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北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(website: www.behl.com.hk)

(Stock Code: 392)

**CONNECTED AND DISCLOSEABLE ACQUISITION
AND
AN ISSUE OF NEW SHARES**

Financial Adviser to Beijing Enterprises Holdings Limited

Morgan Stanley

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



**PLATINUM
Securities**

Reference is made to the announcements of the Company dated 29 July 2013 (the “**Initial Announcement**”), 20 August 2013 and 12 September 2013 (together with the Initial Announcement, the “**Previous Disclosures**”). Unless the context otherwise requires, terms used in this announcement shall have the same meanings as defined in the Previous Disclosures.

The Board announces that on 10 October 2013, the Seller, the Purchaser and the Company entered into a supplemental agreement (the “**Supplemental Agreement**”) to revise certain terms of the Sale and Purchase Agreement.

INTRODUCTION

Reference is made to the Previous Disclosures. Unless the context otherwise requires, terms used in this announcement shall have the same meanings as defined in the Previous Disclosures.

The Board announces that on 10 October 2013, the Seller, the Purchaser and the Company entered into the Supplemental Agreement to revise certain terms of the Sale and Purchase Agreement as set out below.

THE SUPPLEMENTAL AGREEMENT

Date

10 October 2013

Parties

1. the Purchaser
2. the Seller
3. the Company

Subject matter

The parties agreed to reduce the total amount of the Consideration from HK\$8,221,887,430 to HK\$7,395,500,000 (the “**Revised Consideration**”). The amount of the Cash Consideration and the assumed issue price per Consideration Share will remain the same and accordingly the number of Consideration Shares to be issued by the Company will be reduced from 113,125,226 to 98,100,000 (the “**Revised Consideration Shares**”) representing a decrease of approximately 13.3% in the number of Shares to be issued by the Company.

Save and except for the above amendments, all other major terms and conditions of the Sale and Purchase Agreement shall remain unchanged.

Consideration per Sale Share

Following the above amendments, the consideration for each Sale Share will be reduced from HK\$7.80 to approximately HK\$7.02 per Sale Share, representing a discount of approximately 10.0% over the original consideration per Sale Share, and:

- (1) a discount of approximately 20.5% to the closing price of HK\$8.83 per Sale Share as quoted on the Stock Exchange on the date of the Initial Announcement;
- (2) a discount of approximately 21.8% to the average closing price of HK\$8.98 per Sale Share as quoted on the Stock Exchange for the last five trading days up to and including the date of the Initial Announcement;
- (3) a discount of approximately 21.4% to the average closing price of HK\$8.93 per Sale Share as quoted on the Stock Exchange for the last ten trading days up to and including the date of the Initial Announcement;
- (4) a discount of approximately 16.4% to the closing price of HK\$8.40 per Sale Share as quoted on the Stock Exchange on the date of this announcement;

- (5) a discount of approximately 17.0% to the average closing price of HK\$8.46 per Sale Share as quoted on the Stock Exchange for the last five trading days up to and including the date of this announcement;
- (6) a discount of approximately 16.4% to the average closing price of HK\$8.40 per Sale Share as quoted on the Stock Exchange for the last ten trading days up to and including the date of this announcement; and
- (7) a premium of approximately 179.7% to the net asset value attributable to shareholders of China Gas per Sale Share of approximately HK\$2.51 as at 31 March 2013 based on the latest audited financial statements of China Gas.

The Revised Consideration and the terms for settling the Revised Consideration have been arrived at after arm's length negotiations between the parties with reference to the prevailing market price of the Sale Shares and are on normal commercial terms.

Revised Consideration Shares

Based on the issued share capital of the Company as at the date of this announcement, and assuming there are no further changes to the share capital of the Company prior to Completion, the total number of Revised Consideration Shares represents:

- (1) approximately 8.4% of the entire issued share capital of the Company as at the date of this announcement; and
- (2) approximately 7.8% of the entire issued share capital as enlarged by the issue of the Revised Consideration Shares.

REASONS AND BENEFITS OF AND IMPACT ON THE COMPANY

Reasons for and benefits of the Supplemental Agreement

Having considered the prevailing market price of the shares of China Gas, the Board considers that the terms of the Supplemental Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Impact on the shareholding structure of the Company

BE Group is interested in 675,030,288 Shares, representing approximately 57.86% of the issued share capital of the Company as at the date of this announcement. The table below illustrates the shareholding structure of the Company (1) as at the date of this announcement; and (2) on issue of

the Revised Consideration Shares, assuming in all cases that there are no other changes to the share capital or any issue of Shares pursuant to the share option scheme adopted by the Company on 17 October 2005:

Shareholders	As at the date of this announcement		On Completion	
	Number of Shares	% of the Company's issued share capital	Number of Shares	% of the Company's issued share capital
BE Group and its associates ⁽¹⁾	675,030,288	57.86%	773,130,288	61.13%
Directors ⁽²⁾	272,500	0.02%	272,500	0.02%
Sub-Total:	675,302,788	57.88%	773,402,788	61.15%
Total Shares held by public Shareholders	491,330,957	42.12%	491,330,957	38.85%
Total Shares in issue	1,166,633,745	100%	1,264,733,745	100%

Notes:

- (1) The interest disclosed include 100,050,000 Shares held by Modern Orient Limited, 163,730,288 Shares held by Beijing Enterprises Investments Limited (“BEIL”) and 411,250,000 Shares held by the Seller. Modern Orient Limited is a wholly-owned subsidiary of BEIL, which is directly held as to 72.72% by the Seller. The Seller is a wholly-owned subsidiary of BE Group. Therefore, BE Group is deemed to be interested in the Shares held by Modern Orient Limited, BEIL and the Seller.
- (2) Directors Mr. Zhou Si, Mr. Li Fucheng, Mr. E Meng and Mr. Jiang Xinhao are interested in 210,500, 12,000, 30,000 and 20,000 Shares respectively.

LISTING RULES IMPLICATIONS

The Sale and Purchase Agreement as amended by the Supplemental Agreement shall remain a connected and discloseable transaction subject to the reporting, announcement and independent shareholders’ approval requirements under Chapters 14 and 14A of the Listing Rules.

A circular containing, among other things, details of the Acquisition, a letter of advice from the Independent Board Committee, a letter of advice from the IFA to the Independent Board Committee and the Independent Shareholders and a notice of the EGM will be despatched to the Shareholders on or before 18 October 2013 as announced by the Company on 12 September 2013.

Completion is conditional upon, among other things, the satisfaction of the conditions of the Sale and Purchase Agreement as amended by the Supplemental Agreement, and the Acquisition may or may not materialise. Shareholders and investors are reminded to exercise caution when dealing in the Shares.

By order of the Board
Beijing Enterprises Holdings Limited
Zhou Si
Vice Chairman

Hong Kong, 10 October 2013

As at the date of this announcement, the board of directors of the Company comprises Mr. Wang Dong (Chairman), Mr. Zhou Si, Mr. Zhang Honghai, Mr. Li Fucheng, Mr. Hou Zibo, Mr. Liu Kai, Mr. Lei Zhengang, Mr. E Meng, Mr. Jiang Xinhao and Mr. Tam Chun Fai as executive directors; Mr. Guo Pujin as non-executive director; Mr. Wu Jiesi, Mr. Robert A. Theleen, Mr. Lam Hoi Ham, Mr. Fu Tingmei, Mr. Sze Chi Ching and Mr. Shi Hanmin as independent non-executive directors.