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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 the Companies Ordinance)

(Stock Code: 154)

**VERY SUBSTANTIAL ACQUISITION AND
CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF EQUITY INTEREST IN
THE TARGET GROUP
INVOLVING ISSUE OF NEW BONDS**

THE ACQUISITION

The Board is pleased to announce that on 31 March 2016 (after trading hours), the Company entered into the Sale and Purchase Agreement with BEHL, pursuant to which the Company has conditionally agreed to acquire and BEHL has conditionally agreed to sell the Sale Interests at an aggregate consideration of RMB1,850,000,000 (equivalent to approximately HK\$2,202,300,000). The Consideration will be satisfied by the issue of the New Bonds.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules for the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. As at the date of this announcement, BEHL is the controlling Shareholder interested in 756,120,000 Shares, representing approximately 50.396% of the total number of Shares in issue. Accordingly, BEHL is a connected person of the Company and the entering into of the Sale and Purchase Agreement and transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. In light of the above, the Acquisition is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

LISTING COMMITTEE'S DECISION

The Listing Committee has determined that the Acquisition is an extreme very substantial acquisition which is **NOT** subject to reverse takeover rules. Enhanced disclosure comparable to the standard for listing documents for new listing applicants will be required in the Circular and China International Capital Corporation Hong Kong Securities Limited has been appointed as the financial adviser of the Company to conduct due diligence in accordance with Practice Note 21 of the Listing Rules on the Target Group.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An independent board committee comprising all the independent non-executive Directors, namely Dr. Jin Lizuo, Dr. Huan Guocang, Dr. Wang Jianping, Prof. Nie Yongfeng and Mr. Cheung Ming will be formed pursuant to the requirements of the Listing Rules to advise the Independent Shareholders on matters in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Acquisition and the issuance of the New Bonds). The Company will in due course appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder. BEHL and its associates shall abstain from voting on the proposed resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM. Save for the aforesaid and to the best knowledge of the Company, as at the date of this announcement, no other Shareholder has a material interest in the Sale and Purchase Agreement or the transactions contemplated thereunder, and therefore no other Shareholder is required to abstain from voting on the proposed resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated (including the issue of the New Bonds) thereunder at the EGM.

As the Acquisition was classified as an extreme very substantial acquisition, enhanced disclosure comparable to the standard for listing documents for new listing applicants will be required in the Circular and as such, the Company is currently unable to estimate with certainty the date of despatch of the Circular. The Company shall issue further announcement(s) to notify the Shareholders of the expected date of despatch of the Circular when such date of despatch can be more accurately ascertained.

Completion is conditional upon, among other things, the satisfaction of the Conditions. Therefore, the Acquisition may or may not materialise. Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.

The Board is pleased to announce that on 31 March 2016 (after trading hours), the Company entered into the Sale and Purchase Agreement with BEHL, pursuant to which the Company has conditionally agreed to acquire and BEHL has conditionally agreed to sell the Sale Interests at an aggregate consideration of RMB1,850,000,000 (equivalent to approximately HK\$2,202,300,000). Principal terms of the Sale and Purchase Agreement are summarised below.

THE SALE AND PURCHASE AGREEMENT

Date

31 March 2016

Parties

- (1) the Company (as purchaser)
- (2) BEHL (as vendor)

Assets to be acquired

The Sale Interests, which comprises:

- (a) the entire issued share capital of GSWM;
- (b) 65% equity interest in Hunan Hengxing;
- (c) 100% equity interest in Beikong Wenchang;
- (d) 80% equity interest in Ha'erbin Shuangqi; and
- (e) 100% equity interest in Beikong Shuyang.

Consideration and terms of settlement

The Consideration payable by the Company to BEHL is RMB1,850,000,000 (equivalent to approximately HK\$2,202,300,000), which has been arrived at after arm's length negotiations between the Company and BEHL after taking into account, among other things, (i) the net asset value of the Target Group as at 31 December 2015; (ii) an independent study of the market comparables with business similar to that of the Target Group and is conducted based on comparable precedent transaction approach (prepared with reference to transactions in the solid waste or water treatment industry conducted in 2014 and 2015 and taking into account the key-value indicators such as the enterprise value/EBITDA for such transactions) and comparable company multiple approach (prepared with reference to the price earnings ratios of comparable companies engaged in solid waste or water treatment business that are listed on the Stock Exchange or Singapore Stock Exchange or Shanghai Stock Exchange or Shenzhen Stock Exchange); and (iii) the unaudited financial information of the Target Group for the year ended 31 December 2015. This is consistent with the Company's understanding of the generally accepted pricing strategy for solid waste and water treatment business.

The Consideration shall be satisfied at Completion by the issue by the Company of the New Bonds in the principal amount of HK\$2,202,300,000 to BEHL (or its designated nominee).

Conditions precedent

Completion is conditional upon the satisfaction of the following conditions precedent:

- (a) the obtaining of the approval from the Independent Shareholders of the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the requirements under the Listing Rules;
- (b) the Listing Committee granting the listing of, and permission to deal in, the New Conversion Shares;
- (c) where applicable, the obtaining of such consents, approvals and authorisation of the relevant regulatory authorities (including but not limited to the Stock Exchange) and relevant third parties which are required for the execution and performance of the transactions contemplated under the Sale and Purchase Agreement; and
- (d) the Company and/or its subsidiaries having completed all necessary legal procedures for accepting the transfer of the Sale Interests.

The Company will use all reasonable endeavours (so far as it lies within its powers) to procure the satisfaction of the Conditions set out in paragraphs (a), (b), (c), (d) and (e) above as soon as reasonably practicable and in any event before the Longstop Date and will promptly notify BEHL when each of the said Conditions have been satisfied.

BEHL will use all reasonable endeavours (so far as it lies within its powers) to procure the satisfaction of the Conditions set out in paragraphs (c) and (d) above as soon as reasonably practicable and in any event before the Longstop Date and will promptly notify the Company when each of the said Conditions have been satisfied.

None of the Conditions are waivable by the Company or BEHL.

If any of the Conditions are not fulfilled on or before 5:00 p.m. on the Longstop Date, BEHL (where the Company has failed to fulfill the Conditions applicable to it) or the Company (where BEHL has failed to fulfill the Conditions applicable to it) may by notice in writing elect to (a) postpone Completion to a later date or (b) terminate the Sale and Purchase Agreement.

Completion

Completion will take place on the fifth business day after the Conditions have been fulfilled (or such other date as BEHL and the Company may agree in writing).

Following Completion, the Target Companies will become subsidiaries of the Company.

THE NEW BONDS

At Completion, the Company will issue the New Bonds to BEHL (or its designated nominee) to satisfy the Consideration.

The New Conversion Shares will be issued under a specific mandate proposed to be sought from the Independent Shareholders at the EGM.

