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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 TRANSACTIONS DISPOSAL OF PROPERTIES

The Company announces that on 9 May 2008, (1) the Company entered into a share transfer agreement (the “Helken Agreement”) with BHL to dispose of the Company’s 100% equity interest in Helken; (2) BE Properties Ltd, the wholly owned subsidiary of the Company, entered into several properties transfer agreements (collectively the “HK Properties Agreements”) with BHL’s indirect wholly owned subsidiaries, including Heroes, Trenton, Talent, Powerchine, Profit Cheers and Apex respectively, to dispose of BE Properties Ltd’s HK Properties; and (3) the Company entered into a properties transfer agreement (the “Beijing Properties Agreement”) with BHL to dispose of the Company’s Beijing Properties. The aggregate consideration of the Helken Agreement, the HK Properties Agreements and the Beijing Properties Agreement is HK\$262,920,000.

BHL, Heroes, Trenton, Talent, Powerchine, Profit Cheers and Apex are wholly owned subsidiaries of BE Group, the substantial shareholder of the Company. BHL, Heroes, Trenton, Talent, Powerchine, Profit Cheers and Apex are connected persons 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 Helken Agreement, the HK Properties Agreements and the Beijing Properties Agreement constitutes connected transactions for the Company under Rule 14A.16(2) and is subject to the reporting and announcement requirements.

HELKEN AGREEMENT

Vendor : The Company

Purchaser : BHL

Properties to be disposed

The Company has agreed to dispose of 100% equity interest in Helken to BHL at the consideration of HK\$11,000,000 to be settled in cash.

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

	2006 (audited) HK\$'000	Year ended 31st December 2007 (audited) HK\$'000
Net asset value	9,100	11,000
Profit / loss before taxation	-154	1,531
Profit / loss after taxation	-154	1,531

Helken's sole asset is the Helken Property, which is held as an investment property to earn rental income for Helken before the Helken Agreement. During the year ended 31 December 2007, the Helken Property was fully leased out and a profit was recorded by Helken. During the year ended 31 December 2006, the Helken Property was not fully leased out and a loss was recorded by Helken.

Upon completion of the transaction under the Helken Agreement, Helken will cease to be the Company's subsidiary and the results of Helken will cease to consolidate in the Group's consolidated financial statements.

HK PROPERTIES AGREEMENTS

Vendor : BE Properties Ltd

Purchaser : Heroes

Property to be disposed

Flat A, 7th Floor, Chai Kung Mansion, Kam Din Terrace, No. 2 Tai Yue Avenue, Taikoo Shing, Hong Kong to be sold at the consideration of HK\$4,700,000 to be settled in cash.

This property is an investment property to earn rental income for the Company before its disposal. The rental income derived from the property was amounted to approximately HK\$144,000 for the year ended 31 December 2007 and HK\$144,000 for the year ended 31 December 2006 which were consolidated in the audited financial statements of the Group.

Vendor : BE Properties Ltd

Purchaser : Trenton

Property to be disposed

Flat G, 3rd Floor, Lu Shan Mansion, Kao Shan Terrace, No. 5 Taikoo Shing Road, Taikoo Shing, Hong Kong to be sold at the consideration of HK\$4,320,000 to be settled in cash.

This property is an investment property to earn rental income for the Company before its disposal. The rental income derived from the property was amounted to approximately HK\$138,000 for the year ended 31 December 2007 and HK\$138,000 for the year ended 31 December 2006 which were consolidated in the audited financial statements of the Group.

Vendor : BE Properties Ltd

Purchaser : Talent

Property to be disposed

Flat E, 11th Floor, Oak Mansion, Harbour View Gardens, No. 20 Taikoo Wan Road, Taikoo Shing, Hong Kong to be sold at the consideration of HK\$8,150,000 to be settled in cash.

This property is an investment property to earn rental income for the Company before its disposal. The rental income derived from the property was amounted to approximately HK\$282,000 for the year ended 31 December 2007 and HK\$282,000 for the year ended 31 December 2006 which were consolidated in the audited financial statements of the Group.

