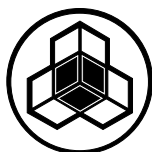

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Beijing Development (Hong Kong) Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

**DISCLOSEABLE AND CONNECTED TRANSACTION –
DISPOSAL OF 9.24% OF THE ENTIRE ISSUED SHARE CAPITAL OF
CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED
AND
PROPOSED REFRESHMENT OF THE GENERAL MANDATE LIMIT OF
THE SHARE OPTION SCHEME
AND
PROPOSED GRANT OF SHARE OPTIONS**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



粵海證券有限公司
GUANGDONG SECURITIES LIMITED

A notice convening an extraordinary general meeting of the Company to be held at Aberdeen Room, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on 30 July 2008 is set out on pages 38 to 40 of this circular. If you are unable to attend the meeting in person, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

14 July 2008

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DEFINITION

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“BEHL”	Beijing Enterprises Holdings Limited, a company incorporated in Hong Kong with limited liability and is a substantial Shareholder, whose shares are listed on the main board of the Stock Exchange
“Board”	the board of Directors
“Business Day”	a day on which banks are open for business in Hong Kong (excluding Saturdays and Sundays)
“CIT”	China Information Technology Development Limited, a company incorporated in the Cayman Islands with limited liability, the CIT Shares are listed on GEM
“CIT Share(s)”	shares of HK\$0.01 each in the share capital of CIT
“Company”	Beijing Development (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, whose Shares are listed on the Stock Exchange
“Director(s)”	the directors of the Company
“Disposal”	the disposal of 9.24% of the entire issued share capital of CIT
“Disposal Agreement”	the conditional sale and purchase agreement dated 24 June 2008 made between the Vendor and the Purchaser in relation to the Disposal
“EGM”	the extraordinary general meeting of the Company to be held to approve, inter alia, the Disposal Agreement, the Disposal, the refreshment of the limit of the Share Option Scheme and the Proposed Grant
“Employees”	the employees of the Group, each of whom is not a Director or a substantial Shareholder, who were conditionally granted Shares Options by the Remuneration Committee on 9 July 2008 as described in the letter from the Board contained in this circular

DEFINITION

“GEM”	the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Guangdong Securities” or “Independent Financial Adviser”	Guangdong Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activity as defined under the SFO and the independent financial adviser to the Independent Board Committee and Independent Shareholders in respect of the Disposal
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Idata”	Idata Finance Trading Limited, a company incorporated in the British Virgin Islands with limited liability and is a substantial Shareholder
“Independent Board Committee”	an independent board committee of the Board comprises the independent non-executive Directors
“Independent Shareholders”	(i) in respect of the resolution to be voted at the EGM concerning the Disposal, Shareholders other than the Purchaser and his associates (if any) who have interest in the Disposal and are required to abstain from voting; and (ii) in respect of the resolutions to be voted at the EGM concerning the Proposed Grant, Shareholders other than the grantees of the Proposed Grant who have interest in the Proposed Grant and are required to abstain from voting
“Latest Practicable Date”	10 July 2008, being the latest practicable date for the purpose of ascertaining certain information contains in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

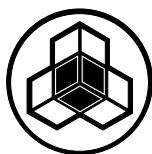
DEFINITION

“Proposed Grant”	the proposed grant on 9 July 2008 by the Remuneration Committee of 13,000,000 Share Options in aggregate to Mr. E Meng, Mr. Li Kangying, Mr. Wang Yong, Mr. Cao Wei and Mr. Ng Kong Fat, each an executive Director, and the Employees, as described in the letter from the Board contained in this circular
“Purchaser”	Mr. Wang Zhenyu, an executive director and the chief executive officer of CIT and also an executive director and the general manager of Beijing Enterprises UniCard Co., Ltd. (北京控股支付卡科技有限公司), a non wholly-owned subsidiary of the Company
“Refreshed Limit”	the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company, being 10% of the Shares in issue as at the date of approving such Refreshed Limit by the Shareholders passing an ordinary resolution at the EGM
“Remuneration Committee”	the remuneration committee of the Board comprising all the independent non-executive Directors and Mr. E Meng
“Sale Shares”	an aggregate of 600 million CIT Shares to be disposed of by the Vendor pursuant to the Disposal Agreement, representing approximately 9.24% of the entire issued share capital of CIT as at the Latest Practicable Date
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$1.00 each in the share capital of the Company
“Share Option(s)”	share option(s) granted, or which may be granted, pursuant to the terms of the Share Option Scheme, to subscribe for new Shares
“Share Option Scheme”	the share option scheme of the Company adopted on 18 June 2001, details of which were set forth in the circular of the Company dated 17 May 2001, being the only share option scheme of the Company

DEFINITION

“Shareholders”	shareholder(s) of the Company
“Specified Limit”	the maximum entitlement of an eligible person under the Share Option Scheme stipulated in the Note to Rule 17.03(4) of the Listing Rules, namely, that the aggregate number of Shares issued and to be issued upon exercise of the options granted to such eligible person (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Prime Technology Group Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. E Meng
Mr. Zhang Honghai
Mr. Li Kangying
Mr. Wang Yong
Mr. Cao Wei
Mr. Ng Kong Fat, Brian

Registered Office:

Room 3401, West Tower
Shun Tak Centre
200 Connaught Road Central
Hong Kong

Independent Non-executive Directors:

Dr. Jin Lizuo
Dr. Huan Guocang
Dr. Wang Jianping

14 July 2008

To the Shareholders

Dear Sir/Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION –
DISPOSAL OF 9.24% OF THE ENTIRE ISSUED SHARE CAPITAL OF
CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED
AND
PROPOSED REFRESHMENT OF THE GENERAL MANDATE LIMIT OF
THE SHARE OPTION SCHEME
AND
PROPOSED GRANT OF SHARE OPTIONS**

INTRODUCTION

On 24 June 2008, the Vendor, a wholly-owned subsidiary of the Company has entered into a Disposal Agreement with the Purchaser to dispose of the Sale Shares, represent approximately 9.24% of the entire issued share capital of CIT as at the Latest Practicable Date, at a consideration of HK\$132 million.

LETTER FROM THE BOARD

The purpose of this circular is to (i) provide you with information on the Disposal, the proposed refreshment of the mandate limit of the Share Options Scheme and the Proposed Grant, (ii) set out the recommendations of the Independent Board Committee in relation to the Disposal; (iii) set out the recommendation of Guangdong Securities to the Independent Board Committee and the Independent Shareholders in relation to the Disposal; and (iv) give you a notice of the EGM set out on pages 38 to 40 of this circular.

1. THE DISPOSAL AGREEMENT DATED 24 JUNE 2008

Parties

Purchaser: the Purchaser

Vendor: the Vendor, a wholly-owned subsidiary of the Company

Sale Shares to be disposed by the Vendor

The Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, being 600 million CIT Shares from the Vendor, represent approximately 9.24% of the entire issued share capital of CIT at a consideration of HK\$132 million.

The book value of the 9.24% shareholding in CIT as at 31 December 2007 was approximately HK\$119 million. For the financial years ended 31 December 2006 and 31 December 2007, the net losses before and after taxation attributable to the 9.24% shareholding in CIT was HK\$20.36 million and HK\$20.55 million and the net profits before and after taxation attributable to the 9.24% shareholding in CIT were HK\$1.85 million and HK\$1.48 million, respectively.

