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## JOINT ANNOUNCEMENT

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**Independent Financial Adviser  
to the Independent Board Committee  
and to the Independent Shareholders of  
Beijing Capital Juda Limited**

**AmCap**  
*Ample Capital Limited*  
豐盛融資有限公司

## **PROPOSED ACQUISITION OF THE OUTLETS PROJECTS AND THE ISSUE OF THE CPS**

The board of directors of the Company and BCL are pleased to jointly announce that on 8 June 2016, the Purchasers, which are subsidiaries of the Company, and the Sellers, which are BCL and one of its subsidiaries, entered into the Acquisition Agreements for the proposed acquisition of the Outlets Projects. Pursuant to the Acquisition Agreements, the Purchasers have conditionally agreed to acquire and the Sellers have conditionally agreed to sell the Sale Shares, representing 100% of the equity interest in the Target Companies which in turn hold the entire interest in the respective Outlets Project and related trademarks, and the Shareholder Loan. The Target Group is primarily engaged in the development and operation of outlets-backed commercial integrated projects and has a portfolio of three integrated outlets projects located in Beijing, Kunshan and Huzhou in the PRC and related trademarks.

The Consideration shall be RMB2,372,327,068 in total, which shall be satisfied by cash payment by the respective Purchaser to the respective Seller on Completion. Please refer to the paragraph headed “the Acquisition Agreements” in this joint announcement regarding the consideration for each Acquisition Agreement.

For the purpose of funding and partial settlement of the Consideration, on 8 June 2016, BECL Investment (as subscriber), a wholly-owned subsidiary of BCL, and the Company (as issuer) entered into the Subscription Agreement, pursuant to which BECL Investment conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue 905,951,470 CPS on the terms and conditions set out in the Subscription Agreement at an issue price of HK\$2.78 per CPS. All proceeds arising from the issue of the CPS will be used to settle the consideration payable for the Acquisition.

## **IMPLICATIONS OF THE ACQUISITION AND THE ISSUE OF THE CPS UNDER THE LISTING RULES FOR THE COMPANY**

As one or more of the applicable percentage ratios of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules.

BCL is a connected person of the Company by virtue of it being a controlling shareholder of the Company. Renowned Brand is an associate of BCL and therefore also a connected person of the Company. Therefore, the Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the approval of the Independent Shareholders at the EGM.

The issue of the CPS constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules as BECL Investment, the subscriber of the CPS is a controlling shareholder and connected person of the Company. As the applicable percentage ratios exceed 5%, the issue of the CPS is subject to the approval of the Independent Shareholders at the EGM.

### **IMPLICATIONS OF THE DISPOSAL AND THE SUBSCRIPTION UNDER THE LISTING RULES FOR BCL**

The transfer of the Sale Shares and the Shareholder Loan to the Purchasers constitutes a disposal by BCL. As one or more of the applicable percentage ratios exceed 25% but are less than 75%, the Disposal constitutes a major transaction for BCL and is subject to the approval of the independent shareholders of BCL at the extraordinary general meeting of BCL.

In relation to the Subscription by BCL (through its wholly-owned subsidiary, BECL Investment), as the applicable percentage ratios exceed 25% but are less than 100%, the Subscription constitutes a major transaction for BCL and is subject to the approval of the independent shareholders of BCL at the extraordinary general meeting of BCL.

### **AMENDED NON-COMPETITION DEED**

In order for the Company to operate the Outlets Projects in Beijing, Kunshan and Huzhou in the PRC after Completion, and to facilitate the Company in becoming a nation-wide outlets operator in the PRC, the Company and BCL propose to replace the Non-Competition Deed by entering into the Amended Non-Competition Deed on or prior to the despatch of the Circular pursuant to which:

- (1) BCL will conditionally undertake in favour of the Company (for itself and on behalf of its subsidiaries) that during the term of the Amended Non-Competition Deed, it shall not, and shall procure that none of its subsidiaries shall (other than through the Enlarged Group), directly or indirectly, carry on, engage, invest, participate or otherwise be interested in (a) any Property Business in any of the Target Cities and (b) the development, sale, lease and management of any outlets-backed commercial integrated projects in any non-Target Cities, save for Hainan Integrated Outlets Project until BCL ceases to hold any interest therein; and
- (2) the Company will conditionally undertake in favour of BCL (for itself and on behalf of its subsidiaries) that during the term of the Amended Non-Competition Deed, it shall not, and shall procure that none of its subsidiaries shall, directly or indirectly, carry on, engage, invest, participate or otherwise be interested in any Property Business in any non-Target Cities, save and except for: (i) the development, sale, lease and management of any outlets-backed commercial integrated projects in any non-Target Cities and (ii) the leasing, operation and management of any retail portion(s) in the property projects of BCL Group held as investment properties, where BCL Group offers to entrust or grants a first right of refusal in favour of the Enlarged Group to entrust such retail portion(s) to the Enlarged Group for leasing, operation and management in accordance with the entrustment agreement(s) to be entered into by the parties from time to time.

The Amended Non-Competition Deed will be conditional upon the completion of the Acquisition and the approvals of the independent shareholders and independent non-executive directors of the Company and BCL.

**WARNING**

**The Acquisition and the issue of the CPS are subject to a number of conditions including the approvals by the independent shareholders of the Company and BCL respectively, which may or may not be fulfilled. In the event that any of the conditions to the Completion is not fulfilled, the Acquisition Agreements and the Subscription Agreement will not become unconditional and the Acquisition (or the Disposal, in the case of BCL) and the issue (or the subscription, in the case of BCL) of the CPS will not proceed.**

**THE SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY AND BCL SHOULD EXERCISE CAUTION WHEN DEALING OR CONTEMPLATING IN DEALING IN THE SHARES AND THE BCL SHARES, RESPECTIVELY, OR IN ANY OTHER SECURITIES OF THE COMPANY AND BCL (AS THE CASE MAY BE).**

**INTRODUCTION**

The board of directors of the Company and BCL are pleased to jointly announce that on 8 June 2016, the Purchasers, which are subsidiaries of the Company, and the Sellers, which are BCL and one of its subsidiaries, entered into the Acquisition Agreements for the proposed acquisition of the Outlets Projects. Pursuant to the Acquisition Agreements, the Purchasers have conditionally agreed to acquire and the Sellers have conditionally agreed to sell the Sale Shares, representing 100% of the equity interest in the Target Companies which in turn hold the entire interest in the respective Outlets Project and related trademarks, and the Shareholder Loan. The Target Group is primarily engaged in the development and operation of outlets-backed commercial integrated projects and has a portfolio of three integrated outlets projects located in Beijing, Kunshan and Huzhou in the PRC and related trademarks. Please refer to the paragraph headed “Information on the Target Group” in this joint announcement for further details of the Target Group and its property and trademark portfolio.

For the purpose of funding and partial settlement of the Consideration, on 8 June 2016, BECL Investment (as subscriber) and the Company (as issuer) entered into the Subscription Agreement, pursuant to which BECL Investment conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue the CPS on the terms and conditions set out in the Subscription Agreement.

## **THE ACQUISITION AGREEMENTS**

### **(a) Chuangxin Jianye Acquisition Agreement**

#### **Date**

8 June 2016

#### **Parties**

- (1) Shanghai Juque (as one of the purchasers), a subsidiary of the Company;
- (2) Shanghai Juxin (as one of the purchasers), a subsidiary of the Company; and
- (3) BCL (as the seller).

#### **Subject matter**

Subject to the terms and conditions of Chuangxin Jianye Acquisition Agreement, (a) Shanghai Juque has conditionally agreed to acquire and BCL has conditionally agreed to sell 51% of the issued share capital of Chuangxin Jianye and (b) Shanghai Juxin has conditionally agreed to acquire and BCL has conditionally agreed to sell 49% of the issued share capital of Chuangxin Jianye.

#### **Consideration**

The consideration for the Chuangxin Jianye Acquisition Agreement shall be RMB701,573,886, which shall be satisfied by cash payment by Shanghai Juque and Shanghai Juxin as to 51% and 49%, respectively, to BCL on completion of the Chuangxin Jianye Acquisition Agreement.

Chuangxin Jianye directly holds the entire issued share capital of each of Kunshan Dongxin, Kunshan Outlets, Beijing Hengsheng and Beijing Yangguang and 99% of the issued share capital of Fangshan Outlets. The remaining 1% of the issued share capital of Fangshan Outlets is directly held by China Creative, a wholly-owned subsidiary of BCL. BCL will procure the intragroup transfer of the 1% issued share capital of Fangshan Outlets to Chuangxin Jianye on or prior to completion of the Chuangxin Jianye Acquisition Agreement.

Fangshan Outlets holds an outlets-backed commercial integrated project in Fangshan District, Beijing, the PRC, a national “AAA” tourist attraction which comprises over 250 street-level outlet shops, a multi-story complex and supporting facilities. It has attracted over 24.3 million tourists since its opening in May 2013.

Kunshan Dongxin and Kunshan Outlets together hold an outlets-backed commercial integrated project in Kunshan, Jiangsu Province, the PRC, which comprises over 350 outlet shops and other supporting facilities. It has attracted over 490 thousand visitors since its opening in September 2015.

Beijing Hengsheng is the registered holder of the registered trademarks “Capital Outlets”, “Capitol Outlets” and “瀾錦滙” in the PRC, apart from which it does not have any operating activities. Upon Completion, the Enlarged Group shall be entitled to use the trademarks in the course of its operations of the Outlets Projects.

Beijing Yangguang is a business management company. As at the date of this joint announcement, it does not hold any properties or trademarks or have any operating activities. It is envisaged that Beijing Yangguang will be used for provision of outlets leasing and management services.

**(b) Huzhou Acquisition Agreement**

**Date**

8 June 2016

**Parties**

- (1) Capital Juda (as the purchaser), a subsidiary of the Company; and
- (2) Renowned Brand (as the seller), a subsidiary of BCL.

