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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)

**PROPOSED ISSUE OF HK DOLLAR DENOMINATED 2.25%
GUARANTEED CONVERTIBLE BONDS DUE 2014
CONVERTIBLE INTO THE SHARES OF THE COMPANY**

Lead Managers

NOMURA

CREDIT SUISSE

Co-Managers

HSBC

UBS

On 25 April 2009, the Issuer and the Company entered into the Bonds Subscription Agreement with the Managers, pursuant to which each of the Lead Managers agreed to subscribe and pay for the Firm Bonds to be issued by the Issuer in an initial aggregate principal amount of HK\$1.78 billion (equivalent to approximately US\$230 million). In addition, the Issuer has granted to each of the Lead Managers an option to require the Issuer to issue the Option Bonds in whole or in part, up to a further aggregate principal amount of HK\$395 million (equivalent to approximately US\$51 million), exercisable on one or more occasions, in whole or in part, at any time on or before the 30th day after the Closing Date. The Company agrees to guarantee payment of all sums payable in relation to such Bonds.

Based on an initial Conversion Price of HK\$43.50 and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into 50,000,000 Shares (being the aggregate of 40,919,540 Shares to be converted from the Firm Bonds and 9,080,460 Shares from the Option Bonds), representing approximately 4.40% of the issued share capital of the Company as at the date of this announcement and approximately 4.21% of the issued share capital of the Company as enlarged by the full conversion of the Bonds. The Conversion Shares will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date.

Completion of the Bonds Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Bonds Subscription Agreement may be terminated in certain circumstances. Please refer to the Section headed “Bonds Subscription Agreement” below for further information.

As the Bonds Subscription Agreement may or may not complete, potential investors are advised to exercise caution when dealing in the Shares.

The Bonds have not been offered or sold and may not be offered or sold in Hong Kong to the public within the meaning of the Companies Ordinance.

The Bonds and the Conversion Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

Application will be made to the Hong Kong Stock Exchange for the listing of the Bonds as selectively marketed securities. The Shares are listed on the Hong Kong Stock Exchange and application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

The gross proceeds from the Bonds Issue (assuming the option is not exercised) is approximately HK\$1.78 billion (equivalent to approximately US\$230 million) or if the Option Bonds are issued in full, HK\$2.175 billion (equivalent to approximately US\$281 million). The estimated expenses and commissions amount to approximately HK\$39 million (equivalent to approximately US\$5 million), in which the Group will receive net proceeds in the amount of approximately HK\$1.74 billion (equivalent to approximately US\$225 million) from the Bonds Issue (assuming the option is not exercised) or if the Option Bonds are issued in full, the estimated expenses and commissions amount to approximately HK\$47 million (equivalent to approximately US\$6 million), in which the Group will receive net proceeds in the amount of approximately HK\$2.13 billion (equivalent to approximately US\$275 million) from the Bonds Issue.

BONDS SUBSCRIPTION AGREEMENT

Date: 25 April 2009

Parties: The Issuer

The Company, as Guarantor

The Managers

Subject to the fulfillment of the conditions set out below under the section headed “Conditions Precedent to the Bonds Subscription Agreement”, each of the Lead Managers has agreed to subscribe and pay for the Firm Bonds with an initial aggregate principal amount of HK\$1.78 billion (equivalent to approximately US\$230 million). In addition, the Issuer has granted to each of the Lead Managers an option to require the Issuer to issue the Option Bonds up to a further aggregate principal amount of HK\$395 million (equivalent to approximately US\$51 million), exercisable on one or more occasions, in whole or in part, at any time on or before the 30th day after the Closing Date. Accordingly, the maximum aggregate principal amount of the Bonds to be issued will be HK\$2.175 billion (equivalent to approximately US\$281 million). The Company agrees to guarantee payment of all sums payable in relation to such Bonds.

Based on an initial Conversion Price of HK\$43.50 and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into 50,000,000 Shares (being the aggregate of 40,919,540 Shares to be converted from the Firm Bonds and 9,080,460 Shares from the Option Bonds) (subject to adjustment), representing approximately 4.40% of the issued share capital of the Company as at the date of this announcement and approximately 4.21% of the issued share capital of the Company as enlarged by the full conversion of the Bonds. The Conversion Shares will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date.

