

2015

Corporate Social Responsibility Report

Invest For A Better Life



About the Report

The Report has been reviewed and ratified by the Board of Directors of Beijing Enterprises Holdings Limited. Beijing Enterprises hereby represents that the Report contains no false representations, misleading statements or material omissions.

Reporting Period

Jan. 1st, 2015-Dec. 31st, 2015, part of the content is beyond the scope.

Reporting Boundary

The Report covers the headquarters, subsidiaries and affiliates of Beijing Enterprises Holdings Limited.

Reference

For the convenience of expression, Beijing Enterprises Holdings Limited (HK.00392) is hereinafter referred to as "Beijing Enterprises", "the Company", or "we/us".

Beijing Gas Group Company Limited is referred to as Beijing Gas.

China Gas Holdings Ltd. (HK.00384) is referred to as China Gas,

Beijing Enterprises Water Group Limited (HK.00371) is referred to as BE Water.

Beijing Development (Hong Kong) Limited (HK.00154) is referred to as Beijing Development.

Beijing Enterprises Holdings Environmental Technology Co., Ltd is referred to as BE Environmental Technology.

Golden State Environment Investment Corporation is referred to as GSE Investment.

Beijing Yanjing Brewery Company Limited (SZ.000729) is referred to as Yanjing Beer.

Release cycle

The Report is the 2nd CSR report officially released by Beijing Enterprises. From 2015 onwards, Beijing Enterprises periodically discloses CSR-related information in line with relevant requirements of the Stock Exchange of Hong Kong Ltd. (HKEX).

Report compilation principles

This Report is aligned with *Appendix 27: Environmental, Social and Governance Reporting Guide* of Stock Exchange of Hong Kong Ltd. (HKEX), the Global Reporting Initiative (GRI) *Sustainability Reporting Guidelines(G4)*, Chinese Academy of Social Sciences (CASS) *China Corporate Social Responsibility Reporting Guidelines (CASS-CSR3.0)*, International Organization for Standardization (ISO) *Social Responsibility Guide (ISO 26000:2010)*.

Data sources

All data included in the Report are from formal documents, statistical reports and financial reports of the Company, as well as sustainability-related information collected, summarized and reviewed by the CSR management system of the Company. If not specified, monetary unit in the Report is CNY (Chinese Yuan).

Languages of and access to the Report

The Report is prepared in Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

The Report is made public in both hard and soft copies (in PDF format). Please visit <http://www.behl.com.hk> to read or download the Report in PDF format.

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Chairman Speech

In 2015, the Fifth Plenary Session of 18th CPC Central Committee was successfully convened, putting forward the development concept of "Innovation, coordination, green, openness and sharing", which constituted the soul of the guiding principle of building a well-off society in an all-round way. Energy, environment and sustainable development have become the issue that face the human society and requires resolution. As Beijing's first State-owned holding company listed in Hong Kong, Beijing Enterprises has been upholding the core value of "commit to devotion, share the respect" since its inception. Led by innovations, the company cared for natural environment, vigorously developed green industry, combined the development of the enterprise with ecological civilization construction and improvement of the people's life quality, contributing itself to addressing the problems in the field of economy, society and environment.

Adhering to the mission of social responsibility of "invest for a better life", we have become the financing and investment platform with various channels in capital market for public utilities segments. We formed a co-development business layout in public utilities industry segment focuses on gas, water and solid waste treatment and together with the beer industry through the transformation, upgrading and responsibility investment. During the process, we have also gained fruitful results. The Company achieved operating revenue of HKD60.15 billion in 2015, representing a year-on-year increase of 25.5%. Profit attributable to shareholders of the Company amounted to HKD5.67 billion, representing a year-on-year increase of 17.3%, continuing to maintain a sound development momentum.

Beijing Enterprises has always persistently upheld the mission of "booming in Hong Kong with a foothold in Beijing". According to the closing price on December 31st, 2015, the Company's total market capitalization reached about HKD60.3 billion and its market-value control hit RMB158.2 billion, indicating that the company functions as a bridge and a bond in the connection of advantageous resources between Beijing and Hong Kong and their economic and trade cooperation.

Beijing Enterprises pays consistent attention to the construction of enterprise culture, cultivation of team spirit and growth of its employees, devotes itself to fostering a enterprise spirit with "trust, innovative,

steadfast and understanding" as the core and creating a people-oriented, healthy and harmonious enterprise culture, striving to bringing the development achievements to the general staff. We also attach great importance to social development, support the progress of football, basketball, education and culture and sports undertakings, care about public welfare and participate in community constructions by setting up a public platform and carrying out a variety of activities to help vulnerable groups.

As the General Secretary, Xi Jinping, has pointed out, we are supposed to adopt an overall and long-term view in face of the future, and adhere to the national state policy of resource conservation and environmental protection. Beijing Enterprises will promote and develop a green development pattern and life style to promote people's wellbeing and the country's prosperity and good environment.

In the future, Beijing Enterprises will continue to adhere to the development aspiration of focusing on public utilities, promoting urban development and serving hundreds of thousands families, strengthen the configuration of public utilities that center on gas, water and solid waste treatment, give full play to its unique advantages in the field of public utilities, deepen reforms, enhance win-win cooperation, expedite innovation drive and create more value. While making great efforts to become a first-class comprehensive public utilities services provider in China, the Company also relies on its overseas projects to introduce advanced management concept and technology to China, making great contribution to the promotion of social and economic efficiency and sustainable development. We will join hands with all stakeholders to stride towards a better future and write a new chapter of sustainable development.

Chairman of the Board of Directors of Beijing Enterprises
Wang Dong

CEO Q&A



Q: As China's economic development enters into the new normal, Beijing Enterprises is facing both opportunities and challenges. In 2015, what kinds of development strategies has the Company formulated to realize responsibility of economic stabilization and growth?

In 2015, as the world economic development became more complex, emerging economies, represented by China, were accumulating innovation and development potential under the downward pressure of global economy. Putting forward the main development strategy of "Embracing bold reforms, optimizing resources, creating values and achieving goals", Beijing Enterprises centralized its resources to guarantee the development of three basic business sectors including gas, water and beer and the development of growing business of solid waste treatment. Through a series of investment and financing activities including the issuing of Euro bonds, the company ensured sustainable business growth.

In 2015, the company's total assets scale stood at HKD124.77 billion and profit attributable to shareholders of the Company was more than HKD5 billion, making itself a representative of red-chip companies in Hong Kong's capital market.

Q: How are the business segments of Beijing Enterprises creating values for stakeholders?

Beijing Enterprises integrates the concept of social responsibility in its enterprise development and gradually grows into a comprehensive company of public services, providing clients with stable supply of gas and clean water and good living environment. By the end of 2015, we have secured clean energy for nearly 19 million users (including China Gas users), provided water treatment services for 25 provinces (including autonomous regions and municipalities) directly in mainland China, Malaysia, Singapore, Portugal and so on. The daily planned capacity of water treatment service was 24.62 million tons and the scale of household solid waste treatment at home and abroad reached 15,025 tons/day. In addition, Yanjing Beer constantly introduces high quality drinks, adding more pleasure to our life.

Q: As the window enterprise of Beijing, what kind of efforts has Beijing Enterprises made in order to better serve the Beijing-Tianjin-Hebei region?

Centering on the national strategy of integral development of Beijing-Tianjin-Hebei region, we make use of stock & incremental database of core business projects to optimize basic resources necessary for development and provide strong support of resource coordination for the development of Beijing-Tianjin-Hebei region. The company actively promotes the projects of vehicle gas, substituting gas for coal, distributed energy, water treatment and solid waste treatment in Beijing, echoing the 2013-2017 Action Plan of Beijing for Clean Air and conducts exchanges and communications with Hebei Energy Bureau in Hebei and several municipal governments, initially forming a development pattern in which core business collaboration platform of Beijing Enterprises and governments in the Beijing-Tianjin-Hebei region communicate and cooperate with each other.

Q: What are your expectations for the Company's business development in 2016?

The year 2016 is the beginning year of China's "13th Five-year Plan". Beijing Enterprises also has completed its corresponding plan during this period. We will continue to grasp the opportunities of economic development at home and abroad, follow the trend of green and low carbon development of the times and introduce foreign advanced management expertise and technology so as to improve the management and operation level of the environmental protection industry in China. While promoting its corporate value and optimizing the industrial layout, the company also bears in mind the social responsibility mission of "invest for a better life" and integrates ecological construction in the enterprise development strategy, contributing to the realization of sustainable development of the whole society.

CEO of Beijing Enterprises
Zhou Si

01

Invest for Sustainable Development





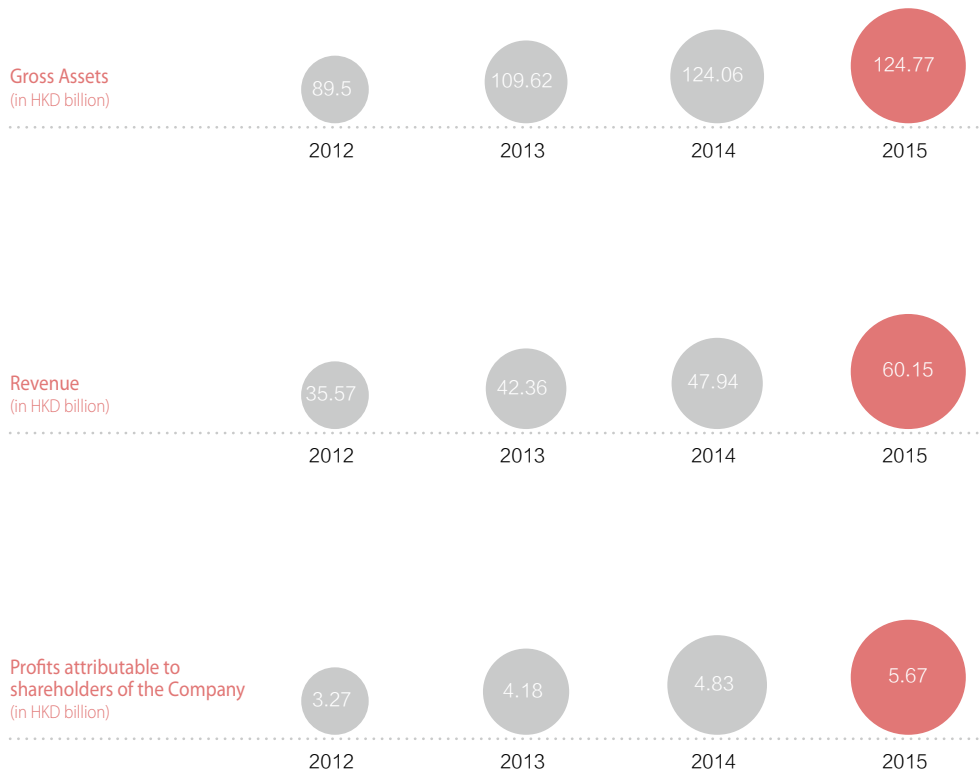
Invest for a better life. Beijing Enterprises safeguards the development of green industries and public utilities through its investment and financing services. It provides clean energy and water resource for people's production and livelihood, improves air quality and environment, and thus to bring happiness to people. The Company supports the society's sustainability through its sustainable development, and creates a cleaner, better and more convenient future for people.

About Us

Beijing Enterprises Holdings Limited ("Beijing Enterprises") is established in 1997. State-controlled and Hong Kong-listed, the Company is a flagship enterprise of Beijing Municipal Government in overseas capital markets. The Company insists in a proactive and steady direction of operation as well as prudent and focused investment strategies. Through 18 years of unremitting enterprising endeavor, it has established itself as one of the most popular red chips at SEHK.

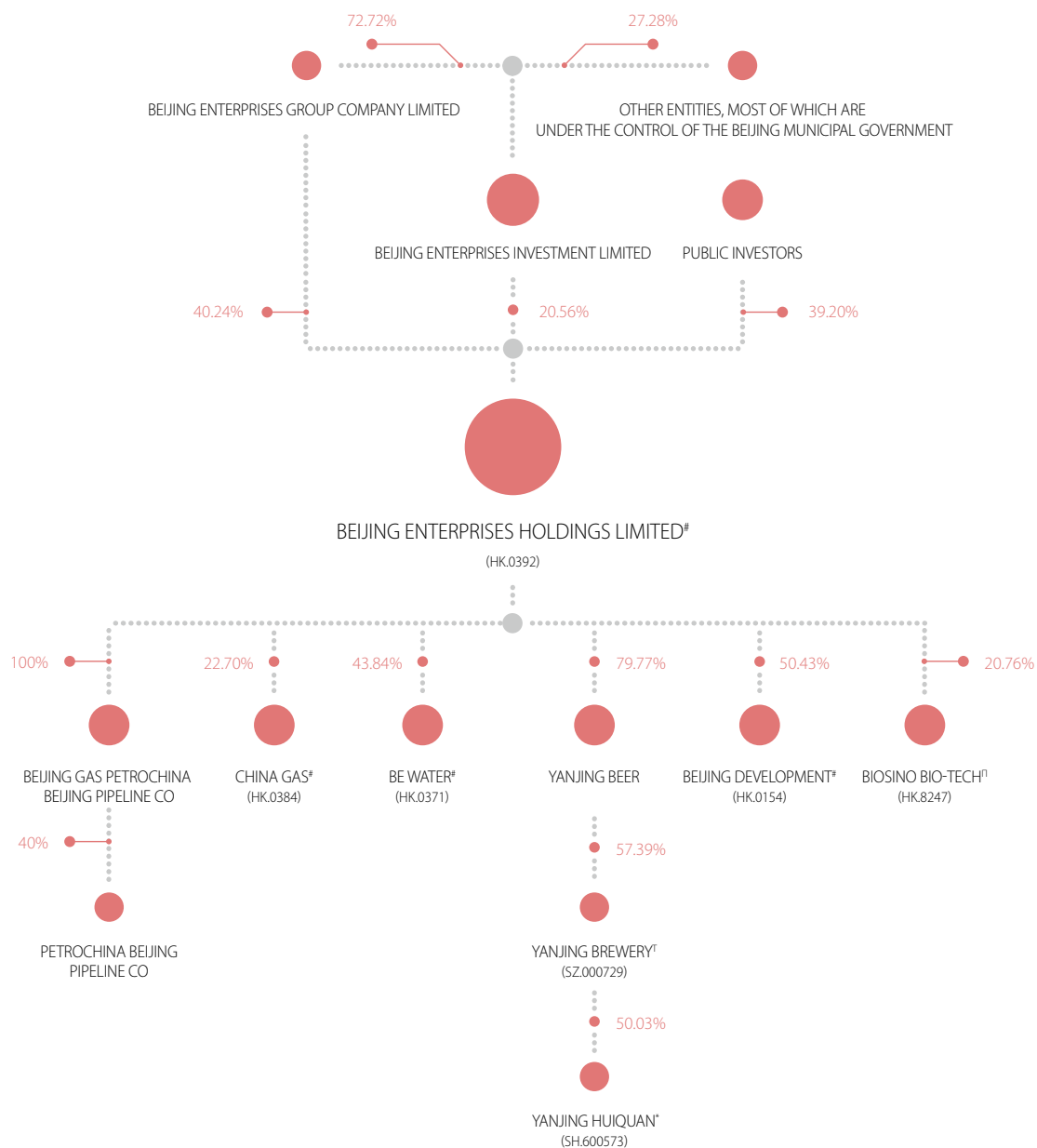
The Company has brought into full play of its function as an investment and financing platform, and sticks to the unique path of "specialized development and inclusive growth". Currently, Beijing Enterprises has brought into shape an overall pattern with three public utilities segments (gas, water and solid waste) as the core, coupled with the business of fast-moving consumer goods represented by beer. Among the listed enterprises owned by Beijing Enterprises, Beijing Enterprises, BE Water and China Gas are among the Hang Seng Index Constituent Stocks, with the former two also among the Hang Seng China-affiliated Corporations Index Constituent Stocks.

In 2015, the Company gained total revenue at HKD60.15 billion, and profit attributable to shareholders of the Company was HKD5.67 billion. The Company currently has 48,000 employees in total.



Corporate Structure

As at Dec. 31st, 2015



* Listed on The Shanghai Stock Exchange

† Listed on The Shenzhen Stock Exchange

Listed on The Main Board of The Hong Kong Stock Exchange

π Listed on The Growth Enterprise Market of The Hong Kong Stock Exchange

Corporate Governance

Beijing Enterprises has established a strict corporate governance structure of clear rights and liabilities, comprising the general meeting of shareholders, the Board of Directors and the management.

The Company has maintained the dual head office system (Beijing and HK) and realized seamless inter-head-office communication in defiance of spatial distance. Meanwhile, the Company has strengthened the headquarters' functions of managing, supervising, coordinating and serving member enterprises, improved the quality of services and supported each member enterprise's functions.

