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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)

Connected Transaction

Disposal of 85% equity interest in Beijing Enterprises Green Industry (Qinghai) New Energy Co. Ltd.*

The Company announces that on 16 September 2013, the Vendor (an indirect non wholly-owned subsidiary of the Company) and the Purchaser entered into the Share Transfer Agreement pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, 85% equity interest in the Target Company at a consideration of RMB110,185,500 (equivalent to approximately HK\$139,475,000). The Target Company is principally engaged in consultation, investment, construction and operation of photovoltaic power generation projects and marketing and sales of related photovoltaic products in the PRC. Upon Completion, the Vendor will remain as holder of 15% equity interest in the Target Company, however, the Target Company will cease to be a subsidiary of the Company.

The Purchaser is a wholly-owned subsidiary of BE Group, and BE Group is the ultimate controlling shareholder of the Company. Therefore, the Purchaser is regarded as a connected person of the Company, and the Share Transfer Agreement constitutes a connected transaction for the Company under the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transaction are more than 0.1% but less than 5%, the Transaction is only subject to the reporting and announcement requirements set out in Chapter 14A of the Listing Rules and is exempt from the independent shareholders' approval requirement. The Transaction does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

SHARE TRANSFER AGREEMENT

Date : 16 September 2013

Vendor : Green Industrial Investments

Purchaser : BIIC

Target Company : Green Industry (Qinghai)

Consideration

Pursuant to the Share Transfer Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, 85% equity interest in the Target Company at the Consideration of RMB110,185,500 (equivalent to approximately HK\$139,475,000). Details of the payment date of the Consideration are set out in the section headed "Payment Date of the Consideration" in this announcement below.

The registered capital of the Target Company is HK\$158,435,756. The Consideration has been arrived at after arm's length negotiations between the parties with reference to 85% of the registered capital of the Target Company. The unaudited net asset value of the Target Company as at 30 June 2013 under Hong Kong accounting standard was RMB125,579,000 (equivalent to approximately HK\$158,961,000). The Company will record a disposal gain of approximately RMB1,825,000 (equivalent to approximately HK\$2,310,000) upon disposal of the Target Company. The sale proceeds will be applied towards the general working capital of the Company.

Conditions Precedent

Completion of the Transaction is conditional upon:

- (1) for the purpose of signing of the Share Transfer Agreement and other relevant documents, and for completing the matters required under the Share Transfer Agreement and other relevant documents, both parties obtaining all internal and statutory requisite approvals, including (but not limited to) (i) compliance with the rules under the articles of association of the Target Company; and (ii) compliance with the disclosure obligations by the Company under the Listing Rules;
- (2) all necessary approvals from the relevant authorities and all necessary board approvals (or shareholders' approvals, as the case may be) for the Transaction have been obtained by both parties; and

- (3) a comfort letter (failing which, a board resolution) has been provided by BE Group in respect of its obligation to guarantee payment of the Consideration..

Both parties may waive the Conditions other than (1) and (2) above. If the Conditions are not fulfilled or waived within 9 months after the date of the Share Transfer Agreement (or such other date as mutually agreed by both parties), the Share Transfer Agreement will be terminated unless the parties otherwise agreed.

PAYMENT DATE OF THE CONSIDERATION

Pursuant to the Share Transfer Agreement, the Purchaser shall pay the Consideration on the following days:

<u>Payment date</u>	<u>RMB</u>
30% of the Consideration within 5 business days after the day of Completion	33,055,650
30% of the Consideration within 3 months after the day of Completion	33,055,650
20% of the Consideration within 6 months after the day of Completion	22,037,100
20% of the Consideration within 1 year after the day of Completion	22,037,100
Total:	<u>110,185,500</u>

TARGET COMPANY

The Target Company is principally engaged in consultation, investment, construction and operation of photovoltaic power generation projects and marketing and sales of related photovoltaic products in the PRC. Upon Completion, the Vendor will remain as holder of 15% equity interest in the Target Company, however, the Target Company will cease to be a subsidiary of the Company.

