
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Beijing Capital Juda Limited**, you should at once hand this circular to the purchaser or transferee, or to the bank, stockbroker or other agent through which the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company and is being provided to you solely for the purposes of considering the resolutions to be voted on at the EGM to be held on Monday, 19 December 2016.

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)

- (1) PROPOSED ISSUE OF NEW SHARES AND PERPETUAL CONVERTIBLE
BOND SECURITIES UNDER SPECIFIC MANDATE**
(2) PROPOSED GRANT OF SPECIFIC MANDATE
**(3) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTORS
AND**
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial advisor to the Company

HSBC 

Capitalised terms used in this cover page have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 6 to 25 of this circular.

A notice convening the EGM to be held at 10:00 a.m., on Monday, 19 December 2016, at 1804D, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy does not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so desire and, in such event, the instrument appointing a proxy will be deemed to be revoked.

2 December 2016

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DEFINITIONS

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

“Acquisition”	has the meaning given to it in the VSA Announcement
“Announcement”	the announcement dated 25 November 2016 of the Company in relation to, among other things, the Subscription
“Articles”	the articles of association of the Company adopted on 14 March 2012, as may be amended from time to time
“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
“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 refers to any one of them

DEFINITIONS

“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 refers 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 are set out in the appendix to this circular)
“Fangshan Integrated Outlets Project”	has the meaning given to it in the VSA Announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huzhou Integrated Outlets Project”	has the meaning given to it in the VSA Announcement
“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

DEFINITIONS

“Issue Price”	HK\$2.10 per Subscription Share
“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 refers to any one of them
“Kunshan Integrated Outlets Project”	has the meaning given to it in the VSA Announcement
“Latest Practicable Date”	30 November 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“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 circular, 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

DEFINITIONS

“Relevant Projects”	Fangshan Integrated Outlets Project, Huzhou Integrated Outlets Project, Kunshan Integrated Outlets Project and the outlet-backed commercial integrated projects of the Group in Nanchang, Hangzhou and Wuhan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option Scheme”	the existing share option scheme adopted by the Company on 14 March 2012, as may be amended from time to time
“Sino-Ocean”	Sino-Ocean Group Holding Limited
“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 dated 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 refers 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 refers to any one of them

DEFINITIONS

“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 refers 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 refers to any one of them
“VSA Announcement”	the joint announcement dated 8 June 2016 of the Company and BCL in relation to, among other things, the Acquisition
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

In this circular, 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)” 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 circular 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.

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. TANG Jun (*Chairman*)
Mr. ZHONG Beichen (*Chief Executive Officer*)

Non-executive Directors:

Mr. WANG Hao
Mr. LI Songping

Independent non-executive Directors:

Dr. NGAI Wai Fung
Ms. ZHAO Yuhong
Mr. HE Xiaofeng

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal place of business

in Hong Kong:
Suites 2906-08
AIA Central
1 Connaught Road Central
Hong Kong

2 December 2016

*To the Shareholders and for information only,
the holder of convertible preference shares*

Dear Sir or Madam,

**(1) PROPOSED ISSUE OF NEW SHARES AND PERPETUAL CONVERTIBLE
BOND SECURITIES UNDER SPECIFIC MANDATE
(2) PROPOSED GRANT OF SPECIFIC MANDATE
(3) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTORS
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement. On 25 November 2016, the Company entered into the KKR Subscription Agreement with KKR Subscriber (an Independent Third Party) pursuant to which KKR 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 the terms and conditions set out therein. On 25 November 2016, the Company also entered into the SOG Subscription Agreement with SOG Subscriber

LETTER FROM THE BOARD

(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 on the terms and conditions set out therein. The aggregate gross proceeds from the Subscription will be approximately HK\$1,477 million and the net proceeds from the Subscription is expected to be approximately HK\$1,442 million (equivalent to approximately RMB1,280 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 Relevant Projects. Please refer to the paragraph headed “Proposed use of proceeds” in this circular below for further details.

