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**北京控股有限公司**  
**BEIJING ENTERPRISES HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 392)**

## **CONTINUING CONNECTED TRANSACTIONS**

Reference is made to (i) the circular of the Company dated 30 April 2007, in relation to, inter alia, certain continuing connected transactions of the Company between the Group and BE Group (together with its associates including Beiran Enterprises Group Companies) pursuant to the Original Agreements; and (ii) the announcements of the Company dated 27 August 2012, 20 June 2013 and 24 June 2013, respectively, in relation to, inter alia, certain continuing connected transactions of the Company between Beijing Gas Group Companies and Beiran Enterprises Group Companies under the Renewed Agreements, pursuant to which the parties continue to carry out the transactions under the Original Agreements for three years from 1 January 2012 to 31 December 2014, with the terms and conditions substantially the same as those under the Original Agreements.

The Board announces that as the Renewed Agreements will expire on 31 December 2014, to regulate such transactions that will continue to take place, Beijing Gas (being an indirect wholly-owned subsidiary of the Company) and Beiran Enterprises (being a subsidiary of BE Group) have entered into the 2015 Agreements on 31 December 2014, whereby Beijing Gas Group Companies and Beiran Enterprises Group Companies will continue to carry out the transactions under the Renewed Agreements for three years from 1 January 2015 to 31 December 2017, with the terms and conditions substantially the same as those under the Renewed Agreements.

As Beiran Enterprises is a subsidiary of BE Group, and BE Group is the ultimate controlling shareholder of the Company, Beiran Enterprises Group Companies are connected persons of the Company and the Transactions constitute continuing connected transactions of the Company under the Listing Rules. Since the highest Applicable Ratios calculated with reference to the highest Annual Caps of each category of the Transactions is more than 0.1% but less than 5%, each of such categories of the Transactions constitutes continuing connected transactions under Chapter 14A of the Listing Rules, and are subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirements.

## **BACKGROUND**

### **Original Agreements**

Reference is made to the circular of the Company dated 30 April 2007, in relation to, inter alia, certain continuing connected transactions of the Company between the Group and BE Group (together with its associates including Beiran Enterprises Group Companies) pursuant to the Original Agreements as below:

<b>Category</b>	<b>Original Agreements</b>	<b>Parties to the agreements</b>
(A)	Engineering Services Framework Agreement	The Company and BE Group
(B)	Comprehensive Services Framework Agreement	The Company and BE Group
(C)	Sale and Purchase of Gas Framework Agreement	The Company and BE Group
(D)	Sale and Purchase of Goods Framework Agreement	The Company and BE Group
(E)	E1. Leasing Contract (Beijing Gas Group Companies as tenants)	Beijing Gas and Beiran Enterprises
	E2. Leasing Contract (Beiran Enterprises Group Companies as tenants)	Beijing Gas and Beiran Enterprises

## Renewed Agreements

Reference is also made to the announcements of the Company dated 27 August 2012, 20 June 2013 and 24 June 2013 respectively, in relation to, inter alia, certain continuing connected transactions of the Company between Beijing Gas Group Companies and Beiran Enterprises Group Companies under the Renewed Agreements, pursuant to which the parties continue to carry out the transactions under the Original Agreements for three years from 1 January 2012 to 31 December 2014, with the terms and conditions substantially the same as those under the Original Agreements:

Category	Renewed Agreements	Parties to the agreements
(A)	Renewed Engineering Services Framework Agreement	Beijing Gas and Beiran Enterprises
(B)	Renewed Comprehensive Services Framework Agreement	Beijing Gas and Beiran Enterprises
(C)	Renewed Sale and Purchase of Gas Framework Agreement	Beijing Gas and Beiran Enterprises
(D)	Renewed Sale and Purchase of Goods Framework Agreement	Beijing Gas and Beiran Enterprises
(E)	E.1 Renewed Leasing Contract (Beijing Gas Group Companies as tenants)	Beijing Gas and Beiran Enterprises
	E.2 Renewed Leasing Contract (Beiran Enterprises Group Companies as tenants)	Beijing Gas and Beiran Enterprises

