



北京控股有限公司

BEIJING ENTERPRISES HOLDINGS LIMITED

News Release

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2005 INTERIM RESULTS

Hong Kong 8th September 2005 – Beijing Enterprises Holdings Limited (the “Company”) (0392 HK) and its subsidiaries (the “Group”) announced today that the consolidated turnover and profit attributable to shareholders of the Company amounted to approximately HK\$5.14 billion and HK\$327 million respectively, representing 14.9% and 11.5% increase as compared to the corresponding period of last year. Basic earnings per share amounted to HK\$0.53. The Board will recommend an interim dividend of 10 cents per share.

The Vice Chairman and CEO of the Group, Mr. Zhang Hong Hai said, “The core businesses of the Group maintained steady growth in the first half of the year. The consolidated turnover increased by 14.9% to HK\$5.14 billion as compared to the corresponding period of last year. The profit attributable to shareholders of the Company increased by 11.5% to HK\$327 million as compared to the restated figures of last year. The asset restructuring of the Group achieved satisfactory results. With the completion of disposal of equity interests in San Yuan Foods, the results of the Group will no longer be dragged down by consolidating the loss of San Yuan Foods. The transaction brought an exceptional accounting gain of HK\$103 million in the first half of the year. ”

Infrastructure and Utilities

During the period, the traffic volume of the Capital Expressway increased by 10.68% to 21.24 million vehicles. Turnover increased by 9.7% to HK180 million. Profit attributable to the Group increased by 11% to HK\$104 million. The traffic volume of the Capital Expressway is showing signs of saturation and the Group will improve the efficiency of toll gates in order to relieve the pressure of traffic volume.

Water Treatment contributed a net profit of HK\$65.39 million for the period and remained a major source of cashflow for the Group. The operation of Shenzhen Guanshun Road was affected by improvement projects and traffic diversion, making the traffic volume for the first half decreased by 7.8 % to 5.01 million vehicles. Profit attributable to the Group was HK\$10.05 million.

Consumer Products

The business of Yanjing Brewery continued to grow. The sales volume during the period increased by 6.5% to 1.47 million tons. Turnover increased by 20% to HK\$2.146 billion. Profit attributable to the Group increased by 17.8% to HK\$77.71 million as compared to the corresponding period of last year. As certain convertible bondholders of Yanjing Brewery exercised the Convertible Bonds during the period, the Group's shareholding in Yanjing Brewery was diluted and a gain on deemed disposal attributable to the Group of HK\$11.18 million was recognised. If the above factor is not taken into consideration, the operating results have increased slightly compared to the corresponding period of last year. Yanjing Brewery was recently awarded the qualification of being a sponsor in the Beijing Olympic Games in 2008, which enhanced the acknowledgement of the brand name and leaving a positive impact on the market promotion of Yanjing Brewery.

The transfer of equity interests in San Yuan Foods was completed during the period and the Group no longer consolidated the loss of San Yuan Foods, making the overall results of consumer product business improved significantly.

Retail and Tourism Services

Turnover of Wangfujing Department Store increased significantly by 66% to HK\$2.25 billion. The increase was mainly attributable to the consolidated results with the new outlets and the acquisition of the controlling interests of Dong An Plaza and Shuang An Department Store. Although some new department stores have not achieved economies of scale and recorded temporary losses for the period, the contribution of Wangfujing Department Store to the Group's profit increased by 211% to HK\$11.84 million as compared to the corresponding period of last year.

For the tourism business, the number of tourists increased tremendously during the period and there saw a significant improvement in the results. However, due to the restructuring of its asset portfolio, the Group decided to withdraw from the tourism business. Subsequent to the balance sheet date, the Group entered into a sale and purchase agreement to dispose of its 75% equity interest in Beijing Badaling Tourism Company Limited. An exceptional accounting gain is expected to arise from this transaction and will be recognised in the second half of the year.