Executive directors

Mr. Wang Dong (Chairman)
Mr. Hou Zibo (Vice Chairman)
Mr. Zhou Si (Vice Chairman & Chief Executive Officer)
Mr. Li Fucheng (Vice Chairman)

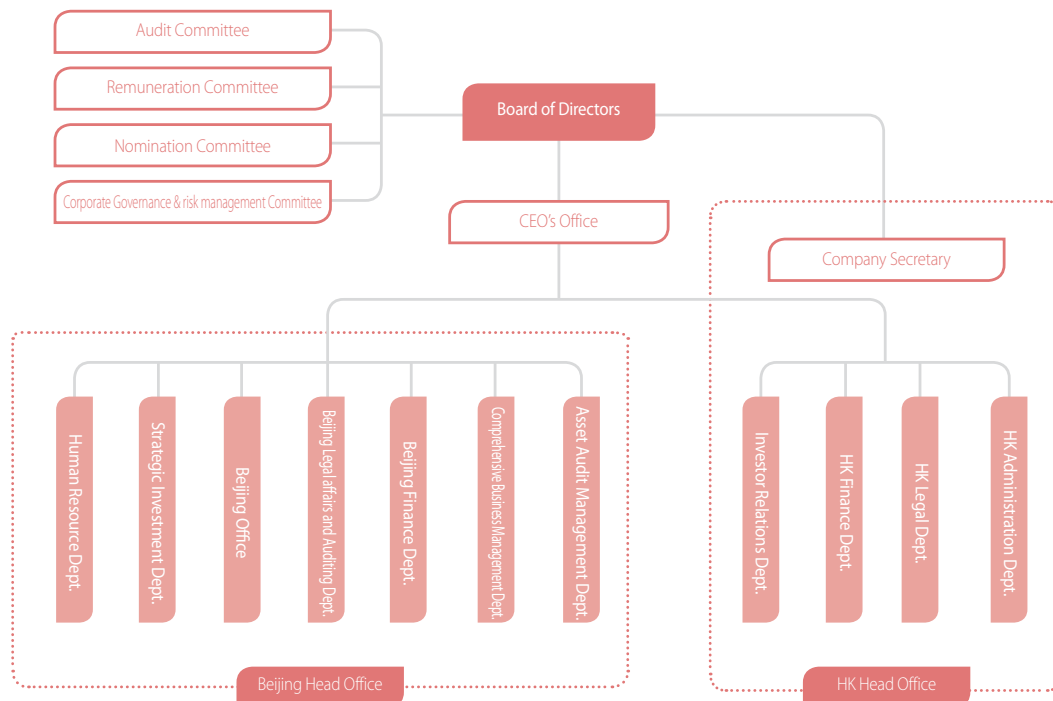
Mr. Li Yongcheng (Vice Chairman)
Mr. E Meng (Executive Vice President)
Mr. Jiang Xinhao (Vice President)
Mr. Tam Chun Fai (Chief Financial Officer & Company Secretary)

Independent non-executive directors

Mr. Wu Jiesi
Mr. Lam Hoi Ham
Mr. Fu Tingmei
Mr. Sze Chi Ching
Mr. Shi Hanmin
Dr. Yu Sun Say

Management team

Mr. Zhi Xiaoye (Vice President)
Mr. Ke Jian (Vice President)
Mr. Qi Xiaohong (Vice President)
Mr. Sun Weichen (Vice President)



Investment and Financial Operations

Centering on the strategic orientation of “comprehensive public utilities enterprise”, Beijing Enterprises steadily brings into full play of its function as an investment & financing platform and takes advantage of its multiple channels home and abroad in the public utility area. The Company closely concentrates on its major businesses in public utilities, including gas, water and solid waste treatment. At the same time, it strives to broaden its business scale, optimize business structure and improve investment benefits. The Company will continue to scale up its support

on brand businesses such as Yanjing Beer, forges ahead towards its aim of integrating energy and services, improving infrastructure and becoming a better product and service supplier in public utilities, and keep increasing its value-creation ability. As of Dec. 31st, 2015, Beijing Enterprises registered a market capitalization of HKD60.3 billion, with its share price at HKD46.95. Its total market capitalization under control reached HKD158.2 billion.

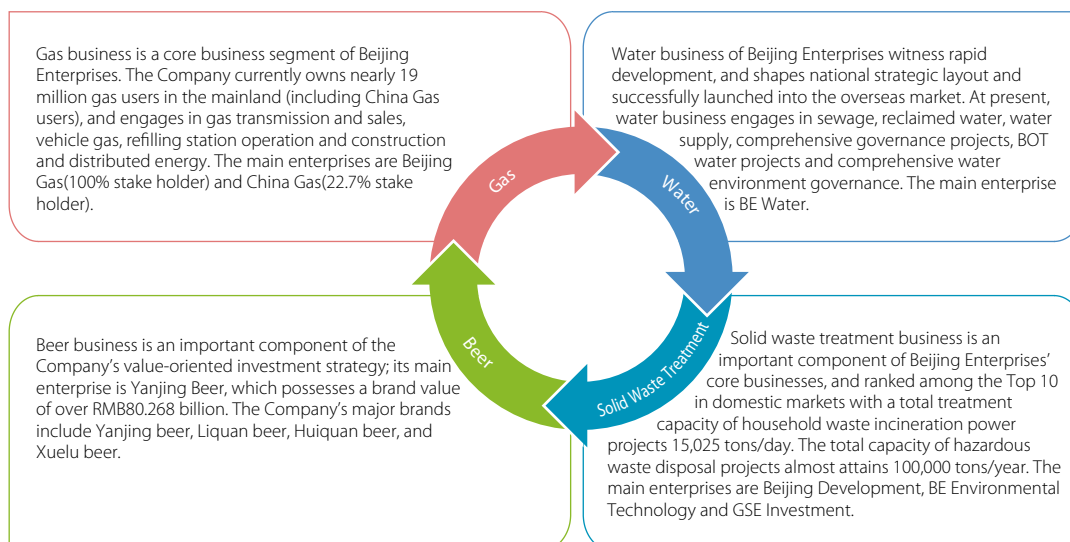
Serving as an Investment & Financing Platform

- Issued EUR500 million bonds, and was respectively rated by Moody's and Standard & Poor's at A3 and BBB+, which is conducive to the Company's further improvement of its overseas financing ability.
- Successfully issued the 25-Year USD200 million bonds, which once again provided strong capital support for the development of the Company's major operations.

Promoting Business Collaboration

- Beijing Enterprises has established a strategic collaboration mechanism and formed a “Beijing Enterprises strategic collaboration team”. It strengthens business collaboration according to member enterprises' actual needs, and has initially formed a development pattern in which the core business collaboration platform can communicate and cooperate with Beijing, Tianjin and Hebei governments.
- The Company has established a dynamic information collecting mechanism to collect Beijing Enterprises' stock & incremental database as well as related collaboration information, and exploit valuable, available potential collaboration information for the Company's further development.

▲ Supporting industrial development through investment & financing services



02

For A Better Life

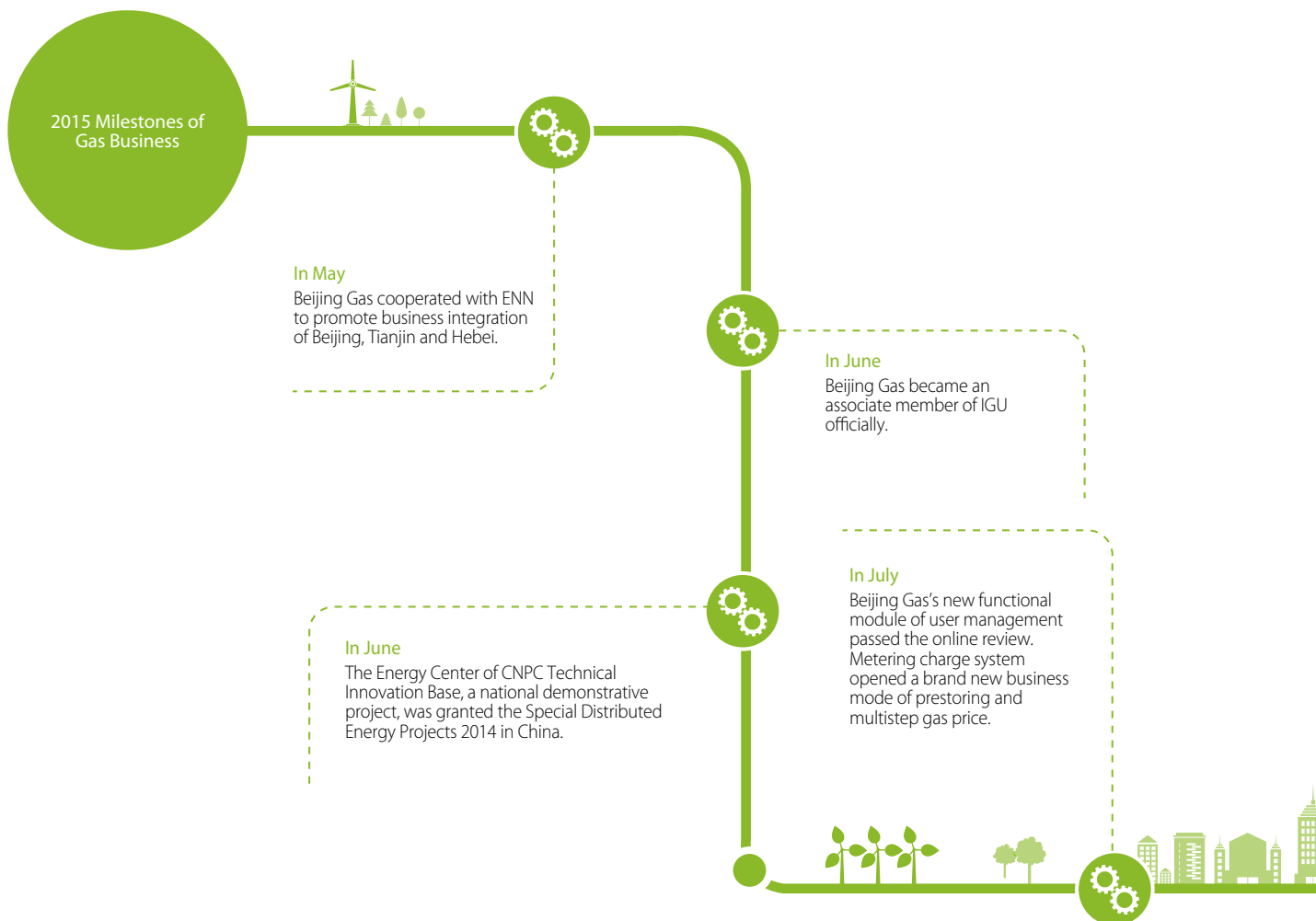
Beijing Enterprises formed a co-development business layout in public utility industry segment focuses on gas, water and solid waste treatment and together with the beer industry through the transformation, upgrading and responsibility investment measures. Meanwhile, the Company will integrate its development together with improving the life quality of residents, make contributions to improve the environment quality, ensure people's livelihood and facilitate the construction of ecological civilization.



Providing Clean Energy

Cooperating with flagship enterprises—Beijing Gas and China Gas, Beijing Enterprises initiates the restructuring of gas business in strategic regions and accelerates the industrial strategic layout. Beijing Enterprises confirms key regions in the strategic program and expands gas business in urban areas. Gas business covers many areas such as household cooking, production, heating, refrigeration, power, gas vehicle and distributed energy.

By the end of 2015, Beijing Gas has supplied gas for six main districts of Beijing and over 95% of its suburbs. Now it's the largest pipeline gas supplier and service provider in China. It occupies a leading position in annual gas consumption, subscribers, pipeline scale, and sales volume. Both of the natural gas purchase and sales volumes of Beijing Gas have realized historic breakthrough: over ten billion cubic meters. Its sales volume reaches 13.06 billion cubic meters, with a year-on-year growth of 31.1%. As at September 30th, 2015, China Gas has served about 13.70 million users in 25 provinces (including autonomous regions and municipalities). China Gas is one of the largest trans-regional energy service provider in China.



At 2015, we have owned the following projects:



City gas projects:

Beijing Gas: **18**

China Gas: more than **299**



Natural gas refilling stations:

Beijing Gas: more than **100**

China Gas: **544**



Length of pipeline:

Beijing Gas: more than **16,800** km

China Gas: almost **74,000** km



Total subscribers:

Beijing Gas: **5.25** million

China Gas: **13.7** million

*Data of China Gas: as of September 30th, 2015



In October

China Gas and SK E&S founded a joint venture, to increase competitiveness in gas delivery.



In July

Beijing Gas and SCEI Distributed Energy Systems Limited Company signed *The Letter of Intent for Chengdu Cross-Strait Scientific and Technological Industrial Park Investment and Cooperation*. Beijing Gas got the first distributed energy project in external market.

In November

The first ship of imported LNG that Beijing Gas purchased reached Caofeidian LNG station in Tangshan City. It's the first time for Chinese companies to independently import LNG and gasify & pipage.

Safe and stable gas supply

To ensure our users can use gas safely, the Company carries out indoor safety check regularly. Our maintenance teams promote safe use of gas, and solve security risks at the same time. Beijing Gas does not allow any little chance of danger, nor bear any misconduct that threatened safe supply, to meet customers' gas demands.



Identifying danger sources

Create and update a list of danger sources.

Regulating risk management

Clarify workflow and responsibility for risk management of all levels.

Preventing and controlling major safety risks

Troubleshoot basic construction projects, planning and development projects, production and operation systems, and customer service and safety management.

Advancing risk management of heating stove

Strengthen routine troubleshooting, conduct indoor inspection, and ensure that one household has one ledger.

Troubleshooting pipeline network

Remove potential risks in underground pipelines.

▲ Measures for guaranteeing gas supply safety

Case



Applying Beidou Satellite Technology to Provide Customers with Safer Gas Business

Beijing Gas is the first company to adopt Beidou Satellite technology in Beijing infrastructure construction. Through "Beidou Accurate Service Network", the sophisticated positioning technology is applied in our digital pipeline, pipeline inspection system, leak inspection system, risk management system, emergency direction system. Thus Beijing Gas realized real time data flattening, increased accuracy and depth of gas pipeline management, improves information management and quality of businesses such as pipeline construction, operation and safety and ensures safer gas supply.

Case



Lai Haijiang: "4×3 Management Approach for Reaching Safety Standard"

To better ensure gas supply safety, Lai Haijiang puts forward "4×3 Management Approach for Reaching Safety Standard" through long-term practice. Lai calls four safety management layers as "four stages". When one management layer is done, the safety management will be raised to a higher level. On every layer, three core elements will be main indicators for safety inspection, work groups for safety standard around the core elements and indicators get more diversified, detailed and updated. Only if every indicator is safe, gas safety can be ensured. If any indicator equals 0, the result of "safe and stable gas supply" is 0. The new application of "4×3 Management Approach for Reaching Safety Standard" contributes to "Zero Accident", and safe and stable operation of gas supply in Beijing.



Lai Haijiang, National Labor Medalist, the director assistant for division III of High-pressure Pipeline Network Branch of Beijing Gas and the head of Team 1



Offering personalized service

In an effort to establish an integrated customer service center, Beijing Gas has opened a customer service hotline (96777), online service channels and over 40 5S community gas service shops in the communities in Beijing so as to offer customers one-stop services, including fees payment, facility installation and refit service, service inquiry, facility maintenance, safety publicity, safety inspection, information feedback, gas appliances and accessory sales, etc.

In order to deliver more efficient and convenient customer services than traditional retail stores, China Gas has introduced its mobile service applications, the "China Gas Benefits Your Life" APP, which offers not only "one-click" services such as fees inquiry and payment, data check, and insurance purchase, but also dozens of goods and services ranging from grain, oil, fresh ingredients, household appliances, automobile accessories to mobilephone recharging flight ticket reservation, etc. We now have over 1 million customers and have established a strategic partnership with nearly 500 companies from home and abroad, such as Haier, Huawei and Panasonic.



▲ "China Gas Benefits Your Life" APP



▲ The five service modules provided by the 5S community gas service shops of Beijing Gas

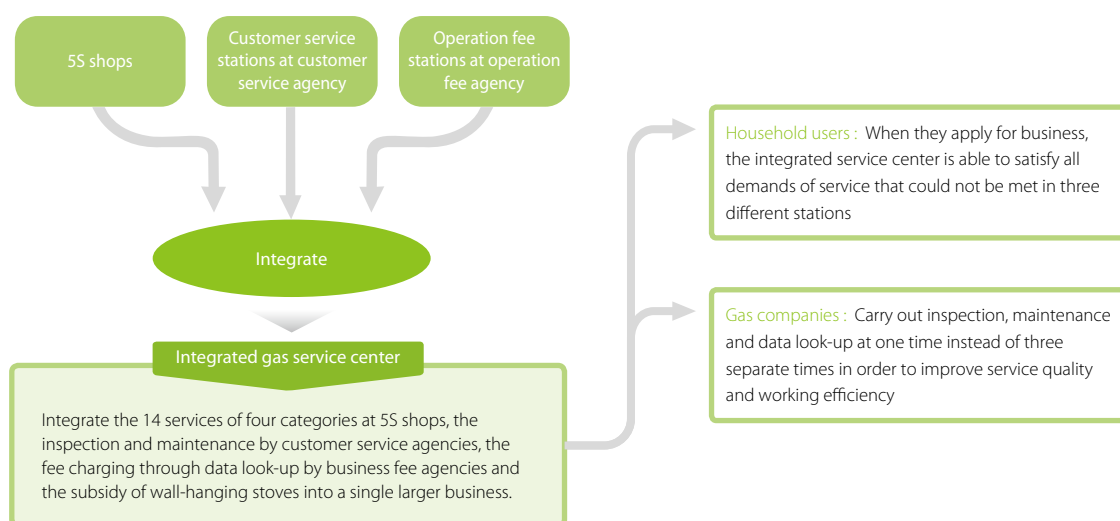
Case



Personalized and Fast Services Delivered by Integrated Customer Service Center

Beijing Gas determines to establish integrated customer service centers and has opened a pilot region for 100,000 customers living in the Wangjing area. Customers can apply for business at one single window instead of going to several different windows. With the capacity of analyzing and processing all sorts of information with high efficiency, the service center successfully expands its function and the range of

its services, thus adding value to it. In the meantime, the center subdivides the accountability of inspection, maintenance, data look-up and fee collection, subsidy of wall-hanging stove as well as the task of 5S service shops to specific employees whereby customers can enjoy services much safer than ever.



