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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)

**US\$800,000,000 4.50% GUARANTEED SENIOR NOTES DUE 2022 AND
DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES**

Reference is made to the announcement dated 3 April 2012 of the Company in relation to the proposed issue of senior notes by the Issuer to be guaranteed by the Company.

The Board is pleased to announce that on 18 April 2012, New York time, the Company and the Issuer entered into a Purchase Agreement with the Initial Purchasers in connection with the issuance of the Notes.

The estimated net proceeds from the Notes Issue, after giving effect to the Initial Purchasers' underwriting commissions (but before giving effect to certain transaction-related expenses), will be approximately US\$791.3 million. The Issuer intends to advance the net proceeds from the Notes to the Company. The Company intends to use the net proceeds received to repay existing indebtedness, as general working capital of the Group and for general corporate purposes.

Approval in-principle has been obtained for the listing of the Notes on the Official List of the SGX-ST. Admission of the Notes to the Official List on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Company, its subsidiaries or associated companies or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this announcement.

INTRODUCTION

Reference is made to the announcement dated 3 April 2012 of the Company in relation to the proposed issue of the Notes by the Issuer to be guaranteed by the Company.

The Board is pleased to announce that on 18 April 2012, New York time, the Company and the Issuer entered into a Purchase Agreement with the Initial Purchasers in connection with the issuance of the Notes.

THE PURCHASE AGREEMENT

Date

18 April 2012

Parties to the Purchase Agreement

- (a) the Issuer;
- (b) the Company as the guarantor; and
- (c) the Initial Purchasers.

Bank of America Merrill Lynch, HSBC and Morgan Stanley are the Joint Global Coordinators, and Bank of America Merrill Lynch, HSBC, Morgan Stanley, DBS, ICBC International and SCB are the Joint Lead Managers and Bookrunners in respect of the offer and sale of the Notes. The Joint Global Coordinators and the Joint Lead Managers are the initial purchasers of the Notes. To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, the Initial Purchasers are independent third parties and are not connected persons of the Company.

The Notes and the Guarantee by the Company have not been, and will not be, registered under the U.S. Securities Act. Accordingly, the Notes are being offered or sold in the United States only to Qualified Institutional Buyers, as defined in, and in reliance on, Rule 144A, or pursuant to another applicable exemption from the registration requirements, under the U.S. Securities Act or outside of the United States in accordance with Regulation S under the U.S. Securities Act. The Notes will not be offered to the public in Hong Kong.

PRINCIPAL TERMS OF THE NOTES

Notes Offered

Subject to certain conditions to completion, the Issuer will issue the Notes in an initial aggregate principal amount of US\$800,000,000 which will mature on 25 April 2022 unless redeemed prior to their maturity pursuant to the terms thereof and of the Indenture. At maturity, the Notes are payable at their principal amount plus accrued interest thereon.

Issue Price

99.316%

Interest

The Notes will bear interest at a rate of 4.50% per annum, payable semi-annually in arrears on 25 April and 25 October in each year, commencing on 25 October 2012. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Ranking of the Notes and Guarantee

The Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* among themselves and at least *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, subject as described in the Indenture.

The Notes are unconditionally guaranteed as to the payment of the principal and interest in respect thereof and all other amounts payable under the Notes by the Issuer as evidenced by the Guarantee set forth in the Indenture and noted on the Notes. The Guarantee will constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and will rank at least *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations of the Company, subject as described in the Indenture.

Events of Default

The events of default under the Indenture include, among others:

- (a) default in the payment of principal or premium;
- (b) default in the payment of interest;
- (c) the Issuer or the Company defaults in the performance of or breaches any covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (a) or (b) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the holders of 25% or more in aggregate principal amount of the Notes;
- (d) there occurs with respect to any indebtedness of the Issuer, the Company or any of the Company's Subsidiaries having an outstanding principal amount of US\$40 million (or the dollar equivalent thereof) or more in the aggregate for all such indebtedness, whether such indebtedness now exists or shall thereafter be created, (A) an event of default that has caused the holder hereof to declare such indebtedness to be due and payable prior to its express maturity and/or (B) the failure to make a payment of principal, interest or premium when due;
- (e) one or more final judgments or orders for the payment of money are rendered against the Issuer, the Company or any of the Company's Subsidiaries and are not paid or discharged, and there is a period of 90 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such persons to exceed US\$60 million (or the dollar equivalent thereof);
- (f) the Issuer, the Company or any of the Company's Subsidiaries is insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend, payment of all or a material part of (or of a particular type of) its debts, or in other similar situations as described in the Indenture;
- (g) an order is made or an effective resolution passed for (i) the termination, winding-up or dissolution, administration or judicial management of the Issuer, the Company or any of the Company's Subsidiaries or (ii) the winding-up, dissolution, judicial management or administration of the Issuer, the Company or any of the Company's Subsidiaries, or the Issuer, the Company or any of the Company's Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of, and followed by, a reconstruction, amalgamation, reorganization, merger or consolidation on terms approved by a majority of holders of the Notes under the Indenture;

- (h) the Beijing Municipal Government declares a moratorium on the payment of any obligations by the Beijing Municipal Government; and
- (i) the Issuer ceases to be a subsidiary wholly-owned and controlled, directly or indirectly, by the Company.

If an event of default (other than an event of default described in clauses (f) and (g) above) with respect to the Notes shall occur and be continuing, either the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding by written notice as provided in the Indenture may declare the unpaid principal amount of the Notes and any accrued and unpaid interest thereon (and any additional amount payable in respect thereof) to be due and payable immediately upon receipt of such notice. If an event of default in clauses (f) or (g) above shall occur, the unpaid principal amount of all the Notes then outstanding and any accrued and unpaid interest thereon will automatically, and without any declaration or other action by the Trustee or any holder of Notes, become immediately due and payable. After a declaration of acceleration but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of at least a majority in aggregate principal amount of the Notes then outstanding may, under certain circumstances, waive all past defaults and rescind and annul such acceleration if all events of default, other than the non-payment of accelerated principal, have been cured or waived as provided in the Indenture.

Covenants

The Notes, the Indenture and the Guarantee will limit the ability of the Issuer, the Company and its subsidiaries to, among other things, create certain liens, or create guarantee or indemnity in respect of relevant indebtedness, or consolidate, merger or convey, transfer or lease its properties and assets substantially as an entirety unless certain conditions are satisfied.

Optional Redemption

The Issuer may, at any time upon giving not less than 30 nor more than 60 days' notice to holders of the Notes (which notice shall be irrevocable), redeem the Notes, in whole but not in part, at a redemption amount equal to the principal amount of the Notes plus any accrued but unpaid interest or, if higher, the Make Whole Amount.

Specific Performance Obligation of Substantial Shareholders

Upon completion of the Purchase Agreement, the Indenture will be executed and the Notes will be issued thereunder. The Indenture will provide that upon the occurrence of a Change of Control Triggering Event, the holder of each Note will have the right, at such holder's option, to require the Issuer to redeem all, or some only, of such holder's Notes at 101% of their principal amount, together with accrued interest.

Under the Indenture, a Change of Control occurs when:

- (a) the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality does not, directly or indirectly, through Beijing Enterprises Group Company Limited or other companies under its supervision and control, hold at least 50.1% of the Company's issued and outstanding capital stock or does not control the Company; or
- (b) any person or persons acting together acquires directly or indirectly control of the Company if such person or persons does not have, and would not be deemed to have, control of the Company on the Closing Date; or
- (c) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company's assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring control over the Company or the successor entity; or
- (d) one or more persons (other than any person referred to in sub-paragraph (c) above) acquires the legal or beneficial ownership of all or substantially all of the Company's issued share capital.

Please note that the disclosure of this term under the Indenture is made in accordance with Rule 13.18 of the Listing Rules.

Reason for the Notes Issue

The Group is one of the leading conglomerates in the PRC primarily engaged in gas transmission and distribution, water utilities, brewery operations and toll road operations. The Issuer, a company incorporated in British Virgin Islands, is a wholly-owned subsidiary of the Company.

If the Notes are issued, the Issuer intends to advance the net proceeds from the Notes to the Company. The Company intends to use the net proceeds received to repay existing indebtedness, as general working capital of the Group and for general corporate purposes.