Principal terms of the New Bonds

Issuer	:	The Company
Principal amount of the New Bonds	:	HK\$2,202,300,000
Maturity date	:	The date falling on the fifth anniversary of the date of issue by the Company of the New Bonds
Initial conversion price	:	HK\$1.13 per Conversion Share

The Initial Conversion Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and BEHL and was determined after considering (i) the relative large size of the Target Group compared with the Company's existing waste-to-energy projects, (ii) the low liquidity of the Shares and thus the lack of representativeness of the market price of the Shares, and (iii) the fact that the low profitability of the Company's solid waste business cannot support the market price of the Shares. No minimum conversion price was stipulated in the terms and conditions of the New Bonds.

The Initial Conversion Price is subject to adjustment upon the occurrence of certain prescribed events, including:

- (i). consolidation or subdivision of Shares;
- (ii). capitalization of profits or reserves;
- (iii). extraordinary distributions;
- (iv). rights issues of Shares or options over Shares;
- (v). rights issues of other securities;

- (vi). issue (other than the event set out in paragraph (iv) above) wholly for cash of any Shares (other than Shares issued on the exercise of conversion rights), at a price per Share which is less than 95% of the Current Market Price; or
- (vii). issue or grant of, whether for cash or otherwise, options, warrants or other subscription rights, at a price per Share which is lower than the fair market value (as determined by two leading independent investment banks) on the last business day preceding the date of announcement of the terms of such issue;

whereby in the case of (vi), the conversion price shall be adjusted by multiplying the conversion price in force immediately before such issue by a multiple factor comprising the Current Market Price and the total number of Shares in issue immediately before such issue; and in the case of (vii), the conversion price shall be adjusted by multiplying the conversion price in force immediately before such issue by a multiple factor including the Current Market Price, and fair market value which would be determined by two leading independent investment banks and the total number of Shares in issue immediately before such issue, provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend; and (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such investment banks) the fair market value of such options, warrants or other rights shall equal to the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights are publicly traded. The independent investment banks shall act as experts to determine what adjustment (if any) to the conversion price is fair and reasonable and shall consider in good faith to reflect the intentions of the provisions of the New Bonds.

This is a common term included in the terms and conditions of the New Bonds without referring to any specific circumstances. It is expected the circumstances in which the Company would seek to avail itself to this flexibility to be extremely limited. As summarised above, there is a requirement to consult with two independent investment banks in making the adjustment to conversion price, and the determination would be made by these independent investment banks, but not by the Company.

The Company will publish an announcement upon any adjustment to the conversion price of the New Bonds.

The Company considers any adjustment by reference to such multiple factor to be fair and reasonable in balancing interests of holder(s) of the New Bonds, the Company and the Shareholders as a whole given the multiple factor is a pre-determined formula comprising objective and published information. The Company also considers any adjustment by reference to such multiple factor to be fair and reasonable to all Shareholders as a whole as any such adjustment so carried out would not itself be conferring any additional benefit to holder(s) of the New Bonds as against the Shareholders in the context of the relevant event triggering the adjustment. The Company therefore considers that foregoing events of adjustment are normal and customary of their kind.

The Initial Conversion Price represents:

- (a) a discount of approximately 33.53% to the closing price of HK\$1.7 per Share as quoted on the Stock Exchange on the date of this announcement;

- (b) a discount of approximately 29.55% to the average closing price of HK\$1.604 per Share as quoted on the Stock Exchange for the last five trading days up to and including the date of this announcement;
- (c) a discount of approximately 29.42% to the average closing price of HK\$1.601 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the date of this announcement;
- (d) a discount of approximately 18.29% to the audited net asset value of the Group of approximately HK\$1.383 per Share as at 31 December 2015, being the date to which latest published consolidated financial statements of the Company were made up to.

The holders of the New Bonds shall have the rights at any time during the period commencing from the date of issue of the New Bonds and ending on the maturity date to convert the New Bonds in whole, or in any part representing at least HK\$100,000 of the outstanding principal amount of the New Bonds, into the New Conversion Shares at the applicable conversion price.

- Ranking : The New Conversion Shares, when allotted and issued, will rank pari passu in all respects with the other Shares in issue as at the date of issue of the New Conversion Shares.
- Interest : The New Bonds shall be non-interest bearing.
- Transferability : The New Bonds may be transferable in whole or in part in multiples of HK\$100,000, provided that if necessary, the prior approval of the Stock Exchange shall be required for any transfer to any transferee which is a connected person (as defined in the Listing Rules) of the Company.

- Early Repayment : At any time following the second anniversary of the date of issue of the New Bonds, the holder(s) of the New Bonds shall have the right at such holder's option to demand by giving three-months prior written notice to the Company for repayment of the aggregate amount of the outstanding New Bonds held by such bondholder which would have become payable on the maturity date of the New Bonds.
- Voting rights : The New Bonds do not confer on the holder(s) of the New Bonds the right to vote at a general meeting of the Company.
- Events of default : On the occurrence and subsequent continuation of certain events of default specified in the terms and conditions of the New Bonds (that is, failure to pay the principal, interest, premium or otherwise in accordance with the terms and conditions of the New Bonds, a continuing default in the performance or observance by the Company or any of its subsidiaries of any obligations under the terms and conditions of the New Bonds, winding up, liquidation or dissolution of the Company or any of its subsidiaries, the taking of possession of or the appointment of a receiver over the assets of the Group, the Company or any of its subsidiaries ceasing or threatening to cease to carry on its business or a material part thereof taken as a whole, the Company or any of its subsidiaries being unable to fulfill any of its obligations regarding financial indebtedness or the initiation of proceedings and other arrangements with creditors including those in respect of bankruptcy or insolvency, any prolonged suspension of trading of the Shares on the Stock Exchange, if it shall become unlawful for the Company to perform its obligations under the

Sale and Purchase Agreement, any litigation, arbitration, prosecution or other legal proceedings (whether threatened or otherwise) outstanding against the Company or any of its subsidiaries which may have a significant financial impact on the Group and/or may have a material adverse effect on the operations or the financial position of the Group taken as a whole, and any material misrepresentation or breach of warranty made by the Company in respect of the Sale and Purchase Agreement), the holder(s) of the New Bonds shall be entitled to demand repayment of the relevant New Bonds.

- Listing : No application will be made for the listing of the New Bonds on the Stock Exchange or any other stock exchange.
- Public float : The Company, at all times, shall use its reasonable endeavours to ensure that the relevant provisions as to the minimum public float requirement of the Listing Rules are complied with. It will be a term of the New Bonds that the holder(s) of the New Bonds shall not exercise any of the conversion rights attaching to the New Bonds, if following such exercise, the Company's minimum public float cannot be maintained.

