



北京控股有限公司  
BEIJING ENTERPRISES HOLDINGS LIMITED

**2011 Annual Results**

**Financial Highlights**

	<u>For the year ended 31 December</u>		
	2011	2010	Change
	Audited (HK\$'000)	Audited (HK\$'000)	
Revenue	30,471,759	27,612,778	+ 10.4%
Gross Profit	6,734,075	6,399,225	+ 5.2%
Profit Attributable to Shareholders of the Company	2,775,880	2,639,278	+ 5.2%
Basic Earning Per Share (HK dollar)	2.44	2.32	+ 5.2%

(Hong Kong, 30 March 2012) – Beijing Enterprises Holdings Limited (the “Company” or the “Group”) (stock code: 392) today announced its annual results for the year ended 31 December 2011. The revenue of the Group was HK\$30.47 billion for 2011, increased by 10.4% over last year. Profit attributable to shareholders of the Company was HK\$2.78 billion, increased by 5.2% compared to last year. The board of directors of the Company resolved to declare a final dividend of HK45 cents per share.

Profit attributable to shareholders of the Company contributed by each business segment during the year are set out as follows:

	<b>Profit attributable to shareholders of the Company HK\$'000</b>	<b>Proportion %</b>
Piped gas operation	2,265,506	73.0
Beer production operation	441,889	14.2
Sewage and water treatment operations	411,043	13.3
Expressway and toll road operations	<u>(16,038)</u>	<u>(0.5)</u>
Profit from major operations	3,102,400	100
Other operations and headquarter expenses	(408,850)	
Non-operating gain, net	<u>82,330</u>	
Profit attributable to shareholders of the Company	<u><u>2,775,880</u></u>	

## MANAGEMENT ANALYSIS AND DISCUSSION

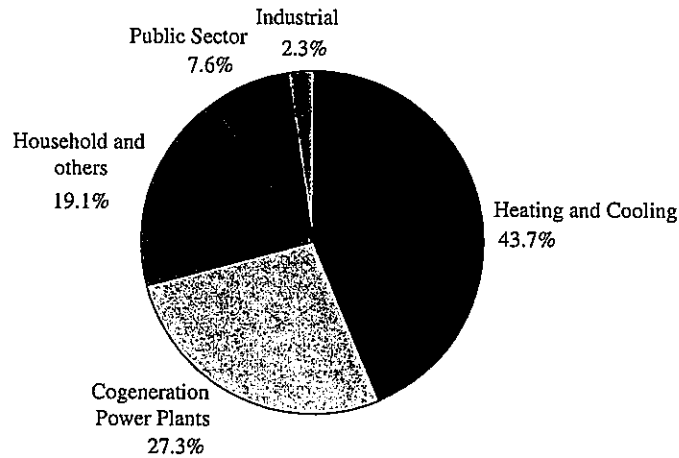
### I. Business Review

#### *Natural Gas Distribution Business*

Beijing Gas Group Company Limited (“Beijing Gas”) recorded a gas sales volume of 6.47 billion cubic meters in 2011, on par with last year. The revenue amounted to HK\$16.46 billion, representing a year-on-year growth of 16.6%. Net profit amounted to HK\$965 million, representing a year-on-year growth of 23.8%.

In 2011, there were about 210,495 new subscribers, of which 207,000 were household subscribers and 3,495 were public sector subscribers. At the end of 2011, total number of natural gas subscribers had reached 4,320,000 and operation pipelines increased to over 14,000 kilometres. During the year, the heating boilers capacity developed was 3,300 t/h steam with the loading of 220t/h steam in summer. Capital expenditure for basic pipeline infrastructure amounted to RMB1.6 billion.