Listing and Rating

Approval in-principle has been obtained for the listing of the Notes on the Official List of the SGX-ST. Admission of the Notes to the Official List on the SGX-ST is not be taken as an indication of the merits of the Issuer, the Company, its subsidiaries or associated companies or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this announcement. No listing of the Notes has been or will be sought in Hong Kong.

The Notes have received a rating of “Baa1” from Moody’s and “A-” from S&P.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

- “Board” : the board of Directors
- “Bank of America
Merrill Lynch” : Merrill Lynch International
- “Business Day” : means a day in The City of New York and Hong Kong other than a Saturday, Sunday or a day on which banking institutions or trust companies in The City of New York or Hong Kong are authorized or obligated by law, regulation or executive order to remain closed
- “Change of Control
Triggering Event” : means a Change of Control, provided that, in the event that the Notes are, on the Rating Date (as defined in the Indenture), rated Investment Grade (as defined in the Indenture) by two or more Rating Agencies (as defined in the Indenture), a Change of Control Triggering Event shall mean the occurrence of both a Change of Control and a Rating Decline (as defined in the Indenture)
- “Closing Date” : 25 April 2012
- “connected person” : has the meaning ascribed to it under the Listing Rules
- “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

“DBS”	: DBS Bank Ltd.
“Directors”	: the directors of the Company
“Group”	: the Company and its subsidiaries
“Guarantee”	: the guarantee given by the Company with respect to the Issuer’s obligations under the Notes and the Indenture
“Hong Kong”	: the Hong Kong Special Administrative Region of the PRC
“HSBC”	: The Hongkong and Shanghai Banking Corporation Limited
“ICBC International”	: ICBC International Capital Limited or ICBC International Securities Limited, as the case may be
“Indenture”	: the indenture governing the Notes and the Guarantee
“Initial Purchasers”	: Bank of America Merrill Lynch, HSBC, Morgan Stanley, DBS, SCB, and ICBC International Securities Limited
“Issuer”	: Talent Yield Investments Limited (傑益投資有限公司), a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Joint Global Coordinators”	: Bank of America Merrill Lynch, HSBC and Morgan Stanley
“Joint Lead Managers and Bookrunners”	: Bank of America Merrill Lynch, HSBC, Morgan Stanley, DBS, ICBC International and SCB
“Listing Rules”	: The Rules Governing the Listing of Securities on the Stock Exchange

“Make Whole Amount”	: means an amount determined on the fifth Business Day (that is a Business Day in the City of New York) before the redemption date by the Calculation Agent (as defined in the Indenture) to be equal to the sum of (i) the present value of the principal amount of the Notes, assuming a scheduled repayment thereof on the Maturity Date, plus (ii) the present value of the remaining scheduled payments of interest to and including the Maturity Date, in each case discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months and, in the case of an incomplete month, the actual number of days elapsed) at the Treasury Yield (as defined in the Indenture) plus 20 basis points
“Maturity Date”	: means 25 April, 2022
“Moody’s”	: Moody’s Investors Service, Inc., a subsidiary of Moody’s Corporation
“Morgan Stanley”	: Morgan Stanley & Co. International plc
“Notes”	: US\$800,000,000 4.50% guaranteed senior notes due 2022 issued by the Issuer and guaranteed by the Company
“Notes Issue”	: the issue of the Notes by the Issuer
“PRC”	: the People’s Republic of China
“Purchase Agreement”	: the purchase agreement dated 18 April 2012 entered into between the Issuer, the Company and the Initial Purchasers
“SCB”	: Standard Chartered Bank
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Stock Exchange”	: The Stock Exchange of Hong Kong Limited

“Subsidiary”	: means, in relation to the Issuer or the Company, any company (i) in which the Issuer or as the case may be, the Company holds a majority of the voting rights or (ii) of which the Issuer or, as the case may be, the Company is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer or as the case may be, the Company is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer or as the case may be, the Company
“S&P”	: Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.
“Trustee”	: HSBC Bank USA, National Association, as trustee of the Notes
“United States”	: the United States of America
“U.S. Securities Act”	: the United States Securities Act of 1933, as amended
“US\$”	: US dollar, the lawful currency of the United States of America
“%”	: per cent

By Order of the Board
Beijing Enterprises Holdings Limited
Zhang Honghai
Vice Chairman

Hong Kong, 19 April 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.