

PRESS RELEASE



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)

2013 ANNUAL RESULTS

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		Change
	2013 Audited (HK\$'000)	2012 Audited Restated (HK\$'000)	
Revenue	42,360,528	35,569,649	+19.1%
Gross Profit	8,337,213	7,362,045	+13.2%
Profit Attributable to Shareholders of the Company	4,183,878	3,234,992	+29.3%
Basic Earning Per Share (HK dollar)	3.61	2.84	+27.1%

(Hong Kong, 31 March 2014) – Beijing Enterprises Holdings Limited (the “Company” or the “Group”) (stock code: 392) today announced its results for the year ended 31 December 2013. The revenue of the Group was HK\$42.36 billion for 2013, increased by 19.1% as compared to year 2012. Profit attributable to shareholders of the Company was HK\$4.18 billion, increased by 29.3% as compared to year 2012. The Board of Directors declared a final dividend of HK60 cents per share.

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 <i>HK\$'000</i>	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	<u>4,183,878</u>	

MANAGEMENT DISCUSSION AND ANALYSIS

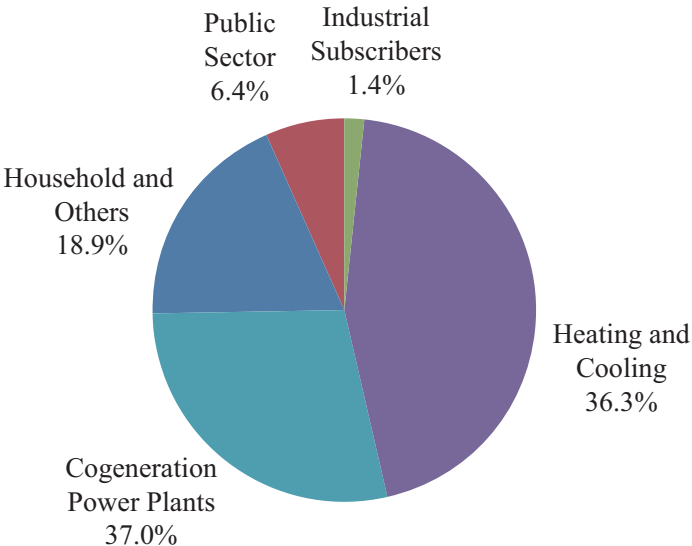
I. Business Review

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 375 t/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. Beijing 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 CO₂, 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 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 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 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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i> (Restated)
REVENUE	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	3,697,721	3,102,216
Finance costs	(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	(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		
Basic	HK\$3.61	HK\$2.84
Diluted	HK\$3.54	HK\$2.78

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2013

	31 December 2013 <i>HK\$'000</i>	31 December 2012 <i>HK\$'000</i> (Restated)	1 January 2012 <i>HK\$'000</i> (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	–	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
	<u>83,414,967</u>	<u>62,206,535</u>	<u>53,815,300</u>
Total non-current assets			
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	701,582	1,007,375	1,003,260
Trade and bills receivables	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
	<u>26,206,857</u>	<u>25,906,785</u>	<u>23,497,978</u>
Total current assets			
Non-current asset and assets of disposal groups classified as held for sale	–	1,385,301	–
	<u>26,206,857</u>	<u>27,292,086</u>	<u>23,497,978</u>
Total current assets			
	<u>26,206,857</u>	<u>27,292,086</u>	<u>23,497,978</u>
TOTAL ASSETS	<u>109,621,824</u>	<u>89,498,621</u>	<u>77,313,278</u>

	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	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	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

BEIJING ENTERPRISES HOLDINGS LIMITED
SEGMENT ANALYSIS ON MAJOR ENTERPRISES

	2013		2012	
	Revenue <i>HK\$'000</i>	Net profit attributable to shareholders <i>HK\$'000</i>	Revenue <i>HK\$'000</i>	Net profit attributable to shareholders <i>HK\$'000</i> (Restated)
Piped Gas Operation				
Beijing Gas	25,159,146	3,520,112	20,644,716	2,752,436
Brewery Operation				
Yanjing Beer	16,836,952	357,986	14,442,726	348,860
Sewage and Water Treatment Operations				
Water Treatment Concession	–	–	185,549	138,577
BE Water Group	–	514,454	–	331,000
	–	514,454	185,549	469,577
Expressway and Toll Road Operations	–	–	150,022	(99,330)
Other Operations				
Other Enterprises	364,430	(47,241)	146,636	26,856
Headquarter and other expenses	–	(790,090)	–	(642,885)
	364,430	(837,331)	146,636	(616,029)
	42,360,528	3,555,221	35,569,649	2,855,514
Exceptional Items, net	(1)	628,657		379,478
Total		4,183,878		3,234,992

(1) Amount mainly represented a gain on deemed disposal of interests in BE Water Group of HKD581 million.

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ABOUT BEIJING ENTERPRISES HOLDINGS LIMITED (0392.HK)

Beijing Enterprises Holdings Limited (“**BEHL**”) is the sole overseas listed conglomerate controlled by the Beijing Municipal Government for channeling capital, technology and management expertise from international markets into Beijing’s development priorities. After a series of divestitures, BEHL has successfully streamlined its assets portfolio and transformed itself into a diversified conglomerate with focus on gas business, beer business, water business, green industry and solid waste treatment.

Currently, the core assets held by BEHL include: 100% interest in **Beijing Gas Group Company Limited** (the largest integrated citywide natural gas distributor in the PRC); 21.10% interest in **China Gas Holdings Limited** (0384.HK); 45.97% interest in the A Share listed **Yanjing Brewery Stock Company Limited** (000729.Shenzhen); 44.18% interest in **Beijing Enterprises Water Group Limited** (0371. HK) which is BEHL’s major vehicle for investing in regional water projects in mainland China; and 54.68% interest in **Beijing Development (Hong Kong) Limited** (0154. HK) which is developing solid waste treatment business in the P.R.C.

For more information, please visit the Group’s website at: <http://www.behl.com.hk>.

ENQUIRY

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