PRESS RELEASE

北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

2008 Annual Results

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Revenue increased 79.5% to HK$19.7 billion
Profit attributable to shareholders jumped 54% to HK$2.28 billion

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Record High Since Listing

Financial Highlights

	For the year ended 31 December		
	2008 Audited (HK$'000)	2007 Audited (HK$'000) (Restated)	Change
Revenue	**19,704,247**	10,975,515	+79.5%
Gross profit	**4,504,896**	3,164,758	+42.3%
Profit from operating activities	**2,696,836**	1,830,830	+47.3%
Profit attributable to shareholders	**2,281,828**	1,478,212	+54.4%
Basic earnings per share (HK dollar)	**2.01**	1.72	+16.9%

(Hong Kong, 30 March 2009) – Beijing Enterprises Holdings Limited ("Beijing Enterprises" or the "Group"; stock code: 392) today announced its results for the year ended 31 December 2008. Its revenue increased 79.5% to HK$19.7 billion when compared with year 2007, while profit attributable to shareholders reached HK$2.28 billion, up 54% from year 2007. Basic earnings per share amounted to HK$2. The Board recommended payment of a final dividend of HK40 cents per share and a final special dividend of HK5 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 the development of the Company's major businesses experienced positive trends in year 2008. The profit attributable to the Company increased substantially upon injection of the natural gas business."

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

	Profit attributable to the shareholders	Proportion
	HK$'000	*%*
Natural gas business	1,481,171	70.5
Water treatment operation	230,830	11.0
Beer production operation	210,276	10.0
Toll road operation	178,716	8.5
Profit from major business	2,100,993	100
Other business	(140,325)	
Exceptional items	321,160	
Profit attributable to the shareholders	2,281,828	

I. Business Review

Natural Gas Business

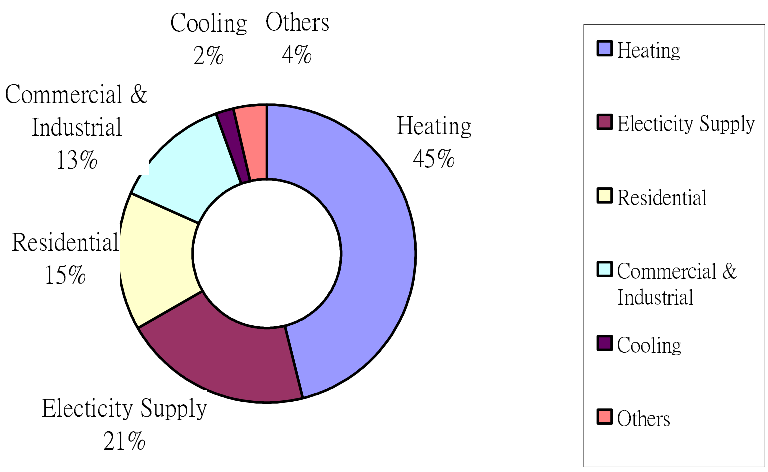
The results of the Group for 2008 completely reflect the achievements in the acquisition of Beijing Gas Group Company Limited ("Beijing Gas"). In 2008, profit contributed by Beijing Gas to the Group amounted to HK$1.48 billion, representing 75.5% of the profit contributed from major business, which helped the Company successfully converted into a diversified conglomerate with public utilities as its principal businesses.

In 2008, Beijing Gas strengthened its development in the natural gas market in Beijing and achieved a remarkable progress in its expansion to the upstream and downstream parts along natural gas production chain. The natural gas market in Beijing has developed into the largest domestic gas market in terms of gas supply infrastructure and gas consumption. The total length of the natural gas pipeline reaches 7,758 kilometers with the gas supply network covering all urban areas in Beijing and rural counties such as Tongzhou, Daxing, Changping, Shunyi, Fangshan and Mentougou. There are a total of 3.6 million subscribers for natural gas, among which the number of public sector subscribers with higher commercial performance increased by 2,906 users, hitting a record high in four years.

