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CAPITAL  JUDA
BEIJING CAPITAL JUDA LIMITED
首創鉅大有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1329)

**PROPOSED ISSUE OF NEW SHARES AND
PERPETUAL CONVERTIBLE BOND SECURITIES
UNDER SPECIFIC MANDATE**

Financial advisor to the Company

HSBC 

On 25 November 2016, the Company entered into the KKR Subscription Agreement with KKR Subscriber (an Independent Third Party) pursuant to which KKR Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to issue, 95,192,308 KKR Subscription Shares at the Issue Price of HK\$2.10 per Subscription Share and the KKR Subscription PCBS in the principal amount of HK\$420,096,153.

On 25 November 2016, the Company also entered into the SOG Subscription Agreement with SOG Subscriber (an Independent Third Party) pursuant to which SOG Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to issue, 95,192,308 SOG Subscription Shares at the Issue Price of HK\$2.10 per Subscription Share and the SOG Subscription PCBS in the principal amount of HK\$657,594,260.

The gross proceeds from the Subscription will be approximately HK\$1,477 million.

The Company will seek the grant of the Specific Mandate from the Shareholders at the EGM to issue the Subscription Securities and the Conversion Shares.

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

WARNING

The Shareholders and potential investors should be aware that the Subscription Agreements and the transactions contemplated thereunder are subject to the fulfilment of a number of conditions, and consequently the Subscription may or may not proceed.

THE SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD EXERCISE CAUTION WHEN DEALING OR CONTEMPLATING IN DEALING IN THE SHARES OR ANY OTHER SECURITIES OF THE COMPANY.

THE SUBSCRIPTION AGREEMENTS**(a) The KKR Subscription Agreement****Date**

25 November 2016 (after trading hours)

Parties

- (i) the Company as the issuer; and
- (ii) KKR Subscriber as the subscriber.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, KKR Subscriber is an Independent Third Party. KKR Subscriber is a wholly-owned subsidiary of KKR CG Judo, which is in turn wholly-owned by KKR China Growth Fund L.P.. KKR China Growth Fund L.P., an exempted limited partnership organized and existing under the laws of the Cayman Islands, focuses on growth investment opportunities in Greater China and is advised by Kohlberg Kravis Roberts & Co. L.P., which is a subsidiary of KKR & Co. L.P.. The common units of KKR & Co. L.P. are traded on the New York Stock Exchange.

Subject matter

Pursuant to the KKR Subscription Agreement, KKR Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, 95,192,308 KKR Subscription Shares at the Issue Price of HK\$2.10 per Subscription Share and the KKR Subscription PCBS in the principal amount of HK\$420,096,153.

The KKR Subscription Shares represent: (i) approximately 47.6% of the existing issued Shares as at the date of this announcement; (ii) approximately 9.9% of the enlarged issued Shares (as enlarged by the issue of the Subscription Shares upon the Completion and the BCL Initial Conversion which shall take place on the Completion Date).

Consideration

The consideration under the KKR Subscription Agreement shall be HK\$620,000,000. Please refer to the paragraph headed “Use of Proceeds” in this announcement below for the proposed application of the proceeds from the Subscription.

(b) The SOG Subscription Agreement

Date

25 November 2016 (after trading hours)

Parties

- (i) the Company as the issuer; and
- (ii) SOG Subscriber as the subscriber.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of SOG Subscriber and its ultimate beneficial owner(s) is an Independent Third Party.

Subject matter

Pursuant to the SOG Subscription Agreement, SOG Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, 95,192,308 SOG Subscription Shares at the Issue Price of HK\$2.10 per Subscription Share and the SOG Subscription PCBS in the principal amount of HK\$657,594,260.

The SOG Subscription Shares represent: (i) approximately 47.6% of the existing issued Shares as at the date of this announcement; (ii) approximately 9.9% of the enlarged issued Shares (as enlarged by the issue of the Subscription Shares upon the Completion and the BCL Initial Conversion which shall take place on the Completion Date).

Consideration

The consideration under the SOG Subscription Agreement shall be HK\$857,498,107. Please refer to the paragraph headed “Use of Proceeds” in this announcement below for the proposed application of the proceeds from the Subscription.

