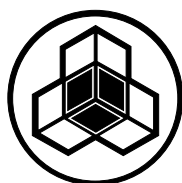


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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of Beijing Development (Hong Kong) Limited.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.



北京發展（香港）有限公司

BEIJING DEVELOPMENT (HONG KONG) LIMITED

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

(Stock Code: 154)

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

Placing Agent



招商證券(香港)有限公司

CHINA MERCHANTS SECURITIES (HK) CO., LTD.

SUMMARY

On 11 June 2007, the Vendor, which holds approximately 43.73% of the existing issued share capital of the Company as at the date of the Placing and Subscription Agreement, entered into the Placing and Subscription Agreement with the Company and the Placing Agent, pursuant to which (i) the Vendor has agreed to place and the Placing Agent has agreed to procure, on a best effort basis, the placing of the Placing Shares, being up to a maximum of 50,000,000 Shares, to the Placees at the Placing Price of HK\$4.3 per Placing Share; and (ii) subject to fulfillment of the conditions set out in the paragraph headed “Conditions of the Subscription” below, the Vendor has agreed to subscribe for and the Company has agreed to allot and issue the Subscription Shares, which are equal to the number of the Placing Shares that it places under the Placing, at the Subscription Price of HK\$4.3 per Subscription Share, which is equivalent to the Placing Price. All the Placing Shares have been fully placed as at the date of this announcement.

Assuming all 50,000,000 Placing Shares are placed by the Placing Agent, both the Placing Shares and the Subscription Shares represent approximately 7.93% of the issued share capital of the Company as at the date of the Placing and Subscription Agreement and approximately 7.35% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares will be allotted and issued under the general mandate to allot, issue and deal with Shares granted to the Directors by the shareholders of the Company by a resolution passed at the annual general meeting of the Company held on 18 May 2007.

Assuming all 50,000,000 Placing Shares are placed by the Placing Agent, the net proceeds of the Subscription is expected to be approximately HK\$209 million, which will be used as the general working capital of the Group.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares. An application will also be made by the Vendor to the Executive for the granting of a waiver from general offer obligation that may otherwise arise under Rule 26.1 of the Takeovers Code as a result of the Placing and the Subscription.

PLACING AND SUBSCRIPTION AGREEMENT DATED 11 JUNE 2007 ENTERED INTO BETWEEN THE COMPANY, THE VENDOR AND THE PLACING AGENT

Pursuant to the Placing and Subscription Agreement, the Placing Agent has agreed with the Vendor to place up to a maximum of 50,000,000 existing Shares at the Placing Price on a best effort basis. On the next Business Day after the conditions of the Subscription have been fulfilled, the Company will allot and issue to the Vendor the Subscription Shares, which is equal to the number of the Placing Shares that the Vendor place under the Placing, at the Subscription Price. Details of the Placing and Subscription Agreement are set out below.

THE PLACING

Vendor

Idata Finance Trading Limited, a company incorporated in the British Virgin Islands, is a substantial shareholder of the Company. As at the date of the Placing and Subscription Agreement, it holds 275,675,000 Shares, representing approximately 43.73% of the existing issued share capital of the Company.

Placing Agent

China Merchants Securities (HK) Co., Ltd. is not a connected person (as defined in the Listing Rules) of and is independent of, and not connected with, the Company, any director(s), chief executive(s) or substantial shareholder(s) (as defined in the Listing Rules) of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules). Moreover, the Placing Agent is not acting in concert with (as defined in the Takeovers Code) any other shareholders of the Company.

Placees

Pursuant to the Placing and Subscription Agreement, the Placing Shares should be placed to not less than six placees, which will be institutional, corporate and/or individual investors. The Placing Agent will use its best endeavor to ensure that each of the placees and/or their respective ultimate beneficial owner(s) is not a connected person (as defined in the Listing Rules) and is independent of, and not connected with, and not acting in concert with (as defined in the Takeovers Code) the Company, any director(s), chief executive(s) or substantial shareholder(s) (as defined in the Listing Rules) of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules). The Placing Agent will use its best endeavor to ensure that each of the Placees is not acting in concert with (as defined in the Takeovers Code) any other shareholders of the Company. All the Placing Shares have been fully placed as at the date of this announcement.

