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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

SUPPLEMENTARY AGREEMENT TO THE 2017 DEPOSIT AGREEMENT

Reference is made to the announcement dated 30 December 2016 of the Company in relation to, inter alia, the 2017 Deposit Agreement entered into between the Company and BE Group Finance, pursuant to which, the Group may, in its ordinary and usual course of business, place and maintain deposits with BE Group Finance on normal commercial terms from time to time during the 3 years from 1 January 2017 to 31 December 2019.

The Board announces that on 19 October 2017, the Company and BE Group Finance entered into the Supplementary Agreement, pursuant to which, the Annual Cap shall be replaced by the Revised Annual Cap during the remaining term of the 2017 Deposit Agreement.

As the Company's ultimate controlling shareholder BE Group owns not less than 30% equity interest in BE Group Finance, BE Group Finance is an associated company of BE Group and is therefore a connected person of the Company. The Deposit Services will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) calculated in respect of the Supplementary Agreement are more than 0.1% but less than 5%, the Deposit Services are subject to the announcement, reporting and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement dated 30 December 2016 of the Company in relation to, inter alia, the 2017 Deposit Agreement entered into between the Company and BE Group Finance, pursuant to which, the Group may, in its ordinary and usual course of business, place and maintain deposits with BE Group Finance on normal commercial terms from time to time during the 3 years from 1 January 2017 to 31 December 2019.

According to the 2017 Deposit Agreement, the cumulative daily outstanding deposits balance placed by the Group with BE Group Finance (including any interest accrued thereon) shall not exceed the following cap (the “*Annual Cap*”):

	HK\$ million
For the financial year ending 31 December 2017	2,200
For the financial year ending 31 December 2018	2,200
For the financial year ending 31 December 2019	2,200

THE SUPPLEMENTARY AGREEMENT AND THE REVISED ANNUAL CAP

The Board announces that on 19 October 2017, the Company and BE Group Finance entered into the Supplementary Agreement, pursuant to which, the Annual Cap shall be replaced by the Revised Annual Cap as stated below during the remaining term of the 2017 Deposit Agreement.

According to the Supplementary Agreement, the cumulative daily outstanding deposits balance placed by the Group with BE Group Finance (including any interest accrued thereon) shall not exceed the following cap (the “*Revised Annual Cap*”):

	HK\$ million
From 19 October 2017 to 31 December 2017	2,900
For the financial year ending 31 December 2018	2,900
For the financial year ending 31 December 2019	2,900

Save as disclosed above, all existing terms and conditions under the 2017 Deposit Agreement remain unchanged.

REASONS FOR AND BENEFITS OF THE SUPPLEMENTARY AGREEMENT AND THE REVISED ANNUAL CAP

The Directors have been monitoring the transaction amount of the Deposit Services and as of the date of this announcement, the Annual Cap has never been exceeded. As the total assets of the Group reached approximately HK\$160 billion as at 30 June 2017 and in view of the continuous expansion in the operational scale of the Group, it is expected that the Group will continue and obtain more deposit services from BE Group Finance. The Board has decided to enter into the Supplementary Agreement to adopt the Revised Annual Cap in place of the Annual Cap during the remaining term of the 2017 Deposit Agreement in order to provide greater flexibility in the management of its cash resources.

For the avoidance of doubt, the Supplementary Agreement does not preclude the Group from using the services of other financial institutions. The Group still has the freedom to select any major and independent commercial banks in Hong Kong and the PRC as its financial services providers as it thinks fit and appropriate for the benefit of the Group.

None of the Directors has material interest in the Supplementary Agreement and no Director has abstained from voting on the relevant board resolutions of the Company.

The Directors (including the Independent Non-executive Directors) consider that the Supplementary Agreement is entered into in the ordinary and usual course of business of the Group on normal commercial terms and that the terms of the Supplementary Agreement (together with the relevant Revised Annual Cap) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY AND BE GROUP FINANCE

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

BE Group Finance is incorporated in the PRC with limited liability. Its establishment as a non-bank financial institution has been approved by China Banking Regulatory Commission. BE Group Finance acts as a platform for members of BE Group (including the Group) for provision of intra-group facilities through financial products including deposit-taking, money-lending and custodian services, etc. As at the date of this announcement, BE Group Finance is held as to 44.79% in aggregate by the Group, 6.69% by BE Water (an associated company of the Company) and 48.52% in aggregate by BE Group (the ultimate controlling shareholder of the Company) and its subsidiaries excluding the Group and BE Water.

LISTING RULES IMPLICATIONS

As the Company's ultimate controlling shareholder BE Group owns not less than 30% equity interest in BE Group Finance, BE Group Finance is an associated company of BE Group and is therefore a connected person of the Company. The Deposit Services will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) calculated in respect of the Supplementary Agreement are more than 0.1% but less than 5%, the Deposit Services are subject to the announcement, reporting and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

- “associated company”** : 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
- “BE Group Finance”** : Beijing Enterprises Group Finance Co., Ltd., a company incorporated in the PRC with limited liability and is an associated company of BE Group
- “BE Water”** : Beijing Enterprises Water Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock code: 371). BE Water is an associated company of the Company.
- “Board”** : the board of Directors
- “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”** : has the meaning ascribed to it under the Listing Rules
- “Deposit Services”** : the deposit services to be provided by BE Group Finance to the Group under the 2017 Deposit Agreement which has been amended by the Supplementary Agreement
- “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 PRC

- “**Independent Non-executive Directors**” : independent non-executive Directors including Mr. Wu Jiesi, Mr. Lam Hoi Ham, Mr. Sze Chi Ching, Mr. Yu Sun Say and Mr. Ma She.
- “**Listing Rules**” : the Rules Governing the Listing of Securities on the Stock Exchange
- “**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
- “**Shareholder(s)**” : the shareholder(s) of the Company
- “**Stock Exchange**” : The Stock Exchange of Hong Kong Limited
- “**subsidiaries**” : has the meaning ascribed to it under the Listing Rules
- “**Supplementary Agreement**” : the supplementary agreement to the 2017 Deposit Agreement entered into between the Company and BE Group Finance on 19 October 2017
- “**2017 Deposit Agreement**” : the deposit services agreement dated 30 December 2016 entered into between the Company and BE Group Finance which has been amended by the Supplementary Agreement.
- “**%**” : per cent

By Order of the Board
Beijing Enterprises Holdings Limited
HOU Zibo
Chairman

Hong Kong, 19 October 2017

As at the date of this announcement, the board of directors of the Company comprises Mr. Hou Zibo (Chairman), 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.

** For identification purposes only.*