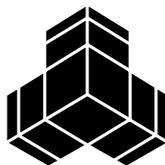


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BEIJING DEVELOPMENT (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT

SUMMARY

Beijing Development (Hong Kong) Limited (the "Company") noted today's increase in the price and trading volume of the shares of the Company ("Shares"). The directors of the Company ("Directors") would like to announce that the Company is negotiating with an investor at a preliminary stage of a possible subscription of new Shares, which may result in a change in control of the Company and may trigger an obligation on the part of the investor to make a general offer in accordance with the Hong Kong Codes on Takeover and Mergers ("Takeovers Code") in the absence of a whitewash waiver granted by the Executive (as defined under the Takeovers Code). Based on the understanding of the Directors, it is the intention of the investor to make an application to the Executive (as defined under the Takeovers Code) for the whitewash waiver pursuant to Note 1 of the Notes on Dispensations from Rule 26 of the Takeovers Code.

As far as the Directors are aware, a director of the Company is also a director of the investor and other than this, such investor is independent of any of the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules). **The Directors stress that such subscription may or may not proceed. Shareholders and public investors are therefore reminded to exercise all due caution when dealing in the Shares.**

This announcement is made at the request of the Stock Exchange.

The Directors have noted that there has been an increase in the price and trading volume of the Shares on 6th December, 2000. The Directors would like to announce that the Company is negotiating with an investor of a possible subscription of new Shares, which may result in a change in control of the Company and may trigger an obligation on the part of the investor to make a general offer in accordance with the Takeovers Code in the absence of a whitewash waiver granted by the Executive (as defined under the Takeovers Code). Based on the understanding of the Directors, it is the intention of the investor to make an application to the Executive (as defined under the Takeovers Code) for the whitewash waiver pursuant to Note 1 of the Notes on Dispensations from Rule 26 of the Takeovers Code. As far as the Directors are aware, a director of the Company is also a director of the investor and other than this, such investor is independent of any of the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules).

The negotiation is at a preliminary stage and no legally binding agreement in respect of the proposed subscription has yet been reached. **Accordingly, the proposed subscription may or may not proceed. Shareholders and public investors are therefore reminded to exercise all due caution when dealing in the Shares.** Further announcement will be made in compliance with the Listing Rules as and when appropriate.

Save as mentioned above, the Directors also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, and that they are not aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

By order of the Board
Beijing Development (Hong Kong) Limited
Ng Kong Fat, Brian
Managing Director

Hong Kong, 6th December, 2000

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