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北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)
(website: www.behl.com.hk)
(Stock Code: 392)

Clarification Announcement

REVISION OF ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Company's announcement dated 20 June 2013 relating to, inter alia, the revision of Annual Caps of each of the categories of the Transactions under the Renewed Agreements in respect of years 2013 and 2014 to Revised Annual Caps.

The purpose of this announcement is to set out the principal terms of the Renewed Agreements. The Company confirms that except the revision of Annual Caps to Revised Annual Caps in respect of years 2013 and 2014 by the Board on 20 June 2013, other terms of the Renewed Agreements (including the basis upon which the consideration was determined) remain unchanged since the agreement date of 27 August 2012.

BACKGROUND

On 27 August 2012, Beijing Gas (being an indirect wholly-owned subsidiary of the Company) and Beiran Enterprises entered into the Renewed Agreements for three years from 1 January 2012 to 31 December 2014 as listed below:

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

The purpose of this announcement is to set out the principal terms of the Renewed Agreements. The Company confirms that except the revision of Annual Caps to Revised Annual Caps in respect of years 2013 and 2014 by the Board on 20 June 2013, other terms of the Renewed Agreements (including the basis upon which the consideration was determined) remain unchanged since the agreement date of 27 August 2012.

PRINCIPAL TERMS OF THE RENEWED AGREEMENTS

Category (A): Engineering services

Beijing Gas Group Companies and Beiran Enterprises Group Companies have always been providing engineering services to each other. To regulate such transactions which will continue to take place, Beijing Gas entered into the Renewed Engineering Services Framework Agreement with Beiran Enterprises on 27 August 2012 for a term of three years from 1 January 2012 to 31 December 2014, pursuant to which:

- Beiran Enterprises Group Companies may provide various engineering services to Beijing Gas Group Companies, including but not limited to project planning, design and various evaluation and appraisal services, engineering survey and geological exploration services, construction, equipment installation, maintenance and examination services, gas pipeline conjoining engineering services, engineering supervision services, technical consultation services and other engineering services; and
- Beijing Gas Group Companies may provide to Beiran Enterprises Group Companies various engineering services, including but not limited to entrusted engineering construction services, engineering survey services, technical consultation services and other engineering services.

The transactions under the Renewed Engineering Services Framework Agreement will be conducted on normal commercial terms and conditions which shall not be less favourable than those offered by Independent Third Parties and shall be priced in accordance with the following pricing principles:

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

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

Category (B): *Comprehensive services*

Beijing Gas Group Companies and Beiran Enterprises Group Companies have always been providing certain non-engineering services to each other. To regulate such transactions which will continue to take place, Beijing Gas entered into the Renewed Comprehensive Services Framework Agreement with Beiran Enterprises on 27 August 2012 for a term of three years from 1 January 2012 to 31 December 2014, pursuant to which:

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

- Beijing Gas Group Companies may provide to Beiran Enterprises Group Companies various services, including but not limited to inspection services before the hooking up, heating services, pipeline drawing archive inquiry services, technology consultation services and other non-engineering services.

The transactions under the Renewed Comprehensive Services Framework Agreement will be conducted on normal commercial terms and conditions which shall not be less favourable than those offered to Independent Third Parties and shall be priced in accordance with the following pricing principles:

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

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

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

Beijing Gas Group Companies have been selling gas and gas products to Beiran Enterprises Group Companies. To regulate such transactions which will continue to take place, Beijing Gas entered into the Renewed Sale and Purchase of Gas Framework Agreement with Beiran Enterprises on 27 August 2012 for a term of three years from 1 January 2012 to 31 December 2014, pursuant to which, Beijing Gas Group Companies may sell to Beiran Enterprises Group Companies natural gas.