The sales volume of Beijing Gas in 2011 was approximately 6.47 billion cubic meters, the analysis by user sector is as follows:



The reason that led to a lower sales volume of Beijing Gas than the target growth was due to the aggregate impact of various factors. Firstly, the relatively higher temperature in the beginning of the year resulted a significant decrease in heating gas consumption. Secondly, gas consumption for power generation did not attain the expected target. At the same time, the difficulties in reducing costs and increasing sales were also fuelled by the macroeconomic control measures promulgated by the State and Beijing City, the continuous increase in overall commodity prices, and the improvement in social awareness of energy conservation. The Company played an active role and took various measures of “increasing revenue while cutting down costs, tapping potential and improving efficiency” rapidly to speed up the development of subscribers and optimize the gas consumption structure. Whilst strengthening the management on sales measurement and reducing the wastage rate, the Company increased its efforts in accounts receivables collection and tightened the control on expenditures, and at the same time, the Company reinforced its coordination and communication with the upstream businesses. These measures had significantly offset the impact of adverse factors.

In respect of market development, the construction of Huairou-Miyun pipeline has been completed for gas supply, which completed the entire suburban market coverage. By focusing on the suburban areas and new cities and integrated the construction of major towns and industrial parks, we expanded the depth and width of gas consumption in the sub-urban districts and counties. The newly developed resident subscribers in the rural districts accounted for over 45.5% of new subscribers in the city. We achieved the connection of Mentougou with the major pipeline network of urban area. Further, we completed the acquisition of Huairou Fuhuadadi Gas Co. Ltd. (懷柔富華大地燃氣公司) and signed an agreement with ENN Energy to acquire the companies like Xinao Changping (新奧昌平) and Minyun (密雲) and realized the wholesale gas supply in Pinggu District, whereby the whole city excluding Yanqing County are operated under the same tariff system in the same pipeline network.

With our persistence in “Co-development of Two Gas”, the Company strengthened the coordination and continued to explore the natural gas market in sub-urban districts and counties. A cooperation model of multi-layer and diversified format between the subsidiaries in each region and Luyuanda (綠源達) was formed.

We tackled difficulties during the course of project construction during the year and made progressive contribution in market development to secure the progress of pipeline network. Through our unweaving efforts, Huairou-Minyun pipeline had commenced gas supply and realized our commitment towards the government and people in the sub-urban districts. The construction of the external network of Huaneng Thermal Power Plant (華能熱電廠) Phase II had been completed and gas supply had commenced, with the power plant starting its trial operation. The gas supply project of Caoqiao Thermal Power Plant (草橋熱電廠) had completed its planning scheme, and preliminary work was progressing as planned. The preliminary works of urban ancillary pipelines for Gaojing Thermal Power Plant (高井熱電廠), Gaoantun Thermal Power Plant (高安屯熱電廠), Xiji Gateway Station (西集門站) and No. 4 Shaanxi-Beijing Pipeline (陝京四線) were also progressed as scheduled.

We took an active attitude in developing quality load in summer. The trial operation of natural gas conversion project for restaurants in the key regions of Beijing was developed aggressively. By signing a cooperation agreement with Beijing Municipal Road & Bridge Building Material Group Co. Ltd., we initiated the gas conversion of asphalt plant and it was expected to increase the gas consumption of 37 million cubic meters per year upon completion. We established regular communication mechanism with Municipal Environmental Protection Bureau and created favourable conditions for the implementation of coal-to-gas conversion projects. We continued to cooperate with each district government to carry out the connection of gas pipes to old buildings for a total 176,000 subscribers and had commenced gas supply for 160,000 subscribers.

The implementation conditions for a number of cooling-heating-power supply projects are becoming matured, among which some projects had achieved substantial progress. The cooling-heating-power supply project in Zhongguancun Software Park had commenced the construction. The parties which include Qinghe Hospital (清河醫院) had reached a memorandum of understanding with the Group companies in respect of the cooling-heating-power supply project. By integrating the original businesses like LNG and CNG and the development of the research work with automobile research institutions of colleges and universities, we commenced the planning and deployment of the gas stations and the construction of Ciqu LNG Demonstration Station.

