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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
IN RELATION TO DISPOSAL OF
100% Equity Interest in Everbest Islands Limited,
51% Equity Interest in Beijing Shunxing Wine Co., Ltd.
and
51% Equity Interest in Beijing Fengshou Wine Co., Ltd.**

The Company announces that on 7 April 2008, the Company entered into a share transfer agreements with BE Group (BVI), pursuant to which the Company has conditionally agreed to sell to BE Group (BVI) 100% equity interest in Everbest at a consideration of HK\$134,635,875, 51% equity interest in Shunxing at a consideration of HK\$51,032,465, and 51% equity interest in Fengshou at a consideration of HK\$55,893,825 (the "Disposal Agreement"). The aggregate consideration of HK\$241,562,165 will be settled in cash.

Upon completion of the transaction under the Disposal Agreement, the Group will no longer hold any equity interest in Everbest, Shunxing and Fengshou.

As BE Group (BVI) is a substantial shareholder of the Company, BE Group (BVI) is a connected person of the Company as defined under the Listing Rules. As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules are more than 0.1% but less than 2.5%, the entering into of the Disposal Agreement constitutes connected transaction for the Company under Rule 14A.16(2) and is subject to the reporting and announcement requirements.

THE DISPOSAL AGREEMENT

Vendor : The Company

Purchaser : BE Group (BVI)

Terms of the Disposal Agreement

Pursuant to the Disposal Agreement, the Company has conditionally agreed to sell to BE Group (BVI) 100% equity interest in Everbest at a consideration of HK\$134,635,875, 51% equity interest in Shunxing at a consideration of HK\$51,032,465, and 51% equity interest in Fengshou at a consideration of HK\$55,893,825. The aggregate consideration of HK\$241,562,165 will be settled in cash within 10 days upon fulfillment of the Condition Precedent.

The consideration has been arrived at after arm's length negotiations between the parties hereto with reference to (1) Everbest's attributable 75% equity interest in the unaudited net asset value of Beijing Long Qing Xia as at 31 December 2007; (2) the Company's attributable 51% equity interest in the unaudited net asset value of Shunxing as at 31 December 2007; and (3) the Company's attributable 51% equity interest in the unaudited net asset value of Fengshou as at 31 December 2007.

The Company has a direct 100%, 51% and 51% equity interest in Everbest, Shunxing and Fengshou respectively. The Company is currently consolidating Everbest, Shunxing and Fengshou in the Company's consolidated financial statements. Upon completion of the transaction under the Disposal Agreement, the Group will no longer hold any equity interest in Everbest, Shunxing and Fengshou. Therefore, upon completion of the transaction under the Disposal Agreement, Everbest, Shunxing and Fengshou will cease to be the Company's subsidiaries and the Company will cease to consolidate Everbest, Shunxing and Fengshou in the Company's consolidated financial statements.

Condition Precedent

Completion of the Disposal Agreement is conditional upon obtaining relevant governmental approvals relating to the transfer of the 100% equity interest in Everbest, 51% equity interest in Shunxing and 51% equity interest in Fengshou.

Completion

Completion is to take place on the day after the condition precedents have been satisfied.

Everbest, Shunxing and Fengshou

Everbest is a limited company incorporated in the British Virgin Islands. Its principle business activity is investment holding. The sole asset of Everbest is its 75% equity interest in Beijing Long Qing Xia.

Shunxing is a sino-foreign joint venture incorporated in the PRC with limited liability. Its principal business activity is sales and production of wine.

Fengshou is a sino-foreign joint venture incorporated in the PRC with limited liability. Its principal business activity is sales and production of wine.