Conditions precedent under the Subscription Agreements

Completion of each of the KKR Subscription Agreement and the SOG Subscription Agreement is conditional on the fulfillment (or, if applicable, the waiver) of the following conditions precedent:

- (i) approval having been obtained from the Listing Committee for the listing of, and permission to deal in, the Subscription Shares and the Conversion Shares on the Main Board of the Stock Exchange;

- (ii) approvals having been obtained from the Shareholders at the EGM for, inter alia, (a) each of the Subscription Agreements and the transactions contemplated thereunder; (b) the proposed grant of the Specific Mandate and (c) the appointment of two additional non-executive Directors (details of whom will be set out in the Circular) with effect from the Completion Date;
- (iii) no governmental, regulatory or supervisory body, court or arbitral tribunal of competent jurisdiction having enacted, issued, promulgated, enforced or entered any law or order which is then in effect and has the effect of restraining, enjoining, rendering illegal or otherwise prohibiting consummation of the Completion;
- (iv) the warranties given by the Company in the relevant Subscription Agreement remaining true and correct as of the date of the relevant Subscription Agreement and as of the Completion Date as though made on the Completion Date (except for those that address matters only as of a particular date, which need only be true and correct as of such date);
- (v) the Company having performed in all material respects all covenants and obligations required to be performed by it under the relevant Subscription Agreement at or prior to the Completion;
- (vi) approvals having been obtained from the Board for, inter alia, (a) the renaming of the Strategic Committee of the Board as the Investment Committee of the Board and the adoption of the revised terms of reference thereof; (b) the adoption of the revised terms of reference of the Remuneration Committee and the Nomination Committee (as the case may be) of the Board and (c) the appointment of two additional non-executive Directors (details of whom will be set out in the Circular), one of whom shall be a member of the Investment Committee and the Remuneration Committee of the Board and the other of whom shall be a member of the Investment Committee and the Nomination Committee of the Board, in each case with effect from the Completion Date;
- (vii) all necessary licenses, consents, approvals, authorizations, permissions, waivers, notices, orders, exemptions and notifications of relevant governmental or regulatory authorities or bodies, which are required for the execution and performance of the relevant Subscription Agreement or the Completion by the Company having been obtained and not having been revoked prior to the Completion;
- (viii) no event, change, circumstance, effect, development or state of facts shall have occurred that, individually or in the aggregate, has resulted in a material adverse effect on the business, assets, liabilities, properties, operations, condition, cash flows or prospects of the Group;

- (ix) the Company having delivered to the relevant Subscriber a certificate, dated the Completion Date and signed by an authorized signatory of the Company, certifying that the conditions set forth in paragraphs (iv) to (viii) above have been satisfied unless otherwise waived by the relevant Subscriber;
- (x) the warranties given by the relevant Subscriber in the relevant Subscription Agreement remaining true and correct as of the date of the relevant Subscription Agreement and as of the Completion Date as though made on the Completion Date;
- (xi) the relevant Subscriber having performed in all material respects all covenants and obligations required to be performed by it under the relevant Subscription Agreement at or prior to the Completion;
- (xii) the relevant Subscriber having delivered to the Company a certificate, dated the Completion Date and signed by an authorized signatory of the relevant Subscriber, certifying that the conditions set forth in paragraphs (x) to (xi) above have been satisfied unless otherwise waived by the Company;
- (xiii) contemporaneous or prior completion of (i) the Acquisition and (ii) the issuance of the Class B CPS to BECL Investment; and
- (xiv) contemporaneous or prior completion of the other Subscription Agreement.

If any of the abovementioned conditions has not been fulfilled or waived by the Subscribers (in respect of the conditions set out in paragraphs (iv) to (ix), (xiii) and (xiv) above) or waived by the Company (in respect of the conditions set out in paragraphs (x) to (xiii) above) by 31 March 2017 (or such later date as the parties to the relevant Subscription Agreement may agree in writing), the relevant Subscription Agreement may be terminated by either the Company or the relevant Subscriber upon written notice to the other party, provided that such right to terminate the relevant Subscription Agreement shall not be available to any party if the failure of such party to fulfill any obligation under the relevant Subscription Agreement has been the cause of the failure of the Completion to occur on or before 31 March 2017 or such later date as the parties may agree in writing.

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

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

The Issue Price

The Issue Price of HK\$2.10 per Subscription Share represents:

- (i) a discount of approximately 23.91% to the closing price of the Shares of HK\$2.76 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 23.91% 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\$2.76 per Share;
- (iii) a discount of approximately 25.27% 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\$2.81 per Share;
- (iv) a discount of approximately 26.83% 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\$2.87 per Share; and
- (v) a discount of approximately 13.93% to the unaudited 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 30 June 2016.