IMPACT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, BEHL is interested in 756,120,000 Shares, representing approximately 50.396% of the issued shares of the Company.

As at the date of this announcement, there are existing outstanding bonds in the aggregate principal amount of HK\$791,000,000 (the “**Outstanding Bonds**”) issued by the Company to Idata, a wholly-owned subsidiary of BEHL, pursuant to the terms and conditions of the Subscription Agreement. The conversion rights attaching to all of the Outstanding Bonds are currently exercisable provided that following such exercise, the Company's public float can be maintained. Assuming the conversion rights attaching to the Outstanding Bonds are exercised in full at the conversion price of HK\$1.13 per Share as stipulated thereunder, an aggregate of 700,000,000 Shares (the “**Outstanding Conversion Shares**”) would fall to be allotted and issued by the Company.

Upon exercise in full of the conversion rights attaching to the New Bonds at the Initial Conversion Price of HK\$1.13 per New Conversion Share, an aggregate of 1,948,938,053 New Conversion Shares would fall to be allotted and issued by the Company.

In order to maintain a minimum of 25% public float and in light of the restrictions for the exercise of the conversion rights attaching to the Outstanding Bonds and the New Bonds as set out above, the Company understands that BEHL will not exercise any of the conversion rights attaching to the Outstanding Bonds and the New Bonds in the near future.

For illustrative purposes only, assuming there being no other changes to the shareholding structure of the Company other than the issue of the Outstanding Conversion Shares and the New Conversion Shares, the shareholding structure of the Company (a) as at the date of this announcement; (b) immediately after issue of the Outstanding Conversion Shares upon full conversion of the Outstanding Bonds but before the issue of the New Conversion Shares upon full conversion of the New Bonds; and (c) immediately after issue of the Outstanding Conversion Shares upon full conversion of the Outstanding Bonds and the issue of the New Conversion Shares upon full conversion of the New Bonds are as follows:

Shareholders	As at the date of this announcement		Immediately after issue of the Outstanding Conversion Shares upon full conversion of the Outstanding Bonds but before the issue of the New Conversion Shares upon full conversion of the New Bonds (Note 4)		Immediately after issue of the Outstanding Conversion Shares upon full conversion of the Outstanding Bonds and the issue of the New Conversion Shares upon full conversion of the New Bonds (Note 4)	
	Number of Shares	Approximate percentage of shareholdings	Number of Shares	Approximate percentage of shareholdings	Number of Shares	Approximate percentage of shareholdings
BEHL (and its nominee) (Note 1)	756,120,000	50.396%	1,456,120,000	66.176%	3,405,058,053	82.063%
Directors of the Company:						
E Meng	601,000	0.040%	601,000	0.027%	601,000	0.014%
Mr. Ng Kong Fat, Brian	10,392,755	0.693%	10,392,755	0.472%	10,392,755	0.250%
Khazanah Nasional Berhad	347,000,000	23.128%	347,000,000	15.770%	347,000,000	8.363%
Other public Shareholders	386,246,395	25.794%	386,246,395	17.554%	386,246,395	9.309%
				(Note 2)		(Note 2)
Total Shares in issue	1,500,360,150	100%	2,200,360,150	100%	4,149,298,203	100%

Notes:

1. The interest disclosed includes (i) 17,445,000 Shares owned by BEHL; and (ii) 738,675,000 Shares owned by Idata, a wholly-owned subsidiary of BEHL. Accordingly, BEHL is deemed to be interested in the ordinary shares owned by Idata.
2. For illustrative purposes only. Under the terms of the Outstanding Bonds and the New Bonds, the BEHL Group shall not exercise any of the conversion rights attaching to such bonds if, following such exercise, minimum public float cannot be maintained.
3. The shareholding figures above may not add up to 100 due to rounding to 3 decimal places.
4. The shareholding figures above are based on the assumption that there will be no change in the conversion price of the Outstanding Bonds or the New Bonds.

APPLICATION FOR LISTING

An application will be made by the Company for the listing of, and permission to deal in, the New Conversion Shares.

EXEMPT FINANCIAL ASSISTANCE PROVIDED BY BEHL GROUP

As at the date of this announcement, members of the BEHL Group has advanced unsecured, interest-free loans in the aggregate amount of RMB175,482,000 (equivalent to approximately HK\$208,907,000) that are repayable on demand to members of the Target Group (the “**Loan Arrangements**”), and the Loan Arrangements are expected to continue following the Completion. Following Completion, the Target Group will become members of the Group, and the Loan Arrangements will constitute a connected transaction of the Company in the form of financial assistance in favour of the Group. However, as the loans provided by BEHL Group to the Group under the Loan Arrangements are not and will not be secured by assets of the Group, and as the Directors consider that the Loan Arrangements are conducted on normal commercial terms or better from the Company’s perspective, the Loan Arrangements are fully exempted from shareholders’ approval, annual review and all disclosure requirements for connected transactions pursuant to Rule 14A.90 of the Listing Rules.

INFORMATION OF BEHL

BEHL is 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: 392). The BEHL Group is principally engaged in natural gas operations, water treatment operations, solid waste treatment operations and brewery operations in the PRC.

INFORMATION ON THE TARGET GROUP AND THE TARGET PROJECTS

The Target Project comprised (i) five household waste incineration projects, which is operated by (a) GSWM via its subsidiaries, Gaoantun WTE and Zhangjiagang WTE; (b) Ha'erbin Shuangqi; (c) Beikong Shuyang; and (d) Beikong Wenchang; and (ii) one hazardous and medical waste treatment project operated by Hunan Hengxing, details of the projects are as follows:

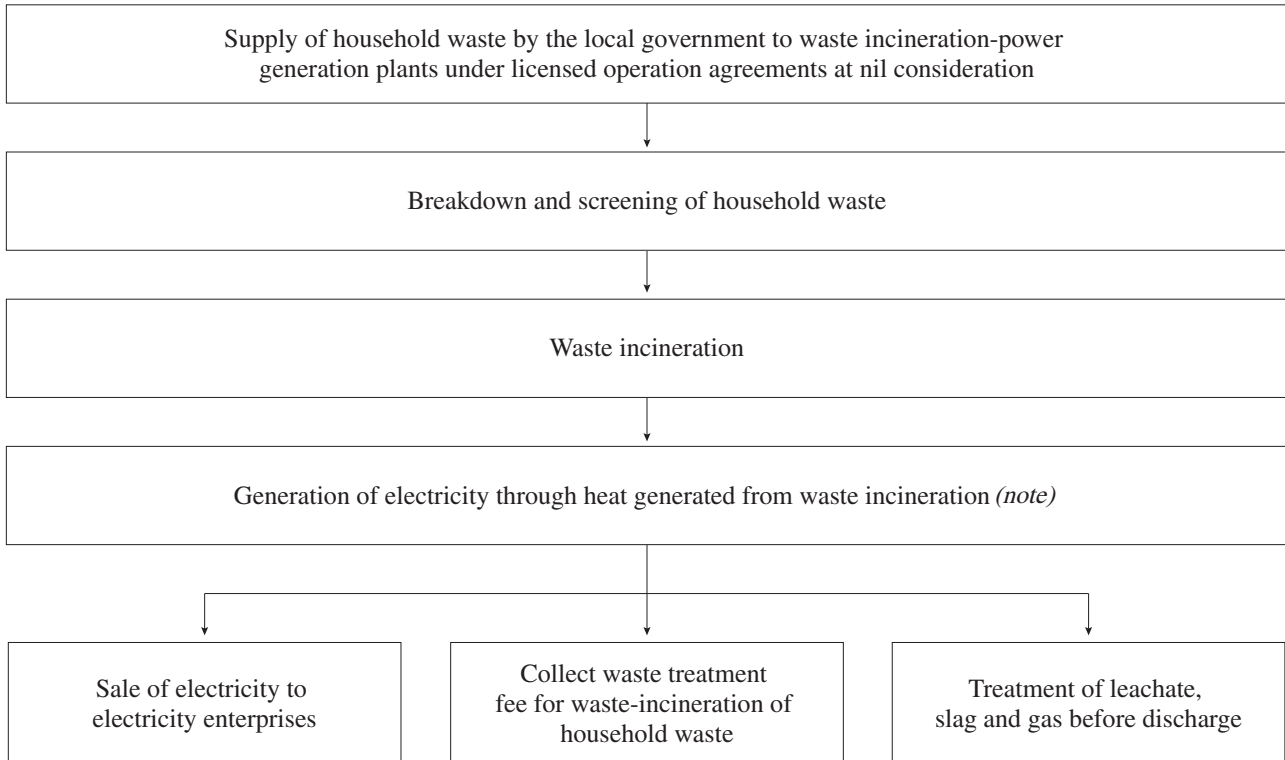
(i) Household Waste Incineration Projects

Business model

Each of the Target Household Waste Companies has entered into a concession agreement in respect of its household waste incineration project with the relevant local governmental authority, pursuant to which the relevant Target Household Waste Company has obtained rights to operate the relevant project facilities of the Household Waste Treatment Projects for the treatment of household waste. The Target Household Waste Companies generate income by (i) the collection of waste treatment fees for waste-incineration treatment of household waste, and (ii) the collection of on-grid tariffs from the sale of waste-generated electricity to electricity enterprises.

Operation flow

A simplified flow chart illustrating the operation flow of the Household Waste Treatment Projects is set out below:



Note: In the incineration process, heat generated from combustion will provide energy to the steam turbine-generator units for electricity generation.

Technology

Each of Gaoantun WTE, Zhangjiagang WTE, Ha'erbin Shuangqi phase II, Beikong Shuyang and Beikong Wenchang adopts grate furnace technology in its operation.

According to an industry report commissioned by the Company, WTE plant is one of the two ways to utilize the energy from solid waste. WTE plants generate electricity or heat through the incineration of solid waste. Grate furnaces are currently the mainstream technology that are used for waste incineration in China. In a moving grate furnace, the fuel enters on top of the grating and when transported over the grating the fuel dries, pyrolysis and combusts before the ash is gathered at the bottom. Air is added both primarily, from under the grating and secondarily, from above the fuel, all for a better turbulence and contact between the combustion gas and oxygen.

Target Group companies operating Household Waste Incineration Projects

GSWM

GSWM is incorporated under the laws of the Cayman Islands on 30 September 2005 and is an investment holding company. As at the date of the Sale and Purchase Agreement, GSWM beneficially holds (i) 84.90% equity interest of Gaoantun WTE; and (ii) 100% equity interest of Zhangjiagang WTE.

Gaoantun WTE

Gaoantun WTE is established under the laws of the PRC on 26 May 2003 and is owned as to 84.9% by BEHL as at the date of this announcement. The principal activity of Gaoantun WTE is the investment in, and operation of, 北京高安屯垃圾焚燒項目 (Beijing Gaoantun Waste-To-Energy Project) (the “**Gaoantun WTE Project**”) located in Gaoantun district of Beijing of the PRC.

The Gaoantun WTE Project is a household waste incineration project operated on a Build-Operate-Transfer (“**BOT**”) basis for a licensed period of 30 years commencing from January 2005 and ending in December 2034. It uses grate furnace technology and has household waste treatment capacity of 1,600 tonnes/day. The Gaoantun WTE Project has commenced operations in March 2009.

Zhangjiagang WTE

Zhangjiagang WTE is established under the laws of the PRC on 9 November 2005 and is wholly-owned by BEHL as at the date of this announcement. The principal activity of Zhangjiagang WTE is the investment in, and operation of, 張家港市生活垃圾焚燒發電廠項目 (Zhangjiagang Household Waste-To-Energy Plant Project) (the “**Zhangjiagang WTE Project**”) located in Zhangjiagang of Suzhou, Jiangsu Province of the PRC.

The Zhangjiagang WTE Project is a household waste incineration project operated on a Build-Own-Operate (“**BOO**”) basis for an original licensed period of 50 years commencing from 2008 and ending in 2057, which was subsequently revised to 30 years commencing from 2014 and ending in 2043 under a supplemental agreement. It uses grate furnace technology and has household waste treatment capacity of 900 tonnes/day. The Zhangjiagang WTE Project has commenced operations in 2010.

Ha'erbin Shuangqi

Ha'erbin Shuangqi is established under the laws of the PRC on 9 July 2004 and is owned as to 80% by BEHL as at the date of this announcement. The principal activity of Ha'erbin Shuangqi is the investment in, and operation of, 哈爾濱雙琦垃圾焚燒發電 BOT項目 (Ha'erbin Shuangqi Waste-To-Energy BOT Project) (the “**Ha'erbin Shuangqi Project**”) in Ha'erbin, Heilongjiang Province of the PRC.

The Ha'erbin Shuangqi Project is a household waste incineration project operated on a BOT basis for a licensed period of 30 years commencing from May 2013 and ending in April 2043. It has household waste treatment capacity of 1,700 tonnes/day comprising 500 tonnes/day for phase I and 1,200 tonnes/day for phase II. Of which, the phase I project uses fluidised bed technology and has commenced operations in May 2014, while the phase II project uses grate furnace technology and is under construction, which is expected to commence trial operations in 2016.