The initial Conversion Price of HK\$43.50 per Share, represents (i) a premium of approximately 22.54% over the closing price of HK\$35.50 per Share on 24 April 2009, which is the Trading Day immediately before the date of the Bonds Subscription Agreement was signed, (ii) a premium of approximately 28.70% over the average of the closing price of the Shares as quoted on the Hong Kong Stock Exchange for the 5 Trading Days up to and including 24 April 2009 of HK\$33.80 per Share and (iii) a premium of approximately 29.25% over the average of the closing price of the Shares as quoted on the Hong Kong Stock Exchange for the 10 Trading Days up to and including 24 April 2009 of HK\$33.655 per Share respectively.

The Bonds will be offered and sold outside the United States in reliance upon Regulation S of the Securities Act. None of the Bonds will be offered to the public in Hong Kong nor will they be placed to any connected persons (as defined in the Listing Rules) of the Company. The Managers are not connected persons of the Company under the Listing Rules for the purposes of the Bonds Issue.

The Bonds will be offered and sold to not less than six persons whose ordinary business involves buying, selling or investing in securities outside the United States in reliance upon Regulation S of the Securities Act. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the placees (and their respective ultimate beneficial owners) are and will be independent of the Company and its connected persons.

In connection with the proposed offering, the Managers and their affiliates may also, for their own account, enter into asset swaps, credit derivatives or other derivative transactions relating to the Bonds and/or the Conversion Shares at the same time as the offer and sale of the Bonds or in secondary market transactions (including synthetic short positions for investors of the Bonds).

Lock-up Undertaking

Each of the Company and the Issuer has undertaken with the Managers that it will not, and will procure that none of the members of the Group nor any person acting on its or their behalf will (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or such other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Managers (such consent not to be unreasonably withheld) between the date hereof and the date which is 90 days after the Closing Date (or (if later) the Option Closing Date).

Each of BE Group and BEIL will execute a lock-up agreement whereby it undertakes not to sell any Shares or enter into other transactions with a similar effect for a period from the date of the Bonds Subscription Agreement until 90 days after the Closing Date (and, if any Option Bonds are issued, until the date 90 days after the last Option Closing Date).

Conditions Precedent to the Bonds Subscription Agreement

Completion is subject to fulfillment of, among others, the following conditions:

- (1) the Managers shall have been satisfied with the results of their due diligence investigations on the Issuer, the Company and their respective subsidiaries for the purposes of the preparation of the offering circular in connection with the Bonds and the listing of the Bonds on the Hong Kong Stock Exchange, and such document shall have been prepared in form and content satisfactory to the Managers;

- (2) the trust deed and the paying and conversion agency agreement in connection with the Bonds, each in a form reasonably satisfactory to the Managers, shall have been executed by all parties thereto on or prior to the Closing Date;
- (3) the Hong Kong Stock Exchange shall have agreed to list the Bonds as selectively marketed securities and the Conversion Shares (or, in each case, the Managers being satisfied that such listing will be granted);
- (4) on or prior to the Closing Date, there shall have been delivered to the Managers, each in a form reasonably satisfactory to the Managers, opinions, dated the Closing Date or the Option Closing Date, as the case may be, of (i) the legal advisers to the Issuer as to the British Virgin Islands law; (ii) the legal advisers to the Issuer as to PRC law; and (iii) the legal advisers to the Managers as to English and Hong Kong law; and
- (5) at the Closing Date and the Option Closing Date (if any), (i) the representations and warranties of the Issuer and the Company in the Bonds Subscription Agreement shall be true, accurate and correct in all respects at, and as if made on such date; (ii) the Issuer and the Company shall have performed all of its obligations under the Bonds Subscription Agreement expressed to be performed on or before such date; and (iii) there having been delivered to the Managers a certificate, dated as of such date, of a duly authorised officer of each of the Issuer and Company to such effect.

The Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the conditions precedent.