The Issue Price was determined at after arm's length negotiations between the Company and the Subscribers with reference to, among other things, (i) the closing price of the Shares immediately before the entering into of the Subscription Agreements (being HK\$2.76 per Share); (ii) the unaudited 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 30 June 2016 (being HK\$2.44 per share); (iii) the trading level of comparable real estate companies and retail and department stores companies; (iv) the terms and conditions of the Subscription Agreements; (v) the benefits of the Subscription to the Company in terms of having anchor investments by KKR, a leading global investment firm with rich experience and strong track record in the real estate sector, and Sino-Ocean Group Holding Limited, a leading property developer and operator in the PRC which is able to support the Company's development through its strong network, expertise and resources and (vi) the effects of enhanced corporate profile and investor interest as a result.

The Directors 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.

Lock-up

Pursuant to the Subscription Agreements, each of KKR Subscriber and SOG Subscriber, subject to certain conditions, shall not during the 12-month period from the Completion Date, dispose of, transfer, pledge (except for equitable pledge for bona fide financing subject to certain conditions) or otherwise create encumbrance over any of the Subscription Securities and the Conversion Shares without the Company's prior written consent.

In addition, pursuant to the Subscription Agreements, each of KKR Subscriber and SOG Subscriber shall not sell, transfer or otherwise dispose of any Shares or Subscription PCBS held by it from time to time if such disposal, alone and independent of all other causes, will result in the Company not meeting the minimum public float requirement under Rule 8.08 of the Listing Rules.

Ranking

The Subscription Shares and the Conversion Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue thereof.

Anti-dilution rights

Pursuant to the Subscription Agreements, subject to the Subscribers abstaining from voting on resolutions at general meetings of the Company for approving the grant of general or specific mandates to issue new Shares, each of KKR Subscriber and SOG Subscriber shall, provided that it or its affiliate is a holder of the Shares and only to the extent of the Shares it shall hold from time to time, have the right to participate on a pro-rata basis in any future issuance of new equity securities of the Company (excluding (i) any new Shares to be issued upon conversion of the Class A CPS, the Class B CPS and the Subscription PCBS and (ii) any share options granted or to be granted to the Directors and/or employees of the Company pursuant to the existing share option scheme adopted by the Company on 14 March 2012 and any new Shares to be issued upon the exercise of such share options). For the avoidance of doubt, the Subscribers shall not have any additional pro-rata entitlement beyond which they are otherwise entitled where all Shareholders have pro-rata rights in a further issuance of equity securities of the Company, including (i) any bonus issue to all Shareholders on a pro-rata basis, (ii) rights issue and (iii) any scrip dividends.

PRINCIPAL TERMS OF THE SUBSCRIPTION PCBS

The principal terms of the Subscription PCBS are summarised as follows:

Issuer: the Company

Aggregate principal amount: HK\$1,077,690,413

Issue price:	100% of the principal amount of the Subscription PCBS, payable by the Subscribers in full in HK\$ at the Completion
Conversion rights:	Holders of the Subscription PCBS shall have the right to convert all or part of Subscription PCBS into Conversion Shares at any time after the issuance of the Subscription PCBS, subject to the provisions in the Subscription Agreements and other agreements and documents contemplated therein and provided that the conversion would not result in the Company not meeting the minimum public float requirement under Rule 8.08 of the Listing Rules
Conversion Price:	HK\$2.10 per Conversion Share, subject to customary adjustments
Number of Conversion Shares issuable:	513,185,911 Conversion Shares will be issued upon full conversion of the Subscription PCBS based on the initial Conversion Price of HK\$2.10
Maturity:	The Subscription PCBS are perpetual convertible securities in respect of which there is no fixed redemption date
Redemption:	The Company may elect to redeem the outstanding principal of the Subscription PCBS after 30 years following the date of issue
Interest payment:	Holders of the Subscription PCBS are entitled to receive interest payment at a rate of 0.01% per annum on the outstanding principal of the Subscription PCBS, payable annually in arrear in cash. The Company may, in its sole discretion, elect to defer the interest payment with no interest accrued thereon but the Company shall not pay any dividends, distributions or make any other payment on any Shares, Class A CPS and Class B CPS or other share capital of the Company unless at the same time it pays to the holders of the Subscription PCBS any deferred or unpaid payment. Each such interest payment is non-cumulative