The purpose of this circular is to provide you with (i) further details of the Subscription Agreements and the transactions contemplated thereunder; (ii) further details of the proposed appointment of two additional non-executive Directors; (iii) other information as required to be disclosed under the Listing Rules; and (iv) notice of the EGM.

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.

LETTER FROM THE BOARD

The KKR Subscription Shares represent (i) approximately 47.6% of the existing issued Shares as at the Latest Practicable Date and (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 will 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 “Proposed use of proceeds” in this circular 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 Latest Practicable Date and (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 will 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 “Proposed use of proceeds” in this circular below for the proposed application of the proceeds from the Subscription.

LETTER FROM THE BOARD

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) approval 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 are set out in the appendix to this 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 are set out in the appendix to this 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;

LETTER FROM THE BOARD

- (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 relevant Subscriber (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 of the relevant Subscription Agreement to occur on or before 31 March 2017 or such later date as the parties may agree in writing.

In respect of the conditions set out in paragraphs (iv) to (xii) above, in the event that they are not satisfied prior to the completion of the relevant Subscription Agreement, the relevant Subscriber or the Company (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 Subscription.

LETTER FROM THE BOARD

In respect of the condition set out in paragraph (xiii) above, any waiver of such condition is a matter of commercial decision of the Subscribers and the Company. However, as at the Latest Practicable Date, the mutual intention of the Subscribers and the Company is not to waive such condition as the commercial rationale for the Subscribers to make investment in the Company is primarily the recognition of the potential of the Company's business as a whole, which includes the three outlet-backed commercial integrated projects to be acquired by the Company pursuant to the Acquisition. As at the Latest Practicable Date, the completion of the Acquisition and the issuance of the Class B CPS to BECL Investment is subject to and pending completion of registration of property rights and stated-owned assets appraisal procedures of the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality. Based on the current circumstances, the completion of the Acquisition and the issuance of the Class B CPS to BECL Investment is expected to take place on or before 31 December 2016.

In respect of the condition set out in paragraph (xiv) above, the intention of the Subscribers is that such condition is not to be waived.

The reason for the 3-month period between the date of the EGM and the long stop date for the Completion (i.e. 31 March 2017) is to allow flexibility for the Subscribers to fulfill their respective capital call requirements and for the completion of the Acquisition and the issuance of the Class B CPS to take place on or before the Completion. Nevertheless, the current intention of the parties to the Subscription Agreements is to complete the Subscription on or before 31 December 2016.

As at the Latest Practicable Date, save for the condition set out in paragraph (vi) above which has been satisfied, none of the other conditions have been satisfied, and the parties to the respective Subscription Agreement are not aware of any facts or circumstances that will render the conditions set out in paragraphs (iii), (iv), (viii) and (x) above not to be fulfilled upon the Completion.

Completion of the Subscription

Completion of the Subscription will take place on the first business day after the date on which the last of the conditions precedent to the Subscription Agreements is fulfilled or waived (or such other dates as the parties thereto may agree), provided that the Completion Date will be no earlier than 28 December 2016.

Specific Mandate

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

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 Subscription Shares and the Conversion Shares.

LETTER FROM THE BOARD

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 HK\$2.76 per Share as quoted on the Stock Exchange on the last trading day prior to the date of the Subscription Agreements;
- (ii) a discount of approximately 23.91% to the average closing price of approximately HK\$2.76 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Subscription Agreements;
- (iii) a discount of approximately 25.27% to the average closing price of approximately HK\$2.81 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to the date of the Subscription Agreements;
- (iv) a discount of approximately 26.83% to the average closing price of approximately HK\$2.87 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to the date of the Subscription Agreements;
- (v) a discount of 25% to the closing price of HK\$2.80 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) 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, 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 (including the independent non-executive Directors) consider that the terms of the Subscription Agreements are on normal commercial terms and that such terms and the Issue Price are fair and reasonable and are in the interests of the Company and the Shareholders as a whole based on current market conditions.

