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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)
(Stock Code:154)

**COMPLETION OF VERY SUBSTANTIAL ACQUISITION AND
ISSUE OF CONSIDERATION SHARES IN RELATION TO
THE ACQUISITION OF ENTIRE SHAREHOLDING INTERESTS IN AND
THE SHAREHOLDERS LOANS OF KCS CHANGDE AND KCS TAIAN**

Reference is made to the announcements of the Company dated 29 January 2014 and 24 February 2014 and the circular of the Company dated 27 March 2014 (the “**Circular**”) in relation to the acquisition of entire shareholding interests in and the shareholders loans of KCS Changde and KCS Taian. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that with all the conditions precedent under the Sale and Purchase Agreement having been fulfilled, the Completion took place on 29 April 2014. The legal title to the Sale Shares have been transferred, and the Shareholders Loans have been assigned to China Environmental Protection Development Limited, a company incorporated in the British Virgin Islands with limited liability and a directly wholly owned subsidiary of the Company; and 347,000,000 Shares were allotted and issued as Consideration Shares to Cosmos Friendship Limited (“**Cosmos**”), a nominee of the Vendor, on 29 April 2014 in accordance with the terms and conditions of the Sale and Purchase Agreement.

CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company immediately before and after the Completion:

| Shareholders | Immediately before the Completion | | As at the date of this announcement and immediately after the Completion and the allotment and issue of the Consideration Shares | |
|------------------------------|-----------------------------------|--------------------------------|--|--------------------------------|
| | Number of Shares | Approximate % of shareholdings | Number of Shares | Approximate % of shareholdings |
| | | | | |
| BEHL Group (<i>Note 1</i>) | 753,459,000 | 65.98 | 753,459,000 | 50.60 |
| The Directors (in aggregate) | 14,993,755 | 1.31 | 14,993,755 | 1.01 |
| Cosmos (<i>Note 2</i>) | — | — | 347,000,000 | 23.30 |
| Other public Shareholders | 373,507,395 | 32.71 | 373,507,395 | 25.09 |
| Total | <u>1,141,960,150</u> | <u>100.00</u> | <u>1,488,960,150</u> | <u>100.00</u> |

Note 1: The interest disclosed includes the 738,675,000 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**”) is the 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 BEHL and the Subscriber.

Note 2: Cosmos is a wholly-owned subsidiary of Khazanah Nasional Berhad, accordingly, Khazanah Nasional Berhad is deemed to be interested in the Shares owned by Cosmos.

By order of the Board
Beijing Development (Hong Kong) Limited
E Meng
Chairman

Hong Kong, 29 April 2014

As at the date of this announcement, the board of directors of the Company comprises seven executive directors, namely Mr. E Meng, Mr. Zhang Honghai, Mr. Ke Jian, Mr. Wang Yong, Ms. Sha Ning, Ms. Qin Xuemin and Mr. Ng Kong Fat, Brian, and four independent non-executive directors, namely Dr. Jin Lizuo, Dr. Huan Guocang, Dr. Wang Jianping and Prof. Nie Yongfeng.