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北京發展(香港)有限公司

BEIJING DEVELOPMENT (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability under Companies Ordinance)
(Stock Code: 154)

**ENTERING INTO THE FRAMEWORK AGREEMENT
FOR INVESTMENT AND COOPERATION IN SHANXI
DOMESTIC GARBAGE INCINERATION-POWER GENERATION PROJECT**

This announcement is made by Beijing Development (Hong Kong) Limited (the “**Company**”) pursuant to the disclosure requirements under Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Company announces that on 30 May 2012, the Company entered into the Framework Agreement for Investment and Cooperation in Shanxi Domestic Garbage Incineration-Power Generation Project (the “**Framework Agreement**”) with 山西國際能源集團有限公司 (Shanxi International Energy Group Co. Ltd.* (“**SIEG**”)), 北京北控環保工程技術有限公司 (Beijing Enterprises Holdings Environment Technology Co. Ltd.* (“**BEHET**”)) and 山西省環境保護基金有限公司 (Shanxi Environmental Protection Fund Co. Ltd.* (“**SEPF**”)) to establish long-term strategic cooperation partnership.

Under the Framework Agreement, the four parties thereto shall, in accordance with their shareholding percentages as agreed upon negotiation (that is, as to 34% held by SIEG, as to 18% by BEHET, as to 33% by the Company and as to 15% by SEPF), jointly develop the domestic garbage incineration-power generation market in Shanxi, including (but not limited to) the investment in the new Yangquan Garbage Incineration-Power Generation Project and the Shuozhou Garbage Incineration-Power Generation Project.

The parties thereto will continue 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. The Company will make further announcement as and when appropriate in accordance with the Listing Rules (if necessary).

As the cooperation details of the specific projects have not yet been finalised, and the legal documents such as project investment and cooperation contracts have not yet been entered into and may or may not be entered into in the end, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

INFORMATION ON THE PARTIES TO THE FRAMEWORK AGREEMENT

SIEG

SIEG is a mega-size energy group invested by the Government of Shanxi Province. It is principally engaged in the investment in energy projects including: investment and development of electric power, coal, new energy, urban sewage treatment, garbage power, and infrastructure projects.

BEHET

BEHET is a wholly-owned subsidiary of Beijing Enterprises Holdings Limited (“BEHL”). It is principally engaged in the investment, construction and operation in the area of environmental protection. As at the date of this announcement, BEHL beneficially holds 290,459,000 shares of the Company (representing approximately 42.87% of the issued share capital of the Company). Accordingly, BEHET is a connected person of the Company under the Listing Rules.

SEPF

SEPF is a key state-owned enterprise in Shanxi Province and an investment and financing unit in respect of environmental and ecological protection. It is principally engaged in asset management and investment in the environmental protection industry.

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

Hong Kong, 30 May 2012

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

* *For identification purpose only*