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**首創置業股份有限公司**  
**BEIJING CAPITAL LAND LTD.**

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

**(Stock Code: 2868)**

**ANNOUNCEMENT**

- (1) CONNECTED TRANSACTION IN RESPECT OF THE PROPOSED SUBSCRIPTION OF  
NEW DOMESTIC SHARES  
(2) APPLICATION FOR WHITEWASH WAIVER  
(3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND  
(4) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

**Joint Financial Advisers to the Company in relation to Hong Kong aspects of  
the Domestic Share Subscription**

**HSBC** 

 **CICC**  
中金香港証券

**Financial Adviser to the Company in relation to PRC aspects  
of the Domestic Share Subscription**

**J.P.Morgan**  
一 创 摩 根

**Independent Financial Adviser to the Independent Board  
Committee and the Independent Shareholders**

**AmCap**  
Ample Capital Limited  
豐盛融資有限公司

## **PROPOSED SUBSCRIPTION OF NEW DOMESTIC SHARES**

The Board is pleased to announce that on 10 August 2015, the Company entered into the Domestic Share Subscription Agreement with Capital Group. According to the terms of the Domestic Share Subscription Agreement, the Company has conditionally agreed to issue and Capital Group has conditionally agreed to subscribe in cash for an aggregate of 1,000,000,000 new Domestic Shares at the subscription price of RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share, raising gross proceeds of approximately RMB3,080 million (equivalent to approximately HK\$3,903 million). Net proceeds from the issue of the new Domestic Shares are expected to be approximately RMB3,073 million (equivalent to approximately HK\$3,894 million) and are intended to be used to (a) fund land acquisitions to increase its land bank reserves and/or project development; and (b) enhance general working capital of the Company. The 1,000,000,000 new Domestic Shares will be issued under a specific mandate to be sought at the EGM and the Class Meetings.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Capital Group directly holds 649,205,700 Domestic Shares in the Company, representing approximately 32.01% of the Company's total issued share capital. According to the Listing Rules, Capital Group is considered as a substantial shareholder and hence, a connected person of the Company. Accordingly, the Domestic Share Subscription constitutes a connected transaction of the Company and is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER**

As at the date of this announcement, Capital Group directly holds 649,205,700 Domestic Shares in the Company, representing approximately 32.01% of the Company's total issued share capital. Under the Takeovers Code, China Resource Products Limited is a party acting in concert with Capital Group by virtue of 20% or more of the voting rights of China Resource Products Limited being indirectly owned or controlled by Capital Group and as at the date of this announcement, it holds 275,236,200 Non-H Foreign Shares, representing approximately 13.57% of the Company's total issued share capital. Capital Group and its concert parties under the Takeovers Code collectively hold an aggregate of 924,441,900 Domestic Shares and Non H-Foreign Shares, representing 45.58% of the total issued share capital of the Company as at the date of this announcement.

After completion of the Domestic Share Subscription and assuming no other changes to the issued share capital of the Company prior to Completion, Capital Group and its concert parties will hold approximately 63.56% of the Company's enlarged issued share capital. As the shareholding directly held by Capital Group will increase from 32.01% to 54.47% and the aggregate shareholding held by Capital Group and its concert parties will increase from 45.58% to 63.56% as a result of the issue of the new Domestic Shares, pursuant to Rule 26.1 of the Takeovers Code, Capital Group will be required to make a mandatory general offer for all the issued shares in the share capital of the Company not already owned or agreed to be acquired by Capital Group and its concert parties in the absence of the Whitewash Waiver.

An application will be made on behalf of Capital Group to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the issue of the new Domestic Shares pursuant to the Domestic Share Subscription. The Whitewash Waiver, if granted by the Executive, would be subject to the approval of the Independent Shareholders by way of poll at the EGM and the Class Meetings. The Executive may or may not grant the Whitewash Waiver and in the event that it is not granted, the Domestic Share Subscription Agreement shall lapse and the Domestic Share Subscription will not proceed.

Capital Group and its concert parties (including, among others, China Resource Products Limited) will (and any other shareholder who is involved or interested in the Domestic Share Subscription, the Specific Mandate and the Whitewash Waiver will be required to) abstain from voting in respect of the resolution(s) to approve the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver at the EGM and the Class Meetings.

#### **INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Pursuant to the Listing Rules and the Takeovers Code, the Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver. In this connection, Ample Capital Limited has been approved and appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders as to whether the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver are fair and reasonable and make recommendation(s) on voting. As the non-executive Directors are also either directors or former director of Capital Group (Mr. Liu Xiaoguang, a non-executive Director, ceased to be a director of Capital Group since May 2015), they are not included as members of the Independent Board Committee.

