北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 392)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

HIGHLIGHTS

- Revenue for the year amounted to approximately HK$47.94 billion, representing an increase of 13.2% over last year.
- Profit attributable to shareholders of the Company amounted to approximately HK$4.83 billion, representing an increase of 15.5% over last year.
- Basic earnings per share amounted to HK$3.78.
- A final dividend of HK62 cents per share is proposed for 2014.

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 2014, together with comparative figures for the previous year. The revenue of the Group was HK$47.94 billion for 2014, representing an increase of 13.2% as compared to last year. Profit attributable to shareholders of the Company was HK$4.83 billion, representing an increase of 15.5% as compared to 2013.

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	4,454,238	79.1
Beer production operation	387,515	6.9
Sewage and water treatment operations	789,962	14
Profit from major operations	5,631,715	100
Other operations and headquarter expenses	(945,017)	
Non-operating gains, net	144,980	
Profit attributable to shareholders of the Company	4,831,678	

MANAGEMENT DISCUSSION AND ANACYSIS

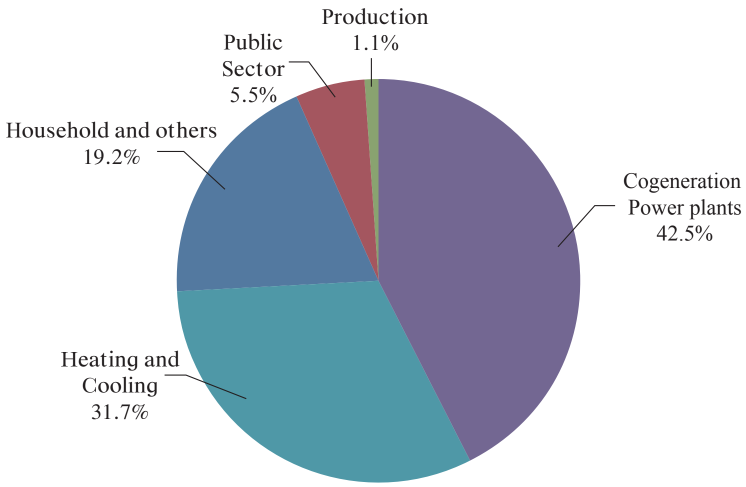
I. BUSINESS REVIEW

Natural Gas Distribution Business

Beijing Gas Group Company Limited ("Beijing Gas") recorded a gas sales volume of 9.96 billion cubic metres in 2014, representing a year-on-year growth of 14.2%. Revenue amounted to HK$32.44 billion, representing a year-on-year growth of 28.9%.

In 2014, there were approximately 206,000 new subscribers, of which 202,000 were household subscribers and 4,537 were public-sector subscribers. At the end of 2014, the total number of natural gas subscribers has reached 5,210,000 and pipelines in operation in Beijing increased to 16,931 kilometers in length. During the year, heating boilers with a total capacity of 5,902 t/h steam were developed, with a loading of 509.6 t/h steam in summer. Capital expenditure for basic pipeline and gateway stations infrastructure in Beijing amounted to HK$1.49 billion.

The sales volume of Beijing Gas in 2014 was approximately 9.96 billion cubic metres, analysed as follows:



During the second half of 2014, the sales volume growth increased significantly, which was mainly due to the official commencement of the two Cogeneration Power Plants in Jingxi and Gaojing of Northwest Thermal Gas Power Center in the fourth quarter and the trial production of Gaoantun turbine of Northeast Thermal Gas Power Center. This created a substantial increase in gas demand from power generation. Due to the continuous increase of household subscribers, the relevant gas sales volume rose steadily. Sales volume of vehicle gas recorded a substantial growth last year amounted to 217 million cubic metres.

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 and enhanced the coverage of the suburban market in Capital City. During the year, Beijing Gas ensured the construction of its key projects. The construction of the ancillary gas-fueled pipelines and facilities for Northwest and Northeast Thermal Gas Power Plants were completed and commenced gas supply. The Xisha Tunmen Station of No. 3 Shaanxi-Beijing Pipeline was completed and started operation. Beijing Gas successfully improved the gas supply facilities system in Beijing, advanced gas supply pipelines network, and enhanced the gas supply capability.

During the year, the vehicle gas market continued to develop rapidly, Beijing Gas and Sinopec Beiran (中石化北燃) jointly developed 20 LNG stations and 7,536 natural gas vehicles. As at the end of 2014, Beijing Gas had completed the construction of 78 LNG stations for gas vehicles and Beijing had developed a total of 17,000 natural gas vehicles. The large-scaled application of gas-fueled vehicles will effectively reduce carbon dioxide emission, which is of great importance to improve air pollution of the Capital City.

Beijing Gas also made significant breakthrough in the business expansion in the distributed energy market. The National Development and Reform Commission issued "The Implementing Rules of the Demonstration Projects of Natural Gas Distributed Energy (天然氣分佈式能源示範項目實施細則)" on 23 October 2014, which had effectively boosted the confidence for industry development. During the year, Beijing Gas completed the construction of two projects, started construction of two projects and developed two new natural gas cooling-heating-power supply projects.

