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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](http://www.behl.com.hk))  
(Stock Code: 392)

## **Continuing Connected Transactions**

Reference is made to the Circular dated 30 April 2007 relating to, *inter alia*, certain continuing connected transactions for the Company between the Group and BE Group (together with its associates including Beiran Enterprises Group Companies) pursuant to the Original Agreements.

The Board announces that these continuing connected transactions have continued after the Original Agreements expired on 31 December 2009. To regulate such transactions that will continue to take place, on 27 August 2012, Beijing Gas (being an indirect wholly-owned subsidiary of the Company) and Beiran Enterprises entered into the Renewed Agreements whereby the parties agreed that Beijing Gas Group Companies and Beiran Enterprises Group Companies would continue to carry out the Transactions for three years from 1 January 2012 to 31 December 2014 upon substantially the same terms and conditions as those under the Original Agreements.

Since Beiran Enterprises is a subsidiary of BE Group, which is the Company's ultimate controlling shareholder, Beiran Enterprises Group Companies are connected persons of the Company and the Transactions constitute continuing connected transactions for the Company under the Listing Rules. Since the highest Applicable Ratio calculated with reference to the highest Annual Cap of each category of the Transactions is more than 0.1% but less than 5%, each of such categories of the Transactions constitutes continuing connected transactions subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## BACKGROUND

Reference is made to the Circular dated 30 April 2007 relating to, *inter alia*, the transactions under the Original Agreements stated below which constitute continuing connected transactions for the Company:

<i>Category</i>	<i>Original Agreements</i>	<i>Parties to the agreements</i>
(A)	Engineering Services Framework Agreement	The Company and BE Group
(B)	Comprehensive Services Framework Agreement	The Company and BE Group
(C)	Sale and Purchase of Gas Framework Agreement	The Company and BE Group
(D)	Sale and Purchase of Goods Framework Agreement	The Company and BE Group
(E)	E1. Leasing Contract (Beijing Gas Group Companies as tenants)	Beijing Gas and Beiran Enterprises
	E2. Leasing Contract (Beiran Enterprises Group Companies as tenants)	Beijing Gas and Beiran Enterprises

The Board announces that the above continuing connected transactions have continued after the Original Agreements expired on 31 December 2009. To regulate such transactions that will continue to take place, on 27 August 2012, Beijing Gas (being an indirect wholly-owned subsidiary of the Company) and Beiran Enterprises entered into the Renewed Agreements listed below whereby the parties agreed that Beijing Gas Group Companies and Beiran Enterprises Group Companies would continue to carry out the Transactions for three years from 1 January 2012 to 31 December 2014 upon substantially the same terms and conditions as those under the Original Agreements:

<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

## **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).

#### ***Historical transaction figures***

The expenditure of Beijing Gas Group Companies for retaining engineering services provided by Beiran Enterprises Group Companies amounted to approximately RMB40,313,000, RMB41,684,000 and RMB64,990,000, respectively, for each of the three years ended 31 December 2009, 2010 and 2011. For the corresponding period, Beijing Gas Group Companies did not provide engineering services to Beiran Enterprises Group Companies. However, it is expected that provision of engineering services to Beiran Enterprise Group Companies by Beijing Gas Group Companies will take place during the three years from 1 January 2012 to 31 December 2014.

#### ***Annual Caps***

It is expected that the Annual Caps of Beijing Gas Group Companies' expenditure for retaining engineering services provided by Beiran Enterprises Group Companies will be approximately RMB73,439,000, RMB86,657,000 and RMB103,989,000, respectively, for each of the three years ending 31 December 2012, 2013 and 2014, and the Annual Caps of Beijing Gas Group Companies' revenue from providing engineering services to Beiran Enterprises Group Companies will be approximately RMB10,000,000, RMB10,000,000 and RMB10,000,000, respectively, for the corresponding period.

The Annual Caps are determined after taking into consideration:

- the historical transaction amounts for each of the three years ended 31 December 2011;
- the estimates for engineering services for 2012 as determined in the comprehensive plan of Beijing Gas for 2012;
- the estimated scale of engineering for the years of 2013 and 2014;
- the relevant development plan of Beijing Gas for the twelfth five-year period; and
- the increase in engineering costs arising from the adjustment of policies in the coming few years, surge of costs of raw materials and increase in personnel costs.

**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).

#### ***Historical transaction figures***

Beijing Gas Group Companies did not retain non-engineering services provided by Beiran Enterprises Group Companies during the three years from 1 January 2009 to 31 December 2011. However, it is expected that Beijing Gas Group Companies will retain non-engineering services provided by Beiran Enterprise Group Companies during the three years from 1 January 2012 to December 2014. For each of the three years ended 31 December 2009, 2010 and 2011, the revenue of Beijing Gas Group Companies from providing services to Beiran Enterprises Group Companies amounted to approximately RMB26,402,000, RMB11,394,000 and RMB20,532,000, respectively.