#### **PROPOSED AMENDMENTS TO THE ARTICLES**

The Board proposed to make certain amendments to the Articles, to take effect subject to and upon completion of the Domestic Share Subscription, in order to reflect the latest registered capital and shareholding structure of the Company as a result of the issue of the new Domestic Shares.

The proposed amendments to the Articles are subject to approval by the Shareholders by way of special resolutions at the EGM and the approval of and registration or filing with the relevant PRC government authorities.

Further information in respect of the proposed amendments to the Articles will be set out in the circular to be issued by the Company in relation to, among others, the Domestic Share Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver.

#### **EGM AND CLASS MEETINGS**

The EGM and the Class Meetings will be convened to consider and, if thought fit, approve the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate, the Whitewash Waiver and the proposed amendments to the Articles (as the case may be).

The Domestic Share Subscription Agreement and the Specific Mandate will be proposed by way of special resolutions and the Whitewash Waiver will be proposed by way of an ordinary resolution at the EGM and the Class Meetings to be approved by the Independent Shareholders. Capital Group and its concert parties (including, among others, China Resource Products Limited) will (and any other shareholder who is involved or interested in the Domestic Share Subscription, the Specific Mandate and the Whitewash Waiver will be required to) abstain from voting on the resolutions to be proposed at the EGM and the Domestic Share Class Meeting for approving the proposed Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver.

## **DESPATCH OF CIRCULAR**

According to Rule 8.2 of the Takeovers Code, a circular containing, among other things: (i) details of the Domestic Share Subscription Agreement and transactions contemplated thereunder, the Whitewash Waiver, the Specific Mandate and the proposed amendments to the Articles; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders on the Domestic Share Subscription Agreement and transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver; and (iii) a letter of advice by the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Domestic Share Subscription Agreement and transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver will be required to be despatched on or before 31 August 2015.

The Company may require additional time for finalising the information for inclusion in the circular, hence if required, the Company will apply to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code and to the Stock Exchange for the extension of time for the dispatch of the circular. Further announcement(s) will be made by the Company as and when appropriate.

**As the Domestic Share Subscription is subject to the satisfaction of the conditions precedent under the Domestic Share Subscription Agreement as set out in the section headed “Conditions precedent to the Domestic Share Subscription Agreement” in this announcement, including but not limited to the granting of the Whitewash Waiver by the Executive, the proposed Domestic Share Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action to be taken, should consult their stockbroker, bank manager or other professional advisers.**

## **A. PROPOSED SUBSCRIPTION OF NEW DOMESTIC SHARES**

The Board is pleased to announce that, on 10 August 2015, the Company entered into the Domestic Share Subscription Agreement with Capital Group. According to the terms of the Domestic Share Subscription Agreement, the Company has conditionally agreed to issue and Capital Group has conditionally agreed to subscribe in cash for an aggregate of 1,000,000,000 new Domestic Shares at the subscription price of RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share, raising gross proceeds of approximately RMB3,080 million (equivalent to approximately HK\$3,903 million). Net proceeds from the issue of the new Domestic Shares are expected to be approximately RMB3,073 million (equivalent to approximately HK\$3,894 million) and are intended to be used to (a) fund land acquisitions to increase its land bank reserves and/or project development; and (b) enhance general working capital of the Company.

## **1. DOMESTIC SHARE SUBSCRIPTION AGREEMENT**

The major terms and conditions of the Domestic Share Subscription Agreement are set out as follows:

### **Date**

10 August 2015

### **Parties**

- (1) The Company as the issuer; and
- (2) Capital Group as the subscriber.

### **Number of new Domestic Shares to be subscribed for**

Capital Group will subscribe for an aggregate of 1,000,000,000 new Domestic Shares, with an aggregate nominal value of RMB1,000,000,000. Such new Domestic Shares represent approximately 49.31% of the existing issued share capital of the Company as at the date of this announcement. Assuming there is no change to the issued share capital of the Company other than the issue of the new Domestic Shares pursuant to the Domestic Share Subscription Agreement, immediately after Completion, Capital Group will directly hold an aggregate of 1,649,205,700 Domestic Shares, representing approximately 54.47% of the enlarged total issued share capital of the Company. Such 1,000,000,000 new Domestic Shares will be issued under the Specific Mandate. Same with the Domestic Shares existing in issue, the transfer and subsequent sale of the new Domestic Shares to be issued can be made in accordance with the relevant provisions of the Articles, subject to the applicable PRC laws.

