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## **PROPOSED GRANT OF SPECIFIC MANDATE TO ISSUE NEW SHARES**

Reference is made to the joint announcement of Beijing Capital Juda Limited (the “**Company**”) and Beijing Capital Land Ltd. dated 8 June 2016 (the “**Joint Announcement**”) in connection with, among others, the Acquisition, the Amended Non-Competition Deed, the issue of the CPS, the proposed grant of the Specific Mandate and the proposed grant of a specific mandate in relation to the Placing(s). Reference is also made to the circular of the Company dated even date of this announcement containing details on the above-mentioned transactions (the “**Circular**”). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as defined in the Joint Announcement and the Circular.

### **Specific Placing Mandate relating to Placing(s)**

In order to strengthen the financial position of the Group, to enlarge the shareholder and capital base and to increase the public float of the Company, the Company proposed to seek the approval from the Independent Shareholders at the EGM for the proposed Specific Placing Mandate relating to the Placing(s) for the Board to issue not more than 790 million new Shares, representing (i) not more than approximately 395% of the issued Shares of the Company as at the date of this announcement; and (ii) not more than 30% of the total issued Shares of the Company as enlarged by the conversion of all CPS and Class A Convertible Preference Shares held by BECL Investment and the issuance of the new Shares pursuant to the Placing(s).

Subject to approval by the Independent Shareholders at the EGM of the Acquisition, the Board proposes to seek the grant of the Specific Placing Mandate from the Independent Shareholders at the EGM for the purpose of the Placing(s). The major terms and conditions of the Specific Placing Mandate are as follows:

- (a) to issue not more than 790 million new Shares;
- (b) the placing price will not be at a discount of more than 20% of the higher of:
  - (i) the closing price of the Shares as quoted on the Stock Exchange on the date of signing of the relevant placing agreement; and
  - (ii) the average closing price of the Shares as quoted on the Stock Exchange for five trading days immediately prior to the earlier of:
    - (A) the date of announcement of the Placing(s);
    - (B) the date of the relevant placing agreement; and
    - (C) the date on which the placing price of the Placing(s) is fixed;
- (c) the placing price in any event will not be less than HK\$2.78 per Share which was determined by reference to the closing price of the Shares as quoted on the Stock Exchange on the Latest Practicable Date, which represents:
  - (i) a discount of approximately 5.44% to the closing price of HK\$2.94 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
  - (ii) a discount of approximately 6.08% to the average closing price of approximately HK\$2.96 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Latest Practicable Date; and
  - (iii) a premium of approximately 6.51% to the closing price of HK\$2.61 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (d) the grant of the Specific Placing Mandate is subject to the passing of an ordinary resolution by the Independent Shareholders at the EGM approving such grant;
- (e) the issue of new Shares pursuant to the Specific Placing Mandate will be conditional upon Completion;

- (f) the proposed Specific Placing Mandate is for the period from the passing of the relevant resolution in the EGM up to the earlier of:
  - (i) the date falling three calendar months after the date of the passing of the aforesaid resolution at the EGM; or
  - (ii) the revocation or variation of the authority given under the relevant resolution(s) at the EGM by ordinary resolution(s) of the Independent Shareholders in a general meeting of the Company.

The placing price and the other terms and conditions of the Placing(s) shall be agreed upon by the Company and the placing agent(s) subject to placing agreement(s) to be entered into by the Company.

**Investors should note that as at the date of this announcement, no placing agreement has been signed. Accordingly, the particulars of the Placing(s) are for illustrative purpose only and the actual price per Share and the funds to be raised by the issue of the new Shares under the Placing(s) may be different from the indicative figures as stated in this announcement. Depending on market conditions, the Directors may or may not exercise the proposed Specific Placing Mandate, if granted, to issue the new Shares.**

#### **Reasons for the Placing(s) and proposed use of proceeds**

The proposed issue of the new Shares under the Placing(s), if any, will allow the Company to broaden the capital and shareholder base of the Company by issuing new Shares to strategic and other investors who recognise the value and potentials of the Enlarged Group and are interested in making an investment in the Enlarged Group. The Placing(s) will also enable the increase of the overall liquidity of the Shares and raise capital for the Enlarged Group's future operations. The Company is seeking the Specific Placing Mandate as, based on discussions with potential placing agent(s), that it is not practicable to have a placing agreement signed prior to the despatch of the Circular and this announcement, given the size of the equity fund raising contemplated through the Placing(s) and the requirement of placing agent(s) to minimise the period between pricing and completion of an equity issue.

#### **Proposed use of proceeds**

The actual size of funds to be raised from the Placing(s) will depend upon the number of new Shares to be issued and the placing price.