Additional variable interest:	Holders of the Subscription PCBS shall have the right to receive, in addition to the interest payment, additional variable interest representing any dividend or distribution paid to the holders of the Class A CPS and the Class B CPS (on an as converted basis) (excluding the preferred distribution payable to the holders of the Class B CPS), the Shares or other share capital of the Company on the basis of the number of Conversion Share(s) into which the outstanding principal of the Subscription PCBS may be converted and on an as fully-converted basis
Priority of re-payment upon liquidation:	Holders of the Subscription PCBS shall have priority over holders of the Shares, the Class A CPS and the Class B CPS in re-payment upon liquidation, winding-up or dissolution of the Company
Status:	The Subscription PCBS constitute direct, unsubordinated, unconditional and unsecured obligations of the Company with no fixed maturity or redemption date and will at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Company under the Subscription PCBS will, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations
Voting rights:	Holders of the Subscription PCBS are not entitled to vote at any general meetings of the Company by reason only of it being a holder of such Subscription PCBS
Listing:	No listing will be sought for the Subscription PCBS 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, and permission to deal in, the Conversion Shares

THE CONVERSION SHARES

Assuming full conversion of the Subscription PCBS at the initial Conversion Price of HK\$2.10 per Conversion Share, the Subscription PCBS will be convertible into a maximum of 513,185,911 Conversion Shares.

The Conversion Shares will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date.

THE CONVERSION PRICE

The initial Conversion Price of HK\$2.10 per Conversion Share was arrived at after arm's length negotiation between the Company and the Subscribers with reference to, among other things, (i) the closing price of the Shares immediately before the entering into of the Subscription Agreements (being HK\$2.76 per Share); (ii) the unaudited 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 30 June 2016 (being HK\$2.44 per share); (iii) the trading level of comparable real estate companies and retail and department stores companies; (iv) the terms and conditions of the Subscription Agreements; (v) the benefits of the Subscription to the Company in terms of having anchor investments by KKR, a leading global investment firm with rich experience and strong track record in the real estate sector, and Sino-Ocean Group Holding Limited, a leading property developer and operator in the PRC which is able to support the Company's development through its strong network, expertise and resources and (vi) the effects of enhanced corporate profile and investor interest as a result.

The initial Conversion Price of HK\$2.10 per Conversion Share represents:

- (i) a discount of approximately 23.91% to the closing price of the Shares of HK\$2.76 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 23.91% 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\$2.76 per Share;
- (iii) a discount of approximately 25.27% 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\$2.81 per Share;
- (iv) a discount of approximately 26.83% 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\$2.87 per Share; and
- (v) a discount of approximately 13.93% to the unaudited 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 30 June 2016.

CONVERSION AND LOCK-UP FOR BCL

In support of the anchor investment by KKR Subscriber and SOG Subscriber in the Company, BCL, as the controlling Shareholder, has agreed with the Subscribers in connection with the Subscription the following:

(1) **BCL Initial Conversion**

Subject to the Completion, BECL Investment shall on the Completion Date exercise its conversion rights and convert an aggregate of 571,153,846 Class A CPS and/or Class B CPS in accordance with the terms and conditions of the relevant subscription agreement entered into by the Company.

(2) **Sharing of conversion headroom after the BCL Initial Conversion**

Each of the scenarios below shall be subject to two restrictions:

- (i) each of BECL Investment, KKR Subscriber and SOG Subscriber shall not exercise its conversion rights (or any part thereof) if, immediately following the conversion of the Class A CPS, the Class B CPS and/or the Subscription PCBS (as the case may be), the Company will fail to meet the minimum public float requirement under Rule 8.08 of the Listing Rules; and
- (ii) SOG Subscriber and KKR Subscriber shall not, subject to certain conditions, convert the Subscription PCBS if and to the extent that such conversion(s) by SOG Subscriber and/or KKR Subscriber will result in the sum of the holding of Shares by BECL Investment and BCG and any Shares transferred by BECL Investment or BCG to fall below 57% of the total number of issued Shares at such time as enlarged by such conversion(s).