## 2015 AGREEMENTS

The Board announces that as the Renewed Agreements will expire on 31 December 2014, to regulate such transactions that will continue to take place, Beijing Gas (being an indirect wholly-owned subsidiary of the Company) and Beiran Enterprises (being a subsidiary of BE Group) have entered into the 2015 Agreements on 31 December 2014, whereby Beijing Gas Group Companies and Beiran Enterprises Group Companies will continue to carry out the transactions under the Renewed Agreements for three years from 1 January 2015 to 31 December 2017, with the terms and conditions substantially the same as those under the Renewed Agreements:

Category	2015 Agreements	Parties to the agreements
(A)	2015 Engineering Services Framework Agreement	Beijing Gas and Beiran Enterprises
(B)	2015 Comprehensive Services Framework Agreement	Beijing Gas and Beiran Enterprises
(C)	2015 Sale and Purchase of Gas Framework Agreement	Beijing Gas and Beiran Enterprises
(D)	2015 Sale and Purchase of Goods Framework Agreement	Beijing Gas and Beiran Enterprises
(E)	E.1 2015 Leasing Contract (Beijing Gas Group Companies as tenants)	Beijing Gas and Beiran Enterprises
	E.2 2015 Leasing Contract (Beiran Enterprises Group Companies as tenants)	Beijing Gas and Beiran Enterprises

### Category (A): Engineering services

Beijing Gas Group Companies and Beiran Enterprises Group Companies have always been providing engineering services to each other. To regulate such transactions which will continue to take place, Beijing Gas entered into the 2015 Engineering Services Framework Agreement with BE Group on 31 December 2014 for a term of three years from 1 January 2015 to 31 December 2017, pursuant to which:

- Beiran Enterprises Group Companies may provide various engineering services to Beijing Gas Group Companies, including but not limited to project planning, design and various evaluation and appraisal services, engineering survey and geological exploration

and survey services, construction, equipment and facilities installation, maintenance and examination services, gas pipeline conjoining engineering services, engineering supervision services, technical consultation services and other engineering services; and

- Beijing Gas Group Companies may provide various engineering services to Beiran Enterprises Group Companies, including but not limited to entrusted engineering construction services, engineering survey services, technical consultation services and other engineering services.

The transactions under the 2015 Engineering Services Framework Agreement will be conducted on terms which shall not be less favourable than those similar engineering services offered to Independent Third Parties and the price shall be determined according to the following principles:

- (i) price prescribed by the PRC Government;
- (ii) where there is no government-prescribed price but there is a government indicating price, at a price not higher than the indicating price set by the PRC Government;
- (iii) where there is neither a government-prescribed price nor a government indicating price, the market price; and
- (iv) where none of the above is applicable, the price will be agreed between the relevant parties based on costs plus a margin of up to 10%.

Both Beijing Gas Group Companies and Beiran Enterprises Group Companies have the option to receive from Independent Third Parties, or provide to Independent Third Parties, the engineering services (as the case may be). The schedule, location, specification, standard, method, examination, pricing and payment of fees regarding the provision of engineering services under the 2015 Engineering Services Framework Agreement will be agreed separately by both parties or their subsidiaries or associates based on normal commercial terms and otherwise in accordance with the provisions of the agreement. The parties may enter into detailed engineering services provision agreements for further requirements. However, the agreement for the provision of specific engineering services is subject to the principles under such agreement and the relevant requirements under relevant laws and regulations (including but not limited to the Listing Rules).

### ***Historical transaction figures***

The expenditure of Beijing Gas Group Companies for receiving the engineering services provided by Beiran Enterprises Group Companies amounted to approximately RMB62,445,000, RMB53,614,000 and RMB60,770,000 respectively for the years of 2012, 2013 and for the six months from 1 January to 30 June 2014. For the corresponding period, the revenue of Beijing Gas Group Companies of providing the engineering services to Beiran Enterprises Group Companies amounted to approximately RMB6,238,000, RMB48,420,000 and RMB3,854,000 respectively.