Various external investment projects were progressing in a stable manner. Datang Coal-to-gas Conversion Project progressed smoothly, and the Company had already made a capital contribution of RMB1.33 billion. The Inner Mongolia Niaoshenqi (烏審旗) LNG Project, a cooperation project with Shenzhen Gas Corporation, had commenced its construction, and it is the first LNG project invested by the Group. Beijing Gas Hetian Gas Company Limited (北京燃氣和田燃氣有限公司) was officially established, and the construction of Phase I natural gas pipe in Beijing Industry Park had been completed smoothly. We completed the acquisition of the equity interests in Beiran Shandong Company (北燃山東公司), thus creating favourable conditions for our development in Shandong Province. Currently, we have successfully carried out over 10 investment projects in regions outside Beijing including Liaoning, Hebei, Shandong, Inner Mongolia and Xinjiang, thereby basically establishing the regional investment layout.

### ***Natural Gas Transmission Business***

PetroChina Beijing Natural Gas Pipeline Company Limited (中石油北京天然氣管道有限公司) (“PetroChina Beijing Pipeline Co.”), a company in which Beijing Gas holds 40% equity interests, achieved a gas transmission volume of 20.3 billion cubic meters in 2011, a year-on-year increase of 17.7%. Profit after taxation attributable to the Company amounted to HK\$1.3 billion, a year-on-year increase of 11.1%. The slowdown in profit growth was mainly attributable to the impact of additional amortization of the compression system pertaining to No. 3 Shaanxi-Beijing Pipeline.

## ***Beer Business***

Beijing Yanjing Brewery Co., Ltd. (北京燕京啤酒有限公司) (“Yanjing Beer”) achieved a stable growth for its principal economic indicators in 2011, with sales volume of beer reaching 5.51 million thousand-litres, representing a year-on-year increase of approximately 10%. Revenue amounted to HK\$13.37 billion, marking an increase of 26.9% over last year. Profit attributable to shareholders of the Company amounted to approximately HK\$442 million, marking an increase of 8.8% over last year. Yanjing Beer maintained a faster revenue increase over its growth in sales volume. Revenue from the principal business recorded a higher growth, demonstrating that the product mix adjustment had achieved a positive impact and thereby per ton revenue was greatly enhanced. The net profit growth was slowing down, mainly due to the substantial increase of the prices of raw and auxiliary materials and energy and had directly affected the production costs. The prices of certain raw materials like malt, hops, rice and starch had increased substantially during the year. Labor costs also had continued to rise. In addition, certain new bottling lines outside Beijing had incurred higher start-up costs, and currently has not yet reached economies of scale, which in turn had dragged down the profit growth.

In 2011, the total value of the four brands under Yanjing Beer umbrella amounted to RMB28.818 billion, of which, “Yanjing” brand value amounted to RMB19.3 billion, the total value of the remaining three brands, namely, “Liquan (漓泉)”, “Huiquan (惠泉)” and “Xuelu (雪鹿)”, amounted to RMB9.518 billion. The Company continued to optimize the product mix, brand and market structure to ensure the growth in market development and economic benefits.

For the expansion of production capacity, the completed projects in 2011 had generated additional production capacity of 400 thousand tons. Firstly, Gangzhou Company was relocated from the city to industrial park and the operation commenced in June 2011. Its investment amount was RMB250 million and achieved a production capacity of 100 thousand tons. Secondly, the factory of Hohhot City Company had relocated from the urban area to suburban area and the operation commenced in June 2011. It has an investment amount of RMB250 million and achieved a production capacity of 100 thousand tons. Thirdly, the construction of Yanjing Jinzhong Company’s Phase I project of 100 thousand tons had been completed in March 2011, with a total investment of RMB280 million. Fourthly, an expansion project of the 100 thousand tons capacity under Sichuan Yanjing had been fully completed in May 2011 with an investment amounted to RMB180 million, brought along new production capacity of 200 thousand tons.