Number of the Placing Shares

Pursuant to the Placing and Subscription Agreement, the number of the Placing Shares shall be up to a maximum of 50,000,000 existing Shares currently held by the Vendor. The maximum of 50,000,000 Placing Shares represent approximately 7.93% of the issued share capital of the Company as at the date of the Placing and Subscription Agreement and approximately 7.35% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares pursuant to the Subscription.

Placing Price

The Placing Price of HK\$4.3 per Placing Share represents

- (i) a discount of approximately 4.23% to the closing price of HK\$4.49 per Share as quoted on the Stock Exchange on 11 June 2007, being the date of the Placing and Subscription Agreement;
- (ii) a discount of approximately 2.85% to the average of the closing prices of HK\$4.426 per Share for the last five trading days up to and including 11 June 2007; and
- (iii) a discount of approximately 2.49% to the average of the closing prices of HK\$4.41 per Share for the last ten trading days up to and including 11 June 2007.

The Placing Price is determined after arm's length negotiation between the Company, the Vendor and the Placing Agent with reference to the closing prices as shown above and the Board considers it fair and reasonable.

After taking into consideration of the costs and expenses in relation to the Placing and the Subscription, the net price per Placing Share is approximately HK\$4.18 per Share assuming all 50,000,000 Placing Shares are placed by the Placing Agent.

The Company will bear all the costs and expenses and will reimburse the Vendor for all costs and expenses incurred by it in relation to the Placing and the Subscription. Any interest received by the Vendor in relation to the proceeds of the Placing will be kept for the benefit of the Company.

Basis of the Placing

Pursuant to the Placing and Subscription Agreement, the Placing Agent will place the Placing Shares on a best effort basis. All the Placing Shares have been fully placed as at the date of this announcement.

Rights of the Placing Shares

The Placing Shares will be sold by the Vendor free from all liens, charges, encumbrances, claims, options and all third party rights. Upon completion of the Placing, the Placees will be entitled to all rights attaching to the Placing Shares as at the date of the completion of the Placing, including the right to receive all dividends and other distributions which may be declared, made or paid by the Company in respect of the Placing Shares if the record date for which shall fall on or after the date of the completion of the Placing.

Completion of the Placing

The Placing is unconditional. Completion of the Placing will take place before 5:00 p.m. on the second Business Day immediately after the date of the Placing and Subscription Agreement, or the date of resumption of trading in the Shares after publication of this announcement, whichever is later, or such other date as may be agreed between the Vendor and the Placing Agent.

THE SUBSCRIPTION

Issuer

The Company.

Subscriber

The Vendor.

Number of the Subscription Shares

The number of Subscription Shares shall be equivalent to the aggregate number of Placing Shares sold to the Placees under the Placing, up to a maximum of 50,000,000 new Shares, representing approximately 7.93% of the issued share capital of the Company as at the date of the Placing and Subscription Agreement and approximately 7.35% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Subscription Price

HK\$4.3 per Subscription Share, which is equivalent to the Placing Price.

Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued under the general mandate to allot, issue and deal with Shares granted to the Directors by the shareholders of the Company by a resolution passed at the annual general meeting of the Company held on 18 May 2007. Under the said general mandate, the Company is authorized to allot, issue or otherwise deal with up to 125,756,230 new Shares. As at the date of this announcement, no Shares have been issued by the Company under the said general mandate since 18 May 2007.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid and issued, will rank equally in all respects among themselves and with all other Shares in issue as at the date of completion of the Subscription.