Consideration for the Sale Shares

The consideration for the Disposal in the aggregate sum of HK\$132 million (representing HK\$0.22 per Sale Share) was negotiated and determined on an arm's length basis between the parties on normal commercial terms, having taking into account, among other things, the audited consolidated net asset value of CIT attributable to the 9.24% shareholding in CIT as at 31 December 2007 of approximately HK\$119 million, the historical financial performance of CIT, the historical liquidity and trading price of CIT Shares.

LETTER FROM THE BOARD

The purchase price of HK\$0.22 per Sale Share represents:

- (a) a discount of approximately 13.73% of the closing price of HK\$0.255 per CIT Share as quoted on GEM on 23 June 2008, being the last full trading day prior to the signing of the Disposal Agreement on 24 June 2008;
- (b) a discount of approximately 12.00% of the average closing price of the CIT Shares as quoted on GEM for the last 5 consecutive full trading days prior to the signing of the Disposal Agreement on 24 June 2008, being approximately HK\$0.25 per CIT Share;
- (c) a discount of approximately 12.35% of the average closing price of the CIT Shares as quoted on GEM for the last 10 consecutive full trading days prior to the signing of the Disposal Agreement on 24 June 2008, being approximately HK\$0.251 per CIT Share;
- (d) a discount of approximately 16.71% of the average closing price of the CIT Shares as quoted on GEM for the last 30 consecutive full trading days prior to the signing of the Disposal Agreement on 24 June 2008, being approximately HK\$0.264 per CIT Share; and
- (e) a premium of approximately 10.89% over the audited net asset value per CIT Share of HK\$0.198 as at 31 December 2007.

The Directors consider that the discount to be reasonable and believe it would not be practicable for the Group to sell the entire block of the Sale Shares in the market without exerting downward pressure on the share price of CIT Shares. Having considered the above and the gain to be realised by the Group as a result of the Disposal as described below, the Directors consider that the consideration and the terms of the Disposal are fair and reasonable and in the interests of the Shareholders as a whole as far as the Company and the Shareholders are concerned.

The consideration for the Disposal, being HK\$132 million, shall be payable in cash by the Purchaser upon the completion of the Disposal.

LETTER FROM THE BOARD

Condition of the Disposal Agreement

The completion of the Disposal is conditional upon the Independent Shareholders approving the Disposal Agreement and the Disposal at the EGM.

If the condition set out above is not fulfilled on or before 23 August 2008 or such other date as the parties may agree, the Disposal Agreement will cease to be of any further effect and none of the parties of the Disposal Agreement shall have any claims against the other (save for any antecedent breach).

Completion

Completion of the Disposal will take place within two Business Days after the above condition is fulfilled, or on such other date as the parties may agree. CIT is and will continue to be treated as an associate of the Company before and after the completion of the Disposal.

Shareholdings structure of CIT

The existing shareholding structure of CIT and the shareholding structure of CIT upon completion of the Disposal (assuming there is no change in the issued share capital of CIT) are set out as follows:

	Existing shareholding structure		Shareholding structure upon completion of the Disposal	
	<i>Number of CIT Shares</i>	<i>Approximate Shareholdings</i>	<i>Number of CIT Shares</i>	<i>Approximate Shareholdings</i>
The Vendor and parties acting in concert with it (as defined in the Takeovers Code) (<i>Note 1</i>)	1,895,513,445	29.18%	1,295,513,445	19.94%
Li Kecheng (<i>Note 2</i>)	1,122,000,000	17.28%	1,122,000,000	17.28%
The Purchaser	–	–	600,000,000	9.24%
Other public Shareholders	3,477,392,923	53.54%	3,477,392,923	53.54%
Total	6,494,906,368	100%	6,494,906,368	100%

Note 1: The Vendor, together with parties acting in concert with it, are directly wholly-owned by the Company. Accordingly, the CIT Shares in which the Vendor together with parties acting in concert with it is shown to be interested are also the CIT Shares in which the Company is interested.

Note 2: Mr. Li Kecheng is not a director of CIT and the Company.

LETTER FROM THE BOARD

Information on CIT

The principal business activities of CIT and its subsidiaries is the development and sale of computer software primarily for large scale applications and provision of related support services to government and major corporate customers in mainland China. As stated in the annual report of CIT for the year ended 31 December 2007, the audited consolidated net assets value of CIT and its subsidiaries as at 31 December 2007 is approximately HK\$1,289 million. The audited consolidated profit before taxation and after taxation of CIT for the year ended 31 December 2007 were approximately HK\$20 million and HK\$16 million respectively. The audited consolidated loss before taxation and after taxation of CIT for the year ended 31 December 2006 were approximately HK\$220 million and HK\$222 million respectively. The financial statement for the years ended 31 December 2006 and 2007 are audited and prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

Reason and benefit of the disposal

The principal business activities of the Vendor is investment holding. The principal business activities of the Group are the construction, operation and maintenance of the electronic settlement and clearance platform for infrastructure and public utilities.

The Vendor, a company incorporated in the British Virgin Islands, is a substantial shareholder of CIT. As at the Latest Practicable Date, the Vendor together with parties acting in concert with it (as defined in the Takeovers Code) holds 1,895,513,445 Shares, representing approximately 29.18% of the existing issued share capital of CIT as at the Latest Practicable Date. The Vendor is a wholly-owned subsidiary of the Company.

It is the strategy of the Company to concentrate on its principal activities, to streamline the asset portfolio and reorganise assets so as to deliver optimal value for its Shareholders. The Directors (including the independent non-executive Directors) considered that the Disposal represents an opportunity to realize a part of its investment in CIT.

The expected gain to be derived from the Disposal will amount to approximately HK\$12.5 million, which represents the net amount of the consideration of the Disposal of approximately HK\$131.5 million and the audited consolidated net asset value of CIT attributable to the 9.24% shareholding in CIT as at 31 December 2007 of approximately HK\$119 million.

The Directors consider that the Disposal and the terms of the Disposal Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

Use of proceeds

The net proceeds from the Disposal will be used as general working capital of the Group. As at the Latest Practicable Date, there was no negotiation in progress or agreement entered into by the Group, which triggered the disclosure obligation on the part of the Company pursuant to the Listing Rules.

General

The Purchaser is an executive director and the chief executive officer of CIT, and personally holding 35 million share options of CIT. The Purchaser is also an executive director and the general manager of Beijing Enterprises UniCard Co., Ltd. (北京控股支付卡科技有限公司), a non wholly-owned subsidiary of the Company, and therefore, the Purchaser is a connected person of the Company as defined in the Listing Rules. As such, the Disposal is a connected transaction and also a discloseable transaction of the Company under the Listing Rules, where the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules is more than 5% and less than 25%. Pursuant to Rule 14A.32 of the Listing Rules, the Disposal and the Disposal Agreement is subject to the Independent Shareholders' approval.

