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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)

**ANNOUNCEMENT
RELATING TO THE DISPOSAL OF 600 MILLION SHARES OF
CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED**

Reference is made to the joint announcement of Beijing Development (Hong Kong) Limited (the “**Company**”) and China Information Technology Development Limited (“**CITD**”) dated 24 June 2008 (the “**Announcement**”), the circular of the Company dated 14 July 2008, and two further announcements of the Company dated 14 August 2008 and 19 December 2008 in relation to the Disposal. Capitalized terms used herein shall have the same meanings as defined in the Announcement unless the context otherwise requires.

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

Background information

Pursuant to the Disposal Agreement, which is subject to the approval of the Independent Shareholders’ approval, the Vendor (a wholly owned subsidiary of the Company) will sell and the Purchaser, Mr. Wang Zhenyu will buy the Sale Shares, comprising 600 million CITD shares representing about 9.24% of the entire issued share capital of CITD for an aggregate sum of HK\$132 million (representing HK\$0.22 per Sale Shares). Independent Shareholders had approved the Disposal Agreement at the EGM convened and held on 30 July 2008.

As requested by the Purchaser and pursuant to a supplemental deed dated 14 August 2008, the Company has agreed to extend the completion date of the Disposal Agreement to a date on or before 19 December 2008 or such other date as the parties may agree.

Pursuant to a further supplemental deed dated 19 December 2008 (the “**Extension Deed**”), the Company has further agreed to extend the completion date of the Disposal Agreement to a date on or before 30 September 2009 or such other date as the parties may agree, on the condition that the Purchaser shall pay HK\$10,000,000 (the “**Security Money**”) in cash to the Vendor within 30 days of the signing of the Extension Deed.

Lapse of the Extension Deed

Pursuant to the Extension Deed, if the Purchaser fails to complete the Disposal Agreement as amended by the Extension Deed, the Security Money will be forfeited by the Vendor, but without further recourse against the Purchaser. Moreover, pursuant to the Extension Deed, the Extension Deed shall lapse and terminate automatically if the Purchaser fails to pay up the Security Money within 30 days from the date of the Extension Deed.

Upon repeated demands and request by the Company, the Purchaser has not paid up the Security Money up to the date of this announcement. Accordingly, the Board considers that Extension Deed has lapsed and terminated and is considering taking appropriate legal action against the Purchaser for the breach of the Disposal Agreement as amended. Further announcement will be made as and when necessary.

As disclosed in our 2008 published annual report, impairment provisions against the Group’s interests in CITD were recognised in the consolidated income statement for the year ended 31 December 2008. The Board believes that the termination of the Disposal Agreement will not have any material adverse effect on the current financial position of the Group as disclosed in our 2009 published interim report.

Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company.

By Order of the board of
Beijing Development (Hong Kong) Limited
Wong Kwok Wai, Robin
Company Secretary

Hong Kong, 25 September 2009

As at the date of this announcement, the executive directors of the Company are Mr. E Meng, Mr. Zhang Honghai, Mr. Wang Yong, Mr. Cao Wei, Mr. Yan Qing 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.