

BECL Investment Holding Limited  
10/F., Guangdong Investment Tower  
148 Connaught Road Central  
Hong Kong

Beijing Capital Grand Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

16 December 2024

*To the Perpetual CB Securities Holder*

Dear Sir/Madam,

## **PERPETUAL CB SECURITIES OFFER**

### **IN RELATION TO THE PROPOSAL FOR THE PRIVATISATION OF BEIJING CAPITAL GRAND LIMITED BY BECL INVESTMENT HOLDING LIMITED BY WAY OF A SCHEME OF ARRANGEMENT (UNDER SECTION 86 OF THE COMPANIES ACT)**

#### **INTRODUCTION**

A scheme document issued jointly by BECL Investment Holding Limited (首置投資控股有限公司) (the “**Offeror**”) and Beijing Capital Grand Limited (the “**Company**”) dated the same date as this letter (the “**Scheme Document**”) is enclosed with this letter. Terms used but not defined in this letter shall have the same meanings and construction as in the Scheme Document. This letter should be read in conjunction with the Scheme Document.

The Offeror and the Company issued jointly the Announcement on 28 October 2024 which stated, among others, that on 16 October 2024 (after trading hours), the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares on the Stock Exchange.

In accordance with Rule 13 of the Takeovers Code, the Offeror is making the Perpetual CB Securities Offer to the Perpetual CB Securities Holder to acquire all the outstanding Perpetual CB Securities as at the Effective Date. The Perpetual CB Securities Offer will be conditional upon the Scheme becoming effective.

This letter explains the actions you may take in relation to your Perpetual CB Securities. You are advised to refer to the Scheme Document when considering them.

Your attention is also drawn to the terms and conditions of the Perpetual CB Securities.

## **TERMS AND CONDITIONS OF THE PERPETUAL CB SECURITIES OFFER**

The Offeror is making the Perpetual CB Securities Offer to the Perpetual CB Securities Holder in accordance with Rule 13 of the Takeovers Code to acquire all the outstanding Perpetual CB Securities which remain outstanding and have not otherwise been redeemed and/or converted into Shares pursuant to the conversion rights thereunder as at the Effective Date. The Perpetual CB Securities Offer is conditional upon the Scheme becoming effective. The Conditions are set out in the section headed “3. Conditions of the Proposal” in the Explanatory Memorandum of the Scheme Document.

In accordance with Practice Note 6 to the Takeovers Code, the offer price under the Perpetual CB Securities Offer is HK\$0.40476190476 for every HK\$1 face value of the Perpetual CB Securities, being the “see-through” consideration for each Perpetual CB Securities with a face value of HK\$1 (i.e. being approximately 0.476190 Share for every HK\$1 face value at the prevailing conversion price of HK\$2.10 per Share, multiplied by the Cancellation Price per Scheme Share), and the total Perpetual CB Securities Offer is valued at HK\$266,169,105, which is calculated by multiplying the number of Shares into which the Perpetual CB Securities are convertible into (being an aggregate of 313,140,124 Shares for all the outstanding Perpetual CB Securities at the conversion price of HK\$2.10 per Share, each as at the Latest Practicable Date) by the Cancellation Price per Scheme Share.

**The offer price under the Perpetual CB Securities Offer will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the offer price under the Perpetual CB Securities Offer.**

Pursuant to the terms and conditions of the Perpetual CB Securities, holders of the Perpetual CB Securities shall be entitled to (i) simple interest on the outstanding principal amount of the Perpetual CB Securities at a rate equal to 0.01% per annum on a non-cumulative basis payable annually in arrear in cash (the “**PCBS Fixed Interest**”) and (ii) additional variable interest in the event that any dividend or distribution is paid by the Company to be calculated based on an aggregate amount of such dividend or distribution per Share multiplied by the aggregate number of Shares into which the Perpetual CB Securities then outstanding may be converted into (the “**PCBS Variable Interest**”).

The Perpetual CB Securities to be acquired under the Perpetual CB Securities Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Effective Date or subsequently becoming attached to them, including the right to receive in full all PCBS Fixed Interests (subject to the right of the Company to defer such payment in accordance with the terms of the Perpetual CB Securities) and/or PCBS Variable Interests, if any, the record date of which is on or after the Effective Date.

If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid, the Offeror will reduce the offer price under the Perpetual CB Securities Offer by all or any part of the amount or value of the PCBS Variable Interests arising out of such dividend, distribution and/or, as the case may be, return of capital, in which case any reference in the Announcement, the Scheme Document or any other announcement or document to the offer price under the Perpetual CB Securities Offer will be deemed to be a reference to the offer price under the Perpetual CB Securities Offer as so reduced.

