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

(Stock Code: 2868)

DISCLOSABLE TRANSACTION



BEIJING CAPITAL GRAND LIMITED

首創鉅大有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1329)

MAJOR TRANSACTION

PARTNERSHIP AGREEMENT FOR THE ESTABLISHMENT OF THE FUND

ESTABLISHMENT OF THE FUND

The BCG Board is pleased to announce that on 29 January 2019 (after trading hours), Shanghai Juque and Shouju entered into the Partnership Agreement in respect of, among other matters, the establishment of the Fund with Beijing NOVA, Beijing Yusheng and Beijing Mobo for investment in real estate re-development projects. Shanghai Juque and Shouju are wholly-owned subsidiaries of BCG.

Pursuant to the Partnership Agreement, the total capital commitment to the Fund is RMB3 billion, amongst which the total amount of capital to be contributed by BCG (through the said wholly-owned subsidiaries) will be RMB750 million, accounting for 25% of the Fund size, comprising RMB10 million as a general partner and RMB740 million as a limited partner. On the other hand, the total amount of capital to be contributed by the Nova Party will be RMB2.25 billion, accounting for 75% of the Fund size, comprising RMB10 million as a general partner and RMB2.24 billion as limited partners.

The BCL Board has been notified of the entering of the Partnership Agreement by Shanghai Juque and Shouju, BCL's indirect controlling subsidiaries.

LISTING RULES IMPLICATIONS FOR BCG

As the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Partnership Agreement are more than 25% but less than 100%, the entering into of the Partnership Agreement and the transactions contemplated thereunder constitute a major transaction of BCG and BCG is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among other things, further details of the Partnership Agreement and the Fund is expected to be despatched to the Shareholders on or before 22 February 2019.

BCG has obtained written approval of the Partnership Agreement from BECL Investment Holding Limited, which holds 701,353,846 Shares (representing approximately 72.94% of all the issued Shares of BCG as at the date of this announcement). To the best of the BCG Directors' knowledge and information, no Shareholder would be required to abstain from voting if BCG were to convene a general meeting for the approval of the Partnership Agreement. Accordingly, pursuant to Rule 14.44 of the Listing Rules, the Partnership Agreement has been approved by way of written Shareholders' approval in lieu of holding a general meeting of the Shareholders.

LISTING RULES IMPLICATIONS FOR BCL

As the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Partnership Agreement are more than 5% but less than 25%, the entering into of the Partnership Agreement and the transactions contemplated thereunder constitute a discloseable transaction of BCL and BCL is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

ESTABLISHMENT OF THE FUND

The BCG Board is pleased to announce that on 29 January 2019 (after trading hours), Shanghai Juque and Shouju entered into the Partnership Agreement in respect of, among other matters, the establishment of the Fund with Beijing NOVA, Beijing Yusheng and Beijing Mobo for investment in real estate re-development projects. Shanghai Juque and Shouju are wholly owned subsidiaries of BCG.

Pursuant to the Partnership Agreement, the total capital commitment to the Fund is RMB3 billion, amongst which the total amount of capital to be contributed by BCG (through the said wholly-owned subsidiaries) will be RMB750 million, accounting for 25% of the Fund size; out of which Shouju will contribute RMB10 million as a general partner and Shanghai Juque will contribute RMB740 million as a limited partner. On the other hand, the total amount of capital to be contributed by the Nova Party will be RMB2.25 billion, accounting for 75% of the Fund size, comprising RMB10 million as a general partner and RMB2.24 billion as limited partners. The Fund will not become a subsidiary of BCG upon establishment and the financial results of the Fund will not be consolidated into the accounts of BCG.

THE PARTNERSHIP AGREEMENT

The principal terms of the Partnership Agreement are summarised as follows:

Date	29 January 2019 (after trading hours)
Name of the Fund	Ningbo Beijing Capital Yiming Investment Partnership Enterprise (Limited Partnership)*(寧波首鉅翌明投資合夥企業(有限合夥))(tentative name only, which is subject to the approval of the relevant administration bureau for industry and commerce in the PRC)
Partner(s)	<p><i>General Partners:</i></p> <ul style="list-style-type: none">(i) Shouju(ii) Beijing NOVA <p><i>Limited Partners:</i></p> <ul style="list-style-type: none">(i) Shanghai Juque(ii) Beijing Yusheng(iii) Beijing Mobo
Purpose of the Fund	<p>The purpose of the Fund is to invest in re-development projects in Beijing, Shanghai and other first-tier cities with good locations, convenient transportation systems and with rental growth potential (after re-development).</p> <p>The Nova Party has extensive experience in property re-development investments and operational management of quality properties in cities such as Beijing and Shanghai. With its experience in property development investments, the Nova Party is expected to provide strong support to the investments to be made by the Fund.</p>

Term of the Fund

The initial term of the Fund will be six (6) years from the deadline for the initial capital contribution. The investment operation period (“**Investment Operation Period**”) is four (4) years from the day after the first capital contribution was made, and the exit period will commence following the expiration of the Investment Operation Period. With the unanimous consent of the General Partners, the exit period of the Fund may be extended by two years (the “**Extension Period**”), subject to further extension to be agreed.

