that the Company complied with the code provisions (the "Code Provisions") as set out in Appendix 14 "Corporate Governance Code" to the Listing Rules for the year ended 31 December 2013.

During the year, the Company held two full board meetings instead of at least four full board meetings as required under Code Provision A.1.1. The Directors consider it is more efficient to hold board meetings to address emerging issues as appropriate. Sufficient measures have been taken to ensure that there is efficient communication among the Directors.

Under Code Provision A.6.7, independent non-executive directors and non-executive directors should attend general meetings to develop a balanced understanding of the views of shareholders. During the year, not all independent non-executive directors and non-executive director attended general meetings of the Company due to other business engagements, which deviates from Code Provision A.6.7.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SHARE DEALING

The Company has adopted Appendix 10 "Model Code" to the Listing Rules to govern securities transactions by the directors. After having made specific enquiry to all directors, all directors confirm that they complied with the "Model Code" during the year ended 31 December 2013.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company Mr. Wu Jiesi, Mr. Lam Hoi Ham (the chairman of the Audit Committee) and Mr. Fu Tingmei. The Audit Committee is primarily responsible for reviewing and providing supervision over the financial reporting procedure and internal controls system of the Company. The annual results have been reviewed and approved by the Audit Committee of the Company.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries, has made any purchase, sale or redemption of any of the Company's listed securities during the year.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Company's website (www.behl.com.hk) and the Stock Exchange's website (www.hkexnews.hk). The annual report will be sent to all shareholders and will be published on the websites of the Company and the Stock Exchange in due course.

By order of the Board
Beijing Enterprises Holdings Limited
Wang Dong
Chairman

Hong Kong, 31 March 2014

As at the date of this announcement, the board of directors of the Company comprises Mr. Wang Dong (Chairman), Mr. Hou Zibo, Mr. Zhou Si, Mr. Zhang Honghai, Mr. Li Fucheng, Mr. Li Yongcheng, Mr. Liu Kai, Mr. E Meng, Mr. Jiang Xinhao and Mr. Tam Chun Fai as executive directors; Mr. Guo Pujin as non-executive director; Mr. Wu Jiesi, Mr. Robert A. Theleen, Mr. Lam Hoi Ham, Mr. Fu Tingmei, Mr. Sze Chi Ching, Mr. Shi Hanmin and Dr. Yu Sun Say as independent non-executive directors.