Conditions of the Subscription

The Subscription is conditional upon full satisfaction of the following conditions by the Long Stop Date or such later date as the parties hereto may agree in writing:

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Subscription Shares;
- (b) completion of the Placing pursuant to the Placing and Subscription Agreement; and
- (c) (if so required) the Executive granting a waiver to the Vendor and any persons acting in concert with the Vendor in respect of the obligation to make a general offer that would arise under Rule 26.1 of the Takeovers Code as a result of the transaction contemplated by the Placing and Subscription Agreement

In the event of the conditions above not being fulfilled by the Long Stop Date (or such later date as may be agreed by the Vendor and the Company in writing), all rights, obligations and liabilities of the parties thereto in relation to the Subscription will cease and determine.

Completion of the Subscription

Completion of the Subscription will take place on the second Business Day following the fulfillment of all the conditions of the Subscription (or such other date as may be agreed between the Vendor and the Company). The Subscription constitutes a connected transaction under the Listing Rules but it falls within the exemption under Rule 14A.31(3)(d) of the Listing Rules if the Subscription is completed within 14 days from the date of the Placing and Subscription Agreement (i.e. 25 June 2007). In the event that the Subscription is not completed within 14 days from the date of the Placing and Subscription Agreement and the Vendor and the Company agree to extend the Long Stop Date, the Subscription will not fall within the exemption under Rule 14A.31(3)(d) of the Listing Rules and shall be subject to the approval of independence shareholders of the Company and the Company will comply with the relevant connected transaction requirements of Chapter 14A of the Listing Rules.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

CHANGES IN THE SHAREHOLDING INTERESTS OF THE COMPANY

The shareholding interests of the Company as at (i) the date of the Placing and Subscription Agreement; (ii) immediately after the Placing but before completion of the Subscription assuming all 50,000,000 Placing Shares are placed by the Placing Agent; and (iii) immediately after completion of the Placing and the Subscription assuming all 50,000,000 Placing Shares are placed by the Placing Agent are as follows:

Shareholder	Existing shareholding		Immediately after the Placing but before completion of the Subscription		Immediately after completion of the Placing and the Subscription	
	Shares	%	Shares	%	Shares	%
Vendor and parties acting in concert with it (as defined in the Takeovers Code) (Note 1)	275,675,000	43.73%	225,675,000	35.80%	275,675,000	40.52%
Winnington Capital Limited and Trophy Asset Management Limited (Note 2)	82,022,250	13.01%	82,022,250	13.01%	82,022,250	12.05%
Public shareholders:						
The Placees (Note 3)	–	–	50,000,000	7.93%	50,000,000	7.35%
Other public shareholders	272,683,900	43.26%	272,683,900	43.26%	272,683,900	40.08%
Total:	<u>630,381,150</u>	<u>100.00%</u>	<u>630,381,150</u>	<u>100.00%</u>	<u>680,381,150</u>	<u>100.00%</u>

Notes

- The entire issued share capital of the Vendor is wholly and beneficially owned by Beijing Enterprises Holdings Limited, a company incorporated in Hong Kong and the issued shares of which are listed on the main board of the Stock Exchange.
- The capacity of interests of Winnington Capital Limited and Trophy Asset Management Limited are investment manager.
- None of the placees will become a substantial shareholder (as defined in the Listing Rules) as a result of the Placing.

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF NET PROCEEDS OF THE SUBSCRIPTION

The Group is principally engaged in the construction, operation and maintenance of the electronic settlement and clearance platform for infrastructure and public utilities.

In view of the current market, the Directors (including the independent non-executive Directors) considered that the Placing and the Subscription represents an ideal opportunity for the Company to raise additional capital for its future business developments, to enhance its capital base and broaden its shareholders' base. Assuming all 50,000,000 Placing Shares are placed by the Placing Agent, the net proceeds of the Subscription is expected to be approximately HK\$209 million, which will be used as the general working capital of the Group. As at the date of this announcement, the Group has no intention to use the net proceeds raised for any specific purpose and there is no negotiation in progress or agreement entered into by the Group, which triggered the disclosure obligation on the part of the Company pursuant to the Listing Rules.