If the Perpetual CB Securities Holder exercise the conversion rights in accordance with the terms and conditions of the Perpetual CB Securities and become Shareholders on or before the Scheme Record Date, any Shares so issued will be subject to and eligible to participate in the Scheme.

You are further advised to refer to the sections headed “16. Registration and Payment”, “17. Overseas Shareholders” and “18. Taxation Advice” in the Explanatory Memorandum of the Scheme Document.

Your attention is drawn to the letter from the Independent Board Committee set out in Part V of the Scheme Document and the letter from the Independent Financial Adviser set out in Part VI of the Scheme Document, which contain the recommendation of the Independent Board Committee and of the Independent Financial Adviser, respectively, in relation to the Proposal, the Scheme and the Perpetual CB Securities Offer.

#### **Other General Terms and Conditions**

- (a) All communications, notices, Forms of Acceptance, cheques, certificates and other documents of any nature to be delivered by or sent to or from the Perpetual CB Securities Holder will be delivered by or sent to or from them, or their designated agents, at their risk, and none of the Offeror, the Company or CICC accepts any liability for any loss or any other liabilities whatsoever which may arise as a result.
- (b) The provisions set out in the Form of Acceptance form part of the terms of the Perpetual CB Securities Offer.
- (c) The Perpetual CB Securities Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.

- (d) Due execution of the Form of Acceptance in respect of the Perpetual CB Securities Offer will constitute an authority to the Offeror, the Company, CICC or such person(s) as any of them may direct to complete and execute on behalf of the accepting Perpetual CB Securities Holder, the Form of Acceptance and any document and to do any other act that may be necessary or expedient for the purpose of cancelling, or vesting in the Offeror or such person(s) as the Offeror shall direct, all rights of the Perpetual CB Securities Holder in respect of the Perpetual CB Securities which are the subject of such acceptance.
- (e) The delivery of the Form of Acceptance, duly signed, may, if the Offeror determines it appropriate, be as effective as if it were duly completed, executed and received notwithstanding that it is not completed, executed or received strictly in accordance with the Form of Acceptance and this letter, including the date specified for receipt or the absence of any witness attesting to the execution of any Form of Acceptance.
- (f) By completing the Form of Acceptance in respect of any principal amount of Perpetual CB Securities, you irrevocably and at your own risk elect to authorise the Offeror, the Company, CICC and/or their respective agent(s) to send to you, or procure the sending to you of, the cheque for the payment to which you are entitled under the Perpetual CB Securities Offer.
- (g) Any acceptance of the Perpetual CB Securities Offer and the receipt of cash consideration may trigger taxes subject to withholding obligations of the Offeror and/or the Company. Cash consideration under the Perpetual CB Securities Offer may be paid to you net of such applicable taxes, if any. The Perpetual CB Securities Holder is recommended to consult their professional advisers if in any doubt as to the taxation implications of the Perpetual CB Securities Offer.
- (h) Any acceptances of the Perpetual CB Securities Offer by the Perpetual CB Securities Holder shall be irrevocable and cannot be withdrawn, except as permitted under the Takeovers Code. If the Perpetual CB Securities Offer lapses or is withdrawn, the Offeror shall, at the Perpetual CB Securities Holder's own risk as soon as possible but in any event no later than 7 business days (as defined under the Takeovers Code) thereafter, return by ordinary post the relevant certificate(s) of the Perpetual CB Securities lodged with the Form of Acceptance to the Perpetual CB Securities Holder.

## **Declaration**

By signing and returning the completed Form of Acceptance, you thereby:

- (a) warrant and confirm that the Perpetual CB Securities in respect of which you accept the Perpetual CB Securities Offer is valid and subsisting, fully paid, free from all liens, charges, mortgages and third party interests of any nature whatsoever and acquired by the Offeror under the Perpetual CB Securities Offer together with all rights attaching to

the Perpetual CB Securities as at the Effective Date or subsequently becoming attached to them, including the right to receive in full all PCBS Fixed Interests (subject to the right of the Company to defer such payment in accordance with the terms of the Perpetual CB Securities) and/or PCBS Variable Interests, if any, the record date of which is on or after the Effective Date;

