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**BEIJING CAPITAL GRAND LIMITED**

**首創鉅大有限公司**

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

**(Stock Code: 1329)**

**CONTINUING CONNECTED TRANSACTION  
RENEWAL OF LEASE AGREEMENT**

On 1 February 2019, Beijing Hengsheng entered into the Lease Renewal with Shangbodi and GoldenNet in relation to the leasing of the Premises, which will continue to be used by the Group as office.

Shangbodi is a connected person of the Company by virtue of it being a joint venture owned as to 51% by BCL, the controlling shareholder of the Company. Accordingly, the Lease Renewal constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the Annual Caps under the Lease Renewal are more than 0.1% but are less than 5%, the transaction contemplated under the Lease Renewal is subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

**THE LEASE RENEWAL**

The term of the Previous Lease has expired on 13 December 2018. Beijing Hengsheng, an indirectly wholly-owned subsidiary of the Company, have indicated their intention to renew the Previous Lease and have been negotiating on the terms of the renewal with Shangbodi (a connected person of the Company) and GoldenNet (an Independent Third Party) since its expiry.

On 1 February 2019, Beijing Hengsheng, an indirectly wholly-owned subsidiary of the Company, entered into the Lease Renewal with Shangbodi (a connected person of the Company) and GoldenNet (an Independent Third Party) in relation to the leasing of the Premises.

Principal terms of the Lease Renewal are set out as follows:

- 1. Date:** 1 February 2019
- 2. Parties:**
  - (i) Beijing Hengsheng, as tenant;
  - (ii) Shangbodi, as landlord; and
  - (iii) GoldenNet, as property management service provider.
- 3. Premises:** 2/F, 3/F, 4/F and western portion of 1/F of Block 18, Langyuan Vintage, No. 6 Langjiayuan, Chaoyang District, Beijing, PRC, with a total leasable floor area of 1,820 square metres
- 4. Principal use:** the Premises shall be used by Beijing Hengsheng as office, and the principal use of the Premises shall not be changed without GoldenNet's written consent
- 5. Term:** The term of the Lease Renewal commenced with retrospective effect from 14 December 2018 for 24 months up to 13 December 2020 (both days inclusive)
- 6. Rent:** RMB664,300 per month, payable by Beijing Hengsheng to Shangbodi quarterly;
- 7. Property management fee:** RMB38,750.83 per month, payable by Beijing Hengsheng to GoldenNet quarterly; and
- 8. Renewal:** Beijing Hengsheng shall have the right of first refusal to renew the Lease Renewal on the same terms, subject to a three-month advance written notice prior to the expiry of the term of the Lease Renewal (i.e. 13 December 2020) being served by Beijing Hengsheng to GoldenNet

#### **REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE RENEWAL**

The Company was incorporated in the Cayman Islands and its 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, 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 the Company dated 14 November 2018.

The Premises under the Lease Renewal will continue to be used by the Group as its office in Beijing for the onshore operational businesses of the Group. The terms of the Lease Renewal have been determined after arm's length negotiation between the parties with reference to the prevailing market rent for the Premises and comparable premises in the vicinity.

The Directors (including the independent non-executive Directors) are of the view that the Lease Renewal was entered into on normal commercial terms, in the ordinary and usual course of business of the Group and that the terms of the Lease Renewal, including the rent and property management fee, set out above are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **INFORMATION ON THE PARTIES**

Beijing Hengsheng is a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company. It is the registered holder of certain registered trademarks in the PRC which are used by the Group in the course of the operations of its outlets projects.

Shangbodi is a company established in the PRC with limited liability and is owned as to 51% by BCL. It is principally engaged in investment management in the PRC.

GoldenNet, an Independent Third Party, is a company established in the PRC with limited liability and is principally engaged in property management in the PRC. It is entrusted by Shangbodi to manage the operation of the Premises, including but not limited to collection of rent, surrender and renewal of tenancy and renovation and maintenance of the property.

### **LISTING RULES IMPLICATIONS**

Shangbodi is a connected person of the Company by virtue of it being a joint venture owned as to 51% by BCL, the controlling shareholder of the Company. Accordingly, the Lease Renewal constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

The annual rent payable by Beijing Hengsheng to Shangbodi under the Lease Renewal for each of the financial year ending 31 December 2018, 2019 and 2020 will not be more than RMB1,992,900, RMB7,971,600 and RMB7,971,600, respectively, which are also the respective Annual Caps for the three financial years. The Annual Caps were determined by reference to the annual rent payable under the Lease Renewal and the historical amount of rent paid pursuant to the Previous Lease for the three financial years ending 31 December 2016, 2017 and 2018, being RMB393,120, RMB7,971,600, and RMB7,578,480, respectively. As all of the applicable percentage ratios in respect of the Annual Caps are more than 0.1% but are less than 5%, the transaction contemplated under the Lease Renewal is subject to the reporting, announcement and annual review requirements but is exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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 Lease Renewal.

## DEFINITIONS

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

“Annual Caps”	Beijing Hengsheng's annual caps in respect of the Lease Renewal for the three financial years ending 31 December 2018, 2019 and 2020
“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
“Beijing Hengsheng”	Beijing Hengsheng Huaxing Investment Management Co., Ltd.* (北京恒盛華星投資管理有限公司), a company incorporated in the PRC and an indirectly wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Company”	Beijing Capital Grand Limited, 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)
“Directors”	the director(s) of the Company
“GoldenNet”	GoldenNet Yicheng Asset Management (Beijing) Co., Ltd.* (金網絡怡成資產管理(北京)有限公司), a company incorporated in the PRC and an Independent Third Party
“Group”	the Company and its subsidiaries
“Independent Third Party”	independent third party not connected with the Company and its connected persons, having the meaning ascribed to such term in the Listing Rules
“Lease Renewal”	the tenancy agreement dated 1 February 2019 entered into among Shangbodi, GoldenNet and the Company in respect of the Premises

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan
“Premises”	2/F, 3/F, 4/F and western portion of 1/F of Block 18, Langyuan Vintage, No. 6 Langjiayuan, Chaoyang District, Beijing, PRC
“Previous Lease”	The lease entered into between Beijing Hengsheng, Shangbodi and GoldenNet on 14 December 2016 in respect of the Premises, details of which are disclosed in the announcement of the Company dated 14 December 2016
“RMB”	Renminbi, the lawful currency of the PRC
“Shangbodi”	Beijing Shangbodi Investment Consultant Co., Ltd.* (北京尚博地投資顧問有限公司), a company incorporated in the PRC and owned as to 51% by BCL
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

*The English names of Chinese entities marked with “\*” are translations of their Chinese names and are included in this 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  
**Beijing Capital Grand Limited**  
**Lee Sze Wai**  
*Company Secretary*

Hong Kong, 1 February 2019

*As at the date of this announcement, the 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.*