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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 Companies Ordinance)

(Stock Code: 154)

**Possible Connected Transaction - Disposal of an Equity Interest in
Beijing Municipal Administration & Communications Card Co., Ltd.**

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Beijing Development (Hong Kong) Limited (the “Company”) announced that the Company is currently in negotiation with Beijing Enterprises Group Company Limited (“BEGCL”) in relation to a possible disposal by the Company of its equity interest in Beijing Municipal Administration & Communications Card Co., Ltd. (“BMAC”) (the “Possible Disposal”).

BMAC is a sino-foreign equity joint venture company established in the People’s Republic of China, a jointly controlled entity indirectly held as to 43% by the Company. The principle business of BMAC is the production, issuance and settlement of municipal administration and transportation cards, the investment and management of the municipal administration and transportation card system and its equipment. BEGCL is a substantial shareholder of the Company. As at the date of this announcement, BEGCL indirectly holds 290,459,000 shares of the Company, representing approximately 42.87% of the issued share capital of the Company. BEGCL is a connected person of the Company as defined by the Listing Rules. At present, no legally binding agreement has been entered into in relation to the Possible Disposal.

The Possible Disposal may or may not proceed and is subject to the entering into of a legally binding agreement, if any. Should the Possible Disposal proceed, it may constitute a notifiable transaction and a connected transaction for the Company under the Listing Rules. Appropriate announcement(s) will be made by the Company in compliance with the Listing Rules, when required.

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

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

Hong Kong, 31 March 2011

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