An EGM will be convened for the purpose of approving the Disposal and the Disposal Agreement. The Disposal and the Disposal Agreement will be subject to Independent Shareholders' approval by way of poll in accordance with Rule 14A.52 of the Listing Rules. As at the Latest Practicable Date, the Purchaser and his associate(s) did not have any interests in the Shares. There is also not any connected person or Shareholders of the Company and their respective associates have material interest in transaction contemplated under the Disposal Agreement and will be required to abstain from voting in the EGM on resolution(s) approving such transaction.

Financial effect of the disposal

The expected gain to be derived from the Disposal before expenses will amount to approximately HK\$12.5 million, which represents the net amount of the consideration of the Disposal of HK\$131.5 million and the audited consolidated net asset value of CIT attributable to the Company as at 31 December 2007 of approximately HK\$119 million. As a result, the Directors expect that the total assets of the Group will be increased by approximately HK\$12.5 million after the Disposal and the total liabilities of the Group would remain unchanged.

LETTER FROM THE BOARD

Based on the cash and bank balances and pledged deposit of the Group as at 31 December 2007 of approximately HK\$728 million, and subsequently adjusted for the Disposal, the cash position of the Group immediately after the completion of the Disposal will be approximately HK\$860 million. Save as disclosed above, the Disposal has no other material financial effects on the Group.

Material adverse change

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2007, the date to which the latest published audited consolidated accounts of the Group were made up.

2. PROPOSED REFRESHMENT OF THE MANDATE LIMIT OF THE SHARE OPTION SCHEME

The Share Option Scheme was adopted pursuant to the resolution passed by the Shareholders on 18 June 2001 and the terms of the Share Option Scheme have complied with Chapter 17 of the Listing Rules effective from 1 September 2001. The Share Option Scheme authorises the Directors to grant Share Options to subscribe for new Shares and to allot, issue and deal with new Shares pursuant to the exercise of Share Options granted under the Share Option Scheme. The aggregate number of Shares in respect of which Share Options may be granted under the Share Option Scheme was 62,878,115, being 10% of the Shares in issue as at 18 May 2007, being the date of the last refreshment of the mandate limit of the Share Option Scheme.

Reasons for the proposed refreshment

As at the Latest Practicable Date, 136,040,000 Share Options were granted, of which 7,960,000 Share Options were lapsed, 20,040,000 Share Options were cancelled, 45,200,000 Share Options were exercised and the remaining 62,840,000 Share Options were outstanding under the Share Option Scheme, representing approximately 99.94% of the existing mandate limit of 62,878,115 Shares. The Board considers that it is necessary to refresh the mandate limit of the Share Option Scheme so as to allow sufficient flexibility to grant Share Options pursuant to the Share Option Scheme as a means to provide incentive and reward to talented employees who will contribute towards the long-term success and prosperity of the Group. If the proposed Refreshed Limit is approved, based on 687,181,150 Shares in issue and assuming that there will be no issue or repurchase of Shares between the Latest Practicable Date and the date of the EGM, the Board will be able to grant Share Options for subscription of up to a total of 68,718,115 Shares, being 10% of the issued share capital of the Company. The Proposed Grant of 13,000,000 Share Options will represent approximately 18.92% of such Refreshed Limit of 68,718,115 Shares.

LETTER FROM THE BOARD

The maximum number of Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the issued share capital of the Company in issue from time to time.

Conditions of the adoption of the Refreshed Limit

The adoption of the Refreshed Limit is conditional upon (1) the approval of the refreshment of the mandate limit of the Share Option Scheme at the EGM and (2) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares to be issued upon the exercise of the Share Options which may be granted under the Refreshed Limit. The Company will apply to the Stock Exchange for the approval of the listing of the Shares, representing 10% of the issued share capital of the Company as at the date of the EGM, to be issued upon exercise of the Share Options which may be granted under the Share Option Scheme.

An ordinary resolution will be proposed at the EGM to refresh, and to grant to the Directors, a general authority to grant Share Options for the subscription of new Shares representing not more than 10% of the entire issued share capital of the Company as at the date of the passing of such resolution and to allot, issue and otherwise deal with the Shares pursuant to the exercise of such Share Options. No Shareholders is required to be abstained from voting in respect of the ordinary resolution to approve the refreshment of the mandate limit of the Share Option Scheme at the EGM.

3. PROPOSED GRANT OF SHARE OPTIONS

The Board proposes to seek the approval of the Shareholders to approve the Proposed Grant of 13,000,000 Share Options in aggregate, which was determined and approved by all the members of the Remuneration Committee (with Mr. E Meng abstained from voting on the resolution to grant Share Options to himself) on 9 July 2008, to Mr. E Meng, Mr. Li Kangying, Mr. Wang Yong, Mr. Cao Wei and Mr. Ng Kong Fat, the executive Directors, and to the Employees, as an incentive for them to contribute to the development and growth of the Group.

LETTER FROM THE BOARD

Pursuant to the note to Rule 17.03(4) of the Listing Rules, the total number of securities issued and to be issued upon exercise of the options granted to each participant (including exercised and outstanding options) in any 12-month period must not exceed 1% of the relevant class of securities of the listed issuer in issue. Any further grant of options to a participant would result in the securities issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of securities in issue, such further grant must be separately approved by shareholders of the listed issuer in general meeting with such participant and his associates abstaining from voting.

As at the Latest Practicable Date, there were a total of 687,181,150 Shares in issue. It has been determined by the Remuneration Committee that, subject to obtaining the approval of the Shareholders, Share Options be granted under the Refreshed Limit to Mr. E Meng, Mr. Li Kangying, Mr. Wang Yong, Mr. Cao Wei and Mr. Ng Kong Fat under the Share Option Scheme entitling each of them to subscribe for 3,000,000 Shares, 2,800,000 Shares, 1,000,000 Shares, 2,300,000 Shares and 1,500,000 Shares respectively at an exercise price of HK\$2.07 per Share and Share Options be granted under the Refreshed Limit to the Employees entitling them to subscribe for 2,400,000 Shares in aggregate at an exercise price of HK\$2.07 per Share. The exercise price is the highest of the closing price of the Shares on 9 July 2008, being HK\$2.07, and the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding 9 July 2008, being HK\$2.052, as calculated in accordance with Note 1 to Rule 17.03(9) of the Listing Rules. There is no performance target which must be achieved before the Share Options conditionally granted to the grantees can be exercised.

Save as disclosed in this circular, the Share Options conditionally granted to Mr. E Meng, Mr. Li Kangying, Mr. Wang Yong, Mr. Cao Wei, Mr. Ng Kong Fat and the Employees will be subject to the terms of the Share Option Scheme and the provisions of Chapter 17 of the Listing Rules. The rules of the Share Option Scheme is available for inspection at the principal place of business of the Company in Hong Kong at Room 3401, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong during normal business hours on any week day (except public holidays) from 14 July 2008 up to and including 30 July 2008 and will also be available for inspection at the EGM.