The Directors (including the independent non-executive Directors) considered that the Placing and Subscription Agreement are entered into upon normal commercial terms following arm's length negotiations between the Company, the Vendor and the Placing Agent, and that the terms of the Placing and Subscription Agreement are fair and reasonable and are in the interest of the Company and its shareholders as a whole.

FUND RAISING ACTIVITY DURING THE PAST 12 MONTHS FROM THE DATE OF THIS ANNOUNCEMENT

Date of announcement	Event	Net proceeds	Intended use of proceeds as stated in the announcement	Actual use of proceeds
30 November 2006	Placing of 98 million existing Shares and subscription of new Shares	Approximately HK\$105 million	To be used for general working capital	Approximately HK\$58 million was utilised for repayment of interest bearing loans of the Company. The net proceeds of approximately HK\$47 million is yet to be utilized and has been placed in the bank accounts of the Company.

Save as disclosed above, the Company has not conducted any fund raising exercise during the past twelve months immediately preceding the date of this announcement.

IMPLICATION UNDER THE TAKEOVERS CODE AND APPLICATION FOR WAIVER

As there will be changes in the aggregate percentage shareholdings of the Vendor and parties acting in concert with it (as defined in the Takeovers Code) from approximately 43.73% to 35.80% after the Placing and from approximately 35.80% to 40.52% after the Subscription, the Vendor would be obliged to make a general offer for all the other issued Shares under Rule 26.1 of the Takeovers Code.

An application will be made by the Vendor to the Executive for the granting of a waiver from general offer obligation that may otherwise arise under Rule 26.1 of the Takeovers Code as a result of the Placing and the Subscription.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday) on which banks in Hong Kong are open for business
“Company”	Beijing Development (Hong Kong) Limited, a company incorporated in Hong Kong, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate(s)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	25 June 2007
“Placees”	placees procured by the Placing Agent or its sub-placing agent(s), all of which are not connected persons (as defined in the Listing Rules) of and are independent of, and not connected with, and not acting in concert with (as defined in the Takeovers Code) the Company, any director(s), chief executive(s) or substantial shareholder(s) (as defined in the Listing Rules) of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules)
“Placing”	the placing of the Placing Shares pursuant to the Placing and Subscription Agreement
“Placing Agent”	China Merchants Securities (HK) Co., Ltd., a licensed corporation to carry on business in type 1 (dealing in securities), type 2 (dealing in future contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) of the regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Placing and Subscription Agreement”	the placing and subscription agreement entered into on 11 June 2007 by the Company, the Vendor and the Placing Agent in relation to the Placing and the Subscription
“Placing Price”	HK\$4.3 per Placing Share
“Placing Shares”	up to a maximum of 50,000,000 existing Shares currently owned by the Vendor as at the date of the Placing and Subscription Agreement

“PRC”	the People’s Republic of China
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	Share(s) of HK\$1.00 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Subscription Shares by the Vendor pursuant to the Placing and Subscription Agreement
“Subscription Price”	HK\$4.3 per Subscription Share
“Subscription Shares”	such number of Subscription Shares which is equivalent to the aggregate number of Placing Shares sold to the Placees under the Placing, up to a maximum of 50,000,000 new Shares to be subscribed by the Vendor under the Placing and Subscription Agreement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Repurchase
“Vendor”	Idata Finance Trading Limited, a company incorporated in the British Virgin Islands, a substantial shareholder of the Company which holds 275,675,000 Shares, representing approximately 43.73% of the existing issued share capital of the Company as at the date of the Placing and Subscription Agreement.
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Beijing Development (Hong Kong) Limited
Wong Kwok Wai, Robin
Company Secretary

Hong Kong, 11 June 2007

As at the date of this announcement, the executive Directors are Mr. Zhang Honghai, Mr. Li Kangying, Mr. E Meng, Mr. Wang Yong, Mr. Cao Wei, Dr. Yu Xiaoyang and Mr. Ng Kong Fat, Brian; and the independent non-executive Directors are Mr. Cao Guixing, Prof. Liu Wei and Dr. Jin Lizuo.

Please also refer to the published version of this announcement in The Standard.