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 2015

HIGHLIGHTS

- Revenue for the year amounted to approximately HK$60.15 billion, representing an increase of 25.5% over last year.
- Profit attributable to shareholders of the Company amounted to approximately HK$5.67 billion, representing an increase of 17.3% over last year.
- Basic earnings per share amounted to HK$4.41.
- A final dividend of HK65 cents per share is proposed for 2015.

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 2015, together with comparative figures for the previous year. The revenue of the Group was HK$60.15 billion for 2015, representing an increase of 25.5% as compared to last year. Profit attributable to shareholders of the Company was HK$5.67 billion, representing an increase of 17.3% as compared to 2014.

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	5,065,227	82.0
Beer production operation	142,520	2.3
Sewage and water treatment operations	965,860	15.7
Profit from major operations	6,173,607	100
Other operations and headquarter expenses	(795,834)	
Non-operating gains, net	289,605	
Profit attributable to shareholders of the Company	5,667,378	

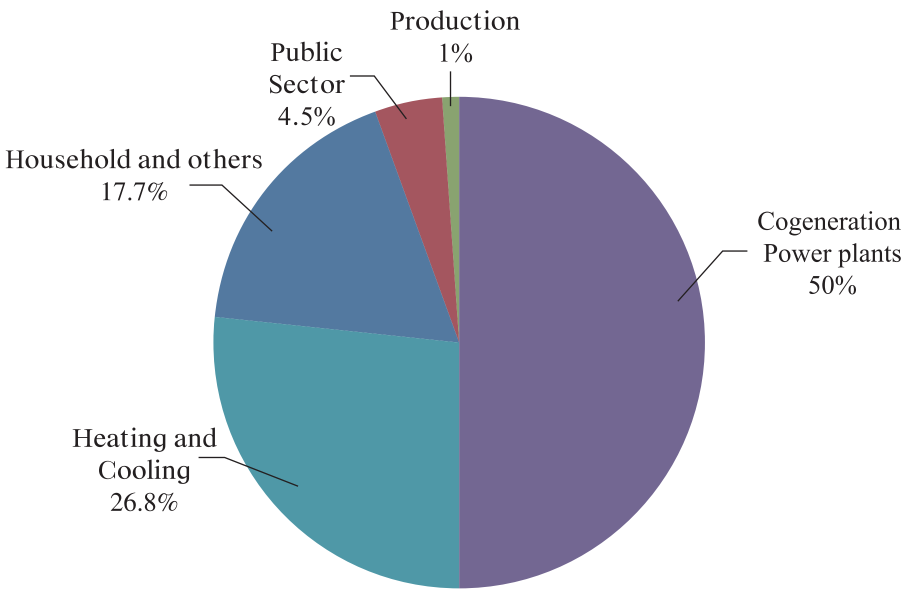
MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

Natural Gas Distribution Business

Beijing Gas Group Company Limited ("Beijing Gas") recorded a revenue of HK$43.95 billion in 2015, representing a year-on-year growth of 35.5%. The gas sales volume reached 13.06 billion cubic meters, representing a year-on-year growth of 31.1%. This was mainly due to the stable operation in the Jingxi, Gaojing and Gaoantun Thermal Gas Power Center that commenced production at the end of 2014. With the Guohua cogeneration power plant that was also put into operation in mid-2015, it further created the demand for natural gas and led to a steady increase in gas demand for power generation.

The gas sales volume of Beijing Gas in 2015 was approximately 13.06 billion cubic meters, an analysis by subscriber sector is as follows:–



In 2015, there were approximately 182,600 new subscribers, of which 163,000 were household subscribers and 4,886 were public-sector subscribers. As at the end of 2015, the total number of natural gas subscribers of Beijing has reached approximately 5,540,000 and the pipelines in operation in Beijing increased to 18,751 kilometers in length. During the year, heating boilers with a total capacity of 4,216 t/h steam were developed. Capital expenditure for basic pipelines and gateway stations infrastructure in Beijing amounted to HK$3.15 billion.

In 2015, Beijing Gas continued to actively facilitate the development of clean energy scheme, and promoted the transformation of coal-fire boiler. It completed 174 projects in coal-fire boiler transformation with a total capacity of 3,859t/h steam. Beijing Gas endeavored to boost the marketing development of vehicle gas and completed the construction of 12 natural gas filling stations. Furthermore, it developed 3,099 natural gas vehicles for the year and completed a sales volume of 168 million cubic meters, which had lowered the emission effectively. The expansion in tri-generation distributed energy market gave apparent effects, while the markets outside the surrounding Beijing-Tianjin-Hebei succeeded in signing new projects successively. The quality investment and operating projects have become models with promotion effects.

During the year, Beijing Gas actively participated in energy market trading, and for the first time, completed the natural gas online trade with Shanghai Petroleum and Natural Gas Exchange Centre. It initiated its overseas LNG sourcing and widened the secured channels of winter resources supply, and started the new model of resources security marketization.