(a) *Conversion headroom created by KKR Subscriber*

Following the Completion and the BCL Initial Conversion which shall take place on the Completion Date, if any conversion headroom is created by KKR Subscriber transferring the Shares it may hold from time to time (the “**KKR Sale Shares**”) to any person(s) (who or which are not connected person(s) of the Company), for so long as KKR Subscriber holds any outstanding principal of the KKR Subscription PCBS:

- (i) KKR Subscriber shall have the right to convert such portion of the KKR Subscription PCBS (the “**KKR Conversion**”) to fully take up the conversion headroom created by the transfer of the KKR Sale Shares, the KKR Conversion and the SOG Conversion (as defined below), as adjusted to take into account paragraph (ii) below; and

- (ii) SOG Subscriber shall have the right to convert such portion of the SOG Subscription PCBS (the “**SOG Conversion**”), so that the aggregate number of Shares which SOG Subscriber shall hold upon the completion of the KKR Conversion and the SOG Conversion shall represent 9.9% of the total issued Shares as enlarged by the KKR Conversion and the SOG Conversion.

(b) *Conversion headroom created by SOG Subscriber*

Following the Completion and the BCL Initial Conversion which shall take place on the Completion Date, if any conversion headroom is created by SOG Subscriber transferring the Shares it may hold from time to time (the “**SOG Sale Shares**”) to any person(s) (who or which are not connected person(s) of the Company), SOG Subscriber shall have the right to convert such portion of the SOG Subscription PCBS to fully take up the conversion headroom created by the transfer of the SOG Sale Shares and such conversion by SOG Subscriber, subject to and provided that for so long as KKR Subscriber holds any outstanding principal of the KKR Subscription PCBS, SOG Subscriber shall not exercise its conversion rights with respect to the SOG Subscription PCBS if such conversion will result in SOG Subscriber’s holding of Shares exceeding 9.9% of the total issued Shares as enlarged by such conversion or that the holding of Shares by SOG Subscriber would otherwise not be counted towards the public float of the Company. Such restriction on SOG Subscriber will cease to have effect in the event that KKR Subscriber no longer holds any outstanding principal of the KKR Subscription PCBS.

In the event that any excess conversion headroom remains following SOG Subscriber’s exercise of its conversion rights, each of BECL Investment and KKR Subscriber may exercise its conversion rights to take up such excess conversion headroom in equal shares.

(c) *Conversion headroom created otherwise than by the Subscribers*

If any conversion headroom is created otherwise than by the Subscribers transferring their Shares to any person(s) who or which are not connected person(s) of the Company:

- (i) subject to compliance with the Listing Rules by BCL, BECL Investment shall have the right to exercise its conversion rights to convert up to such number of Class A CPS and/or Class B CPS to take up one-third of the conversion headroom so created;
- (ii) KKR Subscriber shall have the right to exercise its conversion rights to convert up to such portion of the KKR Subscription PCBS to take up one-third of the conversion headroom so created; and

- (iii) SOG Subscriber shall have the right to exercise its conversion rights to convert up to such portion of the SOG Subscription PCBS to take up the remaining one-third of the conversion headroom so created,

and where if any of BECL Investment, KKR Subscriber or SOG Subscriber elects not to, or is otherwise unable to, fully take up its share of the conversion headroom, the remaining party(ies) may exercise its conversion rights to take up such untaken conversion headroom in equal shares, provided that, so long as KKR Subscriber holds any KKR Subscription PCBS, the number of Class A CPS and/or Class B CPS to be converted by BECL Investment upon each exercise of its conversion rights shall not exceed the number of Conversion Shares to be issued upon each exercise by KKR Subscriber of its conversion rights under paragraph (ii) above (save and except where the sum of holding of Shares by BECL Investment and BCG has fallen below 57% of the total issued Shares, in which case and from then onwards the aforesaid restriction shall cease to apply to any exercise of conversion rights by BECL Investment until the sum of the holding of Shares by BECL Investment and BCG equals 57% or more of the then total issued Shares).

(3) Lock-up

BCL has agreed not to, during the 12-month period from the Completion Date, sell, transfer or otherwise dispose of any of the Shares, Class A CPS or Class B CPS held by it without having obtained the Subscribers' prior written consent, which, for the avoidance of doubt, shall not restrict BECL Investment from exercising its conversion rights in any Class A CPS and/or Class B CPS.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

KKR is a leading global investment firm that manages investments across multiple asset classes and has extensive experience and strong track record in the real estate sector. Sino-Ocean Group Holding Limited, the ultimate holding company of SOG Subscriber, on the other hand, is a leading property developer and investor in the PRC which has a multi-regional and diversified portfolio of properties located in key economic regions in the PRC.

