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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)

**WAIVER AND REFUND OF INTERESTS ACCRUED ON
THE FIRM BONDS AND THE STANDBY BONDS BY IDATA**

This announcement is made by Beijing Development (Hong Kong) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

Reference is made to the circular of the Company dated 21 December 2012 regarding the firm convertible bonds due 2018 in the aggregate principal amount of HK\$300,580,000 (the “**Firm Bonds**”) and the standby convertible bonds due 2018 in the aggregate principal amount of HK\$3,000,150,000 (the “**Standby Bonds**”) proposed to be issued by the Company to Idata Finance Trading Limited (“**Idata**”), a wholly-owned subsidiary of Beijing Enterprises Holdings Limited, (“**BEHL**”) pursuant to the subscription agreement dated 15 September 2011 (as amended by the supplemental agreements in relation thereto) (the “**Subscription Agreement**”) entered into between the Company, Idata as subscriber, and BEHL as guarantor. Reference is also made to the announcements of the Company dated 28 February 2013, 24 February 2014, 24 April 2014, 4 September 2014 and 29 December 2014 (the “**Announcements**”) regarding the issue of the Firm Bonds in full and part of the Standby Bonds.

1. BACKGROUND

As disclosed in the Announcements, the Company has issued the Firm Bonds and part of the Standby Bonds to Idata, pursuant to the terms and conditions of the Subscription Agreement. Pursuant to the terms of the Firm Bonds and the Standby Bonds, the Firm Bonds and the Standby Bonds shall bear interest from the date of completion of the Subscription Agreement (the “**Subscription Completion Date**”) or from the date of issue (the “**Date of Issue**”) (as the case may be) at the rate of 1% per annum payable in arrears on the last day of every six months from the Subscription Completion Date, or the Date of Issue (as the case may be). As at the date of this announcement, an aggregate principal amount of HK\$791,000,000 of Standby Bonds are outstanding (the “**Outstanding Bonds**”). The Outstanding Bonds shall mature on 28 February 2018 (the “**OB Maturity Date**”).

2. WAIVER OF AND REFUND OF INTERESTS ACCRUED ON THE FIRM BONDS AND THE STANDBY BONDS

As at the date of this announcement, the Company has paid interests accrued on the Firm Bonds and the Standby Bonds amounting to approximately HK\$12,059,000 (the “**Paid Interests**”) to Idata in accordance with terms of the Firm Bonds and the Standby Bonds.

On 31 March 2016, Idata has agreed to unilaterally waive (i) the payment of the Paid Interests and refund such interests in full to the Company; and (ii) all interests payable under the Outstanding Bond to be incurred from 31 March 2016 to the OB Maturity Date (the “**Waiver and Refund of Interests**”).

3. REASONS FOR AND BENEFITS OF THE TRANSACTION

In order to provide continued support for the business development of the Company, including but not limited to its waste-to-energy business, Idata will waive and refund the interests accrued or to be accrued on the Firm Bonds and the Standby Bonds.

The directors (the “**Directors**”) of the Company (including the independent non-executive Directors) consider that the Waiver and Refund of Interests are conducted on terms better to the Company and in the interests of the Company and the shareholders of the Company as a whole.

4. INFORMATION ABOUT THE COMPANY AND IDATA

Idata is a company incorporated in the British Virgin Islands with limited liability and is directly and wholly-owned by BEHL. The principal business of Idata is investment holding. 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 of Hong Kong Limited (the “**Stock Exchange**”) (stock code: 392). BEHL and its members are principally engaged in natural gas operations, water treatment operations, solid waste treatment operations and brewery operations in the PRC.

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.

5. LISTING RULES IMPLICATIONS

Idata is a wholly-owned subsidiary of BEHL, which is interested in 756,120,000 shares of the Company (the “**Shares**”), representing approximately 50.396% of the total number of Shares in issue as at the date of this announcement. Accordingly, Idata is a connected person of the Company and the Waiver and Refund of Interests constitute the provision of financial assistance and therefore a connected transaction of the Company under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

As the Waiver and Refund of Interests constitute financial assistance provided by a connected person in favour of the Group where no security over the assets of the Group is granted in respect of the financial assistance, the Directors consider that the Waiver and Refund of Interests are conducted on terms better to the Company, and the Waiver and Refund of Interests are fully exempt from shareholders’ approval and all disclosure requirements for connected transactions pursuant to Rule 14A.90 of the Listing Rules.

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

Hong Kong, 31 March 2016

At the date of this announcement, the Board 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.