Natural Gas Transmission Business

PetroChina Beijing Natural Gas Pipeline Company Limited ("PetroChina Beijing Pipeline Co.") recorded a gas transmission volume of 32.93 billion cubic meters in 2015, representing a year-on-year growth of 9.9%. Through holding the 40% equity interest of PetroChina Beijing Pipeline Co., the Company's share of net profit after taxation was HK$2.73 billion, which contributed an increase in profit of approximately 15.5% year-on-year.

China Gas

For the half year of April to September 2015, China Gas Holdings Limited ("China Gas") achieved a sales volume of 4.49 billion cubic metres in pipeline gas, representing a year-on-year increase of 7.2%. Profit attributable to the Group amounted to approximately HK$656 million in 2015.

Beer Business

In 2015, the sustained downward trend of domestic economy, sluggish consumption, adverse weather and many other factors had restrained beer consumption. The continued downward trend of China's beer industry had directly affected enterprise economic growth. In face of unfavorable market consumption environment, enterprises responded actively. Beijing Yanjing Brewery Co., Ltd. ("Yanjing Beer") constantly improved its product quality and committed itself to brewing the best beer in China. It continuously adjusted its product mix and strived to promote Yanjing Fresh Beer, canned beer and other mid-end beers as well as virgin pulp white beer, draft beer and other high-end beers in the domestic market, and achieved an annual sales volume for Yanjing Fresh Beer of 1.32 million kilolitres, representing a year-on-year increase of 5.18%, and the annual sales volume of canned beer achieved 535,000 kilolitres, up by 16.25% year-on-year. The product mix is further optimized and product competitiveness is continuously enhanced. During the year, sales volume of Yanjing Beer reached 4.83 million kilolitres, achieving a revenue of HK$14.07 billion. The capital expenditure of Yanjing Beer amounted to HK$730 million in 2015.

During the year, Yanjing, our dominant brand, continued to extend its influence in the national market and improved its brand image. It intensified its investments in the central and western regional markets and also distinguished its resources allocation. It actively caught up with the new trend and tide arising from internet consumption to further explore the business model of internet marketing. In 2015, the sales volume of the products with price over RMB2,500/kiloliter reached 45% in proportion, of which, the proportion of sales volume of tinplate can was 11%, and sales volume proportion of Yanjing Fresh Beer was 27%. The sales volume proportion of "1+3" brand was 94%, of which 73% is for Yanjing's main brands, up by 5 percentage point year-on-year. The brand value of "Yanjing" is RMB80.268 billion, a growth of 21.5% over last year.

Sewage and Water Treatment Operation

The sewage treatment and water businesses of Beijing Enterprises Water Group Limited ("BE Water", stock code: 371) developed rapidly in 2015. Its turnover increased 51% to HK$13.5 billion as a result of the increase in income from water treatment service and BOT projects construction service. Profit attributable to shareholders of BE Water increased 37% to HK$2.46 billion, of which HK$1.08 billion was attributable to the Company, representing a year-on-year increase of 36.3%. As at the end of 2015, BE Water already participated in 388 water plants which are or will be in operation, including 285 sewage treatment plants, 94 water distribution plants, 8 reclaimed water plants and 1 seawater desalination plant, with a total designed capacity of the water treatment service of 24,620,000 tons/day. BE Water participated in various projects that spread across 25 provinces, cities and autonomous regions nationwide as well as in Singapore, Malaysia and Portugal and has developed itself into one of the leading water companies in China.

In 2015, the overall economy of China faced a considerable downward pressure, however, with the launching of the environmental policies, including the Ten Provisions in Water（水十條）and the vigorous promotion of the PPP (Public-Private-Partnership) model, they provided adequate growth momentum for the water and environmental industry. BE Water grasped the opportunities, increased its resources investments in the PPP projects, perfect its investment system setting up, leverage on the operation viability of its business units, synergistically cooperated to develop the urban water business growth in volume and capacity. By leveraging on its comprehensive synergistic effect in the water environmental development business, in 2015, the investment progress of BE Water was accelerated obviously through integrated watershed management, sewage body remediation, and improvement in river and lake systems, flood control and drainage, improved water ecological environment, and at the same time, we achieved smoothly the market layout in seven key regions. In addition, BE Water completed the acquisition of Huaian Water Conservancy Institute（淮安水利院）, achieved the organic integration with Nanjing Municipal Work Institute（南京市政院）, completed initially the building of its technical system and business layout nationwide. Phase I of Liangshuihe Comprehensive Water Environment Renovation Project had also entered into the conventional operation and maintenance stage, with its Phase II commenced preliminary program reporting and Phase III (the Tongzhou section) received official approval.

Solid Waste Treatment Business

In 2015, Beijing Enterprises Holdings achieved an increase in solid waste new contracted capacity of 1,600 tons/day. Of which, Beijing Enterprises Holdings Environment Technology Co., Ltd ("BEHET") achieved an operating revenue of HK$393 million, and realized an operating profit of HK$95.11 million. The newly acquired solid waste treatment projects of Beijing Development (Hong Kong) Limited (Stock Code: 154) ("Beijing Development") achieved an operating revenue of HK$1.25 billion, and realized an operating profit of HK$88.16 million for the year.

After Beijing Development had achieved its business strategic transformation, it continued to strengthen the operation and security management of the two existing solid waste projects in Tai An and Changde to ensure stable operation. At the same time, it actively moved forward the replacement of non-principal assets, and has now basically completed the transfer and disposition of the entire information technology business.