**Subject matter**

Capital Juda has conditionally agreed to acquire and Renowned Brand has conditionally agreed to sell the entire issued share capital of Huzhou Outlets, subject to the terms and conditions of the Huzhou Acquisition Agreement.

Huzhou Outlets holds an outlets-backed commercial integrated project in the Taihu Lake tourist district in Huzhou, Zhejiang Province, the PRC, a national “AAA” tourist attraction which comprises over 300 street-level outlet shops, a budget hotel and supporting facilities. It has attracted over 820 thousand tourists since its opening in December 2013.

## **Consideration**

The consideration for the Huzhou Acquisition Agreement shall be RMB472,957,000, which shall be satisfied by cash payment by Capital Juda to Renowned Brand on completion of the Huzhou Acquisition Agreement.

### **(c) Shareholder Loan Transfer Agreement**

#### **Date**

8 June 2016

#### **Parties**

- (1) Shanghai Juque (as the purchaser), a subsidiary of the Company;
- (2) BCL (as the seller); and
- (3) Chuangxin Jianye.

#### **Subject matter**

Shanghai Juque has conditionally agreed to acquire and BCL has conditionally agreed to sell the Shareholder Loan, subject to the terms and conditions of the Shareholder Loan Transfer Agreement. Completion of the Shareholder Loan Transfer Agreement is conditional upon completion of the Chuangxin Jianye Acquisition Agreement.

#### **Consideration**

The consideration for the Shareholder Loan Transfer Agreement shall be RMB1,197,796,182, which shall be satisfied by cash payment by Shanghai Juque to BCL on completion of the Shareholder Loan Transfer Agreement, of which RMB931,276,042 shall be satisfied by using proceeds from the issue of the CPS and the remaining RMB 266,520,140 shall be satisfied by internal resources of the Company..

### **Basis of the Consideration**

The aggregate value of the Consideration shall be RMB2,372,327,068. The Consideration was determined after arm's length negotiation between the parties to the respective Acquisition Agreement, taking into consideration of the following factors:

- (i) the net asset value of the Target Companies as at 31 December 2015 in the amount of RMB1,149,953,000, which has taken into account, inter alia, the preliminary appraised value of properties of the Target Companies based on an independent valuation as at 31 December 2015;
- (ii) the amount of the Shareholder Loan of RMB1,197,796,182;
- (iii) the Consideration representing a nominal premium of approximately 1.05% to the aggregate amount of (i) and (ii) above (being RMB2,347,749,182); and
- (iv) the preliminary appraised value of properties of the Target Companies in the amount of RMB3,669,000,000, based on an independent valuation as at 31 December 2015 adopting the investment method or direct comparison method by capitalization of rental income or by reference to comparable market transactions respectively, and adjusted for construction cost to be incurred, if any.

The Directors (save and except for the independent non-executive Directors whose view will be contained in the Circular), are of the view that the terms of the Acquisition Agreements, which have been reached after arm's length negotiations among the parties, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, taking into account, among other things, the terms and conditions of the Acquisition Agreements and the quality and size of the property portfolio held by the Target Companies. The opinion of the Independent Board Committee, after taking into account the advice from the Independent Financial Adviser, will be contained in the Circular.

The directors of BCL are of the view that the terms of the Acquisition Agreements, which have been reached after arm's length negotiations among the parties, are on normal commercial terms, fair and reasonable and in the interests of BCL and its shareholders as a whole.

### **Conditions precedent under the Acquisition Agreements**

Completion of each of the Chuangxin Jianye Acquisition Agreement and the Huzhou Acquisition Agreement is conditional on the fulfilment (or, if applicable, the waiver) of the following conditions precedent:

- (a) the Company and BCL having entered into the Amended Non-Competition Deed;



- (b) approvals having been obtained from the Independent Shareholders at the EGM for, inter alia, (i) the Acquisition Agreements and the transactions contemplated thereunder; (ii) the issue of the CPS; (iii) the proposed grant of the Specific Mandate and (iv) the Amended Non-Competition Deed;
- (c) approvals having been obtained from the independent shareholders of BCL at the extraordinary general meeting of BCL for, inter alia, (i) the Acquisition Agreements and the transactions contemplated thereunder; (ii) the Subscription and (iii) the Amended Non-Competition Deed;
- (d) the acknowledgements, authorisations, consents, permissions, notifications or replies from competent governmental departments or authorities for the purpose of the Acquisition, and the necessary approvals, exemptions or permissions of the Stock Exchange in respect of the Acquisition having been obtained;
- (e) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that restricts or prohibits the implementation of the transactions contemplated under the relevant Acquisition Agreement;
- (f) no material adverse change or prospective material adverse change in the business, operations, financial condition or prospects of the relevant Target Company and its subsidiaries having occurred since 31 December 2015;
- (g) the relevant Seller and the relevant Target Company having performed and complied with all agreements, obligations and conditions contained in the relevant Acquisition Agreement that are required to be performed or complied with by it on or before completion of the transactions contemplated thereunder;
- (h) the warranties given by the relevant Seller in the relevant Acquisition Agreement remaining true and accurate and not misleading in any material respect if they were repeated at any time prior to completion of the relevant Acquisition Agreement by reference to the facts and circumstances then existing;
- (i) the warranties given by the relevant Purchaser(s) in the relevant Acquisition Agreement remaining true and accurate and not misleading in any material respect if they were repeated at any time prior to completion of the relevant Acquisition Agreement by reference to the facts and circumstances then existing;
- (j) the relevant Purchaser(s) having completed due diligence on all business, legal and financial matters, and all such other matters as deemed necessary by the relevant Purchaser(s) in its/their absolute discretion, in relation to the relevant Target Company, and the relevant Purchaser(s) being satisfied with the results of such due diligence in its absolute discretion;

- (k) DTZ having completed the valuation of the properties of the Target Group in accordance with the requirements of the Listing Rules in relation to the Acquisition and the content and results of such valuation being satisfactory to the Company;
- (l) PwC having completed the audit of and issued an unqualified opinion on the accountants' report of the Target Group in accordance with the requirements of the Listing Rules in relation to the Acquisition and the content and results of such audit being satisfactory to the Company;
- (m) each of the relevant Seller and the relevant Target Company having delivered to the relevant Purchaser(s) a certificate signed by one of its directors certifying that the conditions set out in paragraphs (d) to (h) above have been fulfilled; and
- (n) the simultaneous completion of the Subscription Agreement.

If any of the abovementioned conditions has not been fulfilled or waived by the relevant Purchaser(s) (in respect of the conditions set out in (f) to (h), (j) and (m) above) or waived by the relevant Seller (in respect of the conditions set out in (i) above), by 31 December 2016 (or such later date as the parties to the relevant Acquisition Agreement may agree in writing), the relevant Acquisition Agreement shall terminate and no party shall have any claim against the other, except in respect of any antecedent breach of the terms thereof. In respect of the conditions which may be waived (i.e. the conditions set out in paragraphs (f) to (h), (i), (j) and (m) above), in the event that they are not satisfied prior to completion of the relevant Acquisition Agreement, the relevant Purchaser(s) or Seller (as the case may be) may elect to waive such conditions where the impact of such waiver is immaterial and does not affect the substance of the Acquisition (or the Disposal, in the case of BCL). The conditions set out in paragraphs (a) to (e), (k), (l) and (n) above are not waivable by the parties to the Chuangxin Jianye Acquisition Agreement and the Huzhou Acquisition Agreement.

As at the date of this joint announcement, none of the above conditions, as applicable, has been fulfilled, and the parties to the respective Acquisition Agreement are not aware of any facts or circumstances that will render the conditions set out in paragraphs (e), (f), (h) and (i) above not to be fulfilled upon completion of the relevant Acquisition Agreement.

Completion of the Shareholder Loan Transfer Agreement is conditional upon completion of the Chuangxin Jianye Acquisition Agreement, which is not waivable by the parties to the Shareholder Loan Transfer Agreement.

## **THE SUBSCRIPTION AGREEMENT AND THE ISSUE OF THE CPS**

### **(a) Subscription Agreement**

#### **Date**

8 June 2016

#### **Parties**

BECL Investment (as the subscriber) and the Company (as the issuer)

#### **Subject matter**

BECL Investment has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 905,951,470 CPS at the Issue Price.

#### **Consideration**

The consideration for the Subscription Agreement shall be HK\$2,518,545,086, based on 905,951,470 CPS to be subscribed at the Issue Price. All proceeds arising from the issue of the CPS pursuant to the Subscription Agreement will be used by the Company for the purpose of funding and partial settlement of the Consideration payable by the Company pursuant to the Acquisition Agreements.

For the avoidance of doubt, the CPS will be issued in connection with the Subscription and not as consideration shares in settlement of the Consideration payable for the Acquisition.

#### **Conditions precedent under the Subscription Agreement**

Completion of the Subscription Agreement is conditional upon the satisfaction (or if applicable, the waiver) of the following conditions precedent:

- (a) approvals having been obtained from the Independent Shareholders at the EGM for, inter alia, (i) the Subscription Agreement, (ii) the proposed grant of the Specific Mandate, and (iii) the re-designation and re-classification of the authorised share capital of the Company and the creation of the CPS;
- (b) approval having been obtained from the independent shareholders of BCL at the extraordinary general meeting of BCL for, inter alia, the Subscription by BECL Investment of the CPS;
- (c) all necessary licences, consents, approvals, authorisations, permissions, waivers, notices, orders, exemptions or notifications of, among others, relevant third parties and/or governmental or regulatory authorities or bodies, which are required for the execution and performance of the Subscription Agreement or completion of the same having been obtained and not having been revoked prior to completion of the Subscription Agreement;

- (d) each of the warranties in respect of the Company under the Subscription Agreement remaining true and accurate in all material respects and not misleading in any respect as of the date of completion of the Subscription Agreement;
- (e) approval having been obtained from the Listing Committee for the listing of, and permission to deal in, the Conversion Shares on the Main Board of the Stock Exchange; and
- (f) simultaneous completion of the Acquisition Agreements.

