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**BEIJING PROPERTIES (HOLDINGS) LIMITED**

**北京建設（控股）有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 925)**

**DISCLOSEABLE TRANSACTION AND  
CONTINUED CONNECTED TRANSACTIONS  
RELATING TO SUPPLEMENTAL AGREEMENT ON  
DEPOSIT SERVICES**

The Board is pleased to announce that on 28 April 2017, the Company entered into the Supplemental Agreement with BG Finance, pursuant to which the existing Caps under the Deposit Services Master Agreement will be revised to HK\$650 million for the three financial years ending 31 December 2019 and the term of the Deposit Services Master Agreement shall be extended to 31 December 2019.

As the Company's ultimate controlling shareholder BE Group owns not less than 30% equity interest in BG Finance, BG Finance is an associate of BE Group and is therefore a connected person of the Company. The Deposit Services constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As each of the relevant percentage ratios (except for the profits ratio which is not applicable) for the utilization of Deposit Services under the Supplemental Agreement is higher than 5% but less than 25% on an annual basis, the utilisation of Deposit Services under the Supplemental Agreement constitutes non-exempt continuing connected

transactions under Rule 14A.35 of the Listing Rules and is subject to the reporting, annual review, announcement and the independent shareholders' approval requirements under Rule 14A.48 of the Listing Rules.

Further, the utilisation of Deposit Services under the Supplemental Agreement constitutes the provision of financial assistance under Rule 14.04(1)(e) of the Listing Rules and thus a discloseable transaction under Chapter 14 of the Listing Rules.

The Company will send a circular containing, among other things, a letter of advice from the independent financial adviser to both the Independent Board Committee and the Independent Shareholders and a letter of recommendation from the Independent Board Committee to the Independent Shareholders and the details of the Deposit Services under the Supplemental Agreement and the revised Caps on or before 23 May 2017.

Reference is made to the announcement of the Company dated 29 June 2015 in relation to Deposit Services Master Agreement. The Company entered into the Supplemental Agreement with BG Finance in relation to revision of the Cap.

## **THE SUPPLEMENTAL AGREEMENT**

Date: 28 April 2017 (after trading hours)

Parties: (1) The Company

(2) BG Finance

Further information about BG Finance is set out in the paragraph headed "Information of the Company and BG Finance" below.

### **Subject matter**

Pursuant to the Supplemental Agreement, the parties have agreed to revise each of the Caps in relation to the Deposit Services for the three financial years ending 31 December 2019 to HK\$650 million. Save as the said revision, all other terms of the Deposit Services Master Agreement shall remain unchanged. The Supplemental Agreement shall be effective from the date of obtaining the Independent Shareholders' approval at the SGM.

## **Term**

The term of the Deposit Services Master Agreement shall be extended to 31 December 2019. Subject to the compliance with the Listing Rules and/or upon the expiration of such revised term, the Deposit Services Master Agreement may be renewed, varied or modified by the Company and BG Finance by agreement in writing.

## **Deposit interests**

The rate at which interest will accrue on any deposit placed by the Group with BG Finance under the Deposit Services Master Agreement will not be lower than the following:

- (a) the basis interest rate announced by the People's Bank of China for the same type of deposits for the same period;
- (b) interest rates offered by commercial banks in Hong Kong and the PRC to the Group for the same type of deposits for the same period; and
- (c) the interest rates offered by BG Finance to other members of BE Group for the same type of deposits.

## **Revised Annual Caps**

The cumulative daily outstanding deposits balance placed by the Group with BG Finance (including any interest accrued thereon) during the three financial years ending 31 December 2019 will not exceed the following caps:

	<b>Existing Cap</b> <i>Equivalent to</i> <i>HK\$ million</i>	<b>Revised Cap</b> <i>Equivalent to</i> <i>HK\$ million</i>
For the period from 29 June 2015 to 31 December 2015	250	–
For the financial year ended 31 December 2016	250	–
For the financial year ending 31 December 2017	250	650
For the financial year ending 31 December 2018	–	650
For the financial year ending 31 December 2019	–	650

In determining the revised annual Caps for the Deposit Services for the three years ending 31 December 2019, the Company has taken into account of the following; (i) the historical maximum daily balance of deposit the Company placed with BG Finance, and (ii) the reference to the latest Group's cash and cash equivalents available. As at 31 March 2017, the amount of cash and bank balances of the Group was approximately RMB4.13 billion.

### **Condition precedent**

The Supplemental Agreement will take effect after the fulfilment of the following condition precedent:

- (if applicable) the compliance with the requirements of announcement and Independent Shareholders' approval under the Listing Rules.

If the approval of Independent Shareholders cannot be obtained on or before 31 December 2017, the Supplemental Agreement will be terminated and it shall have no legal effect.

### **REASONS FOR AND BENEFITS OF THE ENTERING INTO THE SUPPLEMENTAL AGREEMENT**

The Directors have been monitoring the amount of the Deposit Services and as of the date of this announcement, the existing annual Cap for the Deposit Services in respect of 2016 has not been exceeded. The total assets of the Group increased from approximately HK\$9,912 million as at 30 June 2015 to approximately HK\$11,718 million as at 31 December 2016. As at 31 December 2016, the Group's deposits at BG Finance amounted to approximately HK\$242,474,432. In view of the continuous expansion in the operational scale of the Group, it is expected that the Group will continue and deploy more deposit services at BG Finance. The Board has decided to adopt the revised annual Caps for each of the three years ending 31 December 2017, 2018 and 2019 in order to provide greater flexibility in the management of the Group's cash resources.