With part of the solid waste and hazardous waste disposal projects of BEHET turned into commercial operation, the proportion of operating revenue achieved a substantial increase year-on-year with its profitability improved significantly and had generated a stable cash flow. Currently, the Company is being ranked amongst the top ten domestic solid waste treatment enterprises in domestic market.

As at the end of the year, BEHET and Beijing Development accomplished a household waste input volume of 1,676,000 tons with a daily treatment volume of 5,079 tons. It accomplished an on-grid power generation volume of 404,000,000 kWh and hazardous waste input volume of 22,800 tons.

Material Capital Operation and Implementation of Strategic Business Layout

Total foreign financing completed by the Company in 2015 were approximately HK$9.76 billion. In April 2015, the Company grasped the optimum issuing opportunity of low Euro interest rate and successfully issued the foreign financing of the 5-Year EUR500 million bonds. With extreme high efficiency, such issuance of bonds became the first Chinese enterprise to issue bonds based on its red-chip structure creditability and established a new standard for Euro bonds issuance. In December 2015, the Company successfully issued the 25-Year US$200 million bonds, which once again provided strong capital support for the development of the Company's major operations.

For strategic layout, in December 2015, the Company entered into an agreement to inject the 100% equity interest of Golden State Water Group Corporation ("GSWG") into BE Water. Such asset injection, which is subject to the approval of independent shareholders of BE Water, is in line with the development strategy of the Company and will give a tremendous synergistic effect on the existing assets of BE Water.

II. PROSPECTS

Natural Gas Distribution Business

Beijing Gas will continue to actively implement the clean air action plan to capture the new natural gas markets by emphasizing on the four gas segments including pipeline gas, LNG, CNG and LPG as well as taking the full advantage of its pipeline price and gas supply pattern. By seizing the integrated opportunities of Beijing, Tianjin and Hebei, it will collaborate to expand the surrounding gas markets of Beijing. It will firmly establish its dominant position in the distributive energy market and promote the implementation of new clean energy project, thereby ensuring its continuous leading technology position in the domestic clean energy sector.

Beijing Gas will also continue to strengthen the development of vehicle gas market, broaden the application of gas-fueled vehicle, enhance the operation rate of the completed LNG stations and leverage on the location advantage of its primary fueling station layout in Beijing to improve the CNG filling stations setup in outer suburban districts and counties in Beijing. It will seek a breakthrough in CNG market for its surrounding regions and outside Beijing. By promoting the upstream resources project and implement secured resources, it will accelerate the implementation of city gas investment projects, with the gas projects in Tianjin and Hebei as priority.

China Gas

China Gas will continue to make clear its geographical focus in the future strategy planning with Beijing Gas, accelerate the nationwide layout for its city gas business and increase the development on neighboring towns and counties surrounding the cities to achieve the diversified energy business layout involving pipeline gas, LNG, CNG, LPG and diversified energy. It will continue to maintain its dominant position in city gas, gas for vehicles and vessels, and LPG markets, promote the synergistic development of natural gas business and liquefied petroleum gas business, continue to expand its market share of gas for vehicles and vessels, secure industrial chain, be innovative in natural gas trading model and actively expand the natural gas downstream business.

Natural Gas Transmission Business

PetroChina Beijing Pipeline Co. will invest and establish the long-haul transmission pipeline projects of the No. 4 Shaanxi-Beijing Pipeline. The transmission capacity of Shaanxi-Beijing Pipeline will be further expanded to meet future demand. The Group will benefit from the increase in transmission business scale in the long run and will share the related economic benefits.

Beer Business

Yanjing Beer will actively adapt to the "new normal" of domestic economic development as well as the implementation of the development strategy of integrating Beijing, Tianjin and Hebei. It will focus on the structural adjustments on product, brand and market, expand the base markets, and improve product market competitiveness and profitability. It will actively increase its market share for balanced and weaker markets, enter into potential new markets as and when appropriate to increase product coverage and market share effectively. It will firmly consolidate its advantageous markets position, intensify the nationwide well-known brand position of Yanjing brand, achieve Yanjing brand international enhancement and accelerate the turning of weaker local brands to Yanjing brand.

Water Treatment Operations

BE Water will seize the golden development opportunity in water industry to achieve the external development of traditional water business through co-operation with governmental environmental group and industry merger and acquisition. It will seize the PPP opportunities and attach great importance to client loyalty development and maintenance to establish the long-term and stable project resource channel. The Company will also continue to upkeep BE Water capital advantages and vigorously enhance its technology competitiveness to achieve the dual-mover of its capital and scientific advantages.

Solid Waste Treatment Business

The "13th Five-Year Plan" is a critical stage for the emergence and soaring of the solid waste industry of the Company. Beijing Development and BEHET will intensify their communications and cooperation, accurately assess the market and industry trends, diligently obtain high-quality solid waste projects through capital raising, innovative business competitive model, and optimize market layout. It will strive to expand rapidly and consolidate its own leading position in this golden development era of environmental protection industry.