### ***Sewage and Water Treatment Operation***

The sewage treatment business of the Group carried out through Beijing Enterprises Water Group Limited (“BE Water”) (stock code: 371) continued to achieve a rapid development in 2011. During the year, the Group secured multi-module development strategy, with a new growth of water processing capacity of 2.9 million tons/day.

As of 31 December, in the 18 provinces across the country, BE Water owned a total of 126 water plants of different categories, of which, 101 were sewage treatment plants, 20 were water treatment plants, 4 were reclaimed water plants and 1 was desalination plant. Total completed operating treatment capacity was 5.08 million tons/day, of which, sewage processing capacity was 3.77 million tons/day, water supply capacity was 1.13 million tons/day, reclaimed water capacity was 0.18 million tons/day. The capacity of water plants not yet commenced operation was 3.65 million tons/day, of which sewage processing capacity was 2 million tons/day, water supply capacity was 1.39 million tons/day and reclaimed water capacity was 0.21 million tons/day and desalination capacity was 0.05 million tons/day. The actual treatment volume was 1,128 million tons in 2011, representing a growth of 84% over last year. Revenue from the operation of BE water was HK\$2.65 billion, and profit attributable to its shareholders was HK\$601 million, representing a growth of 17.2% over last year. Net profit for the year attributable to the Company was HK\$265 million, representing a growth of 6.5% over last year. The relative faster profit growth in 2011 was primarily due to the soaring increase in processing charges and consulting service revenue after the new sewage treatment plants were put into operation.

As for water purification business, net profit of water concession of Beijing No. 9 Water Treatment Plant attributable to the Group was approximately HK\$146 million (2010: HK\$138 million) with its concession term still has 7 years to go.

### ***Toll Roads Business***

The toll charging traffic volume of the Airport Expressway in 2011 further came down to 26.34 million (2010: 28.03 million) vehicles. The toll revenue amounted to HK\$234 million, representing a year-on-year decrease of 25%. Profit attributable to shareholders of the Company was HK\$6.27 million, posting a year-on-year decline of 92.6%. In 2011, Shenzhen Shiguan Road’s revenue dropped significantly and attributable loss to the Company was HK\$22.3 million.

## II. Prospects

### *Natural Gas Distribution Business*

As the capital and financial centre of China, Beijing will contribute intensive resources to control the environment and improve air quality. Recently, Beijing had introduced the PM2.5 indicator monitoring system. For fulfilling such indicators, Beijing will gradually set up new gas power generation plants. According to the plan of Beijing Municipal Development and Reform Commission, 70%-80% of the power demand in Beijing will be supplied by gas power plant by 2015, in which it will significantly reduce the emission levels of suspended particulate matters and sulphur dioxide. Starting from this year, several mega-size gas thermal power plants, including Caoqiao, Gaoantun and Gaojing Thermal Power Plants, will be constructed and put into operation one after another to meet the planned indicators. Phase II of Huaneng Thermal Power Plant, which is fully operational this year, will make a significant contribution to the gas consumption in 2012.

Beijing Gas is further increasing its development momentum in suburban areas. It will accelerate the optimization of its strategic layout for the Group in suburban areas and counties by integrating various resources and by leveraging on the comprehensive advantages of the Group under the “Co-development of Two Gas”, i.e. pipeline gas and compressed gas, it will thereby form a new growth point for the Group. In the Tongzhou, Fangshan, Daxing and Changping regions, it will increase pipe network density to expand and deepen gas consumption, and further expand the gas supply. The companies in Pinggu, Huairou and Miyun will fully leverage on the advantage of gas sources to speed up the construction of pipeline branch networks and facilities in the regions, so as to further expand the market coverage to attain a gas supply economy of scale. The Group will adopt more flexible market strategies in Shunyi, Mentougou and Yanqing regions, and continue to facilitate the cooperation with local governments and dominant gas enterprises, striving to achieve a breakthrough to develop and achieve a full coverage in suburban markets.