China Gas

In the first half of the 2015 financial year, China Gas Holdings Limited ("China Gas") achieved a sales volume of 4.19 billion cubic metres in pipeline gas, representing a year-on-year increase of 17.8%, and achieved revenue of HK$15.588 billion, representing a year-on-year increase of 49%. Profit attributable to the Company amounted to approximately HK$622 million in 2014.

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 29.96 billion cubic metres in 2014, representing a year-on-year increase of 18.9%. Profit after taxation attributable to the Company was HK$2.33 billion, representing a year-on-year increase of 5.3%. The capital expenditure of PetroChina Beijing Pipeline Co. amounted to HK$1.975 billion in 2014.

Beer Business

In 2014, the 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 5.32 million kilolitres, representing a year-on-year decrease of 6.87%. Revenue amounted to HK$15.15 billion. Profit after taxation amounted to HK$951 million, representing a year-on-year growth of 1.9%. Profit attributable to shareholders of the Company amounted to approximately HK$388 million, representing a year-on-year increase of 8.3%. The capital expenditure of Yanjing Beer amounted to HK$1,034 million in 2014.

In 2014, the sales volume of Yanjing Beer failed to meet the planned target at the beginning of the year, which, on the one hand, was mainly due to the impact from external macroeconomic conditions. Under the new normal state of macro economy, the performance of China's catering industry, especially the mid-to-high end catering sectors, dropped significantly, which in turn had struck the beer industry. On the other hand, competition in the Company's advantageous competitive market grew more intense. The competition among conglomerate groups further intensified, which brought more difficulties to local enterprises in further expanding their market shares. Thirdly, it was mainly due to the adjustment on product mix to cut down low-end products and the decrease in consumption of some regional markets.

In response to these market obstacles and issues, Yanjing Beer actively took corresponding measures: for markets with increasing difficulties in sales, Yanjing Beer adhered to the guidance of "Continuously consolidating its distribution networks, enabling distributors to maintain stable and sustainable profits, ensuring the dominant position in certain advantageous markets such as Beijing, Guangxi, Yunnan, Xinjiang and Inner Mongolia, in order to protect the interests of our shareholders". The Company actively took adjustment measures in its product mix, market structure and brand structure to improve its unit price effectively. It continued to deepen the appropriate distribution strategies based on its major customer agency system, enhanced its control of terminal market, strengthened evaluation of secondary distributors and store distributors, to further mobilize the distributor's initiatives to sell Yanjing Beer. We strived to develop the consumption potential in communities and retail terminal. Such measures had delivered preliminary results. Despite sales volume decreased, our gross profit margin had improved substantially with profit after taxation sustained a growth trend, which was attributable to our effective adjustments in product mix, market structure and brand structure.

Sewage and Water Treatment Operations

The sewage treatment and water supply businesses of Beijing Enterprises Water Group Limited ("BE Water") (stock code: 371) continued to grow rapidly in 2014. Its revenue increased by 39% to HK$8.93 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 65% to HK$1.79 billion, of which net profit of HK$790 million was attributable to the Company. As at the end of 2014, BE Water already participated in 326 water plants which are or will be in operation, including 250 sewage treatment plants, 69 water distribution plants, 6 reclaimed water plants and 1 seawater desalination plant. Its total designed capacity reached 20.15 million tons/day, increased by 21% year-on-year. Its operation capacity was 11.45 million tons/day, and the capacity under development was 8.7 million tons/day. The projects developed by BE Water are located in different regions in the PRC and BE Water has further consolidated its position as the largest comprehensive leading water treatment company in the PRC.

Solid Waste Treatment Business

With the national policy on environmental protection, the Company continued to endeavor in developing the investment of solid waste project, construction build up and production and operation. Up to the end of 2014, the new contracted capacity of household waste incineration power generation projects reached 3,500 tons/day and total treatment capacity attained 17,025 tons/day, among the top 10 in the PRC. The new contracted capacity of hazardous waste disposal projects reached 26,000 tons/year and total treatment capacity attained 98,000 tons/year. The total operation capacity of waste incineration power generation projects reached 5,125 tons/day and total operation capacity of hazardous waste disposal projects attained 83,000 tons/year. The Company achieved quick expansion of its business scale in solid waste treatment.

The Company had completed the initial "Grand Cross" market layout, of which, the regional markets such as Beijing and Northeast region possess relatively distinctive advantages with regional advantages and brand influence gradually expanded. The Company made breakthroughs in the emerging business sectors with its service coverage extended to the emerging segments in soil remediation and catering waste treatment. Its solid waste service sector was further expanded, covering the municipal solid waste and industrial solid waste sectors horizontally, and the industry chain of waste transportation, resource recycling comprehensive treatment, hazardless treatment and disposal. The Company's capability in comprehensive environmental services increased rapidly.

Material Capital Operation and Implementation of Strategic Business Layout

Firstly, on 26 November 2014, the Company and China Gas entered into an agreement to sell the interests in 12 gas projects outside Beijing to China Gas at the consideration of RMB1.633 billion. This transaction enabled Beijing Gas to further focusing on the management and operation of its pipeline gas business in Beijing Districts. As China Gas is currently managing and operating certain gas projects in the adjacent regions, such disposal would create synergy for the gas project portfolios of China Gas through economies of scale, and would benefit the Group indirectly through the attributable shareholding interest in China Gas of approximately 24.68% upon its completion. As at 31 December 2014, the transaction was not yet completed.

