

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this document, 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 document.*

**BEIJING DEVELOPMENT (HONG KONG) LIMITED****北京發展（香港）有限公司***(Incorporated in Hong Kong with limited liability)**Directors:*Mr. Xiong Da Xin (*Chairman*)Mr. Bai Jin Rong (*Managing Director*)Dr. Mao Xiang Dong, Peter (*Deputy Managing Director*)Mr. E Meng (*Deputy Managing Director*)Mr. Ng Kong Fat, Brian (*Deputy Managing Director*)

Mr. Wu Shi Xiong \*\*

Mr. Feng Ching Yeng, Frank \*\*

*\*\* Independent Non-Executive Directors**Registered office:*

20th Floor

Hang Lung House

184-192 Queen's Road Central

Sheung Wan

Hong Kong

19 April 2001

To the Shareholders

Dear Sir / Madam,

**SHARE REPURCHASES MANDATE  
EXPLANATORY STATEMENT**

The directors of the Company ("Director") propose that at the forthcoming Annual General Meeting to be held on Monday, 18 June 2001 ("AGM") an unconditional general mandate be granted to the Directors to repurchase shares of the Company. This document serves as an explanatory statement, as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules"), to provide information to shareholders of the Company regarding the share repurchases mandate. For the purchase of this document, the term "Shares" (unless otherwise stated) shall be as defined in the Hong Kong Code on Share Repurchases which mean shares of all classes and securities which carry a right to subscribe for or purchase shares.

**SHARE REPURCHASES PROPOSAL**

Ordinary resolution numbered 5 relates to the granting of an unconditional general mandate to the Directors to repurchase on the Stock Exchange shares in the Company representing up to a maximum of 10% of the issued and fully paid up share capital of the Company as at the date of the resolution granting the general mandate.

As at 19 April 2001, the latest practicable date prior to the printing of this explanatory statement (“Latest Practicable Date”), 303,758,750 Shares were in issue. As a result, exercise in full of the share repurchases mandate would result in up to a maximum of 30,375,875 shares being repurchased by the Company on the basis that no further shares will be issued or repurchased from the Latest Practicable Date up to the date of the AGM.

Although the Company has no present intention of repurchasing any Shares, it believes that the flexibility afforded by the share repurchases mandate would be beneficial to the Company and its shareholders. Such purchase may, depending on market conditions and funding arrangement at the time, lead to an enhancement of value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such a purchase will benefit the Group. Trading conditions on the Stock Exchange have sometimes been volatile in recent years. At any time in the future when Shares are trading at a discount to their underlying value, the ability of the Company to repurchase Shares will be beneficial to those shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company.

## **SOURCE OF FUNDS**

The Directors propose that the proposed share repurchases would be financed from the Company’s internal resources or existing banking facilities, which shall be funds legally available for such purpose in accordance with the Company’s memorandum and articles of association and the laws of Hong Kong.

The Directors do not expect there to be any material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Company’s audited financial statements for the year ended 31 December 2000) in the event that the proposed share repurchases are to be carried out in full at any time during the proposed period. However, the Directors do not propose to exercise the general mandate to such extent as would, in the circumstances, has a material adverse impact on the working capital or gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

## **DISCLOSURE OF INTEREST**

None of the Directors nor to the best of the knowledge of the Directors, having made all reasonable enquiries, any associates of the Directors has a present intention, in the event that the proposed share repurchases is approved by the shareholders, to sell Shares to the Company.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution and in accordance with the Listing Rules and the laws of Hong Kong.

As at 19 April 2001, the controlling shareholder of the Company, Idata Finance Trading Limited, beneficially owned 168,000,000 shares, representing approximately 55.31% of the then issued share capital of the Company. Its shareholding percentage will be increased to 65.31% in the event that the proposed share repurchases are to be carried out in full at any time during the proposed period. The Directors are not aware of any consequence which may arise under the Hong Kong Codes on Takeovers and Mergers as a result of any repurchases made under the proposed share repurchases. The Directors also do not propose to exercise the general mandate to such extent as would, in any circumstances, which may reduce the public shareholding to less than 25% of the Shares then in issue.

The Company has not purchased any of its Shares during the previous six months, whether on the Stock Exchange or otherwise.

The Company has not been notified by any connected persons of the Company that they have a present intention to sell Shares to the Company or have undertaken not to sell any of the Shares held by them to the Company, in the event that the Company is authorised to make purchases of its Shares.

The highest and lowest prices at which the Shares of the Company have traded on the Stock Exchange during each of the previous twelve months were:

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
2000: April	0.96	0.88
May	1.03	0.88
June	1.42	0.90
July	1.25	1.10
August	1.14	0.98
September	1.03	0.89
October	0.88	0.88
November	1.02	0.88
December	1.52	0.90
2001: January	1.54	1.25
February	1.30	1.18
March	1.30	1.22

## **ANNUAL GENERAL MEETING**

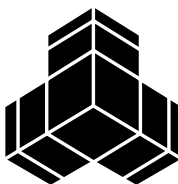
A notice convening the AGM of the Company to be held on Monday, 18 June 2001, together with a form of proxy for use at the meeting, are set out in the 2000 Annual Report.