If any of the abovementioned conditions has not been fulfilled (or waived by BECL Investment in respect of the condition set out in paragraph (d) above only) by 31 December 2016 (or such later date as the parties to the Subscription Agreement may agree in writing), the Subscription Agreement shall terminate and no party shall have any claim against the other, except in respect of any antecedent breach of the terms thereof. In respect of the condition which can be waived (i.e. the condition set out in paragraph (d) above), in the event that such condition is not satisfied prior to completion of the Subscription Agreement, BECL Investment may elect to waive such condition where the impact of such waiver is immaterial and does not affect the substance of the Subscription. The conditions set out in paragraphs (a) to (c), (e) and (f) above are not waivable by the parties to the Subscription Agreement.

As at the date of this joint announcement, none of the above conditions, as applicable, has been fulfilled, and the parties to the Subscription Agreement are not aware of any facts or circumstances that will render the condition set out in paragraph (d) above not to be fulfilled upon completion of the Subscription Agreement. Accordingly, the condition set out in paragraph (d) above is not waived or intended to be waived.

The Company will seek the grant of the Specific Mandate from the Independent Shareholders at the EGM for the purpose of the allotment and issue of the CPS and the Conversion Shares.

As at the date of this joint announcement, the Company has in issue 738,130,482 limited-voting non-redeemable convertible preference shares which major terms are summarised in the circular of the Company dated 26 November 2014. For the purpose of allotting and issuing the CPS with the major terms summarised in the paragraph headed “Information on the CPS and the Conversion Shares – the CPS” of this joint announcement, the Company will also propose a resolution at the EGM for the re-designation and re-classification of the authorised share capital of the Company and the creation of the CPS. Subject to passing of such resolution, the existing 738,130,482 limited-voting non-redeemable convertible preference shares in the share capital of the Company will be re-designated as Class A limited-voting non-redeemable convertible preference shares and the CPS to be issued will be designated as Class B limited-voting non-redeemable convertible preference shares. Accordingly upon Completion, the share capital of the Company will comprise the Shares, Class A Convertible Preference Shares and the CPS.

## **The Issue Price**

The Issue Price was determined at after arm's length negotiations between the Company and BECL Investment, having regard to, among other things, the closing price of the Shares immediately before the entering into of the Subscription Agreement (being HK\$2.45 per Share), the audited consolidated net asset value per share (taking into account the total Shares and convertible preference shares of the Company in issue) of the Company as at 31 December 2015 (being HK\$2.53 per share), the terms and conditions of the Acquisition Agreements and the Subscription Agreement, the benefits of the Acquisition for the Enlarged Group in terms of synergy between the Outlets Projects and other outlets-backed commercial integrated projects of the Enlarged Group and the benefits of the Disposal for BCL Group in terms of consolidation of management and operation of outlets-backed commercial integrated projects under the Enlarged Group. The Directors (save and except for the independent non-executive Directors whose view will be contained in the Circular) consider that the terms of the Subscription are on normal commercial terms and that such terms and the Issue Price are fair and reasonable and in the interests of the Company and the Shareholders as a whole based on current market conditions. The directors of BCL consider that the terms of the Subscription are on normal commercial terms and that such terms and the Issue Price are fair and reasonable and in the interests of BCL and its shareholders as a whole based on current market conditions.

The Issue Price of HK\$2.78 per CPS represents:

- (a) a premium of approximately 6.51% to the closing price of the Shares of HK\$2.61 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 12.10% to the average of the closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$2.48 per Share;
- (c) a premium of approximately 12.55% to the average of the closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$2.47 per Share;
- (d) a premium of approximately 11.65% to the average of the closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$2.49 per Share; and
- (e) a premium of approximately 9.88% over the audited consolidated net asset value per share (taking into account the total Shares and convertible preference shares of the Company in issue) of the Company as at 31 December 2015.

## **COMPLETION OF THE ACQUISITION AND THE ISSUE OF THE CPS**

Completion is expected to take place on the second Business Day after all the conditions under the Acquisition Agreements and the Subscription Agreement set out above have either been fulfilled or waived (as the case may be), unless the parties otherwise agree, and the conditions which require simultaneous completion shall be deemed satisfied if all other conditions have been satisfied.

Upon Completion, each of the Target Companies will become a wholly-owned subsidiary of the Company. The Target Group is primarily engaged in the development and operation of outlets-backed commercial integrated projects and has a portfolio of three integrated outlets projects located in Beijing, Kunshan and Huzhou in the PRC. Please refer to the paragraph headed “Information on the Target Group” below for further information of the business and financial information of the Target Group.

As at the date of this joint announcement, BCL holds four outlets-backed commercial integrated projects, including the Outlets Projects. Upon Completion, BCL will no longer hold any outlets-backed commercial integrated projects, save for Hainan Integrated Outlets Project which BCL shall hold until such time it is sold to third parties and/or the Enlarged Group. The Hainan Integrated Outlets Project has not been included as part of the Acquisition, as the joint venture partner of BCL in the Hainan Integrated Outlets Project has initiated discussions on reviewing the shareholding structure of the project, including potential sale(s) or acquisition(s). As the process of negotiations is expected to incur further time and uncertainty, BCL and Company have decided to proceed with the Acquisition first. During the interim period of six months after the Completion, it is proposed that operations of Hainan Integrated Outlets Project shall be entrusted to the Enlarged Group. The entrustment arrangement is proposed in order for the Hainan Integrated Outlets Project to be operated and managed by the Enlarged Group, so as to be in line with the re-aligned business positioning of the Enlarged Group and BCL Group in the non-Target Cities after Completion, details of which are set out under “Amended Non-Competition Deed” below. Subject to the terms of the entrustment agreement, when entered into by the parties, BCL Group will entrust to the Enlarged Group among others, leasing, marketing and property management of the Hainan Integrated Outlets Project and pay a management fee computed based on an agreed percentage of the total sales of the Hainan Integrated Outlets Project for the entrustment period, subject to a cap of RMB2,400,000 to the Enlarged Group. BCL and the Company will enter into an entrustment agreement on or prior to the despatch of the Circular, the terms of which will be contained in the Circular. As the applicable percentage ratios are expected to be less than 5% and the total consideration is expected to be less than HK\$3,000,000, the entrustment agreement, when entered into, and the transactions contemplated thereunder will constitute de minimis continuing connected transactions fully exempt under Chapter 14A of the Listing Rules.

Immediately after Completion, the Company will be able to satisfy the minimum public float requirement under Rule 8.08 of the Listing Rules and there will be no change in control of the Company. BECL Investment will remain as the controlling shareholder of the Company under the Listing Rules.

**INFORMATION ON THE CPS AND THE CONVERSION SHARES**

**The Conversion Shares**

The Conversion Shares to be issued upon conversion of the CPS will be issued as fully paid and will rank pari passu in all respects with the Shares in issue as at the date of conversion.

**Application for listing**

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares.

**The CPS**

The major terms of the CPS are as follows:

- Nominal value: Limited-voting non-redeemable convertible preference shares of par value HK\$0.01 each in the share capital of the Company
  
- Conversion ratio: The CPS shall be convertible at the option of its holder, without the payment of any additional consideration therefor, into such number of fully-paid Shares at the conversion ratio of one CPS for one Share
  
- Conversion rights: Holders of CPS will have the right to convert all or such number of CPS into Conversion Shares at any time after the issuance of the CPS, provided that they may not exercise the conversion rights as to such number of CPS the conversion of which would result in the Company not meeting the minimum public float requirement under Rule 8.08 of the Listing Rules
  
- Redemption: The CPS shall be non-redeemable by the Company or their holders
  
- Preferred Distribution: Subject to compliance with all applicable laws, the articles of association of the Company and the paragraph headed “Deferral or Non-payment of Preferred Distribution” below, each CPS shall confer on its holder the right to receive a preferred distribution (“**Preferred Distribution**”) from the date of the issue of the CPS at a rate of 0.01% per annum on the Issue Price, payable annually in arrear. Each Preferred Distribution is non-cumulative

Deferral or Non-payment of Preferred Distribution:	The Board may, in its sole discretion, elect to defer or not to pay a Preferred Distribution. No interest accrues on any unpaid Preferred Distribution. If the Board elects to defer or not to pay a Preferred Distribution, the Company shall not pay any dividends, distributions or make any other payment on any Shares, unless at the same time it pays to the holders of CPS any deferred or unpaid Preferred Distribution which was scheduled to be paid on a day falling in the same financial year in respect of which payment of such dividends, distributions or other payments is made
Dividend:	Each CPS shall confer on its holder the right to receive, in addition to the Preferred Distribution, any dividend pari passu with holders of the Class A Convertible Preference Shares (on an as converted basis) and the Shares on the basis of the number of Share(s) into which each CPS may be converted and on an as converted basis
Distribution of assets:	The holders of the CPS rank pari passu with holders of the Class A Convertible Preference Shares but shall have priority over the holders of the Shares on the assets and funds of the Company available for distribution in a distribution of assets on liquidation, winding-up or dissolution of the Company (but not on conversion of CPS or any repurchase by the Company of CPS)
Voting rights:	The holders of the CPS shall be entitled to receive notices of and to attend general meetings of the Company, but the CPS shall not confer on their holders the right to vote at a general meeting of the Company, unless a resolution is to be proposed at a general meeting for the winding-up of the Company or a resolution is to be proposed which if passed would vary or abrogate the rights or privileges of the CPS or vary the restrictions to which the CPS are subject
Transferability:	The CPS (including the Conversion Shares once converted from the CPS) may be transferred by their holders without restriction
Ranking:	Save as expressly provided in the articles of association of the Company and save and except for the voting rights, distribution entitlements upon liquidation, winding-up or dissolution of the Company and the Preferred Distribution set out in the manner above, each CPS shall have the same rights as each of the Shares and Class A Convertible Preference Shares. The Conversion Shares will be issued as fully paid and will rank pari passu in all respects with the Shares in issue as at the date of the conversion



Adjustment: If and whenever the Shares are consolidated or subdivided into a different nominal amount, then the same consolidation or sub-division shall be effected on the CPS, in which the conversion ratio shall remain as one CPS for one Share (as consolidated or sub-divided, as the case may be)

Listing: No listing will be sought for the CPS on the Stock Exchange or any other stock exchange. However, an application will be made by the Company to the Listing Committee for the listing of, an permission to deal in, the Conversion Shares

Under the terms of the CPS, (i) there is no voting right attached to the CPS, except in respect of resolution(s) for the winding-up of the Company or the abrogation or variation of the rights and restrictions of the CPS; (ii) the CPS would be non-redeemable and each CPS would be convertible to one ordinary Share; (iii) the holders of the CPS will rank pari passu with Class A Convertible Preference Shares but have priority in distribution of assets on liquidation, winding-up or dissolution of the Company and (iv) the holders of the CPS are entitled to receive Preferred Distribution and accordingly, the holders of the CPS are less akin to Shareholders and as such, the CPS shall not be included when calculating the public float of the Company.

