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 2017

HIGHLIGHTS

- Revenue for the year amounted to approximately HK$57.51 billion, representing an increase of 2.8% over last year.
- Profit attributable to shareholders of the Company amounted to approximately HK$6.88 billion, representing an increase of 10.3% over last year.
- Basic and diluted earnings per share amounted to HK$5.45, representing an increase of 10.8% over last year.
- A final dividend of HK68 cents per share is proposed for 2017.

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 2017, together with the comparative figures for the previous year. The revenue of the Group was approximately HK$57.51 billion for 2017, representing an increase of 2.8% as compared to last year. Profit attributable to shareholders of the Company was approximately HK$6.88 billion, representing an increase of 10.3% as compared to 2016.

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

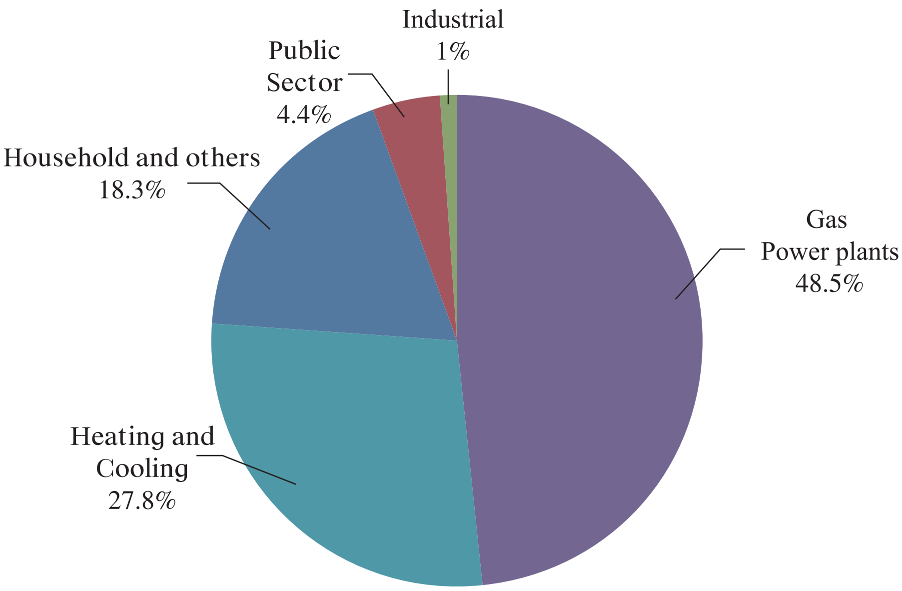
	Profit attributable to shareholders of the Company	**Proportion**
	HK$'000	*%*
Piped gas operation	6,141,048	74.5
Beer operation	17,525	0.2
Water and environmental operations	1,616,592	19.6
Solid waste treatment operation	464,883	5.7
Profit from major operations	8,240,048	100
Corporate and others	(1,359,670)	
Profit attributable to shareholders of the Company	6,880,378	

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

Natural Gas Distribution Business

Beijing Gas Group Company Limited ("Beijing Gas") recorded a revenue of HK$39.89 billion in 2017, representing a year-on-year increase of 1.3%. Driven by gas consumption in the heating sector, the volume of gas sold for the year increased moderately by 1.4% to 14.58 billion cubic meters. An analysis by subscriber sector is shown as follows:



In 2017, Beijing Gas developed 272,000 new household subscribers and 6,763 new public sector subscribers. New heating and cooling subscribers with a total capacity of 10,862 t/h were developed. As at the end of 2017, Beijing Gas had approximately 6.03 million piped gas subscribers in Beijing and approximately 20,700 kilometers of natural gas pipelines in operation. Beijing Gas's capital expenditure during the year amounted to approximately HK$5.98 billion.

In 2017, Beijing Gas actively promoted the construction of gas supply infrastructure in Beijing to strengthen its gas supply assurance. With its natural gas pipeline in Yanqing District formally put into operation, the "natural gas for all districts of the city" connectivity target was achieved. In the implementation of Clean Air Action Plan, Beijing Gas completed its rural gas for coal replacement project throughout the year covering a total of approximately 126,000 households in 328 villages, in 44 towns and in 10 districts, and constructed 3,482 km pipelines and 420 pressure-control stations (boxes). In the 50 boiler coal-to-gas conversion projects, 88 kilometers of the pipeline construction were completed. In the 24 township connection projects, 106 kilometers of pipeline construction were completed. At the same time, a number of major distributed energy projects with multi-functional synergetic intelligent and integration features within and outside Beijing, represented by Beijing City sub-center No.6 Energy Station, the energy supply project in Badaling Area of Zhongguancun Yanqing Science Park, Shigu. Tianxitai project in Baoji, Shaanxi and Taiyang City energy station progressed in an orderly manner. In addition, Beijing Gas took the initiative to serve the national strategy of Xiong'an New District with in-depth participation in the preparation of the energy planning of Xiong'an New District, and provided smart integrated solutions for gas supply in the construction of the new district.

