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CAPITAL GRAND
BEIJING CAPITAL GRAND LIMITED
首創鉅大有限公司

(formerly known as Beijing Capital Juda Limited)
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1329)

DISCLOSEABLE TRANSACTION
DEEMED DISPOSAL OF INTEREST IN A SUBSIDIARY
UNDER CAPITAL INJECTION AGREEMENT

The Board is pleased to announce that Jiangxi Capital, Yulong Hengxin and the Project Company entered into the Capital Injection Agreement on 26 July 2017, in which Yulong Hengxin agreed to subscribe RMB30,000,000 registered capital of the Project Company in the consideration of RMB30,300,000. Further, Yulong Hengxin agreed to repay the shareholder's principal and interest on loan in the amount of RMB112,948,106 to Jiangxi Capital.

Upon Completion, the registered capital of the Project Company will be held at to 40% and 60% by Jiangxi Capital and Yulong Hengxin respectively. It is expected that the Project Company will reclassified from a subsidiary to an associate of the Group.

The reduction of equity interest in Project Company to 40% constitutes a deemed disposal of the Company. As one of the applicable Percentage Ratios exceeds 5% but is less than 25%, the transaction contemplated under the Capital Injection Agreement constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that Jiangxi Capital, Yulong Hengxin and the Project Company entered into the Capital Injection Agreement on 26 July 2017. Pursuant to the Capital Injection Agreement, Yulong Hengxin agreed to subscribe RMB30,000,000 registered capital of the Project Company in the consideration of RMB30,300,000. Further, Yulong Hengxin agreed to repay the shareholder's principal and interest on loan in the amount of RMB112,948,106 to Jiangxi Capital.

THE CAPITAL INJECTION AGREEMENT

Date : 26 July 2017

Parties : (1) Jiangxi Capital;
(2) Yulong Hengxin; and
(3) Project Company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Yulong Hengxin and its ultimate beneficial owners are third parties independent of the Group and its connected persons.

Consideration : As at the date of the announcement, the registered capital of The Project Company is RMB20,000,000. Pursuant to the Capital Injection Agreement, Yulong Hengxin agreed to subscribe RMB30,000,000 registered capital of the Project Company in the consideration of RMB30,300,000. Upon Completion, the registered capital of the Project Company will be held at to 40% and 60% by Jiangxi Capital and Yulong Hengxin respectively.

Pursuant to the Capital Injection Agreement, Yulong Hengxin further agreed to repay the shareholder's principal and interest on loan in the amount of RMB112,948,106 to Jiangxi Capital.

The consideration was based on the base price of open offer through Beijing Equity Exchange (北京產權交易所), taking into account of the equity valuation and existing shareholders' principal and interest on loan of the Project Company.

Board Composition of the Project Company

Upon Completion, the board of the directors of the Project Company will comprise five directors, of which three directors will be nominated by Yulong Hengxin and two directors will be nominated by Jiangxi Capital.

INFORMATION OF THE PROJECT COMPANY

The Project Company is a company incorporated under the law of the PRC with limited liability and a directly wholly-owned subsidiary of Jiangxi Capital. It is principally engaged in development and operation of Nanchang Capital Outlets Plot B (planned to develop saleable commercial properties, cinema, supermarket and car parks).

Project Company was incorporated on 19 April 2016. For the period ended 31 December 2016, the audited loss before and after tax were RMB1,587,986.29 and RMB1,190,989.72 respectively.

The audited net asset value of the Project Company as at 31 December 2016 was approximately RMB18,809,010.28.

USE OF PROCEEDS AND FINANCIAL EFFECT OF THE TRANSACTION

The capital injection to the Project Company will be used for project development of Plot B of Nanchang Capital Outlets and the proceeds from repayment of shareholder's loan will be used as general working capital of Jiangxi Capital.

It is expected that the Project Company will be reclassified from a subsidiary to an associate of the Group and will not be consolidated in the financial statements of the Group. The unaudited deemed gain on disposal is expected to be RMB300,000.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

The Group is principally engaged in commercial property development, with focus on the development of outlets-backed commercial integrated projects and commercial property projects in the PRC as disclosed in the circular of the Company dated 30 June 2016.

Yulong Hengxin and its connected party with experience in project management. Leveraging on its experience and local resources in Nanchang, the Company expects to achieve synergy benefits and expand its operation in Nanchang.

The Directors consider that entering into the Capital Injection Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and the terms thereof are on normal commercial terms, which are fair and reasonable.

INFORMATION OF THE PARTIES

Yulong Hengxin is a company incorporated under the laws of the PRC with limited liability and is principally engaged in the business management and other activities.

Jiangxi Capital is a wholly-owned subsidiary of the Company, which holds 100% of commercial properties of Nanchang Capital Outlets (Plot A) and 40% equity interests in Project Company (after Completion), its principal activity is Nanchang Capital Outlets operation.

LISTING RULES IMPLICATIONS

The reduction of equity interest in Project Company to 40% constitutes a deemed disposal of the Company. As one of the applicable Percentage Ratios exceeds 5% but is less than 25%, the transaction contemplated under the Capital Injection Agreement constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Capital Injection Agreement”	capital injection agreement dated 26 July 2017 entered into between Jiangxi Capital, Yulong Hengxin and the Project Company in relation to capital injection by Yulong Hengxin to the Project Company
“Company”	Beijing Capital Grand Limited, formerly known as Beijing Capital Juda Limited, is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1329)
“Completion”	the Transaction be completed on the date when the capital injection procedures are completed
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Jiangxi Capital ”	Jiangxi Capital Outlets Development Company Limited* (江西首創奧特萊斯置業有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“Percentage Ratios”	the percentage ratios as defined in rule 14.04(9) of the Listing Rules

“PRC”	the People’s Republic of China
“Project Company”	Nanchang Huachuang Xinhong Capital Limited* (南昌華創興洪置業有限公司), is a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Transaction”	the transaction contemplated under the Capital Injection Agreement
“Yulong Hengxin”	Beijing Yulong Hengxin Commercial Management Company Ltd.* (北京裕龍恒鑫商業管理有限公司), is a company incorporated under the laws of the PRC with limited liability
“%”	per cent.

By Order of the Board
Beijing Capital Grand Limited
Lee Sze Wai
Company Secretary

Hong Kong, 26 July 2017

As at the date of this announcement, the Board comprises Mr. Zhong Beichen (Chairman) and Mr. Feng Yujian (Chief Executive Officer) as executive Directors; Mr. Sun Shaolin, Mr. Su Jian, Mr. Wang Honghui and Mr. Yang Han Hsiang as non-executive Directors; and Dr. Ngai Wai Fung, Ms. Zhao Yuhong and Mr. He Xiaofeng as independent non-executive Directors

* *For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese name prevails.*