In order to offset the seasonal fluctuations in the consumption of natural gas in Beijing, Beijing Gas extended the application of natural gas into the fields of heat-electricity co-generation, diversified energy and gas cooling. In 2008, the capacity of gas direct fired machines and equipment have achieved 2,934 t/h steam. The commencement of operations of the two natural-gas powered cogeneration plants, namely Taiyang Gong (太陽宮) and Zhengchang Zhuang (鄭常莊) both played an important role in enhancing the sales volume of natural gas and the transmission efficiency of pipelines. The volume of gas sold to cogeneration plants amounted to 1.01 billion cubic metres, driving the growth of gas transmission business substantially.

The sales volume of natural gas in the Beijing market in 2008 reached 4.89 billion cubic metres, representing a year-on-year growth of 32.9%. The revenue of this business segment increased 212% from the second half of 2007 to HK$10.15 billion. The net profit after taxation amounted to HK$568 million, representing a growth of 252.7% as compared with the second half of 2007. The total capital expenditure was approximately HK$1 billion.

	For the year ended 31 December 2008	
	Sales Volume	**Proportion**
	Million cubic meter	
Heating	2,250	46.0%
Electricity supply	1,010	20.7%
Residential users	740	15.1%
Commercial & industrial users	620	12.7%
Cooling	88	1.8%
Others	182	3.7%
Total	4,890	100%



With respect to the development of the overseas markets, Beijing Gas successfully acquired 60% equity interest in Shandong Zhongyuan Gas at a consideration of RMB79.8 million in 2008, and established Beijing Gas Group Shandong Co., Ltd. （北京市燃氣團山東有限公司）. It then obtained the piped gas operation concession in the cities such as Rongcheng and Rushan in Shandong province. Beijing Gas Group Shandong Co., Ltd. has 82,000 subscribers for piped gas and a trunk pipeline of 311 kilometers long. As it is located in a region with well-developed economy, the long-term gas supply volume will be more than 300 million cubic meters.

In respect of the business of upstream gas transmission, Beijing Gas strengthened its business relationship with Petrochina Company Limited ("Petrochina") in 2008. Through its 40% equity interest in Petrochina Beijing Natural Gas Pipeline Company Limited 中石油北京天然氣管道有限公司 ("Petrochina Natural Gas Pipeline Company")(formerly known as Beijing Huayou Natural Gas Company Limited), Beijing Gas completed Nos. 1 and 2 Shanxi-Beijing Gas Pipelines project, the Beijing-Tang-Qin Pipeline (京唐秦管線) and Ban 808, 828 underground gas storages project (板808, 828地下儲氣庫群工程) with the total capital expenditure of approximately HK$2.9 billion, which was partially satisfied by retained profits with the remaining portion financed by the shareholders' loan provided by Petrochina. In 2008, the gas transmission volume of Petrochina Natural Gas Pipeline Company reached 12.2 billion cubic meters, representing an increase of 37.7% from 2007. The profit distributed to Beijing Gas based on its shareholding was approximately HK$910 million, increased by 4.1 times from the second half of 2007.

The significant increase in gas transmission volume of Petrochina Natural Gas Pipeline Company was primarily attributable to the increasing number of cities in the northern region of China and the Bohai Bay switching to the use of piped gas as a clean energy, thus boosting the gas transmission volume through the Shaanxi-Beijing Pipeline of Phase I West-East Pipeline Project. In view of the nearly saturated gas transmission capacity of Nos. 1 and 2 Shaanxi-Beijing Gas Pipelines, Petrochina Natural Gas Pipeline Company will accelerate the progress of compression project for Nos. 1 and 2 Shaanxi-Beijing Gas Pipelines, which will further enhance the annual gas transmission capacity to more than 19 billion cubic meters.

In 2008, profit of Beijing No.9 water treatment plant concession attributable to the Group was approximately HK$190 million, representing an increase of 3% as compared with the restated comparative figures of last year.