Secondly, in December 2014, the Company and infrastructure investors entered into agreements to acquire a basket of household waste incineration power generation projects, medical waste disposal projects and sewage treatment projects. These projects include two household waste incineration power generation projects in Beijing Gaoantun and Zhangjiagang. The Gaoantun Project has a total designed capacity of 1,600 tons/day and was put into commercial operation in 2011. The Zhangjiagang Project has a total designed capacity of 900 tons/day, with an operation term of 25 years and was formally put into production in 2006. Upon the completion of the acquisition of these projects at the end of December 2014, the total designed treatment capacity of solid waste treatment projects invested and operated by the Group will reach 17,000 tons/day and the Group will become a major environmental protection business operators in the PRC.

II. PROSPECTS

Natural Gas Distribution Business

The construction of the four major Thermal Power Centres in Beijing has reached significant achievements. In the fourth quarter of 2014, the Jingxi and Gaojing two Cogeneration Power Plants of Northwest Thermal Power Center officially start operation and the Gaoantun Power Plant of Northeast Thermal Power Center also completed trial operation. As at the end of 2014, there were ten cogeneration power plants in operation in Beijing, with a total installed capacity of 5,500 MW. In the first quarter of 2015, the coal-fired generation units of Jingxi and Guohua were closed down officially. The Group will improve the utilization rate of current cogeneration power plants to maintain the power supply security in Beijing. Within 2015, the Guohua cogeneration power plant of Northeast Thermal Power Center will also start operation. Together with the newly-added installed capacity of 1,700 MW of the Gaoantun power plant, the demand for natural gas power generation will further increase. The last set of coal-fired generation unit in Beijing, owned by Huaneng Group（華能集團）, will abort its production in 2016 and will be replaced by a gas-fired generation unit with the same 845 MW capacity. By that time, there will be thirteen cogeneration power plants in operation in Beijing with total installed capacity of 8,000 MW. Its annual consumption of natural gas will be nearly 8 billion cubic metres, and will become the pillar of the natural gas distribution business in Beijing.

According to the "Beijing Clean Air Action Plan 2013-2017", 6 metro area and outer suburban districts in Beijing will continue the clean energy transformation of coal-fire boiler, which will further increase the demand for natural gas heating. Furthermore, under the vigorous promotion by the municipal government, Beijing Gas will continue to invest in the infrastructures related to vehicle gas, and the sales growth of which will be higher than the growth of other subscriber sectors, thereby it will become a new growth momentum of gas distribution business in Beijing.

Natural Gas Transmission Business

No. 3 Shaanxi-Beijing Pipeline has been accomplished, and at present, the Shanxi-Beijing Pipeline system can effectively deliver over 3.5 billion cubic metres of natural gas to Beijing and its neighboring districts per month during peak seasons, ensuring the gas supply security in Beijing and its neighboring districts and satisfying the growth demand of gas consumption in these districts.

China Gas

China Gas is an important platform of the Group to develop its natural gas business nationwide. Currently, of the 24 domestic provinces and municipalities, it has secured a total of 243 city pipeline gas-fueled projects with pipeline gas fuel concession rights, and owns 13 long-haul transmission pipeline projects for natural gas, 434 CNG/LNG stations for vehicles, 1 natural gas exploration project, 2 coalbed gas exploration projects and 98 liquefied gas distribution projects. China Gas endeavors to explore the industrial and commercial gas market that has huge potential, and further improves the development and management of client value-added businesses; fully takes the advantage of its existing liquefied petroleum gas terminals, warehouses and fleet. In coping with market conditions, it enlarges the purchase volume from international and domestic gas sources, and gradually improves the mid-stream assets utilization of liquefied petroleum gas. By leveraging on its unique advantage of upstream and downstream integration, it will realize the rational allocation between gas purchase, gas reservation and market coverage and maximize the overall benefit of its supply chain to further improve the sustained growth in profit for its liquefied petroleum gas business.

Sewage and Water Treatment Operations

BE Water continued to grow rapidly. Currently, it has 326 various water plants both domestically and abroad, with planned water treatment capacity of nearly 20.15 million tons, and has become a convincing leader in the industry. BE Water will focus on optimizing its existing projects, fully develops the new business in water industrial chain, and continues to maintain a speedy development momentum.