Termination

The Managers may, by notice to the Issuer and the Company given at any time prior to payment of the net subscription monies for the Firm Bonds or the Option Bonds (if any) to the Issuer, terminate the Bonds Subscription Agreement in any of the following circumstances:

- (1) if there shall have come to the notice of the Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Bonds Subscription Agreement or any failure to perform any of the Issuer's and the Company's undertakings or agreements in the Bonds Subscription Agreement;
- (2) if any of the conditions precedent to the Bonds Subscription Agreement has not been satisfied or waived by the Managers;
- (3) if there shall have occurred any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls which would in the Managers' view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;

- (4) if there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in the Managers' view be likely to prejudice materially the success of the offering and the distribution of the Bonds or dealings in the Bonds in the secondary market; or
- (5) if there shall have occurred either of the following events: (i) a suspension or material limitation of trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the Hong Kong Stock Exchange and/or any other stock exchange on which the Issuer's or the Company's securities are traded; (ii) a suspension or a material limitation in trading in the Issuer's or the Company's securities on the Hong Kong Stock Exchange and/or any other stock exchange on which the Issuer's or the Company's securities are traded; (iii) a general moratorium on commercial banking activities in the United States, Hong Kong and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong or the United Kingdom; or (iv) a change or development involving a prospective change in taxation affecting the Issuer, the Company, the Bonds and the Conversion Shares or the transfer thereof.

Subject to the foregoing, completion of the subscription and issue of the Firm Bonds will take place on the Closing Date.

The Directors consider that the terms and conditions of the Bonds Subscription Agreement and the Bonds are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarized as follows:

- Issuer : Power Regal Group Limited.
- Principal amount of the Bonds : The aggregate principal amount of the Firm Bonds will be HK\$1.78 billion (equivalent to approximately US\$230 million). In addition, the Issuer has granted to each of Lead Managers an option to require the Issuer to issue the Option Bonds up to a further aggregate principal amount of HK\$395 million (equivalent to approximately US\$51 million), exercisable on one or more occasions, in whole or in part, at any time up to and including the 30th day after the Closing Date. Accordingly, the maximum aggregate principal amount of the Bonds to be issued will be HK\$2.175 billion (equivalent to approximately US\$281 million). The Company agrees to guarantee payment of all sums payable in relation to such Bonds.
- Issue Price : 100% of the principal amount of the Bonds.

- Interest : The Bonds bear interest from (and including) the Closing Date at the rate of 2.25% per annum calculated by reference to the principal amount thereof and payable in Hong Kong Dollars at the Hong Kong Dollar equivalent semi-annually in arrear in equal instalments on 2 June and 2 December in each year (each an “Interest Payment Date”), commencing with the Interest Payment Date falling on 2 December 2009.
- Fee : The Issuer (failing whom the Company) will pay to the Managers an aggregate combined management and underwriting commission and selling concession of 2% of the aggregate principal amount of the Bonds issued. The Directors (including the independent non-executive Directors) consider the fee mentioned above to be fair and reasonable.
- Conversion Period : Bondholder(s) may exercise conversion rights at any time on or after 13 July 2009 up to the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on 26 May 2014 or if such Bond shall have been called for redemption before the Maturity Date, then up to the close of business on the seventh business day prior to the date of redemption or if notice requiring redemption has been given by the holder of such Bond, then up to the close of business on the business day prior to the giving of such notice.
- Conversion Price : The initial Conversion Price is HK\$43.50 per Share. The Conversion Price is subject to adjustment upon the occurrence of certain prescribed events, among other things, consolidation or subdivision of shares, capitalization of profits or reserves, extraordinary distributions, rights issues of Shares or options over Shares, rights issues of other securities, and issues at less than current market price. The Conversion Price may not be reduced so that, on conversion of the Bonds, Shares would be issued at a discount to their par value.
- Ranking of Shares : The Conversion Shares will rank pari passu in all respects with the Shares then in issue on the relevant conversion date.
- Maturity : Unless previously redeemed, converted or purchased and cancelled as provided in the terms and condition of the Bonds, the Issuer will redeem each Bond at its outstanding principal amount in Hong Kong dollars together with unpaid accrued interest thereon on 2 June 2014.