### **Subscription price**

RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share. For the purpose of this announcement, all figures in HK\$ are calculated based on the exchange rate of HK\$1 to RMB0.7892 as quoted by The People's Bank of China as at the Last Trading Day.

The subscription price for the Domestic Share Subscription is determined after arm's length negotiations between the Company and Capital Group, with reference to the prevailing market price of the H Shares.

The subscription price of RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share represents:

- (1) a premium of approximately 2.36% to the price of approximately HK\$3.81 per H Share based on the closing price as quoted on the Stock Exchange on the Last Trading Day;
- (2) a premium of approximately 6.09% to the average closing price of approximately HK\$3.68 per H Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day; and

- (3) a premium of approximately 4.14% to the average closing price of approximately HK\$3.75 per H Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day.

### **Conditions precedent to the Domestic Share Subscription Agreement**

The Domestic Share Subscription is conditional upon:

- (1) the Independent Shareholders approving (a) the Domestic Share Subscription Agreement and the transactions contemplated thereunder and the Specific Mandate by way of special resolutions and (b) the Whitewash Waiver by way of an ordinary resolution, both by poll at the EGM and the Class Meetings;
- (2) SASAC approving the Domestic Share Subscription;
- (3) the Executive granting the Whitewash Waiver to Capital Group and its concert parties and the satisfaction of all conditions (if any) attached to the Whitewash Waiver; and
- (4) the obtaining of all necessary consents, approvals, licences, permissions, waivers and notices by the Company from relevant government and/or regulatory authorities which are required for the Domestic Share Subscription and the same not having been revoked prior to Completion.

None of the conditions can be waived under the Domestic Share Subscription Agreement.

If any of the conditions precedent under the Domestic Share Subscription Agreement as set out above in the section headed “Conditions precedent to the Domestic Share Subscription Agreement” is not satisfied on or before the Long Stop Date or such other date as agreed by both parties in writing, the Domestic Share Subscription Agreement shall lapse and neither party shall have any claims against the other save for any antecedent breaches.

### **Specific Mandate**

The 1,000,000,000 new Domestic Shares will be issued under a specific mandate to be sought at the EGM and the Class Meetings.

**Shareholders and potential investors should be aware that the proposed Domestic Share Subscription is subject to the satisfaction of the conditions precedent under the Domestic Share Subscription Agreement as set out in the section headed “Conditions precedent to the Domestic Share Subscription Agreement” in this announcement, and accordingly, the proposed Domestic Share Subscription may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Company.**

## **2. RANKING OF NEW DOMESTIC SHARES TO BE ISSUED**

The new Domestic Shares to be issued pursuant to the Domestic Share Subscription Agreement will rank, upon issue, pari passu in all respects with the existing Domestic Shares in issue at the time of allotment and issue of such new Domestic Shares.

### 3. SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Domestic Share Subscription (assuming no other changes to the issued share capital of the Company prior to Completion):

		As at the date of this announcement		Immediately after the Domestic Share Subscription (Note 4)	
Share class		Number of Shares held	Percentage of total issued Shares	Number of Shares held	Percentage of total issued Shares
<b>Capital Group and parties acting in concert with it</b>					
Capital Group	Domestic	649,205,700	32.01%	1,649,205,700	54.47%
China Resource Products Limited (Note 1)	Non-H Foreign	275,236,200	13.57%	275,236,200	9.09%
Subtotal		924,441,900	45.58%	1,924,441,900	63.56%
<b>Other Non-H Foreign Shareholders</b>					
Yieldwell International Enterprise Limited (Note 2)	Non-H Foreign	82,762,100	4.08%	82,762,100	2.73%
Subtotal		82,762,100	4.08%	82,762,100	2.73%
Total Domestic and Non-H Foreign Shares		1,007,204,000	49.66%	2,007,204,000	66.29%
<b>H Shareholders</b>					
Reco Pearl Private Limited (Note 3)	H Shares	165,070,000	8.14%	165,070,000	5.45%
Other H Shareholders (Note 4)	H Shares	855,686,000	42.20%	855,686,000	28.26%
Total H Shares		1,020,756,000	50.34%	1,020,756,000	33.71%
<b>Total issued Shares</b>		2,027,960,000	100%	3,027,960,000	100%

