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**CAPITAL  GRAND**

**Beijing Capital Grand Limited**

**首創鉅大有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1329)**

**VOLUNTARY ANNOUNCEMENT  
PROPOSED ISSUANCE OF  
U.S.\$400,000,000 FLOATING RATE GUARANTEED NOTES DUE 2021**

The Board is pleased to announce that on 26 July 2018, the Issuer, the Company and Beijing Capital Group entered into the Subscription Agreement with HSBC, DBS Bank Ltd., China International Capital Corporation, China CITIC Bank International, CMB International, Guotai Junan International and Orient Securities (Hong Kong) in connection with the Proposed Notes Issue. The Notes are proposed to be unconditionally and irrevocably guaranteed by the Company. The Notes are also expected to have the benefit of the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking to be provided by Beijing Capital Group.

The estimated proceeds of the Proposed Notes Issue, after deducting the underwriting commission and other estimated expenses, will amount to approximately U.S.\$397 million.

The Issuer will seek a listing of the Notes on the Hong Kong Stock Exchange. Admission of the Notes to the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Company, Beijing Capital Group or the Notes.

**The issue of the Notes is subject to completion. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.**

The Board is pleased to announce that on 26 July 2018, the Issuer, the Company, Beijing Capital Group, HSBC, DBS Bank Ltd., China International Capital Corporation, China CITIC Bank International, CMB International, Guotai Junan International and Orient Securities (Hong Kong) entered into the Subscription Agreement in connection with the Proposed Notes Issue.

#### **THE SUBSCRIPTION AGREEMENT**

Date: 26 July 2018

Parties:

- (i) the Issuer;
- (ii) the Company;
- (iii) Beijing Capital Group;
- (iv) HSBC;
- (v) DBS Bank Ltd.;
- (vi) China International Capital Corporation;
- (vii) China CITIC Bank International;
- (viii) CMB International;
- (ix) Guotai Junan International; and
- (x) Orient Securities (Hong Kong).

Pursuant to and subject to certain conditions in the Subscription Agreement, the Issuer will issue the Notes and HSBC, DBS Bank Ltd., China International Capital Corporation, China CITIC Bank International, CMB International, Guotai Junan International and Orient Securities (Hong Kong) will be the initial subscribers of the Notes. The Notes are proposed to be irrevocably and unconditionally guaranteed by the Company. The Notes are also expected to have the benefit of the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking to be provided by Beijing Capital Group.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of HSBC, DBS Bank Ltd., China International Capital Corporation, China CITIC Bank International, CMB International, Guotai Junan International and Orient Securities (Hong Kong) is an independent third party and is not a connected person of the Issuer, the Company or Beijing Capital Group.

The following is a brief summary of the Proposed Notes Issue. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Trust Deed and the Notes.

**THE NOTES AND THE GUARANTEE HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT. THE NOTES ARE BEING OFFERED OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS S UNDER THE SECURITIES ACT AND WILL NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NO SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. NONE OF THE NOTES WILL BE OFFERED TO THE PUBLIC IN HONG KONG AND NONE OF THE NOTES WILL BE PLACED TO ANY CONNECTED PERSONS OF THE COMPANY.**

## **THE PROPOSED NOTES ISSUE**

### **Notes Offered**

Subject to satisfaction of certain conditions to completion, the Issuer will issue the Notes.

### **Issue Price**

The issue price of the Notes will be 100.00 per cent. of the principal amount of the Notes.

### **Interest**

The Notes will bear interest from and including 2 August 2018, payable quarterly in arrear on 2 February, 2 May, 2 August and 2 November in each year, each such date being subject to adjustment in accordance with the terms and conditions of the Notes (each an “**Interest Payment Date**”).

## **Maturity Date**

The Notes will mature on the Interest Payment Date falling on or nearest to 2 August 2021.

## **Status of the Notes**

The Notes will constitute direct, general, unsubordinated, unconditional and (subject to the terms and conditions of the Notes) unsecured obligations of the Issuer which will (subject to the terms and conditions of the Notes) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

## **Guarantee of the Notes**

The Company will unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes and the Trust Deed. The Guarantee will constitute a direct, general, unsubordinated, unconditional and (subject to the terms and conditions of the Notes) unsecured obligation of the Company which will at all times rank (subject to the terms and conditions of the Notes) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

## **Redemption at Maturity**

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount in USD at the maturity date.

## **Redemption for Tax Reasons**

Subject to certain conditions, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date at their principal amount, together with accrued interest, at any time in the event of certain changes affecting taxes of the British Virgin Islands, the Cayman Islands, Hong Kong or the PRC or, in any such case, any political subdivision or any authority thereof or therein having power to tax, as further described in the terms and conditions of the Notes.

## **Redemption for Change of Control**

At any time following the occurrence of a Change of Control (as defined in the terms and conditions of the Notes), the holder of any Note will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of such holder's Notes, at 101 per cent. of their principal amount, together with accrued interest, as further described in the terms and conditions of the Notes.

## **Proceeds of the Proposed Notes Issue**

The estimated proceeds of the Proposed Notes Issue, after deducting the underwriting commission and other estimated expenses, will amount to approximately U.S.\$397 million.