LETTER FROM THE BOARD

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 Share Option Scheme 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

LETTER FROM THE BOARD

Conversion rights:	Holders of the Subscription PCBS shall have the right to convert all or part of the Subscription PCBS into the 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 that in the event of an alteration to the nominal value of the Shares as a result of consolidation, subdivision, reclassification or similar transaction, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to such alteration by a fraction equal to (i) the nominal amount of one Share immediately after such alteration, divided by (ii) the nominal amount of one Share immediately prior to such alteration
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

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

THE CONVERSION PRICE

The initial Conversion Price of HK\$2.10 per Conversion Share was arrived 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, 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 HK2.10 per Conversion Share represents:

- (i) a discount of approximately 23.91% to the closing price of HK\$2.76 per Share as quoted on the Stock Exchange on the last trading day prior to the date of the Subscription Agreements;
- (ii) a discount of approximately 23.91% to the average closing price of approximately HK\$2.76 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Subscription Agreements;
- (iii) a discount of approximately 25.27% to the average closing price of approximately HK\$2.81 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to the date of the Subscription Agreements;
- (iv) a discount of approximately 26.83% to the average closing price of approximately HK\$2.87 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to the date of the Subscription Agreements;
- (v) a discount of 25% to the closing price of HK\$2.80 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) 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.

LETTER FROM THE BOARD

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 on 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

LETTER FROM THE BOARD

- (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 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 the 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 the Class A CPS and/or the 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,

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and 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/their 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 the Class A CPS and/or the 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 respect of 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, 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 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 "Proposed use of proceeds" in this circular below for the proposed application of the proceeds from the Subscription), broaden the capital and shareholder base of the Company and by (i) increasing the number of issued Shares upon the allotment of the KKR Subscription Shares and the SOG Subscription Shares (both of which count towards the public float of the Company) upon the Completion, (ii) further increasing the number of issued Shares upon conversion(s) of the KKR Subscription PCBS and the SOG Subscription PCBS, and (iii) allowing the BCL Initial Conversion and accordingly improving the Shares-to-CPS ratio of the Company, 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.

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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.

PROPOSED USE OF PROCEEDS

The aggregate gross proceeds from the Subscription will be approximately HK\$1,477 million and the net proceeds from the Subscription is expected to be approximately HK\$1,442 million (equivalent to approximately RMB1,280 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 Relevant Projects as follows:

- (i) RMB800 million, representing approximately 63% of the net 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 net proceeds, will be used towards the repayment of certain bank loans in relation to the Relevant Projects;
- (iii) RMB200 million, representing approximately 16% of the net proceeds, will be used towards expenses for renovation and leasing for tenants for the commencement of operation of the Relevant Projects; and
- (iv) RMB95 million, representing approximately 7% of the net proceeds, for the general working capital and activities of the Group.

In connection with the application of proceeds referred to in paragraph (i) above, of the total RMB800 million, approximately RMB150 million, RMB200 million, RMB150 million, RMB150 million and RMB150 million is expected to be applied towards the payment of development costs payable within 12 months after the Completion for phase two of the Fangshan Integrated Outlets Project, phase two of the Kunshan Integrated Outlets Project and each of the outlet-backed commercial integrated projects of the Group in Nanchang, Hangzhou and Wuhan, respectively.

In connection with the application of proceeds referred to in paragraph (ii) above, of the total RMB185 million, approximately RMB90 million, RMB65 million and RMB30 million will be used to settle repayment instalments of bank loans in respect of the Fangshan Integrated Outlets Project, the Kunshan Integrated Outlets Project and the Huzhou Integrated Outlets Project, in each case due to be repaid by December 2017.

In connection with the application of proceeds referred to in paragraph (iii) above, of the total RMB200 million, approximately RMB35 million, RMB55 million, RMB55 million and RMB55 million will be applied towards expenses for renovation and leasing for tenants required in preparation for opening of business and commencement of operation for phase 2 of the Kunshan Integrated Outlets Project and each of the outlet-backed commercial integrated projects of the Group in Nanchang, Hangzhou and Wuhan, respectively. Phase 2 of the Kunshan Integrated Outlets Project will open in the first half of 2017. Each of the outlet-backed commercial integrated projects in Nanchang, Hangzhou and Wuhan is currently expected to commence business in the second half of 2017.

