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(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2868)



BEIJING CAPITAL GRAND LIMITED
首創鉅大有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1329)

JOINT ANNOUNCEMENT

PROPOSED AMENDMENTS TO NON-COMPETITION UNDERTAKINGS

CONNECTED TRANSACTION PROPOSED AMENDMENTS TO NON-COMPETITION UNDERTAKINGS

**BCL IFA to
BCL Independent Board Committee
and BCL Independent Shareholders**

**BCG IFA to
BCG Independent Board Committee
and BCG Independent Shareholders**



On 10 October 2018, BCL, the controlling shareholder of BCG, and BCG entered into the Second Amended Non-Competition Deed pursuant to which non-competition undertakings were respectively given by each of BCL and BCG in favour of each other in replacement of non-competition undertakings given under the First Amended Non-Competition Deed. Under the Second Amended Non-Competition Deed, the geographical segregation will be abolished and the businesses of BCL and BCG will be delineated according to usage of land and properties to be developed and the business models. For details of the non-competition undertakings under the Second Amended Non-Competition Deed, please refer to the section headed “Principal Terms of the Second Amended Non-Competition Deed” in this joint announcement.

The Second Amended Non-Competition Deed shall take effect upon the satisfaction of the conditions precedents of (i) approvals having been obtained from independent non-executive directors of both BCL and BCG; and (ii) approvals having been obtained from the BCL Independent Shareholders and the BCG Independent Shareholders in general meetings of BCL and BCG, respectively.

The respective non-competition undertakings by BCL and BCG, respectively, under the Second Amended Non-Competition Deed shall not apply to: (i) the direct or indirect aggregate holding of less than 30% of the issued share capital or total equity interest by BCL (or any member of the BCL Group) or BCG (or any member of the BCG Group) (as the case may be) in any company, private equity or venture capital funds or real estate investment trusts (each a “**Target Entity**”) provided that (a) the annual investment amount contributed by BCL (or any member of the BCL Group) or BCG (or any member of the BCG Group) (as the case may be) in the Target Entities shall not in aggregate exceed 15% of the audited total assets of BCL or BCG (as the case may be) as published in their respective annual reports for the latest financial year; (b) BCL (or any member of the BCL Group) or BCG (or any member of the BCG Group) (as the case may be) has no right to appoint the majority of directors or members of the decision-making body of such Target Entity; and (c) such Target Entity will not become a subsidiary of BCL or BCG and its financial results will not be consolidated into the accounts of BCL or BCG (as the case may be); (ii) Pre-existing Property Projects of BCL Group and the BCG Group; and (iii) the acquisition or holding of properties by the BCL Group or the BCG Group (as the case may be) for self-use.

The BCL EGM will be convened for the BCL Independent Shareholders to consider and, if thought fit, approve the Second Amended Non-Competition Deed by way of ordinary resolution(s). A circular containing among other things, details of the Second Amended Non-Competition Deed, a letter of recommendation from the BCL Independent Board Committee to the BCL Independent Shareholders and a letter of advice from the BCL IFA will be despatched to the BCL Shareholders on or around 31 October 2018.

As BCL is the controlling shareholder of BCG as at the date of this joint announcement and hence, a connected person of BCG under the Listing Rules, the entering into of the Second Amended Non-Competition Deed constitutes a connected transaction of BCG under the Listing Rules and is subject to reporting, announcement and independent shareholders’ approval requirements under the Listing Rules.

The BCG EGM will be convened for the BCG Independent Shareholders to consider and, if thought fit, approve the Second Amended Non-Competition Deed by way of ordinary resolution(s). A circular containing among other things, details of the Second Amended Non-Competition Deed, a letter of recommendation from the BCG Independent Board Committee to the BCG Independent Shareholders and a letter of advice from the BCG IFA will be despatched to the BCG Shareholders on or around 31 October 2018.