Beer Business

Facing various challenges such as sluggish growth in the beer industry, fierce monopolized competition and increasing costs in environment treatment, Yanjing Beer will focus on the economic benefits. On one hand, it has implemented adjustments in product mix, brand mix and market structure to increase its market competitiveness. On the other hand, it enhances internal management and improves resources deployment efficiency, for which the optimal results of profit structure are emerging gradually, thus offsetting the rising costs and market pressure and achieves a stable growth in its economic indicators. The position of the advantageous markets in Beijing, Guangxi, Inner Mongolia will be further consolidated, with the greater southwest market strategies basically accomplished. The growing markets like Xinjiang and Sichuan will continue to maintain their rapid development, and some enterprises represented by Fujian Huiquan Beer (福建惠泉啤酒) have realized substantial growth through the adjustment on product mix and market structure. Currently, the proportion of its products with price over RMB2,500/kiloliter has reached 37.6%, of which 17% is for Yanjing brand beer. The proportion of sales volume of "1+3" brand was 90%, of which 68% is for Yanjing's main brands. The brand value of "Yanjing" is RMB66.076 billion, a growth of 31.4% over last year. Yanjing will develop actively its e-commerce network and sports marketing channels, increase its investments in online advertising, enhance its cooperation with new social media, build an all-round brand promotion network, and continuously improve the Yanjing brand image. It will further strengthen its foundation management standard, intensify the management and control at group level, internal control process, quality control and informatization construction, and thereby continuously improving its corporate inherent comprehensive competitiveness.

III. FINANCIAL REVIEW

Revenue

The revenue of the Group in 2014 was approximately HK$47.94 billion, increased by 13.2% when compared with the revenue of HK$42.36 billion in 2013. This was mainly driven by the stable growth of Beijing Gas's revenue. Yanjing Beer's revenue decreased due to a drop in sales volume, but still accounted for 31.6% of total net revenue. Other business contributed an aggregate of not more than 1% of the total revenue.

Cost of Sales

Cost of sales increased by 15.7% to HK$39.36 billion. Cost of sales of gas distribution business included purchase cost of natural gas as well as depreciation of piped line network. Cost of sales of brewery business included raw materials, wage expenses and absorption of certain direct overhead.

Gross Profit Margin

Overall gross profit margin was 17.9%. The decrease in overall gross profit margin was mainly attributable to the increase in cost of sales of natural gas as a result of an increase in gateway stations gas price. The gross profit margin of beer sales improved by 3.3 percentage points, which was benefited from larger decrease in raw material prices and better cost control.

Gain on Deemed Disposal of Partial Interest in an Associate

For the purpose of acquiring certain water treatment business and assets from Standard Water Limited, BE Water placed new shares in 2014 at a price higher than its net asset value per share, and the Group received a gain on deemed disposal of partial interest in an associate of HK$379 million.

Other Income

Other income was mainly comprised of government grants amounted to HK$247 million, transfer of pipeline networks amounted to HK$110 million and bank interest income amounted to HK$164 million and so on.

Selling and Distribution Expenses

Selling and distribution expenses of the Group in 2014 decreased by 0.6% to HK$2.6 billion which was mainly due to tightening cost control and reducing unnecessary selling expenses.

Administration Expenses

Administration expenses of the Group in 2014 were HK$3.41 billion, increased by 1.9% comparing to last year. The increase in administration expenses was well below than its increase in sales mainly due to tightening cost control.

Other Operating Expenses, net

Increased by approximately HK$285 million, which was mainly due to the impairment made for certain assets.

Finance Costs

Finance costs of the Group in 2014 was HK$1.17 billion, increased by 3.4% comparing to 2013, which was mainly due to the additional HK$3 billion five year syndicated loans in April 2014.

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., the 22.4% share of the profit attributable to shareholders of China Gas and the 43.92% share of the profit attributable to shareholders of BE Water. PetroChina Beijing Pipeline Co. is 40% owned by Beijing Gas and 60% owned by Kunlun Energy Company Limited respectively. 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..

In 2014, the Group shared 40% of PetroChina Beijing Pipeline Co.'s profits after taxation, amounting to HK$2.33 billion, and in the same year, the Group shared 22.4% of China Gas's profits after taxation, amounting to HK$622 million. The Group's share of net profits of BE Water amounted to HK$790 million in 2014.

Tax

After deducting the share of profits and losses of associates, the effective income tax rate is 26.2%, higher than that of 21.3% in last year. It was because non-taxable gain from deemed disposal of interest in an associate during the year was lower than last year and the non-deductible other operating expenses were higher than last year.

Profit Attributable to Shareholders of the Company

The profit attributable to the shareholders of the Company for the year ended 31 December 2014 was HK$4.83 billion (2013: HK$4.18 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$320 million. In 2014, Beijing Gas incurred a capital expenditure of approximately HK$1.49 billion in natural gas distribution business. The capital expenditure of Yanjing Beer was approximately HK$1.03 billion.

Goodwill

The increased balance amount of HK$1.17 billion was mainly come from two household waste power generation projects in Taian and Changde acquired by Beijing Development and a basket of household waste power generation projects in Jinzhou acquired by the Company.

Operating Concessions

The increased balance amount of HK$1.42 billion was mainly due to the investment of the Changde waste power generation project by Beijing Development, the commencement of operations of the Group's Wuhan Bo Rui, Shuyang and Harbin projects during the year and the acquisition of waste power generation projects of GSE Investment Corporation（金州環境投資股份有限公司）during the year.

Other intangible assets

The increased balance was mainly due to the patents purchased by Beijing Gas during the year.

Interests in associates

The increased balances attributed to the share of net profits in 2014 of PetroChina Beijing Pipeline Co., China Gas and BE Water and share of gain on deemed disposal of interests in BE Water.