LETTER FROM THE BOARD

The details of the Share Options granted and to be granted under the Proposed Grant to Mr. E Meng, Mr. Li Kangying, Mr. Wang Yong, Mr. Cao Wei, Mr. Ng Kong Fat and the Employees under the Share Option Scheme are set out below:

Name of grantees	Date of Grant		Exercise price per Share (HK\$)		No. of Shares in respect of which options were granted or to be granted under the Proposed Grant [#]	Exercise Period
E Meng	(a)	30 Oct 2007	(a)	4.03	(a) 4,500,000	(a) 1 May 2008 to 17 June 2011
	(b)	4 Feb 2008	(b)	3.17	(b) 1,500,000	(b) 1 May 2008 to 17 June 2011
	(c)	9 July 2008	(c)	2.07	(c) 3,000,000 [#]	(c) 11 August 2008 to 17 June 2011
					<u>9,000,000*</u>	
Li Kangying	(a)	30 Oct 2007	(a)	4.03	(a) 4,500,000	(a) 1 May 2008 to 17 June 2011
	(b)	9 July 2008	(b)	2.07	(b) 2,800,000 [#]	(b) 11 August 2008 to 17 June 2011
					<u>7,300,000*</u>	
Wang Yong	(a)	30 Oct 2007	(a)	4.03	(a) 6,000,000	(a) 1 May 2008 to 17 June 2011
	(b)	9 July 2008	(b)	2.07	(b) 1,000,000 [#]	(b) 11 August 2008 to 17 June 2011
					<u>7,000,000*</u>	
Cao Wei	(a)	30 Oct 2007	(a)	4.03	(a) 4,000,000	(a) 1 May 2008 to 17 June 2011
	(b)	9 July 2008	(b)	2.07	(b) 2,300,000 [#]	(b) 11 August 2008 to 17 June 2011
					<u>6,300,000</u>	
Ng Kong Fat	(a)	30 Oct 2007	(a)	4.03	(a) 4,000,000	(a) 1 May 2008 to 17 June 2011
	(b)	9 July 2008	(b)	2.07	(b) 1,500,000 [#]	(b) 11 August 2008 to 17 June 2011
					<u>5,500,000</u>	
The Employees		9 July 2008		2.07	2,400,000 [#]	11 August 2008 to 17 June 2011

* Mr. E Meng, Mr. Li Kangying and Mr. Wang Yong will be entitled to subscribe for an aggregate of 9,000,000, 7,300,000 and 7,000,000 Shares respectively, representing 1.31%, 1.06% and 1.02% of the Shares in issue upon obtaining the Independent Shareholders' approval of the Proposed Grant and exceeding the Specified Limit of 6,871,811 Shares.

LETTER FROM THE BOARD

Pursuant to the Listing Rules, as the total number of Shares which may fall to be issued upon exercise by Mr. E Meng, Mr. Li Kangying and Mr. Wang Yong, being the executive Directors, in full of the Share Options which have been granted and are proposed to be granted to them in the 12-month period will exceed the Specified Limit as set out in Rule 17.04(1) of the Listing Rules, the Proposed Grant will be subject to the approval by the Independent Shareholders at the EGM. As the existing mandate limit under the Share Option Scheme is almost used up, the proposed grant of the Share Options to Mr. Cao Wei, Mr. Ng Kong Fat and the Employees will also be subject to the approval by the Independent Shareholders at the EGM. The Directors confirm that the Company is in compliance with the requirements under Rule 17.05 of the Listing Rules in making the Proposed Grant.

Having considered the basis of determination of exercise price of the Proposed Grant (with reference to the highest of the closing price of the Shares on 9 July 2008 and the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding 9 July 2008), the exercise period of the Proposed Grant and the list of grantees under the Proposed Grant (such grantees had contributed to the growth and development of the Group during the past years and are expected to continue to contribute to the growth and well-being of the Group), the independent non-executive Directors consider that the terms of Proposed Grant are in compliance with the requirements under Chapter 17 of the Listing Rules and the Share Option Scheme and are fair and reasonable so far as the Company and the Shareholders as a whole are concerned and the Proposed Grant is in the interest of the Company and of the Shareholders as a whole.

Mr. E Meng, Mr. Li Kangying, Mr. Wang Yong, Mr. Cao Wei, Mr. Ng Kong Fat and the Employees and their respective associates shall abstain from voting in respect of the ordinary resolution to approve the Proposed Grant to be proposed at the EGM.

After the adoption of the Refreshed Limit, the maximum number of Shares which may be issued by the Company upon exercise of all options granted and to be granted under the Share Option Scheme is 68,718,115 Shares. As at the Latest Practicable Date, Share Options (excluding the Proposed Grant under the Refreshed Limit) to subscribe for a total of 136,040,000 Shares have been granted under the Share Option Scheme of which 7,960,000 Share Options were lapsed, 20,040,000 Share Options were cancelled, and 45,200,000 Shares have been exercised. After the grant of the proposed 13,000,000 Share Options, further Share Options to subscribe for 55,718,115 Shares are available to be granted under the Share Option Scheme.

LETTER FROM THE BOARD

4. EGM

The notice of the EGM is set out on pages 38 to 40 of this circular. At the EGM, resolutions will be proposed to the Shareholders to consider, and if thought fit, to confirm, ratify and approve, inter alia, the Disposal Agreement, the Disposal, the refreshment of the mandate limit of the Share Option Scheme and the Proposed Grant.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (www.hkex.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM.

In accordance with the requirements of the Listing Rules, the vote in respect of the ordinary resolutions to approve the Disposal and the Proposed Grant at the EGM shall be conducted by poll. An announcement will be made by the Company following the conclusion of the EGM to inform you of the results of the EGM.

5. PROCEDURE BY WHICH THE SHAREHOLDERS MAY DEMAND A POLL AT A GENERAL MEETING

According to Article 75 of the articles of association of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (a) the chairman of such meeting; or
- (b) at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) a Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or

LETTER FROM THE BOARD

- (d) a Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

Unless a poll is so demanded and not withdrawn, a declaration by the chairman of such meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

6. RECOMMENDATIONS

The Directors, including the independent non-executive Directors, consider that all the proposed transactions in the circular, including but not limited to the terms of the Disposal Agreement and the transactions contemplated thereby, the refreshment of the mandate limit of the Share Option Scheme and the Proposed Grant, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole and, accordingly, the Directors, including the independent non-executive Directors, recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM on which they are entitled to vote.

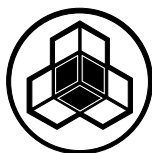
7. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the letter from the Independent Board Committee and Guangdong Securities and the Appendix contained in this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the letter of advice from the Independent Board Committee to the Independent Shareholders in respect of the Disposal Agreement and the Disposal, which has been prepared for the purpose of inclusion in this circular.



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)

14 July 2008

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION INVOLVING
DISPOSAL OF 9.24% OF THE ENTIRE ISSUED SHARE CAPITAL OF
CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED**

We have been appointed as members of the Independent Board Committee to advise you in connection with the Disposal, details of which are set out in the letter from the Board in a circular dated 14 July 2008 to the Shareholders (the “Circular”), of which this letter forms a part. Terms used in this letter shall have the same meaning as defined in the Circular unless the context otherwise requires.

Guangdong Securities has been appointed to advise us and the Independent Shareholders on whether the terms of the Disposal Agreement is on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and whether the Disposal is in the interest of the Company and the Shareholders as a whole. Details of its advice are set out on pages 20 to 30 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 5 to 17 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the advice and recommendation of Guangdong Securities, we consider the Disposal to be fair and reasonable so far as the Independent Shareholders are concerned and is in the best interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM to approve the Disposal Agreement and transaction contemplated therein.