BACKGROUND

The Original Non-Competition Deed

On 15 August 2014, BCL and BCG jointly announced the acquisition by BCG of the equity interest in Xi'an First City, an outlets-backed commercial integrated project in Xi'an, the PRC, from its controlling shareholder, BCL. In relation thereto, BCL and BCG entered into the Original Non-Competition Deed on 13 November 2014 for the purpose of minimizing potential competition between the BCL Group and the BCG Group by geographical segregation. Pursuant to the Original Non-Competition Deed, BCL had undertaken not to engage in any property projects in any Target Cities in the PRC and BCG had undertaken to not to engage in any property projects in any non-Target Cities in the PRC. Please refer to the circular of BCG dated 26 November 2014 for more details of the Original Non-Competition Deed.

The First Amended Non-Competition Deed

On 8 June 2016, BCL and BCG jointly announced the acquisition by BCG of the equity interest in three outlets-backed commercial integrated projects in the PRC, namely Fangshan Integrated Outlets Project, Huzhou Integrated Outlets Project and Kunshan Integrated Outlets Project, from BCL. In order for BCG to operate such three projects in Beijing, Huzhou and Kunshan in the PRC after completion of the said acquisition, BCL and BCG entered into the First Amended Non-Competition Deed on 28 June 2016 to replace the Original Non-Competition Deed in its entirety. Pursuant to the First Amended Non-Competition Deed:

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

Please refer to the circular of BCG dated 30 June 2016 for more details of the First Amended Non-Competition Deed.

The Second Amended Non-Competition Deed

Two years have passed since BCL and BCG entered into the First Amended Non-Competition Deed, during which the BCL Group has continued to operate under a primarily sales-driven business model which covers mainly residential properties, urban core integrated complexes and primary land development, whereas the BCG Group has specialized in the development of outlets-backed commercial integrated projects across various cities in the PRC under a primarily investment-driven business model. During such period, BCL has encountered many new business opportunities for the development of property projects (being primarily residential properties) for sale in the Target Cities, but has not been able to freely pursue such new business opportunities at its discretion due to the restrictions under the First Amended Non-Competition Deed, despite the fact that BCG had not pursued such opportunities as they did not align with its investment-driven business model nor its focus on the development of outlets-backed commercial integrated projects. On the other hand, BCG, having become a mature outlets developer and operator in the PRC, has the intention to, in parallel with its continuous focus in outlets-backed commercial integrated projects, expand its businesses to cover investment properties for Non-outlets Retail Uses, being non-outlets shopping malls, department stores, supermarkets, retail shops and other retail spaces across the country, if appropriate opportunities arise.

In view of the above, both BCL and BCG are of the view that the given the lapse of time, the respective non-competition undertakings given by BCL and BCG in favour of each other under the First Amended Non-Competition Deed, in particular the geographical segregation with reference to the Target Cities, should be revisited or otherwise, it would unnecessarily hinder the growth prospect of both BCL and BCG according to their respective business positioning and may no longer be in the best interests of both BCL and BCG in terms of business strategy and development. Instead of a geographical segregation, given that there is a clear difference in expertise and experience in residential and office properties and outlets-backed commercial integrated projects possessed by BCL and BCG, respectively, BCL and BCG consider it more suitable to delineate their businesses according to (i) usage of the land and properties to be developed and (ii) the business models. Therefore, BCL and BCG have entered into the Second Amended Non-Competition Deed to replace the First Amended Non-Competition Deed in its entirety.

PRINCIPAL TERMS OF THE SECOND AMENDED NON-COMPETITION DEED

Non-competition undertakings

Under the Second Amended Non-Competition Deed, the geographical segregation by Target Cities and non-Target Cities will be abolished, and the businesses of BCL and BCG will be delineated and segregated in the following manner:

- 1) BCL undertakes in favour of BCG (for itself and on behalf of its subsidiaries) that during the term of the Second Amended Non-Competition Deed, it shall not, and it shall procure that none of its subsidiaries (other than through the BCG Group) shall, directly or indirectly engage in:
 - (a) the development, sale, lease and management of any outlets-backed commercial integrated projects in the PRC, save for the Hainan Integrated Outlets Project until BCL ceases to hold any interest therein; or
 - (b) the development for lease, leasing, operation and management of any properties for Non-outlets Retail Uses which are or to be held as investment properties in the PRC; and
- 2) BCG undertakes in favour of BCL (for itself and on behalf of its subsidiaries) that during the term of the Second Amended Non-Competition Deed, it shall not, and shall procure that none of its subsidiaries shall, directly or indirectly engage in:
 - (a) the development, sale, lease and management of any residential, office and hotel properties in the PRC; or
 - (b) the development for sale and sale of any properties for Non-outlets Retail Uses which are or to be held as properties for sale in the PRC, but BCL shall grant a first right of refusal in favour of BCG to entrust the BCG Group and BCG may exercise such right and be entrusted with the leasing, marketing, operation and management of any unsold portion(s) of such properties in accordance with the entrustment agreement(s) to be entered into by the parties from time to time.

Outlets-backed commercial integrated projects are distinctive in nature and refer to commercial projects which are centered around outlet shops offering branded products, such as apparels, footwear and bags etc., at discounted prices and which are usually located in sub-urban areas outside the central business districts. Properties for Non-outlets Retail Uses are retail properties other than outlet shops and refer to shopping malls, department stores, supermarkets, retail shops and other retail spaces primarily offering a variety of seasonal products at regular retail prices which standalone or together form the main integral commercial part of a property project and not of an ancillary or supporting function to other land use type(s) in a property project.

The respective non-competition undertakings by BCL and BCG under the Second Amended Non-Competition Deed shall not apply to:

- (i) the direct or indirect aggregate holding of less than 30% of the issued share capital or total equity interest by BCL (or any member of the BCL Group) or BCG (or any member of the BCG Group) (as the case may be) in any company, private equity or venture capital funds or real estate investment trusts (each a “**Target Entity**”), provided that (a) the annual investment amount contributed by BCL (or any member of the BCL Group) or BCG (or any member of the BCG Group) (as the case may be) in the Target Entities shall not in aggregate exceed 15% of the audited total assets of BCL or BCG (as the case may be) as published in their respective annual reports for the latest financial year; (b) BCL (or any member of the BCL Group) or BCG (or any member of the BCG Group) (as the case may be) has no right to appoint the majority of directors or members of the decision-making body of such Target Entity; and (c) such Target Entity will not become a subsidiary of BCL or BCG and its financial results will not be consolidated into the accounts of BCL or BCG (as the case may be);
- (ii) the three Pre-existing Property Projects of the BCL Group and the BCG Group; and
- (iii) the acquisition or holding of properties by the BCL Group or the BCG Group (as the case may be) for self-use.

As regards the three Pre-existing Property Projects:

- (i) Hainan Integrated Outlets Project is an outlets-backed commercial integrated project held by BCL as to 55% interest. BCL has been in negotiations with the minority shareholder in respect of potential transfer of the remaining minority interest in Hainan Integrated Outlets Project but have not yet reached a consensus as to the commercial terms. BCL will continue with the negotiations and the common intention of BCL and BCG is to have BCL sell all its interest in Hainan Integrated Outlets Project to the BCG Group within 12 months from the date of the Second Amended Non-Competition Deed, and until then the leasing, marketing, operation and management of Hainan Integrated Outlets Project will continue to be entrusted to the BCG Group with management fees computed based on the total sales of Hainan Integrated Outlets Project for the entrustment period. Such entrustment arrangement constitutes a continuing connected transaction for BCG under Chapter 14A of the Listing Rules, and BCG will comply with all applicable requirements under the Listing Rules from time to time. Save for its interest in Hainan Integrated Outlets Project, the BCL Group does not hold any outlets-backed commercial integrated projects as at the date of this joint announcement;

- (ii) as stated in BCL's announcement dated 5 September 2018, BCL proposed to dispose of 51% interest in the holding company of Lize Financial Business District Project by means of equity transfer through public tender in the China Beijing Equity Exchange. Upon completion of the disposal, BCL will become a minority shareholder, holding 49% equity interest in Lize Financial Business District Project, the financial results of which will no longer be consolidated in the accounts of BCL; and
- (iii) as at the date of this joint announcement, BCG has nearly sold all of its residential units in Xi'an First City and the unsold saleable area mainly consists of the remaining inventory of office units, retail spaces and car parking spaces for sale to date.

