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北京控股有限公司
BEIJING ENTERPRISES HOLDINGS LIMITED



北京發展(香港)有限公司

**BEIJING DEVELOPMENT
(HONG KONG) LIMITED**

(Incorporated in Hong Kong with limited liability)

(Incorporated in Hong Kong with limited liability)

CONNECTED TRANSACTIONS

**MAJOR AND CONNECTED TRANSACTIONS
AND
ON-GOING CONNECTED TRANSACTIONS**

SUMMARY

The directors of BEHL and the Directors refer to the joint announcement of BEHL and the Company dated 20th September, 2001.

A supplemental agreement has been entered into between the Company, BEHL and the Individual CV Owners on 27th September, 2001, under which Completion has been made conditional on, among other things, the approval of the Transaction and allotment and issue of the Consideration Shares by the independent shareholders of BEHL.

It should be noted that no connected person of BEHL will be required to abstain from voting with regard to the Transaction and the issue of the Consideration Shares at the extraordinary general meeting of BEHL.

A circular containing, among other things, information on the Transaction and the allotment and issue of the Consideration Shares, the letter from the independent financial adviser of BEHL containing its advice to the independent board committee of BEHL in relation to the Transaction and the allotment and issue of the Consideration Shares, the recommendation of

the independent board committee of BEHL and the notice convening the BEHL EGM will be despatched to the shareholders of BEHL as soon as practicable.

The directors of BEHL and the Directors refer to the joint announcement of BEHL and the Company dated 20th September, 2001 (the "Joint Announcement"). Capitalized terms used herein shall have the same meaning as those used in the Joint Announcement, unless otherwise defined herein.

Pursuant to the Agreement, upon Completion, the Company is required, among other things, (1) to pay to Mr. Cao Wei or his nominee(s), HK\$6,983,000 in cash and allot and issue to him or his nominee(s) 20,947,000 Consideration Shares, credited as fully paid, and (2) to pay to Mr. Zhong Yuan or his nominee(s), HK\$3,491,000 in cash and allot and issue to him or his nominee(s) 10,474,000 Consideration Shares, credited as fully paid.

Mr. Cao Wei is a director of certain of BEHL's subsidiaries, namely Cyber Vantage, BETIT, BTTE, BT System Integration and BT Intelligent System, and (2) Mr. Zhong Yuan is a director of a subsidiary of BEHL, namely Cyber Vantage. Therefore, both Messrs. Cao Wei and Zhong Yuan are connected persons of BEHL.

In view of the fact that the Transaction involves, inter alia, an issue of new shares of BEHL's subsidiary (i.e. the Company) to the connected persons of BEHL (i.e. Messrs. Cao Wei and Zhong Yuan), BEHL will be required to obtain its independent shareholders' approval in a general meeting under the Listing Rules so far as the allotment and issue of the respective Consideration Shares to Messrs. Cao Wei and Zhong Yuan is concerned. Since the allotment and issue of such Consideration Shares to Mr. Cao Wei and Mr. Zhong Yuan forms part of the Transaction, BEHL will be required to obtain its independent shareholders' approval in respect of the Transaction and the allotment and issue of the Consideration Shares in a general meeting.

The directors of BEHL consider that the Transaction is on normal commercial terms and is negotiated on arm's length basis and they further consider that the Transaction and the allotment and issue of the Consideration Shares are fair and reasonable so far as the shareholders of BEHL are concerned.

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It should be noted that no connected person of BEHL will be required to abstain from voting with regard to the Transaction and the issue of the Consideration Shares at the extraordinary general meeting of BEHL ("BEHL EGM").

A circular containing, among other things, information on the Transaction and the allotment and issue of the Consideration Shares, the letter from the independent financial adviser containing its advice to the independent board committee of BEHL in relation to the Transaction and the allotment and issue of the Consideration Shares, the recommendation of the independent board committee of BEHL and the notice convening the BEHL EGM will be despatched to BEHL's shareholders as soon as practicable.

By Order of the Board
Beijing Enterprises Holdings Limited
Hu Zhao Guang
Chairman

By Order of the Board
Beijing Development (Hong Kong) Limited
Xiong Da Xin
Chairman

Hong Kong, 27th September, 2001

"Please also refer to the published version of this announcement in the Hong Kong i-mail"