As at the date of this joint announcement, the Company has limited-voting non-redeemable convertible preference shares in issue which are proposed to be re-designated as Class A Convertible Preference Shares in issue in its share capital, the major terms of which are set out in the circular of the Company dated 26 November 2014. The holder of such existing limited-voting non-redeemable convertible preference shares has given its consent to the Re-designation and the Re-classification of the authorised share capital of the Company and the creation of the CPS. The rights attached to the CPS and the Class A Convertible Preference Shares are the same, save and except in relation to the entitlement of the holders of the CPS to receive Preferred Distribution.

#### **AMENDED NON-COMPETITION DEED**

The BCL Group has substantial interest in the PRC property market. In order to minimise any potential competition between the businesses of BCL Group and the Group, BCL and the Company entered into the Non-Competition Deed on 13 November 2014, the key terms of which are summarised below. Please refer to the circular of the Company dated 26 November 2014 for further details.

##### **(a) Non-competition undertaking by BCL not to compete in Target Cities**

Pursuant to the Non-Competition Deed, BCL has undertaken in favour of the Company (for itself and on behalf of its subsidiaries) that during the term of the Non-Competition Deed, it shall not, and shall procure that none of its subsidiaries shall (other than through the Group), directly or indirectly, carry on, engage, invest, participate or otherwise be interested in any development, sale, lease and management of any property projects (“**Property Business**”) in any of the Target Cities.

**(b) Non-competition undertaking by the Company not to compete in non-Target Cities**

In consideration of the non-competition undertaking by BCL under the Non-Competition Deed, the Company has undertaken in the Non-Competition Deed in favour of BCL (for itself and on behalf of its subsidiaries) that during the term of the Non-Competition Deed, it shall not, and shall procure that none of its subsidiaries shall, directly or indirectly, carry on, engage, invest, participate or otherwise be interested in any Property Business in any non-Target Cities in the PRC.

In order for the Company to operate the Outlets Projects in Beijing, Kunshan and Huzhou in the PRC after Completion and to facilitate the Company in becoming a nation-wide outlets operator in the PRC, the Company and BCL propose to replace the Non-Competition Deed by entering into the Amended Non-Competition Deed on or prior to the despatch of the Circular pursuant to which:

- (1) BCL will conditionally undertake in favour of the Company (for itself and on behalf of its subsidiaries) that during the term of the Amended Non-Competition Deed, it shall not, and shall procure that none of its subsidiaries shall (other than through the Enlarged Group), directly or indirectly, carry on, engage, invest, participate or otherwise be interested in (a) any Property Business in any of the Target Cities and (b) the development, sale, lease and management of any outlets-backed commercial integrated projects in any non-Target Cities, save for Hainan Integrated Outlets Project until BCL ceases to hold any interest therein; and
- (2) the Company will conditionally undertake in favour of BCL (for itself and on behalf of its subsidiaries) that during the term of the Amended Non-Competition Deed, it shall not, and shall procure that none of its subsidiaries shall, directly or indirectly, carry on, engage, invest, participate or otherwise be interested in any Property Business in any non-Target Cities, save and except for: (i) the development, sale, lease and management of any outlets-backed commercial integrated projects in any non-Target Cities and (ii) the leasing, operation and management of any retail portion(s) in the property projects of BCL Group held as investment properties, where BCL Group offers to entrust or grants a first right of refusal in favour of the Enlarged Group to entrust such retail portion(s) to the Enlarged Group for leasing, operation and management in accordance with the entrustment agreement(s) to be entered into by the parties from time to time.

The above-mentioned entrustment(s) or grant of first right(s) of refusal in favour of the Enlarged Group further delineates the businesses of the Enlarged Group and BCL Group on an operation level and allows the Enlarged Group to apply its expertise in outlets operations to other retail properties. In the event of such entrustment or grant of first right(s) of refusal arrangement(s), BCL Group as landlord will entrust to the Enlarged Group the operations of the relevant retail portions of property projects, including leasing, marketing and property management, and pay annual management fee(s) to the Enlarged Group, based on agreed percentage(s) of the rents payable by the tenants of such retail properties. Terms of the entrustment arrangement(s) will be subject to

definitive entrustment agreement(s) to be entered into by the parties from time to time. The entrustment agreement(s), when entered into, and the entrustment arrangement(s) contemplated thereunder will constitute continuing connected transaction(s) of the Company, subject to applicable requirements under Chapter 14A of the Listing Rules. In the event that any first right(s) of refusal is granted by BCL Group in favour of the Enlarged Group, the decision whether to take up such first right(s) of refusal by the Enlarged Group will be determined by the Board (including the independent non-executive Directors) and if the first right(s) of refusal is not taken up by the Enlarged Group, BCL Group will have the discretion to engage third-party operators or take up such operations itself.

The Amended Non-Competition Deed will be conditional upon inter alia, (i) the approvals of the independent shareholders of both the Company and BCL of the Amended Non-Competition Deed; (ii) the completion of the Acquisition pursuant to the Acquisition Agreements and (iii) the approvals of the independent non-executive directors of both the Company and BCL of the Amended Non-Competition Deed. In the event that the conditions of the Amended Non-Competition Deed (which are not waivable by the parties thereto) are not fulfilled by 31 December 2016 (or such later date as the parties to the Amended Non-Competition Deed may agree in writing), the Amended Non-Competition Deed shall terminate and cease to have effect on any parties thereto.

Upon the conditions under the Amended Non-Competition Deed being fulfilled, the Company (and any of its subsidiaries) shall have the right to directly or indirectly, carry on, engage, invest, participate or otherwise be interested in any development, sale, lease and management of outlets-backed commercial integrated projects in the non-Target Cities in the PRC (including but not limited to the Outlets Projects in Beijing, Kunshan and Huzhou).

## **INFORMATION ON THE GROUP AND THE PURCHASERS**

The Company was incorporated in the Cayman Islands and the Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1329). The Company is an investment holding company and the Group is principally engaged in commercial property development, with focus on the development of outlets-backed commercial integrated projects in selected cities in the PRC.

Each of Shanghai Juque and Shanghai Juxin is an investment holding company incorporated in the PRC and is indirectly wholly-owned by the Company.

Capital Juda is an investment holding company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by the Company.

**INFORMATION ON BCL, BECL INVESTMENT AND RENOWNED BRAND**

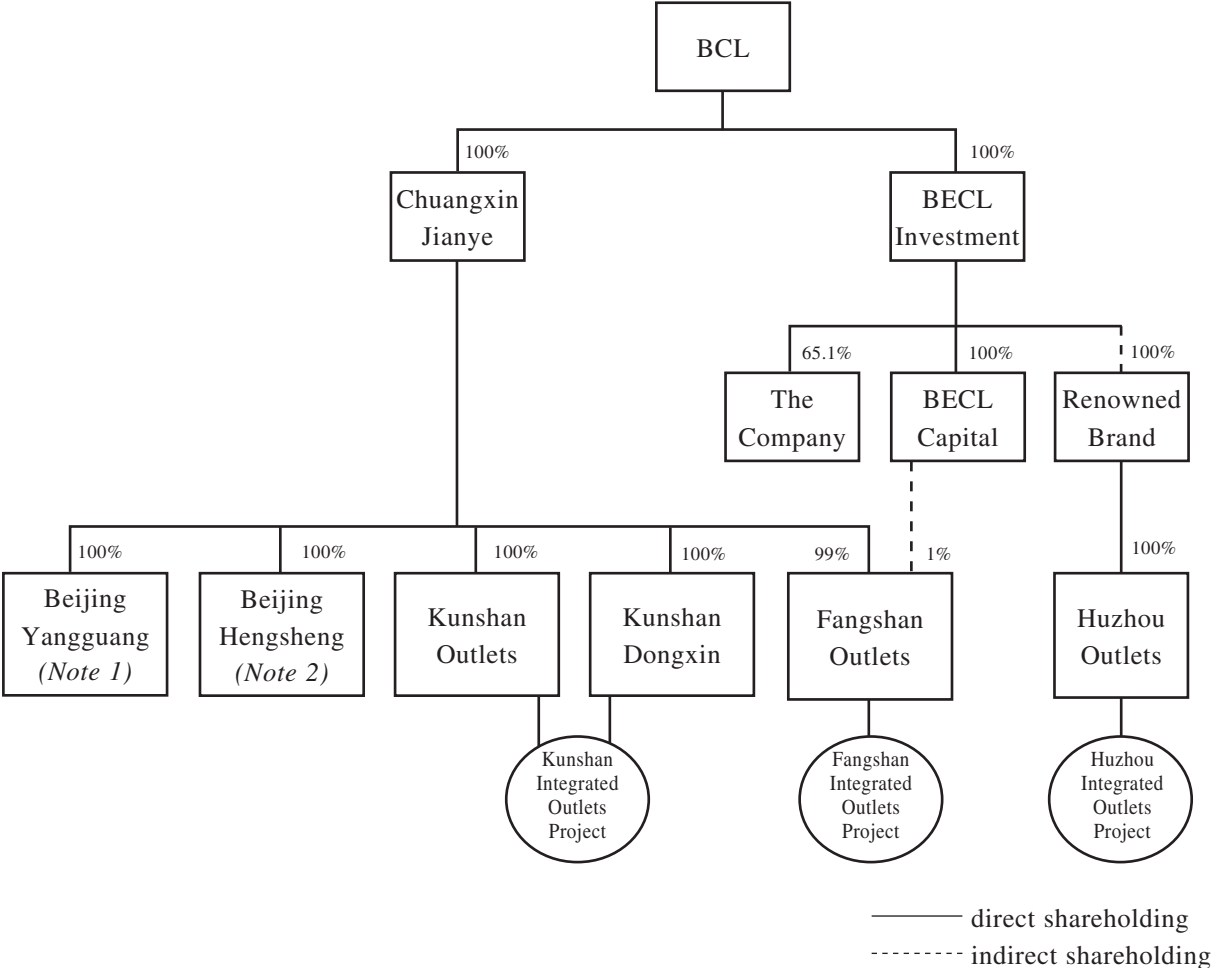
BCL is a joint stock company incorporated in the PRC with limited liability, whose H shares are listed on the Main Board of the Stock Exchange (stock code: 2868). BCL is a leading large integrated real estate developer in the PRC, focusing primarily on developing the three main business streams of residential properties, outlets-backed integrated properties and urban core integrated complexes, complemented by innovative business areas such as primary land development and high-tech industry properties.