Natural Gas Transmission Business

PetroChina Beijing Gas Pipeline Co., Ltd. ("PetroChina Beijing Pipeline Co.") recorded a gas transmission volume of 38.62 billion cubic meters in 2017, representing a year-on-year growth of 14.8%. The No.4 Shaanxi-Beijing Pipeline was put into operation in November 2017. As a result of the downward adjustment of the inter-provincial natural gas pipeline transmission price effective 1 September 2017, the Group's share of net profit after taxation, through its 40% equity interests in PetroChina Beijing Pipeline Co., decreased by 18.2% to HK$2.28 billion. The capital expenditure of PetroChina Beijing Pipeline Co. for the year was HK$11.64 billion.

VCNG of Rosneft

Beijing Gas successfully completed the acquisition of the 20% stake in PJSC Verkhnechonskneftegaz ("VCNG") project of Rosneft Oil Company ("Rosneft") at the end of June 2017 and natural gas will give priority to deliver to Beijing Gas from VCNG, which will greatly enhance the gas supply capacity of Beijing Gas and safeguard its future development. The Group began to share the economic benefits of VCNG from the second half of 2017. Profit contribution to the Group amounted to HK$421 million.

China Gas

China Gas Holdings Limited ("China Gas", stock code: 384) achieved a profit attributable to the Group of HK$1.39 billion in 2017. During the six months ended 30 September 2017, China Gas recorded significant growth in both the financial and operating performance in its three major business segments (natural gas sales and pipeline connections, LPG sales, and value-added services). Its natural gas sales reached 8.25 billion cubic meters, representing a year-on-year increase of 74.3%; sales of LPG reached 1.94 million tons, representing a year-on-year increase of 12.8%. Its half-year profit attributable to shareholders increased by 100.7% to HK$3.395 billion.

Beer Business

In 2017, China's beer consumption showed signs of stability, but there were still fluctuations; beer consumption was more diversified and individualised; consumers' pursuit of high quality became more common. At the same time, the beer industry is also facing pressures such as rising costs, increasing environmental protection requirements, and more intense competition. Beijing Yanjing Brewery Co., Ltd. ("Yanjing Beer") actively adjusted and catered to the changes in the market, focused on improving technological innovation capabilities and product quality, continuously strengthened and improved its internal management, consistently implemented and executed the green production concept, and further promoted the three major structural adjustments namely products, brands and market, set up the integrated online and offline marketing layout.

Yanjing Beer achieved total beer sales volume of 4.16 million kilolitres during the year, of which "1+3" brand products accounted for 92% and Yanjing's main brand products accounted for 74%. The sales volume of products of RMB2,500 or above per kilolitre accounted for 52%, of which sales volume of canned beer was 0.633 million kilolitres, representing 15.2%, sales volume of Yanjing fresh beer was 1.037 million kilolitres, accounting for 24.9%, and sales volume of white beer recorded a 37.8% year-on-year growth. In 2017, Yanjing Beer recorded an operating revenue of HK$11.41 billion. The capital expenditure of Yanjing Beer in the year was approximately HK$819 million.

Water and Environmental Business

In 2017, Beijing Enterprises Water Group Limited ("BE Water", stock code: 371) continued to strengthen and expand its two core businesses, namely water treatment services and construction services for the water environment renovation, and explored new profit growth drivers centering on the segments with resources advantage, and achieved a revenue of HK$21.19 billion for the year, representing a year-on-year increase of 22.1%. Profit attributable to its shareholders increased by 15.2% to HK$3.72 billion, of which HK$1.62 billion was attributable to the Group, representing a year-on-year increase of 14.5%.

As at the end of 2017, BE Water already participated in 782 water plants which are or will be in operation, including 655 sewage treatment plants, 112 water distribution plants, 14 reclaimed water plants and 1 seawater desalination plant, with a total designed capacity of 31,390,000 tons/day. Total designed capacity of new projects for the year was 4,840,000 tons/day.

Solid Waste Treatment Business

As at the end of 2017, the waste incineration and power generation integrated treatment capacity in the solid waste treatment business segment of the Group reached 21,975 tons/day, with hazardous waste treatment capacity of 115,000 tons/year. During the year, EEW Energy from Waste GmbH ("EEW GmbH") achieved an operating revenue of HK$4.8 billion. Beijing Enterprises Environment Group Limited ("BE Environment", Stock Code: 154) and Beijing Enterprises Holdings Environment Technology Co., Ltd ("BEHET") together achieved total revenue of HK$1.31 billion with profit attributable to shareholders of the Group of HK$115 million. The capital expenditure of solid waste treatment-related business for the year amounted to approximately HK$730 million.

In 2017, EEW GmbH accomplished a waste treatment volume of 4.553 million tons and sales of electricity of 1.626 billion KWH. The domestic projects of the Group completed a waste treatment volume of 3.253 million tons, with an on-grid power generation volume of 830 million KWH and hazardous waste input volume of 71,000 tons, proactively incorporating advanced technological R&D achievements and operating experiences from EEW GmbH. The Haidian household waste incineration project, a representative project of BE Environment, was put into commercial trial operation in November 2017, which improves the overall ability and market position of BE Environment as a leading enterprise in the solid waste treatment industry in Beijing.