#### ***Annual Caps***

It is expected that the Annual Caps of Beijing Gas Group Companies' expenditure for retaining non-engineering services provided by Beiran Enterprises Group Companies will be approximately RMB5,000,000, RMB5,000,000 and RMB5,000,000, respectively, for each of the three years ending 31 December 2012, 2013 and 2014, and the Annual Caps of Beijing Gas Group Companies' revenue from providing non-engineering services to Beiran Enterprises Group Companies will be approximately RMB23,201,000, RMB27,377,000 and RMB32,852,000, respectively, for the corresponding period.

The Annual Caps are determined after taking into consideration:

- the historical transaction amounts for each of the three years ended 31 December 2011;
- the relevant aspects of services to be provided as auxiliary services to Beijing Gas in future;
- the relevant development plan of Beijing Gas for the twelfth five-year period; and
- the increase in costs and expenses arising from the adjustment of policies in the coming few years, and surge of costs of materials and personnel costs.

**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).

***Historical transaction figures***

The revenue of Beijing Gas Group Companies from selling gas and gas products to Beiran Enterprises Group Companies for the three years ended 31 December 2009, 2010 and 2011 amounted to approximately RMB186,320,000, RMB166,417,000 and RMB202,709,000, respectively.

### ***Annual Caps***

It is expected that the Annual Caps of Beijing Gas Group Companies' revenue from selling gas and gas products to Beiran Enterprises Group Companies for each of the three years ending 31 December 2012, 2013 and 2014 will be approximately RMB45,460,000, RMB53,643,000 and RMB64,371,000, respectively.

The Annual Caps are determined after taking into consideration:

- the historical transaction amounts for each of the three years ended 31 December 2011; and
- the development plan of Beijing Gas for the twelfth five-year period.

### **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).

#### ***Historical transaction figures***

The expenditure of Beijing Gas Group Companies on goods purchased from Beiran Enterprises Group Companies was approximately RMB121,586,000, RMB48,773,000 and RMB68,309,000, respectively, for each of the three years ended 31 December 2009, 2010 and 2011. For the corresponding period, the revenue of Beijing Gas Group Companies from selling goods to Beiran Enterprises Group Companies amounted to approximately RMB20,548,000, RMB58,533,000 and RMB80,120,000, respectively.

#### ***Annual Caps***

It is expected that the Annual Caps of Beijing Gas Group Companies' expenditure for purchasing goods from Beiran Enterprises (together with its associates) will be approximately RMB77,189,000, RMB91,083,000 and RMB109,300,000, respectively, for each of the three years ending 31 December 2012, 2013 and 2014, and the Annual Caps of Beijing Gas Group Companies' revenue from selling goods to Beiran Enterprises Group Companies will be approximately RMB90,535,000, RMB106,832,000 and RMB128,198,000, respectively, for the corresponding period.

The Annual Caps are determined after taking into consideration:

- the historical transaction amounts for each of the three years ended 31 December 2011;
- the relevant development plan of Beijing Gas for the twelfth five-year period;
- the infrastructure, technology upgrade and future customer development plan of Beijing Gas;
- the change of raw materials and the surge of personnel costs for manufacturing in the future; and

- the operating costs and profit margin in the future.

**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. The prevailing total rent under the Renewed Leasing Contract is RMB61,772,000 per annum. 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. The prevailing total rent under Renewed Leasing Contract is RMB376,000 per annum. 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.

Beijing Gas and Beiran Enterprises negotiated the rents payable under the Renewed Leasing Contracts above in accordance with the present market rents and practices in the PRC.

### ***Historical transaction figures***

The rent receivable by Beiran Enterprises from Beijing Gas Group Companies for the leasing of relevant buildings were approximately RMB58,054,000, RMB61,892,000 and RMB65,118,000, respectively, for each of the three years ended 31 December 2009, 2010 and 2011. For the corresponding period, the rent receivable by Beijing Gas from Beiran Enterprises Group Companies for the leasing of relevant buildings were approximately RMB376,000, RMB376,000 and RMB376,000, respectively.

### ***Annual Caps***

Based on the historical transaction values, the presently agreed amount of rental payments and the valuation of the future market rental value of similar properties, it is expected that the Annual Caps of the rent payable by Beijing Gas Group Companies to Beiran Enterprises for the leasing of relevant buildings will be RMB61,772,000, RMB61,772,000 and RMB61,772,000, respectively, and the Annual Caps of the rent receivable by Beijing Gas from Beiran Enterprises Group Companies for the leasing of relevant buildings will be RMB376,000, RMB376,000 and RMB376,000, respectively, for each of the three years ending 31 December 2012, 2013 and 2014.

## **REASONS FOR AND THE BENEFITS OF THE RENEWED AGREEMENTS**

The Transactions have been taking place even before the Group's acquisition of Beijing Gas in 2007. Due to the long-term relationship with BE Group (together with its associates), the Directors (including the independent non-executive Directors) are of the view that it is for the benefit of the Group to continue to carry out the Transactions in the ordinary and usual course of business under the Renewed Agreements. They are of the view that the Renewed Agreements are on normal commercial terms, the terms therein (including the Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the Transactions and therefore none of them is required to abstain from voting on the Board resolution for considering and approving the Renewed Agreements and the Transactions.