Yours faithfully

Beijing Development (Hong Kong) Limited
Dr. Jin Lizuo, Dr. Huan Guocang and Dr. Wang Jianping
Independent Board Committee

LETTER FROM GUANGDONG SECURITIES

Set out below is the text of a letter received from Guangdong Securities, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Disposal and the transactions contemplated thereunder for the purpose of inclusion in this circular.



Units 2505-06, 25/F.
Low Block of Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

14 July 2008

*To: The independent board committee and the independent shareholders of
Beijing Development (Hong Kong) Limited*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION – DISPOSAL OF 9.24% OF THE ENTIRE ISSUED SHARE CAPITAL OF CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Disposal and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “Board Letter”) contained in the circular dated 14 July 2008 issued by the Company to the Shareholders (the “Circular”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 24 June 2008, the Vendor, a wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser pursuant to which the Vendor conditionally agreed to dispose of and the Purchaser conditionally agreed to acquire the Sale Shares, representing approximately 9.24% of the entire issued share capital of CIT at a consideration of HK\$132 million (the “Consideration”).

LETTER FROM GUANGDONG SECURITIES

Pursuant to Rule 14.08 of the Listing Rules, as the applicable ratios of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company. In addition, since the Purchaser is an executive director and the general manager of Beijing Enterprises UniCard Co., Ltd., which is a non wholly-owned subsidiary of the Company, the entering into of the Disposal Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Disposal Agreement is therefore subject to the approval of the Independent Shareholders by way of poll at the EGM whereby the Purchaser and his associates shall be required to abstain from voting on the relevant resolution(s) in respect of the Disposal Agreement and the transactions contemplated thereunder.

An Independent Board Committee comprising Dr. Jin Lizuo, Dr. Huan Guocang and Dr. Wang Jianping (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Disposal Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Disposal is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the relevant ordinary resolution(s) to approve the Disposal Agreement and the transactions contemplated thereunder at the EGM. We, Guangdong Securities Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the date hereof. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

LETTER FROM GUANGDONG SECURITIES

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Purchaser, or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Disposal. In addition, we have no obligation to update this opinion to take into account events occurring after the issue of this letter. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any shares or any other securities of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Disposal, we have taken into consideration the following principal factors and reasons:

(1) The Disposal Agreement

On 24 June 2008, the Vendor, a wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser pursuant to which the Vendor conditionally agreed to dispose of and the Purchaser conditionally agreed to acquire the Sale Shares, representing approximately 9.24% of the entire issued share capital of CIT, at the Consideration of HK\$132 million.

Pursuant to the Disposal Agreement, the entire Consideration shall be payable in cash by the Purchaser upon completion of the Disposal and the fulfillment of the condition precedent (as detailed under the paragraph headed “Condition of the Disposal Agreement” of the Board Letter) on or before 23 August 2008.

The Directors confirmed that they are of the view that the terms and conditions of the Disposal Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM GUANGDONG SECURITIES

(2) Background of the Disposal

Information on the Group

The Group is principally engaged in the construction, operation and maintenance of the electronic settlement and clearance platform for infrastructure and public utilities.

As referred to in the annual report of the Company for the year ended 31 December 2007 (the “2007 Company Annual Report”), the Group’s audited total turnover for the year ended 31 December 2007 was approximately HK\$358.41 million (2006: approximately HK\$292.42 million); while its audited net profit attributable to the Shareholders for the year ended 31 December 2007 was approximately HK\$317.48 million (2006: approximately HK\$12.08 million). We noted from the 2007 Company Annual Report that the aforementioned surge in profitability of the Group during the 2007 financial year was mainly attributable by an extraordinary one-off income of approximately HK\$439 million arising from the capital restructuring of CIT during the same said financial year.

Information on the Vendor

As stated in the Board Letter, the Vendor, a wholly-owned subsidiary of the Company, is an investment holding company incorporated in the British Virgin Islands and a substantial shareholder of CIT.

Information on CIT

As also stated in the Board Letter, CIT is incorporated in the Cayman Islands and is principally engaged in (i) the development and sale of computer software primarily for large scale applications; and (ii) the provision of related support services to government and major corporate customers in mainland China. Moreover, CIT has been listed on GEM since December 2001.

As at the Latest Practicable Date, CIT was owned indirectly as to approximately 29.18% by the Company. Upon completion of the Disposal, the Company’s effective equity interest in CIT will drop to approximately 19.94% assuming that there is no other changes to the issued share capital of CIT.

LETTER FROM GUANGDONG SECURITIES

From the annual report of CIT for the year ended 31 December 2007 (the “2007 CIT Annual Report”), we noted that CIT (together with its subsidiaries) recorded an audited total turnover of approximately HK\$135.81 million for the year ended 31 December 2007. In addition, CIT was able to turn around its loss making position from net loss to shareholders of CIT of approximately HK\$220.25 million for the year ended 31 December 2006 to the net profit to shareholders of CIT of approximately HK\$16.31 million for the year ended 31 December 2007. Based on the 2007 CIT Annual Report, such turnaround was mainly a result of CIT’s acquisition of Huayuan Run Tong (Beijing) SciTech Co. Ltd. and its subsidiaries (“Run Tong”) in 2007 (the “Run Tong Acquisition”). As disclosed in the circular of CIT dated 13 August 2007 regarding the Run Tong Acquisition, Run Tong is principally engaged in (i) the development and sale of application software and solutions in the form of mobile and telecommunication value-added services to government authorities and other corporate customers; (ii) the provision and sale of internet value-added services to the public; and (iii) the provision of the related supporting and maintenance services to the software network and platform. According to the 2007 CIT Annual Report, Run Tong contributed a profit after tax of approximately HK\$41.47 million to CIT from the date of completion of the Run Tong Acquisition on 18 September 2007 to the end of 2007.

(3) Reasons for the Disposal

With reference to the Board Letter, it is the strategy of the Company to concentrate on its principal activities, to streamline the asset portfolio and reorganise assets so as to deliver optimal value for its Shareholders.

The Company and parties acting in concert with it has begun its business relationship with CIT since 2004 after the injection of its software business into CIT in exchange for 2,115,513,445 Shares. As advised by the Directors, the investment in CIT was considered to be a long term investment of the Company. In May 2007, the Group’s effective equity interest in CIT was diluted from approximately 50.5% to 45.53% upon the issuance of 468,000,000 new CIT Shares by CIT. As such, CIT ceased to be a subsidiary and became an associate of the Company during the 2007 financial year. The Company also realised part of its investment in CIT by disposing of 220,000,000 CIT Shares in June 2007. In view of the recent poor performance of the Hong Kong financial market as well as the generally low liquidity of the CIT Shares on GEM, the Directors confirmed that it is the business strategy of the Group to realise part of its investment in CIT and the Directors are also of the view that the Disposal would be beneficial to the Group as it would enhance the cash balance of the Group by the net proceeds from the Disposal.