Other Businesses

Beijing Enterprises Ever Source Limited, in which the Group holds approximately 69.81% equity interest, was affected by the continuous macro economic measures introduced by the PRC Government in the first half of the year. Its results dropped significantly and recorded an operating loss of approximately HK\$13.67 million. The enterprise is now adjusting its direction of business and reinforcing its control over the collection of accounts receivable in order to consolidate its business. Despite short-term uncertainties, the technology possessed by Ever Source was further recognized by inspection organizations of the PRC and was granted beneficial policies. The contracts newly entered into by Ever Source in the first half of the year increased by 150,000 sq. m. compared to the corresponding period of last year, laying a good foundation for revival in the future.

The scale of other technology businesses and newly established businesses was not significant and the results of these businesses growth steadily as compared to the corresponding period of last year.

CAPITALISATION AND FINANCIAL POSITION

The financial condition of the Group remained stable. Equity attributable to equity holders of the parent increased to approximately HK\$8.08 billion while minority interests amounted to approximately HK\$3.83 billion as of 30th June, 2005. Total borrowings were HK\$3.88 billion. Net debt (total borrowings minus cash) was HK\$374 million at period end date, representing a 4.6% net debt to equity ratio. Bank borrowings were predominately in Renminbi with the remaining 20.1% in US Dollars.

Beijing Enterprises Holdings Limited 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. Its core businesses comprise infrastructure & utilities, consumer products, retail services and technology.

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

BEIJING ENTERPRISES HOLDINGS LIMITED
CONDENSED CONSOLIDATED BALANCE SHEET
30 JUNE 2005

	30th June, 2005	31st December, 2004
	Unaudited	Audited
	HK\$'000	HK\$'000
ASSETS		
Non-current assets:		
Fixed assets	7,544,098	6,338,571
Investment properties	342,722	342,722
Lease premium for land	444,418	430,193
Intangible assets	1,510,447	1,560,413
Goodwill	326,143	330,198
Interests in jointly-controlled entities	541,731	556,678
Interests in associates	283,893	590,869
Properties under development	141,558	132,032
Trade and bills receivables	14,667	69,310
Other receivables	187,656	176,881
Pledged bank balances	8,775	8,743
Available-for-sale financial assets	337,291	285,056
Deferred tax assets	49,181	62,747
	11,732,580	10,884,413
Current assets:		
Lease premium for land	8,176	8,176
Properties held for sale	59,364	62,990
Inventories	1,435,408	1,239,969
Amounts due from customers for contract work	32,533	16,915
Trade and bills receivables	1,156,360	790,034
Other receivables	988,170	825,359
Financial assets at fair value through profit or loss	82,555	50,202
Taxes recoverable	27,487	20,167
Pledged bank balances	23,722	45,168
Cash and cash equivalents	3,470,311	4,141,464
	7,284,086	7,200,444
Non-current assets classified as held for sale	-	1,304,733
	7,284,086	8,505,177
TOTAL ASSETS	19,016,666	19,389,590

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CONDENSED CONSOLIDATED BALANCE SHEET
30 JUNE 2005

	30th June, 2005	31st December, 2004
	Unaudited	Audited
	HK\$'000	HK\$'000
EQUITY AND LIABILITIES:		
Equity attributable to shareholders of the Company:		
Issued capital	62,250	62,250
Reserves	8,017,705	7,694,348
Proposed final dividend	-	124,500
	<u>8,079,955</u>	<u>7,881,098</u>
Minority interests	<u>3,833,590</u>	<u>3,720,099</u>
TOTAL EQUITY	<u>11,913,545</u>	<u>11,601,197</u>
Non-current liabilities:		
Bank and other borrowings	279,438	1,705,134
Convertible bonds	543,606	587,424
Other long term liabilities	8,619	8,466
Deferred tax liabilities	161,902	163,735
	<u>993,565</u>	<u>2,464,759</u>
Current liabilities:		
Trade and bills payables	707,311	765,782
Amounts due to customers for contract work	60,023	51,770
Other payables and accruals	1,854,390	1,544,281
Taxes payable	434,011	368,369
Bank and other borrowings	3,053,821	2,099,637
	<u>6,109,556</u>	<u>4,829,839</u>
Liabilities directly associated with non-current assets classified as held for sale	-	493,795
	<u>6,109,556</u>	<u>5,323,634</u>
TOTAL LIABILITIES	<u>7,103,121</u>	<u>7,788,393</u>
TOTAL EQUITY AND LIABILITIES	<u>19,016,666</u>	<u>19,389,590</u>

