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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)
(Stock Code: 154)

CONVERSION OF CONVERTIBLE BONDS

References are made to the circulars of the Company dated 21 December 2012 and 27 March 2014 (the “**Circulars**”) and the announcements of the Company dated 28 February 2013, 24 February 2014 and 24 April 2014 regarding, among other things, the issue of the Firm Bonds, the acquisition of entire shareholding interests in and the shareholders loans of KCS Changde and KCS Taian, and the issue of the Standby Bonds. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Circulars.

As disclosed in one of the Circulars, the Company understands from BEHL Group that prior to Completion, the Subscriber intends to, amongst other things, (i) exercise the conversion rights attaching to the Firm Bonds in an aggregate principal amount of HK\$300,580,000 in full such that an aggregate of 266,000,000 new Shares would fall to be allotted and issued to the Subscriber upon such conversion of the Firm Bonds; and (ii) exercise the conversion rights attaching to part of the Standby Bonds in an aggregate principal amount of HK\$22,600,000 such that an aggregate of 20,000,000 new Shares would fall to be allotted and issued to the Subscriber upon such conversion of the Standby Bonds. The Board is pleased to announce that on 25 April 2014, the Company received conversion notices from the Subscriber in respect of exercise the conversion rights attaching to the Firm Bonds and the Standby Bonds in an aggregate principal amount of HK\$323,180,000. Accordingly, the Company has allotted and issued an aggregate of 286,000,000 Shares (the “**Conversion Shares**”) to the Subscriber at the conversion price of HK\$1.13 per Conversion Share on 25 April 2014. The Conversion Shares ranked pari passu with all the existing Shares as at the date of allotment and among themselves in all respects, and represented approximately 25.04% of the number of issued Shares as enlarged by the allotment and issue of the Conversion Shares.

Set out below is the shareholding structure of the Company immediately before and after the allotment and issue of the Conversion Shares:

Shareholders	Immediately before the allotment and issue of the Conversion Shares		Immediately after the allotment and issue of the Conversion Shares	
	<i>Number of Shares</i>	<i>Approximate % of shareholdings</i>	<i>Number of Shares</i>	<i>Approximate % of shareholdings</i>
The Subscriber and BEHL (<i>Note</i>)	467,459,000	54.61	753,459,000	65.98
The Directors (in aggregate)	14,993,755	1.75	14,993,755	1.31
Other public Shareholders	<u>373,507,395</u>	<u>43.64</u>	<u>373,507,395</u>	<u>32.71</u>
Total	<u><u>855,960,150</u></u>	<u><u>100.00</u></u>	<u><u>1,141,960,150</u></u>	<u><u>100.00</u></u>

Note: The interest disclosed includes the 452,675,000 Shares (immediately before the allotment and issue of the Conversion Shares) and 738,675,000 Shares (immediately after the allotment and issue of the Conversion Shares) owned by the Subscriber, a wholly-owned subsidiary of BEHL, accordingly, BEHL is deemed to be interested in the Shares owned by the Subscriber. BEHL directly owns 14,784,000 Shares. Beijing Enterprises Group (BVI) Company Limited (“**BEBVI**”) and Beijing Enterprises Group Company Limited (“**BEGCL**”) are 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 the Subscriber.

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

Hong Kong, 25 April 2014

As at the date of this announcement, the board of directors of the Company comprises seven executive directors, namely Mr. E Meng, Mr. Zhang Honghai, Mr. Ke Jian, Mr. Wang Yong, Ms. Sha Ning, Ms. Qin Xuemin and Mr. Ng Kong Fat, Brian, and four independent non-executive directors, namely Dr. Jin Lizuo, Dr. Huan Guocang, Dr. Wang Jianping and Prof. Nie Yongfeng.