The transactions under the Renewed Sale and Purchase of Gas Framework Agreement will be conducted on normal commercial terms and conditions which shall not be less favourable than those offered to Independent Third Parties and shall be priced in accordance with the following pricing principles:

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

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

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

Beijing Gas Group Companies and Beiran Enterprises Group Companies have been purchasing from each other and selling to each other, non-gas products. To regulate such transactions which will continue to take place, Beijing Gas entered into the Renewed Sale and Purchase of Goods Framework Agreement with Beiran Enterprises on 27 August 2012 for a term of three years from 1 January 2012 to 31 December 2014, pursuant to which:

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

The transactions under the Renewed Sale and Purchase of Goods Framework Agreement will be conducted on normal commercial terms and conditions which shall not be less favourable than those offered to Independent Third Parties and shall be priced in accordance with the following pricing principles:

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

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

Category (E): *Leases of properties*

E1 Beijing Gas Group Companies have been leasing from Beiran Enterprises certain buildings legally owned by Beiran Enterprises. Beiran Enterprises and Beijing Gas entered into the Renewed Leasing Contract on 27 August 2012 relating to the lease of 9 buildings which are all located in Beijing. The uses of such buildings are mainly for offices and public utilities purposes. The total floor area is 44,494.81 square metres. The term of the lease commenced from 1 January 2012 and will expire on 31 December 2014. The contract provides that the rent should not be higher than the market rent for similar buildings at the time the contract is executed. During the term of the contract, both parties may negotiate and adjust the rent of the buildings once every year. The rent to be adjusted shall be the market rent confirmed by any independent valuer recognised by both parties or shall not be higher than the market rent. If Beijing Gas Group Companies terminate the use of certain buildings according to the provisions of the contract, the amount of total rent to be paid shall be reduced correspondingly according to the actual leasing term.

E2 Beiran Enterprises Group Companies have been leasing from Beijing Gas certain buildings legally owned by Beijing Gas. Beijing Gas and Beiran Enterprises entered into another Renewed Leasing Contract on 27 August 2012 relating to the lease of 1 building which is located in Beijing. The uses of such building are mainly for offices and public utilities purposes. The total floor area is 1,367.32 square metres. The term of the lease commenced from 1 January 2012 and will expire on 31 December 2014. The contract provides that the rent should not be higher than the market rent for similar buildings at the time the contract is executed. During the term of the contract, both parties can negotiate and adjust the rent of the building once every year. The rent to be adjusted shall be the market rent confirmed by the independent valuer recognised by both parties or not higher than the market rent. If Beiran Enterprises Group Companies terminate the use of the building according to the provisions of the contract, the amount of total rent to be paid shall be reduced correspondingly according to the actual leasing time.

DEFINITIONS

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

- "Annual Caps" : as disclosed in the Company's announcement dated 27 August 2012, in respect of each of the five categories (on the basis that Category (E1) and Category (E2) are taken as one category) of the Transactions, the maximum aggregate annual transaction amount estimated by the Company for each of the three years ending 31 December 2014
- "associate(s)" : has the meaning ascribed to it under the Listing Rules
- "BE Group" : Beijing Enterprises Group Company Limited* (北京控股集團有限公司), a company incorporated in the PRC with limited liability, which is the ultimate controlling shareholder of the Company

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

"Independent Third Parties"	:	person(s) who by themselves and together with their respective ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are independent of the Company and its connected persons
"Listing Rules"	:	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	:	the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Renewed Agreements"	:	as disclosed in the Company's announcement dated 27 August 2012, the agreements dated 27 August 2012 made between Beijing Gas and Beiran Enterprises
"Revised Annual Caps"	:	the revised Annual Caps for each of the categories of the Transactions in respect of years 2013 and 2014, as set out in the paragraph headed "Annual Caps, Historical Transaction Figures and Revised Annual Caps" in this announcement
"Stock Exchange"	:	The Stock Exchange of Hong Kong Limited
"subsidiaries"	:	has the meaning ascribed to it under the Listing Rules
"Transactions"	:	the transactions contemplated under the Renewed Agreements
"%"	:	per cent

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

Hong Kong, 24 June 2013

As at the date of this announcement, the board of directors of the Company comprises Mr. Wang Dong (Chairman), Mr. Zhou Si, Mr. Zhang Honghai, Mr. Li Fucheng, Mr. Hou Zibo, Mr. Liu Kai, Mr. Lei Zhengang, Mr. E Meng, Mr. Jiang Xinhao and Mr. Tam Chun Fai as executive directors; Mr. Guo Pujin as non-executive director; Mr. Wu Jiesi, Mr. Robert A. Theleen, Mr. Lam Hoi Ham, Mr. Fu Tingmei, Mr. Sze Chi Ching and Mr. Shi Hanmin as independent non-executive directors.

* For identification purposes only