PRESS RELEASE

北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

2014 Annual Results

Financial Highlights

	For the year ended 31 December		
	2014 Audited (HK$'000)	2013 Audited (HK$'000)	Change
Revenue	**47,935,795**	42,360,528	+13.2%
Gross Profit	**8,576,031**	8,337,213	+2.86%
Profit Attributable to Shareholders of the Company	**4,831,678**	4,183,878	+15.5%
Basic Earning Per Share (HK$)	**3.78**	3.61	+4.71%

(Hong Kong, 31 March 2015) – Beijing Enterprises Holdings Limited (the "Company" or the "Group", stock code: 392) today announced its results for the year ended 31 December 2014.

The revenue of the Group was HK$47.94 billion for 2014, increased by 13.2% as compared to year 2013. Profit attributable to shareholders of the Company was HK$4.83 billion, increased by 15.5% as compared to year 2013. The Board of Directors declared a final dividend of HK62 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	**Proportion**
	HK$'000	*%*
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

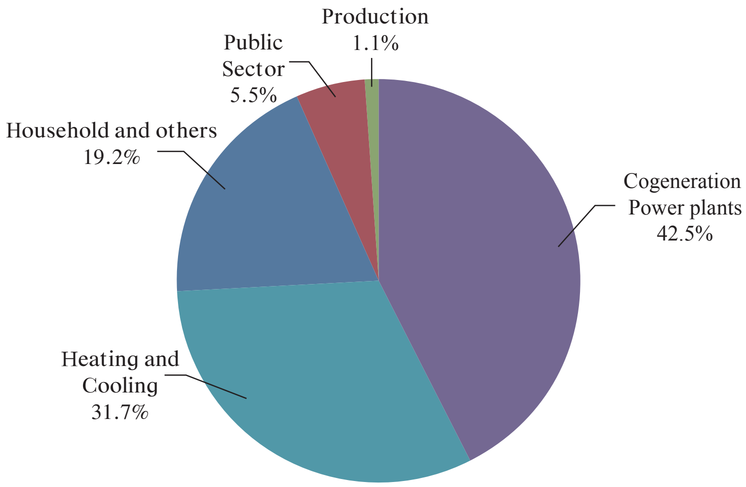
I. BUSINESS REVIEW

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.

Beijing Enterprises Holdings Limited
Segment analysis on major enterprises

	2014		2013	
	Revenue	**Net profit attributable to shareholders**	Revenue	Net profit attributable to shareholders
	HKD'000	**HKD'000**	HKD'000	HKD'000
Piped Gas Operation				
Beijing Gas and share of PetroChina Pipeline Co. and China Gas	**32,438,393**	**4,454,238**	25,159,146	3,520,112
Brewery Operation				
Yanjing Beer	**15,150,989**	**387,515**	16,836,952	357,986
Sewage and Water Treatment Operations				
BE Water Group	**-**	**789,962**	-	514,454
Other Operations				
Other Enterprises	**346,413**	**34,296**	364,430	(47,241)
Headquarter and other expenses	**-**	**(979,313)**	-	(790,090)
	346,413	**(945,017)**	364,430	(837,331)
	47,935,795	**4,686,698**	42,360,528	3,555,221
Exceptional Items, net	(1)	**144,980**		628,657
Total		**4,831,678**		4,183,878

(1) Amount mainly represented the net of a gain on deemed disposal of interests in BE Water Group of HKD379 millions and certain provisisons of HKD290 millions.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2014

	2014	2013
	HK$'000	*HK$'000*
REVENUE	**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	**3,331,053**	3,697,721
Finance costs	**(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	**(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		
Basic	**HK3.78**	HK3.61
Diluted	**HK3.77**	HK3.54

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2014

	2014	2013
	HK$'000	*HK$'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	**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	**140,425**	701,582
Trade and bills receivables	**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

	2014	2013
	HK$'000	*HK$'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	**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	**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

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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.*

*As of December 31, 2014, 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); 22.44% interest in **China Gas Holdings Limited** (0384.HK); 46.00% interest in the A Share listed **Yanjing Brewery Stock Company Limited** (000729.Shenzhen); 43.39% 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 50.36% 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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