Beikong Shuyang

Beikong Shuyang is established under the laws of the PRC on 11 April 2012 and is wholly-owned by BEHL as at the date of this announcement. The principal activity of Beikong Shuyang is the investment in, and operation of, 江蘇省沭陽縣垃圾焚燒發電廠項目 (Jiangsu Shuyang Waste-To-Energy Plant Project) (the “**Beikong Shuyang Project**”) in Shuyang county, Jiangsu Province of the PRC.

The Beikong Shuyang Project is a household waste incineration project operated on a BOT basis for a licensed period of 30 years commencing from April 2015 and ending in March 2045. It uses grate furnace technology and has household waste treatment capacity of 600 tonnes/day. The Beikong Shuyang Project has commenced trial operations in April 2015.

The original acquisition costs of Hunan Hengxing and Ha'erbin Shuangqi are RMB24,789,000 and RMB192,000,000, respectively; and the initial investment costs of Beikong Wenchang and Beikong Shuyang are RMB20,000,000 and RMB85,190,000, respectively. There is no specific original cost assigned to Gaoantun WTE and Zhangjiagang WTE by BEHL, as these companies are parts of the acquired asset portfolio. The aggregate estimated book value of Gaoantun WTE and Zhangjiagang WTE is approximately RMB1.79 billion as at 30 June 2015 (subject to audit).

Beikong Wenchang

Beikong Wenchang is established under the laws of the PRC on 24 February 2010 and is wholly-owned by BEHL as at the date of this announcement. The principal activity of Beikong Wenchang is the investment in, and operation of, 文昌市生活垃圾焚燒發電廠BOT項目 (Wenchang Household Waste-To-Energy Plant BOT Project) (the “**Beikong Wenchang Project**”) located in Wenchang, Hainan Province of the PRC.

The Beikong Wenchang Project is a household waste incineration project operated on a BOT basis for a licensed period of 15 years commencing from July 2012 and ending in June 2027. It uses grate furnace technology and has household waste treatment capacity of 225 tonnes/day. The Beikong Wenchang Project has commenced operations in July 2012.

Capacity

The current capacity and maximum capacity of each of the Household Waste Treatment Projects are summarised as follows:

	Current capacity for the treatment of household waste	Maximum capacity for the treatment of household waste	Average amount of electricity generated per tonne of household waste	Current electricity capacity	Maximum electricity capacity
Gaoantun WTE Project	2,020 tonnes per day	2,300 tonnes per day	360 kWh	724,000 kWh per day	740,000 kWh per day
Zhangjiagang WTE Project	927 tonnes per day	1,200 tonnes per day	277 kWh	291,000 kWh per day	300,000 kWh per day
Ha’erbin Shuangqi Project					
Phase I	405 tonnes per day	500 tonnes per day	288 kWh	120,000 kWh per day	240,000 kWh per day
Phase II (Note)	–	1,200 tonnes per day	–	–	–
Beikong Shuyang Project	850 tonnes per day	1,100 tonnes per day	183 kWh	160,000 kWh per day	210,000 kWh per day
Beikong Wenchang Project	295 tonnes per day	345 tonnes per day	234 kWh	60,000 kWh per day	80,000 kWh per day

Note: The phase II of Ha’erbin Shuangqi Project has not commenced operation as at the date of this announcement. It is expected to commence trial operations in 2016.

Revenue model

The revenue model of each of the Household Waste Treatment Projects are summarised as follows:

	Waste treatment fee	On-grid tariff
Gaoantun WTE Project	RMB150 per tonne*	RMB0.65 per kWh
Zhangjiagang WTE Project	RMB97 per tonne	RMB0.65 per kWh
Ha'erbin Shuangqi Project	RMB73 per tonne	RMB0.65 per kWh
Beikong Shuyang Project	RMB58.8 per tonne	RMB0.65 per kWh
Beikong Wenchang Project	RMB93.8 per tonne	RMB0.65 per kWh

* *Based on the daily treatment capacity of Gaoantun WTE Project, the unit price of waste treatment service shall be RMB150.0 per tonne for the volume less than 1,600 tonnes per day, RMB82.5 per tonne for that ranging from 1,600 to 1,760 tonnes per day, and RMB52.5 per tonne for that more than 1,760 tonnes per day.*

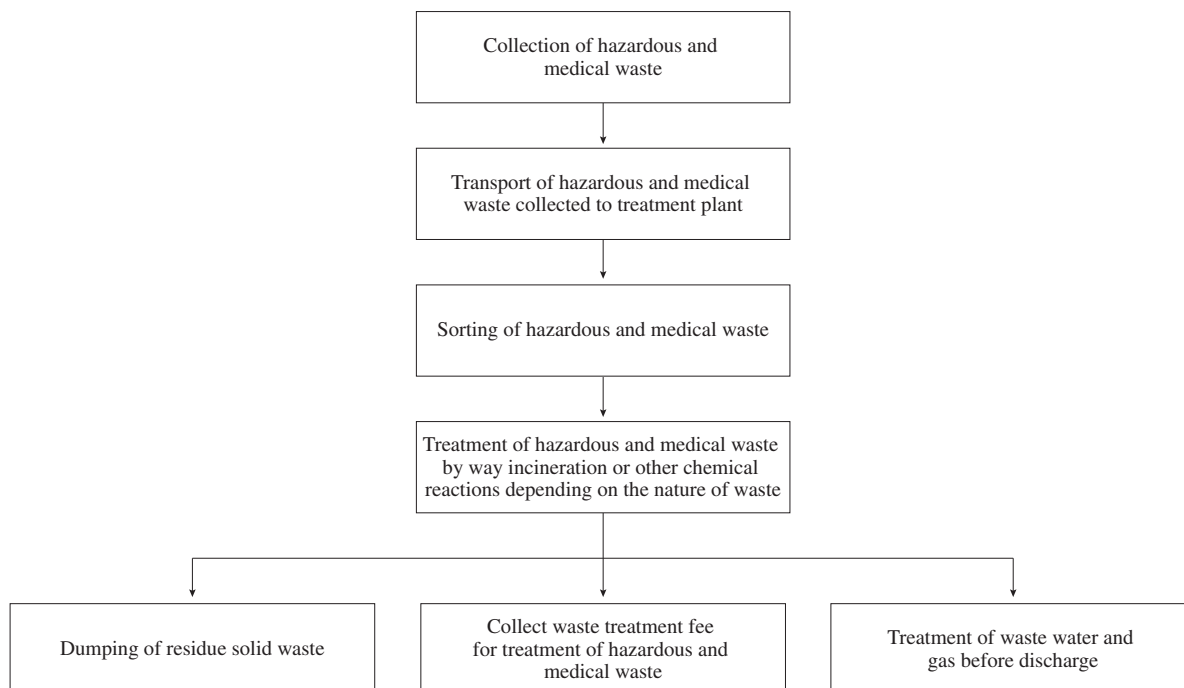
(ii) Hazardous and Medical Waste Treatment Projects

Business model

The Target Hazardous and Medical Waste Company has obtained requisite operation permit(s) from the Hunan local governmental authority for rights to operate the relevant project facilities and to handle hazardous and medical waste within a specified area. The Target Hazardous and Medical Waste Company has also entered into treatment agreements with organisations that generates hazardous and medical waste and collects waste treatment fees for treatment of hazardous and medical waste.