## **THE KEEPWELL AND LIQUIDITY SUPPORT DEED**

Date: to be dated 2 August 2018

Parties: (i) the Issuer;  
(ii) the Company;  
(iii) Beijing Capital Group; and  
(iv) the Trustee.

Pursuant to the Keepwell and Liquidity Support Deed, Beijing Capital Group will, *inter alia*, cause the Company to maintain its aggregate total owner's equity of not less than RMB500,000,000 at all times, cause each of the Issuer and the Company to have sufficient liquidity to ensure timely payment of any and all amounts payable under or in respect of the Notes in accordance with the Trust Deed and the terms and conditions of the Notes and any and all payments due under the Trust Deed and the Agency Agreement, cause each of the Issuer and the Company to remain solvent and a going concern at all times under the laws of their respective jurisdiction of incorporation or applicable accounting standards.

The Keepwell and Liquidity Support Deed does not constitute a guarantee by Beijing Capital Group of the obligations of the Issuer and the Company under the Notes.

## **THE DEED OF EQUITY INTEREST PURCHASE UNDERTAKING**

Date: to be dated 2 August 2018

Parties: (i) the Issuer;  
(ii) the Company;  
(iii) Beijing Capital Group; and  
(iv) the Trustee.

Pursuant to the Deed of Equity Interest Purchase Undertaking, upon the receipt of a written purchase notice provided by the Trustee following an event of default under the Notes, Beijing Capital Group will agree to purchase certain equity interest as described in the Deed of Equity Interest Purchase Undertaking.

The Deed of Equity Interest Purchase Undertaking does not constitute a guarantee by Beijing Capital Group of the obligations of the Issuer and the Company under the Notes.

## **REASON FOR THE PROPOSED NOTES ISSUE**

The Directors believe that the Proposed Notes Issue will be beneficial for the Group to control its hedging level, optimise its capital structure, further expand the direct debt financing channels and optimise the cost of comprehensive debts. It will also facilitate and promote the steady and healthy expansion of the Group's outlets business scale and further improve its product and service quality.

The Company currently intends to apply the net proceeds from the issue of the Notes for general corporate and refinancing purposes at all times in accordance with applicable laws, regulations and implementation rules. The Company may adjust the foregoing plans in response to changing market conditions. The Company will carefully evaluate such situations and may reallocate the use of the proceeds.

## **LISTING**

The Issuer will seek a listing of the Notes on the Hong Kong Stock Exchange. Admission of the Notes to the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Company, Beijing Capital Group or the Notes.

## **RATING**

The Notes are expected to be rated "BBB" by Fitch Ratings Ltd.

**The issue of the Notes is subject to completion. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

"Agency Agreement"	the agency agreement proposed to be entered into among the Issuer, the Company, Beijing Capital Group, the Trustee, Citibank, N.A., London Branch as principal paying agent, as calculation agent (if applicable) and as transfer agent, in relation to the Notes as amended, restated, replaced or supplemented from time to time
"Beijing Capital Group"	Beijing Capital Group Co., Ltd., incorporated in the People's Republic of China with limited liability, the shareholder of the Company
"China CITIC Bank International"	China CITIC Bank International Limited
"China International Capital Corporation"	China International Capital Corporation Hong Kong Securities Limited
"CMB International"	CMB International Capital Limited

“Company”	Beijing Capital Grand Limited, a company incorporated with limited liability in the Cayman Islands, the issued shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Deed of Equity Interest Purchase Undertaking”	the deed of equity interest purchase undertaking to be entered into among the Issuer, the Company, Beijing Capital Group and the Trustee
“Director(s)”	the director(s) of the Company
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited
“Guarantee”	unconditional and irrevocable guarantee given by the Company in favor of the Notes pursuant to the Trust Deed
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Issuer”	Trade Horizon Global Limited, incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Keepwell and Liquidity Support Deed”	the keepwell and liquidity support deed to be entered into among the Issuer, the Company, Beijing Capital Group and the Trustee
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Notes”	U.S.\$400,000,000 floating rate guaranteed notes due 2021
“Orient Securities (Hong Kong)”	Orient Securities (Hong Kong) Limited
“PRC”	the People’s Republic of China
“Proposed Notes Issue”	the proposed international offering of the Notes by the Issuer
“RMB”	Renminbi, the lawful currency of the PRC

“Securities Act”	the United States Securities Act of 1933, as amended
“Subscription Agreement”	subscription agreement entered into among the Issuer, the Company, Beijing Capital Group, HSBC, DBS Bank Ltd., China International Capital Corporation, China CITIC Bank International, CMB International, Guotai Junan International and Orient Securities (Hong Kong) on 26 July 2018 in connection with the Proposed Notes Issue
“Trust Deed”	the trust deed to be entered into between the Issuer, the Company, Beijing Capital Group and the Trustee, in relation to the Notes as amended or supplemented from time to time
“Trustee”	Citicorp International Limited
“U.S.” or “United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“U.S.\$” or “USD”	the U.S. dollars, the lawful currency of the United States

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

Hong Kong, 27 July 2018

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