Capital commitment

The total capital commitment to the Fund is RMB3 billion, amongst which the total amount of capital to be contributed by the BCG Party will be RMB750 million, accounting for 25% of the Fund size; out of which Shouju will contribute RMB10 million as a general partner and Shanghai Juque will contribute RMB740 million as a limited partner. On the other hand, the total amount of capital to be contributed by the Nova Party will be RMB2.25 billion, accounting for 75% of the Fund size; out of which Beijing NOVA will contribute RMB10 million as a general partner, and Beijing Yusheng and Beijing Mobo will contribute RMB740 million and RMB1.5 billion respectively as limited partners.

BCG expects to fund the capital contributions under the Partnership Agreement by internal resources.

The scale of the Fund and the capital contribution of each of the Partners are determined after arm’s length negotiations between the General Partners and the Limited Partners with reference to the anticipated capital requirements of the Fund.

Investment committee

The Fund will set up an investment committee to consider investment opportunities and review plans for exiting investment projects. The investment committee consists of members to be nominated by the General Partners and any third-party limited partner, amongst which no more than half of the members will be appointed by Shanghai Juque and/or Shouju.

Operational expenses	The Fund will bear all of the expenses incurred including but not limited to expenses associated with its establishment, operation, management, investments, custodian fees, financial and auditing fees and holding of Partners' meetings and litigation (if applicable).
Transfer of interests in the Fund	With the unanimous consent of the General Partners, Beijing Mobo may transfer its interests as a limited partner in the Fund to any third-party investor.
Dissolution and winding-up of the Fund	<p>Subject to the Partnership Agreement, the Fund will be dissolved and wound up in the following events:</p> <ul style="list-style-type: none"> (i) the term of the Fund expires and the Partners decide not to continue with the operation of the Partnership; (ii) the causes of dissolution pursuant to the Partnership Agreement take place; (iii) the Partners agree to dissolve the Fund before its term expires; (iv) the Fund has not had a quorum for 30 days; (v) the purpose of setting up the Fund pursuant to the Partnership Agreement has been fulfilled or cannot be achieved; (vi) The business license of the Fund is revoked or withdrawn under the relevant PRC laws, or the Fund is ordered to be closed; or (vii) other reasons according to the relevant PRC laws.
Sale of projects by the Fund	The Fund may sell or transfer its projects to third parties and provided that the paid up capital by the Nova Party is no less than that by the BCG Party at the prevailing time, the Nova party shall have a first right to acquire such projects from the Fund on the same terms.

INFORMATION ON THE BCG GROUP AND THE PARTNERS

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 non-outlets retail property projects in the PRC, details of which have been disclosed in the circular of BCG dated 14 November 2018. BCG is an indirect non-wholly owned subsidiary of BCL.

Shouju is an investment holding company wholly-owned by BCG in the PRC. It is one of the General Partners of the Fund.

Shanghai Juque is a wholly-owned subsidiary of BCG which engages in development, operation and management of outlets-backed commercial integrated projects. It holds/manages outlets projects in the PRC. It is one of the Limited Partners of the Fund.

Beijing NOVA is a company established in the PRC with limited liability and one of the General Partners. It is wholly owned by Shanghai NOVA Corporate Management Consulting Co., Limited* (上海盛煦企業管理諮詢有限公司).

Beijing Yusheng is a company established in the PRC with limited liability and one of the Limited Partners. It is wholly-owned by Beijing NOVA.

Beijing Mobo is a company established in the PRC with limited liability and one of the Limited Partners. It is wholly-owned by Shanghai NOVA Corporate Management Consulting Co., Limited* (上海盛煦企業管理諮詢有限公司).

To the best of the BCG Directors' and the BCL Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, each of Beijing NOVA, Beijing Yusheng and Beijing Mobo and each of their ultimate beneficial owners are independent third parties.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PARTNERSHIP AGREEMENT AND ESTABLISHMENT OF THE FUND

The BCG Group is an experienced and leading outlets projects developer and operator in the PRC, which possesses the requisite expertise in the development and operation of outlets-backed commercial integrated projects in cities across the PRC, including Beijing, Wanning, Huzhou, Kunshan, Nanchang, Hangzhou, Wuhan, Xi'an, Zhengzhou, Jinan, Hefei, Chongqing, Kunming, Qingdao, Nanning, Dalian and Xiamen. As the BCG Group matures in the outlets sector of the real estate industry, it looks for further expansion and the establishment of the Fund provides the opportunity for the BCG Group to extend into real estate re-development, which is a new sector in the real estate industry in the PRC with growth potentials. By partnering with the Nova Party, the BCG Group will be able to leverage on the Nova Party's extensive experience in property re-development investments and operational management of quality properties in cities such as Beijing and Shanghai. Through establishment of the Fund, the BCG Group may invest in re-development projects in Beijing, Shanghai and other first-tier cities with good locations, convenient transportation systems and with rental growth potential (after re-development). Synergy created with the BCG Group's outlets projects is also expected to benefit the BCG Group.