The Group completed the acquisition of Beijing Enterprises Water Group Limited ("BE Water Group") (stock code: 371) in March 2008. BE Water Group commenced the operation of the wastewater treatment business after its acquisition of Z.K.C. Environmental Group Co., Ltd. ("ZKC Group") in August 2008. ZKC Group is a major PRC wastewater treatment operator which enjoys economies of scale. As at 31 December 2008, BE Water Group had 20 wastewater treatment plants in China with an aggregate daily planned wastewater treatment capacity of 1.48 million tonnes, which includes the existing capacity of 1.12 million tonnes and the capacity of 360,000 tonnes to be contributed by the plants under construction. During the period from 1 August 2008 (the date of acquisition of ZKC Group) to 31 December 2008, the actual wastewater treatment capacity was 11 4 million tonnes, contributing approximately HK$138 million to the revenue. Contribution of BE Water Group to profit attributable to shareholders amounted to approximately HK$37.92 million.

Beer Production Operation

2008 was a challenging year to the PRC brewery industry. The sales volume of beer was affected by the snowstorm and the Wenchuan earthquake in the first half of the year and the implementation of logistic controls during the Beijing Olympic Games. Despite such adverse conditions, the sales volume of Beijing Yanjing Brewery Co., Ltd 北京燕京啤酒有限公司 (“Yanjing Beer”) in 2008 grew by approximately 5% to 4.22 million thousand litres while its revenue for 2008 amounted to HK$8.47 billion, representing an increase of 25.7% over last year. Profit attributable to shareholders of the Company was approximately HK$210 million, increased by 25.1% as compared to last year. The 10-12% rise in price of most beer products at the beginning of the year increased the revenue by HK$530 million. The increase in sales volume of medium and high end beer products after optimization of the product structure also led to the rise in revenue by HK$330 million, which offset the price pressure on raw materials. In addition, the exchange gain resulting from the appreciation of Renminbi also contributed to the increase in profit.

Beijing Yanjing Brewery Company Limited 北京燕京啤酒股份有限公司 (“Yanjing Brewery”) successfully issued 11 0 million new shares at an issue price of RMB10.2 per share in the fourth quarter in 2008, raising net proceeds of approximately RMB1.11 billion. After the issuance of new shares, the Group effectively held 45.18% equity interest in Yanjing Brewery. The net proceeds were primarily allocated to the implementation of nine new brewery technological improvement and expansion projects. Most of these projects have been completed, bringing a new production capacity of 1 million thousand litres per year. On the other hand, a portion of the proceeds was used in the Inner Mongolia barley advanced processing project (內蒙古大麥深度加工項目), which helped to strengthen the vertical integration of our production.

The 2008 Olympic Games was held in Beijing and Yanjing Brewery was one of the sponsors for the Games. During the Games, Yanjing Brewery proactively advertised and promoted its brand name, and was well-received by the domestic consumers. The increase in the brand value of Yanjing will be beneficial to its market development in the future.

Expressway and toll Road Operation

Since Terminal Three of the Beijing Capital Airport commenced operations in April 2008, the traffic volume of the Airport Expressway has shrunk. Up to 50,000 vehicles have been diverted to the auxiliary South Link Expressway per day. In addition, given the slowdown of the economic growth and the decline in overall air traffic volume, the current daily traffic volume of the Airport Expressway has reduced to approximately 90,000 vehicles. The total traffic volume amounted to 39.81 million vehicles in 2008, representing an average daily traffic flow of approximately 109,000 vehicles, marking a decline of 28.8% from 2007.

The revenue of the Airport Expressway in 2008 amounted to approximately HK$390 million, representing a year-on-year decrease of 26.2%. Profit attributable to shareholders was approximately HK$160 million, posting a year-on-year decline of 46.3%.

In 2008, the traffic volume of Shenzhen Shiguan Road reached 9.38 million vehicles, down 2.3% from 2007. Profit attributable to shareholders amounted to HK$18.58 million, increased by 3.6% from last year.