The solid waste treatment business under the Company will accelerate its reorganization and resource integration processes, make itself clear in its strategic positioning and strategic planning of environmental protection solid waste treatment business platform. It will enhance project construction and operation management standard, rapidly achieve breakthrough in technology, equipment and production capacity bottleneck, and lays a solid development basis for being one of the domestic leading enterprises in environmental protection business by emphasizing on the integrative strengths of quality, safety, efficiency and environmental protection.

The Company also accelerates the overseas market expansion for its solid waste treatment business. On 2 March 2016, the Group officially completed the acquisition of the 100% equity interest of EEW Energy from Waste GmbH ("EEW"), an energy-from-waste company from Germany. EEW Group is a leading energy-from-waste ("EfW") company in Europe headquartered in Germany, and it operates 18 EfW plants, with its principal business in the supply of electricity, steam and heat from waste and accounted for approximately 17% market share of EfW business in Germany. This acquisition will certainly expand the business scale and elevate the industrial position of the Company in solid waste and environmental protection sector. The Group will also leverage on the rich experience of EEW accumulated for many years and strive to enhance the overall level of domestic solid waste and environmental protection industry by bringing in advanced solid waste and environmental protection concept, technology and managerial experience in Europe.

III. FINANCIAL REVIEW

Revenue

The revenue of the Group in 2015 was approximately HK$60.15 billion, increased by 25.5% when compared with the revenue of HK$47.94 billion in 2014. 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, which accounted for 23.4% of total net revenue. Other business contributed an aggregate of not more than 4% of the total revenue.

Cost of Sales

Cost of sales increased by 29.8% to HK$51.1 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 overheads.

Gross Profit Margin

Overall gross profit margin was 15%. The decrease in overall gross profit margin was mainly attributable to the increase in sales ratio of natural gas to the users in thermal power plant. The gross profit margin of beer sales pulled down the gross profit margin due to a decrease in sales volume and revenue.

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$213 million, gain on transfer of assets from customers amounted to HK$40.33 million, bank interest income amounted to HK$163 million, rental income amounted to HK$81.06 million, gain on disposal of materials and beer bottles by Yanjing Beer amounted to HK$130 million and increase in value of investment property of HK$480 million and so on.

Selling and Distribution Expenses

Selling and distribution expenses of the Group in 2015 decreased by 0.8% to HK$2.58 billion which was mainly due to the tightening cost control and reducing unnecessary selling expenses for brewery business.

Administration Expenses

Administration expenses of the Group in 2015 were HK$3.94 billion, increased by 15.5% when compared to last year, which was mainly due to the continuous expansion of natural gas distribution business and business expansion of solid waste treatment operation. The increase in percentage of administration expenses was lower than its increase in percentage of sales.

Other Operating Expenses, net

It was mainly due to the impairment made for certain assets of construction in progress and the operating concession right of Guanshun Road and the provision of impairment loss on the coal to gas project of Datang, an associate.

Finance Costs

Finance costs of the Group in 2015 was HK$1.3 billion, increased by 11% comparing to 2014, which was mainly due to the full year interest impact of the US$540 million short-term loan at the end of 2014 and the additional EUR500 million five-year bonds issued in May 2015.

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 22.7% share of the profit attributable to shareholders of China Gas and the 43.84% 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 2015, the Group shared the 40% profit after taxation of PetroChina Beijing Pipeline Co. amounting to HK$2.73 billion, and in the same year, the Group shared the 22.7% profits after taxation of China Gas amounting to HK$656 million. The Group's share of net profits of BE Water amounted to HK$1.08 billion in 2015.

In addition, in 2015, the 39.7% share of profit after tax of BMEI Co., Ltd. attributable to the Group was HK$174 million, of which HK$148 million was the share of the gain on investment properties valuation.

Tax

After deducting the share of profits and losses of associates, the effective income tax rate is 35.3%, higher than that of 26.2% in last year. It was because of the non-taxable gain from deemed disposal of interest in an associate during the year was much lower than that of 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 2015 was HK$5.67 billion (2014: HK$4.83 billion).

IV. FINANCIAL POSITION OF THE GROUP

Non-current assets

Property, plant and equipment

The net book value of property, plant and equipment was down by HK$1.58 billion, which was mainly due to the net value of approximately HK$950 million of gas distribution assets has already contracted and sold to China Gas, and the assets are reclassified to a disposal group held for sale and the exchange loss.

Interests in associates

The decrease in the balance by HK$1.68 billion was mainly attributable to the 34% interest in Datang's coal to gas project in Keqi has been contracted for sale, and the related assets are reclassified to a disposal group held for sale.

Prepayments, deposits and other receivables

The increase in the balance by HK$2.06 billion was mainly attributable to the prepayment of investment amount of approximately HK$2.4 billion to PetroChina Pipeline Company Ltd..

Current assets

Inventories

The decrease in the balance by approximately HK$750 million was mainly due to the decrease in inventories needs as a result of the decrease in sales volume of Yanjing Beer.

Trade and bills receivables

The decrease in the balance by HK$1.78 billion was mainly due to the substantial amount of in-arrear payments from the principal users in Cogeneration Power Plants of Beijing Gas were settled prior to the end of year.

