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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)

REVISION OF ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Company's announcement dated 27 August 2012 relating to, inter alia, the Renewed Agreements entered into between Beijing Gas (being an indirect wholly-owned subsidiary of the Company) and Beiran Enterprises for three years from 1 January 2012 to 31 December 2014. The amount of the Transactions is subject to the Annual Caps and the Company is required to comply with the relevant requirements under Chapter 14A of the Listing Rules if any of the Annual Caps needs to be revised.

The Directors have been monitoring the amount of the Transactions and as of the date of this announcement, the Annual Caps for the Transactions in respect of 2012 and 2013 have not been exceeded. To comply with the policy of transforming from coal to gas power generation and heating by Beijing municipal government, Beijing Gas Group Companies is accelerating its pace to construct specialized high pressure pipelines for several new cogeneration power plants, West Sixth Ring high pressure pipelines, relevant inner city pipeline infrastructures for No. 4 Shaanxi-Beijing long haul transmission pipeline and inter-province pipeline network. After assessing the operation status, the Board considers that the Annual Caps in respect of years 2013 and 2014 for the Transactions are not enough to fulfill operation needs of the Group. The Board therefore has proposed to revise the Annual Caps for the Transactions in respect of years 2013 and 2014 in order to cater for the Group's operating requirement for each of the years ending 31 December 2013 and 2014. Other terms of the Renewed Agreements (including the basis upon which the consideration was determined) remain unchanged.

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 Revised 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 Company's announcement dated 27 August 2012 relating to, inter alia, the Renewed Agreements entered into between Beijing Gas (being an indirect wholly-owned subsidiary of the Company) and Beiran Enterprises for three years from 1 January 2012 to 31 December 2014:

<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 amount of the Transactions is subject to the Annual Caps and the Company is required to comply with the relevant requirements under Chapter 14A of the Listing Rules if any of the Annual Caps needs to be revised.

REASONS FOR AND THE BENEFITS OF REVISION OF ANNUAL CAPS

The Directors have been monitoring the amount of the Transactions and as of the date of this announcement, the Annual Caps for the Transactions in respect of 2012 and 2013 have not been exceeded. To comply with the policy of transforming from coal to gas power generation and heating by Beijing municipal government, Beijing Gas Group Companies is accelerating its pace to construct specialized high pressure pipelines for several new cogeneration power plants, West Sixth Ring high pressure pipelines, relevant inner city pipeline infrastructures for No. 4 Shaanxi-Beijing long haul transmission pipeline and inter-province pipeline network. After assessing the operation status, the Board considers that the Annual Caps in respect of years 2013 and 2014 for the Transactions are not enough to fulfill operation needs of the Group. The Board therefore has proposed to revise the Annual Caps for the Transactions in respect of years 2013 and 2014 in order to cater for the Group's operating requirement for each of the years ending 31 December 2013 and 2014. Other terms of the Renewed Agreements (including the basis upon which the consideration was determined) remain unchanged.

ANNUAL CAPS, HISTORICAL TRANSACTION FIGURES AND REVISED ANNUAL CAPS

Set out below are the Annual Caps, historical transaction figures and Revised Annual Caps in respect of each category under the Renewed Agreements:

<i>Category</i>	ANNUAL CAPS			HISTORICAL TRANSACTION FIGURES			REVISED ANNUAL CAPS	
	<i>For the year ended 31 December</i>			<i>For the year ended 31 December</i>			<i>For the year ended 31 December</i>	
	<i>2012 RMB'000</i>	<i>2013 RMB'000</i>	<i>2014 RMB'000</i>	<i>2010 RMB'000 (Audited)</i>	<i>2011 RMB'000 (Audited)</i>	<i>2012 RMB'000 (Audited)</i>	<i>2013 RMB'000</i>	<i>2014 RMB'000</i>
(A) Engineering service expenses	73,439	86,657	103,989	41,684	64,990	62,445	400,000	400,000
Engineering service income	10,000	10,000	10,000	0	0	6,238	100,000	100,000
(B) Comprehensive service expenses	5,000	5,000	5,000	0	0	0	100,000	100,000
Comprehensive service income	23,201	27,377	32,852	11,394	20,532	20,665	100,000	100,000
(C) Sale of gas	45,460	53,643	64,371	166,417	202,709	37,381	300,000	300,000
(D) Purchase of goods	77,189	91,083	109,300	48,773	68,309	20,196	200,000	200,000
Sale of goods	90,535	106,832	128,198	58,533	80,120	86,214	300,000	300,000
(E) Building rental expenses	61,772	61,772	61,772	61,892	65,118	58,097	100,000	100,000
Building rental income	376	376	376	376	376	249	500	500

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 the Transactions constitute continuing connected transactions for the Company under the Listing Rules. Since the highest Applicable Ratio calculated with reference to the highest Revised 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.

The Directors (including the independent non-executive Directors) confirmed that (i) the continuing connected transactions carried out since 1 January 2012 under the Renewed Agreements; and (ii) the revision of Annual Caps 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.

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 Revised Annual Caps.

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 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, the PRC.

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., in the PRC.

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
- "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
"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
"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
"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
Zhou Si
Vice Chairman

Hong Kong, 20 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