LETTER FROM GUANGDONG SECURITIES

We have researched for and found out that the favourable condition and market sentiment of the worldwide financial markets may discontinue in the second half of 2008 due to the financial crisis, credit crunch, the sub-prime mortgage crisis, high commodities prices and economy slowdown in the U.S. Given the financial markets' globalisation and the openness of Hong Kong's economy, it is expected that the performance of the Hong Kong financial market shall also be affected. For instance, with reference to Bloomberg, the Hang Seng Index had dropped rapidly and radically from its record high of approximately 31,638 points on 30 October 2007 to approximately 22,102 points on 30 June 2008. Due to this reason, the price of the CIT Shares (which are traded on GEM) may also be adversely affected. Under the aforesaid uncertain worldwide financial market environment with Hong Kong being no exception, and having also considered the deteriorating historical share price performance of CIT (which are detailed under the paragraph headed "Review on historical price of the CIT Shares" of this letter) and the generally low liquidity of the CIT Shares on GEM (which are detailed under the paragraph headed "Review on historical trading liquidity of the CIT Shares"), we concur with the Directors that it is in the interests of the Company and the Shareholders as a whole to realize part of the Company's investment in CIT.

We also noted that CIT has just achieved a turnaround in its financial results for the year ended 31 December 2007. We have thus further enquired into the Directors and the Directors confirmed that it is the intention of the Company to maintain its remaining equity interest in CIT in the near future. Given that the Company, through its approximately 19.94% equity interest in CIT, will still be able to benefit from the possible business prospects of CIT following the Run Tong Acquisition while will also be able to realize part of the Company's investment in CIT, we are of the view that the Disposal is in the interests of the Company and the Shareholders as a whole.

(4) Principal terms of the Disposal Agreement

Basis of the Consideration

As referred to in the Board Letter, the Consideration of HK\$132 million for the Disposal was negotiated and determined after an arm's length negotiation between the parties thereto on normal commercial terms, and having taken into account (i) the audited consolidated net asset value of CIT attributable to the 9.24% shareholding in CIT as at 31 December 2007 of approximately HK\$119 million (the "CIT Attributable NAV"); (ii) the historical financial performance of CIT; and (iii) the historical liquidity and trading price of the CIT Shares.

Pursuant to the Disposal Agreement, the Consideration for the Sale Shares is equivalent to HK\$0.22 per Sale Share (the "Consideration Price").

LETTER FROM GUANGDONG SECURITIES

The Consideration Price represents:

- (a) a discount of approximately 10.20% to the closing price of HK\$0.245 per CIT Share as quoted on GEM on the Latest Practicable Date;
- (b) a discount of approximately 13.73% to the closing price of HK\$0.255 per CIT Share as quoted on GEM on 23 June 2008, being the last full trading day prior to the signing of the Disposal Agreement on 24 June 2008 (the “Last Trading Day”);
- (c) a discount of approximately 12.00% to the average closing price of approximately HK\$0.25 per CIT Share as quoted on GEM for the five consecutive trading days up to and including the Last Trading Day;
- (d) a discount of approximately 12.35% to the average closing price of approximately HK\$0.251 per CIT Share as quoted on GEM for the ten consecutive trading days up to and including the Last Trading Day; and
- (e) a premium of approximately 10.89% over the audited net asset value per CIT Share of HK\$0.198 as at 31 December 2007.

LETTER FROM GUANGDONG SECURITIES

Set out below are the informative analyses which we used to assess the fairness and reasonableness of the Consideration Price:

Review on historical price of the CIT Shares

The following table shows the highest and lowest closing prices and the average daily closing price of the CIT Shares as quoted on GEM in each month during the period commencing from 1 June 2007 up to and including the Last Trading Day (the “Review Period”):

Month	Highest closing price HK\$	Lowest closing price HK\$	Average daily closing price HK\$
2007			
June (<i>Note 1</i>)	0.770	0.580	0.686
July	0.910	0.510	0.727
August	0.870	0.700	0.789
September	0.920	0.770	0.812
October	0.760	0.620	0.716
November (<i>Note 2</i>)	0.940	0.720	0.815
December	0.790	0.670	0.725
2008			
January	0.730	0.485	0.613
February	0.610	0.510	0.555
March	0.540	0.250	0.395
April	0.320	0.248	0.292
May	0.320	0.238	0.281
June (up to and including the Last Trading Day)	0.270	0.245	0.255

Source: the Stock Exchange web-site (www.hkex.com.hk)

Notes:

1. Trading in the CIT Shares was suspended from 1 June 2007 to 5 June 2007 (both days inclusive).
2. Trading in the CIT Shares was suspended from 14 November 2007 to 20 November 2007 (both days inclusive).

LETTER FROM GUANGDONG SECURITIES

During the Review Period, the average daily closing price of the CIT Shares ranged from HK\$0.255 to HK\$0.815 per CIT Share and the CIT Shares had been traded at market prices above the Consideration Price. The highest and lowest closing prices of the CIT Shares as quoted on GEM were HK\$0.94 per CIT Share recorded on 13 November 2007 and HK\$0.238 per CIT Share recorded on 26 May 2008 respectively. In addition, we also noted that the price of the CIT Shares in the open market had been continuously and significantly sliding since November 2007.

Review on historical trading liquidity of the CIT Shares

The number of trading days and the average daily number of the CIT Shares traded per month, and the respective percentages of the CIT Shares' monthly trading volume as compared to (i) the total number of issued CIT Shares held by the public as at the Latest Practicable Date; and (ii) the total number of issued CIT Shares as at the Latest Practicable Date during the Review Period are tabulated as below:

Month	Number of trading days	Average daily trading volume (the "Average Volume") Shares	% of the Average Volume to total number of issued CIT Shares held by the public as at the Latest Practicable Date	% of the Average Volume to total number of issued CIT Shares as at the Latest Practicable Date
2007				
June (Note 1)	17	97,762,486	2.81%	1.51%
July	21	64,530,156	1.86%	0.99%
August	23	35,842,287	1.03%	0.55%
September	19	39,105,368	1.12%	0.60%
October	21	25,911,171	0.75%	0.40%
November (Note 2)	17	60,173,278	1.73%	0.93%
December	19	16,996,947	0.49%	0.26%
2008				
January	22	11,732,545	0.34%	0.18%
February	19	5,181,684	0.15%	0.08%
March	19	17,167,237	0.49%	0.26%
April	21	8,410,952	0.24%	0.13%
May	20	9,797,600	0.28%	0.15%
June (up to and including the Last Trading Day)	16	5,787,000	0.17%	0.09%

Source: the Stock Exchange web-site (www.hkex.com.hk)

LETTER FROM GUANGDONG SECURITIES

Notes:

1. Trading in the CIT Shares was suspended from 1 June 2007 to 5 June 2007 (both days inclusive).
2. Trading in the CIT Shares was suspended from 14 November 2007 to 20 November 2007 (both days inclusive).
3. Based on 3,477,392,923 CIT Shares held in public hands as at the Latest Practicable Date.
4. Based on 6,494,906,368 CIT Shares in issue as at the Latest Practicable Date.