On the assumption that the new Shares are to be issued at a price of HK\$2.78 per Share under the Placing(s) (being the minimum placing price), the gross proceeds (before deducting the expenses and commission in relation to the Placing(s)) from the issue of 790 million Shares (the maximum Shares that the Company may issue pursuant to the Specific Placing Mandate (if granted)) will be approximately HK\$2,196 million (approximately RMB1,800 million subject to exchange rate fluctuations). Such proceeds shall be applied as follows:

- (a) RMB78 million, representing approximately 4.33% of the gross placing proceeds, will be used towards the payment of development costs incurred in relation to the Outlets Projects as at 31 December 2015 but remain to be paid as at the Latest Practicable Date;
- (b) RMB492 million, representing approximately 27.33% of the gross placing proceeds, will be used towards the payment of development costs (comprising capital expenditure for the construction of phases two of Fangshan Integrated Outlets Project and Kunshan Integrated Outlets Project) and expenses in renovation and leasing for tenants;
- (c) RMB525 million, representing approximately 29.17% of the gross placing proceeds, will be used towards the repayment of certain bank loans of the Target Group;
- (d) RMB525 million, representing approximately 29.17% of the gross placing proceeds, will be used towards the payment of development costs (comprising capital expenditure for the construction of outlets-backed commercial integrated projects of the Enlarged Group in Nanchang, Wuhan and Hangzhou) and expenses in renovation and leasing for tenants; and
- (e) RMB180 million, representing approximately 10.00% of the gross placing proceeds, for the general working capital and activities of the Enlarged Group.

The funding requirements in connection with the Outlets Projects and/or the Target Group referred to in paragraphs (a) to (c) above are expected to be payable within 12 months after Completion and the aggregate proceeds to be applied towards settlement of such funding needs represents approximately 60.83% of the gross placing proceeds. In connection with the Fangshan Integrated Outlets Project, of paragraphs (a) and (b) above, approximately RMB5 million (of the total RMB78 million) is expected to be applied to settle development costs for Phase 1 of the Fangshan Integrated Outlets Project incurred as at 31 December 2015 but remains to be paid as at the date of this announcement, and approximately RMB181 million (of the total RMB492 million) is expected to be applied towards further development costs to be incurred for Phase 2 of the Fangshan Integrated Outlets Project, which is expected to commence construction in the second half of 2016. In connection with the Kunshan Integrated Outlets Project, of paragraphs (a) and (b) above, approximately RMB20 million (of the total RMB78

million) is expected to be applied to settle development costs for Phase I of the Kunshan Integrated Outlets Project incurred as at 31 December 2015 but remains to be paid as at the date of this announcement, and approximately RMB261 million (of the total RMB492 million) is expected to be applied towards further development costs to be incurred for Phase 2 of the Kunshan Integrated Outlets Project, which is expected to complete construction in the fourth quarter of 2016, and a further RMB50 million (of the total RMB492 million) is expected to be applied towards expenses in renovation and leasing for tenants in preparation for opening of business.

In connection with the application of proceeds referred to in paragraph (d) above, the construction of outlet shops and ancillary car-parking facilities in the outlets-backed commercial integrated projects in Nanchang, Wuhan and Hangzhou is currently scheduled to commence in the second half of 2016 and expected to complete in or around September 2017. Of the total RMB525 million, approximately RMB133,900,000, RMB121,500,000 and RMB164,800,000 for each project in Nanchang, Wuhan and Hangzhou, respectively, is expected to be applied towards further development costs payable before completion of construction and approximately RMB35,600,000, RMB28,700,000 and RMB40,500,000 for each project in Nanchang, Wuhan and Hangzhou, respectively, is expected to be applied towards further expenses for renovation and leasing for tenants required in preparation for opening of business in or around the fourth quarter of 2017. Accordingly, given that the Enlarged Group needs to settle such development costs and expenses for opening of business referred to in paragraph (d) above within approximately 12 months from Completion, it is proposed that part of, being approximately 29.17%, of the gross proceeds from the Placing(s) be applied towards settlement of such funding needs.

Subject to prevailing market conditions, the Directors may or may not exercise the proposed Specific Placing Mandate, if granted, to issue new Shares and, where the proposed Placing Specific Mandate is exercised, may issue less than or up to 790 million new Shares. In the event that the Specific Placing Mandate is exercised but not in full or the gross proceeds from the Placing(s) are less than expected, the Directors will consider to adjust the allocation of such proceeds among the above-mentioned purposes. In the event that the Placing(s) does not proceed, the Enlarged Group may satisfy the above capital needs by way of bank or other borrowings. It is currently intended that, subject to the then prevailing market conditions, the Specific Placing Mandate sought will cover new Shares to be issued pursuant to one or more potential Placing(s) to be conducted by the Company. However, all the Placing(s) will be conducted at one single placing price as may be agreed between the Company and the relevant placing agent(s).