Conditions precedent

Pursuant to the First Amended Non-Competition Deed, any adjustment or amendment to the material terms thereof, including the change in the number and/or composition of the Target Cities and the rights of BCL and BCG in relation to property projects in the Target Cities and non-Target Cities respectively, shall be subject to the approvals of the independent non-executive directors and independent shareholders of both BCL and BCG.

The Second Amended Non-Competition Deed shall take effect upon the satisfaction of the following conditions precedent ("**Conditions**"):

- (i) approvals having been obtained from the independent non-executive directors of both BCL and BCG of the Second Amended Non-Competition Deed; and
- (ii) approvals having been obtained from the BCL Independent Shareholders and the BCG Independent Shareholders in general meetings of BCL and BCG, respectively, of the Second Amended Non-Competition Deed.

In the event that the Conditions (which are not waivable by the parties) are not fulfilled by 31 December 2018 (or such later date as the parties to the Second Amended Non-Competition Deed may agree in writing), the Second Amended Non-Competition Deed shall terminate and cease to have effect on any parties thereto. In such circumstances, the First Amended Non-Competition Deed will remain in effect.

INTERNAL REVIEW PROCESS

As mentioned above, pursuant to the Second Amended Non-Competition Deed, BCL shall grant a first right of refusal in favour of BCG to entrust the BCG Group with the leasing, marketing, operation and management of any unsold portion(s) of its properties for Non-outlets Retail Uses. In the event that such first right(s) of refusal is granted by BCL in favour of BCG, a board committee, comprising all non-executive directors (including independent non-executive directors) of BCG who are not a director or

employee of BCL or Capital Group, will review, consider and decide whether to exercise such first right(s) of refusal by the BCG Group, after considering all relevant factors including feasibility studies, estimated profitability, market and commercial risks, compliance with the business strategy of the BCG Group, potential synergy with the BCG Group's operation, funding requirements for land acquisition and project development, financial and other resources available to the BCG Group, cash flow commitments, qualifications and capacity of the BCG Group at the relevant time, as well as relevant legal, regulatory and contractual requirements.

If the BCG Group elects to exercise the first right(s) of refusal, the entrustment agreement(s), when entered into, and the entrustment arrangement(s) contemplated thereunder will constitute continuing connected transaction(s) of BCG, and BCG will comply with all applicable requirements under Chapter 14A of the Listing Rules from time to time. In the event that the BCG Group elects not to exercise the first right(s) of refusal, BCL will have the discretion to entrust third party(ies) with the leasing, marketing, operation and management of such unsold portion(s) of the relevant non-outlets commercial properties, or to take up the same by itself.

REASONS FOR ENTERING INTO THE SECOND AMENDED NON-COMPETITION DEED

Differentiating niche, experience and market positioning

Under its 5-year strategy plan (十三五戰略計劃) adopted in December 2015, BCG, with the goal to become one of the largest outlets operator in the PRC, has a clear focus on the development and operation of outlets-backed commercial integrated projects. Over the years, BCG Group has developed a designated team of skilled personnel with the knowledge, experience and strength in (i) leasing, in terms of its access to a variety of brand-name retailers (including their licensed distributors in the PRC) and established business relationship with such retailers and (ii) operation and management, in terms of its ability to effectively manage the operations of the entire outlets properties (including supporting facilities, children recreational area, movie theatres, food and beverages and car parking spaces etc.).

Having become a mature outlets developer and operator in the PRC, BCG intends to, in parallel with its continuous focus on outlets-backed commercial integrated projects, leverage on its experience in the retail property sector and utilise its network and relationship knowhow with brand-name retailers, expand its business and property portfolio to cover other types of retail properties held for investment, including shopping malls and retail shops, across the country. Under the Second Amended Non-Competition Deed, the BCG Group would have the liberty to engage in such non-outlets retail properties at any location, including non-Target Cities under the First Amended Non-Competition Deed. With its strength and market positioning acquired through outlets-backed commercial integrated projects, BCG is well-equipped to tap into the non-outlets retail property sector.

