



北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED

Press Release

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SUBSCRIPTION FOR NEW SHARES IN SHANG HUA HOLDINGS LIMITED (Stock Code:371) ESTABLISHING AN INVESTMENT PLATFORM FOR WATER AND ENVIRONMENTAL BUSINESSES

Hong Kong 28th January 2008 – Beijing Enterprises Holdings Limited (the “Company”) (0392 HK) announced today that on 21 January 2008, the Company entered into a conditional agreement with Shang Hua Holdings Limited (“Shang Hua”) to subscribe for 247,000,000 new shares at a price of HK\$0.40 per share of Shang Hua, representing a premium of approximately 1.2% to the net asset value of Shang Hua and approximately 74.78% of the issued share capital of Shang Hua as enlarged by the issue of the subscription shares.

The CEO of the Company Mr. Zhang Honghai said, “The strategic reason to subscribe for Shang Hua’s shares is to establish an investment platform for water and environmental businesses. Our water and environmental businesses development will benefit from professional management, resulting in the expansion of operation scale and strengthening our market position in water and environmental businesses.”

The completion of subscription is subject to the approval of the shareholders’ meeting of Shang Hua, whereupon Shang Hua will become a non wholly-owned subsidiary of the Company. The Company intends that Shang Hua will be the investment platform for water treatment and environmental businesses including water treatment business.

The Company will, subject to the interests of the shareholders of Shang Hua and the Company, continue to pursue the possible acquisition of an interest in a company which is principally engaged in sewage purification and treatment in the PRC, and engage Shang Hua in water treatment and environmental projects that the Company has been reviewing and negotiating on fair and reasonable basis as and when appropriate.

Beijing Enterprises Holdings Limited is the sole overseas listed conglomerate controlled by the Beijing Municipal Government for channeling capital, technology and management expertise from international markets into Beijing's development priorities. Its core businesses comprise infrastructure & utilities, consumer products and technology.

For more information, please visit our website <http://www.behl.com.hk>