Material Capital Operation

In 2017, the Group raised approximately HK$17.41 billion of fundings through foreign currency guaranteed bonds and loans. The Company successfully issued 5-year guaranteed bonds of EUR800 million and listed for trading in Ireland to replace part of the bridging loans for acquiring EEW GmbH. Beijing Gas successfully issued the 5-year guaranteed notes amounting to US$500 million.

Principal Risks – Exchange Rate Fluctuation

The Group primarily operates its businesses in the PRC, therefore most of its revenues and expenses are transacted in RMB. The value of RMB against Hong Kong dollar and other currencies may fluctuate and is affected by, among other things, changes in the PRC's economic conditions and policies. The conversion of RMB into foreign currencies, including Hong Kong dollar and U.S. Dollar, has been based on rates guided by the People's Bank of China.

During 2017, the exchange rates of RMB against Hong Kong dollar and U.S. Dollar remained strong. The Board does not expect the mild fluctuation of RMB's exchange rate in the future will have material adverse impact on the operations of the Group. As the Euro assets and Euro debts of the Group were basically matched, the Group was less affected by the fluctuation of Euro exchange rate.

Main Uncertainties

The Group's principal businesses include natural gas distribution, natural gas transmission, water and environmental operations, solid waste treatment and beer production. Most of the utilities related businesses are governed by policies set out by National Development and Reform Commission and may be subject to changes from time to time. The Group has maintained a proven track record on responding to relevant industry policies so that stable development could be maintained within each business sector.

II. PROSPECTS

Natural Gas Distribution Business

With the accelerating transformation towards clean and low carbon energy utilisation, natural gas continues to increase its weighting in the overall energy consumption structure. Beijing Gas will persist in the development of clean energy, continue to push forward "coal-to-gas replacement" projects, and give priority to the Beijing City sub-center project and Xiong'an New District project to lead the gas business expansion in surrounding towns. Beijing Gas will focus on the resources integration in gas sourcing, storage and sales to achieve breakthrough development in natural gas business from safeguarding gas supply to gas trading. At the same time, Beijing Gas will accelerate the construction of LNG storage tanks at receiving terminals and ancillary pipelines to lay a foundation for broadening the channels to import overseas LNG resources, safeguarding the natural gas supply in Beijing and achieving LNG import and distribution.

China Gas

China Gas will continue to make clear its geographical focus in the future strategy planning with Beijing Gas, and accelerate the nationwide layout of its city gas business. At the same time, it will continue to strengthen its corporate management and risk control, optimise its capital structure and financing channels, and improve its safe operation and supply capabilities during peak seasons in order to further explore the market. China Gas will double its efforts in developing the "replacement of coal with gas" business in towns and villages while continuing to develop and consolidate urban gas business and LPG business. Meanwhile, China Gas will also accelerate its market expansion of distributed energy business and promote the development of various new businesses such as LNG trading, value-added business and thermoelectric in order to transform itself into a truly outstanding market-oriented enterprise.

Natural Gas Transmission Business

After the No. 4 Shaanxi-Beijing Pipeline is fully put into operation, the total transmission capacity of the Shaanxi-Beijing Pipelines will be further expanded to meet the future demand, which will effectively alleviate the winter gas shortage in the Beijing-Tianjin-Hebei region, facilitate the optimization of the energy structure in Beijing and Northern China, and promote the air pollution treatment in the region. The Group will benefit from the transmission business size expansion in the long run.

Beer Business

The China beer market witnessed a continuous and steady structural adjustment. The market share of medium– to high-end products continued to increase, while the overall demand structure was further moving towards the direction of fragmentation, individuation and diversification. Yanjing Beer will adhere to consumer-oriented development to comprehensively strengthen market building and establish an excellent quality management system. By leveraging the supply side structural reform, Yanjing Beer will persist to implement its fresh beer strategy and canned beer strategy and endeavour to increase the market share of medium– to high-end products. Yanjing Beer will also continue to optimise the brand structure, distinctively position "Yanjing" as a national brand and build a globalised national brand that is in line with international standards.

Water and Environmental Business

The strategic deployment of the national ecological civilization construction has brought new opportunities for the environmental protection industry. In addition, the public-private partnership ("PPP") model has entered into the quality upgrade phase, and those companies that can provide comprehensive solutions and treatment technologies have further highlighted their development advantages. BE Water will grasp the policy direction and market trends, and gradually transform itself into a light asset company by building asset management platform and operation management platform. BE Water will strengthen investment risk management, focus resources on key projects; strengthen technology research and development, improve technology marketing capabilities; improve project construction management level, establish a unified procurement management platform; and fully enhance corporate core competitiveness.