- Redemption for taxation reasons : The Bonds may be redeemed at the option of the Issuer in whole but not in part at any time, on giving not less than 30 nor more than 60 days' prior notice to the Bondholders (which notice will be irrevocable) in accordance with terms and conditions of the Bonds at the principal amount together with accrued interest to the date of redemption, if (i) the Issuer satisfies the trustee of the Bonds immediately prior to the giving of such notice that the Issuer (or if the Company was called, the Company) has or will become obliged to pay any additional amounts as provided or referred to in terms and condition of the Bonds as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands (in the case of the Issuer) or Hong Kong (in the case of the Company) or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 25 April 2009, and (ii) such obligation cannot be avoided by the Issuer (or as the case may be, the Company) taking reasonable measures available to it, provided that no tax redemption notice will be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due.
- Redemption at option of the Issuer : On giving not less than 30 or more than 90 days' notice to the Bondholders and the trustee (which notice will be irrevocable), the Issuer: (i) may, at any time after 2 June 2012 and prior to the Maturity Date, redeem all, but not some only (being HK\$10,000 in principal amount or an integral multiple thereof) of the Bonds for the time being outstanding at their principal amount together with interest accrued to the date fixed for redemption, provided that the closing price of the Shares for each of 20 consecutive Trading Days, the last day of which occurs not more than 30 days prior to the date on which notice of such redemption is published was at least 130% of the Conversion Price in effect on such a dealing day; or (ii) may, at any time prior to the Maturity Date redeem all but not some only, of the Bonds for the time being outstanding at their principal amount together with interest accrued to the date fixed for redemption provided that prior to the date of such notice at least 90% in principal amount of the Bonds originally issued have already been converted, redeemed or purchased and cancelled.
- Redemption at option of the Bondholder(s) : The Issuer will, at the option of the holder of any Bond, redeem all or some only of such holder's Bonds on 2 June 2012 at their principal amount, together with interest accrued to the date fixed for redemption. A put notice, once delivered, shall be irrevocable unless the Issuer consents to such withdrawal.

Redemption for delisting and change of control	:	<p>Following the occurrence of any of the following events:</p> <p>(i) when the Shares cease to be listed or admitted to trading on the Hong Kong Stock Exchange (the “Delisting”), the holder of each Bond will have the right by notice given to the Issuer on the twentieth business day after notice has been given to Bondholders regarding the delisting or, if such notice is not given, the twentieth business day after the Delisting (the “Delisting Put Date“) at their principal amount, together with interest accrued to the Delisting Put Date; or</p> <p>(ii) when there is a change of control in the Issuer, the holder of each Bond will have the right by notice given to the Issuer not later than 60 days following a change of control, or if later, 60 days following the giving of notice by the Issuer to the Bondholders of such change of control to require the Issuer to redeem in whole but not in part of such holder’s Bonds, on the 14th day following the expiry of such 60-day period at their principal amount, together with accrued but unpaid interest to the date of redemption.</p>
Voting rights	:	Before conversion of the Bonds, Bondholders will not have any right to attend or vote in any general meeting of the Company by virtue of their being Bondholders.
Listing	:	An application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.
Denomination	:	HK\$10,000 each without coupons attached.
Transferability	:	The Bonds are freely transferable.
Status	:	The Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves.
Guarantee	:	The Company agrees to unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the trust deed constituting the Bonds and the Bonds.

EFFECT ON THE SHARE CAPITAL

The following table summarizes the shareholding structure of the Company as at the date of this announcement and as a result of conversion of the Bonds:

Shareholder	As at the date of this announcement		Assuming the Firm Bonds are fully converted in Shares at the initial conversion price of HK\$43.50 and the Option Bonds are not issued		Assuming the Bonds are fully converted in Shares at the initial conversion price of HK\$43.50	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
BEIL (Note 1)	163,751,109	14.40	163,751,109	13.90	163,751,109	13.80
BE Group BVI (Note 1)	411,250,000	36.17	411,250,000	34.91	411,250,000	34.65
Modern Orient Limited (Note 2)	100,050,000	8.80	100,050,000	8.50	100,050,000	8.43
Public Shareholders						
Bondholders	–	–	40,919,540	3.47	50,000,000	4.21
Other public Shareholders	461,949,891	40.63	461,949,891	39.22	461,949,891	38.91
Total	<u>1,137,001,000</u>	<u>100.00</u>	<u>1,177,920,540</u>	<u>100.00</u>	<u>1,187,001,000</u>	<u>100.00</u>