### ***Natural Gas Transmission Business***

PetroChina Beijing Pipeline Company (中石油北京管道公司) had completed the Liangxiangmen gateway construction for the No. 3 Shaanxi-Beijing Pipeline project at the end of February 2012 with the gas supply for the whole network commenced. Currently, the integrated gas transmission capacity of No. 3 Pipeline is more than 10.0 billion cubic meters per annum, and upon the testing and commencement of operation of the compression facility, it will further increase to 15 billion cubic meters per annum. Annual gas transmission capacity of the entire Shaanxi-Beijing Pipeline system will reach 35 billion per annum by the end of 2012, which will be sufficient to meet the demand growth in next few years. The No. 4 Shaanxi-Beijing Pipeline with a designed gas transmission capacity of more than 10 billion has been actively planned. It is expected that such pipeline will commence its construction at the beginning of next year, and put into use by the end of 2014.

### ***Beer Business***

Yanjing Brewery is proactively expanding its production capacity through acquisition as well as capacity expansion for existing projects. It plans to reach a production capacity of more than 10 million thousand-litres and sales volume of more than 8 million thousand-litres in five years. The prices of various raw materials has softened in the second half of last year, hence, the cost pressure in this year will be mitigated. In addition, the output of new beer plants outside Beijing will maintain a steady growth, with operation efficiency gradually improving, thereby making contributions to the overall profit.

## **III. Financial Review**

### ***Revenue***

The revenue of the Group in 2011 was approximately HK\$30.47 billion, increased by 10.4% compared with the revenue of HK\$27.61 billion in 2010. This was mainly driven by the stable growth of Beijing Gas' revenue and Yanjing Beer's revenue. Other business contributed an aggregate of not more than 3% of the total revenue.

### ***Cost of Sales***

Cost of sales increased by 11.9% to HK\$23.74 billion. The cost of sales for gas distribution business included purchase cost of natural gas as well as depreciation of piped line network. Cost of sales of beer operations includes raw materials, wage expenses and absorption of certain indirect overhead.

### ***Gross Profit Margin***

Overall gross profit margin was 22.1% as compared to 23.2% in 2010. The decrease in gross profit margin was mainly attributable to the increase in cost of sales of Beijing Gas and the resident gas tariff was unable to increase proportionately. Owing to the significant increase in raw materials costs and energy charges, the significantly higher cost of sales of Yanjing Beer had lowered its gross profit margin. Natural gas distribution business had an average gross profit margin of approximately 12.5% which is lower than the higher margin of 33% for brewery business and water business due to different direct cost structure.

### ***Other Income***

Other income was mainly comprised of the income on disposal of property and fixed assets amounted to HK\$127 million, government grants amounted to HK\$197 million, transfer of piped line network amounted to HK\$157 million and bank interest income amounted to HK\$151 million and so on.

### ***Selling and Distribution Costs***

Selling and distribution costs of the Group in 2011 increased by 33.1% to HK\$2.2 billion and was mainly due to many new breweries outside Beijing had commenced operation and the launching of more new products of Yanjing Beer during the year, recruitment of a large number of new sales staff and higher increase in marketing expenses.

### ***Administration Expenses***

Administration expenses of the Group in 2011 were HK\$2.44 billion, increased by 15.3% comparing to last year. The increase in administration expenses was mainly due to the continuing expansion of the scale of beer business and gas distribution business and increase in related wages and fixed costs.

### ***Finance Costs***

Finance costs of the Group in 2011 was HK\$647 million, increased significantly by 72.7% comparing to HK\$374 million in 2010, which was mainly due to the issuance of corporate bonds of US\$1 billion in May 2011.