Vendor : BE Properties Ltd

Purchaser : Powerchine

Property to be disposed

Units Nos. 1010, 1011 and 1012, 10th Floor of West Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong to be sold at the consideration of HK\$65,000,000 to be settled in cash.

This property is an investment property to earn rental income for the Company before its disposal. The rental income derived from the property was amounted to approximately HK\$1,923,840 for the year ended 31 December 2007 and HK\$1,292,580 for the year ended 31 December 2006 which were consolidated in the audited financial statements of the Group.

Vendor : BE Properties Ltd

Purchaser : Profit Cheers

Property to be disposed

Flat H, 15th Floor, Kin On Mansion, On Shing Terrace, No. 7 Tai Yue Avenue, Taikoo Shing, Hong Kong to be sold at the consideration of HK\$4,600,000 to be settled in cash.

This property is an investment property to accommodate the Group's senior employees before its disposal. No rental income was derived from the property for the years ended 31 December 2007 and 2006.

Vendor : BE Properties Ltd

Purchaser : Apex

Property to be disposed

Flat A, 14th Floor, Yat Tien Mansion, Horizon Gardens, No. 18B Taikoo Shing Road, Taikoo Shing, Hong Kong to be sold at the consideration of HK\$5,500,000 to be settled in cash.

This property is an investment property to accommodate the Group's senior employees before its disposal. No rental income was derived from the property for the years ended 31 December 2007 and 2006.

BEIJING PROPERTIES AGREEMENT

Vendor : The Company

Purchaser : BHL

Properties to be disposed

The Beijing Properties to be sold at the consideration of HK\$159,650,000 to be settled in cash.

These properties are investment properties to earn rental income for the Company before their disposal. The rental income derived from the properties was amounted to approximately HK\$6,088,034 for the year ended 31 December 2007 and HK\$5,065,682 for the year ended 31 December 2006 which were consolidated in the audited financial statements of the Group.

CONSIDERATION

The aggregate consideration of HK\$262,920,000 to be settled in cash for the Helken Agreement, the HK Properties Agreements and the Beijing Properties Agreement is determined with reference to the valuation of the Helken Property, the HK Properties and the Beijing Properties as at 31 December 2007 of HK\$262,920,000 conducted by the independent property valuator DTZ Debenham Tie Leung Ltd. The Directors including the Independent Non-executive Directors consider that as at the date of this announcement, there has been no material change in the value of the Helken Property, the HK Properties and the Beijing Properties since 31 December 2007.

HK\$26,292,000, being 10% of the aggregate consideration, shall be paid by the purchasers as deposit upon signing the sale and purchase agreements in respect of the Helken Property, the HK Properties and the Beijing Properties. HK\$236,628,000, being the balance of the aggregate consideration, shall be paid by the purchasers within 30 days after the Condition Precedent have been satisfied.

The aggregate proceeds of HK\$262,920,000 from the transactions under the Helken Agreement, the HK Properties Agreements and the Beijing Properties Agreement will be applied towards general working capital of the Company.

The Helken Property, the HK Properties and the Beijing Properties were held for long term purpose to accommodate the Group's senior employees or to earn rental income. The cost of the properties had been recorded as investment properties and buildings in the balance sheet of the audited financial statements of the Company. The consideration of HK\$262,920,000 is equal to the carrying value of the properties. No gain or loss on the disposal will be recognized by the Company.

CONDITION PRECEDENT

The Helken Agreement, the HK Properties Agreements and the Beijing Properties Agreement are inter-conditional. The completion of the transactions is conditional upon good titles of the properties having been proved by the sellers to the satisfaction of the buyers.

COMPLETION

Completion of the Helken Agreement, the HK Properties Agreements and the Beijing Properties Agreement is to take place within 30 days after the condition precedents have been satisfied.