### ***Annual Caps***

The Company expects that the Annual Caps of the expenditure of Beijing Gas Group Companies for receiving the engineering services provided by Beiran Enterprises Group Companies will be approximately RMB450,000,000, RMB500,000,000 and RMB550,000,000 respectively for each of the three years ending 31 December 2015, 2016 and 2017, and the Annual Caps of the revenue of Beijing Gas Group Companies for providing engineering services to Beiran Enterprises Group Companies will be approximately RMB150,000,000, RMB200,000,000 and RMB250,000,000 respectively for the corresponding period.

The Annual Caps are determined after taking into consideration the followings:

- the historical transaction amounts for the year of 2012, 2013 and for the six months from 1 January to 30 June 2014;
- the estimates of engineering services for 2015 as determined in the comprehensive plan of Beijing Gas for 2015;
- the estimated scale of engineering works for the years of 2015 to 2017;
- the relevant development plan of Beijing Gas for the Twelfth Five-year Period; and
- the increase in engineering costs in the coming few years due to policy adjustments, increase in raw materials prices and increase in labour costs.

## **Category (B): Comprehensive services**

Beijing Gas Group Companies and Beiran Enterprises Group Companies have always been providing certain non-engineering services to each other. To regulate such transactions which will continue to take place, Beijing Gas entered into the 2015 Comprehensive Services Framework Agreement with BE Group on 31 December 2014 for a term of three years from 1 January 2015 to 31 December 2017, pursuant to which:

- Beiran Enterprises Group Companies may provide various services to Beijing Gas Group Companies, including but not limited to training services and employee continuing education services, conference services, labour import/export services, lease of equipment services, property management services (office equipment and facilities maintenance services, heating services, lift maintenance services, planting services and cleaning services etc), wastewater treatment services, equipment calibration and inspection services and technology consultation services and other non-engineering services; and
- Beijing Gas Group Companies may provide various services to Beiran Enterprises Group Companies, including but not limited to inspection services before pipeline conjoins up, heating services, pipeline drawing archive inquiry services, technology consultation services and other non-engineering services.

The transactions under the 2015 Comprehensive Services Framework Agreement will be conducted on terms which shall not be less favourable than those similar services offered to Independent Third Parties and the price shall be determined according to the following principles:

- (i) price prescribed by the PRC Government;
- (ii) where there is no government-prescribed price but there is a government indicating price, at a price not higher than the indicating price set by the PRC Government;
- (iii) where there is neither a government-prescribed price nor a government indicating price, the market price; and
- (iv) where none of the above is applicable, the price will be agreed between the relevant parties based on costs plus a margin of up to 10%.

Both Beijing Gas Group Companies and Beiran Enterprises Group Companies have the option to receive from Independent Third Parties, or provide to Independent Third Parties, the comprehensive services (as the case may be). The schedule, location, specification, standard, method, examination, pricing and payment of fees regarding the provision of comprehensive services under the 2015 Comprehensive Services Framework Agreement will be agreed separately by both parties or their subsidiaries or associates based on normal commercial terms and otherwise in accordance with the provisions of the agreement. The parties may enter into detailed comprehensive services provision agreements for further requirements. However, the agreement for the provision of specific services is subject to the principles under such agreement and the relevant requirements under relevant laws and regulations (including but not limited to the Listing Rules).

### ***Historical transaction figures***

Beijing Gas Group Companies did not receive any non-engineering services provided by Beiran Enterprises Group Companies during the year of 2012. During the year of 2013 and for the six months from 1 January to 30 June 2014, the expenditure of Beijing Gas Group Companies for receiving the non-engineering services provided by Beiran Enterprises Group Companies amounted to approximately RMB70,181,000 and RMB4,877,000 respectively. For the corresponding period, the revenue of Beijing Gas Group Companies for providing non-engineering services to Beiran Enterprises Group Companies amounted to approximately RMB20,665,000, RMB6,965,000 and RMB4,798,000 respectively.