## **RECOMMENDATION**

The controlling shareholder of the Company, Idata Finance Trading Limited, has indicated that it intends to vote in favour of the ordinary resolution numbered 5 regarding the proposed share repurchases at the AGM.

The Directors consider that the share repurchases mandate is in the best interests of the Company and its shareholders and, accordingly, recommends that all shareholders vote in favour of the ordinary resolution numbered 5 regarding the proposed share repurchases at the AGM.

Yours faithfully,  
On behalf of the Board  
**Beijing Development (Hong Kong) Limited**  
**Xiong Da Xin**  
*Chairman*



# BEIJING DEVELOPMENT (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

## Form of proxy for use by shareholders at the annual general meeting to be held on 18 June 2001

I/We<sup>(1)</sup> \_\_\_\_\_  
of \_\_\_\_\_

being the registered holder(s) of <sup>(2)</sup> \_\_\_\_\_ ordinary shares of HK\$1.00 each  
in the capital of Beijing Development (Hong Kong) Limited (the “Company”). HEREBY APPOINT the Chairman of the  
Meeting or<sup>(3)</sup> \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to attend and act for me/us at the annual general meeting (the “Meeting”) of the Company to be held at  
Charter Room III, Basement 1, The Ritz-Carlton, 3 Connaught Road Central, Hong Kong on Monday, 18 June 2001 at  
10:30 a.m. (or at any adjournment thereof) for the purposes of considering and, if thought fit, passing the resolutions as  
set out in the notice convening the Meeting and at such Meeting (and at any adjournment thereof) to vote for me/us and in  
my/our name(s) in respect of the resolutions as hereunder indicated, or if no such indication is given, as my/our proxy  
thinks fit:

Ordinary Resolution	For <sup>(4)</sup>	Against <sup>(4)</sup>	Abstain <sup>(4)</sup>
1. To receive and consider the Audited Consolidated Financial Statements, Report of the Directors and Report of the Auditors for the year ended 31 December 2000			
2. To re-elect Mr. Xiong Da Xin, Dr. Mao Xiang Dong, Peter, Mr. E Meng and Mr. Ng Kong Fat, Brian as directors of the Company and to authorize the Directors to fix directors’ remuneration			
3. To re-appoint Messrs. Ernst & Young as auditors of the Company and to authorize the Directors to fix their remuneration			
4. To approve a general mandate to be given to the Directors to issue shares			
5. To approve a general mandate to be given to the Directors to repurchase shares			
6. To extend the general mandate to be given to the Directors to issue shares by including shares which may be repurchased			
7. To approve and adopt the share option scheme			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2001 Signature <sup>(6)</sup> \_\_\_\_\_

### Notes:

- (1) Full name(s) and address(es) must be inserted in BLOCK CAPITALS. The name of all joint holders should be stated.
- (2) Please insert the number of ordinary shares of the Company registered in your name(s) and to which this form of proxy relates. If no number is inserted, this form of proxy will be deemed to relate to all the ordinary shares of the Company registered in your name(s).
- (3) If any proxy other than the Chairman of the Meeting is preferred, strike out the words “the Chairman of the Meeting or” and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALED BY THE PERSON WHO SIGNS IT.**
- (4) **IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, TICK THE RELEVANT BOX UNDER THE COLUMN MARKED “FOR”. IF YOU WISH TO VOTE AGAINST A RESOLUTION, TICK THE RELEVANT BOX UNDER THE COLUMN MARKED “AGAINST”. IF YOU WISH TO ABSTAIN, TICK THE RELEVANT BOX UNDER THE COLUMN MARKED “ABSTAIN”.** Failure to tick any one of the boxes will entitle your proxy to cast your vote(s) or abstain at his discretion. Your proxy will also be entitled to vote or abstain at his discretion on any resolution properly put to the Meeting as well as those referred to in the notice convening the Meeting.
- (5) These terms are defined in the notice convening the Meeting.
- (6) This form of proxy must be signed by you or your attorney duly authorized in writing or, in the case of a corporation, must be either under its common seal or under the hand of any officer or attorney duly authorized.
- (7) In the case of joint holders of any ordinary share any one of such joint holders may attend and vote at the Meeting either personally or by proxy in respect of such ordinary share but if more than one of such joint holders are present at the Meeting personally or by proxy, the vote(s) tendered by the senior holder, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which their names stand in the register of members in respect the joint holding.
- (8) To be valid, this form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Company’s share registrar, Tengis Limited at 4th Floor Hutchison House, 10 Harcourt Road, Central, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or the adjourned meeting.
- (9) The proxy need not be a member of the Company but must attend the Meeting in person to represent you.
- (10) Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting if you so wish. In the event of your attending the Meeting, this form of proxy will be deemed to be revoked.