Exceptional Items

In 2008, due to the conversion of the convertible bonds by minority shareholders, the Group recorded an extraordinary profit from the deemed disposal of interests in subsidiaries of approximately HK$450 million. In addition, the Group gained approximately HK$86.82 million on disposal of Long Qing Xia and Shun Xing Wine, and recorded a profit of HK$46.75 million from the reversal of provision for other receivables. On the other hand, the Group allocated HK$140 million to Beijing Development (Hong Kong) Limited ("Beijing Development") (stock code: 154) as a provision for investment in China Information Technology Development Limited ("CIT Development") (stock code: 8178). The Group also had certain provisions for assets and a one-off expenditure during the Olympic Games amounting to approximately HK$120 million in aggregate. The Group recorded a net exceptional gains of more than HK$320 million after reconciliation of the exceptional items mentioned above.

Other

Beijing Development remained as the platform for information technology business of the Group. The total number of the smart cards issued under the Smart Card Project (市政交通一卡通項目), in which 43% equity interest is owned by Beijing Development, reached 25 million. The Smart Card has become the largest platform for electronic payment in terms of market share. Since the commercial terms of the Smart Card has yet to be concluded, Beijing Development continued to record an operating loss.

The exceptional loss suffered by Beijing Development was mainly due to the provision for investment in CIT Development amounting to HK$330 million.

II. Prospects

Natural Gas Operation

Beijing Gas will continue to adopt its expansion strategy along the production chain of natural gas. The gas supply network in Beijing has gradually extended to certain rural counties. Beijing Gas will step up its efforts to expand its gas markets to ten satellite cities located in Waihuan district of Beijing. On the other hand, the Beijing municipal government will continue to implement preferential policies for the environmentally-friendly co-generation power plants, providing support to the long-term demand of co-generation power plants for natural gas. As such, the proportion of natural gas supply to co-generation power plants will continue to increase.

Regarding the gas transmission operation, as Petrochina Natural Gas Pipeline Company has completed the majority of pipeline extension project in Bohai district, more cities in the Bohai Bay economic circle will switch to the use of cleaner natural gas as their energy. The gas transmission capacity will be restricted to certain extent in the short run due to the implementation of compression project for Nos. 1 and 2 Shanxi-Beijing Pipelines. However, the gas transmission capacity of Nos. 1 and 2 Shaanxi-Beijing Pipelines will be enhanced upon completion of the compression project in 2010.

In addition, Petrochina Natural Gas Pipeline Company has decided to invest in the establishment of No.3 Shaanxi-Beijing Pipeline, the gas transmission capacity of which will reach at least 15 billion cubic meters per year. This project involves a total investment amount of more than RMB20 billion, and is expected to commence its operation in the second half of 2011.

Beer Production Operation

Most of the nine brewery technological improvement and expansion projects of Yanjing Brewery have been completed. In 2009, there will be an additional annual production capacity of almost 1 million thousand litres, which will provide a great support for the nationwide business expansion. In the short term, the demand for premium beer will be affected by the economic slowdown while the low and medium end markets will continue to grow steadily in the first quarter of 2009. With respect to the costs, the prices of raw materials have undergone substantial adjustment but the inventory of raw materials is still under consumption at present. It is believed that the average cost of raw materials will decline, which will be beneficial to the growth of gross profit margin. After the Group increases its shareholding in Yanjing Brewery, the revenue and profit contributed by the beer production business to the Group will continue to grow.

Toll Road Operations

In view of the modifications of the investment policy on toll roads in the PRC by the China Development and Reform Commission, there is a tendency that new projects will be carried out in a mode of loan repayment through toll fees, thus restricting the commercial value of the projects. Due to the change in policy, it is difficult to explore new road project with high investment value in the foreseeable future. Under the influence of the diversion of traffic volume to the new expressway, the revenue from the existing Airport Expressway and Shenzhen Shiguan Road (深圳 石觀路) of the Group will decline and the profit will decrease as well. Although the traffic flow of these two toll roads will eventually be stabilized, the proportion of their profit contribution to the total profit of the Group will begin to decline.

Water Treatment Operation

The Group will continue to develop the businesses in wastewater treatment and water supply through BE Water Group. The operational capacity of BE Water Group has reached 1.12 million tonnes of water per day. Upon completion of the water plants which are now under construction and those which are under planning, the daily integrated water processing capacity will exceed 1.58 million tonnes of water. Taking into account the projects of Nos. 9 and 10 Water Treatment Plants directly owned by the Group and the water treatment project in Baishamen, Hainan Province, the total operational capacity will exceed 3 million tonnes of water per day in the future. The Group expects that the profit contribution from the water treatment operation will grow steadily.

