

[News Release]



Beijing Enterprises announces 2007 interim results

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Profit attributable to shareholders soared

more than 40 times to HK\$ 638 million

Financial Highlights

	<u>For the six months ended 30 June</u>		
	2007 (HK\$'000)	2006 (HK\$'000)	Change
Revenue	3,939,991	3,415,514	+15.4%
Gross profit	1,339,358	1,190,007	+12.6%
Profit from operating activities	956,938	186,955	+411.9%
Profit attributable to shareholders	637,688	13,988	+4458.8%
Basic earnings per share (HK dollar)	1.02	0.02	+5000.0%

(Hong Kong, 18 September 2007) – Beijing Enterprises Holdings Limited (“Beijing Enterprises” or the “Group”; stock code: 392) today announced its results for the six months ended 30 June 2007. Its revenue increased 15.4% when compared with same period last year to HK\$ 3.94 billion, while profit attributable to shareholders reached HK\$ 638 million, 40 times that of the last corresponding period. Basic earnings per share were HK\$1.02. The Board recommended payment of an interim dividend of HK10 cents per share and a special dividend of HK10 cents per share.

Mr. Zhang Hong Hai, Vice Chairman and CEO of the Group, said, “After a series of restructuring of its business, the Group has identified infrastructure, utilities and consumer products as its core businesses. We are pleased that these businesses achieved strong performances in the first half of 2007 and boosted the Group’s results for the period substantially.”

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The Group made an exceptional gain of HK\$ 143 million from the deemed disposal of part of its interest in Beijing Development (Hong Kong) Limited (“Beijing Development”; stock code: 154) and share of stake of interest in Xteam Software International Limited (“Xteam Software”; stock code: 8178) held through Beijing Development.

In the first half of 2007, infrastructure and public utility were the core businesses of the Group, followed by consumer products. They accounted for 34.7%, 15.2% and 18.4% respectively of the Group’s overall profit less exceptional item. Among the three segments, infrastructure and consumer products saw the most growth in profit contribution, by 34.4% and 66.1% respectively, when compared with the same period last year.

Infrastructure

In the first half of 2007, the traffic volume of Beijing Capital Airport Expressway reached record high at 26.63 million vehicles, an increase of 9.5% against the previous corresponding period. The number of vehicles that used Shenzhen Shiguan Road remained stable at 4.73 million.

Furthermore, the Northern Extension of the Airport Expressway has started operations since the last quarter of last year. After related commercial terms are finalized, its results will be reflected in the Group’s consolidated accounts.

Public Utilities

In addition to having concession to operate the Beijing number nine water treatment plant, the Group has been actively looking for opportunities to invest in and develop other quality water projects. On 2 August 2007, its jointly controlled company Beijing Anling Water Technology Company Limited and the Beijing Water Bureau signed an agreement to obtain exclusive rights to finance, invest, design, construct, manage and operate Plant A of Beijing No. 10 Water Treatment Plant in Dingfuzhuang, Chaoyang District, Beijing, and sell purified water to Beijing Municipal Waterworks (Group) Company Limited. This agreement has boosted the scale of the Group’s public utility business significantly.

On 29 June 2007, the Group completed the acquisition of Beijing Gas Group (BVI) Company Limited (“Beijing Gas”), the largest integrated city gas company in the PRC. The acquisition has not only enhanced the Group’s recurring profit base and asset scale, but has also fortified the Group’s leadership in public utility sector, allowing it to benefit from the rapid urban development of Beijing city. The profit contribution from Beijing Gas will be booked in the second half of 2007.

Consumer Products

As for the consumer product business, Yanjing Beer continued to break sales record. It sold 1.95 million tons of beer in the first half of the year, 17% more than in the same period last year. Profit contribution from Yanjing Beer surged 62.3% to HK\$ 88.5 million, attributable to the increased sales as well as higher selling prices of products and appreciation of the Renminbi. As for the Group’s wine products, Shun Xing Winery reported steady growth in sales in the first half year with the booming stock and property markets fuelling demand.

Other business

Longqingxia is the only tourism business in the Group’s streamlined operation. The Group will look for the suitable opportunity to sell Longqingxia and completely exit from tourism business. Beijing Development, the Group’s subsidiary, launched the Smart Card Program in Beijing and 12.9 million cards had been issued up to now. The Group expects this business to contribute stable profit after relevant commercial terms are finalized.

Mr. Zhang concluded, “With the newly acquired projects and investment projects such as Beijing Gas and Plant A of Beijing No. 10 Water Treatment Plant are expected to begin contributing profits as early as in the second half of 2007, we have strong confidence in the future results of the Group. Looking ahead, we expect public utilities and infrastructure businesses to account for bigger shares of the Group’s business and we will keep our eyes on new investment opportunities in the segments so as to enhance the Group’s profitability and generate the best returns for shareholders.”

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Net profit before exceptional items contributed by each business segment during the period were as follows:

	As at 30 June 2007	Compared with the same period in 2006	Proportion
	Net profit before exceptional items	Change	
Infrastructure and public utilities			
- Beijing Capital Airport Expressway	HK\$160.26 million	+34.8%	32.4%
- Shenzhen Shiguan Road	HK\$11.36 million	+29.2%	2.3%
- Beijing number nine water purification plant	HK\$75.30 million	+5.0%	15.2%
Consumer Products			
- Yanjing Beer	HK\$88.46 million	+62.3%	17.9%
- Shun Xing Winery	HK\$ 2.24 million	+1936.4%	0.5%
Other Business			
- Longqingxia	HK\$ 2.24 million	+796.0%	0.4%
- IT	HK\$ 56.95 million	+6701.0%	666.1%

About Beijing Enterprises Holdings Limited (0392.HK)

Beijing Enterprises Holdings Limited (“Beijing Enterprises”) 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, Beijing Enterprises 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 Capital International Airport Expressway, Beijing number nine water concession and Yanjing Brewery etc. Beijing Enterprises acquired Beijing Gas Group (BVI) Co., Ltd. which is the largest integrated citywide natural gas distributor in the PRC on 30 June 2007. Currently, Beijing Enterprises holds 40.48% share interests of Beijing Development (Hong Kong) Limited (0154. HK). Beijing Development (Hong Kong) Limited is a Hong Kong listed company which developing its Smart Card business in Beijing. Beijing Development (Hong Kong) Limited also holds 40.61% share interests of another Hong Kong listed company Xteam Software International Limited (8178. HK). Moreover, Beijing Enterprises indirectly holds 24.50% share interests of a Hong Kong listed company Biosino Bio-technology and Science Incorporation (8247.HK). Biosino Bio-technology and Science Incorporation is principally engaged in the research and development, manufacture, sale and distribution of in-vitro diagnostic reagents and pharmaceutical products.

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

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