### ***Annual Caps***

The Company expects that the Annual Caps of the expenditure of Beijing Gas Group Companies for receiving non-engineering services provided by Beiran Enterprises Group Companies will be approximately RMB150,000,000, RMB200,000,000 and RMB250,000,000 respectively for each of the three years ending 31 December 2015, 2016 and 2017, and the Annual Caps of the revenue of Beijing Gas Group Companies for providing non-engineering services to Beiran Enterprises Group Companies will be approximately RMB150,000,000, RMB200,000,000 and RMB250,000,000 respectively for the corresponding period.

The Annual Caps are determined after taking into consideration the followings:

- the historical transaction amounts for the years of 2012, 2013 and for the six months from 1 January to 30 June 2014;



- the relevant aspects of services to be provided as auxiliary services to Beijing Gas in future;
- the relevant development plan of Beijing Gas for the Twelfth Five-year Period; and
- the increase in engineering costs in the coming few years due to policy adjustments, increase in raw materials prices and increase in labour costs.

**Category (C): Sale and purchase of gas**

Beijing Gas Group Companies have been selling gas and gas products to Beiran Enterprises Group Companies. To regulate such transactions which will continue to take place, Beijing Gas entered into the 2015 Sale and Purchase of Gas Framework Agreement with BE Group on 31 December 2014 for a term of three years from 1 January 2015 to 31 December 2017, pursuant to which, Beijing Gas Group Companies may sell natural gas products to Beiran Enterprises Group Companies.

The transactions under the 2015 Sale and Purchase of Gas Framework Agreement will be conducted on terms which shall not be less favourable than those similar products offered to Independent Third Parties and the price shall be determined according to the following principles:

- (i) price prescribed by the PRC Government;
- (ii) where there is no government-prescribed price but there is a government indicating price, at a price not higher than the indicating price set by the PRC Government;
- (iii) where there is neither a government-prescribed price nor a government indicating price, the market price; and
- (iv) where none of the above is applicable, the price will be agreed between the relevant parties based on costs plus a margin of up to 10%.

Both Beijing Gas Group Companies and Beiran Enterprises Group Companies have the option to purchase goods from or sell goods to Independent Third Parties (as the case may be). The brand names, specification, standard, method of transportation, examination, pricing and payment of fees of the products under the 2015 Sale and Purchase of Gas Framework Agreement will be agreed separately by both parties or their subsidiaries or associates based on normal commercial terms and otherwise in accordance with the provisions of the agreement. The parties may enter into detailed agreements in respect of the sale and purchase of gas for further requirements. However, the sale and purchase agreement for specific products is subject to the principles under such agreement and the relevant requirements under relevant laws and regulations (including but not limited to the Listing Rules).

### ***Historical transaction figures***

The revenue of Beijing Gas Group Companies from selling gas products to Beiran Enterprises Group Companies for the years of 2012, 2013 and for the six months from 1 January to 30 June 2014 amounted to approximately RMB37,381,000, RMB24,340,000 and RMB37,200,000 respectively.

### ***Annual Caps***

The Company expects that the Annual Caps of the revenue of Beijing Gas Group Companies from selling gas and gas products to Beiran Enterprises Group Companies for each of the three years ending 31 December 2015, 2016 and 2017 will be approximately RMB350,000,000, RMB400,000,000 and RMB450,000,000 respectively.

The Annual Caps are determined after taking into consideration the followings:

- the historical transaction amounts for the years of 2012, 2013 and for the six months from 1 January to 30 June 2014; and
- the development plan of Beijing Gas for the Twelfth Five-year Period.

## **Category (D): Sale and purchase of goods**

Beijing Gas Group Companies and Beiran Enterprises Group Companies have been purchasing from and selling to each other for non-gas products. To regulate such transactions which will continue to take place, Beijing Gas entered into the 2015 Sale and Purchase of Goods Framework Agreement with Beiran Enterprises on 31 December 2014 for a term of three years from 1 January 2015 to 31 December 2017, pursuant to which:

- Beiran Enterprises Group Companies may sell various goods to Beijing Gas Group Companies, including but not limited to pipes, gas valves, gas equipment, various instrument and metres and spare parts, and other gas-related materials and equipment; and
- Beijing Gas Group Companies may sell various goods to Beiran Enterprises Group Companies, including but not limited to pipes, gas valves, gas equipment, various instrument and metres, pipe fittings, polyethylene pipes and polyethylene pipe fittings and other gas related materials and equipment.