▲ Integrated customer service center increases efficiency of services



“Our integrated customer service center is expected to be a service window and a platform that add value to our service. We insist on the integration of service sites, business, and job qualification in order to deliver integrated services to our customers. Moreover, we also increase benefit by improving quality, lift efficiency through optimized resources and achieve better results with reform and innovation. In this way, we are able to realize the goal of driving forward with internal forces, innovative development and business upgrade.”

—— Cai Deqiang, General Manager of the Second Branch Company of Beijing Gas

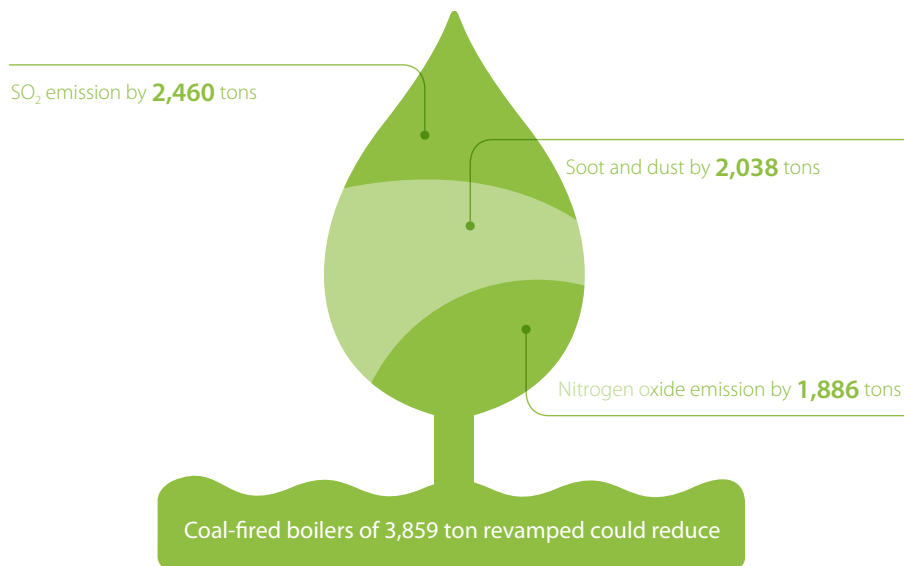
Protecting our blue sky

Beijing Gas works closely with the Beijing municipal government in implementing the Action Plan for Clear Energy. We are pushing forward the construction of the thermal gas power stations, the clean energy reform of coal-fired boilers. Structural readjustment of energy has been carried out, including the substituting gas for coal, vehicle gas, distributive energy, etc. In 2015,

- We implemented of four major thermal gas power stations in Beijing and realized grid-connection, reducing coal consumption by 9.2 million tons.
- We revamped 174 coal-fired boilers with a total capacity of 3,859 ton, making Beijing free from coal-fired boilers within the 5th Ring, and managed to ensure that over 70% of heating supplied in Beijing is

supported by natural gas.

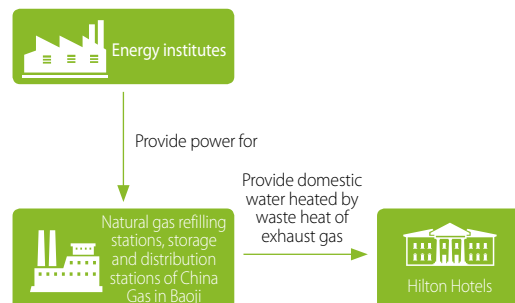
- We vigorously expanded the market of vehicles gas with 12 natural gas refilling stations built, 3,099 gas-fueled buses increased and 168 million m³ of natural gas sold.
- We promoted the market expansion model focusing simultaneously on pipeline natural gas, CNG and LPG in suburban areas and actively promoted clean energy in suburban counties.
- We fully launched substituting gas for coal project in rural areas. Bulk coal in rural areas is replaced by pipeline gas, LNG and CNG, and we managed to have 16 villages had access to natural gas.

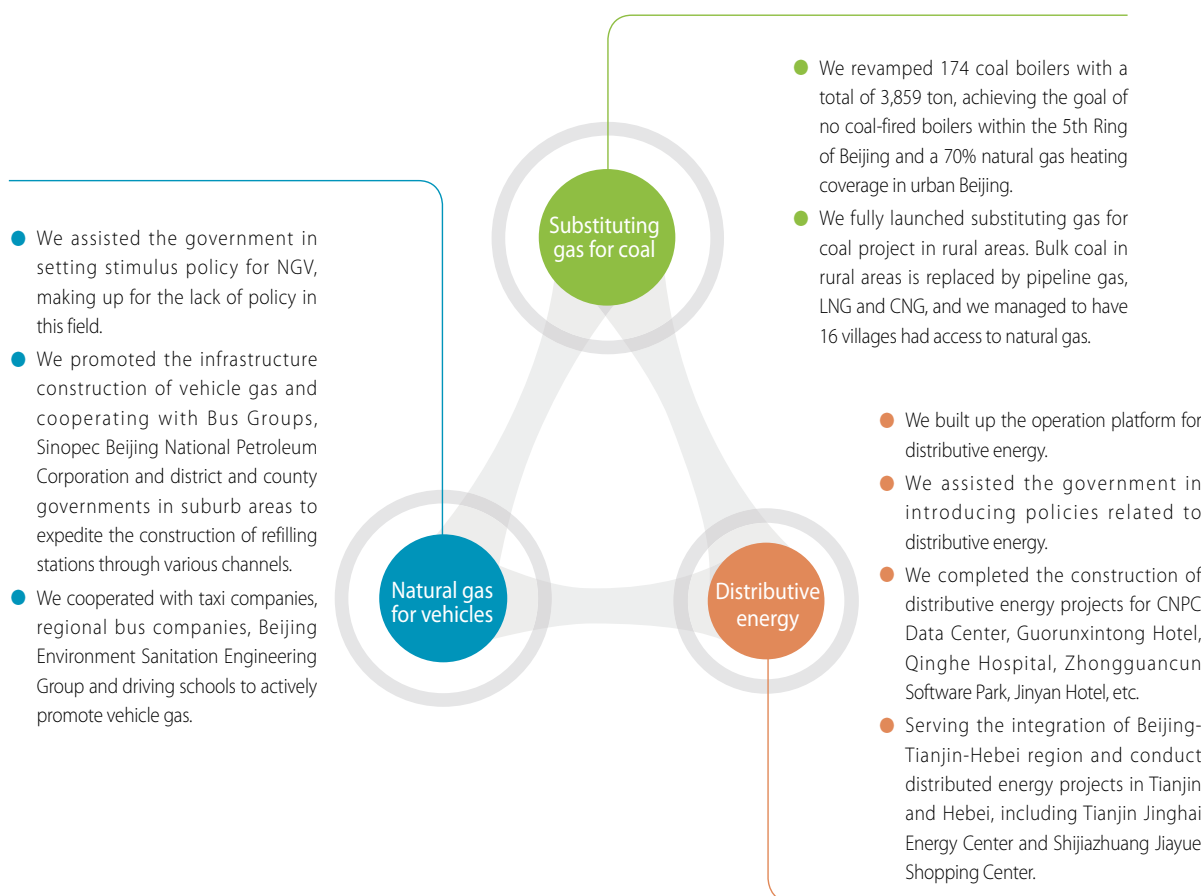


Case

The Distributive Energy Project of Refilling Stations and Hotels in Baoji Helps with Energy Conservation and Emission Reduction.

China Gas has been actively carrying forward the distributive energy project of refilling stations and hotels in Baoji and managed to realize energy recycling in energy institutes, in the natural gas refilling stations, gas and distribution storage of China Gas and in Hilton Hotels, greatly increasing the efficiency and reliability of energy use. With the help of this system, the annual consumption of standard coal can be reduced by 81.3 tons, the emission of CO₂ will decrease by 137.3 tons, bringing the same result as planting 1,230 trees, which will improve air quality in surrounding regions. In Jan. 2015, the pilot project was implemented.





▲ Beijing Gas helps with environmental improvement.

Serving regional development

Our company actively expands service areas of gas business and deepens the industrial chain development according to regional economic and social demands. We carry out strategic cooperation with different areas, actively enhancing the economy of regions we serve and

guaranteeing sufficient gas supply in order to maintain the consistency and interdependence between business development and regional development. In 2015, we launched strategic cooperation with Baoding, Xingtai and Handan, which achieved win-win results with local areas.

Case



Serve the Development of the Beijing-Tianjin-Hebei Region

Following the national integration development strategy of Beijing, Tianjin and Hebei, we have established an initial development model of the communication and coordination between the core business of Beijing Enterprises and the local governments. Our gas section has been continuously deepening the gas business development in Beijing and has begun to reach suburban areas and to form integrated cooperation with ENN. Our company also uses the self-built database of our core business projects stock & incremental database to provide the basis of data analysis for strategic coordination and to explore fundamental resources for development. By the end of 2015, we have communicated with Hebei Energy Bureau and local governments of Xingtai, Zhangjiakou, Handan and Shijiazhuang, together contributing to the coordination in Beijing, Tianjin and Hebei.

Leading the industry

We insist on improving innovation stimulating mechanism, strive to make technological breakthrough centering on core business and increase investment in science and technology. As the first new and hi-tech enterprise among domestic gas industry, Beijing Gas has carried out its research on a number of frontier technologies, such as "domestication of LNG gasifier", and has also cooperated with the government on developing gas equipment technology, including "three-in-one valve-well radiator" and "R&D and application of skid-mounted natural gas liquidation device targeting urban gas pipeline network". We also have set the industry benchmark in areas such as smart pipeline network, network simulation calculation, large-scale crossing and spanning, pipeline trenchless rehabilitation, and Beidou sophisticated positioning, distributive energy resource, and so forth. Many of our technological achievements are among the best at both home and abroad, which enable us to lead the development of gas industry in China.

By the end of 2015, Beijing Gas has

engaged in **10** national and industrial regulations and standards

achieved **36** patent licenses, **2** of which are its own inventions



Case



“Beijing natural gas utilization systematic project” won the Tien-yow Jeme Civil Engineering Prize

The “Beijing natural gas utilization systematic project”, constructed by Beijing Gas, is the downstream project of Shaanxi-Beijing Gas Transmission System. It is also a significant element in implementing the resource development strategy and the constant improvement of environment in China’s capital. The 8 natural gas terminals which receive in total 10.85 million m³ of gas per hour, over 16,000 km of pipeline, and 16,706 regulation stations enable the engineering to supply over 10

billion cubic meters of gas annually and make it the largest, safest, most sophisticated and advanced natural gas supply system in China. In 2015, as the only gas engineering project in the awards list, the “Beijing natural gas utilization systematic engineering” won the 13th Tien-yow Jeme Civil Engineering Prize.

The most prospective urban natural gas project planned and designed domestically

- The first ultra-large urban gas pipeline network simulation platform constructed according to the network plan.
- Projects in the plan are all digitally managed with the best design, taking the lead in solving computer simulating problems in ultra-large domestic urban gas pipeline network.
- A series of functions, including multilevel pressure system, unconventional natural gas receiving in complex network, allocation of gas with different components in same pipeline, and real-time online monitoring, are implemented.

A natural gas pipeline network system with China’s best scheduling mechanism, the most outstanding technology achievements and gas supply of the highest security level

- The pioneer in China to integrate Geological Information System (GIS), SCADA, EAM, production working system, emergency repairing system, production operation system and scheduling system.
- There are over 30,500 supervision station in SCADA and 33,700 devices in GIS.
- With the extreme condition of consuming 70 million cubic meters of gas, the pipeline network managed to carry out effective regulations and a long-term stable operation.

▲ Innovations of the “Beijing natural gas utilization systematic project”

☞ The technology achievements and innovations of management pattern made in the ‘Beijing natural gas utilization systematic project’ have been well spread. Its technical indexes have been accepted by a number of national standards and criteria. We made over 100 inventions and utility patents and won over 100 science and technology awards granted by the government. Our inventions and technology achievements are playing

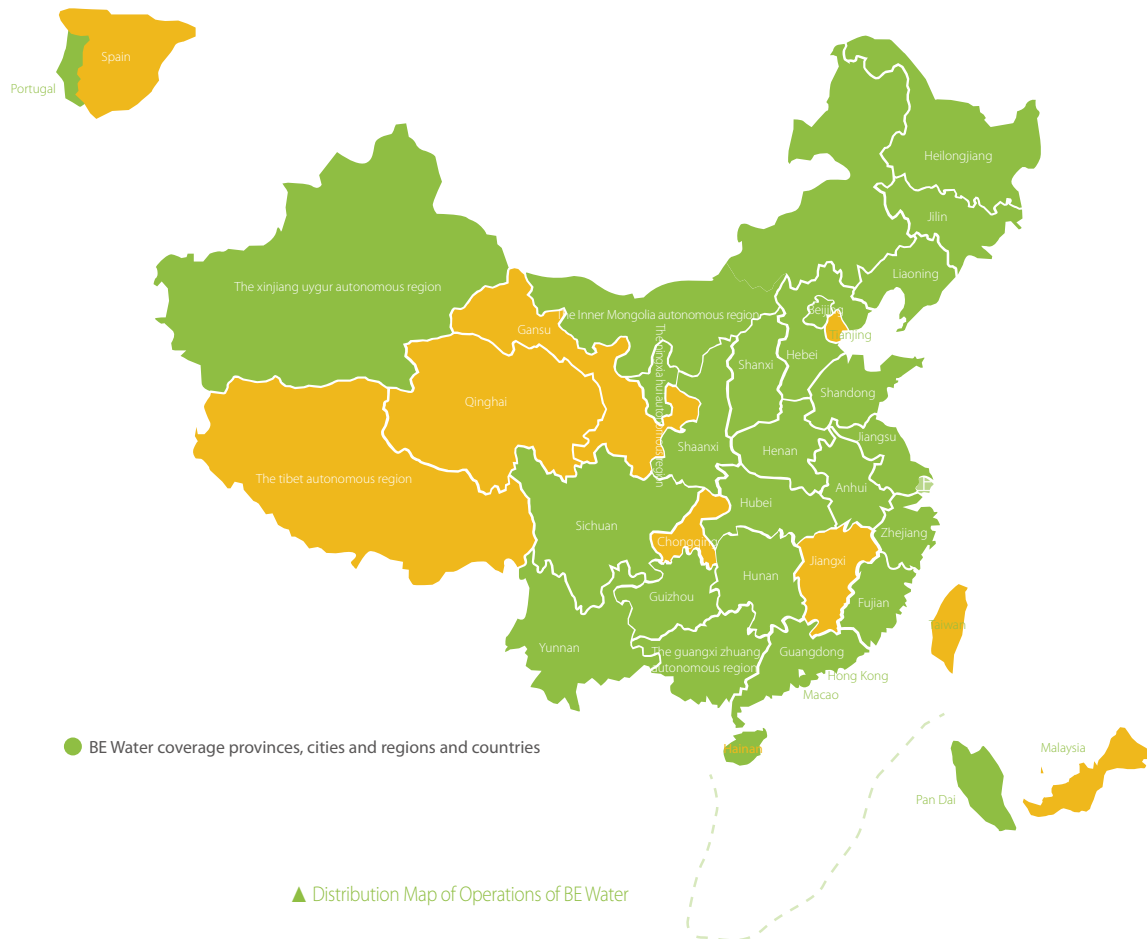
an important role in our operation and development, helping us to become the new drive of the whole industry. The systematic project now stands as a knowledge and technology-intensive entity; therefore, Beijing Gas was certified as the first hi-tech group enterprise in the urban gas industry that won such an honor. ☞

—— Ma Ning, Vice General Manager of Beijing Gas

Guarding the Source of Life

We put people first while making scientific and technological innovations, and we dedicate ourselves to water source protection in pursuit of serving all human beings. BE Water set a strategic orientation of “becoming a leading supplier of integrated water system solutions”, devote itself to integrated water resources management in pursuit of providing people safe and clean water resources. We engaged in urban water management, comprehensive water environment governance, membrane water treatment, industrial sewage, overseas business, clean energy, seawater desalination, science and technology service. BE Water is a major player with core competitiveness in China's water industry.