BECL Investment is an investment holding company incorporated in Hong Kong with limited liability and a directly wholly-owned subsidiary of BCL. BECL Investment is also the controlling shareholder of the Company.

Renowned Brand is an investment holding company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by BCL.

**INFORMATION ON THE TARGET GROUP**

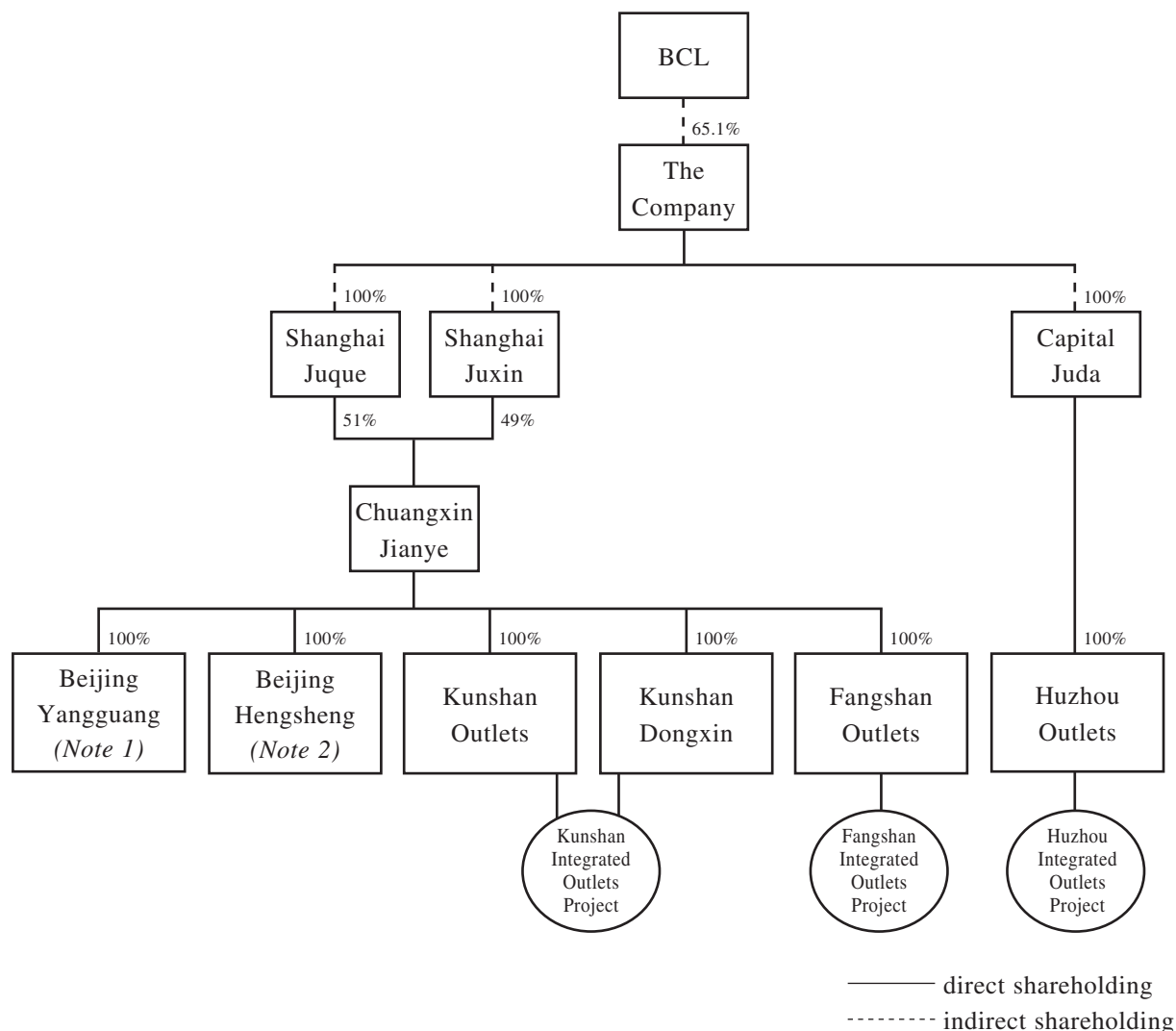
**Corporate structure of the Target Group as at the date of the Acquisition Agreements**



*Notes:*

- (1) As at the date of this joint announcement, Beijing Yangguang does not hold any properties or trademarks or have any operating activities. It is envisaged that Beijing Yangguang will be used for provision of outlets leasing and management services.
- (2) Beijing Hengsheng is the registered holder of the registered trademarks “Capital Outlets”, “Capitol Outlets” and “瀾錦滙” in the PRC, apart from which it does not have any operating activities as at the date of this joint announcement.

**Corporate structure of the Target Group upon Completion**



*Notes:*

- (1) As at the date of this joint announcement, Beijing Yangguang does not hold any properties or trademarks or have any operating activities. It is envisaged that Beijing Yangguang will be used for provision of outlets leasing and management services.
- (2) Beijing Hengsheng is the registered holder of the registered trademarks “Capital Outlets”, “Capitol Outlets” and “瀾錦滙” in the PRC, apart from which it does not have any operating activities as at the date of this joint announcement.

## **Business of the Target Group**

The Target Group is primarily engaged in the development and operation of outlets-backed commercial integrated projects. It has a portfolio of three integrated outlets projects located in Beijing, Kunshan and Huzhou in the PRC and related trademarks.

### **Overview of the property projects of the Target Group**

#### *(i) Fangshan Integrated Outlets Project*

Fangshan Integrated Outlets Project is an integrated project comprising street-level outlet shops, a multi-storey outlets complex, food and beverages facilities for leases and car parking spaces. This project, located in Changyang Town, Fangshan District, Beijing, is in close proximity to Changyang West Station of Fangshan line of the intercity railway and is only a 30-minute drive from Financial Street in Beijing via Beijing-Shijiazhuang Expressway.

Fangshan Integrated Outlets Project will be developed in two phases. Phase 1, completed in May 2013, comprises 258 street-level outlet shops for lease. Construction of Phase 2, which comprises a multi-storey outlets complex and car parking spaces, is expected to commence in the second half of 2016. As at 31 December 2015, this project occupied a total site area of 90,766 sq.m. with an estimated total GFA of 169,558 sq.m..

Fangshan Integrated Outlets Project is owned and developed by the project company, Fangshan Outlets. As at 31 December 2015, the total development costs incurred in relation to the development of this project amounted to approximately RMB1,088 million.

#### *(ii) Huzhou Integrated Outlets Project*

Huzhou Integrated Outlets Project is an integrated project comprising street-level outlet shops, food and beverages facilities for lease and a budget hotel. This project is situated at the center of the southern Taihu Lake tourist district in Huzhou, Zhejiang Province and Binhu Road runs through the whole project.

Outlet shops of the Huzhou Integrated Outlets Project are divided into Phase 1 and Phase 2, the former comprising 164 outlet shops and the latter comprising 138 outlet shops. This project also comprises a budget hotel, the construction of which has not yet commenced. As at 31 December 2015, this project occupied a total site area of 302,693 sq.m. with an estimated total GFA of 300,496 sq.m..

Huzhou Integrated Outlets Project is owned and developed by the project company, Huzhou Outlets. As at 31 December 2015, the total development costs incurred in relation to the development of this project amounted to approximately RMB687 million.

(iii) *Kunshan Integrated Outlets Project*

Kunshan Integrated Outlets Project, located at south-east corner of the east new town of Kunshan City, Jiangsu Province, comprises street-level outlet shops, food and beverages facilities for lease and car parking spaces. Alongside the south high technology enterprise park, it is accompanied with a large customer base and market demand.

This project will be developed in two phases. Phase 1, comprising 175 outlet shops for lease, was completed in June 2015 and has opened in September 2015. Phase 2, comprising 178 outlet shops for lease, is still under development and is expected to be completed in the fourth quarter of 2016. As at 31 December 2015, this project occupied a total site area of 93,026 sq.m. with an estimated total GFA of 99,773 sq.m..