The net issue price per Subscription Share and Conversion Share is approximately HK\$2.05.

LETTER FROM THE BOARD

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 Latest Practicable Date:

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 Latest Practicable Date

Note: As at the Latest Practicable Date, this transaction has not yet been completed.

As at the Latest Practicable Date, save as disclosed above and other than the Subscription, the Company did not have any concrete plan to conduct further equity fund raising activities.

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 Latest Practicable Date; (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 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:

	As at the Latest Practicable Date		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 held	No. 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	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%
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 circular.

LETTER FROM THE BOARD

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 indirectly wholly-owned subsidiary of Sino-Ocean whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 3377). Sino-Ocean 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 residential properties, outlet-backed integrated properties, urban core integrated complexes and primary land development as its core business lines.

PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTORS

On 24 November 2016, the Nomination Committee of the Board recommended (i) Mr. WANG Honghui (“**Mr. Wang**”) as a non-executive Director and a member of the Investment Committee and the Nomination Committee of the Board and (ii) Mr. YANG Han Hsiang (“**Mr. Yang**”) to be appointed as a non-executive Director and a member of the Investment Committee and the Remuneration Committee of the Board, respectively, in each case subject to and with effect from the Completion Date (the “**Nominations**”). The Nomination Committee of the Board has considered the qualifications, background and experience of the proposed non-executive Directors and passed written resolution(s) to make the Nominations. The Nominations have been put forward to the Board for consideration and approval.

LETTER FROM THE BOARD

Pursuant to the Nominations, the Board has resolved to appoint (i) Mr. Wang as a non-executive Director and a member of the Investment Committee and the Nomination Committee of the Board and (ii) Mr. Yang as a non-executive Director and a member of the Investment Committee and the Remuneration Committee of the Board, respectively, in each case with effect from the Completion Date and subject to the approval by the Shareholders of their respective appointment as a non-executive Director at the EGM.

Pursuant to article 83(3) of the Articles, the Board shall have the power from time to time and at any time to appoint any person as a Director as an addition to the existing Board. Under the existing terms of reference of the Nomination Committee of the Board, the Nomination Committee (i) is authorised by the Board to assist the Board to identify suitable candidates and make recommendations for consideration by the Board and Shareholders; and (ii) has the duty to, inter alia, identify individuals suitably qualified to become Board members and select or make recommendations to the Board based on merit. As such, the appointment of the two proposed non-executive Directors by the Board and the Nominations are in compliance with the Articles and the existing terms of reference of the Nomination Committee of the Board.

Subject to the Shareholders' approval at the EGM for the Nominations, the Company will enter into letters of appointment with the proposed Directors with effect from the Completion Date. The proposed Directors, if appointed, will be subject to retirement and re-election at the general meetings of the Company in accordance with the Articles.

The biographical details of Mr. Wang and Mr. Yang are set out in the appendix to this circular.

INVESTMENT COMMITTEE

In connection with the Subscription, the Board has resolved to rename the Strategic Committee of the Board as the Investment Committee, the function of which is to advise on the Company's investment and other major policies and make recommendations to the Board in relation to such matters. The role of the Investment Committee includes inter alia, recommending and approving matters including, (i) annual budget of the Company and its scope of business; (ii) sale of equity securities or assets of the Group and acquisition of fixed assets, investment properties and/or land in excess of certain monetary thresholds; (iii) certain connected transactions save for those transactions which are fully exempt from the connected transaction requirements under the Listing Rules; (iv) incurrence of indebtedness which results in increase in the total liabilities to total assets ratio of the Company to certain extent; and (v) potential public listing as a real estate investment trust of completed outlet-backed commercial integrated projects if any.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

THE EGM

The EGM will be held at 10:00 a.m. on Monday, 19 December 2016 at 1804D, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong 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 are set out in the appendix to this 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.

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 Subscription, the proposed grant of the Specific Mandate or the appointment of the proposed non-executive Directors.