Available-for-sale Investments

The decrease in the balance by HK$230 million was mainly attributable to the reduction of shareholding in Beijing Jingneng Clean Energy Co., Limited by the Group.

Amounts due from contract customers

The balance decreased by HK$630 million was mainly due to certain household waste power generation projects that were previously under construction has begun to operate in current year. Certain of the balances have been transfered to operating concessions and receivables under service concession arrangements.

Receivables under service concession arrangements

The increased balance was mainly represented by new operating concession projects, including Gaoantun Waste Power Generation Project, Shuyang and Harbin Shuangqi Household Waste Power Generation Projects.

Current assets

Receivables under service concession arrangements

The decreased balance was mainly due to the settlement of water fees receivable by Beijing No. 9 Water Plant.

Trade and bills receivables

The increase in the balance by HK$930 million was mainly due to the new subscribers of Beijing Gas included the three Cogeneration Power Plants that led to a significant increase in consumption volume in the fourth quarter, but the settlement was still outstanding as at the end of the year. In the first quarter of 2015, Beijing Gas has already received HK$1.7 billion of account receivables.

Prepayments, deposits and other receivables

The increase in the balance by HK$1.84 billion was mainly attributable to the significant increase in prepayment of gas purchasing of approximately HK$2.39 billion by Beijing Gas.

Other taxes recoverable

It mainly represented the prepayment of input VAT of approximately HK$2.06 billion by Beijing Gas.

Assets classified as held for sale

The balance represented the acquisition costs of water projects from GSE Investment Corporation（金州環境投資股份有限公司）as at the end of 2014. The Group plans to sell these water projects during 2015.

Cash and Bank Borrowings

As at 31 December 2014, cash and bank deposits held by the Group amounted to HK$11.27 billion. As at balance sheet date, if the receipts in advance for the replenishment of IC Card value of Beijing Gas which approximate to HK$4.99 billion are to be excluded, the Group had net current assets of HK$3.12 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$37.22 billion as at 31 December 2014, which mainly comprised three guaranteed senior notes of US$1.8 billion in total, five year syndicated loans amounting to HK$6 billion and bridge loan amounting to US$540 million with the remaining working capital loans of HK$13.11 billion denominated in Renminbi and Hong Kong dollars. Around 40.1% 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$25.95 billion as at 31 December 2014.

Non-current liabilities

Bank and other borrowings

There was an increase of HK$12.11 billion in long and short term balance in total, including a new five year syndicated loans amounting to HK$3 billion, short term loans of US$540 million and Hong Kong dollar floating loans of HK$3.4 billion.

Current liabilities

Receipts in advance

The increase in the balance by HK$150 million 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 decrease in the balance by HK$1.36 billion was mainly attributable to the significant decrease in capital expenditure of gas distribution business.

Other taxes payable

The balance decreased by HK$560 million was mainly due to the balance of urban construction tax and other additional tax of last year paid by Beijing Gas during the year.

Liability component of convertible bonds

The decrease in the balance was because the convertible bonds due in 2014 had been fully converted into shares.

Liquidity and Capital Resources

The downstream natural gas distribution business and brewery business has been constantly contributing to the operating cash flow of the Group and significantly increased its liquidity. As at the end of 2014, the issued capital of the Company amounted to 1,284,350,268 shares and the shareholders' equity grew to HK$57.18 billion. Total equity was HK$68.05 billion. Gearing ratio, which is interest-bearing bank borrowings and the Guaranteed Senior Notes divided by the sum of total equity, interest-bearing bank borrowings and the Guaranteed Senior Notes, was 35% (2013: 27%).

Given the primarily cash nature business of natural 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 2014

	Notes	2014 HK$'000	2013 HK$'000
REVENUE	2	**47,935,795**	42,360,528
Cost of sales		**(39,359,764)**	(34,023,315)
Gross profit		**8,576,031**	8,337,213
Gain on disposal of interests in subsidiaries		**–**	25,935
Gain on deemed disposal of partial interest in an associate		**378,843**	581,428
Other income and gains, net		**862,480**	908,099
Selling and distribution expenses		**(2,595,985)**	(2,611,439)
Administrative expenses		**(3,407,908)**	(3,345,808)
Other operating expenses, net		**(482,408)**	(197,707)
PROFIT FROM OPERATING ACTIVITIES	3	**3,331,053**	3,697,721
Finance costs	4	**(1,172,491)**	(1,133,744)
Share of profits and losses of:			
Joint ventures		**4,827**	(5,847)
Associates		**3,807,092**	2,742,612
PROFIT BEFORE TAX		**5,970,481**	5,300,742
Income tax	5	**(564,834)**	(545,287)
PROFIT FOR THE YEAR		**5,405,647**	4,755,455
ATTRIBUTABLE TO:			
Shareholders of the Company		**4,831,678**	4,183,878
Non-controlling interests		**573,969**	571,577
		5,405,647	4,755,455
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	7		
Basic		**HK3.78**	HK3.61
Diluted		**HK3.77**	HK3.54