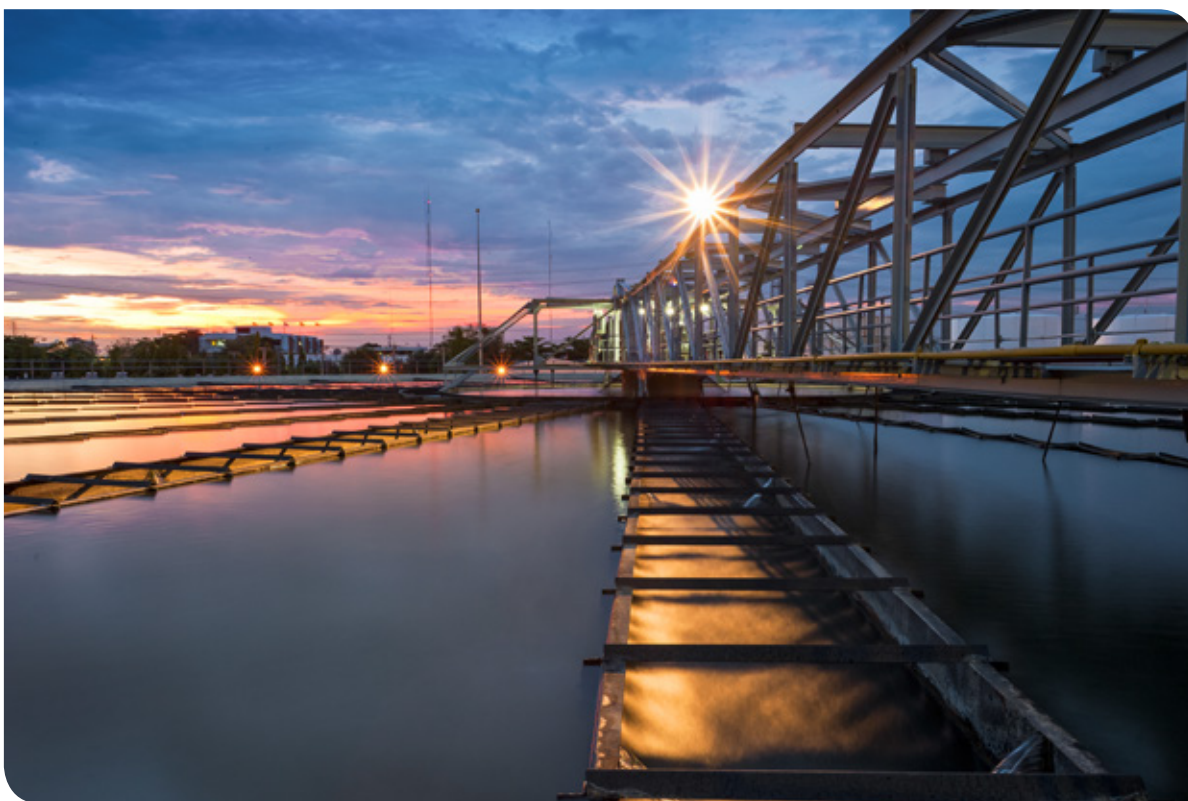
By the end of 2015, the number of water plants whose operations BE Water has participated in or will participate in in the future has reached 388, including 285 sewage treatment plants, 94 tap water plants, 8 reclaimed water treatment plants and 1 water desalination plant, attaining a planned capacity of 24.62 million tons per day. We have provided water treatment services for 25 provinces (including autonomous regions and municipalities) directly in mainland China, Malaysia, Singapore, Portugal and so on. BE Water has developed into a national leading water company which has been on top of the list of “Ten Most Influential Enterprises of Water Industry in China” for many years in a row.



In order to realize win-win cooperation with our partners, BE Water strives to establish an enterprise ecosystem engaging multiple areas, including consulting, planning, design, overall contract, technological cooperation at home and abroad and investment and financing cooperation.

As the frontrunner in water sector, BE Water has to do justice to its responsibility and capacity to promote the healthy development of the industry.

—— Luo Jianhua, Secretary General of China Environment Chamber of Commerce, ACFIC



Water environment governance

In 2015, BE Water completed its transformation to an integrated water and environment service provider by integrating water treatment technology, urban planning and landscaping, forming a set of comprehensive approaches to solve environmental problems of water and taking the

initiative to launch a unified mechanism of construction, management and maintenance. As a result, the old model of “government funds, enterprises construct, government manage” is changed.



Develop the Subsidiary Administrative Center with the Improvement of Water Environment

The quality of water environment is essential for the development of Tongzhou, since it is a place gathering the main river systems in Beijing. BE Water launched the Xiaotaihou Canal (Universal Studios segment) diversion project in Sep. 2015. This project, whose main part is planned to be finished before the flood season in 2016, covers 6.6km of river segment in total.

The project will help upgrade the flood control standard of Xiaotaihou Canal, increase flood control safety of the Universal Studios, and improve the water environment quality, eco-environment and investment climate in the subsidiary administrative center. Moreover, it will not only enhance the subsidiary administrative center's ability to control flood and store water, but also add a beautiful waterscape to the Studios and value to the land.

Case



Comprehensive Water Environment governance of Luohe River in Luoyang

Heluo culture is one of the sources of the Chinese civilization. Famous historical cities stand on both sides of the Luohe River, but due to pollution in tributaries, the water quality begins to deteriorate after it flows into the Luoyang city. Against this backdrop, BE Water launched a comprehensive water governance project in an effort to systematically deal with the problem of urban water environment of the 32 kilometers long river segment in the Luoyang city and deliver long-term benefits.

We respect history and pursue green development. The aim of BE Water's endeavor is to transform the Luohe River into a recreational spot for local residents and tourists and forge a new symbol for Luoyang. The project features the ancient Sui and Tang style and, in order to comprehensively improve the landscape around the Luohe River while adding more recreational functions, it will put into place four major areas, namely the ecological suburban area, the creative industry area, the dynamic

city area and the historic culture area. We integrate tourism with digital technologies. BE Water has established a specialized Luodian intelligent management system and, with auxiliary mobile apps, we are creating a digitized waterfront recreational park in Luoyang.

We innovate the cooperation model. When making investment, BE Water and government of Luoyang adopted the approach of vitalizing the stock and driving the increment, and carried out the PPP model on the Luohe River governance, sewage treatment and water diversion project. The project of Luohe River treatment successful entered into the first batch of provincial level PPP projects in Henan Province. BE Water signed a contract with the municipal government of Luoyang and, when it comes to sewage treatment, the Group has cooperated with a bunch of local sewage disposal works.

▼ Design sketch of Luoshen Park



Sewage treatment

BE Water actively participates in the construction of sewage treatment facilities and facilitates the construction of the rainwater and sewage separation project and of the sewage pipeline network so as to improve the rate of waste water collection, promote advanced sewage treatment, and provide water for landscape use and urban greenbelt use for a number of provinces and cities.

In order to forge a better urban environment, BE Water has put forward the idea of transforming current underground sewage treatment plants into a new well-funded, resource-saving, eco-friendly blue underground water purification park, which can be used as a new source of water. BE Water has also invested and operated 6 underground sewage treatment plants, covering the sewage, reclaimed water and new water.

Four Advantages of Blue Underground Water Purification Park

Creating future assets:

Facilities, which could be new assets and symbols of a city, such as urban green islands, sports stadiums, gyms, amusement parks, commercial blocks, community centers, parking lots and urban environmental education bases, can be built above underground sewage treatment plants.

New water source:

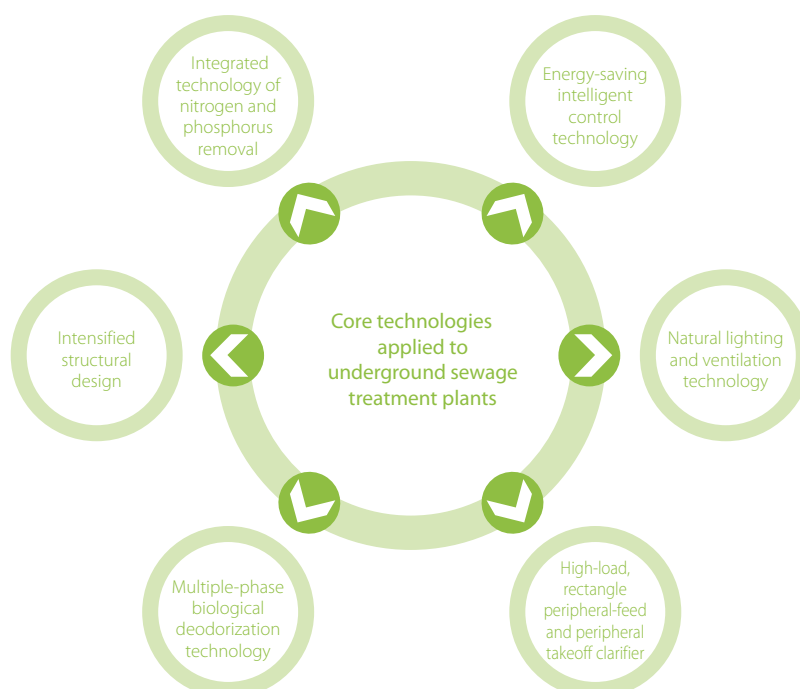
Water from underground sewage treatment plants enjoys relatively higher quality standard, A class, quasi IV category or the higher III class (accessible to human). It can be supplemented to rivers, parks and underground water, reused as reclaimed water in the urban area, and added to rivers as supplement of drainage basin governance.

Eco-friendly:

Putting the plants underground can help deal with noise, odor and visual pollution brought by sewage treatment plants above ground.

Resource conservation:

It is conducive to functional planning in urban area and help save the land by reducing the area of sanitary protection zone. Once being reconstructed in central area of a city, value of surround land can be added. If a new underground plant is built or an existing one located in the urban central area is rebuilt, the cost of moving pipelines can be considerably reduced.



Case



Garden-like Underground Water Reclamation Project

Located in Shangzhuang, Haidian District, Beijing Daoxianghu Water Reclamation Plant, the first underground sewage treatment plant in China's capital, was built with a depth of 20 meters under the ground. Thus noises and odors are completely cut off from the outside. Coarse screens that are used for filtering solid pollutants contained in sewage are covered in glasses and connected with vent-pipes for special treatment of odors; therefor they are completely separated. When it comes to dealing with noises in treatment of sewage, air suspension blowers which were developed with aircraft engine technology are applied and are covered by glasses domes. Thanks to all these measures, we successfully put the treatment of sewage as well as concomitant noises and odors underground while causing no effect on surrounding environment and maintaining the order of daily life of local residents.

With the advanced water treatment technology, we produce reclaimed water in our Daoxianghu Plant that can meet the standard of water quality of class IV surface water. Therefore, the reclaimed water can be

directly connected with not only reclaimed water pipelines of urban waterworks, but also specially designed pipelines linked with wetland parks. Moreover, for purpose of energy conservation and through heat exchange technology, we use reclaimed water in heat supply for office buildings in the plant.

Above the underground Daoxianghu Water Reclamation Plant, a beautiful wetland park which contains badminton and basketball courts has been built, offering residents a new recreational venue. The plant we built only covers 4.66 hectares of underground land, 70% smaller than our original design.

The Plant is responsible for sewage treatment of 67 km² of land, covering Yongfeng, Beijing Aerospace City, Life Science Park, and so on. The first-phase project of the Plant can process 80,000 tons of sewage per day, and when the second phase is completed, its overall daily treatment capacity will reach 260,000 tons.



▲ Design sketch of Daoxianghu Water Reclamation Plant

BE Water not only deals with urban water pollution, but devotes itself to the construction of sewage treatment facility in rural area as well. In Oct. 2015, our first rural sewage treatment plant was put into trial operation in Yanglouxi Town, Linxiang City, Hunan Province.

BE Water has started automatic control project for sewage treatment plants and provides customers with stable and reliable automatic control system. Meanwhile, it continuously engages in the development of environmental protection infrastructure, attaching great importance to operation monitoring and controlling, equipment maintenance as well as the greening of sewage treatment plants.

Supplying high quality water

BE Water is making great efforts in offering domestic and overseas customers high quality water service. In 2015, BE Water supplied over 0.6 billion tons of quality domestic water for 80 million residents living in 133 prefecture-level cities in 26 provinces, and supplied a total of 33.9 million tons of reclaimed water for industrial, commercial and municipal administration users, successfully alleviating the pressure of urban water supply.

The project of A Million Tons of Desalinated Seawater to Beijing remains one of the most important strategic securities of Beijing's water supply. The project, which stretches over Beijing, Tianjin and Hebei, is a major step forward in integrating the three provinces and cities. After years

of study and practice, BE Water has gathered a lot of experiences in desalination technology, project management and operation, and decided to employ the international advanced hybrid MSF/RO seawater desalination technology, which can not only effectively employ resource advantages in surrounding areas, but also further lower production cost. BE Water also actively engages in the construction of seawater desalination infrastructure and water management facilities, and puts into place the platform for seawater desalination research, development and cooperation in order to promote the seawater desalination projects in Caofeidian and Sansha.



▲ RO System of Caofeidian Seawater Desalination Plant

Overseas water projects

As global water shortage is getting increasingly serious, Chinese water enterprises now face incredible demand in the international market. In our strategy of going global, BE Water aims to set its foothold in developing countries in Asia as well as developed countries in Europe. We absorb corporate managerial and technological expertise and continue to evolve as we run operations in Europe, and in Southeast Asian, we draw on our advanced water management technology to contribute to environmental management and co-prosperity of Asian countries.

BE Water continues to expand overseas market and engaged in construction and operation of water projects in countries such as Malaysia, Singapore and Portugal. BE Water operates 38 water plants abroad and serves 4.80 million population.

Case



Water Project in Portugal

BE Water acquired 100% shares of two wholly-owned subsidiaries of CGEP, a Portuguese water company, including 4 franchised tap-water and sewage treatment projects which serve 0.67 million people and cover around 3,000 km of water supply pipeline networks. BE Water combined rich expertise with that of our Portuguese counterpart, creating a

more efficient systematic management model and synergy. The Portuguese project is our first move in entering the global market, and symbolizes a significant leap forward not only in geography, but in business model as well.



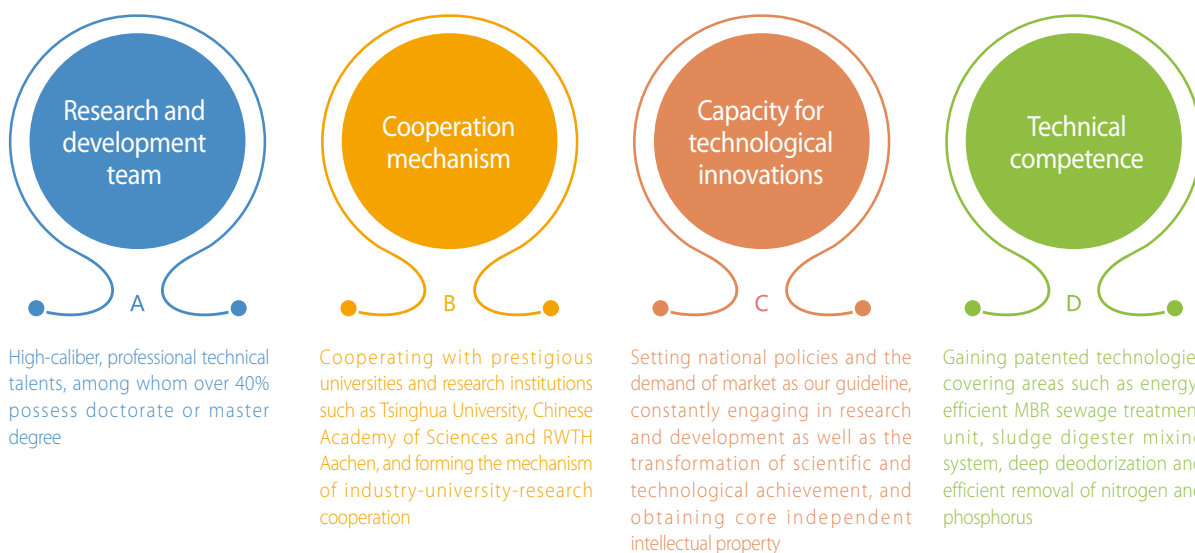
▲ Campo Sewage Treatment Plant, Valongo Project, Portugal

Innovation and development

With the support of scientific water research projects initiated by related national ministries and the Beijing municipal government, BE Water launched the asset-light, technology industrialization platform in successive cooperation with Tsinghua University and Beijing University of Technology, aiming to make sure the sustainable development of water environmental protection industry. BE Water formulated the guideline of technological decision-making, improved the operation mechanism of review by the technical committee and laid down the overall goal and key orientation of the 2nd five-year technological development plan. As a result, we succeeded in establishing the technological system and consolidating our expertise. In 2015, BE Water was approved by the authority to set up a national-level postdoctoral scientific research station, and acquired 3 patent licenses, applied for 2 patents of invention and 1 patent for utility model.

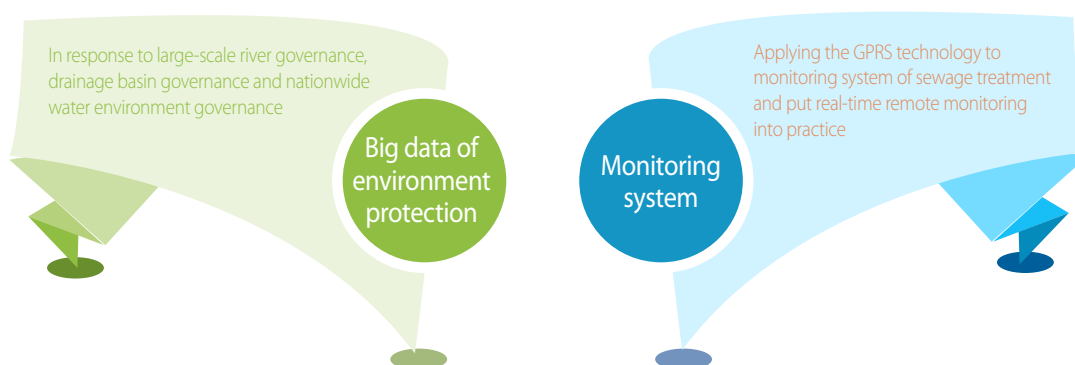
Innovating the way we think: The treatment of the source of pollution is essential for pollution treatment. BE Water attaches importance to the output of concept while doing business. And it is the government that should take the lead and introduce relevant industrial policies, so that we can protect the water resource and environment in an even better fashion.