REASON FOR HELKEN AGREEMENT, HK PROPERTIES AGREEMENTS AND BEIJING PROPERTIES AGREEMENT

The Group has positioned itself as utilities conglomerate with urban energy services as its core business. The transactions under the Helken Agreement, the HK Properties Agreements and the Beijing Properties Agreement will realign the asset structure of the

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 Helken Agreement, the HK Properties Agreements and the Beijing Properties Agreement are fair and reasonable and in the interests of the Company's shareholders as a whole.

CONNECTED TRANSACTIONS

BHL, Heroes, Trenton, Talent, Powerchine, Profit Cheers and Apex are wholly owned subsidiaries of BE Group, the substantial shareholder of the Company. BHL, Heroes, Trenton, Talent, Powerchine, Profit Cheers and Apex are connected persons 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 Helken Agreement, the HK Properties Agreements and the Beijing Properties Agreement constitutes connected transactions for the Company under Rule 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:

“Apex”	Apex Dragon Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of BE Group. Its principal business activity is investment holding
“BE Group”	Beijing Enterprises Group Company Limited* (北京控股集團有限公司), a company incorporated in the PRC with limited liability and is the substantial shareholder of the Company. Its principal business activity is investment holding
“Beijing Properties”	6 th , 8 th , 12 th , 17 th , 18 th and 19 th Floors, Phase 2, Jingtai Building, No. 24 Jianguomenwai Street, Beijing, PRC
“Beijing Properties Agreement”	an agreement dated 9 May 2008 entered into between the Company and BHL pursuant to which the Company has conditionally agreed to sell the Beijing Properties
“BE Properties Ltd”	Beijing Enterprises (Properties) Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly owned subsidiary of the Company. Its principal business activity is investment holding

“BHL”	Beijing Holdings Limited, a company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of BE Group. Its principal business activity is investment holding
“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
“Group”	the Company and its subsidiaries
“Helken”	Helken Industries Limited, a company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of the Company. Its principal business activity is investment holding. Its sole asset is the Helken Property
“Helken Agreement”	an agreement dated 9 May 2008 entered into between the Company and BHL pursuant to which the Company has conditionally agreed to sell its 100% equity interest in Helken
“Helken Property”	Flat A, 23 rd Floor, Tower 2, The Floridian, No. 18 Sai Wan Terrace, Quarry Bay, Hong Kong
“Heroes”	Heroes Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of BE Group. Its principal business activity is investment holding
“HK Properties”	the six landed properties to be disposed by BE Properties Ltd including: - <ul style="list-style-type: none"> • Flat A, 7th Floor, Chai Kung Mansion, Kam Din Terrace, No. 2 Tai Yue Avenue, Taikoo Shing, Hong Kong; • Flat G, 3rd Floor, Lu Shan Mansion, Kao Shan Terrace, No. 5 Taikoo Shing Road, Taikoo Shing, Hong Kong;

- Flat E, 11th Floor, Oak Mansion, Harbour View Gardens, No. 20 Taikoo Wan Road, Taikoo Shing, Hong Kong;
- Units Nos. 1010, 1011 and 1012, 10th Floor of West Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong;
- Flat H, 15th Floor, Kin On Mansion, On Shing Terrace, No. 7 Tai Yue Avenue, Taikoo Shing, Hong Kong; and
- Flat A, 14th Floor, Yat Tien Mansion, Horizon Gardens, No. 18B Taikoo Shing Road, Taikoo Shing, Hong Kong

“HK Properties Agreements”	the six agreements at various dates entered into between BE Properties Ltd as the seller, and Heroes, Trenton, Talent, Powerchine, Profit Cheers and Apex as the buyers, pursuant to which BE Properties Ltd has conditionally agreed to sell the HK Properties
“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
“Powerchine”	Powerchine Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of BE Group. Its principal business activity is investment holding
“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
“Profit Cheers”	Profit Cheers Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of BE Group. Its principal business activity is investment holding
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Talent”	Talent Graphic Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of BE Group. Its principal business activity is investment holding
“Trenton”	Trenton Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of BE Group. Its principal business activity is investment holding
“%”	per cent

By order of the Board
Tam Chun Fai
Executive Director
Hong Kong, 9 May 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*