The Board considers that while the Subscription will raise funds for financing the Group's capital expenditure for the development and operation of its outlet-backed commercial integrated projects (please refer to the paragraph headed "Use of Proceeds" in this announcement below for the proposed use of proceeds from the Subscription), broaden the capital and shareholder base of the Company and increase the overall liquidity of the Shares, the Subscription also represents an invaluable opportunity for the Company to introduce two renowned and reputable investors with strong financial resources and extensive business network as its Shareholders which will bring along strategic benefits and synergies to support the development of the Company's business by, among other things, sharing of property management experience, market data and

insights with respect to property and project management. In addition, the Board believes that the anchor investment by KKR Subscriber and SOG Subscriber in the Company will also uplift the reputation of, and enhance investors' confidence and interest in, the Group and thus facilitate future equity and debt market financing of the Company.

Having regard to the reasons for and benefits of the Subscription, the Board is of the view that the Subscription is in the interests of the Company and the Shareholders as a whole. The Board also considers that the terms of the Subscription Agreements, which have been reached after arm's length negotiations among the parties, and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The aggregate gross proceeds from the Subscription will be approximately HK\$1,477 million (equivalent to approximately RMB1,314 million), which will be applied by the Group to satisfy its capital expenditure and other expenses, payable within 12 months after the Completion, for the outlet-backed commercial integrated projects in Beijing (phase two of the Fangshan Integrated Outlets Project), Kunshan (phase two of the Kunshan Integrated Outlets Project), Nanchang, Hangzhou, Wuhan, Zhengzhou, Jinan, Xi'an and Hefei (the "**Relevant Projects**") as follows:

- (i) RMB929 million, representing approximately 71% of the gross proceeds, will be used towards the payment of development costs incurred or to be incurred for the Relevant Projects;
- (ii) RMB185 million, representing approximately 14% of the gross proceeds, will be used towards the repayment of certain bank loans in relation to the Relevant Projects; and
- (iii) RMB200 million, representing approximately 15% of the gross proceeds, will be used towards expenses in renovation and leasing for tenants for the commencement of operation of the Relevant Projects.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

Save as disclosed below, the Company had not conducted any other equity fund raising activities in the past 12 months immediately preceding the date of this announcement:

Date of announcement	Fund raising activity	Proceeds raised	Proposed use of the proceeds	Actual use of the proceeds
8 June 2016	Issue and allotment of 905,951,470 Class B CPS to BECL Investment at HK\$2.78 per share (<i>Note</i>)	HK\$2,518,545,086	Partial settlement of the consideration payable by the Company for the Acquisition	Completion of the Acquisition has not taken place as at the date of this announcement

Note: As at the date of this announcement, this transaction has not yet been completed.

EFFECT OF THE SUBSCRIPTION AND THE BCL INITIAL CONVERSION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Acquisition; (iii) immediately after the Completion and the BCL Initial Conversion; and (iv) for illustrative purposes only, immediately after the Completion and full conversion of all of the Class A CPS, the Class B CPS and the Subscription PCBS (at the initial Conversion Price of HK\$2.10), in each case 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:

	As at the date of this announcement			Immediately after completion of the Acquisition			Immediately after the Completion and the BCL Initial Conversion			Immediately after the Completion and full conversion of all Class A CPS, Class B CPS and the Subscription PCBS (at the initial Conversion Price of HK\$2.10) (for illustration only) (<i>Note</i>)	
	No. of Shares held	Approx. % of total issued Shares	No. of Class A CPS held	No. of Shares held	Approx. % of total issued Shares	No. of Class A CPS and Class B CPS held	No. of Shares held	Approx. % of total issued Shares	No. of Class A CPS and Class B CPS held	No. of Shares held	Approx. % of total issued Shares
BCL	130,200,000	65.1%	738,130,482	130,200,000	65.1%	1,644,081,952	701,353,846	72.9%	1,072,928,106	1,774,281,952	69.6%
BCG	19,800,000	9.9%	-	19,800,000	9.9%	-	19,800,000	2.1%	-	19,800,000	0.8%
SOG Subscriber	-	-	-	-	-	-	95,192,308	9.9%	-	408,332,432	16.0%
KKR Subscriber	-	-	-	-	-	-	95,192,308	9.9%	-	295,238,095	11.6%
Existing public	50,000,000	25.0%	-	50,000,000	25.0%	-	50,000,000	5.2%	-	50,000,000	2.0%
Total	200,000,000	100%	738,130,482	200,000,000	100%	1,644,081,952	961,538,462	100%	1,072,928,106	2,547,652,479	100%