A notice convening the EGM and a form of proxy for use at the EGM are enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy does not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so desire and, in such event, the instrument appointing a proxy will be deemed to be revoked.

RECOMMENDATIONS

Having considered the abovementioned benefits to the Group, the Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreements 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.

The Directors also consider that the proposed appointments of Mr. Wang and Mr. Yang as non-executive Directors are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Accordingly, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM as set out in the notice of the EGM enclosed herein.

FURTHER INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

WARNING

The Shareholders and potential investors should be aware that the Subscription Agreements and the transactions contemplated thereunder are subject to the fulfillment of a number of conditions, including the approval by the Shareholders at the EGM, and consequently the Subscription may or may not proceed. In the event that any of the conditions to the Completion is not fulfilled, the Subscription Agreements will not become unconditional and the Subscription will not proceed.

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

Yours faithfully
For and on behalf of the Board of
Beijing Capital Juda Limited
Tang Jun
Chairman

The following is the information required to be disclosed by the Listing Rules on the two proposed non-executive Directors, the appointments of whom are subject to the Shareholders' approval at the EGM:

(a) Mr. WANG Honghui

Mr. Wang, aged 37, has been the general manager of capital management department of Sino-Ocean, a company listed on the Main Board of the Stock Exchange (Stock Code: 3377), since November 2016. He served various positions in Sino-Ocean, including the general manager of the CEO management centre from February 2015 to October 2016, the general manager of the investment department from March 2014 to January 2015, the deputy general manager and subsequently the general manager of the secretarial and administration department from August 2010 to February 2014, and the senior manager (investment development) and later the assistant to the general manager of the development department from July 2005 to July 2010. Mr. Wang was a management officer of the Beijing Municipal Commission of Construction from July 2004 to July 2005. He obtained a Bachelor's Degree in Real Estate Management from Renmin University of China in July 2002 and a Master's Degree in regional economics from Chinese Academy of Social Sciences in July 2004. Mr. Wang is a senior economist and a real estate appraiser.

Save as disclosed above, as at the Latest Practicable Date, Mr. Wang did not hold any other major appointment and professional qualification or directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

As at the Latest Practicable Date, Mr. Wang did not have any relationship with any Director, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Wang did not hold any position with the Company or other members of the Group.

As at the Latest Practicable Date, Mr. Wang was not interested in any Shares within the meaning of Part XV of the SFO.

Subject to the Shareholders approving the appointment of Mr. Wang as a non-executive Director at the EGM, the Company will enter into a letter of appointment with Mr. Wang with effect from the Completion Date, and his appointment as a non-executive Director shall be subject to retirement and re-election at the general meetings of the Company in accordance with the Articles. Mr. Wang's director's fee if any, will be stated in his letter of appointment and determined by the Board with reference to his responsibilities, experience, the Company's remuneration policies and the prevailing market conditions.

Save as disclosed above, there is no other information in relation to Mr. Wang's appointment which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters in relation to the appointment of Mr. Wang that need to be brought to the attention of the Shareholders.

(b) Mr. YANG Han Hsiang

Mr. Yang, aged 37, is a Managing Director in KKR Asia. Prior to joining KKR in June 2016, Mr. Yang was a managing director at The Blackstone Group, where he managed its real estate investing business in Asia with focus on Greater China. Mr. Yang holds a Master's Degree in Business Administration from INSEAD in France, and a Bachelor's Degree in Business Administration from University of Michigan, Ann Arbor, USA.

Mr. Yang was a non-executive director of Tysan Holdings Limited (now known as Hong Kong International Construction Investment Management Group Co., Limited), a company listed on the Main Board of the Stock Exchange (Stock Code: 687), from April 2014 to February 2016. As at the date hereof, Mr. Yang does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, Mr. Yang does not and has not, in the past three years, held any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas. Save as disclosed herein, Mr. Yang does not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company.