Solid Waste Treatment Business

With the continuous promotion of urban-rural integration, the waste collection and transfer system is becoming more and more matured and the demand of waste treatment is also increasing gradually. Some of the domestic household waste incineration power generation projects in operation are undergoing technological transformation and expansion construction, which will enable them to meet the growing environmental standards. The Group will give full play to its advantages in terms of branding, capital, resources and technology to strengthen the in-depth integration of advanced management and technology concept from EEW GmbH into domestic projects, improve overall operating performance, consolidate industry foundation and continue to enhance the overall competitiveness of the solid waste treatment segment of the Group. At the same time, the Group will enhance security and quality management in project construction, improve sophisticated and systematic operation management, and establish a benchmark enterprise. The Group will also establish big data operation management, intensify effectiveness control, explore new profit growth drivers and improve the capacity of value creation in the business chain.

III. FINANCIAL REVIEW

Revenue

The revenue of the Group in 2017 was HK$57.51 billion, representing an increase of 2.8% when compared with 2016. Of which, the revenue of Beijing Gas sales was HK$39.89 billion representing a year-on-year increase of 1.3%, which accounted for 69.4% of total revenue. The revenue of beer sales was HK$11.41 billion, which accounted for 19.8% of total revenue. The solid waste treatment businesses contributed a total revenue of HK$6.2 billion, which accounted for 10.8% of total revenue and included the revenue of EEW GmbH amounting to HK$4.8 billion.

Cost of Sales

Cost of sales increased by 3.5% to HK$48.15 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. Cost of sales of solid waste treatment operation included fuel charges, amortization and waste collection costs.

Gross Profit Margin

In 2017, the overall gross profit margin was 16.3%, representing a decrease by 0.6% when compared with the 16.9% in 2016. The decrease in overall gross profit margin was mainly attributable to increase of employees cost and energy cost of Yanjing Beer during the year.

Gain on Deemed Disposal of the Partial Interest in an Associate

During the year, BE Water issued ordinary shares upon the exercise of share options by its employees. The Group recognised a gain on deemed disposal of the partial interest in an associate of HK$10.41 million.

Other Income

Other income mainly comprised of government grants amounted to HK$151 million; dividend income of HK$120 million, gain on disposal of certain fixed assets of HK$204 million; gain on transfer of assets from customers amounted to HK$66.36 million; bank interest income amounted to HK$276 million; gain on disposal of scrap materials and beer bottles by Yanjing Beer amounted to HK$74.55 million and rental income of HK$50.17 million.

Selling and Distribution Expenses

Selling and distribution expenses of the Group in 2017 decreased by 5.1% to HK$2.3 billion which was mainly due to the enhancement of marketing efficiency and effective selling and distribution expenses control for the brewery business.

Administrative Expenses

Administrative expenses of the Group in 2017 were HK$4.37 billion, increased by 3.4% when compared to last year, which was mainly due to continuous expansion of natural gas distribution business.

Other Operating Expenses, net

It mainly comprised of the impairment for certain construction in progress.

Finance Costs

Finance costs of the Group in 2017 was HK$1.6 billion, increased by 7% comparing to 2016, which was mainly due to issuance of bonds of EUR 800 million in April 2017 and US$500 million guaranteed notes issued by Beijing Gas.

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 24.91% share of the profit attributable to shareholders of China Gas and the 43.49% share of the profit attributable to shareholders of BE Water.

In 2017, the Group shared the profit after taxation of PetroChina Beijing Pipeline Co. amounting to HK$2.28 billion, and in the same year, the Group shared the profit after taxation of China Gas amounting to HK$1.39 billion. The Group's share of net profits of BE Water amounted to HK$1.62 billion.

Taxation

After deducting the share of profits and losses of associates and jointly-controlled entities, the effective income tax rate is 38.8%, higher than that of 33.7% in last year. This was mainly due to higher income tax rate of EEW GmbH and higher non-deductible operation expenses of Yanjing Beer when compared with last year.

Profit Attributable to Shareholders of the Company

The profit attributable to the shareholders of the Company for the year ended 31 December 2017 was HK$6.88 billion (2016: HK$6.24 billion).

IV. FINANCIAL POSITION OF THE GROUP

Non-current assets

Property, plant and equipment

The net book value of property, plant and equipment increased by HK$8.3 billion, which was mainly due to new coal-to-gas conversion project of Beijing Gas.

Other intangible assets

Other intangible assets were mainly from EEW GmbH.

Investments in associates

The increase in the balance by HK$15.21 billion was mainly due to acquisition of VCNG project in June 2017 and share of attributable profits from BE Water, PetroChina Beijing Pipeline Co. and China Gas.

Available-for-sale investments

The increase of HK$3.26 billion was mainly due to the transfer of a prepayment balance of RMB1.9 billion to an available-for-sale investment during the year and the increase of its fair value.

Receivables under finance lease

Balance of receivables under finance lease was from EEW GmbH.

Prepayments, deposits and other receivables

The decrease in the prepayment balance by HK$2.05 billion was mainly attributable to as at the end of last year transfer of a balance amount of RMB1.9 billion to an available-for-sale investment during the year.

Convertible bonds receivables

The balance represented convertible bonds issued by Beijing Gas Blue Sky Holdings Limited ("Blue Sky") to Beijing Gas.

