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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)

FURTHER DELAY IN DESPATCH OF CIRCULAR

References are made to the joint announcement of the Company and BEHL dated 15 September 2011 in relation to, among other things, the Proposed Transactions, the announcement of the Company dated 4 October 2011 in relation to the delay in despatch of the Circular regarding, among other things, the Proposed Transactions, the announcement of the Company dated 25 October 2011 in relation to the further delay in despatch of the Circular and the Supplemental Agreement, the announcement of the Company dated 15 December 2011 in relation to the further delay in despatch of the Circular, and the announcement of the Company dated 29 March 2012 in relation to the further delay in despatch of the Circular and extension of Long Stop Date of the Subscription Agreement.

In further addressing the concerns on the issue of “cash company”, the Company had been active in continuing to seek out appropriate projects and/or assets in applying the proceeds from the proposed issue of the Subscription Shares and the Firm Bonds and the potential proceeds from the proposed issue of the Standby Bonds. As more time was required in this regard and in finalising certain information to be contained in the Circular to address the concerns on the issue of “cash company”, including but not limited to such further information as may be required to be contained in the Circular, the Executive had granted consent to the Company’s application to further delay despatch of the Circular to on or about 30 March 2012 and to the Company’s further application to further delay despatch of the Circular to on or about 29 June 2012.

The Board wishes to announce that for the past three months, the Company had been involved in business negotiations with potential vendors engaged in the business of environmental protection with a view to enter into a definitive agreement with a vendor. Through such negotiations, the Company announced on 28 June 2012 that it had, through its wholly owned subsidiary, entered into an increase of capital contract (along with a joint venture contract and an articles of association) for injecting capital into a company established under the laws of the PRC for investing, constructing and operating renewable energy power generation projects including solid waste pollution control, emission and gas control in Beijing, the PRC (the “**Proposed Capital Injection**”). Apart from the Proposed Capital Injection, the Company announced on 30 May 2012 that it had entered into the Framework Agreement for Investment and Cooperation in Shanxi Domestic Garbage Incineration-Power Generation Project (the “**Proposed Shanxi Project**”) to establish long-term strategic cooperation partnership to jointly develop the domestic garbage incineration-power generation market in Shanxi. As more time is still required in these regards and in finalising certain information to be contained in the Circular to address the concerns on the issue of “cash company”, including but not limited to such further information as may be required to be contained in the Circular, the Executive has granted consent to extend the latest time for despatch of the Circular to 29 September 2012.

References are made to the joint announcement of Beijing Development (Hong Kong) Limited (the “**Company**”) and BEHL dated 15 September 2011 in relation to, among other things, the Proposed Transactions, the announcement of the Company dated 4 October 2011 in relation to the delay in despatch of the circular regarding, among other things, the Proposed Transactions (the “**Circular**”), the announcement of the Company dated 25 October 2011 in relation to the further delay in despatch of the Circular and the Supplemental Agreement, the announcement of the Company dated 15 December 2011 in relation to the further delay in despatch of the Circular, and the announcement of the Company dated 29 March 2012 in relation to the further delay in despatch of the Circular and extension of Long Stop Date of the Subscription Agreement (the “**Announcements**”). Unless defined otherwise, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

FURTHER DELAY IN DESPATCH OF CIRCULAR

In further addressing the concerns on the issue of “cash company”, the Company had been active in continuing to seek out appropriate projects and/or assets in applying the proceeds from the proposed issue of the Subscription Shares and the Firm Bonds and the potential proceeds from the proposed issue of the Standby Bonds. As more time was required in this regard and in finalising certain information to be contained in the Circular to address the concerns on the issue of “cash company”, including but not limited to such further information as may be required to be contained in the Circular, the Executive had granted consent to the Company’s application to further delay despatch of the Circular to on or about 30 March 2012 and to the Company’s further application to further delay despatch of the Circular to on or about 29 June 2012.

The Board wishes to announce that for the past three months, the Company had been involved in business negotiations with potential vendors engaged in the business of environmental protection with a view to enter into a definitive agreement with a vendor. Through such negotiations, the Company announced on 28 June 2012 that it had, through its wholly owned subsidiary, entered into an increase of capital contract (along with a joint venture contract and an articles of association) for injecting capital into a company established under the laws of the PRC for investing, constructing and operating renewable energy power generation projects including solid waste pollution control, emission and gas control in Beijing, the PRC (the “**Proposed Capital Injection**”). The Proposed Capital Injection involved a proposed injection of additional registered capital into the target company of RMB256 million (equivalent to approximately HK\$314 million), proposed injection of equity premium into the target company of a maximum of RMB27.55 million (equivalent to approximately HK\$33.81 million), and advancements of shareholder’s loans of a total maximum amount of RMB644 million (equivalent to approximately HK\$790 million) to the joint venture following its establishment. The Proposed Capital Injection constituted a very substantial acquisition for the Company under Rule 14.06(5) of the Listing Rules. Apart from the Proposed Capital Injection, the Company announced on 30 May 2012 that it had entered into the Framework Agreement for Investment and Cooperation in Shanxi Domestic Garbage Incineration-Power Generation Project (the “**Proposed Shanxi Project**”) with 山西國際能源集團有限公司 (Shanxi International Energy Group Co. Ltd.*), 北京北控環保工程技術有限公司 (Beijing Enterprises Holdings Environment Technology Co. Ltd.*) and 山西省環境保護基金有限公司 (Shanxi Environmental Protection Fund Co. Ltd.*) to establish a long-term strategic cooperation partnership to jointly develop the domestic garbage incineration-power generation market in Shanxi. The parties thereto are currently still continuing with the in-depth investigation, research and due diligence in respect of the above specific projects. The concrete cooperation arrangements of the specific projects shall be subject to the legal documents (such as project investment and cooperation contracts) to be entered into by the parties thereto. As more time is still required in these regards and in finalising certain information to be contained in the Circular to address the concerns on the issue of “cash company”, including but not limited to such further information as may be required to be contained in the Circular, the Executive has granted consent to extend the latest time for despatch of the Circular to 29 September 2012. The Company expects the despatch of the Circular will be on or before 28 September 2012.

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

Hong Kong, 28 June 2012

* *For identification purpose only*

As at the date of this announcement, the executive Directors are Mr. E Meng, Mr. Zhang Honghai, Mr. Wang Yong, Mr. Yan Qing, Ms. Sha Ning and Mr. Ng Kong Fat, Brian and independent non-executive Directors are Dr. Jin Lizuo, Dr. Huan Guocang and Dr. Wang Jianping.

All the Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

For illustration purposes only, the amounts in RMB are translated to HK\$ at the rate of HK\$1.00 = RMB0.81475. No representation is made that any amount in RMB has been or could be converted at such rate.