BEIJING ENTERPRISES HOLDINGS LIMITED
CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS ENDED 30TH JUNE, 2005

	For the six months ended	
	30th June,	
	2005	2004
	Unaudited	Unaudited
	HK\$'000	HK\$'000
		(Restated)
TURNOVER	5,143,410	4,475,863
Cost of sales	<u>(3,705,312)</u>	<u>(3,212,279)</u>
Gross profit	1,438,098	1,263,584
Interest income	30,657	12,715
Other revenue and gains, net	195,757	173,846
Selling and distribution costs	(468,836)	(452,685)
Administrative expenses	(544,698)	(453,785)
Other operating expenses, net	<u>(42,361)</u>	<u>(44,495)</u>
PROFIT FROM OPERATING ACTIVITIES	608,617	499,180
Finance costs	(76,965)	(70,867)
Share of profits and losses of:		
Jointly-controlled entities	(6,335)	(1,284)
Associates	<u>14,356</u>	<u>32,805</u>
PROFIT BEFORE TAX	539,673	459,834
TAX	<u>(123,897)</u>	<u>(99,642)</u>
PROFIT AFTER TAX	<u>415,776</u>	<u>360,192</u>
ATTRIBUTABLE TO:		
Shareholders of the Company	326,888	293,260
Minority interests	<u>88,888</u>	<u>66,932</u>
	<u>415,776</u>	<u>360,192</u>
EARNINGS PER SHARE		
Basic	<u>HK\$0.53</u>	<u>HK\$0.47</u>
Diluted	<u>HK\$0.52</u>	<u>HK\$0.46</u>
DIVIDEND PER SHARE	<u>HK10 cents</u>	<u>HK10 cents</u>

Beijing Enterprises Holdings Limited
Segments Analysis

(Unit : Ten thousands HKD)	Six months ended 30th June, 2005			Six months ended 30th June, 2004		
	Turnover	Profit after tax*	Net profit attributable to shareholders	Turnover	Profit after tax*	Net profit attributable to shareholders
Infrastructure						
Capital Airport Expressway	17,986	10,875	10,440	16,390	9,757	9,367
Shiguang Road	3,806	1,108	1,005	4,158	1,404	1,274
Water Treatment	23,818	6,539	6,539	19,829	6,359	6,359
Sub - total	45,610	18,522	17,984	40,377	17,520	17,000
Consumer goods						
Yanjing Brewery	214,633	9,714	7,771	178,710	8,249	6,599
Sanyuan Food	-	-	-	51,219	(4,258)	(2,431)
Shunxing Winery	2,828	189	97	2,715	441	225
Western Food	1,167	(76)	(73)	1,155	(1)	(1)
Sub - total	218,628	9,827	7,795	233,799	4,431	4,392
Tourism and Retail Services						
Badaling Tourism	4,106	280	210	3,801	(48)	(36)
Longqingxia	2,340	(304)	(228)	1,694	72	54
Jianguo Hotel	-	-	-	4,777	475	240
Wangfujing Department Store	224,851	2,363	1,184	135,491	759	381
Sub - total	231,297	2,339	1,166	145,763	1,258	639
Technology						
Beijing High-Tech.	730	767	752	153	696	682
Beijing Enterprises Ever Source	4,074	(1,367)	(954)	7,651	785	517
BISC	-	-	-	42,008	5,397	2,159
Beijing Development (Hong Kong) Limited	20,053	(848)	(473)	20,536	(1,674)	(934)
Sub - total	24,857	(1,448)	(675)	70,348	5,204	2,424
Others			(3,910)			(4,766)
Exceptional gain			10,329			9,637
			32,689			29,326

*Profit after tax is arrived at after deducting minority interest of the subsidiaries.