Operation flow

A simplified flow chart illustrating the operation flow of the Hazardous and Medical Waste Treatment Project is set out below:



Technology

According to an industry report commissioned by the Company, there are two major final treatment methods towards hazardous waste in China, known as resource utilization and disposal. Before final treatment, hazardous waste needs to be treated with several kinds of pretreatment methods according to its nature, such as physical/chemical method and solidification/stabilization method.

Resource utilization aims to recycling, extracting and selling some valuable resource, such as metal, from the hazardous waste. Disposal methods are mainly used on useless waste and waste on which no other proper treatment methods can be used up to now. Its purpose is to realize harmless treatment, eliminating or reducing toxicity of hazardous waste so that it is as little harmless to the environment as possible. Landfill disposal and incineration are the two most common disposal methods.

Target Group company operating Hazardous and Medical Waste Treatment Projects

Hunan Hengxing

Hunan Hengxing is established under the laws of the PRC on 23 February 2006 and is owned as to 65% by BEHL as at the date of this announcement. The principal activity of Hunan Hengxing is the investment in, and operation of, 湖南省衡陽危險廢物處置中心項目 (Hunan Hengyang Hazardous Waste Treatment Project) (the “**Hunan Hengxing Project**”) located in Hunan Province of the PRC.

The Hunan Hengxing Project is a hazardous waste and medical waste treatment project which the project has hazardous and medical waste treatment capacity of 35,000 tonnes/year, including comprehensive recycling and utilization/resource utilization of 6,000 tonnes/year, incineration treatment of 5,000 tonnes/year, physical/chemical treatment of 6,000 tonnes/year, and secure landfill of 18,000 tonnes/year. The Hunan Hengxing Project has commenced trial operations in May 2013.

Financial information on the Target Group

Set out below is a summary of certain unaudited financial information of the Target Group for the two years ended 31 December 2014 and 31 December 2015:

	2015 <i>(RMB'000)</i>	2014 <i>(RMB'000)</i>
Net profit before taxation		
Profit from projects under construction	18,593 (equivalent to approximately HK\$22,135)	69,103 (equivalent to approximately HK\$82,265)
Profit from projects in operation	60,461 (equivalent to approximately HK\$71,977)	36,724 (equivalent to approximately HK\$43,719)

	2015 <i>(RMB'000)</i>	2014 <i>(RMB'000)</i>
Total	79,054 (equivalent to approximately HK\$94,112)	105,827 (equivalent to approximately HK\$125,984)
Net profit after taxation		
Profit from projects under construction	18,593 (equivalent to approximately HK\$22,135)	59,503 (equivalent to approximately HK\$70,837)
Profit from projects in operation	42,757 (equivalent to approximately HK\$50,901)	21,826 (equivalent to approximately HK\$25,983)
Total	61,350 (equivalent to approximately HK\$73,036)	81,329 (equivalent to approximately HK\$96,820)

The unaudited total net asset value of the Target Group as at 31 December 2015 was approximately RMB1,209,750,000 (equivalent to approximately HK\$1,440,179,000).

REASONS AND BENEFITS AND IMPACT ON THE COMPANY

The Company is 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). The Company is an investment holding company and its subsidiaries are principally engaged in environmental protection and solid waste treatment in the PRC.

Reasons for and benefits of the Acquisition

The Board considers that the Acquisition is crucial for the Company to carry out its overall strategic plan under which the Company placed its focus on solid waste treatment business. At the end of 2014, through strategic transformation, the Company acquired two household waste incineration power generation projects which were in operation in Taian, Shandong Province and Changde, Hunan Province with a total waste treatment capacity of 2,000 tonnes/day. In addition, at the end of December 2014, the Company entered into a licensed operation agreement in relation to the signatory waste incineration power generation project in Haidian District, Beijing with a waste treatment capacity of 2,500 tonnes/day. The project is expected to commence operations by the end of 2016. In aggregate, the waste treatment capacity of the aforesaid three projects was 4,500 tonnes/day.

In order to enhance the development of solid waste treatment business, widen the source of income and improve the overall financial results of the Company so as to provide stable cash flow, the Board has been seeking for merger and acquisition opportunities in relevant industry with a view to solidifying the position of the Company in solid waste treatment industry, capturing larger market share and achieving “economies of scale”.

The solid waste treatment market is huge and promising and can generate social benefits together with stable cash flow. The Acquisition is in line with the Company’s business strategy of focusing on solid waste treatment business. In light of the premium quality of the target assets, the Acquisition is a valuable opportunity to improve the Company’s revenue and benefits, and also accords with BEGCL’s strategic intent to develop the Company into a flagship platform conducting solid waste treatment business, and will significantly increase the scale of business of the Company and the value of its shareholders accordingly. Going forward, it is the strategy of the Company to further expand into Waste-To-Energy (WTE) sector and the Group would seek for potential investment and acquisition opportunities to enrich its existing business portfolio.

It is expected that the Acquisition will improve the performance of business and results of the Company in the following respects:

(i) Positioning the Company as a listed platform under BEGCL for solid waste treatment

The Company is committed to becoming a pioneer in the solid waste treatment industry, and expects that the Acquisition will bring about a good opportunity for the Company to operate diversified solid waste treatment projects in a wider region. With the growing demand for energy and improving awareness of sustainable development and environmental protection, the PRC government has paid more attention to the issues such as energy and environmental protection. In parallel with the continuous improvement of urban residents' living standards and the continued economic growth in the PRC, it is expected that municipal waste will increase steadily. The solid waste treatment market is huge and promising. Capitalizing on the sound platform provided by BEGCL, as an overseas listed company under the BEGCL focusing on solid waste treatment, the Company will deeply plough the enterprise foundation in the industry. BEGCL will continue to provide support to the Company. The transaction is the first step of continuing support in the future.

(ii) Expanding the scale of business of the Company and developing the Company into one of the leading companies in solid waste treatment industry in China

The Company's solid waste treatment current capacity now in operation is 2,008 tonnes/day. In addition, the household waste incineration power generation project in Haidian District, Beijing (the "**Haidian Project**") will commence operations by the end of 2016, of which the solid waste treatment capacity is expected to be 2,500 tonnes/day plus the maximum solid waste treatment capacity of Target Projects amounting to 6,645 tonnes/day, the solid waste treatment capacity of the Group will reach 11,153 tonnes/day. The business of Target Group can achieve a synergy with the existing business of the Company. In view of the great support and concern of central and local governments of the PRC (including certain grants and tax preferences and stable on-grid tariffs), the Company believes that the Acquisition will not only result in an upgraded scale of business, but will also help the Company to establish its leading position in the market.

