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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)

PROPOSED ISSUE OF DOMESTIC CORPORATE BONDS IN THE PRC

The Board of the Company announces that the Board resolved to submit to the Shareholders for consideration and approval of the proposed issue of Domestic Corporate Bonds with an aggregate principal amount of not more than RMB5 billion in one or more tranches at the EGM. The Company intends to utilize all the proceeds from the issuance of Domestic Corporate Bonds for the construction of rental housing projects, replenishment of working capital and/or repayment of corporate debts, etc.

A circular containing the details of the proposed issue of Domestic Corporate Bonds and a notice convening the EGM will be dispatched to the Shareholders as soon as practicable.

PROPOSED ISSUE OF DOMESTIC CORPORATE BONDS IN THE PRC

1. Background

On 24 January 2018, the Board resolved to submit to the Shareholders for consideration and approval of the proposed issue of Domestic Corporate Bonds with an aggregate principal amount of not more than RMB5 billion in one or more tranches at the EGM. The Company intends to utilize all the proceeds from the issuance of Domestic Corporate Bonds for the construction of rental housing projects, replenishment of working capital and/or repayment of corporate debts, etc.

According to the Company Law of the PRC and the Articles of Association, the Bond Issue is subject to the approval of the Shareholders. The timetable for the Bond Issue depends on the conditions of the PRC bond market and the capital needs of the Company.

2. Proposed issue of Domestic Corporate Bonds

The proposed arrangements for the Bond Issue are as follows (such arrangements are subject to the conditions of the PRC bond market):

- (1) Issuer: Beijing Capital Land Ltd.
- (2) Place of Issue: People's Republic of China
- (3) Size of Bond Issue: The aggregate principal amount shall not be more than RMB5 billion, shall be issued in one or more tranches
- (4) Arrangement Non-public issuance to qualified investors
- (5) Maturity 3 + N years/5 + N years/any longer period as acceptable by the market, with one re-pricing period for every 3 or 5 interest-bearing years or any longer period as acceptable by the market
- (6) Use of proceeds After deducting issuance expenses, all the proceeds will be used for the construction of rental housing projects, replenishment of working capital and/or repayment of corporate debts, etc. The specific use of proceeds shall seek the authority granted to the Board at a general meeting, or within the scope as permitted by any one of executive Directors at the EGM, and be determined in accordance with the capital requirements of the Company
- (7) Term of validity of the resolutions The term of validity of the special resolutions in relation to Bond Issue passed at EGM will expire 36 months after the date of the passing of such resolutions

3. Granting of authorization to the Board or any one of the executive Directors to deal with matters relating to the Bond Issue

To ensure the smooth issue of the proposed Domestic Corporate Bonds, it is proposed that the Board or any one of the executive Directors be authorized by the Shareholders at the EGM generally and unconditionally to handle all matters relating to the Bond Issue, which includes but not limited to the following:

- (a) to formulate a specific plan for this issue of Domestic Corporate Bonds according to actual market conditions, including but not limited to the issuance size, timing of issuance, whether to issue in tranches, aggregate amount of each tranche, maturity, use of proceeds, coupon rates and pricing methods, relevant guarantee arrangements, rating arrangements, arrangements for the repayment of principal and the payment of interests, repayment security matters, bidding and transfer venue, etc.;

- (b) to decide and appoint relevant intermediaries and entrusted manager for this Bond Issue;
- (c) to deal with any relevant matters relating to bidding and transfer;
- (d) to take any and all necessary, beneficial or appropriate actions in relation to this issue of Domestic Corporate Bonds and bidding and transfer, including but not limited to approving and executing all necessary contracts, agreements and documents, and disclosing relevant information pursuant to applicable regulatory requirements, and to approve, confirm and ratify such actions and steps as undertaken by the Board or authorized Director in relation to the Bond Issue;
- (e) to determine whether to proceed this issue of the Domestic Corporate Bonds according to the recommendations made by regulatory authorities or new market conditions, and make relevant adjustments to matters relating to the specific arrangement of this issue of the Domestic Corporate Bonds in the event that there are changes in the policies relating to the issuance of corporate bonds by the regulatory authorities or changes in prevailing market conditions, save as matters that require re-approval at the general meeting pursuant to the requirements of relevant laws, regulations and the Articles of Association;
- (f) to handle with matters relating to the repayment of principal and interests of Domestic Corporate Bonds;
- (g) to deal with relevant information disclosure and approval in accordance with the requirements of the Listing Rules; and
- (h) to decide and handle with all other matters relating to this issue of the Corporate Bonds.

The authority granted to the Board or any one of the executive Directors to deal with the above matters relating to the Bond Issue shall take effect from the date of obtaining approval at the EGM until the date when all the authorized matters in relation to the Bond Issue have been completed.

4. Measures to be implemented by the Company to repay the Domestic Corporate Bonds

In the event of expected inability to repay the principal or interests of the Domestic Corporate Bonds as scheduled or the Company is unable to repay the principal or interests of the Domestic Corporate Bonds as they become due, the Company will implement, as a minimum, the following measures:

- (a) no dividends shall be distributed to the Shareholders;
- (b) suspend capital expenditure, such as major external investments, acquisitions and mergers;
- (c) reduce or suspend the payment of salary and bonus to the Directors and senior management; and
- (d) no key officers shall be allowed to resign from office.

5. Reasons of the proposed issue of the Domestic Corporate Bonds and benefits for the Shareholders

Since 2017, the rental housing business has been supported by encouraging policies. The Board considers that the proposed Bond Issue can capture favorable opportunities, raise funds within a shorter period of time, facilitate the development of the Company's rental housing business, optimize the existing debt financing structure of the Company and reduce its integrated financing costs. Therefore, the Board considers that the proposed Bond Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EXTRAORDINARY GENERAL MEETING

An EGM will be convened by the Company to approve the proposed issue of the Domestic Corporate Bonds by special resolutions.

A circular containing the details of the proposed issue of the Domestic Corporate Bonds and the EGM Notice will be dispatched to Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless otherwise defined, the following terms shall have the following meanings:

“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors of the Company
“Bond Issue”	the proposed issue of Domestic Corporate Bonds by the Company
“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
“Director(s)”	the director(s) of the Company
“Domestic Corporate Bonds”	the renewable corporate bonds with an aggregate principal amount of not more than RMB5 billion as proposed under a non-public issuance by the Company
“EGM”	the Extraordinary General Meeting to be held at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC to approve the Bond Issue and the authorization of the Board in relation to the Bond Issue
“EGM Notice”	the notice of the EGM
“H Share(s)”	the ordinary shares of RMB1.00 each of the Company, which are issued outside the PRC, listed on the Stock Exchange, and traded in Hong Kong dollars
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“PRC”	the People’s Republic of China excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholder(s)” shareholder(s) of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

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

Hong Kong, 24 January 2018

The Board as of the date of this announcement comprises Mr. Li Songping (Chairman) who is the Non-Executive Director, Mr. Tang Jun (President) and Mr. Li Xiaobin who Executive Directors, Mr. Su Zhaohui, Mr. Sun Shaolin and Mr. Su Jian who are Non-Executive Directors, Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin who are Independent Non-Executive Directors.