### ***Share of Profits and Losses of Jointly Controlled Entities***

This mainly represents the 40% share of the profit after taxation of PetroChina Beijing Pipeline Co. PetroChina Beijing Pipeline Co. is 40% owned by Beijing Gas and 60% owned by PetroChina. The primary business of PetroChina Beijing Pipeline Co. is natural gas transmission which supplies natural gas to city gas operators along the three long piped lines with an approximate total length of 3,000 kilometers owned by PetroChina Beijing Pipeline Co. The decrease in gross profit margin of PetroChina Beijing Pipeline Co. was mainly due to the additional increase in amortization and depreciation charge of approximately RMB600 million per year after the No. 3 Shaanxi-Beijing Pipeline had commenced operation in the beginning of the year.

### ***Share of Results of Associate Companies***

The Group's share of net profits of BE Water amounted to HK\$265 million and share of net profit of Beijing Development (Hong Kong) Limited, amounted to HK\$22.15 million in 2011, both companies were major associates.

### ***Tax***

After deducting the non-taxable other income of more than HK\$683 million, the effective income tax rate is approximately 16.4%. The decrease in effective income tax rate in 2011 was mainly due to the tax benefits of a corporate tax rate of 15% granted to the distribution business of Beijing Gas for the year.

### ***Profit Attributable to Shareholders***

The profit attributable to the shareholders of the Company for the year ended 31 December 2011 was HK\$2.776 billion (2010: HK\$2.639 billion).

#### **IV. Financial Position of the Group**

##### ***Capital expenditure and fixed assets***

The net book value of property, plant and equipment increased by HK\$3.8 billion. Beijing Gas contributed a capital expenditure of approximately HK\$2.5 billion in gas distribution business. The capital expenditure of Yanjing Beer was approximately HK\$2.0 billion.

##### ***Interest in associates***

During 2011, Beijing Gas contributed capital of HK\$1.57 billion to Datang's coal to gas project in Keqi, Inner Mongolia, and the Company contributed a capital of HK\$1.5 billion to Beijing Enterprises Water Group Limited, resulting in a significant increase in equity interest in both companies.

##### ***Cash and Bank Borrowings***

As at 31 December 2011, cash and bank deposits held by the Group amounted to HK\$12.62 billion. At the end of the reporting period, the Group had a strong net working capital of HK\$7.21 billion. The Group will maintain sufficient banking facilities for its working capital requirement and has sufficient cash resources to finance its capital expenditures in the foreseeable future.

The Group's bank and other borrowings amounted to HK\$20.19 billion as at 31 December 2011, which mainly comprised of two corporate bonds totalling of US\$1 billion, five year syndicated loans amounting to HK\$5.1 billion and convertible bonds amounting to HK\$2.71 billion with the rest working capital loans of HK\$4.68 billion denominated in Renminbi and Hong Kong dollars. Around 52.2% of the bank loans were denominated in Hong Kong dollars with the rest mainly in Renminbi. The Group was in a net debt position of HK\$7.57 billion as at 31 December 2011.

### ***Liquidity and Capital Resources***

The downstream gas distribution business and brewery business has been constantly contributing to the operating cash flow of the Group and significantly increased its liquidity. During the year under review, there was no significant movement in the issued capital of the Company. As at the end of 2011, the issued capital of the Company amounted to 1,137,571,000 shares and the shareholders' equity grew to HK\$37.61 billion. Total equity was HK\$45.2 billion comparing to HK\$40.94 billion as at the end of 2010.

Given the primarily cash nature business of gas distribution, toll roads, brewery and water concession, the Group is benefiting from very strong recurring cash flow and is well positioned to capture investment opportunities in the future. The Group will continue its stable dividend distribution policy and at least 30% of its recurring earnings per share will be used for dividend distribution.

### **DIVIDEND**

The Directors of the Company recommended the payment of a final dividend of HK45 cents per share for the year ended 31 December 2011 payable to shareholders whose names appear on the register of members of the Company on 21 June 2012. Subject to the approval of shareholders at the forthcoming annual general meeting, the final dividend will be paid on or around 18 July 2012.