The Group has to maintain deposits and other bank balances with financial institutions in Hong Kong and the PRC from time to time as part of its treasury activities and in order to satisfy its business needs in the ordinary and usual course of business.

The Deposit Services are conducted on normal commercial terms and the deposit interest rates offered by BG Finance to the Group are equal to or more favourable to the Group than those offered by commercial banks in Hong Kong and the PRC to the Group for comparable deposits. The Deposit Services Master Agreement provides the Group with a new means of financing but also improves the efficiency of the use of its funds through higher interest income and lower costs of financing. The Group is also in a better position to manage the security of its funds since BG Finance is not considered to be exposed to any significant capital risk.

For the avoidance of doubt, the Deposit Services Master Agreement does not preclude the Group from using the services of other financial institutions. The Group still has the freedom to select any major and independent commercial banks in Hong Kong and the PRC as its financial services providers as it thinks fit and appropriate for the benefit of the Group.

As none of the Directors has material interest in the Supplemental Agreement, no Director has abstained from voting on the relevant board resolutions of the Company.

The Directors (including the independent non-executive Directors) consider that the Supplemental Agreement is entered into in the ordinary and usual course of business of the Group on normal commercial terms and that the terms of the Supplemental Agreement (together with the relevant revised Caps) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE COMPANY AND BG FINANCE**

### **The Company**

The Company is a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange. The Company is an investment company and the holding company of the Group. The Group is principally engaged in investment in, development and operation of logistics, commercial, residential and industrial properties, provision of logistics services, including leasing of warehouse facilities and provision of related management services.

## **BG Finance**

BG Finance is incorporated in the PRC with limited liability. BE Group beneficially owns not less than 30% equity interest in BG Finance, BG Finance is an associate of BE Group. Its establishment as a non-bank financial services institute has been approved by China Banking Regulatory Commission. BG Finance acts as a platform of BE Group for provision of intergroup facilities through financial products including deposit-taking, money-lending and custodian services, etc.

## **IMPLICATIONS OF THE LISTING RULES**

As the company's ultimate controlling shareholder BE Group owns not less than 30% equity interest in BG Finance, BG Finance is an associate of BE Group and is therefore a connected person of the Company. The Deposit Services under the Supplemental Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As each of the relevant percentage ratios (except for the profits ratio which is not applicable) for the utilization of Deposit Services under the Supplemental Agreement is higher than 5% but less than 25% on an annual basis, the utilisation of Deposit Services under the Supplemental Agreement constitutes non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules and is subject to the reporting, annual review, announcement and the independent shareholders' approval requirements under Rule 14A.48 of the Listing Rules.

Further, the utilisation of Deposit Services under the Supplemental Agreement constitutes the provision of financial assistance under Rule 14.04(1)(e) of the Listing Rules and thus a discloseable transaction under Chapter 14 of the Listing Rules.

An Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Deposit Services under the Supplemental Agreement. Independent financial advisers have been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement and the revised Caps.

BE Group and its associates are required to abstain from voting in respect of the proposed resolution to approve the Supplemental Agreement (including the revised Caps) in the SGM.

## **FURTHER INFORMATION**

The Company will send a circular containing, among other things, a letter of advice from the independent financial adviser to both the Independent Board Committee and the Independent Shareholders and a letter of recommendation from the Independent Board Committee to the Independent Shareholders and the details of the Deposit Services under the Supplemental Agreement and the revised Caps on or before 23 May 2017.

## **DEFINITIONS**

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

“associate”	has the meaning ascribed to it under the Listing Rules
“BE Group”	Beijing Enterprises Group Company Limited (北京北控集團有限公司), a company incorporated in the PRC with limited liability and is a substantial shareholder of the Company
“BG Finance”	Beijing Enterprises Group Finance Co., Ltd., a company incorporated in the PRC with limited liability and is an associate of BE Group
“Board”	the board of Directors
“Cap(s)”	the maximum daily balance of deposits placed by the Company (including the corresponding interest accrued thereon) on any given day during the term of the Deposit Services Master Agreement and/or the Supplemental Agreement
“Company”	Beijing Properties (Holdings) Limited (stock code: 925), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange

“connected person”	has the meaning ascribed to it under the Listing Rules
“Deposit Services”	the deposit services to be provided by BG Finance to the Group under the Deposit Services Master Agreement and/or the Supplemental Agreement
“Deposit Services Master Agreement”	the deposit services master agreement entered into between the Company and BG Finance on 29 June 2015
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	the independent committee of the Board, the members of which consist of the independent non-executive Directors, formed to advise the Independent Shareholders with respect to the Supplemental Agreement and the revision of the Caps
“Independent Shareholders”	Shareholders other than BE Group and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting to be convened by the Company to approve, among others, the Supplemental Agreement and the revised Caps



“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement”	the supplemental agreement entered into between the Company and BG Finance on 28 April 2017 in relation to the revision of certain provisions of the Deposit Services Master Agreement
“%”	per cent

By Order of the Board  
**Beijing Properties (Holdings) Limited**  
**Cheng Ching Fu**  
*Company Secretary*

Hong Kong, 28 April 2017

*As at the date of this announcement, Mr. Qian Xu, Mr. Hu Yebi, Mr. Li Shuping, Mr. Zhao Jiansuo, Mr. Siu Kin Wai, Mr. Yu Luning, Mr. Ang Renyi, Mr. Wan Lee Cham, Mr. Dong Qilin, and Mr. Li Changfeng are the executive Directors; and Mr. Goh Gen Cheung, Mr. Zhu Wuxiang, Mr. James Chan, Mr. Song Lishui and Mr. Chan Yuk Cheung are the independent non-executive Directors.*