



北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

News Release

**BEHL obtained franchise right in
Plant A of Beijing No. 10 Water Treatment Plant**

2 August, 2007, Hong Kong — **Beijing Enterprises Holdings Limited** (“BEHL”, stock code:392) announced today that BEHL’s jointly controlled company, Beijing Anling Water Technology Company Limited (“BAWT”) entered into a franchise agreement with Beijing Water Bureau, obtaining exclusive franchise right in the finance, investment, design, construction, management and operation of Plant A of Beijing No. 10 Water Treatment Plant (the “Plant A”) and in the sale of purified water to Beijing Municipal Waterworks (Group) Company Limited for a period of 23 years commencing from the effective day of the Franchise Agreement.

The Plant A is situate at Dingfuzhuang, Chaoyang District, Beijing and plans to have total purified water output capacity of 0.5 million 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 BEHL and 50% by Golden State Water Group Corporation.

Our successful tender for plant A is a significant step of local government actively reforming the domestic water market. This creates a huge development potential in the water market of China. BEHL with strong government background will continue expanding its investment and market share in water sector through merger and acquisition in order to strengthen its scale of operation and to achieve good return for shareholders. The core business of the Group is infrastructure and utilities business.

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