

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation to offer to acquire, purchase or subscribe for the securities.



北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 392)

VOLUNTARY DISCLOSURE

AMENDED AND RESTATED SHARE PURCHASE AGREEMENT RELATING TO THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF BEIJING GAS DEVELOPMENT LIMITED

AMENDED AND RESTATED SHARE PURCHASE AGREEMENT

Reference is made to the announcement of the Company dated 26 November 2014 (the “**Previous Announcement**”) in relation to, among other things, the proposed disposal of the entire issued share capital of Beijing Gas Development Limited (the “**Target Company**”).

As disclosed in the Previous Announcement, on 26 November 2014, China Gas, the Purchaser (being a wholly-owned subsidiary of China Gas), the Seller (being a wholly-owned subsidiary of the Company) and the Company (as the guarantor) entered into the Original Share Purchase Agreement, pursuant to which the Purchaser agreed to acquire from the Seller the Sale Share (being the entire issued share capital of the Target Company) subject to the fulfilment of certain conditions, including but not limited to the completion of the Original Internal Reorganisation. The parties to the Original Share Purchase Agreement subsequently entered into side agreements to extend the date by which the Original Conditions shall be fulfilled or waived.

The Target Company is incorporated in the British Virgin Islands as an investment holding company to act as the special purpose vehicle for holding interests in 12 PRC project companies (including Hegang Corporation and Tangshan Gas, etc) upon the completion of the Original Internal Reorganisation. As at the date of this announcement, the Seller and the Target Company have not been able to complete the Original Internal Reorganisation (being one of the Original Conditions) due to difficulties in obtaining local PRC governmental approvals for the transfer of the Hegang Interest and the Tangshan Minority Interest to the Target Company as contemplated under the Original Internal Reorganization, accordingly the Original Completion has not taken place.

As such, to facilitate Completion of the Proposed Disposal, on 28 June 2016, China Gas, the Purchaser, the Seller and the Company (as the guarantor) entered into the Amended and Restated Share Purchase Agreement, pursuant to which the parties thereto agreed to amend and restate certain terms of the Original Share Purchase Agreement, in particular, to amend the composition of the Original Target Group to exclude Hegang Corporation and Tangshan Gas and to amend the scope of the Original Internal Reorganisation to exclude the transfer of the Hegang Interest and the Tangshan Minority Interest to the Target Company. The Amended and Restated Share Purchase Agreement replaces and supersedes the Original Share Purchase Agreement in its entirety and all amendments thereto prior to the date of the Amended and Restated Share Purchase Agreement.

Pursuant to the Amended and Restated Share Purchase Agreement, the Purchaser has conditionally agreed to acquire from the Seller the Sale Share (being the entire issued share capital of the Target Company) for a Consideration of RMB1,213,443,000 (equivalent to approximately HK\$1,533,790,480), subject to adjustments. The Consideration shall be satisfied by China Gas allotting and issuing 110,823,011 Consideration Shares at the issue price of HK\$13.84 per China Gas Share (the “**Benchmark Share Price**”) to the Seller (or a wholly-owned subsidiary of the Company) at or after Completion, subject to adjustments.

LISTING RULES IMPLICATIONS OF THE PROPOSED DISPOSAL FOR THE COMPANY

Pursuant to Rule 14.22 of the Listing Rules, the Proposed Disposal will be aggregated with the transaction contemplated under the Jinzhou Equity Transfer Agreement as disclosed in the announcement dated 23 June 2016 of China Gas. As all the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules for the Proposed Disposal are less than 5%, the Proposed Disposal does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules, and the disclosure of the Proposed Disposal in this announcement is made by the Company on a voluntary basis.

INTRODUCTION

Reference is made to the announcement of the Company dated 26 November 2014 (the “**Previous Announcement**”) in relation to, among other things, the proposed disposal of the entire issued share capital of Beijing Gas Development Limited (the “**Target Company**”).

As disclosed in the Previous Announcement, on 26 November 2014, China Gas, the Purchaser (being a wholly-owned subsidiary of China Gas), the Seller (being a wholly-owned subsidiary of the Company) and the Company (as the guarantor) entered into the Original Share Purchase Agreement, pursuant to which the Purchaser agreed to acquire from the Seller the Sale Share (being the entire issued share capital of the Target Company) subject to the fulfilment of certain conditions, including but not limited to the completion of the Original Internal Reorganisation. The parties to the Original Share Purchase Agreement subsequently entered into side agreements to extend the date by which the Original Conditions shall be fulfilled or waived.