III. Financial review

Revenue

The revenue of the Group's continuing operations in 2008 was approximately HK$19.7 billion, jumped 79.5% compared with the restated HK$10.98 billion in 2007. This was mainly driven by the consolidation of Beijing Gas' full year revenue of HK$10.15 billion in 2008. Yanjing Beer's revenue also grew healthily by 25.7% to HK$8.47 billion. Other business contributed an aggregate of not more than 6% of the total revenue.

Cost of sales

Cost of sales jumped 94.6% to HK$15.2 billion, mainly due to consolidation of the full year results of natural gas distribution business in Beijing. 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, direct overhead and absorption of certain indirect overhead.

Gross profit margin

Overall gross profit margin was 22.9% compared to 28.8% in 2007. The decline in profit margin was due to consolidation of the full year results of gas distribution business. Natural gas distribution business had average gross margin of approximately 14.5% which is lower than the higher margin brewery business, toll road and water business due to different direct cost structure. The gross margin of natural gas distribution business in Beijing narrowed in the second half of the year as the ratio of gas sales to co-generation power plant clients, which have lower gas supply bill value, was much higher than first half. The substantial increase of gas consumption volume of co-generation plants led to the increase of gas transmission volume of Petrochina Natural Gas Pipeline Company as well as the higher of profit of a jointly-controlled entity shared by Beijing Gas. Due to the surge in raw materials price, the gross profit margin of the beer production business slightly decreased to 28.3%.

Other income

Other income mainly comprised of total interest income amounted to HK$120 million; gain on disposal of interests in certain subsidiaries amounted to HK$86.82 million; reversal of provision for receivable amounted to HK46.75 million; receipts of tax refund, government grants and others in aggregate amounted to HK$280 million.

Selling and distribution costs

Selling and distribution costs of the Group's continuing business in 2008 increased by 28.6% to HK$1.14 billion mainly due to consolidation of full year results of natural gas distribution business. The proportion of selling and distribution costs for gas distribution business was lower than that of brewery business due to much higher advertisement expenses for consumer products business.

Administration expenses

Administration expenses of the Group in 2008 was HK$1.46 billion, increased by 63.6% comparing to last year. The increase was mainly due to consolidation of the full year results of natural gas distribution business. The lower than gross margin percentage increase was due to relatively lower proportion of administration costs for gas distribution business comparing to brewery business.

Finance costs

Finance costs of the Group in 2008 was HK$410 million, increased by 67.3% comparing to HK$240 million in 2007. The significant increase was mainly due to drawdown of a syndicated loan amounting to HK$2.1 billion which was used to complete the acquisition of Beijing Gas and consolidation of Beijing Gas' bank loans.

Share of profits and losses of jointly-controlled entities

This substantially represents the 40% share of the profit after taxation of Petrochina Natural Gas Pipeline Company. Petrochina Natural Gas Pipeline Company is 40% owned by Beijing Gas and 60% owned by Petrochina. The primary business of Petrochina Natural Gas Pipeline Company is natural gas transmission which supplies to city gas operators along the two long piped lines with an approximate total length of 2,200 kilometers owned by Huayou.

Share of results of associated companies

The Group's share of net losses of associates amounted to HK$147 million in 2008.

Tax

After deducting the non-taxable other income of more than HK$800 million, the effective income tax rate is approximately 25.5% as the standard enterprise income tax rate applicable to the two enterprises with the highest profit contribution, namely, Beijing Gas and Yanjing Beer was 25%.

Profit from continuing operation for the year

Based on the foregoing, the profit from continuing operations attributable to the shareholders of the Company for the year ended 31 December 2008 was HK$2.28 billion (2007: HK$1.4 billion).