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

	2014 HK$'000	2013 HK$'000
PROFIT FOR THE YEAR	**5,405,647**	4,755,455
OTHER COMPREHENSIVE INCOME/(LOSS)		
Items to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**(106,292)**	550,728
Reclassification adjustments for gain on disposal included in the consolidated statement of profit or loss	**(61,268)**	(106,200)
Income tax effect	**(16,892)**	20,941
	(184,452)	465,469
Exchange differences:		
Translation of foreign operations	**(1,367,217)**	1,860,766
Reclassification adjustments for gain on disposal of interests in subsidiaries included in the consolidated statement of profit or loss	**–**	(15,081)
	(1,367,217)	1,845,685
Share of other comprehensive income/(loss) of an associate	**(101,289)**	119,749
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	**(1,652,958)**	2,430,903
Items not to be reclassified to profit or loss in subsequent periods:		
Defined benefit plans:		
Actuarial gains/(losses)	**(108,273)**	36,832
Income tax effect	**27,069**	(9,208)
	(81,204)	27,624
Share of other comprehensive income/(loss) of an associate	**(15,890)**	13,072
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	**(97,094)**	40,696
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX	**(1,750,052)**	2,471,599
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**3,655,595**	7,227,054
ATTRIBUTABLE TO:		
Shareholders of the Company	**3,336,953**	6,347,464
Non-controlling interests	**318,642**	879,590
	3,655,595	7,227,054

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
ASSETS			
Non-current assets:			
Property, plant and equipment		**39,320,530**	38,996,767
Investment properties		**703,749**	719,968
Prepaid land premiums		**1,959,240**	1,785,609
Goodwill		**8,832,689**	7,659,735
Operating concessions		**2,021,350**	606,292
Other intangible assets		**236,978**	64,120
Investments in joint ventures		**230,722**	217,350
Investments in associates		**33,275,203**	29,184,338
Available-for-sale investments		**1,084,098**	1,315,859
Amounts due from contract customers		**316,733**	947,102
Receivables under service concession arrangements	8	**992,597**	–
Prepayments, deposits and other receivables		**1,165,546**	1,316,771
Deferred tax assets		**678,460**	601,056
Total non-current assets		**90,817,895**	83,414,967
Current assets:			
Prepaid land premiums		**44,860**	53,509
Inventories		**5,393,368**	5,661,492
Amounts due from contract customers		**39,895**	28,599
Receivables under service concession arrangements	8	**140,425**	701,582
Trade and bills receivables	9	**5,320,835**	4,393,374
Prepayments, deposits and other receivables		**6,131,039**	4,290,561
Other taxes recoverable		**2,232,099**	219,169
Restricted cash and pledged deposits		**58,735**	63,104
Cash and cash equivalents		**11,207,706**	10,795,467
		30,568,962	26,206,857
Assets of a disposal group classified as held for sale		**2,677,061**	–
Total current assets		**33,246,023**	26,206,857
TOTAL ASSETS		**124,063,918**	109,621,824

	Notes	2014 HK$'000	2013 HK$'000
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital: nominal value		**–**	127,019
Other statutory capital reserves		**–**	29,607,529
Share capital and other statutory capital reserves		**30,401,883**	29,734,548
Other reserves		**25,978,176**	23,522,995
Proposed final dividend	*6*	**796,297**	763,695
		57,176,356	54,021,238
Non-controlling interests		**10,874,635**	10,046,841
TOTAL EQUITY		**68,050,991**	64,068,079
Non-current liabilities:			
Bank and other borrowings		**5,559,874**	4,519,636
Guaranteed senior notes		**13,879,298**	13,866,081
Liability component of convertible bonds		**–**	93,501
Derivative component of convertible bonds		**–**	8,851
Defined benefit plans		**672,659**	535,655
Provision for major overhauls		**30,544**	30,544
Other non-current liabilities		**433,447**	361,859
Deferred tax liabilities		**319,441**	233,462
Total non-current liabilities		**20,895,263**	19,649,589
Current liabilities:			
Trade and bills payables	*10*	**2,238,403**	2,383,225
Amounts due to contract customers		**377,784**	325,794
Receipts in advance		**5,843,713**	5,690,597
Other payables and accruals		**7,656,455**	9,014,718
Income tax payables		**342,499**	378,319
Other taxes payable		**266,372**	821,418
Liability component of convertible bonds		**84,556**	673,054
Derivative component of convertible bonds		**7,639**	–
Bank and other borrowings		**17,691,435**	6,617,031
		34,508,856	25,904,156
Liabilities directly associated with the assets of a disposal group classified as held for sale		**608,808**	–
Total current liabilities		**35,117,664**	25,904,156
TOTAL LIABILITIES		**56,012,927**	45,553,745
TOTAL EQUITY AND LIABILITIES		**124,063,918**	109,621,824

Notes:

1.1 BASIS OF PREPARATION

The consolidated 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 (the "HKICPA") and accounting principles generally accepted in Hong Kong. The consolidated financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements 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) a disposal group held for sale which is stated at the lower of its carrying amounts and fair value less costs of disposal. The consolidated 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 2014. 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 to transactions 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 the accounting policy for subsidiaries below. 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 profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to 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 POLICIES AND DISCLOSURES

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*
Amendment to HKFRS 2 included in *Annual Improvements 2010-2012 Cycle*	*Definition of Vesting Condition*[1]
Amendment to HKFRS 3 included in *Annual Improvements 2010-2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]
Amendment to HKFRS 13 included in *Annual Improvements 2010-2012 Cycle*	*Short-term Receivables and Payables*
Amendment to HKFRS 1 included in *Annual Improvements 2011-2013 Cycle*	*Meaning of Effective HKFRSs*

[1] *Effective from 1 July 2014*

The adoption of the above revised standards and new interpretation has had no significant financial effect on the consolidated financial statements.