The Target Company is incorporated in the British Virgin Islands as an investment holding company to act as the special purpose vehicle for holding interests in 12 PRC project companies (including Hegang Corporation and Tangshan Gas, etc) upon the completion of the Original Internal Reorganisation. As at the date of this announcement, the Seller and the Target Company have not been able to complete the Original Internal Reorganisation (being one of the Original Conditions) due to difficulties in obtaining local PRC governmental approvals for the transfer of in the Hegang Interest and the Tangshan Minority Interest to the Target Company as contemplated under the Original Internal Reorganization, accordingly the Original Completion has not taken place.

AMENDED AND RESTATED SHARE PURCHASE AGREEMENT

As such, to facilitate Completion of the Proposed Disposal, on 28 June 2016, China Gas, the Purchaser, the Seller and the Company (as the guarantor) entered into the Amended and Restated Share Purchase Agreement, pursuant to which the parties thereto agreed to amend and restate certain terms of the Original Share Purchase Agreement, in particular, to amend the composition of the Original Target Group to exclude Hegang Corporation and Tangshan Gas and to amend the scope of the Original Internal Reorganisation to exclude the transfer of the Hegang Interest and the Tangshan Minority Interest to the Target Company. The Amended and Restated Share Purchase Agreement replaces and supersedes the Original Share Purchase Agreement in its entirety and all amendments thereto prior to the date of the Amended and Restated Share Purchase Agreement.

Pursuant to the Amended and Restated Share Purchase Agreement, the Purchaser has conditionally agreed to acquire from the Seller the Sale Share (being the entire issued share capital of the Target Company) for a Consideration of RMB1,213,443,000 (equivalent to approximately HK\$1,533,790,480), subject to adjustments. The Consideration shall be satisfied by China Gas allotting and issuing 110,823,011 Consideration Shares at the issue price of HK\$13.84 per China Gas Share (the “**Benchmark Share Price**”) to the Seller (or a wholly-owned subsidiary of the Company) at or after Completion, subject to adjustments.

Consideration and Consideration Shares

Under the Original Share Purchase Agreement, the Consideration was RMB1,632,795,828 (equivalent to approximately HK\$2,063,851,945), subject to adjustments based on the net asset value of the Original Target Group (including Hegang Corporation and Tangshan Gas, etc) attributable to the Seller, and the number of China Gas Shares to be issued to the Seller (or a wholly-owned subsidiary of the Company) as consideration was 149,122,250 new China Gas Shares at a benchmark China Gas Share price of HK\$13.84 per China Gas Share, which represented a premium of approximately 3.10% over the average closing price per China Gas Share for the last five consecutive trading days as quoted on the Stock Exchange up to and including the day immediately prior to the date of the Original Share Purchase Agreement.

Under the Amended and Restated Share Purchase Agreement, the consideration (the “**Consideration**”) for the Proposed Disposal of the Sale Share is RMB1,213,443,000 (equivalent to approximately HK\$1,533,790,480), subject to adjustments based on the net asset value of the Target Group attributable to the Seller.

The Consideration shall be satisfied by China Gas allotting and issuing 110,823,011 new China Gas Shares (the “**Consideration Shares**”) at the Benchmark Share Price to the Seller (or a wholly-owned subsidiary of the Company) at or after Completion, subject to adjustments. The issue price per Consideration Share is HK\$13.84 (the “**Benchmark Share Price**”), which represents a premium of approximately 23.88% over the average closing price per China Gas Share for the last five consecutive trading days as quoted on the Stock Exchange up to and including the day immediately prior to the date of the Amended and Restated Share Purchase Agreement.

The Consideration is subject to the following adjustments based on the net asset value of the Target Group as at 30 June 2014 attributable to the Seller as set out in the June Audited Accounts (the “**2014 Net Asset Value**”) multiplied by 1.4:

- a) if the 2014 Net Asset Value multiplied by 1.4 is more than RMB1,213,443,000 (equivalent to approximately HK\$1,533,790,480), there shall be added to the Consideration an amount equal to such excess amount, and the Purchaser shall pay such amount in cash to the Seller; and
- b) if the 2014 Net Asset Value multiplied by 1.4 is less than RMB1,213,443,000 (equivalent to approximately HK\$1,533,790,480), there shall be deducted to the Consideration an amount equal to such shortfall amount, and the Seller shall receive, instead of the Consideration Shares, such adjusted number of new China Gas Shares (the “**Adjusted Consideration Shares**”) which shall be calculated as follows:

Adjusted Consideration Shares = Consideration Shares – Reduced Shares

where:

Reduced Shares = (RMB1,213,443,000 (equivalent to approximately HK\$1,533,790,480) – Net Asset Value x 1.4) / Benchmark Share Price.

For the avoidance of doubt, the number of Reduced Shares shall be rounded to the nearest integer.

Basis of determination of Consideration

The consideration for the Proposed Disposal was agreed between the Purchaser and the Seller after arm’s length negotiations with reference to the net asset value as set out in the combined unaudited accounts of the Target Group as at 30 June 2014 and 30 April 2016 and having considered the future prospects of the Target Group.