Innovating our technology: Based on our highly professional design and research teams, BE Water actively carries out industry-university-research cooperation with a number of entities to forge core technological competitiveness and unswervingly improve the ability to make technological breakthroughs.



▲ Management of technological innovation of BE Water

Mobile Internet + Water Treatment. BE Water actively promote water management intelligence to integrate mobile internet into its water treatment operation, and to push water industry upgrade continuously.



▲ The future development model of mobile internet+ water

Turning Waste into Wealth

According to statistics gathered by China Association of Urban Environmental Sanitation in 2014, a total of nearly 1 billion tons of rubbish were produced in China each year, among which 400 million tons were household waste, 500 million tons were construction waste and 10 million were kitchen waste. The overall volume of MSW (municipal solid waste), rising at a rate of 5% to 8% per year, has already reached 8 billion tons and covers a total area of over 800,000 mu, which still grows at an annual rate of 4.8%. People who live in “cities besieged by garbage” now face serious health threats. An alarm bell is now sounding across Chinese cities.

Beijing Enterprises, together with three flagship companies in the solid waste treatment and environmental protection field, namely Beijing Development, BE Environment Technology, and GSE Investment, is committed to build the industrial platform for environmental protection.

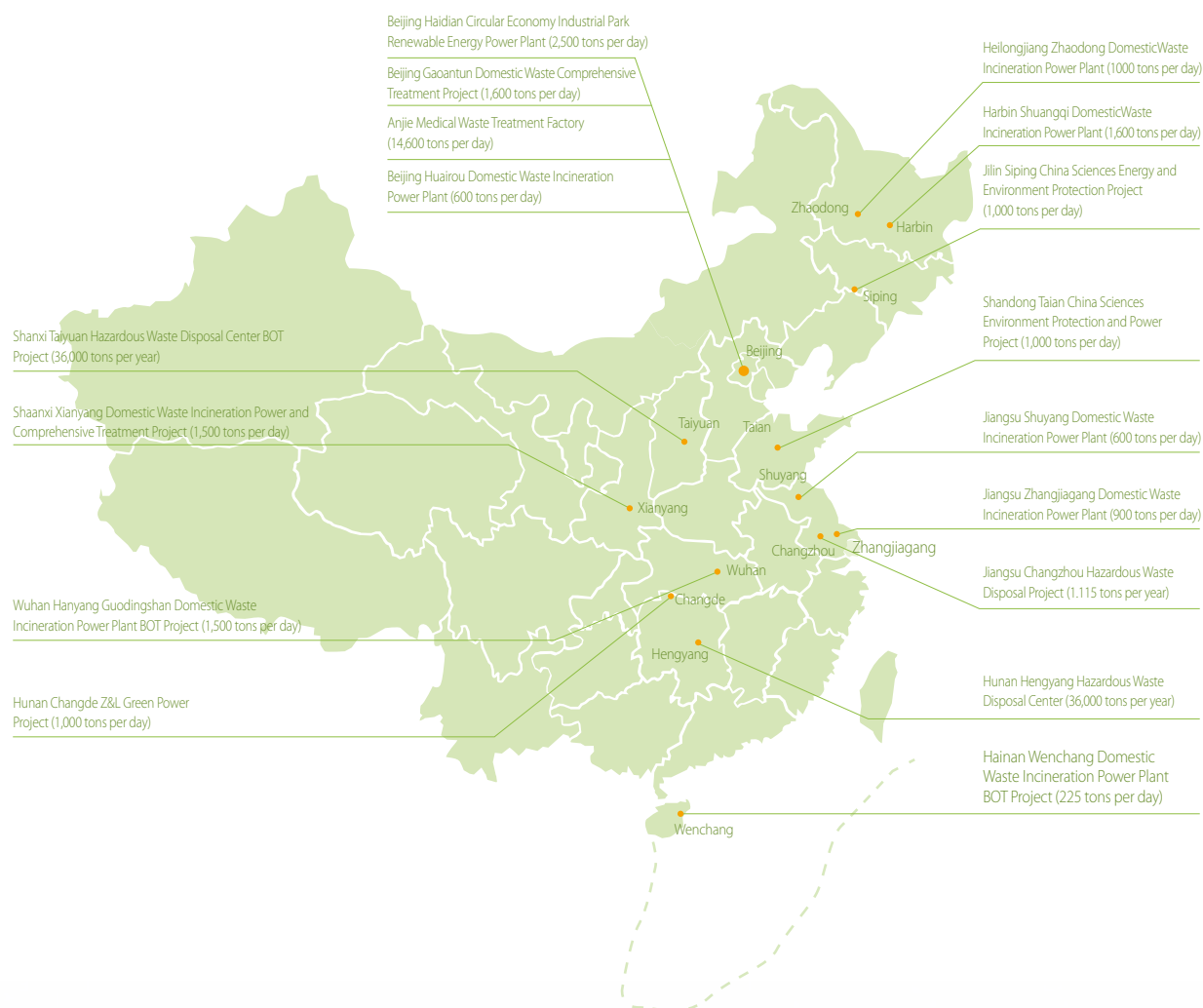
By the end of 2015, the number of solid waste treatment projects owned by Beijing Enterprises grew to 17, among which 13 are household waste incineration power plants which consume 15,025 tons of waste per day, and the other 4 are hazardous waste disposal projects, with a capacity for dealing with 100,000 tons annually.



▲ Solid waste treatment business classification of Beijing Enterprises



▲ Environmental protection indicators and the factory of Gaoantun Project in Beijing



▲ Distribution map of solid waste treatment business of Beijing Enterprises (2015)



Urban domestic waste treatment

Beijing Enterprises offers safer and eco-friendlier waste treatment methods for urban domestic waste treatment. In 2015, we generated power of 404 million kwh from 1.676 million tons of waste incinerated while reducing 170,000 tons of coal and 1.07 million tons of carbon dioxide emission.

Beijing Enterprises continued to expand domestic waste incineration power plant project in 2015. We:

- Invested in the domestic waste incineration power plant which deals with 1,000 tons of waste per day in Zhaodong, Heilongjiang Province
- Invested in the domestic waste incineration power plants which will consume 600 tons of waste per day and be completed in 2017 in Huairou District, Beijing
- Launched the acquisition of 18 EEW (Energy from Waste GmbH) waste incineration power plants with an overall treatment capacity of 4.40 million tons per year

Case



BE Environmental Technology Signed a Franchised Operation Agreement on the BOT project of Domestic Waste Incineration with Huairou District, Beijing

In July, 2015, the franchised operation agreement on the BOT project of domestic waste incineration in Huairou was officially signed. The project was one of the nine key waste incineration projects planned by the Beijing municipal government. It was designed to treat 600 tons of waste and sludge per day once it is finished in 2017. The Huairou project, with an operational period of 30 years, was the fourth domestic

waste treatment project our company acquired in Beijing, and combined with our previous projects in Fangshan, Haidian and Chaoyang, we are on the way to create a scale effect in the China's capital city and deliver the hazard-free, high value-added and high efficient treatment of urban domestic waste.



▲ Design sketch of Beijing Huairou Waste Incineration Power Plant

Hazardous waste handling

According to *The National Hazardous Waste Inventory*, hazardous waste includes one or more hazardous characteristics as corrosiveness, toxicity, inflammability, reactivity or infectiousness, etc. Non-elimination of hazardous characteristics and likely to incur adverse effect on the environment or personal health, and shall be subject to the management in term of hazardous wastes.

Projects operated by Beijing Enterprises include Hunan Hengyang Hazardous Waste Disposal project, Jiangsu Changzhou Hazardous Waste Disposal project and Shanxi Taiyuan Hazardous Waste Disposal project.

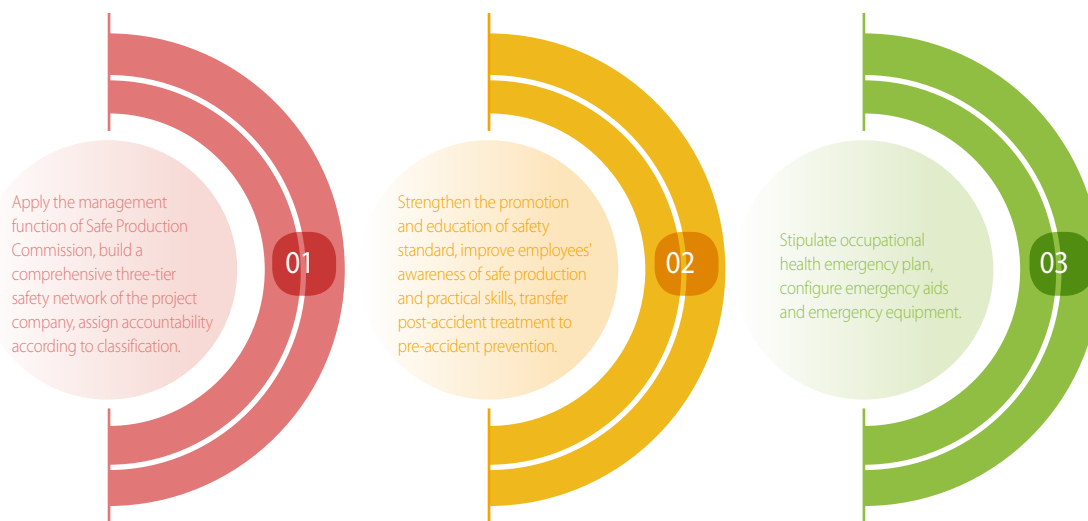
In 2015, Beijing Enterprises has disposed hazardous waste 22,800 tons.



▲ Hazardous waste disposal workshop

Safe and clean production

Safe Production: Beijing Enterprises pays great attention to safe production. Project managers are directly responsible for safe production, and annual performance appraisal is totally decided by safety issues. Beijing Enterprises insists on the principle of "putting safety first via early prevention as well as comprehensive rectification", and keeps promoting safe and standardized production of the company in order to improve its safety management system. We vigorously promote the new Production Safety Law in order to keep improving employees' awareness of safety and their ability to prevent accidents. In 2015, incineration power plants attached to Beijing Enterprises operated steadily and safely with no severe fire accidents, major equipment damage, injuries and environmental pollution.



▲ Safe and standardized production in Beijing Enterprises

Case



Safety Knowledge Competition in Borui Company of Wuhan

In order to implement 2015 "Safe Production Month" action plan in the whole company, Borui Company organized a safety knowledge competition, applying theory fully to practice, and arousing all employees' concern over safety and care about life. Employees' awareness of safety was raised and safe production ability was improved.



Clean production. State environmental protection departments carry out online monitoring of waste incineration power plants to ensure standard emission level. According to examinations, waste incineration power plants attached to Beijing Enterprises operate steadily and can meet the technical requirement of hazard-free, resource recycling and reduction.



▲ Waste liquid treatment devices

Case



Treatment and recycling of waste liquid in Beijing Gaoantun Waste Incineration Plant

The capacity of waste liquid treatment programme in Gaoantun Project is 600 cubic meters per day. With 3 treatment lines, 164,918 tons of such liquid was treated in 2015.

The treated water could be used in circulation water cooling systems in factories by reaching the standard of supplementary water for open circulation water cooling system; highly concentrated water is then sent back to the incinerator, and the left water is injected into water-bath slag extractor for reuse, and marsh gas is also sent back to the plant for reuse.



▲ Anaerobic jars in Gaoantun Project

Friendly neighborhood

Beijing Enterprises sticks to transparent operation process. Under the supervision of the people, we handle our relationship with waste treatment plants and surrounding residents properly and actively assume our corporate social responsibility. Solid waste treatment companies under Beijing Enterprises carry our social communication actively. Under the supervision of the society, they distribute brochures and the publication *Environment Protection Promotion*, display real-time environmental protection statistics through LED screen, actively contact online media, enhance coordination with surrounding village committees, community committees and schools, organize activities for visitors to have a look at environmental protection devices inside the plants.

Year	Total batches	Total population
2010	205	4,764
2011	349	7,559
2012	298	7,138
2013	335	10,180
2014	350	10,476
2015	380	13,167
Accumulated data (6 years)	1,917	53,284

Visitors to Gaoantun Project

Case



Open the Waste Incineration Process for Visitors

In order to promote the experience and concept of waste incineration and make the society available to the scientific treatment methods of waste, Gaoantun Project has been opened to external visitors since 2010. Guests received include leaders of the state government and the communist party, NPC members, delegates and committee members of the CPPCC, officials of related ministries from the central and state government, municipal official of Beijing, party and government officials of provincial and municipal government, officials from Hong Kong, Macau and Taiwan, delegates of international institutes and organizations, ambassadors to China, specialists from around China, academics, leaders in various industries and enterprises, waste classification directors from over 600 communities spread among 16 counties of Beijing, media, representatives of residents, retired officials, faculties and students from colleges, universities, high schools, middle schools and primary schools, as well as others from all fields of the society. They also established a teaching laboratory together with colleges and universities.



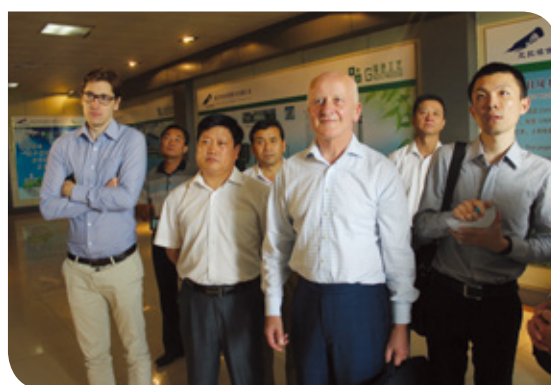
Case



Joint Research Group Counselor Office of the State Council and British Royal Academy of Engineering visited Tai'an Project

In June, 2015, Joint Research Group Counselor Office of the State Council and British Royal Academy of Engineering visited Tai'an Project, and investigated its harmless treatment of household waste, emissions and the operation line of waste treatment.

The Group visited the controlling room and learned about the basic situation of Tai'an waste incineration power generation project, the process of waste incineration and environmental emission. They appreciated the company's internal management and online environmental protection supervision.



Facilitating social development

Beijing Enterprises launched cooperation in scientific researches with universities and colleges in order to achieve a win-win result and improve its R&D ability in treating hazardous wastes. Beijing Enterprises has developed multiple new technologies with the cooperation of Tsinghua University. It has applied 24 new technologies in its hazardous waste project in Changzhou, which have all been patented.



▲ Controlling room

Case



Contribute to Environmental Protection of the Society

In order to strengthen the awareness of environmental protection among the society, BE Harbin Solid Waste Treatment Project Company carried out enterprise-university cooperation. In April, 2015, College of Environmental and Chemical Engineering of Heilongjiang University of Science and Technology signed a cooperation contract with Harbin Shuangqi company. With a platform of practice base construction, with their respective advantages, they deepened their cooperation and communication in terms of students' cultivation and corporate technology development. They established the new field in the School of Environmental Chemistry by teaching through practice in professional solid waste treatment and changing waste into resources, and provide applied talents of engineering with an excellent study condition.

In July 2015, BE Harbin Solid Waste Treatment Project Company welcomed 50 teachers and students majoring in environmental engineering of Northeast Agricultural University for visit and field. The company delivered knowledges such as waste incineration technology and waste classified collection to the teachers and students, handed out promotional materials of waste classification and distribution, organized seminars and answered questions from the students.

In addition, BE Harbin Project Company is also a good example for the society. In June, 2015, the company was awarded "Harbin Ecological Promotion and Education Base" and "Waste Resource Utilization Education Base" by Harbin Environmental Protection Bureau and Harbin Education Bureau, and was opened for the public to visit. Harbin Environment Protection Bureau decided that on each June 5th, World Environment Day, the Bureau would organize public representatives and students to visit Shuangqi Company in order to learn about the treatment process of urban household waste and harmless treatment process.

High Quality Drinks

Yanjing Beer is one of the biggest beer enterprises not only in China but also in Asia. It is a state-owned national brand which owns independent intellectual property rights and has been selected successively as a sample stock of Shenzhen 100 Index, Shanghai 300 Index, Shenzhen Component Index, CSI 100 Index and a constituent stock of DJI-Shenzhen Index and of DJI-China Index. Yanjing Beer has been among the world's top eight beers in the industries for seven years in a row. In 2015, the brand was ranked 159th in Asia's 500 Most Influential Brands with its value reaching RMB80.268 billion, an increase of 21.48% over the last year. By the end of 2015, Yanjing Beer has owned 41 breweries.

It's a miracle that it only took Yanjing 20 years to accomplish what took big beer corporations in developed countries 100 years to achieve.

—— Kroneseder, CEO of Krones, the world's largest beer and beverage equipment manufacturer

World-famous Yanjing Beer

Yanjing Beer has a sound market network system and holds more than 11% of market share in China, 50% in North China and over 85% in Beijing. It is a designated product for state banquets at the Great Hall of the People and meal services of seven airline companies, such as Air China, Hainan Airlines, etc.

Products of Yanjing Beer are exported to 17 countries such as the U.S., Italy, the U.K., Canada, Australia, etc., creating a 3rd largest export volume in China. In 2015, the company actively pursued an internationalization strategy by accelerating its market development and construction in Hong Kong, Macao, Taiwan and ASEAN countries and enhancing its trade and technology exchanges with Southeast Asian countries. Yanjing Beer (Xiandu, Zhejiang) Company managed to export products to Cambodia for the first time. Yanjing Beer has been exercising multiple strategies to achieve economic growth and promote brand image and influence.