*Notes:*

1. China Resource Products Limited is a company incorporated in the British Virgin Islands with limited liability. For the purpose of the SFO, Guoda Limited and Beijing Rong Tong Zheng He Investment Management Company Limited\* (北京融通正和投資管理有限公司) are deemed to be interested in the 275,236,200 Non-H Foreign Shares held by China Resource Products Limited as at the date of this announcement, by virtue of China Resources Products Limited being held as to 40% by Guoda Limited, which in turn is wholly-owned by Beijing Rong Tong Zheng He Investment Management Company Limited\* (北京融通正和投資管理有限公司). To the best knowledge of the Company, Guoda Limited and Beijing Rong Tong Zheng He Investment Management Company Limited\* (北京融通正和投資管理有限公司) are Independent Third Parties. In addition, as at the date of this announcement, China Resources Products Limited is also held as to 31.53% by Beijing Sunshine Real Estate Comprehensive Development Company\* (北京陽光房地產綜合開發公司), which in turn is wholly-owned by Capital Group.
2. Yieldwell International Enterprise Limited is a company incorporated in the British Virgin Islands with limited liability. For the purpose of the SFO, Brocade City Holdings Limited and Fexi Holdings Limited are deemed to be interested in the 82,762,100 Non-H Foreign Shares held by Yieldwell International Enterprise Limited as at the date of this announcement, by virtue of Yieldwell International Enterprise Limited being held as to 75.5% by Fexi Holdings Limited, which in turn is wholly-owned by Brocade City Holdings Limited, which in turn is wholly-owned by Ngai Shu Susanna. To the best knowledge of the Company, Yieldwell International Enterprise Limited, Fexi Holdings Limited, Brocade City Holdings Limited and Ngai Shu Susanna are Independent Third Parties.
3. Reco Pearl Private Limited is a company incorporated in Singapore with limited liability and is a wholly-owned subsidiary of Recosia China Pte. Ltd., which in turn is a wholly-owned subsidiary of Recosia Pte. Ltd., which in turn is a wholly-owned subsidiary of Government of Singapore Investment Corporation (Realty) Pte. Ltd.. Reco Pearl Private Limited directly holds 165,070,000 H Shares in the Company (representing 8.14% of the Company's total issued share capital as at the date of this announcement) and is a connected person of the Company by virtue of it being a substantial shareholder of the subsidiary(ies) of the Company.
4. The other H Shareholders are public Shareholders.
5. Figures shown above are calculated assuming that no other Shares will be issued or transferred after the date of this announcement until the completion of the Domestic Share Subscription.
6. The Company confirms that it will continue to meet the minimum public float requirements under the Listing Rules immediately after the Domestic Share Subscription.

#### **4. PROPOSED AMENDMENTS TO THE ARTICLES**

The Board proposed to make certain amendments to the Articles, to take effect subject to and upon Completion, in order to reflect the latest registered capital and shareholding structure of the Company as a result of the issue of the new Domestic Shares.

The proposed amendments to the Articles are subject to approval by the Shareholders by way of special resolutions at the EGM and the approval of and registration or filing with the relevant PRC government authorities.

Further information in respect of the proposed amendments to the Articles will be set out in the circular to be issued by the Company in relation to, among other things, the Domestic Share Subscription, Domestic Share Subscription Agreement and the Whitewash Waiver.

## **5. USE OF PROCEEDS**

The Company expects to raise gross proceeds of approximately RMB3,080 million (equivalent to approximately HK\$3,903 million) from the Domestic Share Subscription. The net proceeds from the Domestic Share Subscription is expected to be approximately RMB3,073 million (equivalent to approximately HK\$3,894 million). It is the current intention of the Company to apply the net proceeds from the Domestic Share Subscription of (a) approximately 80% to fund land acquisitions to increase its land bank reserves and/or project development including the development of existing projects in Wuqing (武清), in Tianjin and Xanada Building No. 5 (禧瑞都5號樓) in Beijing and the development of the Company's existing and potential land resources in Beijing such as in Hujialou shanty town (呼家樓棚戶區), Shijingshan shanty town (石景山棚戶區) and Jinhaihu (金海湖), subject to the market conditions, the availability and securing of land and government policies; and (b) approximately 20% to enhance general working capital of the Company. The net subscription price per new Domestic Share is RMB3.07 (equivalent to HK\$3.89).