Note:

- BE Group (BVI) directly owns 411,250,000 Shares, representing approximately 36.17% of the issued share capital of the Company, while its subsidiary, BEIL directly and indirectly owns an aggregate of 263,801,109, representing an approximately 23.20% of the issued share capital of the Company. Accordingly, BE Group (BVI) together with BEIL own an aggregate of 675,051,109 Shares, representing approximately 59.37% of the issued share capital of the Company. As BE Group (BVI) is a wholly-owned subsidiary of BE Group, BE Group is deemed to be interested in the share held by BE Group BVI, BEIL and Modern Orient Limited.
- Modern Orient Limited is a wholly-owned subsidiary of BEIL.

USE OF PROCEEDS

The gross proceeds from the Bonds Issue (assuming the option is not exercised) is HK\$1.78 billion (equivalent to approximately US\$230 million) or if the Option Bonds are issued in full, HK\$2.175 billion (equivalent to approximately US\$281 million). The estimated expenses and commissions amount to approximately HK\$39 million (equivalent to approximately US\$5 million), in which the Group will receive net proceeds in the amount of HK\$1.74 billion (equivalent to approximately US\$225 million) from the Bonds Issue (assuming the option is not exercised) or if the Option Bonds are issued in full, the estimated expenses and commissions amount to approximately HK\$47 million (equivalent to approximately US\$6 million), in which the Group will receive net proceeds in the amount of approximately HK\$2.13 billion (equivalent to approximately US\$275 million) from the Bonds Issue.

The net price of each Conversion Share, which is calculated by dividing the total net proceeds from the Bonds Issue and the total number of Conversion Shares (assuming all the Bonds are fully converted), is approximately HK\$42.60. The Group intends to apply the proceeds as follows:

- (i) about 80% of the net proceeds will be used for the expansion of the business in relation to long pipeline transmission for natural gas and water related businesses and to capture business opportunities arising from the merger, acquisition and capital operation of the principal business with a prudent and dedicated approach by focusing resources on the gas and water businesses so as to seek a rapid expansion of our principal business; and
- (ii) the remaining 20% of the net proceeds will be used as general working capital.

REASONS FOR AND BENEFITS OF THE BONDS ISSUE

The issue and conversion of the Bonds will enlarge and diversify the shareholder base of the Group whilst providing an opportunity to raise further capital for the purposes as set out in the paragraph headed "Use of Proceeds" above. Taking into account that the Conversion Price represents a premium to the closing price of the Shares as quoted on the Stock Exchange on 24 April 2009, the Directors are of the view that the terms and conditions of the Bonds are fair and reasonable and are in the interests of the Group as a whole.

GENERAL MANDATE

By a resolution of the shareholders of the Company passed at the annual general meeting held on 26 June 2008, the Company granted a general mandate to the Directors to allot and issue no more than 20% of the total nominal amount of the share capital of the Company in issue on the date of passing of the resolution. The Directors have not exercised the power to allot and issue any new Shares pursuant to the general mandate granted. As at the date of this announcement, the Company is entitled to issue up to 20% of the total nominal amount of the share capital of the Company in issue pursuant to such general mandate. The Conversion Shares will be issued under such general mandate.

FUND RAISING IN THE PAST 12 MONTHS

The Company has not carried out any capital fund raising activities over the past 12 months from the date of this announcement.

GENERAL

The Group is one of the leading conglomerates in the PRC primarily engaged in gas distribution, water utilities, infrastructure and alcoholic beverages. The Issuer, a company incorporated in the British Virgin Islands, is wholly owned by the Company and is principally engaged in investment holding.

Application will be made to the Hong Kong Stock Exchange for the listing of the Bonds as selectively marketed securities. The Shares are listed on the Hong Kong Stock Exchange and application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

The Bonds and the Conversion Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

None of the Bonds will be offered to the public in Hong Kong.