Case



Yanjing Natural Mineral Water Has Been Designated for the September 3rd Grand Parade

Due to its excellent quality, Yanjing natural mineral water was designated for the September 3rd Grand Parade. The company provided mineral water for more than 15,000 officers and soldiers from home and abroad for over 120 days as well as services for foreign friends and domestic representatives from all walks of life, "earning itself a place" on the Tiananmen rostrum. During the Parade, the company accomplished its task and won recognitions from the parade security depot, Beijing Municipal Commission of Commerce and other relative departments.

During the 2015 General Assembly of Mineral Water Conference held by the Mining Association in Beijing, Yanjing Mineral Water Plant won the title of "Outstanding Water Enterprise" and 30 water stations and distributors of it won the title of "Safe Water Station". The random inspections conducted by the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ), the municipal as well as the district-level administration showed that the mineral water products produced by Yanjing Mineral Water Plant were 100% qualified.

Excellent products

Yanjing Beer always takes food safety and product quality as its prime social responsibility, and considers product quality, equipment and technology as its foundation for brand development. It has passed the ISO9001 quality system and product quality certification and Hazard Analysis Critical Control Point (HACCP) certification. Its products meet the A level standard of green food. In 2015, Yanjing Beer's state-level R & D and Testing Center was established, which further raised the technology and testing capabilities and improved the quality and competitiveness of Yanjing.

In 2015, multiple products of Yanjing Beer passed the random inspection of the third party and two Type Approval Tests conducted in the National Food Quality Supervision and Inspection Center and all met the Excellent Standard of the national standards. For the key quality control index, freshness and purity, the index of sake dissolved oxygen and microbe are 100% qualified. Specific assessment criteria is also set to control the amount of air in bottles of finished products, and the average figure of all packaging factories has dropped from 1.0mL to 0.8mL.

Raw materials

The internal control standards of Yanjing are stricter than national standards. All the barley and rice must be tested according to various physical and chemical indicators. Water used for production is from more than 200 meters below the ground and routine tests of various bacteria and heavy metal contents are carried out to prevent water contamination.

Equipment

All the important saccharification and fermentation facilities are equipped with internationally-advanced CIP cleaning system, which adopts closed-circuit alkaline sterilization method to reach better sterilization effect compared with traditional methods. The double vacuum filling system lengthens the freshness period up to four months. The automatic beer analyzer imported from abroad can complete the analysis of beer in three minutes, with an accuracy rate of 99.98%.

Techniques

Every bottle of Yanjing Beer must go through six major procedures and hundreds of tests. From raw materials to finished products and from the protein dissolve degree of malt to microbe examination of each batch, every single procedure must be inspected.

▲ In the beer brewing process, raw materials, equipment and technology are very important to the quality



▲ Yanjing Beer Saccharification factory

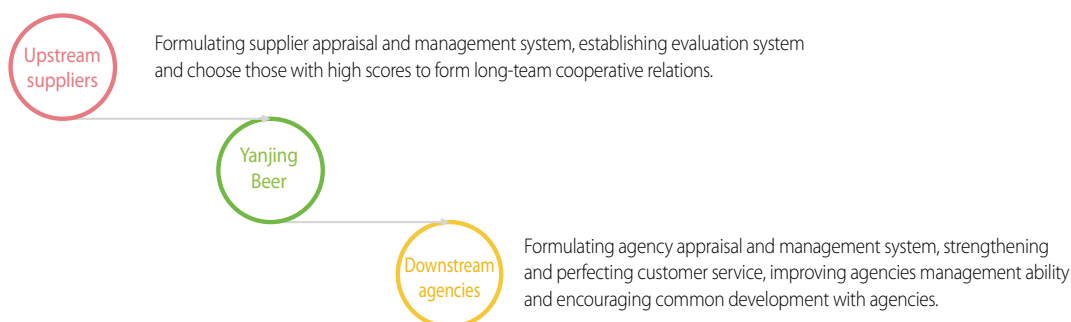
Strengthening industry chain management

Sticking to the business philosophy of “treasure relationship, corporate with sincerity, work with trust”, Yanjing Beer works closely with suppliers, distributors and local governments. It makes substantial progress on transformation and innovation, contributing a lot to local economic and social progress.

Supplier management. Only by improving the quality system management of suppliers that the quality is fundamentally guaranteed. In 2015, Yanjing Beer strengthened its supervision and evaluation of major raw material suppliers. Field investigation was carried out at barley and hop producing areas and processing factories from China and abroad to comprehensively understand its planting and processing situation. The Group revised its malt and hop standard and carried out special field trips to some major suppliers. Some supplier's qualifications were revoked, which further improved the quality of major and auxiliary material of the

headquarter in 2015. Yanjing Beer carries out strict control and supervision on the checking and unloading of major and auxiliary materials into the factory. In 2015, doping phenomena among some suppliers were found and stopped timely. Once food safe problems were found, the supplier's qualification would be cancelled resolutely.

Agency management. Yanjing Beer constructed a team of stable agencies that include primary agencies, distributors and retail outlets and encouraged a common development with the agencies, hence promoting local employment. It also organized trainings on agencies and strengthened market management system to ensure that agencies abide by rules and regulations and promote fair, legitimate and reasonable competition.



Case



Direct Supply Management of Yanjing Beer Guilin Liqun Supplier

In 2015, Yanjing Beer Guilin Liqun company established and improved its supplier's review and management system. 6 suppliers got the qualification to supply directly, thus giving the company advantages in quality, logistic efficiency and cost. Although the warehouse capacity didn't increase, the strategic introduction of Aoruijin Guilin Plant Project

increased the can variety up to 25, reduced production response speed to 0.5 hour from 8. Collision deformation and friction declaration problems were greatly reduced. By moving the procurement quality check forward, four rice factories supply directly and the rice quality became the industry's benchmark.

☞ From Liqun company to our agencies, all the operation mechanism and plans need transformation. We will strictly follow Liqun Company's principle and make strategies and tactics for every channel and market. We need to really implement the principle, especially for our deep distribution and our township sales. ☞

——Liang Jianbin, golden dealer from Yanjing Beer Liqun company

Embracing "Internet+" era

In "Internet +" era, people's consumption pattern is transforming to an Internet-based one. As a large beer producer and pilot enterprise for the integration of informationization and industrialization, Yanjing Beer actively embraces Internet to provide consumers with more convenient and personalized shopping experiences as well as home-delivery service. Yanjing Beer has opened the official online flagship stores on Tmall and JingDong, and also inlet sales portal on the E-commerce section of our official website, APP and other E-commerce platforms solely owned by

Yanjing. The online flagship stores provide a window for communication with the consumers, by which we can directly perceive the interests of consumers and make continuous improvement on the product design, production and marketing on the basis of consumers' feedback. In the future, Yanjing Beer will further increase investment in Internet field, and take advantage of "Internet +" to enhance competitiveness of national beer industry and influence of Yanjing Beer.

Case



Internet + Beer Create "One Bottle, One Code, One Person"

Acting in customer-oriented philosophy, Yanjing Beer Guangdong Co. Ltd. has initiated the transformation and upgrade of Internet + Beer digital marketing strategy, and launched products with QR code, that is, "One Bottle, One Code, One Person". A unique QR code is laser-printed on the cap of each bottle, and consumers can scan the code when they open the bottle. By doing so, we can make accurate record of the consumption of each bottle

so as to accumulate consumption data and establish direct and comprehensive connection between our brand and consumers. Through analysis of big data, we can launch targeted product lines, create more value for consumers, as well as provide products and services beyond the consumers' expectations with precise understanding of their preferences and needs.



Building green plant

Yanjing Beer adheres to the energy conservation and environment protection philosophy of "Innovative Technology and Green Brewing". We integrate technology innovation and environment protection, develop cyclic economy, reduce pollutant emissions, and improve resource utilization efficiency. Yanjing Beer has been awarded the Green Enterprise by the Beijing Municipal Government for many times, the National Industrial Tourism Enterprise by the National Tourism Administration, as well as National Environmental Friendly Enterprise-the highest accolade-by the State Environmental Protection Administration.

In July 2015, Yanjing Beer established Department of Energy Conservation and Environment Protection, aiming to utilize Energy Management System (EMS) and boiler centralized management and control system to promote the coordinated development of economy and environment. In 2015, Yanjing invested RMB50 million in the promotion and reform of energy-conservation and emission-reduction technology. "Information Management System for Online Monitoring of Enterprise Energy Consumption" project, jointly completed by Yanjing Beer and National Institute of Metrology, China, won the second prize of scientific and technological achievement awarded by the Technical Committee of Chinese Liquor Association.

Recycling. Yanjing Beer recycles waste water, waste heat, and biogas generated during production processes, and promotes a series of energy-conservation and recycling projects including saccharification heat recovery, automatic recycling of carbon dioxide, alcohol recovery and so

on. The index of reclaimed water after treated by sewage station is stable and even superior to the level two of Beijing municipal pollutant emission standards, which can also be recycled. Yanjing Beer recycles the reclaimed water and utilizes it into boiler flue gas desulfurization and dust removal system, plant planting, toilet flushing, etc., which effectively saves water resources and reduces energy consumption. Furthermore, we establish such awards as Innovation Award and Technology Innovation Award to encourage reform in the whole company and improve the utilization of raw materials, energy, and electricity by optimizing producing process and equipment.

Flue gas transformation. In compliance with environmental protection requirements, Yanjing Beer established boiler flue gas purification control system in 2015, which achieved real-time monitoring of the operation system. Therefore, it is easy for stokers to know the operation status of boilers and react instantly when problems emerge. Besides, the interference of human factors into the treatment of flue gas is prevented to the most so that the flue gas emission is secured to meet the standards.

Huiquan Beer has invested over one million RMB in the transformation and upgrading of 1#&2# desulfurization facilities of North plant boilers, and the desulfurization efficiency has increased from about 80% to 95%. Automatic control system is used for adding lye. In 2015, more than 600 tons of lye was saved, reducing cost of more than RMB500,000 and the processing load on the sewage treatment station at the same time.

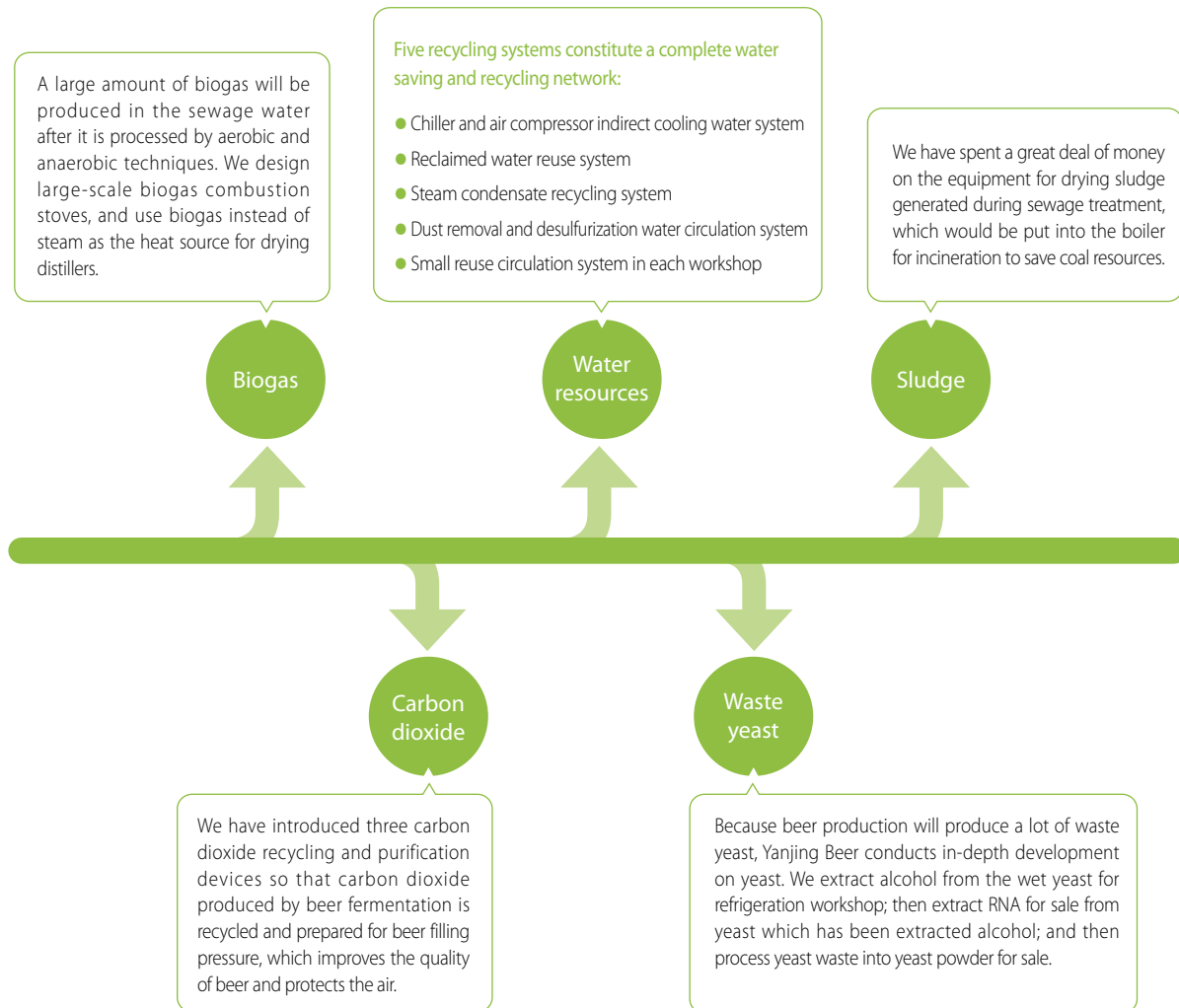
Sewage purification

We introduce the world's leading Holland Park sewage treatment technology to process sewage generated in productions and daily lives. After the sewage is processed in water circulation system, anaerobic pool, aerobic pool and other biochemical methods, every pollutant emission index is far below the national standard.

Flue gas treatment

We purchase Venturi rough stone water-film duster which is the most advanced in China and adopt SCL/II high efficiency desulfurization precipitator and SYC-10 granite water-bath desulfurization precipitator. After the desulfurization and dust removal process, the index of soot, sulfur dioxide, and flue gas blackness at the flue outlet will all in line with the standard limits of "Boiler Air Pollutants Emission Standards" (GB13271-2001) in second class of region at II period of time.

▲ Waste Emission Control



▲ Resource Recycling

Technological innovation drives development

Yanjing Beer aims to produce the “best beer in China”. It deepens the cooperation with education institutions and research institutions to materialize the research results and to lead development in beer industry through technological innovation. In 2015, Yanjing Beer passed the re-identification of high-tech enterprises and won the title “Beijing

demonstration enterprises for realization of high-tech”. Three papers won the award of excellent paper for technology progress from China Alcoholic Drinks Association. The company obtained 1 patent, 3 of which are under process, 6 are under application. 136,260,000 yuan was put into R & D.

In 2015, the *Yanjing Chunsheng Beer and Yanjing Fresh Beer flavor orientation and balance control system research and application* jointly completed by Yanjing Beer and China Food Fermentation Industry Research Institute, has passed the identification of expert team of technical committee of China Wine industry Association and won first prize for Independent Innovation Achievement among Capital Employees and first prize of Shunyi District Science and Technology Award for Economic Development Category. Yanjing's new technology significantly enhances the flavor and quality of its beer products.

Yanjing Beer actively participates in revisions and evaluations of national standards. In 2015, Yanjing Beer technology center provided 12 pieces of feedback on *Beer Bottle*, *Beer Production Hygiene Standards*, *Beer Production Supervision Rules*, *Food Additive Carbon Dioxide*, *Food Safety*

Law Implementation Details and on water saving enterprises evaluation, enterprise water quota and national energy standard stipulation and revision. It completed related national standard view solicit on *Food Safety Standard Fermented Wine and Preparation of Wine*, *Food Safety Standards of Food Production and General Health Standards*, *Food Safety Standards of Disease Inducing Bacteria Limitation*, etc.

To ensure that laboratory testing capability can and continue to meet the requirement, chromatography laboratory, yeast research laboratory, raw material physical and chemical laboratory attended LGC(British Government Chemist Laboratory) capability verification activity. All the results turned out satisfying, indicating the good capability of the laboratory. These further enhanced the reliability of testing results.

Case



The Establish of Yanjing Beer Postdoctoral Scientific Research Workstation

To keep its leading position in technological innovation, Yanjing Beer established the postdoctoral scientific research workstation in September 2015, indicating an important step towards comprehensive scientific research platform construction after the National Enterprise Technology Center, Beijing Municipal Key Laboratory, National Accredited Laboratory of Yanjing Beer. The construction of postdoctoral scientific research

workstation is to meet the demand of development of beer industry in China and create Yanjing Beer's core technology R & D platform. The workstation aims to become the cradle of the industry's top technical talents and to provide solid foundation for scientific and technological innovation for Yanjing Beer's development and even for the whole brewing industry.




▲ R & D center laboratory

03

Building a Homeland of Harmony
and Dream Together





Beijing Enterprises treats its employees as the most precious corporate treasure and makes sure that the employees and the public can share the benefits of development. The company promotes social harmony and builds a better community to reward the supports and understandings from the society.

Building Beijing Enterprises into a Happy Family

The company strictly complies with laws and regulations including the *Labor Contract Law*, insisting on fair employment regardless of religion, race, gender, region, skin color, age, disabilities, etc. The company never uses child labor or forced labor. It offers equal payment for equal work of male and female employees and guarantees employees' legal holiday rights. The company

constantly strengthens the democratic construction and establishes multiple channels for employees to participate in and supervise corporate governance and decision making, letting employees play an effective role in corporate democratic construction. In 2015, the number of registered employees is 48,000, with 100% labor contract signing rate as well as union membership rate.