Current assets

Inventories

The increase in the balance by HK$342 million was mainly due to increase in inventories of Yanjing Beer.

Prepayments, deposits and other receivables

The decrease in the balance by HK$596 million was mainly attributable to that dividend receivable from PetroChina Beijing Pipeline Co. as at the end of last year was received during the year.

Cash and Bank Borrowings

As at 31 December 2017, cash and bank deposits held by the Group amounted to HK$17.84 billion. 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$60.49 billion as at 31 December 2017, which comprised, inter alia, guaranteed bonds and senior notes of US$2.5 billion in total, Euro guaranteed bonds amounting to EUR1.3 billion, medium and long-term loans amounting to HK$15.19 billion and bridging loans amounting to EUR430 million with the remaining loans denominated in Hong Kong dollar and RMB. Around 60.9% of the total borrowings were denominated in US and Hong Kong dollar and 33.3% in Euro. The Group had net borrowings of HK$42.65 billion as at 31 December 2017.

Assets of disposal groups classified as held for sale

The decrease in the balance was mainly due to completion of the disposal of the ten city gas projects by Beijing Gas to China Gas and the coal to gas project in Keshiketeng County during the year. As at the end of current year, the balance related to assets from intended disposal of PetroChina Jingtang LNG Co., Ltd. ("Jingtang LNG") to Blue Sky by Beijing Gas.

Non-current liabilities

Bank and other borrowings

There was a decrease of HK$2.22 billion in long and short term balance in total, which was mainly due to issuance of guaranteed bonds of EUR 800 million in the current year used for repayment of partial bridging loan drawn down for the acquisition of equity interest in EEW GmbH in Germany last year.

Guaranteed bonds, notes and senior notes

The balance increased by HK$12.08 billion, which was mainly generated from additional guaranteed bonds amounted to EUR800 million, and the US$500 million guaranteed notes issued by Beijing Gas in the year.

Onerous contracts and major overhauls

The balances were mainly from EEW GmbH.

Other non-current liabilities

The increase of HK$528 million in the balance was mainly due to the increase in amounts payable of Beijing Gas in coal-to-gas project.

Current liabilities

Receipts in advance

The balance was mainly receipts in advance of Beijing Gas from residential users and public sector subscribers for the refillment of IC Card value.

Other payables and accruals

The increase in the balance by HK$2.92 billion mainly due to the consideration payable to Jingtang LNG project acquired by Beijing Gas during the year and the increase in amounts payable of coal-to-gas project.

Liquidity and Capital Resources

The downstream natural gas distribution business, plus dividend income from PetroChina Beijing Pipeline Co., dividends from BE Water, China Gas and brewery business, have been constantly contributing to the operating cash flow of the Group and significantly increased its liquidity. As at the end of 2017, the issued capital of the Company amounted to 1,262,053,268 shares and the shareholders' equity was HK$67.57 billion. Total equity was HK$79.17 billion. The gearing ratio, which is all the interest bearing borrowings, guaranteed bonds, notes and senior notes divided by the sum of total equity plus all interest-bearing borrowings, guaranteed bonds, notes and senior notes was 43% (2016: 43%).

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 2017

	Notes	2017 HK$'000	2016 HK$'000
REVENUE	2	**57,508,025**	55,958,834
Cost of sales		**(48,145,142)**	(46,523,010)
Gross profit		**9,362,883**	9,435,824
Gain on deemed disposal of partial interests in an associate		**10,410**	4,387
Other income and gains, net		**1,487,837**	1,623,890
Selling and distribution expenses		**(2,295,994)**	(2,418,684)
Administrative expenses		**(4,370,235)**	(4,225,780)
Other operating expenses, net		**(420,512)**	(380,230)
PROFIT FROM OPERATING ACTIVITIES	3	**3,774,389**	4,039,407
Finance costs	4	**(1,596,534)**	(1,492,335)
Share of profits and losses of:			
Joint ventures		**26,609**	6,623
Associates		**5,827,944**	4,943,273
PROFIT BEFORE TAX		**8,032,408**	7,496,968
Income tax	5	**(845,131)**	(857,723)
PROFIT FOR THE YEAR		**7,187,277**	6,639,245
ATTRIBUTABLE TO:			
Shareholders of the Company		**6,880,378**	6,235,883
Non-controlling interests		**306,899**	403,362
		7,187,277	6,639,245
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	7		
Basic and diluted		**HK$5.45**	HK$4.92