Prepayments, deposits and other receivables

The decrease in the balance by HK$2.3 billion was mainly attributable to the sufficient supply of natural gas in 2015, and the significant decrease in the prepayment of gas purchasing from PetroChina by Beijing Gas.

Other taxes recoverable

The decrease in the balance by HK$900 million, which was mainly due to the decrease in related input VAT as a result of decrease in the balance of prepayment of gas purchasing.

Assets of disposal groups classified as held for sale

The increase in the balance by HK$3.84 billion was mainly due to newly added interest in Datang's coal to gas project and the intended disposal of natural gas distribution business to China Gas.

Cash and Bank Borrowings

As at 31 December 2015, cash and bank deposits held by the Group amounted to HK$13.69 billion. As at balance sheet date, if the receipts in advance of approximately HK$4.51 billion for the replenishment of IC Card value of Beijing Gas are excluded, the Group had net current assets of HK$11.84 billion, representing a strong net working capital. The Group maintains sufficient banking facilities for its working capital requirements and has sufficient cash resources to finance its capital expenditures in the foreseeable future.

The Group's total borrowings amounted to HK$34.76 billion as at 31 December 2015, which mainly comprised guaranteed bonds and senior notes of US$2.0 billion in total, Euro bonds amounting to EUR500 million, five-year syndicated loans amounting to HK$3 billion, medium and long-term loans amounting to HK$2.48 billion and bridging loans amounting to US$250 million with the remaining loans denominated in Renminbi and Hong Kong dollars. Around 57.8% of the bank loans were denominated in Hong Kong dollars with the rest mainly in Renminbi. The Group had net borrowings of HK$21.07 billion as at 31 December 2015.

Non-current liabilities

Bank and other borrowings

There was a decrease of HK$7.94 billion in long and short term balance in total, which was mainly due to the loan repayment of approximately RMB3.8 billion by Beijing Gas during the year.

Current liabilities

Trade and bills payables

The increase in the balance by HK$1.4 billion was mainly due to construction fee payable for Haidian Project.

Receipts in advance

The decrease in the balance by HK$477 million was mainly due to the decrease 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 increase in the balance by HK$600 million was mainly attributable to the increase in capital expenditure of gas distribution business.

Liability component of convertible bonds

The balance decreased to nil was because of the convertible bonds of Yanjing Beer due in 2015 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 2015, the issued capital of the Company amounted to 1,282,850,268 shares and the shareholders' equity increased to HK$58.19 billion. Total equity was HK$68.65 billion. The gearing ratio, which is the 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 33.6% (2014: 35%).

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 2015

	Notes	2015 HK$'000	2014 HK$'000
REVENUE	2	**60,149,945**	47,935,795
Cost of sales		**(51,098,897)**	(39,359,764)
Gross profit		**9,051,048**	8,576,031
Gain on deemed disposal of partial interests in an associate		**2,390**	378,843
Other income and gains, net		**1,464,170**	862,480
Selling and distribution expenses		**(2,575,564)**	(2,595,985)
Administrative expenses		**(3,936,272)**	(3,407,908)
Other operating expenses, net		**(773,964)**	(482,408)
PROFIT FROM OPERATING ACTIVITIES	3	**3,231,808**	3,331,053
Finance costs	4	**(1,301,863)**	(1,172,491)
Share of profits and losses of:			
Joint ventures		**(183)**	4,827
Associates		**4,708,112**	3,807,092
PROFIT BEFORE TAX		**6,637,874**	5,970,481
Income tax	5	**(681,961)**	(564,834)
PROFIT FOR THE YEAR		**5,955,913**	5,405,647
ATTRIBUTABLE TO:			
Shareholders of the Company		**5,667,378**	4,831,678
Non-controlling interests		**288,535**	573,969
		5,955,913	5,405,647
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	7		
Basic		**HK$4.41**	HK$3.78
Diluted		**N/A**	HK$3.77

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2015

	2015	2014
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**5,955,913**	5,405,647
OTHER COMPREHENSIVE LOSS		
Items to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**(107,495)**	(106,292)
Reclassification adjustments for gain on disposal included in the consolidated statement of profit or loss	**(20,617)**	(61,268)
Income tax effect	**5,155**	(16,892)
	(122,957)	(184,452)
Exchange differences on translation of foreign operations	**(2,927,685)**	(1,367,217)
Fair value gain on revaluation of a building upon transfer to investment property	**29,685**	–
Share of other comprehensive loss of associates	**(683,697)**	(101,289)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	**(3,704,654)**	(1,652,958)
Items not to be reclassified to profit or loss in subsequent periods:		
Defined benefit plans:		
Actuarial losses	**(132,576)**	(108,273)
Income tax effect	**33,144**	27,069
	(99,432)	(81,204)
Share of other comprehensive loss of associates	**(7,498)**	(15,890)
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods	**(106,930)**	(97,094)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF INCOME TAX	**(3,811,584)**	(1,750,052)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**2,144,329**	3,655,595
ATTRIBUTABLE TO:		
Shareholders of the Company	**2,334,243**	3,336,953
Non-controlling interests	**(189,914)**	318,642
	2,144,329	3,655,595