The BCG Board is of the view that the terms of the Partnership Agreement were negotiated on an arm's length basis among the Partners and are on normal commercial terms which are fair and reasonable and in the interests of BCG and the Shareholders as a whole.

The BCL Board concurs with the view of the BCG Board that the terms of the Partnership Agreement were negotiated on an arm’s length basis among the Partners and are on normal commercial terms which are fair and reasonable and in the interests of BCL and its shareholders as a whole.

LISTING RULES IMPLICATIONS FOR BCG

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LISTING RULES IMPLICATIONS FOR BCL

As the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Partnership Agreement are more than 5% but less than 25%, the entering into of the Partnership Agreement and the transactions contemplated thereunder constitute a discloseable transaction of BCL and BCL is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

- “BCG” Beijing Capital Grand Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1329)

- “BCG Board” Board of BCG Directors

“BCG Directors”	directors of the BCG
“BCG Group”	BCG and its subsidiaries
“BCG Party”	Shouju and Shanghai Juque
“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, whose H shares are listed on the Main Board of the Stock Exchange (Stock Code: 2868), the controlling shareholder (as defined in the Listing Rules) of BCG
“BCL Board”	Board of BCL Directors
“BCL Directors”	Directors of BCL
“BCL Group”	BCL and its subsidiaries
“Beijing Mobo”	Beijing Mobo Management Consulting Co., Limited* (北京魔博管理諮詢有限公司), a company established in the PRC with limited liability, one of the Limited Partners and an independent third party
“Beijing NOVA”	Beijing NOVA Corporate Management Consulting Co., Limited* (北京盛煦企業管理諮詢有限公司), a company established in the PRC with limited liability, one of the General Partners and an independent third party
“Beijing Yusheng”	Beijing Yusheng Property Management Co., Limited* (北京昱盛物業管理有限公司), a company established in the PRC with limited liability, one of the Limited Partners and an independent third party
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Fund”	the limited partnership investment fund to be established and registered under the laws of the PRC pursuant to the Partnership Agreement
“General Partner(s)”	general partners of the Fund, being Shouju and Beijing NOVA as at the date of this announcement

“independent third party(ies)”	person(s) or company(ies) which is/are not connected with BCG and BCL, and is/are not connected person(s) of BCG and BCL
“Limited Partner(s)”	limited partners of the Fund, being Shanghai Juque, Beijing Yusheng and Beijing Mobo as at the date of this announcement
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Nova Party”	Beijing NOVA, Beijing Yusheng and Beijing Mobo
“Partners”	partners of the Fund, being Shanghai Juque, Shouju, Beijing NOVA, Beijing Yusheng and Beijing Mobo as at the date of this announcement
“Partnership Agreement”	partnership agreement entered into on 29 January 2019 (after trading hours) among Shanghai Juque, Shouju, Beijing NOVA, Beijing Yusheng and Beijing Mobo in respect of, among other things, the establishment of the Fund by the BCG Party and the Nova Party and the subscription of interest therein
“PRC”	means the People’s Republic of China excluding Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan for the purpose of this announcement
“RMB”	Renminbi, the lawful currency of PRC
“Shanghai Juque”	Shanghai Juque Investment Management Co., Ltd.* (上海鉅譽投資管理有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of BCG, and one of the Limited Partners
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of BCG
“Shareholders”	shareholders of BCG

“Shouju”	Shouju (Ningbo) Corporate Management Consulting Company Limited* (首鉅(寧波)企業管理諮詢有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of BCG
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the BCL Board
Beijing Capital Land Ltd.
Lee Sze Wai
Company Secretary

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

Hong Kong, 29 January 2019

As at the date of this announcement, the BCL Board comprises Mr. Li Songping (Chairman) who is the non-executive Director, Mr. Zhong Beichen (President), Mr. Li Xiaobin, Mr. Hu Weimin and Mr. Fan Shubin who are the executive Directors, Mr. Su Jian who is the non-executive Director, and Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin who are the independent non-executive Directors.

As at the date of this announcement, the BCG Board comprises Mr. Zhong Beichen (Chairman) and Mr. Feng Yujian (Chief Executive Officer) as executive Directors; Mr. Wang Hao, Ms. Qin Yi, 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.

* *For identification purposes only and should not be regarded as the official English translations of the Chinese names. In the event of any inconsistency, the Chinese names prevail.*