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

	2017 *HK$'000*	2016 *HK$'000*
PROFIT FOR THE YEAR	**7,187,277**	6,639,245
OTHER COMPREHENSIVE INCOME/(LOSS)		
Items to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**754,529**	(66,968)
Income tax effect	**(214,084)**	–
	540,445	(66,968)
Exchange differences:		
Exchange differences on translation of foreign operations	**3,861,933**	(4,474,137)
Reclassification adjustments for a foreign operation disposed of during the year	**(15,530)**	58,619
	3,846,403	(4,415,518)
Share of other comprehensive income/(loss) of associates	**748,953**	(1,040,848)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	**5,135,801**	(5,523,334)
Items not to be reclassified to profit or loss in subsequent periods:		
Defined benefit plans:		
Actuarial gain/(loss)	**115,148**	(205,211)
Income tax effect	**(28,135)**	50,099
	87,013	(155,112)
Share of other comprehensive income/(loss) of associates	**16,020**	(6,393)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	**103,033**	(161,505)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX	**5,238,834**	(5,684,839)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**12,426,111**	954,406
ATTRIBUTABLE TO:		
Shareholders of the Company	**11,293,553**	1,086,172
Non-controlling interests	**1,132,558**	(131,766)
	12,426,111	954,406

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2017

	Notes	2017 HK$'000	2016 HK$'000
ASSETS			
Non-current assets:			
Property, plant and equipment		**51,728,816**	43,427,899
Investment properties		**1,184,287**	1,133,290
Prepaid land premiums		**1,622,278**	1,529,906
Goodwill		**16,910,280**	15,772,276
Operating concessions		**3,118,641**	2,666,050
Other intangible assets		**3,637,627**	3,355,963
Investments in joint ventures		**344,850**	345,942
Investments in associates		**47,982,745**	32,771,154
Available-for-sale investments		**6,432,085**	3,171,535
Amounts due from contract customers		**10,608**	9,943
Receivables under service concession arrangements	*8*	**1,895,320**	1,598,429
Receivables under finance lease		**955,843**	848,684
Prepayments, deposits and other receivables		**890,781**	2,941,380
Debt component of convertible bond receivables		**98,682**	83,107
Derivative component of convertible bond receivables		**40,376**	40,376
Deferred tax assets		**1,293,072**	1,176,529
Total non-current assets		**138,146,291**	110,872,463
Current assets:			
Prepaid land premiums		**38,747**	36,371
Inventories		**5,294,480**	4,952,949
Receivables under finance lease		**90,421**	135,477
Amounts due from contract customers		**29,021**	23,335
Receivables under service concession arrangements	*8*	**85,492**	70,673
Trade and bills receivables	*9*	**4,013,063**	3,677,157
Prepayments, deposits and other receivables		**4,185,818**	4,781,741
Other taxes recoverable		**630,797**	560,011
Restricted cash and pledged deposits		**43,311**	56,547
Cash and cash equivalents		**17,841,609**	15,971,552
		32,252,759	30,265,813
Assets of disposal groups classified as held for sale		**1,149,968**	3,570,485
Total current assets		**33,402,727**	33,836,298
TOTAL ASSETS		**171,549,018**	144,708,761

	Note	**2017** *HK$'000*	2016 *HK$'000*
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		**30,401,883**	30,401,883
Reserves		**37,166,167**	26,919,325
		67,568,050	57,321,208
Non-controlling interests		**11,604,955**	10,717,718
TOTAL EQUITY		**79,173,005**	68,038,926
Non-current liabilities:			
Bank and other borrowings		**22,684,864**	12,876,585
Guaranteed bonds, notes and senior notes		**31,410,505**	19,333,950
Defined benefit plans		**1,852,033**	1,633,945
Provision for onerous contracts and major overhauls		**332,987**	461,103
Other non-current liabilities		**1,550,980**	1,022,636
Deferred tax liabilities		**2,594,476**	2,081,420
Total non-current liabilities		**60,425,845**	37,409,639
Current liabilities:			
Trade and bills payables	*10*	**4,121,974**	3,929,197
Amounts due to contract customers		**653,635**	322,684
Receipts in advance		**6,952,774**	5,566,252
Other payables and accruals		**12,417,239**	9,500,657
Provision for onerous contracts and major overhauls		**53,156**	46,235
Income tax payables		**1,077,325**	908,600
Other taxes payables		**282,326**	250,267
Bank and other borrowings		**6,391,739**	18,418,558
		31,950,168	38,942,450
Liabilities directly associated with the assets of disposal groups classified as held for sale		**–**	317,746
Total current liabilities		**31,950,168**	39,260,196
TOTAL LIABILITIES		**92,376,013**	76,669,835
TOTAL EQUITY AND LIABILITIES		**171,549,018**	144,708,761

Notes:

1.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), 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, derivative financial instruments and certain available-for-sale investments which have been measured at fair value; and (ii) disposal groups held for sale which are 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.

The financial information relating to the years ended 31 December 2017 and 2016 included in this announcement of 2017 annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the consolidated financial statements for the year ended 31 December 2017 in due course.

The Company's auditor has reported on the consolidated financial statements of the Group for the year ended 31 December 2016. The auditor's report was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2017. 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 in 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 HKFRSs for the first time for the current year's financial statements.

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to HKFRS12 included in *Annual Improvements to HKFRSs 2014-2016 Cycle*	*Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS12*

Other than as explained below regarding the impact of HKAS 7, the adoption of the above revised standards has had no significant financial effect on the consolidated financial statements.

Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has not applied other new and revised HKFRSs that have been issued but are not yet effective. The Group is in process of making an assessment of the impact of the other new and revised HKFRSs upon initial application.