(iii) Becoming the leading company in solid waste treatment industry in Beijing

The Board considers both the Haidian Project and the Gaoantun WTE Project both are high quality projects and representative projects in Beijing. The treatment capacity of the Gaoantun WTE Project is 1,600 tonnes/day, and taking into consideration that the Haidian Project will commence operation by the end of 2016, the solid waste treatment capacity of the Company in Beijing will amount to 4,100 tonnes/day. The implementation of the Haidian Project will help to change the imbalanced waste treatment mix in Beijing and Haidian District; while the Gaoantun WTE Project is one of the biggest BOT municipal solid waste incineration plant, and also one of the five solid waste incineration plants with “AAA” rating in the PRC as elected in the Innocuousness Rating List of Municipal Household Waste Landfill and Incineration Plant in 2012 (《2012年城市生活垃圾填埋場和焚燒廠無害化等級評定名單》). Each of these two projects will enhance the Company’s overall capabilities and market position as the leading company in the solid waste treatment industry in Beijing, and also lay a firm foundation for project expansion in the future.

(iv) Expanding the scope of business and favoring business development

The Acquisition expands the scope of business of the Group to include hazardous and medical waste treatment with great potential. The Hunan Hengxing Project has hazardous and medical waste treatment capacity of 35,000 tonnes/year. The Directors consider that diversifying the Group’s scope of business in waste treatment can favour future business development and enhance the return to the Shareholders.

(v) Strengthening and sharing of technical expertise

Currently the Target Group is the only company with track record of grate furnace technology, which is the leading technology in the waste-to-energy industry. The Company can enjoy the benefits of strengthening and sharing of technical expertise and track record, thereby fueling the Company for the future fast development.

(vi) Integrating the talented and seasoned board and management team

The senior management of Target Projects has extensive industry experience, technical expertise and strong market development ability, which will be beneficial for the Company which has just completed a transformation and is dedicated to strengthening the foundation in solid waste treatment industry. Leveraging on the expertise and experience of the senior management of Target Projects, and the wisdom and diligence of those experienced employees, the Company can enjoy the benefits of strengthening and sharing of technical expertise, upgrade its human resources, and promote the existing solid waste treatment business to develop in a better and faster way, thereby on the whole facilitating the Company to develop on a virtuous and high-speed track.

(vii) Securing immediate and stable profit and cash flow from target assets

By the Acquisition, the Company expect that it will secure immediate and stable profit and cash flow from target assets. For the year ended 31 December 2015, the maximum solid waste treatment capacity of target assets was in aggregate 6,645 tonnes/day, and the operating revenue, EBITDA (earnings before interest, tax, depreciation and amortisation) and net profit was RMB579,360,000, RMB210,565,000 and RMB61,350,000, respectively.

Based on the aforementioned, the Directors (other than the independent non-executive Directors whose views will be set out in the Circular) consider that the Sale and Purchase Agreement is on normal commercial terms and the terms of the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Financial and other impact

Following Completion, the Target Companies will become subsidiaries of the Company, and the financial results, assets and liabilities of the Target Companies will be consolidated into the accounts of the Group. With respect to the prospects of the Target Companies, it is expected that the Target Companies will generate net operating cash inflows to the Group.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules for the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. As at the date of this announcement, BEHL is the controlling Shareholder interested in 756,120,000 Shares, representing approximately 50.396% of the total number of Shares in issue. Accordingly, BEHL is a connected person of the Company and the entering into of the Sale and Purchase Agreement and transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. In light of the above, the Acquisition is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An independent board committee comprising all the independent non-executive Directors, namely Dr. Jin Lizuo, Dr. Huan Guocang, Dr. Wang Jianping, Prof. Nie Yongfeng and Mr. Cheung Ming will be formed pursuant to the requirements of the Listing Rules to advise the Independent Shareholders on matters in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Acquisition and the issuance of the New Bonds). The Company will in due course appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

LISTING COMMITTEE'S DECISION

The Listing Committee has determined that the Acquisition is an extreme very substantial acquisition which is **NOT** subject to reverse takeover rules. Enhanced disclosure comparable to the standard for listing documents for new listing applicants will be required in the Circular and China International Capital Corporation Hong Kong Securities Limited has been appointed as the financial adviser of the Company to conduct due diligence in accordance with Practice Note 21 of the Listing Rules on the Target Companies.

EGM

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder. BEHL and its associates shall abstain from voting on the proposed resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM. Save for the aforesaid and to the best knowledge of the Company, as at the date of this announcement, no other Shareholder has a material interest in the Sale and Purchase Agreement or the transactions contemplated thereunder, and therefore no other Shareholder is required to abstain from voting on the proposed resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM.

As the Acquisition was classified as an extreme very substantial acquisition, enhanced disclosure comparable to the standard for listing documents for new listing applicants will be required in the Circular and as such, the Company is currently unable to estimate with certainty the date of despatch of the Circular. The Company shall issue further announcement(s) to notify the Shareholders of the expected date of despatch of the Circular when such date of despatch can be more accurately ascertained.

Completion is conditional upon, among other things, the satisfaction of the Conditions. Therefore, the Acquisition may or may not materialise. Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	the sale and purchase of the Sale Interests pursuant to the Sale and Purchase Agreement;
“associate(s)”, “connected person” or “controlling shareholder”	has the meaning ascribed to it under the Listing Rules;

“BEHL”	Beijing Enterprises Holdings 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: 392) and a controlling Shareholder;
“BEHL Group”	BEHL and its subsidiaries (but excluding the Group);
“BEGCL”	Beijing Enterprises Group Company Limited, a company established under the laws of the PRC with limited liability and wholly owned by 北京市人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality*) and the controlling shareholder of BEHL; BEGCL is the ultimate holding company of BEHL;
“Beikong Shuyang”	北控環境再生能源沅陽有限公司 (Beikong Environment Renewable Energy Shuyang Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of BEHL as at the date of this announcement;
“Beikong Shuyang Project”	has the meaning given to it under the section headed “Information on the Target Group and the Target Projects – Beikong Shuyang” of this announcement;
“Beikong Wenchang”	北控環境(文昌)再生能源有限公司 (Beikong Environment (Wenchang) Renewable Energy Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of BEHL as at the date of this announcement;
“Beikong Wenchang Project”	has the meaning given to it under the section headed “Information on the Target Group and the Target Projects – Beikong Wenchang” of this announcement;
“Board”	the board of Directors;