From the above table, we noted that trading in the CIT Shares had been inactive during the Review Period. Save as and except for the period from June 2007 to September 2007 and November 2007, the CIT Shares' monthly average daily trading volume was well below 1% of the total number of issued CIT Shares held by the public as at the Latest Practicable Date. Having considered the poor liquidity of the CIT Shares, and given the relatively substantial size of the Sale Shares, we are of the opinion that it may not be practicable for the Group to sell the entire block of the Sale Shares in the open market without exerting downward pressure on the price of the CIT Shares.

As illustrated by our analyses as detailed above, we noted that (i) the historical closing prices of the CIT Shares had been continuously and significantly sliding since November 2007 during the Review Period; (ii) the CIT Shares were illiquid during the Review Period; and (iii) the sale of the entire block of the Sale Shares in the open market would likely to create downward pressure on the market price of the CIT Shares. Based on the foregoing and also that the Consideration Price represents a premium of approximately 10.89% over the audited net asset value per CIT Share as at 31 December 2007, we are of the view that it is justifiable for the Consideration Price to be set at discounts to the recent closing prices of the CIT Shares.

Other terms of the Disposal Agreement

In addition, we have also reviewed the other terms of the Disposal Agreement and are not aware of any terms which are unusual. Based on the above, we are of the view that the terms of the Disposal Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM GUANGDONG SECURITIES

(5) Possible financial effects of the Disposal

As aforementioned, the CIT Attributable NAV was approximately HK\$119 million. Upon completion of the Disposal, the Directors confirmed that the Company would record a gain of approximately HK\$12.5 million, which represents the net amount of the Consideration and the CIT Attributable NAV. Besides that, the cash balance of the Group would also be enhanced by the net proceeds from the Disposal of approximately HK\$131.5 million. As also confirmed by the Directors, the Company will apply such amount of net proceeds as general working capital of the Group.

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon completion of the Disposal.

RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that (i) the terms of the Disposal Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant ordinary resolution(s) to be proposed at the EGM to approve the Disposal Agreement and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Guangdong Securities Limited
Graham Lam
Managing Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purposes of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular, the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required, pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in the Shares or shares of any of its associated corporations

Name of Director	Name of corporations	Nature of interest	Number of shares held	Number of shares options held	Percentage of shareholdings (%)
E Meng	the Company	Beneficial owner	601,000	6,000,000 <i>(Notes 2 and 3)</i>	0.96
	CIT	Beneficial owner	–	8,100,000 <i>(Note 4)</i>	0.12
Zhang Honghai	the Company	Beneficial owner	4,000,000	6,800,000 <i>(Note 2)</i>	1.57
	CIT	Beneficial owner	–	20,000,000 <i>(Note 5)</i>	0.31
Li Kangying	the Company	Beneficial owner	304,000	4,500,000 <i>(Note 2)</i>	0.70
	CIT	Beneficial owner	–	9,000,000 <i>(Note 4)</i>	0.14

APPENDIX
GENERAL INFORMATION

Name of Director	Name of corporations	Nature of interest	Number of shares held	Number of shares options held	Percentage of shareholdings (%)
Wang Yong	the Company	Beneficial owner	–	6,000,000 <i>(Note 2)</i>	0.87
Cao Wei	the Company	Beneficial owner	190,000	4,000,000 <i>(Note 2)</i>	0.61
	CIT	Beneficial owner	–	8,100,000 <i>(Note 4)</i>	0.12
Ng Kong Fat	the Company	Through a controlled corporation	8,792,755 <i>(Note 1)</i>	–	1.28
	the Company	Beneficial owner	1,600,000	4,000,000 <i>(Note 2)</i>	0.81
	CIT	Beneficial owner	–	2,500,000 <i>(Note 4)</i>	0.04
Jin Lizuo	the Company	Beneficial owner	–	680,000 <i>(Note 2)</i>	0.10
Huan Guocang	the Company	Beneficial owner	–	680,000 <i>(Note 3)</i>	0.10
Wang Jianping	the Company	Beneficial owner	–	680,000 <i>(Note 3)</i>	0.10

Notes:

- (1) The 8,792,755 Shares were beneficially owned by Sunbird Holdings Limited, a company beneficially owned by Mr. Ng Kong Fat who is therefore deemed to be interested in the 8,792,755 Shares. Accordingly, the interest in the 8,792,755 Shares held by each of Sunbird Holdings Limited and Mr. Ng Kong Fat refers to the same parcel of Shares.
- (2) These Share Options were granted on 30 October 2007 at an exercise price per Share of HK\$4.03. The Share Options may be exercised in two equal portions. The first portion is exercisable at any time commencing on 1 May 2008, and the other portion is exercisable from 1 May 2009 and, if not otherwise exercised, will lapse on 17 June 2011. The vesting periods of each of the portion is from the date of grant to the respective commencement dates of the exercise periods.
- (3) These Share Options were granted on 4 February 2008 at an exercise price per Share of HK\$3.17. The first portion is exercisable at any time commencing on 1 May 2008, and the other portion is exercisable from 1 May 2009 and, if not otherwise exercised, will lapse on 17 June 2011. The vesting periods of each of the portion is from the date of grant to the respective commencement dates of the exercise periods.

- (4) These share options were granted on 13 September 2007 at an exercise price of HK\$0.79 per CIT Share which is subject to adjustment in the case of rights or bonus issues, or other similar changes in CIT's share capital. The share options may be exercised at any time commencing on 13 March 2008 and, if not otherwise exercised, will lapse on 12 September 2012. The exercise of the share option is subject to an annual cap of 25% of the share options granted. Subject to the approval of the share option committee and the remuneration committee of CIT, certain of the above Directors are entitled to exercise all the share options within three months from the date of termination of their employment with CIT.
- (5) These share options were granted on 11 February 2008 at an exercise price of HK\$0.53 per CIT Share which is subject to adjustment in the case of rights or bonus issues, or other similar changes in CIT's share capital. The share options may be exercised at any time commencing on 11 August 2008 and, if not otherwise exercised, will lapse on 11 August 2013. The exercise of the share option is subject to an annual cap of 25% of the share options granted. Subject to the approval of the share option committee and the remuneration committee of CIT, certain of the above Directors are entitled to exercise all the share options within three months from the date of termination of their employment with CIT.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules to be notified to the Company and the Stock Exchange.

- (b) As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Notes	Number of Shares held, capacity and nature of interest				Percentage of the Company's issued share capital
		Directly beneficially owned	Through controlled corporations	Others	Total	
Idata		275,675,000	–	–	275,675,000	40.12
BEHL	(a)	13,607,000	275,675,000	–	289,282,000	42.10
Beijing Enterprises Group (BVI) Company Limited ("BEBVI")	(b)	–	289,282,000	–	289,282,000	42.10
Beijing Enterprises Group Company Limited ("BEGCL")	(b)	–	289,282,000	–	289,282,000	42.10
Trophy Fund		97,108,250	–	–	97,108,250	14.13
Trophy Asset Management Limited ("TAML")	(c)	–	–	117,668,250	117,668,250	17.12
Winnington Capital Limited ("WCL")	(c)	–	–	117,528,250	117,528,250	17.10
Mr. Hung Kam Biu ("Mr. Hung")	(c)	–	118,938,250	–	118,938,250	17.30
Ms. Chu Jocelyn ("Ms. Chu")	(c)	–	118,938,250	–	118,938,250	17.30
UBS AG	(d)	60,000,000	–	1,500,000	61,500,000	8.95
Citigroup Inc.	(e)	39,182,250	–	566,940	39,749,190	5.78