The transactions under the 2015 Sale and Purchase of Goods Framework Agreement will be conducted on terms which shall not be less favourable than those similar goods offered to Independent Third Parties and the price shall be determined according to the following principles:

- (i) price prescribed by the PRC Government;
- (ii) where there is no government-prescribed price but there is a government indicating price, at a price not higher than the indicator price set by the PRC Government;
- (iii) where there is neither a government-prescribed price nor a government indicating price, the market price; and
- (iv) where none of the above is applicable, the price will be agreed between the relevant parties based on costs plus a margin of up to 10%.

Both Beijing Gas Group Companies and Beiran Enterprises Group Companies have the option to purchase the goods from or sell the goods to Independent Third Parties (as the case may be). The brand names, specification, standard, method of transportation, examination, pricing and payment of fees of the goods under the 2015 Sale and Purchase of Goods Framework Agreement will be agreed separately by both parties or their subsidiaries or associates based on normal commercial terms and otherwise in accordance with the provisions of the 2015 Sale and Purchase of Goods Framework Agreement. The parties may enter into detailed sale and purchase of goods agreements for further requirements. However, the purchase and sale agreement for specific goods is subject to the principles under the 2015 Sale and Purchase of Goods Framework Agreement and the relevant requirements under relevant laws and regulations (including but not limited to the Listing Rules).

### ***Historical transaction figures***

The expenditure of Beijing Gas Group Companies on goods purchased from Beiran Enterprises Group Companies amounted to approximately RMB20,196,000, RMB153,701,000 and RMB51,872,000 respectively for the years of 2012, 2013 and for the six months from 1 January to 30 June 2014. For the corresponding period, the revenue of Beijing Gas Group Companies from selling goods to Beiran Enterprises Group Companies amounted to approximately RMB86,214,000, RMB142,345,000 and RMB72,857,000 respectively.

### ***Annual Caps***

The Company expects that the Annual Caps of the expenditure of Beijing Gas Group Companies for purchasing goods from Beiran Enterprises Group Companies will be approximately RMB250,000,000, RMB300,000,000 and RMB350,000,000 respectively for each of the three years ending 31 December 2015, 2016 and 2017, and the Annual Caps of the revenue of Beijing Gas Group Companies from selling goods to Beiran Enterprises Group Companies will be approximately RMB350,000,000, RMB400,000,000 and RMB450,000,000 respectively for the corresponding period.

The Annual Caps are determined after taking into consideration the followings:

- the historical transaction amounts for the years of 2012, 2013 and for the six months from 1 January to 30 June 2014;
- the relevant development plan of Beijing Gas for the Twelfth Five-year Period;

- the infrastructure, technology upgrade and future customer development plan of Beijing Gas;
- the change of raw materials and the surge of labour costs for manufacturing in future; and
- the operating costs and profit margin in future.

### **Category (E): Leases of properties**

(E1) Beijing Gas Group Companies have been leasing from Beiran Enterprises certain buildings which are legally owned by Beiran Enterprises. Beiran Enterprises and Beijing Gas entered into the 2015 Leasing Contract on 31 December 2014, relating to the lease of 14 buildings which are all located in Beijing. The uses of such buildings are mainly for offices and public utilities purposes. The total gross floor area is 57,073.01 square metres. The term of the lease is from 1 January 2015 to 31 December 2017. The contract provides that the rent should not be higher than the market rent for similar buildings at the time the contract is executed. The prevailing total rent under the 2015 Leasing Contract is RMB75,372,000 per annum. During the term of the contract, both parties may negotiate and adjust the rent of the buildings once every year. The rent to be adjusted shall be the market rent confirmed by any independent valuer recognised by both parties or shall not be higher than the market rent. If Beijing Gas Group Companies terminate the use of certain buildings according to the provisions of the contract, the amount of total rent to be paid shall be reduced correspondingly according to the period actually leased.