Note: This represents the shareholding structure of the Company upon the Completion and assuming full conversion of all of the Class A CPS and the Class B CPS (on a conversion ratio of 1:1) and the Subscription PCBS (at the initial Conversion Price of HK\$2.10). This is for illustration purposes only and does not reflect the actual shareholding structure of the Company upon the Completion as the exercise of the conversion rights attaching to the Class A CPS, the Class B CPS and the Subscription PCBS is subject to the Company meeting the minimum public float requirement under Rule 8.08 of the Listing Rules and the arrangements set forth under the paragraph headed “Conversion and Lock-up for BCL – Sharing of conversion headroom after the BCL Initial Conversion” in this announcement.

INFORMATION ON THE GROUP

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 a focus on the development of outlet-backed commercial integrated projects and commercial property projects in selected cities in the PRC.

INFORMATION ON THE SUBSCRIBERS

KKR Subscriber is a wholly-owned subsidiary of KKR CG Judo, which is in turn wholly-owned by KKR China Growth Fund L.P.. KKR China Growth Fund L.P., an exempted limited partnership organized and existing under the laws of the Cayman Islands, focuses on growth investment opportunities in Greater China and is advised by Kohlberg Kravis Roberts & Co. L.P., which is a subsidiary of KKR & Co. L.P.. The common units of KKR & Co. L.P. are traded on the New York Stock Exchange. KKR, headquartered in New York, the United States, is a global investment firm that manages investments across multiple asset classes, including private equity, energy, infrastructure, real estate, credit strategies and hedge funds.

SOG Subscriber is a company incorporated under the laws of the British Virgin Islands with limited liability, and is an indirect wholly-owned subsidiary of Sino-Ocean Group Holding Limited whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 3377). Sino-Ocean Group Holding Limited is one of the leading property developers with developments in key economic regions in the PRC and it focuses on developing mid- to high-end residential properties, high-end office premises and retail properties. SOG Subscriber is principally engaged in investment holding.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of KKR Subscriber and SOG Subscriber is an Independent Third Party.

INFORMATION ON BCL

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, outlet-backed integrated properties and urban core integrated complexes, complemented by innovative business areas such as primary land development and high-tech industry properties.

THE EGM

The EGM will be convened for the Shareholders to consider and, if thought fit, to approve, among other things, (i) the Subscription Agreements and the transactions contemplated thereunder; (ii) the grant of the Specific Mandate and (iii) the appointment of two additional non-executive Directors (details of whom will be set out in the Circular). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder will be required to abstain from voting at the EGM.

A Circular containing, among other things, (i) further information on the Subscription Agreements and the Specific Mandate and (ii) a notice of the EGM and a form of proxy will be despatched to the Shareholders on or around 5 December 2016.

WARNING

The Shareholders and potential investors should be aware that the Subscription Agreements and the transactions contemplated thereunder are subject to the fulfilment of a number of conditions, and consequently the Subscription may or may not proceed.

THE SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD EXERCISE CAUTION WHEN DEALING OR CONTEMPLATING IN DEALING IN THE SHARES OR ANY OTHER SECURITIES OF THE COMPANY.

DEFINITIONS

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

“Acquisition”	has the meaning given to it in the June Announcement
“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 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 Initial Conversion”	the conversion of 571,153,846 Class A CPS and/or Class B CPS by BECL Investment on the Completion Date
“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
“Board”	the board of Directors
“Circular”	the circular to be sent to the Shareholders in relation to the EGM containing, among other things, details of the Subscription and the proposed grant of the Specific Mandate
“Class A CPS”	the 738,130,482 existing limited-voting non-redeemable convertible preference shares of par value HK\$0.01 each in the share capital of the Company which, upon the Re-designation and Re-classification becoming effective, will be re-designated and re-classified as Class A limited-voting non-redeemable convertible preference shares of par value HK\$0.01 each in the share capital of the Company, and Class A CPS shall refer to any one of them
“Class B 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 to be allotted and issued to BECL Investment and, upon the Re-designation and Re-classification becoming effective, be designated as Class B limited-voting non-redeemable convertible preference shares of par value HK\$0.01 each in the share capital of the Company, and Class B CPS shall refer to any one of them