The Group has not early adopted any standard, interpretation or amendment that has issued but not yet effective.

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; and (2) an appropriate proportion of contract revenue of construction contracts and service contracts, net of value-added tax, business tax and government surcharges.

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 the Group's 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.

Year ended 31 December 2014

	Piped gas operation *HK$'000*	Brewery operation *HK$'000*	Sewage and water treatment operations *HK$'000*	Corporate and others *HK$'000*	Inter-segment elimination *HK$'000*	Consolidated *HK$'000*
Segment revenue	32,438,393	15,150,989	–	346,413	–	47,935,795
Cost of sales	(28,960,858)	(10,130,855)	–	(268,051)	–	(39,359,764)
Gross profit	3,477,535	5,020,134	–	78,362	–	8,576,031
Profit from operating activities	1,964,656	1,358,876	–	7,521	–	3,331,053
Finance costs	(264,383)	(93,188)	–	(814,920)	–	(1,172,491)
Share of profits and losses of:						
Joint ventures	4,860	–	–	(33)	–	4,827
Associates	2,977,116	(849)	789,962	40,863	–	3,807,092
Profit/(loss) before tax	4,682,249	1,264,839	789,962	(766,569)	–	5,970,481
Income tax	(210,689)	(314,208)	–	(39,937)	–	(564,834)
Profit/(loss) for the year	4,471,560	950,631	789,962	(806,506)	–	5,405,647
Segment profit/(loss) attributable to shareholders of the Company	4,454,238	387,515	789,962	(800,037)	–	4,831,678
Segment assets	70,277,913	24,309,263	7,382,087	25,101,214	(3,006,559)	124,063,918
Segment liabilities	18,923,706	8,648,299	–	31,447,481	(3,006,559)	56,012,927

Year ended 31 December 2013 (Restated)

	Piped gas operation *HK$'000*	Brewery operation *HK$'000*	Sewage and water treatment operations *HK$'000*	Corporate and others *HK$'000*	Inter-segment elimination *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	64,379,987	24,934,992	6,477,189	16,745,750	(2,916,094)	109,621,824
Segment liabilities	19,445,446	9,424,766	–	19,599,627	(2,916,094)	45,553,745

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 the consolidated financial statements.

Information about major customers

During each of the years ended 31 December 2014 and 2013, none of the Group's individual customers contributed to 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):

	2014	2013
	HK$'000	*HK$'000*
Cost of inventories sold	**38,944,146**	33,755,633
Cost of services provided	**395,086**	260,199
Depreciation	**2,298,691**	2,240,146
Amortisation of prepaid land premiums	**72,021**	73,948
Amortisation of operating concessions*	**20,532**	7,483
Amortisation of computer software*	**28,241**	6,140
Loss on disposal of items of property, plant and equipment, net	**14,569**	6,270

* 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

	2014	2013
	HK$'000	*HK$'000*
Interest on bank loans, overdrafts and other loans wholly repayable within five years	**466,168**	414,757
Interest on guaranteed senior notes	**722,578**	722,170
Interest on convertible bonds	**7,036**	37,889
Imputed interest on convertible bonds	**4,235**	3,532
Total finance costs	**1,200,017**	1,178,348
Less: Interest included in construction in progress	**(27,526)**	(44,604)
	1,172,491	1,133,744

5. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year (2013: 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 established in Mainland China enjoy PRC corporate income tax exemptions and reductions.

	2014	2013
	HK$'000	*HK$'000*
Current – PRC:		
Mainland China	**596,379**	532,211
Hong Kong	**2,884**	–
Deferred	**(34,429)**	13,076
Total tax expense for the year	**564,834**	545,287

6. DIVIDENDS

	2014	2013
	HK$'000	*HK$'000*
Interim – HK$0.28 (2013: HK$0.25) per ordinary share	**359,618**	291,658
Proposed final – HK$0.62 (2013: HK$0.6) per ordinary share	**796,297**	763,695
	1,155,915	1,055,353

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 the basic earnings per share amount 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 the diluted earnings per share amount 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:

	2014	2013
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to shareholders of the Company, used in the basic earnings per share calculation	**4,831,678**	4,183,878
Interest expense for the year relating to the liability component of the dilutive convertible bonds of the Group	**6,118**	35,932
Profit for the year attributable to shareholders of the Company, used in the diluted earnings per share calculation	**4,837,796**	4,219,810

	2014	2013
Number of ordinary shares		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation	**1,279,452,041**	1,160,128,990
Effect of dilution – weighted average number of ordinary shares: Convertible bonds	**5,438,257**	30,935,982
Weighted average number of ordinary shares, used in the diluted earnings per share calculation	**1,284,890,298**	1,191,064,972