On the other hand, while the development and operation of investment properties (including outlets-backed commercial integrated projects, shopping malls, retail shops and other retail spaces for lease) will be carried out by the BCG Group as the designated platform, the BCL Group will continue to maintain its strategic focus on properties for sale, in particular residential properties, under a primarily sales-driven business model. In terms of geographical expansion, it is the strategy of the BCL Group to consolidate its market presence in the three major urban agglomerations of Beijing-Tianjin-Hebei (京津冀), the Yangtze River Delta (長三角) and the Guangdong-Hong Kong-Macau Bay Area (粵港澳大灣區). As mentioned above, BCL has, due to the geographical restrictions under the First Amended Non-Competition Deed, refrained from engaging in numerous new business opportunities encountered by it previously which involved property projects for sale (being primarily residential properties) in the Target Cities, despite the fact that BCG had not pursued such opportunities as they did not align with its investment-driven business model. Under the Second Amended Non-Competition Deed, the BCL Group would be able to take up such new business opportunities mainly in residential and office projects in the Target Cities with a view to achieve its goal of geographic expansion within the said three major urban agglomerations.

Differentiating funding resources

Development of residential projects typically requires substantial funding for acquisition of land and substantial capital expenditure and project financing for the subsequent development of the residential properties. BCG operates on an investment property model and hence, it does not have the requisite strong cash flow to fund the capital intensive residential projects. Taking into account the cash flow consideration, BCG considers it best to reserve internal cash resources for its general working capital for its outlets-backed integrated property projects instead of deploying it for capital-intensive residential projects which it does not have the expertise and experience for. In a macro-economic environment which interest rates are climbing and therefore the costs of external funding are increasing, BCG considers it not in its interest to rely on bank borrowing to fund residential projects for which success is not guaranteed.

In light of the above, the entering into of the Second Amended Non-Competition Deed is expected to bring mutual benefits to both the BCL Group and the BCG Group by (i) further reinforcing and enhancing the respective market positioning of the BCL Group and the BCG Group through specialisation according to usages of land and properties and business models; and (ii) allowing both the BCL Group and the BCG Group to expand their business and market presence across the PRC by leveraging on their respective experience and expertise in residential and office properties for sale and investment properties for retail uses without unnecessary geographical constraints and thus increasing their land bank, property portfolio and competitiveness among other industry competitors.

Based on the above, (i) the BCL Board (save and except for the BCL Independent Board Committee whose view will be contained in the BCL Circular (as defined below)) are of the view that the terms of the Second Amended Non-Competition Deed are fair and reasonable and in the interests of the BCL Group and the BCL Shareholders as a whole; and (ii) the BCG Board (save and except for the BCG Independent Board Committee whose view will be contained in the BCG Circular (as defined below)) are of the view that the terms of the Second Amended Non-Competition Deed are fair and reasonable and in the interests of the BCG Group and the BCG Shareholders as a whole.

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 four main business streams of residential properties, outlets-backed commercial integrated properties (through the BCG Group), urban core integrated complexes and primary land development complemented by innovative business areas such as high-tech industry properties and culture and creative industries.

INFORMATION ON BCG

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

LISTING RULES IMPLICATIONS FOR BCG

As at the date of this joint announcement, BCL indirectly holds approximately 72.9% of the total issued ordinary shares of BCG and thus is a connected person of BCG as defined under the Listing Rules. Therefore, the entering into of the Second Amended Non-Competition Deed constitutes a connected transaction of BCG under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

GENERAL

As regards BCL

The BCL EGM will be convened for the BCL Independent Shareholders to consider and, if thought fit, approve the Second Amended Non-Competition Deed by way of ordinary resolution(s). Capital Group and its close associates, and any person who has a material interest in the Second Amended Non-Competition Deed are required to abstain from voting on the relevant resolution(s) to be proposed at the BCL EGM.