IV. Financial Position of the Group

Cash and bank borrowings

As at 31 December 2008, cash and bank deposits held by the Group amounted to HK$6.73 billion. At the period end date, the Group had a strong net working capital of HK$2.98 billion. The Group maintains 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$7.07 billion as at 31 December 2008, which mainly comprised of five year syndicated loans amounting to HK$2.1 billion and working capital loans HK$4.97 billion denominated in Renminbi and Hong Kong dollar. Around 33.8% of the bank loans were denominated in Hong Kong dollars with the rest in Renminbi. The Group was in a net bank and other borrowings position of HK$337 million as at 31 December 2008.

Liquidity and Capital Resources

Upon completion of the Beijing Gas transaction in June 2007, the downstream gas distribution business has been contributing to the operating cash flow of the Group and significantly increased its liquidity.

During the year under review, there was no significant movements in the issued capital of the Company. As at the end of 2008, the issued capital of the Company has increased to 1,137,001,000 shares and shareholders equity grew to HK$29.63 billion. Total equity was HK$36.31 billion comparing to HK$31.56 billion as at the end of 2007. With solid capital base and very strong balance sheets, the Group was not affected by the ongoing global credit crunch.

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.

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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 Gas Group Company Limited (the largest integrated citywide natural gas distributor in the PRC), Beijing Enterprises Water Group Limited (0371.HK), Beijing Number 9 Water Plant concession, Beijing Yanjing Brewery Company Limited and Beijing Capital Expressway Development Co., Ltd., etc. Currently, Beijing Enterprises holds 65.15% share interests of Beijing Enterprises Water Group Limited (0371. HK) which is Beijing Enterprises' major vehicle for investing in regional water projects in mainland China. Beijing Enterprises also holds 42.86% equity interests in Beijing Development (Hong Kong) Limited (0154. HK) whose major activity is developing Smart Card business in Beijing. Beijing Development (Hong Kong) Limited also holds 29.18% share interests of another Hong Kong listed company China Information Technology Development 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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BEIJING ENTERPRISES HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET

As at 31 December 2008

	31 December 2008 Audited HK$'000	31 December 2007 Audited HK$'000 (Restated)
ASSETS		
Non-current assets:		
Property, plant and equipment	17,988,216	15,813,634
Investment properties	198,759	334,262
Prepaid land premiums	1,136,358	837,507
Goodwill	8,537,759	6,898,734
Operating concessions	1,813,494	1,431,907
Other intangible assets	14,969	12,034
Interests in jointly-controlled entities	4,508,590	3,302,725
Interests in associates	802,207	881,268
Receivables under operating concessions	2,821,311	1,502,056
Prepayments, deposits and other receivables	124,270	22,094
Available-for-sale investments	309,789	290,424
Deferred tax assets	484,772	385,657
Total non-current assets	38,740,494	31,712,302
Current assets:		
Prepaid land premiums	24,356	18,832
Inventories	3,067,436	2,342,259
Amounts due from contract customers	202,512	178
Trade and bills receivables	1,056,026	874,995
Receivables under operating concessions	380,792	256,216
Prepayments, deposits and other receivables	1,419,334	1,538,517
Financial assets at fair value through profit or loss	1,566	39,250
Taxes recoverable	72,873	35,196
Restricted cash and pledged deposits	64,413	131,800
Cash and cash equivalents	6,666,940	8,072,484
Total current assets	12,956,248	13,309,727
TOTAL ASSETS	51,696,742	45,022,029

BEIJING ENTERPRISES HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2008

	31 December 2008 Audited HK$'000	31 December 2007 Audited HK$'000 (Restated)
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company:		
Issued capital	113,700	113,894
Reserves	29,518,248	26,319,844
Proposed dividend	-	455,576
	29,631,948	26,889,314
Minority interests	6,678,522	4,675,076
TOTAL EQUITY	36,310,470	31,564,390
Non-current liabilities:		
Bank and other borrowings	3,895,388	3,282,325
Convertible bonds	515,908	-
Defined benefits plans	389,815	223,772
Other long term liabilities	204,442	136,690
Provision for major overhauls	121,438	13,569
Deferred tax liabilities	279,859	175,469
Total non-current liabilities	5,406,850	3,831,825
Currest liabilities:		
Trade and bills payables	1,190,222	1,737,563
Amounts due to contract customers	107,831	20,468
Other payables and accruals	4,689,729	4,286,012
Provision for major overhauls	-	82,386
Income tax payable	457,983	528,064
Other taxes payable	361,021	330,046
Bank and other borrowings	3,172,636	2,641,275
Total current liabilities	9,979,422	9,625,814
TOTAL LIABILITIES	15,386,272	13,457,639
TOTAL EQUITY AND LIABILITIES	51,696,742	45,022,029

