

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(website: www.behl.com.hk)

(Stock Code: 392)

DISCLOSEABLE TRANSACTION

INVESTMENT AGREEMENT

Reference is made to the clarification announcement made by the Company on 9 April 2008. The Board announces that on 11 April 2008, Beijing Gas Group entered into the Investment Agreement with Datang Power, CDC and New Horizon Capital to establish the Keqi Coal-based Gas Company, for the purposes of planning, constructing and operating the Keqi Coal-based Gas Project. Datang Power, Beijing Gas Group, CDC and New Horizon Capital agreed to contribute to the establishment of Keqi Coal-based Gas Company in the proportion of 51%, 33%, 6% and 10%, respectively.

DISCLOSEABLE TRANSACTION

Pursuant to the Listing Rules, as the consideration ratio and assets ratio (as defined in Rule 14.07 of the Listing Rules) are more than 5% but less than 25%, the Investment Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements as set out in Rules 14.34 to 14.39 of the Listing Rules. This announcement is not disclosed under Rule 13.09 of the Listing Rules. A circular containing further details of the Investment Agreement will be despatched to the Shareholders as soon as practicable and in accordance with the Listing Rules.

INVESTMENT AGREEMENT

Date

11 April 2008

Parties

1. Datang Power,
2. Beijing Gas Group,
3. CDC, and
4. New Horizon Capital.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Datang Power, CDD and New Horizon Capital (and their ultimate beneficial owner) are third parties independent of the Company and connected persons of the Company.

Terms of the Investment Agreement

Pursuant to the Investment Agreement, Datang Power, Beijing Gas Group, CDC and New Horizon Capital agreed to contribute in the establishment of Keqi Coal-based Gas Company in the proportion of 51%, 33%, 6% and 10% respectively, for the purposes of planning, constructing and operating the Keqi Coal-based Gas Project.

Subject to government approval, the total investment of Keqi Coal-based Gas Project is approximately RMB18,780,000,000 (equivalent to approximately HK\$20,867,000,000) which is determined by reference to a feasibility report. The initial registered capital of Keqi Coal-based Gas Company payable in cash is RMB100,000,000 (equivalent to approximately HK\$111,111,111). The ultimate registered capital of Keqi Coal-based Gas Company is approximately 30% of the total investment of the project, which is approximately RMB5,634,000,000 (equivalent to approximately HK\$6,260,000,000).

The total capital commitment of Beijing Gas Group will be RMB6,197,400,000 (equivalent to approximately HK\$6,886,000,000) (i.e. 33% of the total investment amount of RMB18,780,000,000) including RMB1,859,220,000 being our proportion of 33% of the ultimate registered capital of Keqi Coal-based Gas Company to be contributed by Beijing Gas Group upon the establishment of Keqi Coal-based Gas Company. Beijing Gas Group's contribution to the registered capital of Keqi Coal-based Gas Company will be funded by internal resources.

As at the date of this announcement, the respective parties have not contributed any registered capital to Keqi Coal-based Gas Company. The parties agree that they will increase the registered capital of Keqi Coal-based Gas Company in stages based on the construction progress of the Keqi Coal-based Gas Project in the same proportion as their respective contributions to the aforesaid initial registered capital of Keqi Coal-based Gas Company.

All funds required for the construction of the Keqi Coal-based Gas Project will be funded by the registered capital of Keqi Coal-based Gas Company and financing resources in the PRC (i.e. loans from banks). The respective parties agree to, if necessary, provide guarantees to Keqi Coal-based Gas Company's financing in proportion to their respective capital contributions. In the event of any further capital injections or other guarantees against borrowings required upon Beijing Gas Group, the Company will comply with the relevant requirements under the Listing Rules if and when necessary.

The term of operation of Keqi Coal-based Gas Company shall be 30 years from the date of issuance of the relevant business license.

Information of Keqi Coal-based Gas Project

Pursuant to the Investment Agreement, Keqi Coal-based Gas Company, upon its establishment, will plan, construct and operate the Keqi Coal-based Gas Project, which is located in Kesheketeng Qi, Chifeng City, Inner Mongolia. Keqi Coal-based Gas Project, will use the brown coal from the Shengli Coalfield which is 5 km from the northwest of Xilinhaote, Inner Mongolia, as raw materials and fuels, and apply developed and reliable gasification technology. Natural gas, the principal product, will be transmitted by a long-distance pipeline covering 440 km in total which runs from the project site (Kesheketeng Qi destination) to the final destination in Miyun, Beijing, the PRC. The final size of the Keqi Coal-based Gas Project is subject to the approval by the relevant government authorities of the PRC. The Keqi Coal-based Gas Project will be constructed in three stages. The whole project is expected to be completed by 2012 and is expected to produce 4,000,000,000 cubic meters of natural gas and other by-products per annum upon commencement of production. Keqi Coal-based Gas Company will become an associate of the Company upon its establishment.