### **Possible application for listing**

Upon the grant of the Specific Placing Mandate by the Independent Shareholders, in the event that the Board proceeds to exercise the Specific Placing Mandate to issue the new Shares pursuant to the Placing(s), the Company will apply to the Listing Committee for the listing of and permission to deal in all of the new Shares to be issued and placed pursuant to the Placing(s).

### **Sufficiency of public float**

BECL Investment currently holds the Class A Convertible Preference Shares and will upon Completion, hold the CPS. The conversion by BECL Investment of the Class A Convertible Preference Shares and the CPS, if any, into new Shares, will be subject to the Company meeting the minimum public float requirement under Rule 8.08 of the Listing Rules, taking into account the issue of new Shares for the Placing(s).

Accordingly, if BECL Investment intends to convert the Class A Convertible Preference Shares and the CPS into new Shares, the issue of any such new Shares by the Company to BECL Investment pursuant to the conversion may complete simultaneously at the same time as the issue of new Shares to the placees pursuant to such Placing(s), provided always that the conversion of such number of Class A Convertible Preference Shares and the CPS would not result in the Company's failure to satisfy the minimum public float requirement under Rule 8.08 of the Listing Rules immediately after the issue of the requisite number of new Shares pursuant to the conversion and the new Shares pursuant to the Placing(s). The Company will also ensure that none of the new Shares to be issued pursuant to the Placing(s) will be placed to connected person(s) of the Company and the Company will comply with the public float requirement under Rule 8.08 of the Listing Rules upon completion of the Placing(s) and/or conversion into new Shares by BECL Investment, if any.

**Investors should be aware that the proposed Specific Placing Mandate may or may not be approved by the Independent Shareholders at the EGM. Even if the proposed Specific Placing Mandate are granted to the Board, the Placing(s) may or may not be proceeded with. Investors should therefore exercise caution when dealing in the securities of the Company.**

## Effect of the Acquisition, the issue of the CPS and the Placing(s) on the shareholding structure of the Company

Details of the shareholding structure of the Company as at (i) the date of this announcement, (ii) immediately after Completion but before completion of the Placing(s) (assuming no Class A Convertible Preference Shares or CPS has been converted), (iii) for illustrative purpose only, immediately after Completion and completion of the Placing(s) (assuming no Class A Convertible Preference Shares or CPS has been converted) and (iv) immediately after completion of the Placing(s) (assuming all Class A Convertible Preference Shares and CPS have been converted into Shares), 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 announcement |                                 |  | Immediately after Completion but before completion of the Placing(s) (assuming no Class A Convertible Preference Shares or CPS has been converted) |                                 |  | Immediately after Completion and completion of the Placing(s) (assuming no Class A Convertible Preference Shares or CPS has been converted) (Note 1) |                                 |  | Immediately after completion of the Placing(s) and assuming all Class A Convertible Preference Shares and CPS have been converted into Shares (Note 2) |                                 |
|-----------------|-------------------------------------|---------------------------------|--|--|---------------------------------|--|--|---------------------------------|--|--|---------------------------------|
|                 | 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 | 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  | 130,200,000  | 13.2%                           | 1,644,081,952  | 1,774,281,952  | 67.36%                          |
| BCG             | 19,800,000                          | 9.9%                            | -  | 19,800,000   | 9.9%                            | -  | 19,800,000   | 2.0%                            | -  | 19,800,000   | 0.75%                           |
| Public          | 50,000,000                          | 25.0%                           | -  | 50,000,000   | 25.0%                           | -  | 840,000,000  | 84.8%                           | -  | 840,000,000  | 31.89%                          |
| <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>990,000,000</b>   | <b>100%</b>                     | <b>1,644,081,952</b>   | <b>2,634,081,952</b>   | <b>100%</b>                     |

### Notes:

- The assumption of no conversion of Class A Convertible Preference Shares or CPS is for illustrative purpose only. Subject to sufficiency of public float, the issue of new Shares upon conversion by BECL Investment, if any, of Class A Convertible Preference Shares and CPS and the completion of the Placing(s) are expected to take place simultaneously to the effect that no implications under the Code on Takeovers and Mergers is expected.
- 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.

For details on the proposed Specific Placing Mandate, please also refer to the section headed “Letter from the Board – Proposed Grant of Specific Mandate to Issue New Shares” in the Circular.

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

Hong Kong, 30 June 2016

*As at the date of this 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.*