The Company will promptly notify the Hong Kong Stock Exchange upon becoming aware of any dealing in the Bonds by any connected person (as defined in the Listing Rules) of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms will have the following meaning:

“BE Group”	:	Beijing Enterprises Group Company Limited
“BE Group BVI”	:	Beijing Enterprises Group (BVI) Company Limited
“BEIL”	:	Beijing Enterprises Investments Limited
“Board”	:	board of directors of the Company
“Bonds Issue”	:	issue of the Bonds
“Bondholder(s)”	:	holder(s) of the Bonds from time to time
“Bonds”	:	the Firm Bonds and the Option Bonds (if any)
“Bonds Subscription Agreement”	:	the subscription agreement between the Company, the Issuer and the Managers dated 25 April 2009 in respect of the subscription of the Bonds
“Co-Managers”	:	HSBC and UBS
“Closing Date”	:	2 June 2009 or such later date, being not later than 16 June 2009 as the Company, the Issuer and the Lead Managers may agree

“Company”	:	Beijing Enterprises Holdings Limited, a company incorporated in Hong Kong with limited liabilities whose shares are listed on the Hong Kong Stock Exchange (Stock Code: 392)
“Conversion Price”	:	the price at which Shares will be issued upon conversion which will initially be HK\$43.50 per Share and will be subject to adjustment in the manner provided in the terms and conditions of the Bonds
“Conversion Shares”	:	Shares to be allotted and issued by the Company upon conversion of the Bonds
“Credit Suisse”	:	Credit Suisse (Hong Kong) Limited
“Directors”	:	directors of the Company
“Firm Bonds”	:	the HKD Denominated 2.25% Convertible Bonds due 2014 of an initial aggregate principal amount of HK\$1.78 billion (equivalent to approximately US\$230 million)
“Group”	:	the Company and its subsidiaries
“Hong Kong”	:	the Hong Kong Special Administration Region of the PRC
“HK\$” or “HKD”	:	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
“Hong Kong Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“HSBC”	:	The Hongkong and Shanghai Banking Corporation Limited
“Issuer”	:	Power Regal Group Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Lead Managers”	:	Nomura and Credit Suisse
“Listing Rules”	:	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Managers”	:	the Lead Managers and the Co-Managers
“Maturity Date”	:	the fifth anniversary of the Closing Date
“Nomura”	:	Nomura International (Hong Kong) Limited

“Option Bonds”	:	the additional HKD Denominated 2.25% Convertible Bonds due 2014 of up to an aggregate principal amount of HK\$395 million (equivalent to approximately US\$51 million)
“Option Closing Date”	:	a date to be specified by the Lead Managers upon exercise of the option to subscribe for all or any of the Option Bonds, being a date not later than 15 business days after the date of exercise of such option
“PRC”	:	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Publication Date”	:	the date of the offering circular which shall not be later than three business days prior to the Closing Date
“Put Option Date”	:	the third anniversary of the Closing Date
“Regulation S”	:	Regulation S under the Securities Act
“Securities Act”	:	the US Securities Act of 1933, as amended
“Shares”	:	ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Trading Day”	:	a day when the Hong Kong Stock Exchange is open for dealing business, provided that if no closing price of the Shares is reported for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and will be deemed not to have been dealing days when ascertaining any period of dealing days
“UBS”	:	UBS AG
“United States”	:	the United States of America
“US\$” or “USD” or “USD Dollar”	:	United States dollars, the lawful currency of the United States
“%”	:	per cent.

In this announcement, unless otherwise stated, amounts denominated in US\$ have been converted into HK\$ at the rate of US\$1.00 = HK\$7.75 for illustration purpose only. The exchange rates do not constitute representations that any amount has been, could have been, or may be exchanged at this or any other rates at all.

By order of the Board
Beijing Enterprises Holdings Limited
Yi Xiqun
Chairman

Hong Kong, 26 April 2009

As at the date of this announcement, the Board comprises Mr. Yi Xiqun, Mr. Zhang Honghai, Mr. Li Fucheng, Mr. Bai Jinrong, Mr. Zhou Si, Mr. E Meng, Mr. Liu Kai, Mr. Guo Pujin, Mr. Lei Zhengang, Mr. Jiang Xinhao and Mr. Tam Chun Fai as executive Directors; Mr. Wu Jiesi, Mr. Robert A. Theleen, Mr. Lam Hoi Ham and Mr. Fu Tingmei as independent non-executive Directors.