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 water and environmental 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;

(d) the solid waste treatment segment comprises the construction and operation of waste incineration plants, waste treatment and the sale of electricity, heat and steam generated from waste incineration in Germany and in the PRC; and

(e) the corporate and others segment comprises the provision of 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 2017

	Piped gas operation *HK$'000*	Brewery operation *HK$'000*	Water and environmental operations *HK$'000*	Solid waste treatment operation *HK$'000*	Corporate and others *HK$'000*	Inter-segment elimination *HK$'000*	Consolidated *HK$'000*
Segment revenue	39,891,172	11,414,301	–	6,202,552	–	–	57,508,025
Cost of sales	(35,355,518)	(8,161,920)	–	(4,627,704)	–	–	(48,145,142)
Gross profit	4,535,654	3,252,381	–	1,574,848	–	–	9,362,883
Profit/(loss) from operating activities	2,497,943	257,871	–	1,133,313	(114,738)	–	3,774,389
Finance costs	(118,737)	(23,558)	–	(212,822)	(1,241,417)	–	(1,596,534)
Share of profits and losses of:							
Join ventures	25,917	–	–	692	–	–	26,609
Associates	4,141,348	25,414	1,616,592	44,590	–	–	5,827,944
Profit/(loss) before tax	6,546,471	259,727	1,616,592	965,773	(1,356,155)	–	8,032,408
Income tax	(365,757)	(177,603)	–	(288,011)	(13,760)	–	(845,131)
Profit/(loss) for the year	6,180,714	82,124	1,616,592	677,762	(1,369,915)	–	7,187,277
Segment profit/(loss) attributable to shareholders of the Company	6,141,048	17,525	1,616,592	464,883	(1,359,670)	–	6,880,378
Segment assets	96,596,006	22,244,581	9,500,514	35,914,563	15,502,155	(8,208,801)	171,549,018
Segment liabilities	29,959,651	7,254,862	–	17,120,199	46,250,102	(8,208,801)	92,376,013

Year ended 31 December 2016

	Piped gas operation HK$'000	Brewery operation HK$'000	Water and environmental operations HK$'000	Solid waste treatment operation HK$'000	Corporate and others HK$'000	Inter-segment elimination HK$'000	Consolidated HK$'000
Segment revenue	39,378,983	11,589,905	–	4,929,259	60,687	–	55,958,834
Cost of sales	(35,101,605)	(7,662,523)	–	(3,693,640)	(65,242)	–	(46,523,010)
Gross profit/(loss)	4,277,378	3,927,382	–	1,235,619	(4,555)	–	9,435,824
Profit from operating activities	2,265,351	541,853	–	855,815	376,388	–	4,039,407
Finance costs	(29,562)	(38,595)	–	(297,342)	(1,126,836)	–	(1,492,335)
Share of profits and losses of:							
Joint ventures	5,251	–	–	–	1,372	–	6,623
Associates	3,413,505	(1,592)	1,412,463	7,147	111,750	–	4,943,273
Profit/(loss) before tax	5,654,545	501,666	1,412,463	565,620	(637,326)	–	7,496,968
Income tax	(362,951)	(219,108)	–	(242,978)	(32,686)	–	(857,723)
Profit/(loss) for the year	5,291,594	282,558	1,412,463	322,642	(670,012)	–	6,639,245
Segment profit/(loss) attributable to shareholders of the Company	5,255,196	64,866	1,412,463	198,373	(695,015)	–	6,235,883
Segment assets	75,369,165	20,943,657	7,689,266	30,552,161	20,956,757	(10,802,245)	144,708,761
Segment liabilities	19,027,517	6,899,377	–	13,072,277	48,472,909	(10,802,245)	76,669,835

Information about major customers

During each of the years ended 31 December 2017 and 2016, 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):

	2017	2016
	HK$'000	*HK$'000*
Cost of inventories sold	**46,860,596**	45,412,928
Cost of services provided	**1,120,979**	938,109
Reversal of provision for onerous contracts and major overhauls	**(189,543)**	(121,978)
Depreciation	**3,042,029**	2,929,052
Amortisation of prepaid land premiums	**45,992**	56,609
Amortisation of operating concessions	**109,168**	95,501
Amortisation of other intangible assets	**305,450**	244,507
Loss on disposal of items of property, plant and equipment, net	**–**	7,941

4. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Interest on bank loans and other loans	**605,550**	612,047
Interest on guaranteed bonds, notes and senior notes	**999,450**	878,329
Total interest expenses	**1,605,000**	1,490,376
Increase in discounted amounts of provision for major overhauls arising from the passage of time	**1,470**	1,959
Total finance costs	**1,606,470**	1,492,335
Less: Interest included in construction in progress	**(9,936)**	–
	1,596,534	1,492,335

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 (2016: 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.