Notes:

- (a) The interest disclosed include the Shares owned by Idata. Idata is a wholly-owned subsidiary of BEHL. Accordingly, BEHL is deemed to be interested in the Shares owned by Idata.
- (b) The interests disclosed include the Shares owned by BEHL and Idata. BEBVI and BEGCL are the immediate holding company and the ultimate holding company of BEHL, respectively. Accordingly, each of BEBVI and BEGCL is deemed to be interested in the Shares owned by each of BEHL and Idata.
- (c) The interests disclosed include the Shares owned by Trophy Fund. TAML and WCL are investment managers of Trophy Fund and other funds. Mr. Hung has 100% and 50% beneficial interests in TAML and WCL, respectively. Ms. Chu is the spouse of Mr. Hung. Accordingly, each of TAML, WCL, Mr. Hung and Ms. Chu is deemed to be interested in the Shares owned by Trophy Fund.
- (d) The interest disclosed includes 60,000,000 Shares owned by UBS AG and 1,500,000 Shares held as a person having a security interest in the Shares.
- (e) The interest disclosed included 39,182,150 Shares owned by Citigroup Inc., 164,940 Shares held as custodian corporation/approved lending agent and 402,000 held as a person having a security interest in the Shares.

Save as disclosed above, the Directors and the chief executive of the Company were not aware of any person (other than a Director, chief executive or any member of the Group) who, as at the Latest Practicable Date, had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who was, directly or indirectly, interested in 10% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meetings of any member of the Group, or any options in respect of such capital.

3. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

None of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2007 (the date of which the latest published audited consolidated accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of or leased to any member of the Group

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and his or her respective associates was considered to have an interest in a business which competes or is likely to compete, enter directly or indirectly, with the business of the Group other than those business to which the Directors and his or her associates who appointed to represent the interests of the Company and/or the Group.

5. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice, which are contained or referred to in this circular:

Name	Qualification
Guangdong Securities	a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activity as defined under the SFO

Guangdong Securities has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, Guangdong Securities had no shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of the Group.

As at the Latest Practicable Date, Guangdong Securities was not interested, directly or indirectly, in any assets which had since 31 December 2007 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group or which are proposed to be acquired or disposed of by or leased to any member of the Group.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance to the Group and no litigation or claim of material importance to the Group was known to the Directors to be pending or threatened by or against any member of the Group.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service contract with any member of the Group which was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

8. GENERAL

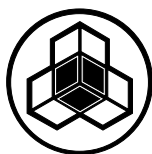
- (a) The registered office of the Company is situated at Room 3401, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong.
- (b) The share registrar of the Company is Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (c) The secretary and the qualified accountant of the Company is Mr. Wong Kwok Wai, Robin, who is a fellow member of the Association of Chartered Certified Accountants and an associate member of The Hong Kong Institute of Certified Public Accountants.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the registered office of the Company in Hong Kong at Room 3401, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong from the date of this circular up to and including 30 July 2008:

- (a) the Disposal Agreement; and
- (b) Share Option Scheme.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “Meeting”) of the shareholders of Beijing Development (Hong Kong) Limited (the “Company”) will be held at Aberdeen Room, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on 30 July 2008 for the following purpose:

To consider as special business and, if thought fit, passing (with or without amendments) the following resolutions as ordinary resolutions:

1. **“THAT**

- (a) the agreement in respect of the sale and purchase of shares in China Information Technology Development Limited (“CIT”) (the “Disposal Agreement”) entered into between Prime Technology Group Limited (“Prime”) and Mr. Wang Zhenyu, an executive director and the chief executive officer of CIT and also an executive director and the general manager of Beijing Enterprises UniCard Co., Ltd. (北京控股支付卡科技有限公司), a non wholly-owned subsidiary of the Company, on 24 June 2008, pursuant to which, among others, Prime has conditionally agreed to sell to Mr. Wang Zhenyu 600 million existing shares of HK\$0.01 each of CIT, representing approximately 9.24% of the entire issued share capital of CIT, (a copy of the Disposal Agreement has been produced to the meeting marked “A” and has been initialled by the chairman of the meeting for the purpose of identification), the terms thereof, the execution and delivery thereof by Prime and the performance and implementation of the transactions contemplated thereunder be and are hereby confirmed, approved and ratified;

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

- (b) any one director of Prime be and is hereby confirmed to be authorised for and on behalf of Prime to do all such further acts and things and execute all such further documents and take all steps which in his opinion may be necessary, desirable or expedient to implement and/or give effect to the terms of, and all transactions contemplated under, the Disposal Agreement and to approve any changes and amendments thereto as such director may consider necessary, desirable or expedient; and
- (c) the affixing of the common seal of Prime to any instrument or document in the presence of any one director of Prime as may be required for any of the above purposes be and is hereby confirmed and approved”;

2. **“THAT:**

subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval for the listing of, and permission to, deal in the shares of HK\$1.00 each (the “Shares”) in the share capital of the Company to be issued pursuant to the exercise of share options which may be granted under the Refreshed Limit (as defined below), the existing scheme mandate limit (the “Scheme Mandate Limit”) under the share option scheme (the “Share Option Scheme”) of the Company adopted pursuant to the resolution of the shareholders of the Company passed on 18 June 2001 be refreshed so that the aggregate nominal amount of share capital to be allotted and issued pursuant to the grant or exercise of any share options under the Share Option Scheme and any other schemes of the Company (excluding share options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme and any other schemes of the Company) shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing this resolution (the “Refreshed Limit”) and that the directors of the Company be and are hereby unconditionally authorised to grant share options up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with the Shares pursuant to the exercise of such share options;” and

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

3. “**THAT:**

the grant of the share options to Mr. E Meng, Mr. Li Kangying, Mr. Wang Yong, Mr. Cao Wei and Mr. Ng Kong Fat, who are executive directors of the Company, and the Employees (as defined in the circular dated 14 July 2008 of the Company (the “Circular”), a copy of which has been produced to the Meeting and marked “B” and has been initialled by the chairman of the meeting for the purpose of identification), pursuant to the share option scheme of the Company adopted on 18 June 2001 which would entitle them, upon full exercise thereof, to subscribe for 3,000,000 shares, 2,800,000 shares, 1,000,000 shares, 2,300,000 shares, 1,500,000 shares and 2,400,000 shares of the Company respectively, on terms specified in the Circular, be and is hereby approved, confirmed and ratified, and the directors of the Company (or an appointed committee thereof) other than Mr. E Meng, Mr. Li Kangying, Mr. Wang Yong, Mr. Cao Wei and Mr. Ng Kong Fat be and are hereby authorised to do all such acts as may be necessary or expedient in order to give full effect to such grant of share options.”

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

Hong Kong, 14 July 2008

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy (or at most two proxies) to attend and, on a poll, vote on his/her behalf. A proxy need not be a member of the Company.
2. A form of proxy for use at the Meeting is enclosed herewith.
3. To be valid, the form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be lodged with the Company’s share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before either the time appointed for holding the Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the Meeting or any adjournment thereof if the shareholder so desires.