## **IMPLICATIONS UNDER THE LISTING RULES**

Since Beiran Enterprises is a subsidiary of BE Group, which is the Company's ultimate controlling shareholder, Beiran Enterprises Group Companies are connected persons of the Company and each category of the Transactions constitutes continuing connected transactions for the Company under the Listing Rules. Since the highest Applicable Ratio calculated with reference to the highest Annual Cap of each of the five categories of the Transactions is more

than 0.1% but less than 5%, each of such categories of the Transactions constitutes continuing connected transactions subject to the reporting, annual review and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The audited figures (in HK\$ based on an exchange rate of HK\$1.00 = RMB0.87 for the year 2010 and an exchange rate of HK\$1.00 = RMB0.82 for the year 2011) of the annual aggregate transaction amounts of the transactions that continued to take place after the Original Agreements expired on 31 December 2009 during each of the two years ended 31 December 2010 and 31 December 2011 are set out below:

Category	Original Agreements	For the year ended 31 December	
		2011 (HK\$'000)	2010 (HK\$'000)
(A)	Engineering Services Framework Agreement	78,301	47,858
(B)	Comprehensive Services Framework Agreement	24,737	13,081
(C)	Sale and Purchase of Gas Framework Agreement	244,228	191,064
(D)	Sale and Purchase of Goods Framework Agreement	178,830	123,199
(E)	E.1 Leasing Contract (Beijing Gas Group Companies as tenants)	78,455	71,059
	E.2 Leasing Contract (Beiran Enterprises Group Companies as tenants)	464	464

Based on the annual aggregate transaction amounts for each of the years 2010 and 2011 as set forth above, each category (other than Category (B)) of the transactions (categorized based on agreements) which continued to take place after the Original Agreements expired on 31 December 2009 should have been subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules and the transactions under Category (B) are fully exempt from all the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.. However, while the non-fully exempt continuing connected transactions have continued to take place after the Original Agreements expired on 31 December 2009, the Company has inadvertently failed to notice that the Original Agreements had to be renewed and also failed to comply with all the applicable requirements under Chapter 14A of the Listing Rules until the recent enquiries made by the Stock Exchange.

The Directors (including the independent non-executive Directors) confirmed that such continuing connected transactions that have been taking place since 1 January 2010 have been entered into:

- (a) in the ordinary and usual course of business of the Company;
- (b) either on normal commercial terms or on terms no less favourable to the Company than terms available to or from Independent Third Parties; and
- (c) on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company will review its current internal control system with an aim to improving it, including measures to improve the communications and cooperation between the business units of the Group in the PRC and the finance and compliance teams in Hong Kong, so as to ensure timely compliance with the applicable requirements under the Listing Rules in respect of its continuing connected transactions going forward.

## **GENERAL INFORMATION**

The Company is 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). The Group is principally engaged in natural gas operations, brewery operations, sewage and water treatment operations, and toll road operations in the PRC.

Beijing Gas is a company incorporated in the PRC with limited liability. Beijing Gas Group Companies are principally engaged in supplying and sale of piped natural gas and related businesses in Beijing.

Beiran Enterprises is a company incorporated in the PRC with limited liability. The principal businesses of Beiran Enterprises Group Companies are supplying and sales of compressed natural gas and LPG; manufacturing, processing and sales of gas equipments and tools; construction of gas pipelines, installation of equipments, municipal gas, planning and design of thermal engineering projects, engineering survey, technical services for gas and heating, production of coke, sales of raw chemical materials; and property management, etc.

## 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" : 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
- "Applicable Ratios" : applicable percentage ratios as defined under Rule 14.07 of the Listing Rules
- "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

"Circular"	:	the circular of the Company to the Shareholders dated 30 April 2007
"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(s)"	:	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
"Group"	:	the Company and its subsidiaries
"HK\$"	:	Hong Kong dollar(s), the lawful currency of Hong Kong
"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

"Original Agreements"	:	the agreements dated 10 April 2007 relating to certain continuing connected transactions for the Company as disclosed in the paragraph headed "VI. Connected Transactions and Continuing Connected Transactions - Continuing Connected Transactions" in the "Letter from the Board" contained in the Circular
"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"	:	the agreements dated 27 August 2012 made between Beijing Gas and Beiran Enterprises, details of which are set out in the section headed "Renewed Agreements" in this announcement
"RMB"	:	Reminbi, the lawful currency of the PRC
"Stock Exchange"	:	The Stock Exchange of Hong Kong Limited
"Shareholders"	:	shareholders of the Company
"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**  
**Zhang Honghai**  
Vice Chairman

Hong Kong, 27 August 2012

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

\* For identification purposes only