(E2) Beiran Enterprises Group Companies have been leasing from Beijing Gas certain buildings which are legally owned by Beijing Gas. Beijing Gas and Beiran Enterprises entered into another 2015 Leasing Contract on 31 December 2014, relating to the lease of 3 buildings which are located in Beijing. The uses of such buildings are mainly for offices and public utilities purposes. The total gross floor area is 4,032.21 square metres. The term of the lease is from 1 January 2015 to 31 December 2017. The contract provides that the rent should not be higher than the market rent for similar buildings at the time the contract is executed. The prevailing total rent under the 2015 Leasing Contract is RMB1,308,200 per annum. During the term of the contract, both parties can negotiate and adjust the rent of the buildings once every year. The rent to be adjusted shall be the market rent confirmed by the independent valuer recognised by both parties or not higher than the market rent. If Beiran Enterprises Group Companies terminate

the use of certain buildings according to the provisions of the contract, the amount of total rent to be paid shall be reduced correspondingly according to the period of actually leased.

Beijing Gas and Beiran Enterprises negotiated the rents payable under the 2015 Leasing Contracts above in accordance with the current market rents and practices in the PRC.

### ***Historical transaction figures***

The rental expenses paid by Beijing Gas Group Companies to Beiran Enterprises for the leasing of relevant buildings were approximately RMB58,097,000, RMB69,893,000 and RMB39,206,000, respectively for the years of 2012, 2013 and for the six months from 1 January to 30 June 2014. For the corresponding period, the rent received by Beijing Gas from Beiran Enterprises Group Companies (and its subsidiaries) for the leasing of relevant buildings were approximately RMB249,000, RMB13,000 and RMB3,000 respectively.

### ***Annual Caps***

Based on the historical transaction values, the current agreed amount of rental payments and the estimated future market rental value of similar properties, it is expected that the Annual Caps of the rent payable by Beijing Gas Group Companies to Beiran Enterprises for the leasing of relevant buildings under the relevant leasing contract will be approximately RMB150,000,000, RMB200,000,000 and RMB250,000,000 respectively, and the Annual Caps of the rent receivable by Beijing Gas from Beiran Enterprises for the leasing of relevant buildings under the relevant leasing contract will be approximately RMB1,000,000, RMB1,500,000 and RMB2,000,000 respectively, for the years of 2015, 2016 and 2017.

## **REASONS FOR AND THE BENEFITS OF THE RENEWED AGREEMENTS**

### **Categories (A), (B), (C) and (D)**

In view of the strengths and scope of Beiran Enterprises Group Companies' business activities and the strong favourable support that the Transactions would bring to the Group's business activities, the Board considers it to be beneficial for the Group to continue carrying out the continuing connected transactions with Beiran Enterprises Group Companies as the Transactions have always been facilitating and will expect to continue facilitating the

operation and growth of the Group's business. The Board is also aware of the long-term smooth cooperation history between the Group and Beiran Enterprises Group Companies in relation to the above Transactions.

### **Category (E)**

As Beijing Gas Group Companies and Beiran Enterprises Group Companies have already been leasing out certain properties at prevailing market rates to each other, the Directors are of the view that substantial time and costs can be saved if Beijing Gas entered into the 2015 Leasing Contracts with Beiran Enterprises instead of moving to other properties or leasing out the properties to other parties.

## **IMPLICATIONS UNDER THE LISTING RULES**

As Beiran Enterprises is a subsidiary of BE Group, and BE Group is the ultimate controlling shareholder of the Company, Beiran Enterprises Group Companies are connected persons of the Company and the Transactions constitute continuing connected transactions to the Company under the Listing Rules. Since the highest Applicable Ratios calculated with reference to the highest Annual Caps of each category of the Transactions is more than 0.1% but less than 5%, each of such categories of the Transactions constitutes continuing connected transactions under Chapter 14A of the Listing Rules, and are subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirements.