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2015

	Notes	2015 *HK$'000*	2014 *HK$'000* (Restated)
ASSETS			
Non-current assets:			
Property, plant and equipment		**37,735,621**	39,320,530
Investment properties		**1,194,258**	703,749
Prepaid land premiums		**1,888,032**	1,959,240
Goodwill		**8,927,959**	8,899,765
Operating concessions		**2,250,526**	2,259,127
Other intangible assets		**282,844**	236,978
Investments in joint ventures		**192,651**	230,722
Investments in associates		**31,599,399**	33,275,203
Available-for-sale investments		**1,012,557**	1,084,098
Amounts due from contract customers		**388,771**	316,733
Receivables under service concession arrangements	*8*	**1,655,090**	1,020,254
Prepayments, deposits and other receivables		**3,220,569**	1,165,546
Deferred tax assets		**779,713**	678,460
Total non-current assets		**91,127,990**	91,150,405
Current assets:			
Prepaid land premiums		**45,222**	44,860
Inventories		**4,644,199**	5,393,368
Amounts due from contract customers		**39,623**	39,895
Receivables under service concession arrangements	*8*	**135,675**	140,425
Trade and bills receivables	*9*	**3,544,455**	5,320,835
Prepayments, deposits and other receivables		**3,835,300**	6,131,039
Other taxes recoverable		**1,336,880**	2,232,099
Restricted cash and pledged deposits		**73,003**	58,735
Cash and cash equivalents		**13,693,804**	11,207,706
		27,348,161	30,568,962
Assets of disposal groups classified as held for sale		**6,289,889**	2,454,449
Total current assets		**33,638,050**	33,023,411
TOTAL ASSETS		**124,766,040**	124,173,816

	Notes	2015 HK$'000	2014 HK$'000 (Restated)
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		**30,401,883**	30,401,883
Reserves		**27,785,384**	26,774,473
		58,187,267	57,176,356
Non-controlling interests		**10,464,903**	10,919,624
TOTAL EQUITY		**68,652,170**	68,095,980
Non-current liabilities:			
Bank and other borrowings		**8,263,049**	5,559,874
Guaranteed bonds and senior notes		**19,444,592**	13,879,298
Defined benefit plans		**827,960**	672,659
Provision for major overhauls		**28,363**	30,544
Other non-current liabilities		**761,946**	433,447
Deferred tax liabilities		**480,481**	384,350
Total non-current liabilities		**29,806,391**	20,960,172
Current liabilities:			
Trade and bills payables	*10*	**3,640,954**	2,238,403
Amounts due to contract customers		**329,589**	377,784
Receipts in advance		**5,366,453**	5,843,713
Other payables and accruals		**8,256,953**	7,656,455
Income tax payables		**494,147**	342,499
Other taxes payables		**198,802**	266,372
Liability component of convertible bonds		**–**	84,556
Derivative component of convertible bonds		**–**	7,639
Bank and other borrowings		**7,047,965**	17,691,435
		25,334,863	34,508,856
Liabilities directly associated with the assets of disposal groups classified as held for sale		**972,616**	608,808
Total current liabilities		**26,307,479**	35,117,664
TOTAL LIABILITIES		**56,113,870**	56,077,836
TOTAL EQUITY AND LIABILITIES		**124,766,040**	124,173,816

Notes:

1.1 BASIS OF PREPARATION

The 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"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for (i) investment properties and certain available-for-sale investments which have been measured at fair value; and (ii) disposal groups held for sale which is stated at the lower of its carrying amount and fair value less costs to sell. The 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 Group for the year ended 31 December 2015. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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 above. 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 for the first time for the current year's financial statements:

Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*
Annual Improvements to *HKFRSs 2010-2012 Cycle*
Annual Improvements to HKFRSs 2011-2013 Cycle

Other than as further explained below regarding the impact of amendments to HKAS 19, the adoption of the above revised standards has had no significant financial effect on the financial statements.

Amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have contributions from employees or third parties to defined benefit plans.

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) came into effect for the first time during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2. REVENUE AND OPERATING SEGMENT INFORMATION

Revenue, 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. Particulars of the Group's reportable operating segments are summarised as follows:

(a) the piped gas operation segment engages in the distribution and sale of piped natural gas, the provision of natural gas transmission, gas technology consultation and development services, the surveying and plotting of underground construction projects, the construction and installation of gas pipelines and related equipment and the provision of repairs and maintenance services;

(b) the brewery operation segment produces, distributes and sells brewery products;

(c) the sewage and water treatment operations segment engages in the construction of sewage and water treatment plants and other infrastructural facilities, the provision of construction services for comprehensive renovation projects, sewage treatment, water treatment and distribution, and the provision of consultancy services and the licensing of technical know-how that is related to sewage treatment in the PRC and certain overseas countries; and

(d) the corporate and others segment comprises construction and operation of solid waste treatment plants and the sale of electricity and steam generated from solid waste treatment, the sale of IT related products, the provision of system integration and maintenance services and software development and consultation services, property investment and corporate income and expense items.

