



北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

2015 Annual Results

Financial Highlights

For the year ended 31 December

	2015	2014	
	Audited	Audited	Change
	(HK\$'000)	(HK\$'000)	
Revenue	60,149,945	47,935,795	+25.5%
Gross Profit	9,051,048	8,576,031	+5.5%
Profit Attributable to Shareholders of the Company	5,667,378	4,831,678	+17.3%
Basic Earning Per Share (HK\$)	4.41	3.78	+16.7%

(Hong Kong, 31 March 2016) – Beijing Enterprises Holdings Limited (the “Company” or the “Group”, stock code: 392) today announced its results for the year ended 31 December 2015.

The revenue of the Group was HK\$60.15 billion for 2015, increased by 25.5% as compared to year 2014. Profit attributable to shareholders of the Company was HK\$5.67 billion, increased by 17.3% as compared to year 2014. The Board of Directors declared a final dividend of HK65 cents per share.

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

	Profit attributable to shareholders of the Company <i>HK\$'000</i>	Proportion %
Piped gas operation	5,065,227	82.0
Beer production operation	142,520	2.3
Sewage and water treatment operations	<u>965,860</u>	<u>15.7</u>
Profit from major operations	6,173,607	100
Other operations and headquarter expenses	(795,834)	
Non-operating gains, net	<u>289,605</u>	
Profit attributable to shareholders of the Company	<u><u>5,667,378</u></u>	

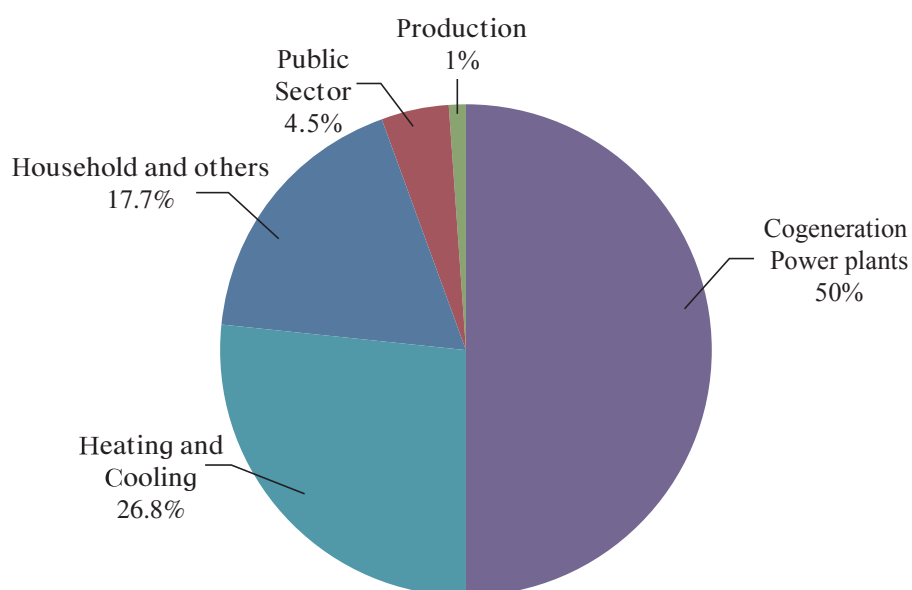
MANAGEMENT DISCUSSION AND ANALYSIS

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.

Beijing Enterprises Holdings Limited
Segment analysis on major enterprises

	2015		2014	
	Revenue HKD'000	Net profit attributable to shareholders HKD'000	Revenue HKD'000	Net profit attributable to shareholders HKD'000
<i>Piped Gas Operation</i>				
Beijing Gas and share of PetroChina Pipeline Co. and China Gas	43,946,315	5,065,227	32,438,393	4,454,238
<i>Brewery Operation</i>				
Yanjing Beer	14,069,445	142,520	15,150,989	387,515
<i>Sewage and Water Treatment Operations</i>				
BE Water Group	-	965,860	-	789,962
<i>Other Operations</i>				
Other Enterprises	2,134,185	283,351	346,413	34,296
Headquarter and other expenses	-	(1,079,185)	-	(979,313)
	2,134,185	(795,834)	346,413	(945,017)
	<u>60,149,945</u>	<u>5,377,773</u>	<u>47,935,795</u>	<u>4,686,698</u>
Exceptional Items, net	(1)	<u>289,605</u>		<u>144,980</u>
Total		<u><u>5,667,378</u></u>		<u><u>4,831,678</u></u>

(1) Amount mainly represented the net of fair value gain on financial derivatives of BE Water Group of HKD111 millions, fair value gain on certain investment properties of HKD508 millions and certain provisions of HKD332 millions.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2015

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
REVENUE	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	3,231,808	3,331,053
Finance costs	(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	(681,961)	(564,834)
PROFIT FOR THE YEAR	<u>5,955,913</u>	<u>5,405,647</u>
ATTRIBUTABLE TO:		
Shareholders of the Company	5,667,378	4,831,678
Non-controlling interests	288,535	573,969
	<u>5,955,913</u>	<u>5,405,647</u>
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		
Basic	<u>HK\$4.41</u>	<u>HK\$3.78</u>
Diluted	<u>N/A</u>	<u>HK\$3.77</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2015

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (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	1,655,090	1,020,254
Prepayments, deposits and other receivables	3,220,569	1,165,546
Deferred tax assets	779,713	678,460
	<hr/>	<hr/>
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	135,675	140,425
Trade and bills receivables	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
	<hr/>	<hr/>
	27,348,161	30,568,962
Assets of disposal groups classified as held for sale	6,289,889	2,454,449
	<hr/>	<hr/>
Total current assets	33,638,050	33,023,411
	<hr/>	<hr/>
TOTAL ASSETS	124,766,040	124,173,816

	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	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

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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, 2015, 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); 22.70% interest in **China Gas Holdings Limited** (0384.HK); 46.00% interest in the A Share listed **Yanjing Brewery Stock Company Limited** (000729.Shenzhen); 43.84% 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 50.43% 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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