BEIJING ENTERPRISES HOLDINGS LIMITED
CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2008

	For the year ended 31 December	
	2008	2007
	Audited	Audited
	HK$'000	HK$'000
		(Restated)
REVENUE	19,704,247	10,975,515
Cost of sales	(15,199,351)	(7,810,757)
Gross profit	4,504,896	3,164,758
Gain on deemed disposal of interest in a subsidiary	450,791	-
Other income and gains, net	534,930	532,645
Selling and distribution costs	(1,142,871)	(888,992)
Administrative expenses	(1,457,685)	(891,415)
Other operating expenses, net	(193,225)	(86,166)
PROFIT FROM OPERATING ACTIVITIES	2,696,836	1,830,830
Finance costs	(407,068)	(243,275)
Share of profits and losses of:		
Jointly-controlled entities	912,628	178,243
Associates	(146,811)	261,009
PROFIT BEFORE TAX	3,055,585	2,026,807
TAX	(359,297)	(263,872)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	2,696,288	1,762,935
DISCONTINUED OPERATIONS:		
Profit for the period from discontinued operations	-	80,827
PROFIT FOR THE PERIOD	2,696,288	1,843,762
ATTRIBUTABLE TO:		
Shareholders of the Company	2,281,828	1,478,212
Minority interests	414,460	365,550
	2,696,288	1,843,762
DIVIDENDS		
Interim	227,479	227,706
Proposed final	511,650	455,576
	739,129	683,282
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		
Basic	HK$2.01	HK$1.72
Diluted	HK$1.90	HK$1.71

Beijing Enterprises Holdings Limited

Segment analysis on major enterprises

	2008		2007 (Restated)	
	Revenue	**Net profit attributable to shareholders**	Revenue	Net profit attributable to shareholders
	HKD'000	**HKD'000**	HKD'000	HKD'000
Continuing operatings:				
Piped Gas Operation				
Beijing Gas	**10,151,850**	**1,481,171**	3,253,920	339,200
Water Treatment Operations				
Water Treatment Concession	**243,886**	**192,910**	224,461	187,015
BE Water Group	**326,730**	**37,920**	-	-
	570,616	**230,830**	224,461	187,015
Beer Production Operation				
Yanjing Beer	**8,473,234**	**210,276**	6,740,814	168,082
Toll Road Operations				
Capital Airport Expressway	**388,523**	**160,131**	526,670	298,349
Shiguan Road	**86,800**	**18,585**	84,370	17,928
	475,323	**178,716**	611,040	316,277
Other Operations				
Other Enterprises	**33,224**	**(5,110)**	145,280	28,216
Headquarter and other expenses	**-**	**(135,215)**	-	(42,468)
	33,224	**(140,325)**	145,280	(14,252)
	19,704,247	**1,960,668**	10,975,515	996,322
Exceptional Items, net	(1)	**321,160**	(2)	401,063
Sub-Total		**2,281,828**		1,397,385
Discontinued Operations:				
Retail Services				
Wangfujing Department Store		**-**		80,827
Total		**2,281,828**		**1,478,212**

(1) Amount mainly represented the net of gain on deemed disposal of a subsidiary of HKD450 million, gain on disposal of subsidiaries of HKD87 million, reversal of provision for receivables of HKD47 million, provision for investment in an associate of HKD140 million and other provisions and one-off expenses totalling of HKD120 million.

(2) Amount mainly represented fair value gain on investment properties and gains from disposal and deemed disposal of equity interests in associates.