## **6. REASONS FOR AND BENEFITS OF THE DOMESTIC SHARE SUBSCRIPTION**

### ***Enhanced support from Capital Group to the Company***

The Company is one of the four major subsidiaries of Capital Group endorsed by the SASAC and is primarily engaged in property development, which will continue to be Capital Group's sole platform engaged in market oriented property development. Capital Group holds strategic land resources and property in Beijing and Tianjin, and such resources can provide support to the Company's future development subsequent to the Domestic Share Subscription and in the event that the Company considers to acquire any such land and/or property within 12 months after Completion, the Company may settle such acquisitions by its cash reserves (including the proceeds from the Domestic Share Subscription). Capital Group will continue to support the development of the Company as a substantial shareholder of the Company and maintaining its controlling interest in the Company for at least the next five years. The Company can also benefit from the synergy among other business segments under the Capital Group. Capital Group has no intention to dispose any of its interest in the Domestic Shares upon Completion, save and except for any transfer(s) to National Social Security Fund Council as required by the Provisional Measures on the Administration of the Reduction of the State Owned Shares for Raising Social Security Funds (減持國有股籌集社會保障資金管理暫行辦法).

The Company has no present intention to (a) allot or issue any Domestic Shares for a period of 12 months after Completion, save and except for any A shares that may be allotted or issued by the Company, subject to prevailing regulatory and market conditions in the PRC; and (b) allot or issue any H Shares for a period of 180 days after Completion.

## ***Strategic re-positioning of the Company***

The Board believes that the property market in the PRC has generally recovered and the property prices have in general increased, especially in first and second tier cities. The Company will pursue its strategic positioning in the five core cities including Beijing and Tianjin in line with the PRC government's policies for the development of the Beijing-Tianjin-Hebei area.

## ***Optimizing the Company's capital structure***

To further optimize the capital structure and enhance competitive strengths of the Company, the Board has been proactively considering various capital operation strategies. Before resorting to the Domestic Share Subscription, the Board had considered other relevant strategies such as H Shares new issue and placement, rights issue of Domestic Shares and H Shares, public offering of A Shares and debt financing. An analysis of each alternative strategy is as follow:

- (1) **Placement of new H Shares:** The Board considers that such option involves uncertainties as to the timing in obtaining approvals from relevant authorities including the CSRC and the SASAC. The uncertainty may consequently impact the Company's strategy implementation on a timely basis. Aside from the regulatory approvals required, any placement of new H Shares will also be subject to the ability to attract quality investors.
- (2) **Rights issue of Domestic Shares and H Shares:** For similar reasons as set out in (1) above, there are uncertainties as to the timing in obtaining approvals from the relevant authorities for a rights issue of Domestic Shares and H Shares and the uncertainty may consequently impact the Company's strategy implementation on timely basis. A rights issue will also involve transaction costs such as underwriting fees, and pressure on the Company's share price may result due to the common market practice of discounting of the issue price.
- (3) **Public Offering of A Shares:** The preparation for an A Shares public offering will involve relatively more time and given the recent halt in initial public offerings for the Shanghai A Shares, there are uncertainties as to the timing in obtaining approvals from the relevant authorities for an A Shares public offering.
- (4) **Debt financing:** The Company has been strategically covering its cash requirements through debt financing. As at 30 June 2015, the Company had total borrowing and debt of approximately RMB46,061 million with a net gearing ratio of 155.0%, increased from a net gearing ratio of 87.0% as at 31 December 2014 and a net gearing ratio of 58.5% as at 31 December 2013. To better tap into the PRC bond market, the Company has issued domestic bonds with an aggregate amount of RMB3,000,000,000 on 29 May 2015 and proceeds from this issuance will be used to repay bank loans and supplement working capital. The Board believes that it will be in the interest of the Company and its Shareholders as a whole to utilize debt financing at appropriate levels, but further borrowings in the scale of the aggregate subscription price for the Domestic Share Subscription will increase the financial obligations, and the ensued interest payment will further reduce the earnings and cash flow of the Company. In addition, there are increased risks for further borrowing by the Company given the market sentiment towards the raising of interest rates and the potential pressure on the credit rating of the Company. The Company is therefore of the view that healthy and sustainable debt financings should be complemented by equity financing.

Having carefully weighed the above alternatives, the Board believes that a subscription of new Domestic Shares by Capital Group is the most efficient and economical approach to raise funds at the current market circumstances and satisfy the proposed uses of proceeds stated in the paragraph headed “5. USE OF PROCEEDS” in this announcement. The Domestic Share Subscription demonstrates a strong vote of confidence in the Company by its controlling shareholder. Furthermore, the Company believes that such injection of new equity by its controlling shareholder will optimize its capital structure, enhance its potential for sustainable debt financing and allow flexibility to further tap into the PRC bond market if and when considered appropriate by the Board, where the size of any potential bond issuance by any issuer is determined based on, inter alia, its equity capital.