Information of the parties

Datang Power is principally engaged in the development and operation of power plants, the sale of electricity and thermal power, and the repair, testing and maintenance of power equipment and power related technical services, with its main service areas in the PRC.

CDC is a state-owned enterprise and its main scope of operations are the development, investment, construction, operation and management of power energy, organisation of power (thermal) production and sales, power technology development and consultation.

New Horizon Capital is a fund company set up in May 2007 in Hong Kong. The investors of the fund comprise more than 20 internationally-renowned institutions. The fund size is US\$500,000,000. New Horizon Capital is a secondary fund under management by the team, investing largely in various industries such as manufacturing, new energy, consumables, biomedicines and automobile accessories and parts.

REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTMENT AGREEMENT

The Group has positioned itself as utilities conglomerate with urban energy services as its core business.

Beijing Gas Group's investment in and construction of Keqi Coal-based Gas Project will allow the Beijing Gas Group to diversify the source of gas supply to its distribution business in Beijing . The Keqi Coal-based Gas Project is located in an area with abundant coal resources which provides a reliable source of raw materials and fuels to the Keqi

Coal-based Gas Project, and with abundant water resources and convenient transportation facilities which will help to lower the operation costs of the Keqi Coal-based Gas Project.

Moreover, the Keqi Coal-based Gas Project aims to supply gas largely to Beijing and to cities along the gas transmission pipeline upon its completion. The Company believes the Keqi Coal-based Gas Project, upon its completion, will benefit from the growing demand for natural gas as major clean energy source in Beijing and the cities along the gas transmission pipeline.

The Directors believe that entering into the Investment Agreement will further strengthen the midstream gas transmission business of Beijing Gas Group and contribute reasonable return to the Group. The Directors consider that the terms of the Investment Agreement were negotiated on an arm's length basis between Beijing Gas Group and the parties thereto and were determined on normal commercial terms. The Directors believe that the terms of Investment Agreement are fair and reasonable and in the best interest of the Shareholders as a whole.

DISCLOSEABLE TRANSACTION

Pursuant to the Listing Rules, as the consideration ratio and assets ratio (as defined in Rule 14.07 of the Listing Rules) are more than 5% but less than 25%, the Investment Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements as set out in Rules 14.34 to 14.39 of the Listing Rules. This announcement is not disclosed under Rule 13.09 of the Listing Rules. A circular containing further details of the Investment Agreement will be despatched to the Shareholders as soon as practicable and in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Beijing Gas Group”	Beijing Gas Group Co., Ltd, a limited company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Board”	the board of directors of the Company
“CDC”	China Datang Corporation, a state-owned enterprise established under the laws of the PRC and a controlling shareholder of Datang Power
“Company”	Beijing Enterprises Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited. Its principal business activity is utilities conglomerate with urban energy services.

“Datang Power”	Datang International Power Generation Co., Ltd., a sino-foreign joint stock limited company incorporated in the PRC on 13 December 1994, of which the H Shares are listed on The Stock Exchange of Hong Kong Limited and The London Stock Exchange Limited and the A Shares are listed on the Shanghai Stock Exchange
“Directors”	directors of the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Group”	The Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment Agreement”	the investment agreement entered into on 11 April 2008 by Datang Power, Beijing Gas Group, New Horizon Capital and CDC to establish the Keqi Coal-based Gas Company, for purpose of planning, constructing and operating the Keqi Coal-based Gas Project
“Keqi Coal-based Gas Company”	Inner Mongolia Datang International Keqi Coal-based Gas Company Limited
“Keqi Coal-based Gas Project”	the coal conversion project involving the expected production of 4,000,000,000 cubic meters of natural gas and other by-products per annum in Kesheketeng Qi, Inner Mongolia
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Horizon Capital”	新天域資本顧問有限公司(New Horizon Capital Advisors Limited), a fund company established in Hong Kong
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“%”	per cent

Note: Unless otherwise specified and for reference only, the conversion of Hong Kong dollars into Renminbi is based on the exchange rate of HK\$1= RMB0.9 in this announcement.

By order of the Board
Tam Chun Fai
Executive Director
Hong Kong, 14 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.