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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)**

**DISCLOSEABLE TRANSACTION  
INVOLVING THE DISPOSAL OF SHARES OF  
CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED**

The Board wishes to announce that on 18 August 2014, the Vendors, wholly-owned subsidiaries of the Company, disposed of an aggregate of 189,551,344 CITD Shares, representing approximately 7.03% of the issued share capital of CITD, to the Purchaser at the consideration price of HK\$0.121 per CITD Share for an aggregate consideration of HK\$22,935,712.63.

As one of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules for the Disposal exceed 5% but all those applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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## **BOUGHT AND SOLD NOTES**

### **Date**

18 August 2014

### **The Vendors**

Prime Technology Group Limited and E-tron Limited, wholly-owned subsidiaries of the Company and holders of 167,754,607 and 21,796,737 CITD Shares, respectively.

### **The Purchaser**

Farco Holdings Limited, a company beneficially owned by Mr. Dong Yu (董雨) and is incorporated in the British Virgin Islands as an investment holding company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

### **CITD Shares being disposed of**

189,551,344 CITD Shares, representing approximately 7.03% of the issued share capital of CITD.

### **Consideration**

The aggregate consideration of the Disposal of HK\$22,935,712.63 (excluding transaction costs) has been received in cash. The consideration price of HK\$0.121 per CITD Share represents:

- (1) a discount of approximately 12.3% to the closing price of HK\$0.138 per CITD Share as quoted on the Stock Exchange on 15 August 2014, being the last trading day preceding the Disposal;
- (2) a discount of approximately 12.3% to the average closing price of HK\$0.138 per CITD Share as quoted on the Stock Exchange for the last five trading days up to and including 15 August 2014;
- (3) a discount of approximately 8.5% to the average closing price of HK\$0.1322 per CITD Share as quoted on the Stock Exchange for the last ten trading days up to and including 15 August 2014; and
- (4) a premium of approximately 8.0% over the unaudited consolidated net asset per CITD Share of approximately HK\$0.112 per CITD Share as at 30 June 2014, being the date to which the latest published consolidated financial statements of CITD were made up to.

The consideration price of HK\$0.121 per CITD Share was arrived at after arm's length negotiation between the Vendors and the Purchaser by applying an approximately 5% bulk discount to the average closing price of HK\$0.127 per CITD Share as quoted on the Stock Exchange for the last five trading days up to and including 11 August 2014, being the date of CITD's announcement of interim results for the six months ended 30 June 2014.

## INFORMATION ON CITD

CITD is principally engaged in the development and sale of computer software and hardware, the provision of system integration and related support services in the PRC.

Set out below is a summary of certain financial information of CITD as extracted from its published interim and annual reports:

	For the six months ended 30 June 2014 (Unaudited) <i>HK\$'000</i>	For the years ended 31 December 2013 (Audited) <i>HK\$'000</i>	2012 (Audited) <i>HK\$'000</i>
Loss before tax from continuing operations	(13,329)	(18,835)	(6,692)
Loss after tax from continuing operations	<u>(13,329)</u>	<u>(18,953)</u>	<u>(7,852)</u>

The unaudited total net asset value of CITD as at 30 June 2014 was approximately HK\$300,756,000.

## REASONS AND BENEFITS AND IMPACT ON THE COMPANY

The Company is incorporated in Hong Kong as an investment holding company. The Vendors are incorporated in the British Virgin Islands as investment holding companies and are direct wholly owned subsidiaries of the Company. The principal activities of the Group's subsidiaries are (i) environmental protection and solid waste treatment; and (ii) the provision of information technology related services.

During the year 2014, the Group has commenced its business transformation to build up the environmental protection and solid waste treatment business platform. CITD has been in loss position over the past five financial years and including the six months ended 30 June 2014. In view of the above, the Company believes that it is the right time to dispose the investment in CITD and the Disposal will allow the Group to concentrate its resources to develop its environmental protection and solid waste treatment business.

The Directors (including the independent non-executive Directors) consider that the Disposal, including the consideration of the Disposal, is fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

## Financial impact of the Disposal

Upon completion of the Disposal, the Group will not have any equity interest in CITD. The Company is expected to accrue an unaudited loss of approximately HK\$3,249,000 from the Disposal. The loss is calculated based on the net proceeds from the Disposal of approximately HK\$22,909,000 less the market value of the CITD Shares being disposed of approximately HK\$26,158,000 as at 15 August 2014. The Company intends to apply such net proceed for general working capital of the Group and investment in other business as and when the investment opportunities arise.

## LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules for the Disposal exceed 5% but all those applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

<b>“Board”</b>	the board of Directors;
<b>“CITD”</b>	China Information Technology Development Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the growth enterprise market of the Stock Exchange (stock code: 8178);
<b>“CITD Share(s)”</b>	ordinary share(s) of HK\$0.10 each in the share capital of CITD;
<b>“Company”</b>	Beijing Development (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 154);
<b>“Directors”</b>	the directors of the Company;
<b>“Disposal”</b>	the disposal by the Vendors of an aggregate of 189,551,344 CITD Shares to the Purchaser on 18 August 2014;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC;

<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Purchaser”</b>	Farco Holdings Limited, a company incorporated in the British Virgin Islands;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Vendors”</b>	Prime Technology Group Limited and E-tron Limited, companies incorporated in the British Virgin Islands and are direct wholly-owned subsidiaries of the Company;
<b>“%”</b>	percentage.

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

Hong Kong, 18 August 2014

*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.*