Subject to the Shareholders approving the appointment of Mr. Yang as a non-executive Director at the EGM, the Company will enter into a letter of appointment with Mr. Yang with effect from the Completion Date, and his appointment as a non-executive Director shall be subject to retirement and re-election at the general meetings of the Company in accordance with the Articles. Mr. Yang's director's fee if any, will be stated in his letter of appointment and determined by the Board with reference to his responsibilities, experience, the Company's remuneration policies and the prevailing market conditions.

Save as disclosed above, there is no other information in relation to Mr. Yang's appointment which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters in relation to the appointment of Mr. Yang that need to be brought to the attention of the Shareholders.

NOTICE OF THE EGM

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Beijing Capital Juda Limited (the “**Company**”) will be held at 1804D, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Monday, 19 December 2016 at 10:00 a.m. for the purposes of considering and, if thought fit, passing the following resolutions numbered 1 to 4 as ordinary resolutions of the Company, with or without amendments. Capitalised terms used in the circular dated 2 December 2016 issued by the Company have the same meanings when used in this notice unless otherwise specified.

ORDINARY RESOLUTIONS

Resolution in relation to the Subscription

1. “**THAT:**

- (a) the Subscription Agreements and the instruments constituting the Subscription PCBS and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) subject to fulfillment of the conditions precedent set out in each of the Subscription Agreements, the allotment and issue of the Subscription Securities and the Conversion Shares upon conversion of the Subscription PCBS (as the case may be) in accordance with the terms and conditions of the Subscription Agreements and the instruments constituting the Subscription PCBS be and is hereby approved; and
- (c) the Directors be and are hereby authorised to do all such acts and things and to sign and execute all such documents, instruments and agreements for and on behalf of the Company as they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the matters contemplated in this resolution no.1, including without limitation, to authorise the Cayman Islands registered office of the Company to make all such requisite filings with the Registrar of Companies in accordance with the laws of the Cayman Islands, subject to and following the Completion Date.”

NOTICE OF THE EGM

Resolution in relation to the Specific Mandate

2. “**THAT** subject to the passing of ordinary resolution no.1 and conditional upon the Listing Committee granting the listing of, and the permission to deal in, the Subscription Shares and the Conversion Shares:
 - (a) the grant of the Specific Mandate for the allotment and issue of the Subscription Securities in accordance with the terms of the Subscription Agreements and the instruments constituting the Subscription PCBS and the Conversion Shares be and is hereby approved; and
 - (b) the Directors be and are hereby authorised to do all such acts and things and to sign and execute all such documents, instruments and agreements for and on behalf of the Company as they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with paragraph (a) of this resolution no. 2.”

Resolutions in relation to the appointment of non-executive Directors

3. “**THAT** subject to the passing of ordinary resolutions no. 1 and 2, the appointment of Mr. WANG Honghui as a non-executive Director, subject to and with effect from the Completion Date, be and is hereby approved.”
4. “**THAT** subject to the passing of ordinary resolutions no. 1 and 2, the appointment of Mr. YANG Han Hsiang as a non-executive Director, subject to and with effect from the Completion Date, be and is hereby approved.”

Yours faithfully
For and on behalf of the Board of
Beijing Capital Juda Limited
Lee Sze Wai
Company Secretary

Hong Kong, 2 December 2016

NOTICE OF THE EGM

Notes:

1. Any shareholder of the Company entitled to attend and vote at the EGM convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company. A form of proxy for use at the EGM is enclosed with this notice.
2. Where there are joint registered holders of any share, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. To be valid, the form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopwell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the EGM or any adjournment thereof.
5. Delivery of the form of proxy will not preclude a shareholder from attending and voting in person at the EGM or any adjourned meeting or upon the poll concerned and, in such event, the instrument appointing a proxy will be deemed to be revoked.

As at the date of this notice, the Board comprises Mr. TANG Jun (Chairman) and Mr. ZHONG Beichen as executive Directors; Mr. WANG Hao and Mr. LI Songping as non-executive Directors; and Dr. NGAI Wai Fung, Prof. ZHAO Yuhong and Prof. HE Xiaofeng as independent non-executive Directors.