The following are the financial results of Everbest, Shunxing and Fengshou under Hong Kong accounting standard:

	Year ended 31st December					
	2006 (unaudited)			2007 (unaudited)		
	HK\$'000			HK\$'000		
	Everbest	Shunxing	Fengshou	Everbest	Shunxing	Fengshou
Net asset value attributable to the Group	93,757	59,490	54,574	99,558	62,932	62,201
Profit before taxation	8,970	1,430	4,960	9,594	225	10,090
Profit after taxation	4,499	1,430	3,368	4,645	225	7,376

Upon completion of the transaction, the Company will record an insignificant gain. The basis for calculating this gain is based on the net asset value attributable to the Company's interests in Everbest, Shunxing and Fengshou.

The aggregate proceeds from the transaction under the Disposal Agreement of HK\$241,562,165 will be applied towards general working capital of the Company.

REASON FOR THE DISPOSAL AGREEMENT

The Group has positioned itself as utilities conglomerate with urban energy services as its core business. The transaction under the Disposal Agreement will realign the asset structure of Group and facilitate effective management of resources. The Directors, including the Independent Non-executive Directors, believe that the transaction is on normal commercial terms, the terms of the Disposal Agreement is fair and reasonable and in the interests of the Company's shareholders as a whole.

CONNECTED TRANSACTION

BE Group (BVI) is a substantial shareholder of the Company and a connected person of the Company. The transaction under the Disposal Agreement hence constitutes a connected transaction for the Company. As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules is more than 0.1% but less than 2.5%. The transaction under the Disposal Agreement constitutes a connected transaction for the Company for the purpose of Chapter 14A.16(2) and is subject to the reporting and announcement requirements.

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 (BVI)”	Beijing Enterprises Group (BVI) Company Limited, a company incorporated in the British Virgin Islands with limited liability. Its principal business activity is investment holding.
“Beijing Long Qing Xia”	Beijing Long Qing Xia Tourism Development Co, Ltd.* (北京龍慶峽旅遊發展有限公司), a sino-foreign joint venture incorporated in the PRC with limited liability in which the Company, through its wholly-owned subsidiary Everbest, has an indirect 75% equity interest. Its principal business activity is provision of tourism services at Long Qing Xia, PRC.
“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 Stock Exchange. Its principal business activity is utilities conglomerate with urban energy services.
“Director(s)”	the director(s) of the Company
“Disposal Agreement”	An agreement dated 7 April 2008 entered into between the Company and BE Group (BVI) pursuant to which the Company has conditionally agreed to sell to BE Group (BVI) its 100% equity interest in Everbest, 51% equity interest in Shunxing and 51% equity interest in Fengshou.
“Everbest”	Everbest Islands Limited, a company incorporated in the British Virgin Islands with limited liability in which the Company has a direct 100% equity interest. Its principle business activity is investment holding. The sole asset of Everbest is its 75% equity interest in Beijing Long Qing Xia.
“Fengshou”	Beijing Fengshou Wine Co., Ltd.* (北京豐收葡萄酒有限公司), a sino-foreign joint venture incorporated in the PRC with limited liability in which the Company has a direct 51% equity interest. Its principal business activity is sales and production of wine.
“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, Mr. Wu Jiesi, Mr. Robert A. Theleen and Mr. Lam Hoi Ham.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement.
“Shunxing”	Beijing Shunxing Wine Co., Ltd.* (北京順興葡萄酒有限公司), a sino-foreign joint venture incorporated in the PRC with limited liability in which the Company has a direct 51% equity interest. Its principal business activity is sales and production of wine.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
Tam Chun Fai
Executive Director
Hong Kong, 7 April 2008

As at the date of this announcement, the Board of Directors of the Company comprises:

Executive Directors

Mr. Yi Xi Qun, Mr. Zhang Hong Hai, Mr. Li Fu Cheng, Mr. Bai Jin Rong, Mr. Zhou Si, Mr. Liu Kai, Mr. Guo Pu Jin, Mr. E Meng, Mr. Lei Zhen Gang, Mr. Jiang Xin Hao and Mr. Tam Chun Fai.

Independent Non-Executive Directors

Mr. Wu Jiesi, Mr. Robert A. Theleen and Mr. Lam Hoi Ham.

* For identification purposes only