- (b) acknowledge that any Perpetual CB Securities certificate or documents in respect of such Perpetual CB Securities shall become void once that Perpetual CB Securities has been cancelled or transferred as a result of your acceptance of the Perpetual CB Securities Offer;
- (c) warrant and confirm to the Offeror, the Company, CICC or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Proposal that you have not taken or omitted to take any action which will or may result in the Offeror, the Company, CICC or any of their respective ultimate beneficial owners, nominees, directors, employees, officers, agents, advisers, associates, affiliates or any other person involved in the Proposal acting in breach of the legal or regulatory requirements of any territory in connection with the Perpetual CB Securities Offer or your acceptance thereof;
- (d) acknowledge and agree that you cease to have any rights and obligations, and waive all rights and claims against any party (including the Offeror and the Company), in respect of all the Perpetual CB Securities held by you for which you accept the Perpetual CB Securities Offer, that all rights and obligations under all such Perpetual CB Securities will be cancelled;
- (e) confirm that the decisions which you have made on the Form of Acceptance cannot be withdrawn or altered unless otherwise permitted under the Takeovers Code;
- (f) authorise the Offeror, the Company, CICC and/or such person or persons as any of them may direct to do all acts and things and to complete, amend and execute any document on your behalf as may be necessary or desirable to give effect to or in connection with the acceptance you have made on the Form of Acceptance, and you hereby undertake to execute any further assurance that may be required in respect of such acceptance;
- (g) undertake to confirm and ratify any action properly or lawfully taken on your behalf by any person authorised or appointed by or pursuant to this letter and the Form of Acceptance; and
- (h) confirm that you have read, understood and agreed to the terms and conditions of the Perpetual CB Securities Offer (including, without limitation, those set out in the Scheme Document, this letter and the Form of Acceptance), and that you have received and read the Scheme Document and this letter.

## **ACTIONS TO BE TAKEN BY THE PERPETUAL CB SECURITIES HOLDER**

If you accept the Perpetual CB Securities Offer, you should complete the Form of Acceptance in accordance with the instructions printed thereon in respect of the outstanding principal amount of the Perpetual CB Securities held by you that you wish to tender to the Perpetual CB Securities, which instructions form part of the terms and conditions of the Perpetual CB Securities.

The complete Form of Acceptance should be forwarded together with the certificate(s) of the Perpetual CB Securities) which you intend to accept the Perpetual CB Securities Offer, by post or by hand, to the Offeror at 30/F, Jardine House, One Connaught Place, Central, Hong Kong, as soon as possible but in any event no later than 4:00 p.m. on Thursday, 23 January 2025 or such later time and/or date as the Offeror and the Company may announce in accordance with the Takeovers Code.

No acknowledgement of receipt of any Form of Acceptance and/or certificate(s) of the Perpetual CB Securities will be given.

**The Perpetual CB Securities Holder is reminded that if you do not accept the Perpetual CB Securities Offer, and the Scheme subsequently becomes effective and the listing of the Shares on the Stock Exchange is withdrawn, this will result in the Perpetual CB Securities Holder holding Perpetual CB Securities which are convertible into unlisted Shares and the liquidity of the Shares may be severely reduced. In addition, the Company will no longer be subject to the Takeovers Code and the Listing Rules after the Scheme becoming effective and the listing of the Shares on the Stock Exchange is withdrawn, and the right of the Perpetual CB Securities Holder to certain information of the Company will be reduced.**

For further details, please refer to the remaining sections of this letter, the Scheme Document, the Form of Acceptance.

## **PROFESSIONAL ADVICE**

The information provided in this letter is intended to give you factual details on which to base your decision as to the action you wish to take. If you are in doubt as to any aspect of this letter, the Scheme Document, or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

## **RESPONSIBILITY STATEMENT**

As at the Latest Practicable Date, the sole director of the Offeror is Mr. Pei Jun, who accepts full responsibility for the accuracy of information contained in this letter (other than the information relating to the Group) and confirm, having made all reasonable inquiries, that to the best of his

knowledge, opinions expressed in this letter (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.

As at the Latest Practicable Date, the directors of BCCDG comprise Mr. Bi Yong, Ms. Sun Baojie, Mr. Deng Wenbin, Mr. Xu Zhuo, Mr. Yu Xuekui, Ms. Qin Yi, Mr. Mu Zhibin, Mr. Huang Ziquan and Mr. Fan Shubin. The directors of BCCDG jointly and severally accept full responsibility for the accuracy of the information contained in this letter (other than the information relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this letter (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.

As at the Latest Practicable Date, the Board comprises Mr. Fan Shubin (Chairman) and Mr. Xie Hongyi (Chief Executive Officer) as executive Directors; Mr. Wang Hao, Ms. Qin Yi and Mr. Zhai Senlin as non-executive Directors; and Mr. Yeung Chi Tat, Dr. Huang Wei and Mr. Xu Weiguo as independent non-executive Directors. The Directors jointly and severally accept full responsibility for the accuracy of information contained in this letter (other than the information relating to the Offeror), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this letter (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.