Shareholders loans

Within three months after the date of Completion, the Purchaser shall procure the repayment of the shareholders loans owed by three Target Group companies to the Seller Group, the total amount of which is RMB304,017,436 (equivalent to approximately HK\$357,667,572) as at the date of the Amended and Restated Share Purchase Agreement.

Effect of the issue of the Consideration Shares on the shareholding of the Company in China Gas

Taking into account of the Company's interest in 1,126,840,132 China Gas Shares (representing approximately 22.95% of all the issued China Gas Shares as at the date of this announcement), upon the issue and allotment of the Consideration Shares to the Seller (or a wholly-owned subsidiary of the Company) and assuming that there will be no adjustment to the Consideration resulting in the allotment and issue of the Adjusted Consideration Shares instead of the Consideration Shares by China Gas upon Completion, the Company will become interested in 1,237,663,143 China Gas Shares (representing approximately 24.65% of all the issued China Gas Shares) upon Completion.

Post-Completion disposal of the Tangshan Minority Interest

Subject to Completion taking place, the Seller is willing to transfer the Tangshan Minority Interest to the Purchaser at a consideration which may be determined principally in line with the pricing principles set out in the Original Share Purchase Agreement settled in cash or other means to be agreed by the Seller and the Purchaser (the "**Tangshan Disposal**"). Subject to the Seller providing evidence to the reasonable satisfaction of the Purchaser that the Seller has obtained all permits, consents, approvals, filings and clearances (including AML Filings) that are required such that, subject to the execution of a separate sale and purchase agreement for the Tangshan Disposal, the Seller is ready, willing and able to transfer or procure the transfer of the Tangshan Minority Interest to the Purchaser, the Purchaser may in its sole and absolute discretion elect to notify the Seller in writing within 30 days after its receipt of the abovementioned evidence that the Purchaser shall purchase the Tangshan Minority Interest. The completion of the Tangshan Disposal will be conditional upon the fulfilment of certain conditions, including but not limited to all permits, consents, approvals, filings and clearances (including AML Filings) that are required for the Tangshan Disposal having been obtained in accordance with the applicable laws or from any third parties, and such permits, consents, approvals, filings and clearances (including AML Filings) not having been withdrawn. The detailed terms of the Tangshan Disposal will be set out in a separate sale and purchase agreement for the Tangshan Disposal to be separately negotiated by the parties in accordance with the principles the Amended and Restated Share Purchase Agreement.

The Company will comply with the requirements of the applicable Listing Rules and make further announcement(s) in this respect as and when appropriate.

LISTING RULES IMPLICATIONS OF THE PROPOSED DISPOSAL FOR THE COMPANY

Pursuant to Rule 14.22 of the Listing Rules, the Proposed Disposal will be aggregated with the transaction contemplated under the Jinzhou Equity Transfer Agreement as disclosed in the announcement dated 23 June 2016 of China Gas. As all the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules for the Proposed Disposal are less than 5%, the Proposed Disposal does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules, and the disclosure of the Proposed Disposal in this announcement is made by the Company on a voluntary basis.

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

One of the principal businesses of the Group is the distribution and sale of piped natural gas, the provision of natural gas transmission, gas technology consultation and development services, surveying and plotting of underground construction projects, the construction and installation of gas pipelines and related equipment and the provision of repair and maintenance services in Beijing, the PRC. As the gas projects held by the Target Group are all located outside Beijing, the Proposed Disposal provides an opportunity for the Group to divest all of its interests in gas projects outside Beijing so that it could focus on managing and operating its gas projects in Beijing. In addition, China Gas is currently managing and operating some gas projects in the PRC that are near to the gas projects held by the Target Group, and therefore the Board believes that the Proposed Disposal would create synergy for the gas project portfolios of China Gas through economies of scale, which would be indirectly beneficial to the Group through its approximately 24.65% shareholding interest in China Gas upon Completion (assuming that there will be no adjustment to the Consideration resulting in the allotment and issue of the Adjusted Consideration Shares instead of the Consideration Shares by China Gas upon Completion).

In view of the above, the Directors consider that the Amended and Restated Share Purchase Agreement is on normal commercial terms and the terms of the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

Warning: The completion of the Proposed Disposal is subject to satisfaction (or, if applicable, waiver) of all of the Conditions, and therefore the Proposed Disposal may or may not be completed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or other securities of the Company.