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:

	2014	2013
	HK$'000	*HK$'000*
Billed:		
Within one year	**14,375**	–
One to two years	**–**	358,585
Two to three years	**–**	342,997
	14,375	701,582
Unbilled	**1,118,647**	–
	1,133,022	701,582
Portion classified as current assets	**(140,425)**	(701,582)
Non-current portion	**992,597**	–

9. TRADE AND BILLS RECEIVABLES

The various group companies have different credit policies, depending on the requirements of their markets and the businesses in 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:

	2014	2013
	HK$'000	*HK$'000*
Billed:		
Within one year	**2,589,316**	2,260,699
One to two years	**37,472**	66,176
Two to three years	**20,697**	34,955
Over three years	**26,772**	28,804
	2,674,257	2,390,634
Unbilled	**2,646,578**	2,002,740
	5,320,835	4,393,374

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:

	2014	2013
	HK$'000	*HK$'000*
Within one year	**1,820,704**	1,920,092
One to two years	**236,043**	437,011
Two to three years	**169,653**	9,378
Over three years	**12,003**	16,744
	2,238,403	2,383,225

11. EVENT AFTER THE REPORTING PERIOD

On 26 November 2014, the Group and China Gas entered into an agreement pursuant to which the Group agreed to sell the interests in 12 gas projects outside Beijing to China Gas at a consideration of RMB1.633 billion. On 17 March 2015, the transaction was approved by an ordinary resolution at the special general meeting of shareholders of China Gas. The transaction had not yet completed as at the date of this announcement.

12. OTHER FINANCIAL INFORMATION

The net current liabilities and total assets less current liabilities of the Group as at 31 December 2014 amounted to HK$1,871,641,000 (2013: net current asset of HK$302,701,000) and HK$88,946,254,000 (2013: HK$83,717,668,000), respectively.

13. COMPARATIVE AMOUNTS

Certain comparative amounts have been restated in the preparation of the consolidated financial statements (i) as a result of the completion of the initial accounting for the acquisition of China Gas; and (ii) to conform with current year's presentation.

DIVIDEND

The Directors of the Company recommended the payment of a final dividend of HK62 cents per share for the year ended 31 December 2014 payable to shareholders whose names appear on the register of members of the Company on 22 June 2015. Subject to the approval of shareholders at the forthcoming annual general meeting, the final dividend will be paid on or around 8 July 2015.

ANNUAL GENERAL MEETING

The 2015 annual general meeting will be held on Thursday, 11 June 2015. The notice of the 2015 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 2015 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 2015 annual general meeting:

Latest time to lodge transfer documents for registration . . . . 4:30 pm on Thursday, 4 June 2015

Closure of register of members . . . . Friday, 5 June 2015 to Thursday, 11 June 2015 (both dates inclusive)

(ii) For determining entitlement to the final dividend:

Latest time to lodge transfer documents for registration . . . . 4:30 pm on Tuesday, 16 June 2015

Closure of register of members	Wednesday, 17 June 2015 to Monday, 22 June 2015 (both dates inclusive)
Record date	Monday, 22 June 2015

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2015 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 2014, the Group had approximately 49,500 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 2014.

During the year, the Company held three 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 2014.

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.

SCOPE OF WORK OF THE COMPANY'S AUDITORS IN RESPECT OF THE PRELIMINARY ANNOUNCEMENT

The figures set out in the preliminary announcement of the Group's results for the year ended 31 December 2014 in respect of the Group's consolidated statement of profit or loss and consolidated statement of financial position have been agreed by the Company's auditors, to the amounts set out in the Group's drafted consolidated financial statements for the year. The work performed by the Company's auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditors on the preliminary announcement.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, the Company bought back a total of 1,051,500 ordinary shares of the Company on the Stock Exchange and these shares were subsequently cancelled by the Company. Details of the buy-backs of such ordinary shares are as follows:

Date	Number of Shares bought back	Price per Share Highest	Price per Share Lowest	Total price paid
		HK$	*HK$*	*HK$*
28 January 2014	300,000	64.35	63.50	19,263,000
29 January 2014	301,500	66.67	66.50	20,172,000
30 January 2014	450,000	65.82	65.82	29,726,000

The buy-back of the Company's shares during the year was effected by the directors, pursuant to the mandate from shareholders received at the last annual general meeting, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION

The Board of Directors of the Company proposes to adopt a set of new articles of associations of the Company (the "**New Articles**") to substitute the existing memorandum and articles of association of the Company in order to align them with the new Companies Ordinance (Chapter 622 of the Laws of Hong Kong) which has come into effect on 3 March 2014. The proposed adoption of the New Articles is subject to approval by the shareholders of the Company by way of a special resolution at the forthcoming annual general meeting,

A circular containing, among other things, a summary of the principal provisions of the New Articles, will be dispatched to the shareholders of the Company as soon as practicable.

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 2015

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. Li Fucheng, Mr. Li Yongcheng, 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. Lam Hoi Ham, Mr. Fu Tingmei, Mr. Sze Chi Ching, Mr. Shi Hanmin and Dr. Yu Sun Say as independent non-executive directors.