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 2015

	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	43,946,315	14,069,445	–	2,134,185	–	60,149,945
Cost of sales	(39,737,004)	(9,574,879)	–	(1,787,014)	–	(51,098,897)
Gross profit	4,209,311	4,494,566	–	347,171	–	9,051,048
Profit from operating activities	2,085,964	761,446	–	384,398	–	3,231,808
Finance costs	(102,379)	(79,752)	–	(1,119,732)	–	(1,301,863)
Share of profits and losses of:						
Joint ventures	(4,191)	–	–	4,008	–	(183)
Associates	3,374,838	6,259	1,077,087	249,928	–	4,708,112
Profit/(loss) before tax	5,354,232	687,953	1,077,087	(481,398)	–	6,637,874
Income tax	(271,912)	(241,260)	–	(168,789)	–	(681,961)
Profit/(loss) for the year	5,082,320	446,693	1,077,087	(650,187)	–	5,955,913
Segment profit/(loss) attributable to shareholders of the Company	5,065,227	142,520	1,077,087	(617,456)	–	5,667,378
Segment assets	71,097,885	22,246,260	7,565,313	26,448,237	(2,591,655)	124,766,040
Segment liabilities	16,663,896	7,174,547	–	34,867,082	(2,591,655)	56,113,870

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 (restated)	**70,277,913**	**24,309,263**	**7,382,087**	**25,211,112**	**(3,006,559)**	**124,173,816**
Segment liabilities (restated)	**18,923,706**	**8,648,299**	**–**	**31,512,390**	**(3,006,559)**	**56,077,836**

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 2015 and 2014, 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):

	2015	2014
	HK$'000	*HK$'000*
Cost of inventories sold	**49,145,605**	38,944,146
Cost of services provided	**1,868,954**	395,086
Depreciation	**2,573,813**	2,298,691
Amortisation of prepaid land premiums	**65,759**	72,021
Amortisation of operating concessions*	**84,338**	20,532
Amortisation of other intangible assets*	**37,580**	31,447
Loss on disposal of items of property, plant and equipment, net	**8,523**	14,569

* The amortisations of operating concessions and other intangible assets 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

	2015	2014
	HK$'000	*HK$'000*
Interest on bank loans, overdrafts and other loans	**537,247**	466,168
Interest on guaranteed bonds and senior notes	**767,022**	722,578
Interest on convertible bonds	**438**	7,036
Imputed interest on convertible bonds	**–**	4,235
Total finance costs	**1,304,707**	1,200,017
Less: Interest included in construction in progress	**(2,844)**	(27,526)
	1,301,863	1,172,491

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 (2014: 16.5%). 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.

	2015	2014
	HK$'000	*HK$'000*
Current:		
Mainland China	**672,620**	596,379
Hong Kong	**4,996**	2,884
Deferred	**4,345**	(34,429)
Total tax expense for the year	**681,961**	564,834

6. DIVIDENDS

	2015	2014
	HK$'000	*HK$'000*
Interim – HK$0.30 (2014: HK$0.28) per ordinary share	**385,305**	359,618
Proposed final – HK$0.65 (2014: HK$0.62) per ordinary share	**833,853**	796,297
	1,219,158	1,155,915

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 Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2015.

The calculation of the diluted earnings per share amount for the year ended 31 December 2014 was based on the profit for that 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 that year, and the weighted average number of ordinary shares in issue during that 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 that year.

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

	2015	2014
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to shareholders of the Company, used in the basic earnings per share calculation	**5,667,378**	4,831,678
Interest expense for the year relating to the liability component of the dilutive convertible bonds of the Group	**–**	6,118
Profit for the year attributable to shareholders of the Company, used in the diluted earnings per share calculation	**5,667,378**	4,837,796

	2015	2014
Number of ordinary shares		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation	**1,283,912,186**	1,279,452,041
Effect of dilution – weighted average number of ordinary shares: Convertible bonds	**–**	5,438,257
Weighted average number of ordinary shares, used in the diluted earnings per share calculation	**1,283,912,186**	1,284,890,298

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:

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Billed:		
Within one year	**29,568**	14,375
Unbilled	**1,761,197**	1,146,304
	1,790,765	1,160,679
Portion classified as current assets	**(135,675)**	(140,425)
Non-current portion	**1,655,090**	1,020,254

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:

	2015	2014
	HK$'000	*HK$'000*
Billed:		
Within one year	**1,733,227**	2,589,316
One to two years	**46,493**	37,472
Two to three years	**13,489**	20,697
Over three years	**35,677**	26,772
	1,828,886	2,674,257
Unbilled	**1,715,569**	2,646,578
	3,544,455	5,320,835

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:

	2015	2014
	HK$'000	*HK$'000*
Billed:		
Within one year	**2,022,042**	1,820,704
One to two years	**304,034**	236,043
Two to three years	**140,151**	169,653
Over three years	**171,715**	12,003
	2,637,942	2,238,403
Unbilled	**1,003,012**	–
	3,640,954	2,238,403

11. EVENTS AFTER THE REPORTING PERIOD

(a) Subscription of shares in Blue Sky Power Holdings Limited ("Blue Sky")

On 5 January 2016, Beijing Gas, a wholly-owned subsidiary of the Company, entered into a share subscription agreement (the "Subscription Agreement"), a convertible bond agreement (the "CB Agreement") and a disposal agreement (the "Disposal Agreement") with Blue Sky, a company listed on the Main Board of the Stock Exchange (Stock code: 6828) and principally engaged in sales and distribution of natural gas and other related products in the PRC.