“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 Subscription in accordance with the terms and conditions of the Subscription Agreements
“Completion Date”	the date on which the Completion takes place
“Conversion Price”	the price per Share at which the Subscription PCBS are convertible into Shares, which initially is HK\$2.10 per Share, subject to customary adjustments
“Conversion Shares”	new Shares to be issued upon conversion of the Subscription PCBS
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, to approve, inter alia, (i) the Subscription Agreements and the transactions contemplated thereunder; (ii) the grant of the Specific Mandate and (iii) the appointment of two additional non-executive Directors (details of whom will be set out in the Circular)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	independent third party not connected with the Company or its connected persons, having the meaning ascribed to such term under the Listing Rules
“Issue Price”	HK\$2.10 per Subscription Share
“June Announcement”	the joint announcement dated 8 June 2016 of the Company and BCL in relation to, among other things, the Acquisition
“KKR”	KKR & Co. L.P. and its affiliates

“KKR Subscriber”	KKR CG Judo Outlets, an exempted company incorporated in the Cayman Islands and an Independent Third Party
“KKR Subscription Agreement”	the subscription agreement dated 25 November 2016 and entered into between the Company and KKR Subscriber for the subscription of the KKR Subscription Shares and the KKR Subscription PCBS
“KKR Subscription PCBS”	the 0.01% unsecured HK\$ settled perpetual convertible bond securities in the principal amount of HK\$420,096,153 to be issued by the Company to KKR Subscriber pursuant to the KKR Subscription Agreement
“KKR Subscription Shares”	95,192,308 new Shares to be allotted and issued by the Company to KKR Subscriber pursuant to the KKR Subscription Agreement, and KKR Subscription Share shall refer to any one of them
“Last Trading Day”	24 November 2016, being the last full trading day for the Shares before the date of this announcement
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Re-designation and Re-classification”	the re-designation and re-classification of the authorised share capital of the Company in the manner as set out in ordinary resolution no. 2(b) of the notice of extraordinary general meeting of the Company dated 30 June 2016, which has been approved by the Shareholders at the extraordinary general meeting of the Company held on 18 July 2016 and shall take effect immediately before the issue and allotment of the Class B CPS by the Company to BECL Investment
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“SOG Subscriber”	Smart Win Group Limited, a company incorporated in the British Virgin Islands with limited liability and an Independent Third Party
“SOG Subscription Agreement”	the subscription agreement date 25 November 2016 and entered into between the Company and SOG Subscriber for the subscription of the SOG Subscription Shares and the SOG Subscription PCBS
“SOG Subscription PCBS”	the 0.01% unsecured HK\$ settled perpetual convertible bond securities in the principal amount of HK\$657,594,260 to be issued by the Company to SOG Subscriber pursuant to the SOG Subscription Agreement
“SOG Subscription Shares”	95,192,308 new Shares to be allotted and issued by the Company to SOG Subscriber pursuant to the SOG Subscription Agreement, and SOG Subscription Share shall refer to any one of them
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM to allot and issue the Subscription Securities and the Conversion Shares (as the case may be)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	KKR Subscriber and SOG Subscriber, and Subscriber shall refer to any one of them
“Subscription”	the subscription by KKR Subscriber for the KKR Subscription Shares and the KKR Subscription PCBS pursuant to the KKR Subscription Agreement and the subscription by SOG Subscriber for the SOG Subscription Shares and the SOG Subscription PCBS pursuant to the SOG Subscription Agreement
“Subscription Agreements”	the KKR Subscription Agreement and the SOG Subscription Agreement, and Subscription Agreement shall refer to any one of them

“Subscription PCBS”	the KKR Subscription PCBS and the SOG Subscription PCBS
“Subscription Securities”	the Subscription Shares and the Subscription PCBS
“Subscription Shares”	the KKR Subscription Shares and the SOG Subscription Shares, and Subscription Share shall refer to any one of them
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

In this 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.

Certain amounts and percentage figures set out in this 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
Beijing Capital Juda Limited
Lee Sze Wai
Company Secretary

Hong Kong, 25 November 2016

As at the date of this announcement, the Board 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.