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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)

**CONNECTED TRANSACTION
ACQUISITION OF PROPERTY**

SUMMARY

The Board is pleased to announce that on 14 February 2012, the Company entered into the Property Transfer Agreement with the Vendor, pursuant to which the Company agreed to purchase and the Vendor agreed to sell the Property for the Consideration of RMB32,000,460 (equivalent to approximately HK\$39,422,056), which will be settled in cash.

The Vendor is an indirect wholly-owned subsidiary of BEHL, a substantial shareholder of the Company. As at the date of this announcement, BEHL beneficially holds 290,459,000 Shares (representing approximately 42.87% of the issued share capital of the Company). The Vendor is therefore a connected person of the Company under the Listing Rules and as such, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios in respect of the Acquisition are less than 5%, the Acquisition is subject to the reporting and announcement requirements and is exempted from the independent shareholders' approval requirement under the Listing Rules.

INTRODUCTION

On 14 February 2012, the Company entered into the Property Transfer Agreement with the Vendor, an indirect wholly-owned subsidiary of BEHL (a substantial shareholder of the Company), pursuant to which the Company agreed to purchase and the Vendor agreed to sell the Property for the Consideration of RMB32,000,460 (equivalent to approximately HK\$39,422,056).

PROPERTY TRANSFER AGREEMENT

Date

14 February 2012

Parties

Vendor 北京北控宏創科技有限公司
(Beijing Beikong Hongchuang Technology Co., Ltd.*)

Purchaser The Company

Information of the Property

The Property is known as 北控宏創昌平園產業基地9號辦公樓 (Building No. 9, Beikong Hongchuang Changping Technology Park*), situated in Chaoqian Road, Changping District, Beijing, the PRC. The Property is a newly developed six storeys office premises with gross floor area of approximately 4,705.95 square metres (including the sharing of public areas of approximately 146.41 square metres).

The original acquisition and development cost incurred by the Vendor for the Property was approximately RMB29,412,200 (equivalent to approximately HK\$36,233,523).

Consideration

The Consideration of RMB32,000,460 (equivalent to approximately HK\$39,422,056) shall be paid by the Company to the Vendor as follows:

1. 80% of the Consideration, being RMB25,600,368 (equivalent to approximately HK\$31,537,645), payable by cash within 7 days upon the signing of the Property Transfer Agreement; and
2. 20% of the Consideration, being RMB6,400,092 (equivalent to approximately HK\$7,884,411), payable by cash within 7 days upon the completion of transfer of real estate title and all the relating certificates.

The Consideration was determined after arm's length negotiations between the parties to the Property Transfer Agreement having taken into account the prevailing market price of comparable premises in the PRC.

The Consideration will be financed by the internal resources of the Group.

INFORMATION OF THE COMPANY, THE VENDOR AND BEHL

Information of the Company

The Company is incorporated in Hong Kong with limited liability and is principally engaged in investment holding. The principal activities of the Group's subsidiaries comprise the provision of information technology ("IT") related services, including: (i) system integration; (ii) the construction of information networks and sale of related equipment; (iii) the provision of IT technical support and consultation services; (iv) development and sale of software; and (v) implementation of smart card systems.

Information of the Vendor

The Vendor is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of BEHL. It is principally engaged in technology development and high-tech enterprises incubation, and is the property developer of 北控宏創昌平園產業基地 (Beikong Hongchuang Changping Technology Park*).

Information of BEHL

BEHL is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange. BEHL's group of companies is principally engaged in public utilities, infrastructure projects, investment holding and investment management.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group intends to acquire the Property for investment purpose and at the same time, to be used as office premise to support the Group's current operations in Beijing with room for further business expansion. The Acquisition will also enhance the fixed asset base of the Group.

The Directors (including the independent non-executive Directors) consider that the Acquisition is in the ordinary and usual course of business of the Company and the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Vendor is an indirect wholly-owned subsidiary of BEHL, a substantial shareholder of the Company. As at the date of this announcement, BEHL beneficially holds 290,459,000 Shares (representing approximately 42.87% of the issued share capital of the Company). The Vendor is therefore a connected person of the Company under the Listing Rules and as such, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios in respect of the Acquisition are less than 5%, the Acquisition is subject to the reporting and announcement requirements and is exempted from the independent shareholders' approval requirement under the Listing Rules.

Save and except for Mr. E Meng and Mr. Zhang Honghai, who are also directors of BEHL have abstained from voting on the Board resolution in relation to the Acquisition, none of the Directors has a material interest in the Acquisition or was required to abstain from voting on the Board resolutions for considering and approving the same.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Acquisition”	the acquisition of the Property by the Company pursuant to the Property Transfer Agreement
“BEHL”	Beijing Enterprises Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 392)
“Board”	the board of Directors of the Company
“Company”	Beijing Development (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 154)
“connected person”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration payable by the Company to the Vendor under the Property Transfer Agreement
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“Property”	北控宏創昌平園產業基地9號辦公樓 (Building No. 9, Beikong Hongchuang Changping Technology Park*), situated in Chaoqian Road, Changping District, Beijing, the PRC
“Property Transfer Agreement”	the property transfer agreement dated 14 February 2012 entered into between the Company and the Vendor in relation to the Acquisition
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$1 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“Vendor”	北京北控宏創科技有限公司 (Beijing Beikong Hongchuang Technology Co., Ltd.*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of BEHL
“%”	per cent.

By order of the Board
Beijing Development (Hong Kong) Limited
Wang Yong
Executive Director

Hong Kong, 14 February 2012

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.

For illustration purposes only, the amounts in RMB are translated to HK\$ at the rate of HK\$1.00 = RMB0.81174. No representation is made that any amount in RMB has been or could be converted at such rate.

* *For identification only*