### **ANNUAL GENERAL MEETING**

The 2012 annual general meeting will be held on Monday, 11 June 2012. The notice of the 2012 annual general meeting, which constitutes part of the circular to shareholders, will be sent to all shareholders and will be published on the Company's website ([www.behl.com.hk](http://www.behl.com.hk)) and The Stock Exchange of Hong Kong Limited ("Stock Exchange") website ([www.hkexnews.hk](http://www.hkexnews.hk)) in due course.

## CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2011

	2011 HK\$'000	2010 HK\$'000
REVENUE	30,471,759	27,612,778
Cost of sales	<u>(23,737,684)</u>	<u>(21,213,553)</u>
Gross profit	6,734,075	6,399,225
Gain on deemed disposal of interest in a subsidiary	-	170,911
Other income and gains, net	872,925	421,951
Selling and distribution costs	(2,200,075)	(1,653,117)
Administrative expenses	(2,442,252)	(2,117,412)
Fair value gain/(loss) on the derivative component of convertible bonds	239,130	(214,184)
Other operating expenses, net	<u>17,962</u>	<u>(203,457)</u>
PROFIT FROM OPERATING ACTIVITIES	3,221,765	2,803,917
Finance costs	(646,643)	(374,458)
Share of profits and losses of:		
Jointly-controlled entities	1,300,189	1,168,658
Associates	<u>373,392</u>	<u>196,449</u>
PROFIT BEFORE TAX	4,248,703	3,794,566
Income tax	<u>(583,456)</u>	<u>(684,850)</u>
PROFIT FOR THE YEAR	<u><u>3,665,247</u></u>	<u><u>3,109,716</u></u>
ATTRIBUTABLE TO:		
Shareholders of the Company	2,775,880	2,639,278
Non-controlling interests	<u>889,367</u>	<u>470,438</u>
	<u><u>3,665,247</u></u>	<u><u>3,109,716</u></u>
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		
Basic	<u>HK\$2.44</u>	<u>HK\$2.32</u>
Diluted	<u>HK\$2.38</u>	<u>HK\$2.27</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2011

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
<b>ASSETS</b>		
Non-current assets:		
Property, plant and equipment	26,317,184	22,244,006
Investment properties	681,096	215,637
Prepaid land premiums	1,275,264	1,233,403
Goodwill	7,453,561	7,245,773
Operating concessions	1,225,011	1,255,902
Other intangible assets	23,681	14,208
Investments in jointly-controlled entities	210,878	6,102,491
Investments in associates	12,573,986	3,109,858
Amounts due from contract customers	566,032	223,672
Receivables under service concession arrangements	1,588,046	1,699,231
Prepayments, deposits and other receivables	430,583	301,228
Available-for-sale investments	917,412	1,005,154
Deferred tax assets	594,721	598,157
Total non-current assets	<u>53,857,455</u>	<u>45,248,720</u>
Current assets:		
Properties held for sale	27,611	–
Prepaid land premiums	30,165	27,643
Inventories	5,285,611	3,726,623
Amounts due from contract customers	46,631	2,105
Receivables under service concession arrangements	1,003,260	900,524
Trade and bills receivables	1,586,438	1,347,008
Prepayments, deposits and other receivables	2,313,196	899,533
Other taxes recoverable	588,996	303,906
Restricted cash and pledged deposits	36,631	125,932
Cash and cash equivalents	12,579,439	14,446,800
Total current assets	<u>23,497,978</u>	<u>21,780,074</u>
<b>TOTAL ASSETS</b>	<u><u>77,355,433</u></u>	<u><u>67,028,794</u></u>