Phase 1 of Kunshan Integrated Outlets Project is owned and developed by the project company, Kunshan Outlets and Phase 2 of the project is owned and developed by the project company, Kunshan Dongxing. As at 31 December 2015, the total development costs incurred in relation to the development of this project amounted to approximately RMB620 million.

**Financial information of each of the Target Companies**

The profit before and after tax of each of the Target Companies for each of the three years ended 31 December 2013, 2014 and 2015 and the net asset value of each of the Target Companies as at 31 December 2015 were as follows:

	<b>For the year ended 31 December</b>		
	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<i>(RMB' million)</i>	<i>(RMB' million)</i>	<i>(RMB' million)</i>
Chuangxin Jianye			
Profit before tax	(62)	131	465
Profit after tax	(56)	97	349
Net asset value			689
Huzhou Outlets			
Profit before tax	362	66	(73)
Profit after tax	271	47	(55)
Net asset value			461

The total acquisition costs paid by BCL Group with respect to, and capital contribution made by BCL Group into, the Target Group were approximately RMB1,277 million.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE ISSUE OF THE CPS FOR THE COMPANY**

The Directors (excluding the independent non-executive Directors whose view will be contained in the Circular) consider the Acquisition and the issue of the CPS to be in the interests of the Company for the following reasons:

**(a) The Enlarged Group will strengthen its position as an overseas-incorporated listed platform of BCL focusing on outlets-backed commercial integrated projects in certain selected cities in the PRC**

Through the Acquisition, the Enlarged Group will expand its property portfolio by acquiring from BCL three outlets-backed commercial integrated projects located in Beijing, Huzhou and Kunshan. With the addition of such property projects to the Group's existing property portfolio, the Acquisition will have an effect of strengthening the position of the Company as the overseas listed platform of BCL, primarily focusing on the development, sale, lease and management of outlets-backed commercial integrated projects in the PRC and facilitating the Enlarged Group in becoming a nation-wide outlets operator in the PRC.

**(b) The Enlarged Group will have a larger property portfolio with a potential to attain a steadier and more sustainable return**

The outlets-backed commercial integrated projects to be acquired by the Group, which have a steady performance in the past and a growth potential, will significantly increase the size of the property portfolio and total assets of the Enlarged Group. The Acquisition will also enhance the ability of the Enlarged Group to attain a steadier and more sustainable return from such projects and provide a solid foundation for future development of other outlets-backed commercial integrated projects of the Enlarged Group.

**(c) The Enlarged Group will have a strong capacity to raise funds for its property development business**

The increased size of the property portfolio and total assets of the Enlarged Group will facilitate the Enlarged Group to attract investments and obtain future equity, equity-linked and debt financing through the Company, which will in turn optimize the debt equity structure of the Enlarged Group and facilitate further financing. Furthermore, with a larger property portfolio, the Enlarged Group will be in a favourable position to obtain financing on competitive terms from banks and other financial institutions. The Directors believe that the Enlarged Group will have stronger capability to raise funds to develop its business so as to create value for its Shareholders.



**(d) The Company can minimize the cost of financing through the issue of the CPS**

Under the terms of the Acquisition, the consideration is payable fully in cash. The Directors consider that it is in the interest of the Company to fund the Acquisition by way of the issue of the CPS to BECL Investment as it will allow the Company to raise the necessary financing for the Acquisition without the need for additional finance costs, such as interest payments for bank loans.

Having regard to the reasons for and benefits of the Acquisition and the issue of the CPS to the Group, the Directors (excluding the independent non-executive Directors whose view will be contained in the Circular) are of the view that the Acquisition and the issue of the CPS are in the interests of the Company and the Shareholders as a whole. The Directors (excluding the independent non-executive Directors whose view will be contained in the Circular) are also of the view that the terms of the Acquisition Agreements and the Subscription Agreement, which have been reached after arm's length negotiations among the parties, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The opinions of the independent non-executive Directors, after taking into account the advice from the Independent Financial Adviser, will be set out in the Circular.

**REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE SUBSCRIPTION FOR BCL**

The directors of BCL consider the Disposal and the Subscription to be in the interests of BCL as well as its shareholders taken as a whole for the reason that it will enable the consolidation in terms of operation and management of outlets-backed commercial integrated projects under the Enlarged Group and reinforce the different business positioning of BCL Group and the Enlarged Group. The Acquisition enables the Outlets Projects held by the BCL Group and the outlets-backed commercial integrated projects held by the Group to be consolidated under the management of the Enlarged Group, which is led by Mr. Zhong Beichen, the Chief Executive Officer and Executive Director of the Company. Following Completion, BCL Group and the Enlarged Group will continue to focus on different property segments pursuant to the realigned business positioning. The Enlarged Group will focus on developing outlets-backed commercial integrated projects, while BCL Group will continue to engage in the development of residential property projects and mixed-use commercial property projects in the non-Target Cities in the PRC. Having the Enlarged Group as its platform which focuses on outlets business development, operation and management and brand building, business presence of BCL Group including the Enlarged Group as a whole in the outlets market in the PRC can be accelerated.

Having regard to the reasons for and benefits of the Disposal and the Subscription to BCL Group, the directors of BCL are of the view that the Disposal and the Subscription are in the interests of BCL and its shareholders as a whole. The directors of BCL are also of the view that the terms of the Acquisition Agreements and the Subscription Agreement, which have been reached after arm's length negotiations among the parties, are on normal commercial terms, fair and reasonable and in the interests of BCL and its shareholders as a whole.

## FINANCIAL EFFECT OF THE DISPOSAL FOR BCL

Upon Completion, assuming no Class A Convertible Preference Share or CPS has been converted, 65.1% of the Target Group's share capital will be indirectly held by BCL as a result of the Disposal. Therefore, each of the Target Companies will remain as an indirectly non-wholly-owned subsidiary of BCL and the Target Companies' financial statements will be consolidated into the financial statements of BCL. Since the Company is a subsidiary of BCL, the Disposal is treated as a transaction with non-controlling interest. For such transactions with non-controlling interest to dispose of certain interests in a subsidiary without losing control over the subsidiary, the difference between the proceeds from the disposal of interests and the decrease of the shared net assets of the subsidiary is adjusted to reserves. Accordingly, it is expected that there will be no material gain or loss arising on the Disposal for BCL.

## EFFECT OF THE ACQUISITION AND THE ISSUE OF THE CPS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Details of the shareholding structure of the Company as at the date of this joint announcement and immediately after Completion (without taking into account any Shares that may be issued as a result of the exercise of any options granted under the share option scheme adopted by the Company on 14 March 2012) are set out below:

	As at the date of this joint announcement			Immediately after Completion (assuming no Class A Convertible Preference Shares or CPS has been converted)			Immediately after Completion and assuming all Class A Convertible Preference Shares and CPS have been converted into Shares (for illustration only) (Note 1)	
	Number of Shares held	Approx.% of total issued Shares	Number of Class A Convertible Preference Shares held	Number of Shares held	Approx.% of total issued Shares	Number of Class A Convertible Preference Shares and CPS held	Number of Shares held	Approx.% of total issued Shares
BECL Investment	130,200,000	65.1%	738,130,482	130,200,000	65.1%	1,644,081,952	1,774,281,952	96.21%
BCG	19,800,000	9.9%	-	19,800,000	9.9%	-	19,800,000	1.07%
Public	50,000,000	25.0%	-	50,000,000	25.0%	-	50,000,000	2.71%
<b>Total</b>	<b>200,000,000</b>	<b>100%</b>	<b>738,130,482</b>	<b>200,000,000</b>	<b>100%</b>	<b>1,644,081,952</b>	<b>1,844,081,952</b>	<b>100%</b>

### Note:

- This represents the shareholding structure of the Company upon Completion, assuming that all 1,644,081,952 Class A Convertible Preference Shares and CPS issued to and held by BECL Investment are converted into Shares (on a conversion ratio of 1:1). This is for illustration purposes only and does not reflect the actual shareholding structure of the Company upon Completion as the exercise of the conversion rights attaching to the Class A Convertible Preference Shares and the CPS is subject to the Company meeting the minimum public float requirement under Rule 8.08 of the Listing Rules.

## **IMPLICATIONS UNDER THE LISTING RULES FOR THE COMPANY**

As one or more of the applicable percentage ratios of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules.

BCL is a connected person of the Company by virtue of it being a controlling shareholder of the Company. Renowned Brand is an associate of BCL and therefore also a connected person of the Company. Therefore, the Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the approval of the Independent Shareholders at the EGM.

The issue of the CPS constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules as BECL Investment, the subscriber of the CPS is a controlling shareholder and connected person of the Company. As the applicable percentage ratios exceed 5%, the issue of the CPS is subject to the approval of the Independent Shareholders at the EGM.

The EGM will be proposed for the Shareholders to consider and, if thought fit, pass the requisite resolutions to approve, inter alia, the Acquisition, the Amended Non-Competition Deed, the issue of the CPS, the proposed grant of the Specific Mandate and the Re-designation and Re-classification of the authorised share capital of the Company. BECL Investment (holding 130,200,000 Shares, being 65.1% of the total issued Shares of the Company as at the date of this joint announcement), BCG (holding 19,800,000 Shares, being 9.9% of the total issued Shares of the Company as at the date of this joint announcement) and their respective close associates, and any person who has a material interest in the Acquisition, the issue of the CPS, the proposed grant of the Specific Mandate and the Amended Non-Competition Deed are required to abstain from voting on the relevant resolutions to be proposed at the EGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors was in any way materially interested in the Acquisition, the issue of the CPS, the proposed grant of the Specific Mandate and the Amended Non-Competition Deed. Nevertheless, Mr. Tang Jun, Mr. Wang Hao and Mr. Li Songping have abstained from voting on the relevant Board resolutions approving the Acquisition, the issue of the CPS, the proposed grant of the Specific Mandate and the Amended Non-Competition Deed by virtue of their directorships in BCL.