The BCL Independent Board Committee, comprising all the independent non-executive directors of BCL, has been formed for the purpose of advising the BCL Independent Shareholders in respect of the Second Amended Non-Competition Deed. BCL has, with the approval of the BCL Independent Board Committee, appointed Grand Moore Capital Limited as the BCL IFA to advise the BCL Independent Board Committee and the BCL Independent Shareholders in respect of the Second Amended Non-Competition Deed.

A circular (the “**BCL Circular**”) containing, among other things, (i) the details of the Second Amended Non-Competition Deed; (ii) a letter of recommendation from the BCL Independent Board Committee to the BCL Independent Shareholders in respect of the Second Amended Non-Competition Deed; (iii) a letter of advice from the BCL IFA to the BCL Independent Board Committee and the BCL Independent Shareholders in respect of the Second Amended Non-Competition Deed; and (iv) a notice to convene the BCL EGM, will be despatched to the BCL Shareholders on or before 31 October 2018.

To the best of the knowledge, information and belief of BCL’s directors having made all reasonable enquiries, none of BCL’s directors was in any way materially interested in the Second Amended Non-Competition Deed. Nevertheless, Mr. Zhong Beichen has abstained from voting on the relevant resolutions of the BCL Board approving the Second Amended Non-Competition Deed by virtue of his directorship in BCG.

As regards BCG

The BCG EGM will be convened for the BCG Independent Shareholders to consider and, if thought fit, approve the Second Amended Non-Competition Deed by way of ordinary resolution(s). BECL Investment, Chinastar and their respective close associates, and any person who has a material interest in the Second Amended Non-Competition Deed are required to abstain from voting on the relevant resolution(s) to be proposed at the BCG EGM.

The BCG Independent Board Committee, comprising all the independent non-executive directors of BCG, has been formed for the purpose of advising the BCG Independent Shareholders in respect of the Second Amended Non-Competition Deed. BCG has, with the approval of the BCG Independent Board Committee, appointed Somerley Capital Limited as the BCG IFA to advise the BCG Independent Board Committee and the BCG Independent Shareholders in respect of the Second Amended Non-Competition Deed.

A circular (the “**BCG Circular**”) containing, among other things, (i) the details of the Second Amended Non-Competition Deed; (ii) a letter of recommendation from the BCG Independent Board Committee to the BCG Independent Shareholders in respect of the Second Amended Non-Competition Deed; (iii) a letter of advice from the BCG IFA to the BCG Independent Board Committee and the BCG Independent Shareholders in respect of the Second Amended Non-Competition Deed; and (iv) a notice to convene the BCG EGM, will be despatched to the BCG Shareholders on or before 31 October 2018.

To the best of the knowledge, information and belief of BCG’s directors having made all reasonable enquiries, none of BCG’s directors was in any way materially interested in the Second Amended Non-Competition Deed. Nevertheless, Mr. Zhong Beichen has abstained from voting on the relevant resolutions of the BCG Board approving the Second Amended Non-Competition Deed by virtue of his directorship in BCL.

DEFINITIONS

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

“BCG”	Beijing Capital Grand 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)
“BCG Board”	the board of directors of BCG
“BCG EGM”	the extraordinary general meeting of BCG to be convened for the BCG Independent Shareholders to consider and, if thought fit, approve the Second Amended Non-Competition Deed
“BCG Group”	BCG and its subsidiaries
“BCG IFA” or “Sommerley Capital Limited”	Sommerley Capital Limited, a corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the BCG Independent Board Committee and the BCG Independent Shareholders in respect of the Second Amended Non-Competition Deed
“BCG Independent Board Committee”	an independent committee of the BCG Board, comprising all the independent non-executive directors of BCG, namely Dr. Ngai Wai Fung, Ms. Zhao Yuhong and Mr. He Xiaofeng, formed for the purpose of advising the BCG Independent Shareholders in respect of, among other things, the Second Amended Non-Competition Deed
“BCG Independent Shareholders”	the BCG Shareholders, other than (i) BECL Investment, Chinastar and their respective close associates; and (ii) those who have a material interest(s) in the Second Amended Non-Competition Deed