Development and training

Strengthening talents training is a focus of the company's human resource strategy and corporate culture construction. Beijing Enterprises has laid down the base for developing a layered talents pool by cultivating talents through different channels, multiple angles and layers.

Training held by Beijing Enterprises covers all positions of the company. Different positions have respective training hours and focuses. Exchange training between Beijing and Hong Kong employees is carried out: mainland employees travel to Hong Kong for training of ethnics, listing

rules and governance structure in Hong Kong's corporation; middle and upper level management employees from Hong Kong travel to Beijing for professional and business knowledge training and ability development.

Beijing Enterprises constantly improves the mechanism for employee development; clears career path; plans for employees' career; builds career development platform; helps employees to achieve their career goals and ideals.

Case



Improve the Training System and Build a Systematic Training Platform

Beijing Gas has a "five in one" training team composed of in-house trainers, external trainers, industry experts, policy makers and technology trainers of suppliers. It has also established a "three in one" course system according to course category, employee level and course level to fully satisfy the training need at different levels. The Group actively promotes online learning platform and completes the management platform for

PC and mobile Wechat training, developing a combining mode of online learning and offline learning and of face to face teaching and virtual teaching. The Group formed its training base network, led by Gas Academy and complemented by secondary training bases of all branches and external training bases.

Case



Build Beer Taster Team for Yanjing Beer

In order to get a quicker feedback through sense during the production of beer and to select excellent beer taster, the company builds an expert team and improves the training, selection, management and backup system of the team:

- Build a beer taster team of no less than 6 people in every branch company; draft for the management system of the team.
- Hold the company's first beer tasters' training and evaluation activity, selecting 44 excellent talents to build Yanjing Beer's expert team.
- Cooperate with China National Research Institute of Food & Fermentation industries; promote beer taster test; test expertise of beer tasters of all branches; promote beer taster selection at company level.

33 beer tasters from Yanjing Group attended the 2015 general election test of "National Beer Taster Committee", 1 of them was elected as the supervisor and 21 as the beer taster.



▲ National beer taster selection

Case



BE Water Organized Training Camp for Management Trainee

In July 2015, BE Water organized training camp for ability development of management trainee. Over 50 management trainees from the year 2014 and 2015 participated in this training. This training was held for all the management trainees to familiarize themselves with environmental protection industry, to understand the company's development strategy, to understand and agree with corporate culture, to understand their own professional orientation, to improve their professionalism and develop their potential and to set their career development on a fast track.

The management trainee program is a comprehensive and systematic project for cultivating talents. It aims to select talents with business awareness, development potentials, determination and leadership and lays down a sound mechanism for their career development by holding procedures like theme activities, cultivating and development etc. The program enables company to prepare their management trainee to serve its development in certain time through professional re-education, thus providing steady human resources.



▲ Tianjin trainee camp

Case



R & D team from BE Water Won Two Major Awards

The R & D team from BE Water won "Beijing Youth Civilization Award" and "Beijing Youth Civilization Best Charisma Award" for 2014. When carrying out the work for youth, the team sticks to the principle of "civilization, harmony, dedication, integrity" and lets the pragmatic and innovative

working spirit of young researchers at full play. At the same time, it builds up team spirit and enhances the team's comprehensive strength.

Health and Safety

The company highly values employees' health condition and constantly improves occupational health and safety management system. In 2015, Beijing Enterprises established emergency plan management measures and schemes, protecting employees' health by establishing a sound safety management system, building safety production standards, strengthening safety production supervision and carrying out safety production education activities. The company organizes employee physical examination on a regular basis and carries out employee health treatment. In 2015, the coverage rate for physical examination and health record was 100%.

Case



"Safe Production Month" Strengthens Employees' Safety Awareness

In June 2015, Beijing Enterprises carried out group-wide "safe production month" activity with the theme of "strengthen safety consciousness, promote safe Beijing Enterprises construction". Beijing Enterprises and its subsidiaries organize various and rich safety activities, increase investigation and risk management efforts, strengthen the safety awareness for all the employees, enhance safety management mechanism, improve ability of safety production and accident Prevention

and effectively control the occurrence of accidents of all kinds. Employees' safety awareness was raised through organizing headquarter employees to watch safety education video and carrying out training activities of new *Safety Production Law*. Beijing Gas won recognition from Beijing Security Committee for safety production month activity.



▲ BE Water won national "Ankang Cup" prize in five consecutive years

Case



Occupational Health and Safety Management System to Ensure Employees' Health and Safety

To effectively ensure employees' health and safety, Beijing Gas vigorously advocates and implements occupational health and safety management system to improve safety control ability.

01

Increase health and safety management implementation training, establish internal audit team, promote effective operation of the system. The company successfully passed the external audit certification of Switzerland SGS Company, marking that the company's occupational health and safety management has reached international benchmark.

02

Deepen the content and standard for safety supervision to grass-root level, strengthen safety supervision and assessment. Over 130 module checks and more than 50 special inspections were carried out.

03

Strengthen and standardize accident and incident control and analysis, carry out regular analysis of emergency event, improve accident prevention ability

Employee care

The company promotes "happy work and happy life". It organizes various activities for after-work life to make the employees energetic and to encourage them to complete work efficiently and passionately and to enjoy life relaxedly and peacefully.



▲ Hong Kong employees' long distance running class



▲ Fun basketball game



▲ Employees in Hong Kong and Beijing participating in the activity of brisk walking



▲ Female Employees' Style Clothing Display on "March 8th", the International Women's Day



▲ Directing and performing the musical of "Beijing Enterprises is Close to You"



▲ BE Water Changping Project Company bringing warmth to employees

The company cares about the interests of disadvantaged groups. It helps needy employees; builds "Mama's hut" for pregnant women employees; brings warm condolences to retired employees. The company strives to build a happy and warm family together with its employees.

Case



Love Converge to Help the Employees through Difficult times

Xu Chao, one of the employees in the packaging workshop of Yanjing Beer Guangdong Branch was identified leukemia all of a sudden. As the family is poor, the company launched a donation, which got all the employees' positive response and strong support. Total donation from various departments, factories, distributors and logistic companies was more than RMB100,000. Every single penny demonstrated the company's warmth and affections among employees.



Harmonious Community Connection

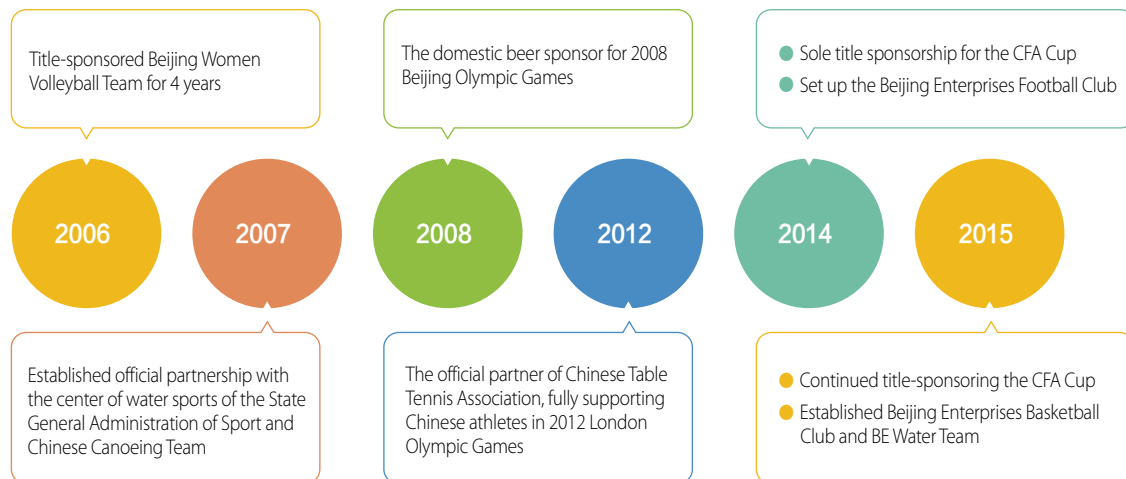
Based on its business features, Beijing Enterprises always gives back people with a grateful heart and actual actions, and carries forward the traditional Chinese virtues of respecting the aged, taking good care of children and helping each other friendly to repay people's great kindness to it.

Supporting on culture and sports

Beijing Enterprises strongly supports the development of Chinese sports undertakings. It title-sponsors a lot of sports games like volleyball and football and conducts official cooperation with Chinese canoeing team, table tennis team and other sports teams. Owing to the sole title sponsorship for the CFA Cup in 2014, Yanjing Beer sponsored it again in 2015 to help promote football nationwide and to convey our Chinese football dream.



▲ Yanjing Beer sponsored the CFA Cup in 2015, the second successive year.



▲ Chronicle of Events of Beijing Enterprises Sports Support

Case



BE Football Club----BE Yanjing Team

In September 2014, BG established the BE Football Club. All business sectors of Beijing Enterprises strongly supported the club activities and title-sponsored the football team with the name----BE Yanjing Team. In 2015, this team won the third place in the Chinese FA Cup, which has not only built a good image for the company but also vigorously promoted the development of Chinese football.



Case



Beijing Enterprises Basketball Club ---BE Water Club

In October 2015, Beijing Enterprises Men Basketball Club was named "BE Water Team" with its home court in the Beijing Olympic Sports Center. As a new team and the second CBA team in Beijing, BE Water Team is based on the former Aolong Team of Chongqing with bringing in 3 competitive foreign members. During the year 2015, the team brought about lots of exciting games for fans, making active contributions to the development of Beijing basketball.



Case



"Seed Plan" for Football Dream

Initiated by Yanjing Beer, "Seed Plan" is a public welfare program aiming at cultivating teenage footballers for Chinese football in the way of donating footballs, in order to create chances for more teenagers to play football and enjoy sports, which complements the development of FA Cup with that of national football. As of the end of the 2015 FA Cup, "Seed Plan" has altogether (from 2014 to 2015) donated 10,300 footballs to 512 schools.

More participants are needed in "Seed Plan" if we are to realize the rejuvenation of Chinese football. Yanjing Beer initiated the most fascinating public welfare activity and spread widely the concept of public welfare football in 2015. With their Weibo and Wechat accounts, netizens logged in the program homepage where they could send the football to regions they prefer by choosing the throwing direction of the football so children and schools in these regions can receive the footballs donated by Yanjing Beer. "Seed Plan" was highly recognized by the Chinese Football Association, regional associations, clubs, media and other sectors of the society.



Case

**BE Water Build “Talent Cultivation Plan”**

Beijing Enterprises strongly supports its subordinate enterprises to conduct educational supporting activities in various forms. It continuously increases investment to help students with financial difficulties so as to support the development of local educational and cultural undertakings.

In 2015, BE Water, with Shandong Water Conservancy Vocational College, built up the “Class of Talent Cultivation”, which was a substantial step of their deep cooperation. More cooperation and communications will be conducted between them among the fields of talent cultivation, training base building, vocational skills training and evaluation.

China Gas “Green Angel” Scholarship

China Gas, with Green Salon Environmental Protection Association from the Guangxi Medical University, promoted education activities on environmental protection and set up the “Green Angel” scholarship in Basen primary school in Tanghong town, Shanglin county in Nanning city. Starting from this school, China Gas aided four primary schools at the beginning and gradually enlarged its aiding coverage to provide greater help for primary schools of ethnic minorities, to support publicity and education on environmental protection in Guangxi ethnic minorities' district and to help cultivate and raise the awareness of environmental protection.

Case

**Yanjing Beer Conducts Cultural Activities in Various Forms**

Cooperating with Ji'an municipal government and Ji'an Song and Dance Theater, Yanjing Beer hosted the culture going to the countryside performances. With the mobile stage cart equipped with the background of LED display screen, there are over 200 performances during the whole year going by nearly 30 performers in the central square in all counties. They are diverse in contents and have enriched the spiritual and cultural life of people in rural areas.

Working with 13 counties' (cities' or districts') television stations (news centers) in Ji'an, Yanjing Beer Jiangxi company and Ji'an Radio and Television launched the “Yanjing Cup” TV news competition in Ji'an. During the competition, more than 130 key journalists, editors and hosts from these television stations (news centers) went down to the grassroots and the front-lines to do interviews and to produce vivid news, promoting targeted poverty alleviation, culture benefiting people, modern agricultural development and livelihood projects. Till the end of 2015 when the news broadcast show was over, 143 news had been released, excellent works of which were rewarded.



Environment protection

Beijing Enterprises is committed to the harmonious development between human and nature, and protects the environment around through common things in daily life; emphasizes on the publicity on environmental protection and the cultivation of public awareness of it. Starting from schools and students, Beijing Enterprises, in the way of setting up scholarship and environmental protection presentation, raises the environmental protection awareness of students to gradually lead an atmosphere of environment protection in the whole society.

Green Office is vigorously carried out within the company. For instance, signs like "conserve energy, begin with me" are put up in prominent places to help employees to develop good habits such as saving every piece of paper, every drip of water and every kilowatt hour electricity. Beijing Enterprises also works out the *Computer Management System*; utilizes remote video meeting effectively to improve both working efficiency and effectiveness.



▲ BE Changde Solid Waste Project staff participated in tree planting

Case



Protect Green Water and Blue Sky, Build Our Beautiful Home

In November 2015, China Gas organized the public welfare activity on environmental protection "Protect Green Water and Blue Sky, Build Our Beautiful Home". The activity was to clear away the rubbish in Meizhou Guidu Park in Guangdong province to restore a clean living environment to residents. Nearly 40 volunteers from the trade union took part in the

activity. They called on citizens and visitors to participate in and to sign on the activity proposal. Subsequently, many citizens joined. This activity has raised citizens' environmental protection awareness of building our green home together while protecting the living environment.



Case



BE Solid Waste Tai'an Project Company's Trial Presentation on Rubbish Classification

In June 2015, BE Solid Waste Tai'an Project Company organized "June 5th Environment Day Presentation Group" to explain and demonstrate the rubbish classification, identification of dustbins and common sense of rubbish storage in Little Harvard Kindergarten and 365 Daixia Mingzhu Kindergarten in Tai'an. These little kids all listened carefully, answered

questions actively and practiced rubbish classification during the presentation. This activity is of both great fun and practicality, improving the kids' awareness and ability of environmental protection.



Case



Help to Develop International Conference Project, Build Green Beijing

In March 2015, young staff from subordinates of Beijing Enterprises acted as volunteers in Yanqi Lake International Conference Project in Huairou district. Promoting the voluntary service concept of "contribution, friendliness, mutual assistance and progress", these young staff served in this international conference city. They helped clear away the dust on each tier and handrail of the Yanqi Tower and pick up rubbish on the green belts around. It has made contributions to the environmental beautification for Yanqi international conference city, in which people experienced the essence of voluntary service spirit.



Public welfare and charity

Enthusiastic in public welfare undertakings, Beijing Enterprises actively carries out poverty alleviation, sparing no effort to contribute to the society and helps building of harmonious society. It supports and

encourages its staff to devote themselves to all kinds of voluntary activities and contribute their own strength to the community development. In 2015, its total investment in public welfare reached HKD36 million.

Case



China Gas Public Welfare Foundation Donates for Building Activity Center for Women and Children

China Gas Public Welfare Foundation donated RMB1 million to build an activity center for women and children in Youjiang district, Baise City, Guangxi Autonomous Region in 2015. The center is designed to accommodate 9 function rooms such as nursing practice room, housekeeping and cooking practice rooms, carrying the important mission of providing training, activities, entertainment and external exchange for 174,700 women and 60,000 children in Youjiang district.

Meanwhile, China Gas conducted poverty alleviation project of "Helping Mother Project" to help women in Youjiang solve life difficulties at source. Besides, the free life e-commerce platform "China Gas Benefits Your Life" promoted agricultural products and traditional cultural products in Baise, guaranteeing the project of "Bring industries Home and help mothers".



Case



BE Jiangsu Changzhou Hazardous Waste Disposal Company disposes drugs safely

BE Jiangsu Changzhou Hazardous Waste Disposal Project Company is the only hazardous waste business unit in Changzhou city that has the qualification of burning disposal. On the 28th International Day against Drug Abuse and Illicit Trafficking in June 2015, it responded actively to the "Commemorating June 26th International Day against Drug Abuse and Illicit Trafficking as well as Public Destruction of Drugs Activity", in which it voluntarily participated in drug disposal and harmlessly disposed of 150 kilograms of heroin, ice and other drugs, maintaining the social safety and stability.



Case



Yanjing Beer delivered loving care to old-age homes

Young volunteers from Yanjing Beer participate in community voluntary service in various forms during years. They chat with the old, clean rooms, wash clothes and cook for them in the old-age home, which makes the old feel the warmth and caring from the social family.

☞☞We thank them for bringing us so much happiness☞☞

—— Mrs Zhang, an elderly living alone in central old-age home in Shuozhou city



☞☞In the old-age home, every time grey-haired grandpas and grandmas receive our gifts, they beam with smiles like little kids and hold our hands tightly, praising our volunteers. At this moment, we all feel the happiness from helping others that cannot be bought by money and in turn, it drives us to help others with more kindness in the future!☞☞

——Volunteer Feng Haiying

Case



Participated in Oxfam Trailwalker Charity Run Fund-raising

In 2015, Beijing Enterprises funded its staff team to join in the charity run fund-raising activity by Oxfam Trailwalker and it also grant them with paid-leave. Staff in Beijing and Hong Kong proactively accompanied the running and supported the team. On the running day, leaders led staff to attend the running starting ceremony and ran ten kilometers to cheer up and unite the whole team as well as to promote healthy life.