	2017	2016
	HK$'000	*HK$'000*
Current:		
Mainland China	**668,787**	829,380
Hong Kong	**12,679**	9,088
Germany	**305,404**	313,868
Deferred	**(141,739)**	(294,613)
Total tax expense for the year	**845,131**	857,723

6. DIVIDENDS

	2017	2016
	HK$'000	*HK$'000*
Interim – HK$0.30 (2016: HK$0.30) per ordinary share	**378,616**	378,646
Proposed final – HK$0.68 (2016: HK$0.65) per ordinary share	**858,196**	820,400
	1,236,812	1,199,046

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 of 1,262,094,090 (2016: 1,266,544,776) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2017 and 2016.

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. Ageing analysis of receivables under service concession arrangements are closely monitored in order to minimise any credit risk associated with the receivables.

An ageing 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:

	2017	2016
	HK$'000	*HK$'000*
Billed:		
Within one year	**–**	21,969
Unbilled	**1,980,812**	1,647,133
	1,980,812	1,669,102
Portion classified as current assets	**(85,492)**	(70,673)
Non-current portion	**1,895,320**	1,598,429

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. Ageing analyses of trade and bills receivables are prepared and closely monitored in order to minimise any credit risk associated with the receivables.

An ageing 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:

	2017	2016
	HK$'000	*HK$'000*
Billed:		
Within one year	**2,915,255**	2,435,956
One to two years	**55,954**	54,286
Two to three years	**21,596**	30,323
Over three years	**57,382**	39,584
	3,050,187	2,560,149
Unbilled	**962,876**	1,117,008
	4,013,063	3,677,157

10. TRADE AND BILLS PAYABLES

An ageing 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:

	2017	2016
	HK$'000	*HK$'000*
Billed:		
Within one year	**2,560,399**	2,801,186
One to two years	**141,279**	64,644
Two to three years	**14,636**	11,122
Over three years	**24,189**	29,961
	2,740,503	2,906,913
Unbilled	**1,381,471**	1,022,284
	4,121,974	3,929,197

11. OTHER FINANCIAL INFORMATION

The net current assets and total assets less current liabilities of the Group as at 31 December 2017 amounted to HK$1,452,559,000 (2016: net current liabilities of HK$5,423,898,000) and HK$139,598,850,000 (2016: HK$105,448,565,000), respectively.

DIVIDEND

The Directors of the Company recommended the payment of a final dividend of HK68 cents (2016: HK65 cents) per share for the year ended 31 December 2017 payable to shareholders whose names appear on the register of members of the Company on 3 July 2018. Subject to the approval of shareholders at the forthcoming annual general meeting, the final dividend will be paid on 18 July 2018.

ANNUAL GENERAL MEETING

The 2018 annual general meeting will be held on Tuesday, 12 June 2018. The notice of the 2018 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 2018 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 2018 annual general meeting:

Latest time to lodge transfer documents for registration	4:30 pm on Wednesday, 6 June 2018
Closure of register of members	Thursday, 7 June 2018 to Tuesday, 12 June 2018 (both dates inclusive)
Annual General Meeting	Tuesday, 12 June 2018

(ii) For determining entitlement to the final dividend:

Latest time to lodge transfer documents for registration	4:30 pm on Tuesday, 26 June 2018
Closure of register of members	Wednesday, 27 June 2018 to Tuesday, 3 July 2018 (both dates inclusive)
Record date	Tuesday, 3 July 2018

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2018 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 2017, 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 2017.

During the year, the Company held two 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.

Mr. Hou Zibo has assumed the positions of Chairman and Chief Executive Officer since 1 September 2017. This arrangement deviates from Code Provision A.2.1 which recommends that the roles of chairman and chief executive should be separate and should not be performed by the same individual. However, the Board considers that the appointment of Mr. Hou Zibo as Chairman and Chief Executive Officer can bring benefits to the Company's business development and management at present, and will not impair the balance of power and authority between the Board and the management of the Company.

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 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 2017.

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. Ma She. The Audit Committee is primarily responsible for reviewing and providing supervision over the financial reporting procedure, risk management system and internal controls system of the Group. 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 or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in the preliminary announcement have been agreed by the Company's auditors, to the amounts set out in the Group's 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 100,000 ordinary shares of the Company on the Stock Exchange. The shares were subsequently cancelled by the Company. Details of the buy-backs of such ordinary shares are as follows:

Month	**Number of shares bought back**	**Price per share**		**Total consideration paid**
		Highest	**Lowest**	
		HK$	*HK$*	*HK$*
May	100,000	37.20	37.20	3,720,000

The buy-back of the Company's shares during the year was effected by the directors of the Company, 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 Company.

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
Hou Zibo
Chairman and Chief Executive Officer

Hong Kong, 29 March 2018

As at the date of this announcement, the board of directors of the Company comprises Mr. Hou Zibo (Chairman and Chief Executive Officer), Mr. Li Yongcheng, Mr. Zhao Xiaodong, Mr. E Meng, Mr. Jiang Xinhao and Mr. Tam Chun Fai as executive directors; Mr. Wu Jiesi, Mr. Lam Hoi Ham, Mr. Sze Chi Ching, Mr. Yu Sun Say and Mr. Ma She as independent non-executive directors.