“BCG Shareholder(s)”	the holder(s) of the BCG Shares
“BCG Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of BCG
“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), the indirect controlling shareholder and thus a connected person of BCG under Rule 14A.07 of the Listing Rules
“BCL Board”	the board of directors of BCL
“BCL EGM”	the extraordinary general meeting of BCL to be convened for the BCL Independent Shareholders to consider and, if thought fit, approve the Second Amended Non-Competition Deed
“BCL Group”	BCL and its subsidiaries, excluding the BCG Group
“BCL IFA” or “Grand Moore Capital Limited”	Grand Moore Capital Limited, a corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the BCL Independent Board Committee and the BCL Independent Shareholders in respect of the Second Amended Non-Competition Deed
“BCL Independent Board Committee”	an independent committee of the BCL Board, comprising all the independent non-executive directors of BCL, namely Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin, formed for the purpose of advising the BCL Independent Shareholders in respect of, among other things, the Second Amended Non-Competition Deed
“BCL Independent Shareholders”	the BCL Shareholders, other than (i) Capital Group and its close associates; and (ii) those who have a material interest(s) in the Second Amended Non-Competition Deed
“BCL Shareholder(s)”	the holder(s) of the BCL Shares

“BCL Share(s)”	ordinary H share(s) of RMB1.00 each in the share capital of BCL
“BECL Investment”	BECL Investment Holding Limited, a company incorporated in Hong Kong with limited liability, a directly wholly-owned subsidiary of BCL and the controlling shareholder of BCG
“Capital Group”	Beijing Capital Group Co., Ltd.* (北京首都創業集團有限公司), a state-owned enterprise incorporated in the PRC and under the direct supervision of the Beijing Municipal Government, the controlling shareholder and a connected person of BCL
“Chinastar”	BCG Chinastar International Investment Limited (首創華星國際投資有限公司), a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Capital Group and a BCG Shareholder
“First Amended Non-Competition Deed”	the amended non-competition deed dated 28 June 2016 and entered into between BCL and BCG, replacing the Original Non-Competition Deed in its entirety
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Non-outlets Retail Uses”	shopping malls, department stores, supermarkets, retail shops and other retail spaces which standalone or together form the main integral commercial part (整體商業規劃) of a property project and not of an ancillary or supporting function (配套用途) to other land use type(s) in a property project
“Original Non-Competition Deed”	the deed of non-competition dated 13 November 2014 and executed by each of BCL and BCG mutually in favour of each other
“PRC”	the People’s Republic of China, which shall, for the purposes of this joint announcement, exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Pre-existing Property Projects”	(i) Hainan Integrated Outlets Project and Lize Financial Business District Project held by the BCL Group; and (ii) Xi’an First City project held by the BCG Group

“Second Amended Non-Competition Deed”	the amended non-competition deed dated 10 October 2018 and entered into between BCL and BCG, replacing the First Amended Non-Competition Deed in its entirety
“SFO”	The Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Cities”	Xi’an, Hangzhou, Nanjing, Jinan, Changsha, Fuzhou, Wuhan, Hefei, Kunming, Zhengzhou, Nanchang, Nanning, Changchun, Harbin, Suzhou, Xiamen and Dalian in the PRC
“%”	per cent.

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

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

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

By order of the board of directors of
Beijing Capital Grand Limited
Lee Sze Wai
Company Secretary

Hong Kong, 10 October 2018

As at the date of this joint announcement, the board of directors of BCL comprises Mr. Li Songping (Chairman) as a non-executive director; Mr. Zhong Beichen (President), Mr. Li Xiaobin, Mr. Hu Weimin and Mr. Fan Shubin as executive directors; Mr. Su Jian as a non-executive director; and Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin as independent non-executive directors.

As at the date of this joint announcement, the board of directors of BCG comprises Mr. 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.