## **IMPLICATIONS UNDER THE LISTING RULES FOR BCL**

The transfer of the Sale Shares and the Shareholder Loan to the Purchasers constitutes a disposal by BCL. As one or more of the applicable percentage ratios exceed 25% but are less than 75%, the Disposal constitutes a major transaction for BCL and is subject to the approval of the independent shareholders of BCL at the extraordinary general meeting of BCL.

In relation to the Subscription by BCL (through its wholly-owned subsidiary, BECL Investment), as the applicable percentage ratios exceed 25% but are less than 100%, the Subscription constitutes a major transaction for BCL and is subject to the approval of the independent shareholders of BCL at the extraordinary general meeting of BCL.

An extraordinary general meeting of BCL will be proposed for its shareholders to consider and, if thought fit, pass the requisite resolutions to approve, inter alia, the Disposal, the Subscription and the Amended Non-Competition Deed. BCG, a wholly-owned subsidiary of Capital Group, holds 9.9% of the issued Shares of the Company as at the date of this joint announcement. Therefore, Capital Group, a 54.47% controlling shareholder of BCL (holding 1,649,205,700 ordinary domestic shares in the share capital of BCL as at the date of this joint announcement), and its close associates (in aggregate holding 357,998,300 ordinary non-H foreign shares in BCL, representing 11.82% of the issued share capital of BCL as at the date of this joint announcement), will abstain from voting on the relevant resolutions for approving the Disposal, the Subscription and the Amended Non-Competition Deed to be proposed at the extraordinary general meeting of BCL.

To the best of the knowledge, information and belief of BCL's directors having made all reasonable enquiries, none of BCL's directors was in any way materially interested in the Disposal, the Subscription and the Amended Non-Competition Deed. Nevertheless, Mr. Tang Jun, Mr. Wang Hao and Mr. Li Songping have abstained from voting on the relevant resolutions of BCL's board of directors approving the Disposal, the Subscription and the Amended Non-Competition Deed by virtue of their directorships in the Company.

#### **PROPOSED GRANT OF THE SPECIFIC MANDATE**

The Company will issue the CPS (which are convertible into the Conversion Shares on a 1:1 conversion ratio) to BECL Investment at the Issue Price. The CPS and the Conversion Shares will be allotted and issued under the Specific Mandate proposed to be sought from the Independent Shareholders at the EGM.

#### **POTENTIAL PLACING AND PROPOSED SPECIFIC MANDATE IN RELATION TO PLACING**

Depending on prevailing market conditions, the Company may conduct the Placing(s) simultaneously at or after Completion subject to the grant of a proposed specific mandate in relation to the Placing(s). The Company considers the Placing(s) to be an effective method for allowing strategic and other investments in the Enlarged Group which will have the effect of inter alia broadening the capital and shareholder base, and for raising capital for the Enlarged Group's future operations.

The Company may therefore seek a specific mandate in the EGM in relation to the potential Placing(s) for the Directors to issue new Shares. If the Company decides to seek a specific mandate in the EGM in relation to potential Placing(s), further details on the proposed specific mandate in relation to the Placing(s), if any, will be contained in the Circular and further announcement(s) to be published by the Company. The Placing(s), if any, will be conditional upon the Completion and the proceeds raised will be used towards inter alia, development costs of the Outlets Projects, repayment of bank loan(s) of the Target Companies and general working capital of the Enlarged Group including the Outlets Projects. Any potential Placing(s) will be subject to inter alia, market conditions and solicitation of interests from investors and therefore may or may not proceed, and the proposed specific mandate in relation to the potential Placing(s), if

sought by the Company and granted by the Shareholders in the EGM, may or may not be exercised by the Directors. If the Company proceeds with the Placing(s), it will publish an announcement upon entering into the placing agreement(s) or upon the terms and conditions of the Placing(s) being finalized. The Placing(s), if any, will be conducted on the basis that upon completion of the Placing(s), the Company will maintain the minimum public float as required under Rule 8.08 of the Listing Rules. Furthermore, subject to prevailing market conditions, the Company may also conduct equity-linked financing(s) including but not limited to the issuance of convertible bonds to potential investors. If the Company proceeds with such equity-linked financing(s), it will be conducted in compliance with the applicable Listing Rules and publish further announcement(s) when the terms are finalised and definitive agreement(s) is entered into by the Company.

### **DESPATCH OF CIRCULARS**

An Independent Board Committee comprising all independent non-executive Directors has been formed to advise the Independent Shareholders in relation to, among other things, whether the terms of the Acquisition, the issue of the CPS, the Amended Non-Competition Deed and the proposed grant of the Specific Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on voting (to the extent applicable), taking into account the recommendation of the Independent Financial Adviser. The Company has, with the approval of the Independent Board Committee, appointed Ample Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to, among other things, the Acquisition (including the Amended Non-Competition Deed), the issue of the CPS and the proposed grant of the Specific Mandate.

The Company expects that a Circular containing, among other things, (i) further details of the Acquisition and the issue of the CPS; (ii) the recommendation of the Independent Board Committee to the Shareholders; (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Shareholders; (iv) financial information of the Target Companies; (v) valuation of properties of the Target Group; and (vi) a notice of the EGM, will be despatched to the Shareholders more than 15 business days after the date of this joint announcement because of the complexity of the Acquisition and the Target Companies involved which requires more time to prepare the Circular. The Company will make a further announcement for the expected date of despatch of the Circular. The Shareholders and potential investors should refer to the Circular for further details of the Acquisition Agreements, the Subscription Agreement and the transactions contemplated thereunder.

BCL will despatch a circular in accordance with the requirements under the Listing Rules, which will contain, among other things, further details of the Disposal and the Subscription and the notice of the extraordinary general meeting of BCL. The circular to be despatched by BCL in connection with the Disposal will be despatched on or

around the same time as the Circular for the Company. BCL therefore expects that the circular will be despatched more than 15 business days after the date of this joint announcement. BCL will make a further announcement for the expected date of despatch of its circular. The shareholders of BCL and potential investors should refer to the circular despatched by BCL for further details of the Disposal and the Subscription.

## **WARNING**

**The Acquisition and the issue of the CPS are subject to a number of conditions including the approvals by the independent shareholders of the Company and BCL respectively, which may or may not be fulfilled. In the event that any of the conditions to the Completion is not fulfilled, the Acquisition Agreements and the Subscription Agreement will not become unconditional and the Acquisition (or the Disposal, in the case of BCL) and the issue (or the subscription, in the case of BCL) of the CPS will not proceed.**

**THE SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY AND BCL SHOULD EXERCISE CAUTION WHEN DEALING OR CONTEMPLATING IN DEALING IN THE SHARES AND THE BCL SHARES, RESPECTIVELY, OR IN ANY OTHER SECURITIES OF THE COMPANY AND BCL (AS THE CASE MAY BE).**

## **DEFINITIONS**

In this joint announcement, the following expressions shall have the following respective meanings, unless the context otherwise requires.

“Acquisition”	the sale and purchase of the Sale Shares and the Shareholder Loan as contemplated under the Acquisition Agreements
“Acquisition Agreements”	the Chuangxin Jianye Acquisition Agreement, the Huzhou Acquisition Agreement and the Shareholder Loan Transfer Agreement and “Acquisition Agreement” shall refer to any of them
“Amended Non-Competition Deed”	the amended non-competition deed to be entered into between the Company and BCL on or prior to the despatch of the Circular, replacing the Non-Competition Deed
“BCG”	BCG Chinastar International Investment Limited (首創華星國際投資有限公司), a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Capital Group and a connected person of BCL

“BCL”	Beijing Capital Land Ltd. (首創置業股份有限公司), a joint stock company incorporated in the PRC with limited liability on 5 December 2002, whose H shares are listed on the Main Board of the Stock Exchange (Stock Code: 2868), a connected person of the Company under Rule 14A.07 of the Listing Rules
“BCL Group”	BCL and its subsidiaries, excluding the Enlarged Group
“BCL Shares”	Ordinary H shares of RMB1.00 each in the share capital of BCL
“BECL Investment”	BECL Investment Holding Limited, a company incorporated in Hong Kong with limited liability, a directly wholly-owned subsidiary of BCL and the controlling shareholder and a connected person of the Company
“Beijing Hengsheng”	Beijing Hengsheng Huaxing Investment Management Co., Ltd.* (北京恒盛華星投資管理有限公司), a company incorporated in the PRC and a directly wholly-owned subsidiary of Chuangxin Jianye
“Beijing Yangguang”	Beijing Yangguang Outlets Business Management Co., Ltd.* (北京陽光奧萊商業管理有限公司), a company incorporated in the PRC and a directly wholly-owned subsidiary of Chuangxin Jianye
“Board”	the board of Directors of the Company
“Business Day”	a business day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“Capital Group”	Beijing Capital Group Co., Ltd.* (北京首都創業集團有限公司), a state-owned enterprise incorporated in the PRC and under the direct supervision of the Beijing Municipal Government, the controlling shareholder and a connected person of BCL