As such, the Directors (other than the members of the Independent Board Committee whose views will be contained in the Circular having considered the advice from the Independent Financial Adviser) believe that the Domestic Share Subscription by Capital Group is fair and reasonable and on normal commercial terms, and is in the interests of the Group and the Shareholders as a whole.

## **7. RECENT FUND RAISING ACTIVITIES**

The Company has not conducted any fund raising activities through any issue of equity securities within the 12 months immediately prior to the date of this announcement.

## **8. IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Capital Group directly holds 649,205,700 Domestic Shares in the Company, representing approximately 32.01% of the Company’s total issued share capital. According to the Listing Rules, Capital Group is a substantial shareholder and hence, a connected person of the Company. Accordingly, the Domestic Share Subscription constitutes a connected transaction of the Company and is subject to reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Domestic Share Subscription Agreement and the Specific Mandate will be proposed by way of special resolutions and the Whitewash Waiver will be proposed by way of an ordinary resolution at the EGM and the Class Meetings to be approved by the Independent Shareholders. Capital Group and its concert parties (including, among others, China Resource Products Limited) will (and any other shareholder who is involved or interested in the Domestic Share Subscription, the Specific Mandate and the Whitewash Waiver will be required to) abstain from voting on the resolutions to be proposed at the EGM and the Class Meetings for approving the proposed Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver.

## **9. IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER**

As at the date of this announcement, Capital Group directly holds 649,205,700 Domestic Shares in the Company, representing approximately 32.01% of the Company's total issued share capital. Under the Takeovers Code, China Resource Products Limited is a party acting in concert with Capital Group by virtue of 20% or more of the voting rights of China Resource Products Limited being indirectly owned or controlled by Capital Group and as at the date of this announcement, it holds 275,236,200 Non-H Foreign Shares, representing approximately 13.57% of the Company's total issued share capital. Capital Group and its concert parties collectively hold an aggregate of 924,441,900 Domestic Shares and Non-H Foreign Shares, representing 45.58% of the total issued share capital of the Company as at the date of this announcement.

After completion of the Domestic Share Subscription and assuming no other changes to the issued share capital of the Company prior to Completion, Capital Group and its concert parties will hold approximately 63.56% of the Company's enlarged issued share capital. As the shareholding directly held by Capital Group will increase from 32.01% to 54.47% and the shareholding held by Capital Group and its concert parties will increase from 45.58% to 63.56% as a result of the issue of the new Domestic Shares, pursuant to Rule 26.1 of the Takeovers Code, Capital Group will be required to make a mandatory general offer for all the issued shares in the share capital of the Company not already owned or agreed to be acquired by Capital Group and its concert parties in the absence of the Whitewash Waiver.

Completion of the Domestic Share Subscription is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders. An application will be made on behalf of Capital Group to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the issue of the new Domestic Shares pursuant to the Domestic Share Subscription. The Whitewash Waiver, if granted by the Executive, would be subject to the approval of the Independent Shareholders by way of poll at the EGM and the Class Meetings. The Executive may or may not grant the Whitewash Waiver and in the event that it is not granted, the Domestic Share Subscription Agreement shall lapse and the Domestic Share Subscription will not proceed. Capital Group and its concert parties (including, among others, China Resource Products Limited) will (and any other shareholder who is involved or interested in the Domestic Share Subscription, the Specific Mandate and the Whitewash Waiver will be required to) abstain from voting in respect of the resolution(s) to approve the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver at the EGM and the Class Meetings.

**It is one of the conditions under the Domestic Share Subscription Agreement that the Whitewash Waiver be granted by the Executive and approved by the Independent Shareholders by way of poll at the EGM and the Class Meetings. If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, the Domestic Share Subscription Agreement will not become unconditional and the Domestic Share Subscription will not proceed.**

As at the date of this announcement, other than the 45.58% interest in the total existing issued share capital of the Company owned or controlled by Capital Group and its concert parties (details of which are set out under the section headed “A. PROPOSED SUBSCRIPTION OF NEW DOMESTIC SHARES” in this announcement) and all the transactions contemplated under the proposed Domestic Share Subscription and as disclosed in this announcement, neither Capital Group nor any of its concert parties:

- (i) holds, owns, controls or directs any shares, convertible securities, warrants, options or derivatives in respect of the securities in the Company nor has entered into any outstanding derivatives in respect of the securities in the Company;
- (ii) has secured any irrevocable commitment from any Independent Shareholders to vote in favour of or against the resolutions approving the transactions contemplated under the Domestic Share Subscription Agreement and/or the Whitewash Waiver;
- (iii) has any arrangement as referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) or contracts with any other parties in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or Capital Group which might be material to the Domestic Share Subscription and/or the Whitewash Waiver;
- (iv) has any agreement or arrangement to which Capital Group or any of its concert parties is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Domestic Share Subscription and/or the Whitewash Waiver; and
- (v) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Save for the entering into of the Domestic Share Subscription Agreement, neither Capital Group nor any of its concert parties has acquired any voting rights of the Company or has dealt for value in any shares, convertible securities, warrants, options or derivatives in respect of the securities of the Company in the six-month period prior to the date of this announcement. Capital Group and its concert parties will not acquire or dispose of any voting rights of the Company after the date of this announcement until Completion.

The Company has no outstanding warrants, options or securities convertible into shares of the Company as at the date of this announcement.

## **B. INFORMATION ON THE PARTIES**

### ***Information relating to the Group***

The Company 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). The Group is a large property developer in the PRC, focusing primarily on developing and investing in commercial properties, outlets-backed integrated properties and medium to high-end residential properties, operation of hotels, property consulting services and investment holding.

### ***Information relating to Capital Group***

Capital Group is a state-owned enterprise incorporated in the PRC and under the direct supervision of SASAC and is primarily engaged in infrastructure, financial securities, real estate and environmental related businesses. Capital Group is the controlling shareholder of the Company and a connected person of the Company under Rule 14A.07 of the Listing Rules.

## **C. INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Pursuant to the Listing Rules and the Takeovers Code, the Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver. In this connection, Ample Capital Limited has been approved and appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders as to whether the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver are fair and reasonable and make recommendation on voting. As the non-executive Directors are also either directors or former director of Capital Group (Mr. Liu Xiaoguang, a non-executive Director, ceased to be a director of Capital Group since May 2015), they are not included as members of the Independent Board Committee.

## **D. EGM AND CLASS MEETINGS**

The EGM and the Class Meetings, will be held to consider and, if thought fit, pass resolutions to approve the (i) proposed Domestic Share Subscription Agreement and the transactions contemplated thereunder; (ii) the grant of the specific mandate for the issue of the new Domestic Shares; (iii) the Whitewash Waiver and (iv) the proposed amendments to the Articles (as the case may be). The voting in relation to the Domestic Share Subscription Agreement, the Specific Mandate, the Whitewash Waiver and proposed amendments to the Articles at the EGM and the Class Meetings (as the case may be) will be conducted by way of poll. The Domestic Share Subscription Agreement and the Specific Mandate will be proposed by way of special resolutions and the Whitewash Waiver will be proposed by way of an ordinary resolution at the EGM and the Class Meetings to be approved by the Independent Shareholders. The amendments to the Articles will be proposed by way of special resolutions at the EGM to be approved by the Shareholders. One class meeting (being the Domestic Share Class Meeting) for the Domestic Shareholders and the Non-H Foreign Shareholder and one class meeting (being the H Share Class Meeting) for the H Shareholders will be convened to consider the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver.

Capital Group and its concert parties (including, among others, China Resource Products Limited) will (and any other shareholder who is involved or interested in the Domestic Share Subscription, the Specific Mandate and the Whitewash Waiver will be required to) abstain from voting on the resolutions to be proposed at the EGM and the Domestic Share Class Meeting for approving the proposed Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver.

## **E. DESPATCH OF CIRCULAR**

According to Rule 8.2 of the Takeovers Code, a circular containing, among others: (i) details of the Domestic Share Subscription, the Domestic Share Subscription Agreement, the Whitewash Waiver, the Specific Mandate and the proposed amendments to the Articles; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders on the Domestic Share Subscription Agreement and transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver and (iii) a letter of advice by the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Domestic Share Subscription Agreement and transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver will be required to be despatched on or before 31 August 2015.

The Company may require additional time for finalising the information for inclusion in the circular, hence if required, the Company will apply to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code and to the Stock Exchange for the extension of time for the despatch of the circular. Further announcement(s) will be made by the Company as and when appropriate.