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to shareholders of the Company</b>		
Issued capital	113,757	113,737
Reserves	36,984,003	33,642,355
Proposed final dividend	511,907	511,817
	<u>37,609,667</u>	<u>34,267,909</u>
<b>Non-controlling interests</b>	<b>7,587,062</b>	<b>6,668,352</b>
<b>TOTAL EQUITY</b>	<b><u>45,196,729</u></b>	<b><u>40,936,261</u></b>
<b>Non-current liabilities:</b>		
Bank and other borrowings	4,070,115	7,227,253
Guaranteed senior notes	7,699,084	–
Liability component of convertible bonds	2,711,835	2,650,489
Derivative component of convertible bonds	61,783	292,384
Defined benefit plans	522,390	470,515
Provision for major overhauls	196,157	140,192
Other non-current liabilities	239,320	157,081
Deferred tax liabilities	371,353	364,053
	<u>15,872,037</u>	<u>11,301,967</u>
<b>Current liabilities:</b>		
Trade and bills payables	1,904,594	4,553,753
Amounts due to contract customers	123,822	59,409
Receipts in advance	3,446,916	3,093,232
Other payables and accruals	4,430,794	3,769,162
Income tax payables	342,313	626,774
Other taxes payables	333,277	367,927
Bank and other borrowings	5,704,951	2,320,309
	<u>16,286,667</u>	<u>14,790,566</u>
<b>TOTAL LIABILITIES</b>	<b><u>32,158,704</u></b>	<b><u>26,092,533</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>77,355,433</u></b>	<b><u>67,028,794</u></b>



**Beijing Enterprises Holdings Limited**  
**Segment analysis on major enterprises**

	2011		2010	
	Revenue	Net profit attributable to shareholders	Revenue	Net profit attributable to shareholders
	HKD'000	HKD'000	HKD'000	HKD'000
<i>Piped Gas Operation</i>				
Beijing Gas	16,460,277	2,265,506	14,119,396	1,948,718
<i>Brewery Operation</i>				
Yanjing Beer	13,373,398	441,889	10,544,813	406,090
<i>Sewage and Water Treatment Operations</i>				
Water Treatment Concession	195,693	146,023	196,786	137,950
BE Water Group	-	265,020	2,208,482	248,810
	195,693	411,043	2,405,268	386,760
<i>Expressway and Toll Road Operations</i>				
	288,401	(16,038)	391,833	87,978
<i>Other Operations</i>				
Other Enterprises	153,990	33,199	151,468	(23,844)
Headquarter and other expenses	-	(442,049)	-	(318,904)
	153,990	(408,850)	151,468	(342,748)
	<u>30,471,759</u>	<u>2,693,550</u>	<u>27,612,778</u>	<u>2,486,798</u>
Exceptional Items, net	(1)	<u>82,330</u>		<u>152,480</u>
<b>Total</b>		<u><u>2,775,880</u></u>		<u><u>2,639,278</u></u>

(1) Amount mainly represented the net of gain on deemed disposal of an associate of HKD26 million, provisions and fair value adjustments for certain assets totalling of HKD56 million.

\* \* \* \* \*

**About Beijing Enterprises Holdings Limited (0392.HK)**

*Beijing Enterprises Holdings Limited (“BEHL”) is the sole overseas listed conglomerate controlled by the Beijing Municipal Government for channeling capital, technology and management expertise from international markets into Beijing’s development priorities. After a series of divestitures, BEHL has successfully streamlined its assets portfolio and transformed itself into a diversified conglomerate with focus on infrastructure, utilities and consumer products. Its core assets include Beijing Gas Group Company Limited (the largest integrated citywide natural gas distributor in the PRC), Beijing Yanjing Brewery Co., Ltd., Beijing Enterprises Water Group Limited (0371.HK), Beijing Number 9 Water Treatment Plant concession, and Capital Airport Expressway, etc.*

*Currently, BEHL holds 45.18% interest in the A Share listed Yanjing Brewery Stock Company Limited (000729.Shenzhen), 44.11% interest in Beijing Enterprises Water Group Limited (0371. HK) which is BEHL’s major vehicle for investing in regional water projects in mainland China, and 42.87% interest in Beijing Development (Hong Kong) Limited (0154. HK) whose major activity is developing information technology business in Beijing.*

For more information, please visit the Group’s website at: <http://www.behl.com.hk>

**Enquiry**

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