Pursuant to the Subscription Agreement, the Group conditionally agreed to subscribe and Blue Sky conditionally agreed to allot and issue 2,155,555,555 ordinary shares at a subscription price of HK$0.45 per share totalling HK$970,000,000.

Pursuant to the CB Agreement, the Group conditionally agreed to subscribe and Blue Sky conditionally agreed to issue a convertible bond of aggregate principal amount of HK$350,000,000 at an initial conversion price of HK$0.45 per share (equivalent to 777,777,777 ordinary shares).

Pursuant to the Disposal Agreement, the Group conditionally agreed to sell and Blue Sky conditionally agreed to purchase 51% equity interest in Beijing Gas Group (Teng County) Co., Ltd (principally engaged in distribution of natural gas to the industrial parks, residential and commercial users in the area of Teng County) at an aggregate consideration of HK$152,000,000, which shall be satisfied by Blue Sky allotting and issuing 337,777,778 ordinary shares to the Group.

Further details were set out in the announcements of Blue Sky published in the website of the Hong Kong Stock Exchange on 6 January 2016.

The above transaction was approved by the shareholders of Blue Sky at its special general meeting held on 16 March 2016. The transaction is not yet completed as at the date of approval of the financial statements.

(b) Acquisition of EEW Holding Gmbh and M+E Holding Gmbh & Co. KG (the "EEW Group")

On 3 February 2016, the Group entered into an acquisition agreement with two independent third parties (the "Sellers") and pursuant to which the Group agreed to purchase and the Sellers agreed to sell the entire equity interest of the EEW Group at a cash consideration of EUR1,438,000,000.

EEW Group is a leading EfW company in Europe headquartered in Germany, with its principal business in the supply of electricity, stream and heat from waste. EEW Group operates a portfolio of 18 EfW plants located in Germany and neighbouring countries and accounted for approximately 17% market share of EfW business in Germany.

The transaction was completed on 2 March 2016 and the Group is in the process of making assessment on the fair value of net identifiable assets of the EEW Group to be recognised at the acquisition date.

Further details were set out in the Company's announcement published in the website of the Hong Kong Stock Exchange on 4 February 2016.

12. OTHER FINANCIAL INFORMATION

The net current assets and total assets less current liabilities of the Group as at 31 December 2015 amounted to HK$7,330,571,000 (2014: net current liabilities of HK$2,094,253,000) and HK$98,458,561,000 (2014: HK$89,056,152,000), respectively.

13. COMPARATIVE AMOUNTS

Due to the adoption of the Hong Kong Company Ordinance (Cap. 622) during the current year, the presentation and disclosures of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been reclassified and restated to conform with the current year's presentation and disclosures.

Certain comparative amounts have also been restated in the financial statements as a result of the completion of the initial accounting for the acquisition of Golden State Environmental Investment Corporation.

DIVIDEND

The Directors of the Company recommended the payment of a final dividend of HK65 cents per share for the year ended 31 December 2015 payable to shareholders whose names appear on the register of members of the Company on 27 June 2016. Subject to the approval of shareholders at the forthcoming annual general meeting, the final dividend will be paid on or around 15 July 2016.

ANNUAL GENERAL MEETING

The 2016 annual general meeting will be held on Thursday, 16 June 2016. The notice of the 2016 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 2016 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 2016 annual general meeting:

Latest time to lodge transfer documents for registration	4:30 pm on Wednesday, 8 June 2016
Closure of register of members	Thursday, 9 June 2016 to Thursday, 16 June 2016 (both dates inclusive)

(ii) For determining entitlement to the final dividend:

Latest time to lodge transfer documents for registration	4:30 pm on Tuesday, 21 June 2016

Closure of register of members . . . . Wednesday, 22 June 2016 to
Monday, 27 June 2016
(both dates inclusive)

Record date . . . . Monday, 27 June 2016

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2016 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 2015, the Group had approximately 48,000 employees. The employees are remunerated based on their work performance, professional experiences and prevailing industry practices. The Group's employee remuneration policy and package are periodically reviewed by the management. Apart from pension funds, discretionary bonuses and share options are awarded to certain employees according to the assessment of individual performance.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE CODE

Save as disclosed below, the directors believe that the Company complied with the code provisions (the "Code Provisions") as set out in Appendix 14 "Corporate Governance Code" to the Listing Rules for the year ended 31 December 2015.

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 2015.

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 in respect of the Group's consolidated statement of financial position, consolidated statement of profit of loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in the preliminary announcement 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 2,500,000 ordinary shares of the Company on the Stock Exchange, among which 1,500,000 shares were subsequently cancelled by the Company in November 2015 while the remaining 1,000,000 shares have not yet been cancelled. Details of the buy-backs of such ordinary shares are as follows:

Month	Number of Shares bought back	Price per Share Highest	Price per Share Lowest	Total consideration paid
		HK$	*HK$*	*HK$*
September	1,500,000	47.80	42.95	69,136,925
December	1,000,000	47.60	44.65	46,456,775

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.

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 2016

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. 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.