



(Stock code: 392)

BEIJING ENTERPRISES HOLDINGS ANNOUNCES 2017 ANNUAL RESULTS***Net Profit Increases by 10% to HK\$6.88 Billion******Building a First-Class International Utilities Service Platform*****Financial summary**

	<i>For the year ended December 31</i>		Changes
	<i>2017 (HKD million)</i>	<i>2016 (HKD million)</i>	
Revenue	57,508	55,959	+2.8%
Profit attributable to shareholders of the Company	6,880	6,236	+10.3%
Basic and diluted earnings per share	5.45 HKD	4.92 HKD	+10.8%

(Hong Kong, 29 March 2018) **Beijing Enterprises Holdings Limited** (“Beijing Enterprises” or the “Company”, Stock Code: 00392) has announced the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2017 (the “Period”), 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. 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.

In 2017, the Group achieved outstanding performance in the four segments of natural gas business, beer business, water and environmental business and solid waste treatment business.

Natural Gas Distribution Business

Beijing Gas Group Company Limited (“Beijing Gas”) recorded a revenue of HK\$39.89 billion in the period, 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. 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.

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 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. Through its 40% equity interest in PetroChina Beijing Pipeline Co., the Group’s share of net profit after taxation was HK\$2.28 billion.

VCNG of Rosneft

Beijing Gas successfully completed the acquisition of a 20% stake in PJSC Verkhnechonskneftegaz (“VCNG”) project of Rosneft Oil Company (“Rosneft”) at the end of June 2017 and natural gas will be given 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. The 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 financial and operating performance in 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 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%. In 2017, Yanjing Beer recorded an operating revenue of HK\$11.41 billion.

Water and Environmental Business

In the period, 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, with a total designed capacity of 31,390,000 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.

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. 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.

Looking to the future, **the Chairman and CEO of Beijing Enterprises Holdings Limited, Mr. Hou Zibo** said: “In 2018, domestic and international economic situation and macro-policy orientation will create a good development environment for Beijing Enterprises’ core industry. Regional strategies such as “Beijing-Tianjin-Hebei Integration” and “Xiong’an New District” have been launched. Gas, water, and solid waste businesses under Beijing Enterprises will face market opportunities with geometric growth, while the beer industry will see signs of recovery. In the later period, it will benefit from the long-term benefits of China’s consumption upgrade. In 2018, the implementation of the “Thirteenth Five-Year Plan” of Beijing Enterprises entered the third year, and it was also a critical period for the company to go through a glorious 20-year listing period and enter a new journey of high-end development. Beijing Enterprises will actively participate in the building of a modern socialist modernization country, implement development strategies such as regional economic integration, give full play to its leading advantages in capital operation and investment and financing, accelerate the pace of deepening market-oriented reforms, and enhance industrial strategic coordination capabilities. It lays a solid foundation for the high-end development of new journeys and the realization of new goals for value creation.”

About Beijing Enterprises Holdings Limited (0392.HK)

Beijing Enterprises Holdings Limited (“BEHL”) is the largest investment and financing flagship enterprise of the Beijing Municipal Government for channeling capital, technology and management expertise from international markets into Beijing’s development priorities. After a series of reforms including reorganization, transformation and resources integration, BEHL has successfully transformed itself into an integrated public utilities operator with focus on gas, water and environment, solid waste treatment and beer business.

As of 31 December 2017, the core assets held by BEHL include: 100% interest in Beijing Gas Group Company Limited (the largest integrated citywide natural gas distributor in the PRC); 24.91% interest in China Gas Holdings Limited (0384.HK); 57.40% interest in the A Share listed Beijing Yanjing Brewery Co., Ltd. (000729.SZ); 43.49% interest in Beijing Enterprises Water Group Limited (0371.HK) which is BEHL’s major vehicle for investing in the water projects in mainland China; 50.40% interest in Beijing Enterprises Environment Group Limited (0154.HK) which is developing into a flagship company in solid waste treatment industry in the PRC, and 100% interest in EEW Energy from Waste GmbH which is the leading European waste to energy company with headquarter in Germany.

Further information about BEHL can be found at www.behl.com.hk.

This press release is issued by **Wonderful Sky Financial Group Limited** on behalf of Beijing Enterprises Holdings Limited.

Any enquiry, please contact:

Wonderful Sky Financial Group Holdings Limited

Ms. Nicole Liu / Ms. Coco He

Tel: (852) 3970-2298 / 3641-1320

Email: behl@wsfg.hk