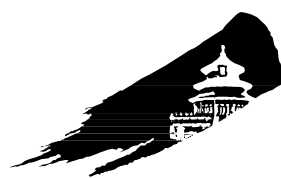


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北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(website: www.behl.com.hk)

(Stock Code: 392)

ANNOUNCEMENT

PRICE-SENSITIVE INFORMATION

SUMMARY

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board is pleased to announce that on 2 August 2007, BAWT, a jointly-controlled company of the Company, entered into the Franchise Agreement with 北京市水務局 (Beijing Water Bureau*). Pursuant to which, BAWT will be granted a franchise right in the finance, investment, design, construction, management and operation of Plant A for a period of 23 years commencing from the effective day of the Franchise Agreement.

INTRODUCTION

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board is pleased to announce that on 2 August 2007, BAWT, a jointly-controlled company of the Company, entered into the Franchise Agreement with 北京市水務局 (Beijing Water Bureau*).

FRANCHISE AGREEMENT

Pursuant to Franchise Agreement, BAWT will be granted a franchise right in the finance, investment, design, construction, management and operation of Plant A and in the sale of purified water to 北京市自來水集團有限責任公司 (Beijing Municipal Waterworks (Group) Company Limited*) for a period of 23 years commencing from the effective day of the Franchise Agreement. There is no franchise fee payable to the government and at the expiration of franchise period, BAWT shall transfer without consideration the Plant A to the government.

The Plant A plans to have total purified water output capacity of 500,000 cubic metres per day. Subject to the government's final approval, the preliminary estimation of the total investment in the Plant A is approximately RMB 1.5 billion (approximately HK\$1.5213 billion) and the Plant A will be 100% owned by BAWT, which is owned as to 50% by the Company and 50% by 金州水務集團股份有限公司 (Golden State Water Group Corporation*).

GENERAL

The core business of the Group is infrastructure and utilities business. It has been the Company's strategy to pursue investment opportunities in water sector. Upon signing the Franchise Agreement, the Directors expect the Company will strengthen its leading position in water purification sector in Beijing City.

Beijing Water Bureau is a governmental bureau of Beijing Municipal Government. To the best of the Director's knowledge, Beijing Water Bureau is a third party independent of the Company and the connected persons of the Company under the Listing Rules.

The Company's execution of Franchise Agreement does not constitute a notifiable transaction for the Company under the Listing Rules. This announcement is made for information of Shareholders and other investors only.

DEFINITIONS

| | |
|---------|--|
| “BAWT” | Beijing Anling Water Technology Company Limited, a company established in the PRC with limited liability and its principle activity is investment holding. |
| “Board” | the board of Directors |

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|-----------------------|---|
| “Company” | Beijing Enterprises Holdings Limited, a company incorporated in Hong Kong and whose Shares are listed on the Main Board of the Stock Exchange |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited |
| “Plant A” | Plant A of Beijing No. 10 Water Treatment Plant situate at Dingfuzhuang, Chaoyang District, Beijing, PRC. |
| “Franchise Agreement” | the franchise agreement entered into on 2 August 2007 between BAWT, and Beijing Water Bureau in relation to the finance, investment, design, construction, management and operation of the Plant A. |
| “PRC” | the People’s Republic of China |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholders” | the shareholders of the Company |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |

By order of the Board
Tam Chun Fai
Executive Director & Company Secretary

Hong Kong, 2 August 2007

The directors of the Company as at the date of this announcement are as follows:

Executive Directors:

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

Independent Non-executive Directors:

Lau Hon Chuen, Ambrose; Lee Tung Hai, Leo; Wang Xian Zhang; Wu Jiesi; Robert A. Theleen

* *for identification purposes only*

The conversion of RMB in this announcement is based on the approximate exchange rate of HK\$1.00 = RMB0.986