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北京發展(香港)有限公司

BEIJING DEVELOPMENT (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability under Companies Ordinance)

(Stock code: 154)

ANNOUNCEMENT

COMPLETION OF THE SUBSCRIPTION AGREEMENT

The Board is pleased to announce that the completion of the Subscription Agreement and the issue of Subscription Shares and Firm Bonds pursuant to the Subscription Agreement took place on 28 February 2013.

References are made to the joint announcement of Beijing Development (Hong Kong) Limited (the “**Company**”) and BEHL dated 15 September 2011, the announcements of the Company dated 25 October 2011, 29 March 2012 and 12 December 2012, the circular of the Company dated 21 December 2012 (the “**Circular**”) and the EGM poll results announcement of the Company dated 11 January 2013 regarding, among other things, the Proposed Transactions and the Whitewash Waiver. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

The Board is pleased to announce that all the conditions precedent in respect of the Subscription Agreement have been fulfilled and Completion took place on 28 February 2013. 177,000,000 Subscription Shares and Firm Bonds due 2018 in the aggregate principal amount of HK\$300,580,000 at the Initial Conversion Price of HK\$1.13 were issued by the Company to the Subscriber on 28 February 2013 pursuant to the terms of the Subscription Agreement.

The Company will make further announcement upon completion of the issue of the Standby Bonds. No application will be made for the listing of the Bonds on the Stock Exchange or any other stock exchange.

Set out below is the shareholding structure of the Company immediately before and after the Completion and the issue of the Subscription Shares and upon full conversion of the Firm Bonds at the Initial Conversion Price:

Shareholders	Shareholding immediately before completion of the issue of the Subscription Shares and Firm Bonds		Shareholding immediately after completion of the issue of the Subscription Shares		Shareholding immediately after completion of the issue of the Subscription Shares and upon full conversion of the Firm Bonds at the Initial Conversion Price	
	Number of Shares	Approximate	Number of Shares	Approximate	Number of Shares	Approximate
		shareholding %		shareholding %		shareholding %
The Subscriber and BEHL (Note (a))	290,459,000	42.87	467,459,000	54.71	733,459,000	65.46
Directors (Note (b))						
— Mr. E Meng	601,000	0.09	601,000	0.07	601,000	0.05
— Mr. Zhang Honghai	4,000,000	0.59	4,000,000	0.47	4,000,000	0.36
The Subscriber and parties acting in concert with it	295,060,000	43.55	472,060,000	55.25	738,060,000	65.87
Directors						
— Mr. Yan Qing	4,000	—	4,000	—	4,000	—
— Mr. Ng Kong Fat, Brian	10,392,755	1.53	10,392,755	1.22	10,392,755	0.93
Other public shareholders	372,003,395	54.91	372,003,395	43.54	372,003,395	33.20
Total	<u>677,460,150</u>	<u>100.00</u>	<u>854,460,150</u>	<u>100.00</u>	<u>1,120,460,150</u>	<u>100.00</u>

Notes:

- (a) The interest disclosed includes the 275,675,000 Shares owned by the Subscriber, a wholly-owned subsidiary of BEHL, accordingly, BEHL is deemed to be interested in the Shares owned by the Subscriber. BEHL directly owns 14,784,000 Shares. Beijing Enterprises Group (BVI) Company Limited (“**BEBVI**”) and Beijing Enterprises Group Company Limited (“**BEGCL**”) are immediate holding company and the ultimate holding company of BEHL, respectively. Accordingly, each of BEBVI and BEGCL is deemed to be interested in the Shares owned by each of BEHL and the Subscriber.
- (b) Mr. E Meng and Mr. Zhang Honghai are also directors of BEHL and are together interested in 4,601,000 Shares and 13,540,000 share options of the Company.

By Order of the Board
Beijing Development (Hong Kong) Limited
Wang Yong
Executive Director

Hong Kong, 28 February 2013

As at the date of this announcement, the executive directors of the Company are Mr. E Meng, Mr. Zhang Honghai, Mr. Wang Yong, Mr. Yan Qing, Ms. Sha Ning and Mr. Ng Kong Fat, Brian, and the independent non-executive directors of the Company are Dr. Jin Lizuo, Dr. Huan Guocang and Dr. Wang Jianping.

All the Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, 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 statement in this announcement misleading.