“Circular”	a circular to be despatched in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Acquisition and the issuance of the New Bonds);
“Company”	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);
“Completion”	completion of the sale and purchase of the Sale Interests in accordance with the terms of the Sale and Purchase Agreement;
“Conditions”	the conditions precedent to completion of the transactions contemplated under the Sale and Purchase Agreement, the major terms of which are set out in section headed “The Sale and Purchase Agreement – Conditions Precedent” in this announcement;
“Consideration”	the consideration for sale and purchase of the Sale Interests;
“Current Market Price”	in respect of a Share at a particular date, the arithmetic average of the price of a Share for each day during the five consecutive business days ending on and including the business day immediately preceding such date;
“Directors”	the directors of the Company;
“EGM”	the extraordinary general meeting to be convened to consider, and if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the New Bonds);

“Gaoantun WTE”	北京高安屯垃圾焚燒有限公司 (Beijing Gaoantun Waste-To-Energy Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect 84.9%-owned subsidiary of BEHL as at the date of this announcement;
“Gaoantun WTE Project”	has the meaning given to it under the section headed “Information on the Target Group and the Target Projects – Gaoantun WTE” of this announcement;
“Group”	the Company and its subsidiaries;
“GSWM”	Golden State Waste Management Corporation, a company incorporated under the laws of the Cayman Islands with limited liability and an indirect wholly-owned subsidiary of BEHL as at the date of this announcement;
“Ha’erbin Shuangqi”	哈爾濱市雙琦環保資源利用有限公司 (Ha’erbin Shuangqi Renewable Resources Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect 80%-owned subsidiary of BEHL as at the date of this announcement;
“Ha’erbin Shuangqi Project”	has the meaning given to it under the section headed “Information on the Target Group and the Target Projects – “Ha’erbin Shuangqi” of this announcement;
“Hazardous and Medical Waste Treatment Project”	means the Target Project that is specialising in the treatment of hazardous and medical waste, namely the Hunan Hengxing Project;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Household Waste Treatment projects”	means the Target Projects that are specialising in the treatment of household waste, namely the Gaoantun WTE Project, the Zhangjiagang WTE Project, the Beikong Wenchang Project, the Ha’erbin Shuangqi Project and the Beikong Shuyang Project;
“Hunan Hengxing”	湖南衡興環保科技開發有限公司(Hunan Hengxing Environment Science and Technology Development Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect 65%-owned subsidiary of BEHL as at the date of this announcement;
“Hunan Hengxing Project”	has the meaning given to it under the section headed “Information on the Target Group and the Target Projects – Hunan Hengxing” of this announcement;
“Idata”	Idata Finance Trading Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of BEHL;
“Independent Board Committee”	the committee of Directors consisting of Dr. Jin Lizuo, Dr. Huan Guocang, Dr. Wang Jianping, Prof. Nie Yongfeng and Mr. Cheung Ming, being all the independent non-executive Directors, to be formed to advise the Independent Shareholders in respect of the Acquisition;
“Independent Shareholder(s)”	Shareholder(s) other than BEHL and its associates and those who are involved in or interested in the relevant resolution(s) to be approved at the EGM;
“Initial Conversion Price”	the initial conversion price of HK\$1.13 per New Conversion Shares (subject to adjustment in accordance with the terms and conditions of the New Bonds);
“kWh”	kilowatt-hour;
“Listing Committee”	the Listing Committee of the Stock Exchange;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan Arrangements”	has the meaning given to it under the section headed “Exempt financial assistance provided by BEHL Group” of this announcement;
“Longstop Date”	30 June 2016 (or such other date as BEHL and the Company may agree in writing);
“New Bonds”	the convertible bonds due 2021 in the aggregate principal amount of HK\$2,202,300,000 proposed to be issued by the Company to BEHL (or its designated nominee) pursuant to the Sale and Purchase Agreement;
“New Conversion Shares”	up to 1,948,938,053 Shares to be allotted and issued by the Company upon conversion of the New Bonds at the Initial Conversion Price;
“Outstanding Bonds”	has the meaning given to it under the section headed “Impact on the shareholding structure of the Company” of this announcement;
“Outstanding Conversion Shares”	has the meaning given to it under the section headed “Impact on the shareholding structure of the Company” of this announcement;
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan);
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 31 March 2016 entered into by the Company and BEHL relating to the Acquisition;

“Sale Interests”	collectively, (a) the entire issued share capital of GSWM; (b) 65% equity interest in Hunan Hengxing; (c) 100% equity interest in Beikong Wenchang; (d) 80% equity interest in Ha’erbin Shuangqi; and (e) 100% equity interest in Beikong Shuyang;
“Share(s)”	ordinary share(s) in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	the subscription agreement dated 15 September 2011 (as amended by the supplemental agreements in relation thereto) entered into between the Company, Idata as subscriber, and BEHL as guarantor. Further details of the Subscription Agreement are set out in the Company’s circular dated 21 December 2012;
“Target Companies”	collectively GSWM, Hunan Hengxing, Beikong Wenchang, Ha’erbin Shuangqi and Beikong Shuyang;
“Target Group”	the Target Companies and their respective subsidiaries;
“Target Hazardous Waste Company”	Hunan Hengxing, the Target Company that is operating a Hazardous Waste Treatment Project;
“Target Household Waste Company(ies)”	Target Company(ies) that are operating Household Waste Treatment Projects, namely Gaoantun WTE, Zhangjiagang WTE, Beikong Wenchang, Ha’erbin Shuangqi and Beikong Shuyang;
“Target Projects”	collectively, the Gaoantun WTE Project, the Zhangjiagang WTE Project, the Hunan Hengxing Project, the Beikong Wenchang Project, the Ha’erbin Shuangqi Project and the Beikong Shuyang Project;

“Zhangjiagang WTE”	張家港金州再生能源有限公司 (Zhangjiagang Golden State Waste-to-Energy Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of BEHL as at the date of this announcement;
“Zhangjiagang WTE Project”	has the meaning given to it under the section headed “Information on the Target Group and the Target Projects – Zhangjiagang WTE” of this announcement; and
“%”	percentage.

For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1:HK\$1.19. No representation is made that any amounts in RMB has been or could be converted at the above rates or at any other rates.

By order of the Board
Beijing Development (Hong Kong) Limited
Ke Jian
Vice Chairman and CEO

Hong Kong, 31 March 2016

At the date of this announcement, the board of directors of the Company comprises five executive directors, namely Mr. E Meng, Mr. Ke Jian, Ms. Sha Ning, Ms. Qin Xuemin and Mr. Ng Kong Fat, Brian, and five independent non-executive directors, namely Dr. Jin Lizuo, Dr. Huan Guocang, Dr. Wang Jianping, Prof. Nie Yongfeng and Mr. Cheung Ming.

* *For identification purposes only*