## **F. DEFINITIONS**

Unless the context requires otherwise, capitalised terms used in this announcement shall have the meanings as follow:

“Articles”	the articles of association of the Company as revised from time to time
“Board”	the board of Directors of the Company
“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 on 26 October 1994 and under the direct supervision of SASAC, the controlling shareholder of the Company and a connected person of the Company under Rule 14A.07 of the Listing Rules
“Class Meetings”	the Domestic Share Class Meeting and the H Share Class Meeting
“Company”	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 and whose H shares are listed on the Main Board of the Stock Exchange (Stock Code: 2868)

“Completion”	the completion of the Domestic Share Subscription
“concert party(ies)”	party or parties acting in concert as defined under the Takeovers Code
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Domestic Shareholder(s)”	holder(s) of the Domestic Shares
“Domestic Shares”	ordinary domestic share(s) with par value of RMB1.00 each in the share capital of the Company
“Domestic Share Class Meeting”	the class meeting of the Domestic Shareholders and Non-H Foreign Shareholders to be held to consider and, if thought fit, approve, among other things, the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver
“Domestic Share Subscription”	the proposed subscription of new Domestic Shares by Capital Group pursuant to Domestic Share Subscription Agreement
“Domestic Share Subscription Agreement”	the conditional share subscription agreement entered into between Capital Group and the Company on 10 August 2015, under which, Capital Group conditionally agrees to subscribe for, and the Company conditionally agrees to issue, 1,000,000,000 new Domestic Shares at the subscription price of RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share
“EGM”	extraordinary general meeting of the Shareholders to be held to consider and, if thought fit, approve, among other things, the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate, the Whitewash Waiver and the proposed amendments to the Articles
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of its delegates
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed foreign share(s) with a par value of RMB1.00 each in the share capital of the Company, listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of the H Shares

“H Share Class Meeting”	the class meeting of the H Shareholders to be held to consider and, if thought fit, approve other things, the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Board Committee”	the independent board committee of the Board comprising all independent non-executive Directors of the Company namely Mr. Ng Yuk Keung, Mr. Wang Hong and Mr. Li Wang
“Independent Financial Adviser”	Ample Capital Limited, a licensed corporation to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders with regard to the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver
“Independent Shareholders”	Shareholders other than: (i) Capital Group; (ii) its concert parties (including, among others, China Resource Products Limited); and (iii) all other persons (if any) who are involved or interested in the Domestic Share Subscription, the Domestic Share Subscription Agreement and/or the Whitewash Waiver
“Independent Third Party(ies)”	person(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is a third party independent of the Company under the Listing Rules
“Last Trading Day”	7 August 2015, being the last full trading day immediately prior to the date of the Domestic Share Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and modified from time to time
“Long Stop Date”	31 December 2015 or such other date as may be agreed by the parties to the Domestic Share Subscription Agreement from time to time in writing
“Non-H Foreign Shareholder(s)”	holder(s) of the Non-H Foreign Shares
“Non-H Foreign Shares”	ordinary non-H foreign shares with par value of RMB1.00 each in the share capital of the Company

“PRC”	the People’s Republic of China but excluding, for the purposes of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality* (北京市人民政府國有資產監督管理委員會)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and modified from time to time
“Shareholder(s)”	holder(s) of the Shares of the Company
“Share(s)”	Domestic Share(s), Non-H Foreign Share(s) and/or H Share(s)
“Specific Mandate”	the specific mandate proposed to be granted by the Independent Shareholders to the Directors at the EGM and Class Meetings to issue the new Domestic Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, in respect of the obligations of Capital Group to make a mandatory general offer for all the securities of the Company not already owned or agreed to be acquired by Capital Group and its concert parties which would otherwise arise as a result of the allotment and issue of the new Domestic Shares under the Domestic Share Subscription Agreement
“%”	per cent.

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

Hong Kong, 10 August 2015

*For the purpose of this announcement, unless the context otherwise requires, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of HK\$1 to RMB0.7892. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi have been, could have been or may be converted at such or any other rate or at all.*

*The Board as of the date of this announcement comprises Mr. Wang Hao (Chairman), Mr. Tang Jun (President) and Mr. Zhang Shengli who are the Executive Directors, Mr. Liu Xiaoguang, Mr. Song Fengjing and Mr. Shen Jianping who are the Non-Executive Directors, Mr. Ng Yuk Keung, Mr. Wang Hong and Mr. Li Wang who are the Independent Non-Executive Directors.*

*All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*Certain English translation of Chinese names or words marked with “\*” in this announcement are included for information only, and are not official English translations of such Chinese names or words.*