The following are the financial results of the Target Company under Hong Kong accounting standard:

	<u>For the six months ended 30 June</u>		<u>For the year ended 31 December</u>	
	2013		2012	2011
	Unaudited		Audited	Audited
	(RMB\$'000)		(RMB\$'000)	(RMB\$'000)
Net asset value	125,579		121,340	112,002
Profit / (Loss) before taxation	3,581		(7,162)	(467)
Profit / (Loss) after taxation	4,239		(7,162)	(467)
Profit / (Loss) attributable to the Company	2,247		(3,796)	(248)

REASONS FOR AND THE BENEFITS OF THE SHARE TRANSFER AGREEMENT

While persisting on its core businesses in gas, water and brewery sectors in the future, the Company aims to conduct on-going exploration and innovation works on green and low carbon businesses. However, photovoltaic power generation projects, which usually involve huge investment amount and long payback period, contravene with the Company's development strategies. The Transaction will realign the asset structure of the Group and facilitate effective management of resources.

Directors (including the Independent Non-executive Directors), having considered the terms and conditions of the Share Transfer Agreement, are of the view that its terms and conditions are on normal commercial terms, which are fair and reasonable and in the interests of the Company and its shareholders as a whole. None of the Directors has a material interest in the Transaction and therefore none of them is required to abstain from voting on the Board resolution for considering and approving the Share Transfer Agreement.

IMPLICATIONS UNDER THE LISTING RULES

The Purchaser is a wholly-owned subsidiary of BE Group, and BE Group is the ultimate controlling shareholder of the Company. Therefore, the Purchaser is regarded as a connected person of the Company, and the Share Transfer Agreement constitutes a connected transaction for the Company under the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transaction are more than 0.1% but less than 5%, the Transaction is only subject to the reporting and announcement requirements set out in Chapter 14A of the Listing Rules and is exempt from the independent shareholders' approval requirement. The Transaction does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

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.

The Vendor is a company incorporated in Hong Kong with limited liability and is an indirect non wholly-owned subsidiary of the Company. The Vendor is principally engaged in investment holdings.

The Purchaser is a company incorporated in the PRC and is a wholly-owned subsidiary of BE Group (the ultimate controlling shareholder of the Company). The Purchaser is principally engaged in design and sales of industrial automatic control systems, electricity and electrical products, optical electronic products, environmentally friendly instruments and facilities, energy systems, application softwares, mechanical electronic equipments, building materials; and services for computer systems.

DEFINITIONS

For the purposes of this announcement, capitalized terms appearing herein shall, unless the context otherwise admits, have the meanings set out below:

"BE Group"	: Beijing Enterprises Group Company Limited* (北京控股集團有限公司), a company incorporated in the PRC, is the ultimate controlling shareholder of the Company.
"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).
"Completion"	: the completion of the sale and purchase of 85% equity interest in the Target Company in accordance with the terms of the Share Transfer Agreement.
"connected person(s)"	: has the meaning ascribed to it under the Listing Rules
"Consideration"	: the consideration amounted to RMB110,185,500 (equivalent to approximately HK\$139,475,000) for the sale and purchase of 85% equity interest in the Target Company in accordance with the terms of the Share Transfer Agreement
"Directors"	: the directors of the Company

"Group"	: the Company and its subsidiaries
"HK\$"	: Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	: the Hong Kong Special Administrative Region of the PRC
"Independent Non-executive Directors"	: the independent non-executive Directors are Mr. Wu Jiesi, Mr. Robert A. Theleen, Mr. Lam Hoi Ham, Mr. Fu Tingmei, Mr. Sze Chi Ching and Mr. Shi Hanmin.
"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
"Purchaser " or "BIIC"	: Beijing Instrument Industry Group Co., Ltd.* (北京儀集團有限責任公司), a company incorporated in the PRC, is a wholly-owned subsidiary of BE Group.
"Share Transfer Agreement"	: the share transfer agreement that the Purchaser and the Vendor entered into on 16 September 2013 whereby the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, 85% equity interest in the Target Company.
"Stock Exchange"	: The Stock Exchange of Hong Kong Limited

- "Target Company" or "Green Industry (Qinghai)" : Beijing Enterprises Green Industry (Qinghai) New Energy Co. Ltd.* (北控綠產(青海)新能源有限公司), a company incorporated in the PRC, is a wholly-owned subsidiary of the Vendor.
- "Transaction" : the transaction contemplated under the Share Transfer Agreement
- "Vendor" or "Green Industrial Investments" : Beijing Enterprises Green Industrial Investments Limited, a company incorporated in Hong Kong, is an indirect non wholly-owned subsidiary of the Company
- "%" : per cent

By Order of the Board
Beijing Enterprises Holdings Limited
Zhou Si
Vice Chairman

Hong Kong, 16 September 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.

Unless otherwise specified, the HK dollar amounts shown in this announcement have been translated at an exchange rate of HK\$1.00 = RMB0.79 for reference purposes only.

** For identification purposes only*