“Capital Juda”	Capital Juda Outlets Resources Limited, a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company
“China” or “PRC”	the People’s Republic of China, which shall, for the purposes of this joint announcement, exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“China Creative”	China Creative Properties Limited, a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of BCL
“Chuangxin Jianye”	Beijing Chuangxin Jianye Real Estate Investment Ltd.* (北京創新建業地產投資有限公司), a company incorporated in the PRC and a directly wholly-owned subsidiary of BCL
“Chuangxin Jianye Acquisition Agreement”	an acquisition agreement dated 8 June 2016 and entered into between Shanghai Juque, Shanghai Juxin and BCL in relation to the acquisition the entire issued share capital of Chuangxin Jianye
“Circular”	the circular to be sent to the Shareholders in relation to the EGM containing, among other things, details of the Acquisition and the issue of the CPS, the proposed grant of the Specific Mandate, the Amended Non-Competition Deed and the Re-designation and Re-classification
“Class A Convertible Preference Shares”	the 738,130,482 limited-voting non-redeemable convertible preference shares of par value HK\$0.01 each in issue in the share capital of the Company to be re-designated as Class A limited-voting non-redeemable convertible preference shares
“Company”	Beijing Capital Juda Limited (首創鉅大有限公司), 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 completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreements and of the Subscription and issue of the CPS in accordance with the terms and conditions of the Subscription Agreement
“Consideration”	RMB2,372,327,068, being the total consideration for the Acquisition
“Conversion Shares”	the 905,951,470 new Shares to be allotted and issued to BECL Investment by the Company upon the exercise by BECL Investment of the conversion rights attaching to the CPS, credited as fully paid
“CPS”	the 905,951,470 new limited-voting non-redeemable convertible preference shares of par value HK\$0.01 each in the share capital of the Company having the rights and restrictions set out in the Subscription Agreement which, subject to approval by shareholders of the Company of the Re-designation and Re-classification, will be designated as Class B limited-voting non-redeemable convertible preference shares of HK\$0.01 each to be allotted and issued by the Company credited as fully paid against payment therefor, and CPS shall refer to any one of them
“Directors”	director(s) of the Company
“Disposal”	the sale of the Sale Shares and the Shareholders Loan by BCL to the Company pursuant to the Acquisition Agreements
“DTZ”	DTZ Cushman & Wakefield Limited
“EGM”	the extraordinary general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, to approve, among others, (i) the Acquisition, (ii) the issue of the CPS, (iii) the proposed grant of the Specific Mandate, (iv) the Amended Non-Competition Deed and (v) the Re-designation and Re-classification
“Enlarged Group”	the Group and the Target Group

“Fangshan Outlets”	Outlets Property Investment Fang Shan Ltd.* (北京首創奧特萊斯房山置業有限公司), a company incorporated in the PRC and 99% directly held by Chuangxin Jianye and 1% directly held by China Creative
“GFA”	gross floor area
“Group”	the Company and its subsidiaries immediately prior to Completion
“Hainan Integrated Outlets Project”	an outlets-backed commercial integrated project located in Wanning, Hainan Province, the PRC and owned as to 55% by BCL
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huzhou Acquisition Agreement”	an acquisition agreement dated 8 June 2016 and entered into between Capital Juda and Renowned Brand in relation to the acquisition of the entire issued share capital of Huzhou Outlets
“Huzhou Outlets”	Zhejiang Outlets Property Real Estate Co., Ltd.* (浙江奧特萊斯置業有限公司), a company incorporated in the PRC and a directly wholly-owned subsidiary of Renowned Brand
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, namely Dr. Ngai Wai Fung, Ms. Zhao Yuhong and Mr. He Xiaofeng, formed for the purpose of advising the Independent Shareholders in respect of, among other things, the Acquisition and the issue of the CPS
“Independent Financial Adviser” or “Ample Capital”	Ample Capital Limited, a corporation licensed to conduct Types 4, 6 and 9 regulated activities (advising on securities, advising on corporate finance and asset management respectively) under the SFO, being the independent financial adviser to the Independent Board Committee and the Shareholders in respect of, among other things, the Acquisition and the issue of the CPS

“Independent Shareholder(s)”	the Shareholder(s), other than (i) BECL Investment, BCG and their respective close associates; and (ii) those who have a material interest(s) in the Acquisition, the issue of the CPS, the proposed grant of the Specific Mandate and the Amended Non-Competition Deed
“Issue Price”	HK\$2.78 per CPS
“Kunshan Dongxing”	Capital Dongxing (Kunshan) Business Development Co., Ltd.* (首創東興 (昆山) 商業開發有限公司), a company incorporated in the PRC and a directly wholly-owned subsidiary of Chuangxin Jianye
“Kunshan Outlets”	Capital Outlets (Kunshan) Business Development Co., Ltd.* (首創奧特萊斯 (昆山) 商業開發有限公司), a company incorporated in the PRC and a directly wholly-owned subsidiary of Chuangxin Jianye
“Last Trading Day”	7 June 2016, being the last full trading day for the Shares before the date of this joint announcement
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time
“Non-Competition Deed”	the deed of non-competition dated 13 November 2014 and executed by each of BCL and the Company mutually in favour of each other
“Outlets Projects”	Fangshan Integrated Outlets Project, Huzhou Integrated Outlets Project and Kunshan Integrated Outlets Project, being the three outlets-backed commercial integrated projects held by the Target Group, and “Outlets Project” shall refer to any of them
“percentage ratio”	any of the five ratios set out in Rule 14.07 of the Listing Rules
“Placing(s)”	one or more potential share placement(s) of new Shares to be conducted by the Company

“Purchasers”	Capital Juda, Shanghai Juque and Shanghai Juxin, and “Purchaser” shall refer to any of them
“PwC”	PricewaterhouseCoopers
“Re-designation and Re-classification”	the proposed re-designation and re-classification of authorised share capital of the Company, by (1) re-designating all existing authorised and issued limited-voting non-redeemable convertible preference shares of the Company to become “Class A limited-voting non-redeemable convertible preference shares”, and (2) re-designating and re-classifying the authorised share capital of the Company of HK\$200,000,000 divided into 20,000,000,000 shares of par value of HK\$0.01 each to be comprised of: (i) 18,355,918,048 Shares, (ii) 738,130,482 Class A limited-voting non-redeemable convertible preference shares and (iii) 905,951,470 Class B limited-voting non-redeemable convertible preference shares
“RMB”	Renminbi, the lawful currency of the PRC
“Renowned Brand”	Renowned Brand Outlet Store Enterprise Limited, a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of BCL
“Sale Shares”	the entire issued share capital of each of the Target Companies
“Sellers”	BCL and Renowned Brand, and “Seller” shall refer to any of them
“Shanghai Juque”	Shanghai Juque Investment Management Co., Ltd.* (上海鉅譽投資管理有限公司), a company incorporated in the PRC and an indirectly wholly-owned subsidiary of the Company
“Shanghai Juxin”	Shanghai Juxin Enterprise Management Consultation Co., Ltd.* (上海鉅歆企業管理諮詢有限公司), a company incorporated in the PRC and an indirectly wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	the holder(s) of the shares of the Company
“Shareholder Loan”	the amount of RMB1,197,796,182 outstanding and owing by Chuangxin Jianye to BCL as of the date of the Shareholder Loan Transfer Agreement
“Shareholder Loan Transfer Agreement”	a transfer agreement dated 8 June 2016 and entered into among Shanghai Juque, BCL and Chuangxin Jianye in relation to the transfer of the Shareholder Loan
“Specific Mandate”	the specific mandate proposed to be granted by the Independent Shareholders to the Directors at the EGM to allot and issue the CPS and the Conversion Shares (as the case may be)
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by BECL Investment of the CPS in accordance with the terms and conditions set out in the Subscription Agreement
“Subscription Agreement”	a subscription agreement dated 8 June 2016 entered into between BECL Investment and the Company in relation to the subscription by BECL Investment of 905,951,470 CPS to be allotted and issued by the Company
“Target Cities”	Xi’an, Hangzhou, Nanjing, Jinan, Changsha, Fuzhou, Wuhan, Hefei, Kunming, Zhengzhou, Nanchang, Nanning, Changchun, Harbin, Suzhou, Xiamen and Dalian in the PRC
“Target Companies”	Chuangxin Jianye and Huzhou Outlets, and “Target Company” shall refer to any of them
“Target Group”	the Target Companies and their subsidiaries, and “a member of the Target Group” shall refer to any of them
“%”	per cent.

*The shareholding of the respective Shareholder in the Company as disclosed in this joint announcement refers to the percentage shareholding of such Shareholder to the issued share capital of the Company, without taking into account of the convertible preference shares issued by the Company or the potential effect on the shareholding upon conversion of the convertible preference shares, unless otherwise stated.*

*In this joint announcement, unless the context otherwise requires, the terms “associate(s)”, “close associate(s)”, “connected person(s)”, “connected transaction(s)”, “controlling shareholder(s)”, “subsidiary(ies)” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.*

*The English names of Chinese entities marked with “\*” are translations of their Chinese names and are included in this joint announcement for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.*

*For the purpose of this joint announcement, unless the context otherwise requires or expressly specified, amounts denominated in RMB have been translated for illustration purposes only, into Hong Kong dollars based on the exchange rate of RMB1 to HK\$1.1960. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in RMB or Hong Kong dollars have been, could have been or may be converted at such or any other rate or at all.*

*Certain amounts and percentage figures set out in this joint announcement have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and the currency conversion or percentage equivalents may not be an arithmetic sum of such figures.*

By order of the board of directors of  
**Beijing Capital Land Ltd.**  
**Lee Sze Wai**  
*Company Secretary*

By order of the board of directors of  
**Beijing Capital Juda Limited**  
**Tang Jun**  
*Chairman*

Hong Kong, 8 June 2016

*As at the date of this joint announcement, the board of BCL comprises Mr. Wang Hao (Chairman) and Mr. Tang Jun (President) as executive directors; Mr. Li Songping, Mr. Song Fengjing, Mr. Shen Jianping and Ms. Sun Baojie as non-executive directors; and Mr. Wang Hong, Mr. Li Wang and Mr. John Wong Yik Chung as independent non-executive directors.*

*As at the date of this joint announcement, the board of the Company comprises Mr. Tang Jun (Chairman) and Mr. Zhong Beichen (Chief Executive Officer) as executive directors; Mr. Wang Hao and Mr. Li Songping as non-executive directors; and Dr. Ngai Wai Fung, Ms. Zhao Yuhong and Mr. He Xiaofeng as independent non-executive directors.*