▲ Party-mass volunteers from Yanjing Beer Guangdong Company went down to and served in Songgang community



▲ Participated in volunteering activities of Chairman Mao Memorial Hall

Case



Yanjing Beer Liqueur Company Promotes Public Welfare Activity

With fast development, Yanjing Beer Liqueur Company proactively bears the social responsibility. It invested human resources, materials and money every year in poverty-alleviation tutoring, autumn student aiding and other social welfare activities. Till the end of 2015, the autumn student aiding activity has helped realized dreams of attending university for 20 students under poverty. With Weijiang primary school in Longsheng county, Qiaoting middle school in Pingle County and Liangshuiwan primary school in Ziyuan County, it provided 150,000 yuan of student subsidies, conveying education and development for students in poverty.

Liqueur Company actively responded to the government's calling on voluntary blood donation and saving dying lives. It carries forward the spirit of healing the wounded and rescuing the dying as well as devotes

to the blood donation. In recent 6 years, about 396 employees donated blood voluntarily with the total volume of 119,500 ml.

In 2015, it supported building of the beautiful hometown and promoted the local economic development.

- Donated 1 million yuan to Guilin city for rebuilding the Xiaoyao Mansion;
- Sponsored Guilin Central City Square with 50,000 yuan for reconstructing toilets;
- Sponsored "Beautiful Shazi, Clean Village" activity in Shaizi town, Pingle county with about 100,000 yuan.

04

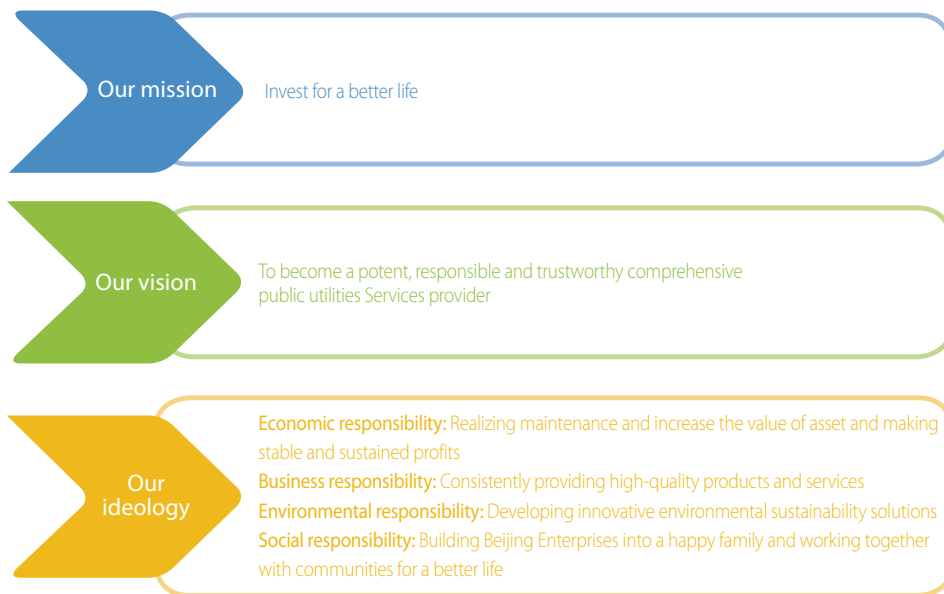
Cornerstone of Responsibility





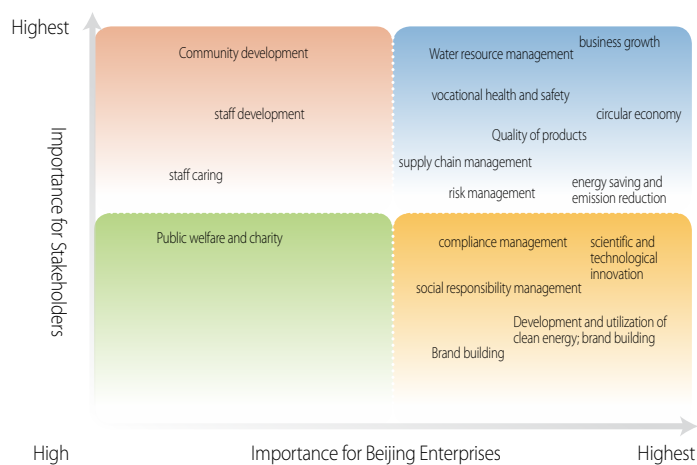
Beijing Enterprises integrates CSR into the gene of its development, formulates sustained company developing plan and takes effective measures to continuously practice on economic development, environmental protection, public welfare and other fields.

Ideology System of CSR



Materiality Analysis

Through the communication and understanding of internal and external stakeholders, Beijing Enterprises combines development trend of sustainable development fields with company business-related industry dynamics, recognizes appeals of stakeholders, clarifies relative issues of social responsibility, confirms priority based on two dimensions: importance to the company and importance to stakeholders and finally forms the materiality issues matrix.

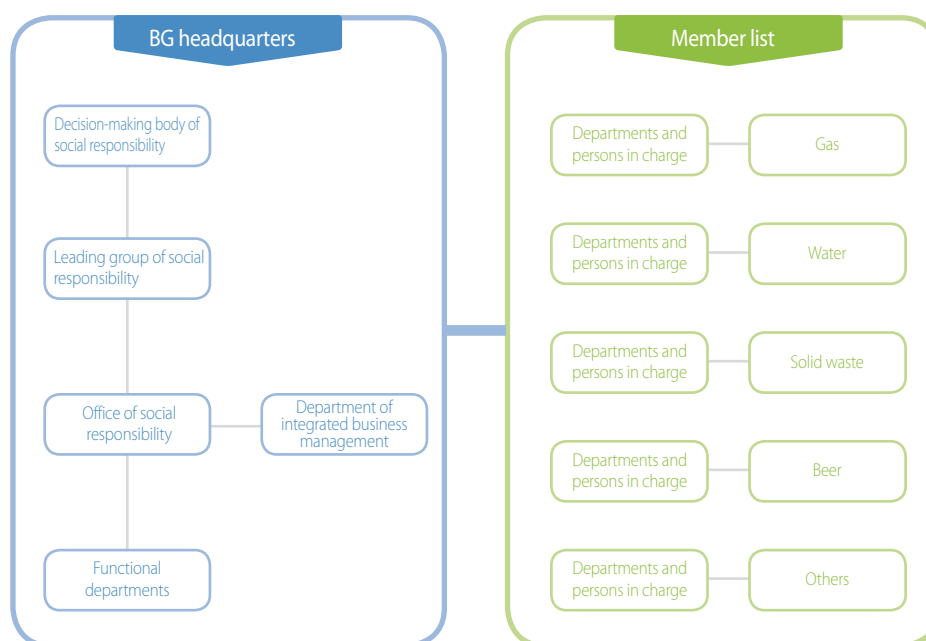


▲ Materiality issues matrix

Development of Responsibility Management

Beijing Enterprises establishes the CSR management organization that covers its headquarter and member units. This organization conducts and coordinates work on social responsibility within the headquarter, and the board of directors acting as the superme policy-making organ, relative leaders as the group leaders and department heads as the supervisors.

The leading group of social responsibility work is set up in the department of integrated business management and in charge of daily management and liaison of CSR. Member units establish their own management system based on their actual condition, and confirm the departments and persons in charge that will work with the department of integrated business management in the headquarter.



In 2015, Beijing Enterprises strengthened the capacity building of CSR. It set up *Beijing Enterprise CSR Indicators System*, which included 5 fields such as responsibility management, economic performance, social performance, environmental performance and business index, 16 issues, and 132 indicators. The system covers most of indicators from the universal indicators of *Sustainability Reporting Guidelines (G4)* released by Global Reporting Initiative (GRI), from the social responsibility indicators of *China Corporate Social Responsibility Reporting Guidelines (CASS-CSR3.0)* released by Chinese Academy of Social Sciences (CASS), from *ESG Reporting Guide* released by Stock Exchange of Hong Kong Ltd. (HKEX), and from other guidelines on compiling social responsibility report.

Beijing Enterprises has integrated the concepts of economy, business, environment and social responsibility into its business operation and management so as to solve sustainability issues while constantly boosting its profit-making competency.

- In the 10th international forum on Corporate Social Responsibility of Chinese enterprises in June 2015, Beijing Enterprises was elected as the 2014 Golden Bee Enterprise and awarded with the Golden Bee Ecological Civilization Prize.
- Yanjing Beer was awarded with the 2014 Corporate Social Responsibility Prize and the Best Management Team of Listed Company Prize. It was elected as the most-respected listed company by investors.
- Yanjing Huiquan Beer was awarded with the 2014 AAA grade credit enterprise.
- Beijing Enterprises was awarded with the Outstanding CSR Prize by Mirror Monthly of Hong Kong.

Operation Transparency

Beijing Enterprises highly values the relationship with its investors. It discloses management information in a timely manner, and sticks to transparent operation principle and establishes a interactive mutual trust relationship with its investors. In 2015, full disclosure of information and communication with its investors make good progress in enhancing investors' attention, understanding and recognition of the company.

Compliance disclosure

According to the requirement of Stock Exchange of Hong Kong Ltd., Beijing Enterprises complies with the laws and regulations to protect investors' right to know through informal roadshows twice a year (semi-annual report, annual report), disclosing operation performance and significant transactions (connected transaction, virtual transaction and major transaction). Investor Relation Department, Legal Affairs Department and related departments will participate or assist in information disclosure. Non-deal roadshows covers major stakeholders from Hong Kong and Singapore and potential funds.

Press conferences

Every year after market closes, Beijing Enterprises will invite professional personnel of financial media to convene media conference to introduce operation performance, management philosophy and respond to information requirement from the media. The company releases information through media conferences and keeps small and medium investors updated about its operation dynamics.

Investors' seminar and meetings with investors

To keep better relationship with professional investors, every year top managers will attend investor seminars which 10 investors attend, 2-3 institutional investors will be received and investors meeting will be held to respond to operation information requirement from investors. This year, the company attended 17 Hong Kong and overseas investor seminars held by security firms and over 100 one-on-one meetings and more than 20 group discussions, and received more than 500 investor investors. By the end of 2015, 20 major banks and close to 50 analysts track Beijing Enterprises.

Business Ethics

Legal compliance

To effectively implement related national laws and internal rules and regulations, Beijing Enterprises constantly improves special audit procedures, self-assessment process and contract procedures to make these works clearer and more targeted, and to improve management efficiency, thus carrying out the operation in an orderly way.

In 2015, the company released and improved 5 internal rules and regulations. More understandings about the risk management responsibility of different departments, status quo and risk identification and management were achieved through risk identification questionnaire, which also expands the employees' business knowledge and provides risk alert to investment management, building and construction to effectively avoid risks by identification and classification of internal and external risks.

Fighting against corruption

Beijing Enterprises actively promotes anti-corruption system construction. Middle and upper managers from headquarter, managers from subsidiaries and managers owning the right to make business decisions have to sign "no corruption commitment" to enhance integrity and professional ethnics.

For the risk management and efficiency supervision of major projects, the company sets up efficiency supervision team, clears monitoring functions of the liaison officer, supervises up and down communication, and effectively lowers corruption risks of major investment projects. In 2015, the company completed the efficiency supervision and patrol work for Yueyang city lake sewage treatment plant and associated pipeline network engineering, the tape water project in Xinqiao energy and chemical industrial area of Guang'an economic development zone, waste incineration power generation project in Xianyang city.

The company pays great attention to internal and external anti-corruption supervision. It strengths channels of phone and letter disclosures to improve external reporting system, improves internal supervision mechanism and keeps the private information of reporters confidential. Corruption lawsuit and revenge against reporters didn't appear during reporting period.

Stakeholders Engagement

Communication and participation of stakeholders are an important part of the sustainable development of corporate. Beijing Enterprises strengthens the communication with all stakeholders and achieves win-win results.

Stakeholders	Concerns	Responses	Achievements
Governments and regulatory authorities	Law-abiding operation Paying taxes according to law Increasing employment Promoting sustained and healthy economic development	Routine briefing and communications Surveys and meetings Relevant forums	Conducting strategic cooperation with local governments Creating a favorable external environment for corporate development
Shareholders	Satisfactory investment returns Sound market value Transparent operation Boosting the Company's profit-making competence and core competitiveness	Annual reports and announcements Road shows Analyst video conferences Annual general meeting of shareholders	Sound investor relations Ever-growing trust among investors Gaining support from investors and shareholders in major decisions
Clients	Stable and sustained product supply High-quality and safe products Considerate and convenient services Unimpeded communication channels	Client seminars Service hotline Community service outlets Client satisfaction surveys	Sustained amelioration in various tasks based on clients' feedback Effective and timely response to clients' appeals Constant improvement in client services
Partners	Fair procurement Integrity and mutual benefits Long-term stable cooperation	Supplier congresses Strategic cooperation	Developing the Supplier Management Rules and enhancing the efficiency of supply chain Driving shared development of partners
Employees	Complete guarantees for rights and interests Sound career development platform Work-life balance	Employee representative congresses Complaint mailbox	Developing horizontal and vertical communication channels Creating a harmonious and supportive working environment
Communities	Paying attention to community development Building harmonious communities through concerted efforts Ameliorating community environment	Science popularization Community publicity	Hiring community supervisors to strengthen service quality assessment and supervision Forging strong ties with local communities Creating a favorable external environment for corporate development
Environment	Supplying clean energy Handling waste Practicing Green Operation	Annual reports and announcements	Responding to the 2013-2017 Action Plan of Beijing for Clean Air Participating in environmental governance programs

Prospect for 2016

Although the development of social responsibility has a short history of only ten years in China, its influence is growing. In the end of 2015, Hong Kong Stock Exchange published *Environmental, Social and governance Reporting Guide*, which enhances the requirements for the interpretation of non-compliance matters and raises the requirement for information disclosure of social responsibility and management for companies listed in Hong Kong. At the same time, the three social responsibility national standards were formally implemented in January 1, 2016, which will effectively support the enterprise to enhance the management level and to conform to the trend of social responsibility management.

Beijing Enterprises aims to create a better life for its investment and operation. From 2016, we will continue to stick to our social responsibility philosophy of “creating a better life through investment”, and will combine our “thirteenth five-year plan” and social responsibility decision management closely according to national standards and the guidance of Hong Kong Stock Exchange. Rome is not built in one day. We will continuously improve our management system, regulate operation behavior and guide the social practice. At the same time, we will select some of the themes to form practical experience and realize our goal of comprehensively implementing national standards of social responsibility.



In 2016, we will set aside more budget in waste water treatment, environment protection and clean energy, vigorously develop clean energy, commit to enhancing energy conservation and environmental protection capability and contribute to build sustainable urban and community. We will insist on putting people first, improving the construction of talents team, supporting public welfare charities and community construction, boosting regional economic and social development.

In the future, we will continue to innovate business development mode, to promote the development of the industry and to build an ecosystem philosophy of our own. We will share our experience and strive to be a role model of social responsibility. We will create bigger economic, environment and social benefits for our shareholders and society through continuous and in-depth communication with stakeholders, innovation and cross industry cooperation.



Key Performance

Economic performance

	Unit	2015	2014	2013	2012	2011
Revenue	In 100 million HK dollars	601.5	479.4	423.6	355.7	304.7
Total assets	In 100 million HK dollars	1,247.70	1,240.60	1,096.20	895	773.6
Yearly dividend	HK cents/share	95	90	85	75	70
Basic earning per share	HK dollar/share	4.41	3.78	3.36	2.84	2.44
Gas sales volume*	In 100 million m ³	130.6	99.6	87.2	79.4	64.7
Contract-based water treatment capacity	In 10,000 tons/day	2,462	1,976	1,670.80	1,067	872.9
Operating water treatment capacity	In 10,000 tons/day	1,302	1,145	942.8	729.4	508.1
Domestic waste treatment capacity	Ton/day	15,025	17,025	13,725	10,525	3,725
Beer sales volume	In 10,000 kilolitres	483	532	571	540	551

*Note: Only the data of Beijing gas is factored in.

Social performance

	Unit	2015	2014	2013	2012	2011
Headcount		48,000	49,500	49,000	49,000	45,000
Labor contract conclusion	%	100	100	100	100	100
Social insurance coverage	%	100	100	100	100	100

Environmental performance (note: not including BE Water)

	Unit	2015
Living and production water consumption	1,000 ton	702.11
Electricity consumption	In 100 Gwh	2.35
Diesel consumption	In 1,000 litre	635
Gasoline consumption	In 1,000 litre	1,780
LNG consumption	Ton	26
Natura gas consumption	1000 m ³	1,559
Coal consumption	10,000	11
Waste emissions	10,000	378.57

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Feedback

Dear reader,

We are looking forward to your comments and suggestions so as to constantly improve our CSR-related tasks.

Personal information (optional):

Name:_____ Position:_____ Company/Institution:_____

Address:_____ Postcode:_____

E-mail:_____

Tel:_____ Fax:_____

1.Your opinion on below items:

	Very good	Good	Fair	Poor	Very poor
Overall impression of the Report					
Descriptions on the economic, environmental and social impact of the Company					
Stakeholder engagement of he Company					
Information disclosure of the Report					
Layout of the Report					

2.In what part of the Report are you most interested?

3.What kind of information do you want to know more about?

4.What are your comments and suggestions for the Report?



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