DEFINITIONS

“AMB”	Anti-Monopoly Bureau of the Ministry of Commerce of the PRC
“Amended and Restated Share Purchase Agreement”	the amended and restated share purchase agreement dated 28 June 2016 entered into among the Purchaser, China Gas, the Seller and the Company (as the guarantor) in relation to the Proposed Disposal
“AML”	Anti-Monopoly Law of the PRC
“AML Filings”	means all filings required to be made by the Purchaser (with the assistance provided by the Seller) to the AMB in relation to the Proposed Acquisition pursuant to the AML
“Board”	the board of Directors
“China Gas”	China Gas Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 384)
“Company”/“Guarantor”	Beijing Enterprises Holdings Limited (北京控股有限公司), a company incorporated under the laws of Hong Kong with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 392)

“Completion”	the completion of the Proposed Disposal
“Conditions”	the Conditions to the Completion
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Hegang Corporation”	Hegang Juyuan Coalbed Methane Corporation Ltd.* (鶴崗聚源煤層氣有限責任公司), a company established under the laws of the PRC
“Hegang Interest”	the legal and/or beneficial interest in 100% equity interest in Hegang Corporation
“Jinzhou Equity Transfer Agreement”	the equity transfer agreement dated 23 June 2016 entered into between Shenzhen City Zhongran Gas Company Limited* (深圳市中燃燃氣有限公司), an indirect wholly-owned subsidiary of China Gas, as purchaser, and Beijing Gas Group Limited (北京燃氣集團有限公司), an indirect wholly-owned subsidiary of the company, as vendor in relation to the disposal of 51% equity interest in PetroChina Beijing Gas (Jinzhou) Natural Gas Co., Ltd.* (中石油北燃(錦州)燃氣有限公司)
“June Audited Accounts”	(i) the combined audited pro forma statement of financial position of the Target Group as at 30 June 2014; and (ii) the combined audited pro forma statement of profit or loss for the six months ended 30 June 2014 of the Target Group to be prepared by Deloitte Touche Tohmatsu, the auditors appointed by the Purchaser

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Original Completion”	the completion of the proposed disposal of the Sale Share by the Seller to the Purchaser as contemplated under the Original Share Purchase Agreement
“Original Conditions”	the conditions to the Original Completion
“Original Internal Reorganisation”	the transfer by three affiliates of the Seller to the Target Company or its wholly-owned subsidiary of the legal and/or beneficial interest in certain target group companies as contemplated under the Original Share Purchase Agreement
“Original Share Purchase Agreement”	the share purchase agreement dated 26 November 2014 entered into among the Purchaser, China Gas, the Seller and the Company in relation to the proposed disposal of the Sale Share (as amended by certain side agreements), which is replaced and superseded by the Amended and Restated Share Purchase Agreement
“PRC”	People’s Republic of China
“Original Target Group”	the Target Company and 12 companies established in the PRC (including Hegang Corporation and Tangshang Gas, etc)
“Proposed Disposal”	the proposed disposal of the Sale Share by the Seller to the Purchaser as contemplated under the Amended and Restated Share Purchase Agreement
“Purchaser”	Fresh Goal Limited, a company incorporated and registered under the laws of the British Virgin Islands and a wholly-owned subsidiary of China Gas

“Internal Reorganisation”	the transfer by three affiliates of the Seller to the Target Company or its wholly-owned subsidiary of the legal and/or beneficial interest in certain target group companies as contemplated under the Amended and Restated Share Purchase Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share”	the entire issued share capital of the Target Company
“Seller”	Beijing Gas Group (BVI) Co., Ltd., a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Seller Group”	the group of companies comprising the Seller and its affiliates (excluding the Target Group companies)
“Shareholders”	holders of Shares
“Share(s)”	ordinary share(s) in the capital of the Company
“China Gas Shares”	the ordinary shares of China Gas with par value of HK\$0.01 each, and each a “China Gas Share”
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tangshan Gas”	Tangshan Gas Group Co., Ltd.* (唐山市燃氣集團有限公司), a company established under the laws of the PRC
“Tangshan Minority Interest”	the legal and/or beneficial interest in 49% equity interest in Tangshan Gas
“Target Company”	Beijing Gas Development Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Seller as of the date of this announcement

“Target Group”

the Target Company and 10 companies established in the PRC (excluding Hegang Corporation and Tangshang Gas) principally engaged in the holding, managing and operating gas projects in various provinces in the PRC, including Liaoning, Heilongjiang, Shandong and Anhui provinces involving the distribution of city gas, natural gas for vehicle use and the construction of long-distance natural gas pipelines

Save for the amount of the Consideration, for which conversion of RMB into HK\$ is calculated at the exchange rate of HK\$1=RMB0.79114 (being the median rate between the buying rate and the selling rate of HK\$ to RMB or RMB to HK\$ (as the case may be) as announced by the People’s Bank of China at the date of the Original Share Purchase Agreement), for the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the exchange rate of HK\$1=RMB0.85 This exchange rate is for illustration purposes only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.

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

Hong Kong, 28 June 2016

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

* *For identification purpose only*