None of the Directors has a material interest in the Transactions and therefore none of them is required to abstain from voting in respect of the Board resolution for considering and approving the 2015 Agreements and the Transactions. The Directors (including the independent non-executive Directors) are of the view that it is for the benefit of the Group to continue carrying out the Transactions in the ordinary and usual course of business under the 2015 Agreements. They are of the view that the 2015 Agreements are on normal commercial terms, the terms of which (including the Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **GENERAL INFORMATION**

The Company is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 392). The Group is principally engaged in natural gas operations, brewery operations, sewage and water treatment operations, and solid waste treatment operations in the PRC.

Beijing Gas is a company incorporated in the PRC with limited liability. It is principally engaged in supplying and selling piped natural gas and related businesses in Beijing.

Beiran Enterprises is a company incorporated in the PRC with limited liability. The principal businesses of Beiran Enterprises are supplying and selling compressed natural gas and LPG; manufacturing, processing and selling gas equipments and tools; construction of gas pipelines, installation of equipments, municipal gas, planning and design of thermal engineering projects, engineering survey, technical services for gas and heating, production of coke, sales of raw chemical materials; and property management, etc.

## **DEFINITIONS**

For the purposes of this announcement, the capitalized terms appearing herein shall, unless the context otherwise admits, have the meanings set out below:

“Annual Caps”	in respect of each of the five categories (on the basis that Category (E1) and Category (E2) are grouped under one category) of the Transactions, the maximum aggregate annual transaction amount estimated by the Company for each of the three years ending 31 December 2017
“Applicable Ratios”	applicable percentage ratios as defined under Rule 14.07 of the Listing Rules
“associate(s)”	has the meaning ascribed to it under the Listing Rules



“BE Group”	Beijing Enterprises Group Company Limited* (北京控股集團有限公司), a company incorporated in the PRC with limited liability, and is the ultimate controlling shareholder of the Company
“Beijing Gas”	Beijing Gas Group Company Limited* (北京市燃氣集團有限責任公司), a company incorporated in the PRC with limited liability, and is an indirect wholly-owned subsidiary of the Company
“Beijing Gas Group Companies”	Beijing Gas and its subsidiaries
“Beiran Enterprises”	Beijing Beiran Enterprises Company Limited* (北京北燃實業有限公司), a company incorporated in the PRC with limited liability, and is a wholly-owned subsidiary of BE Group
“Beiran Enterprises Group Companies”	Beiran Enterprises and its associates
“Board”	the board of Directors
“Circular”	the circular of the Company to its shareholders dated 30 April 2007
“Company”	Beijing Enterprises Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 392)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	person(s) who by themselves and together with their respective ultimate beneficial owner(s) are, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Original Agreements”	the agreements dated 10 April 2007 relating to certain continuing connected transactions of the Company, as disclosed under “VI. Connected Transactions and Continuing Connected Transactions – Continuing Connected Transactions” in the “Letter from the Board” in the Circular
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Renewed Agreements”	the agreements dated 27 August 2012 entered into between Beijing Gas and Beiran Enterprises, details of which are disclosed in the announcements of the Company dated 27 August 2012, 20 June 2013 and 24 June 2013
“RMB”	Reminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Shareholders”	the shareholders of the Company
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Transactions”	the transactions contemplated under the 2015 Agreements
“%”	per cent
“2015 Agreements”	the agreements dated 31 December 2014 entered into between Beijing Gas and Beiran Enterprises, details of which are set out in the section headed “2015 Agreements” in this announcement

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

Hong Kong, 31 December 2014

*As at the date of this announcement, the board of directors of the Company comprises Mr. Wang Dong (Chairman), Mr. Hou Zibo, Mr. Zhou Si, Mr. Li Fucheng, Mr. Li Yongcheng, Mr. E Meng, Mr. Jiang Xinhao and Mr. Tam Chun Fai as executive directors; Mr. Guo Pujin as non-executive director; Mr. Wu Jiesi, Mr. Lam Hoi Ham, Mr. Fu Tingmei, Mr. Sze Chi Ching, Mr. Shi Hanmin and Dr. Yu Sun Say as independent non-executive directors.*

\* *For identification purposes only*