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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 UNDERWRITING  
OF H SHARES BY THE CONTROLLING SHAREHOLDER  
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF  
ASSOCIATION  
AND  
(3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER  
AND ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE**

Reference is made to the announcement of the Company dated 10 March 2019 in relation to the possible Rights Issue and the Circular of the Company dated 17 May 2019 in relation to, among other matters, the Rights Issue, the proposed amendments to the Articles, the Letter of Undertaking and the transactions contemplated thereunder. Unless the context otherwise required, terms defined in this announcement shall have the same meanings as those defined in the Circular. In connection with the Rights Issue, the Board proposed to, among other matters, enter into the Letter of Undertaking with Capital Group and proposed to make certain amendments to the Articles. Details of the Rights Issue have been set out in the Circular.

### **PROPOSED UNDERWRITING OF H SHARES BY THE CONTROLLING SHAREHOLDER**

In connection with the Rights Issue, the Board announces that on 17 May 2019, the Company entered into the Letter of Undertaking with Capital Group. Pursuant to the Letter of Undertaking, Capital Group has undertaken that it or its subsidiary will, alongside independent underwriter(s), if any, act as an underwriter to take up such maximum number of the Underwritten Shares to the effect that the minimum public float requirement under the Listing Rules is satisfied by the Company.

## **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

In connection with the Rights Issue, the Board proposed to make certain amendments to the Articles, to take effect subject to and upon completion of the Rights Issue in order to reflect the latest registered capital and shareholding structure of the Company as a result of the proposed Rights Issue. 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 is set out in the Circular.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Capital Group directly holds 1,649,205,700 Domestic Shares in the Company, representing approximately 54.47% of the Company's total issued share capital. According to the Listing Rules, Capital Group is a controlling shareholder and hence, a connected person of the Company. Accordingly, the Letter of Undertaking and the transactions contemplated thereunder 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.

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

Pursuant to the Listing Rules, the Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Letter of Undertaking and the transactions contemplated thereunder. In this connection, Grand Moore 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 Letter of Undertaking and the transactions contemplated thereunder are fair and reasonable and make recommendation(s) on voting.

## **EGM**

A special resolution will be proposed to the Shareholders at the EGM to consider and, if thought fit, to approve, among other things, the proposed amendments to the Articles and an ordinary resolution will also be proposed to the Independent Shareholders at the EGM to consider and, if thought fit, to approve, among other things, the Letter of Undertaking and the transactions contemplated thereunder. The voting in relation to the Letter of Undertaking and the proposed amendments to the Articles at the EGM will be conducted by way of poll.

Capital Group and its associates (including, among others, China Resource Products Limited and Yieldwell International Enterprise Limited) will (and any other shareholder who is involved or interested in the Letter of Undertaking will be required to) abstain from voting on the resolutions to be proposed at the EGM for approving the proposed Letter of Undertaking and the transactions contemplated thereunder. Save for Capital Group and its associates, to the best knowledge of the Company, none of the Shareholders are required to abstain from voting on the ordinary resolution proposed at the EGM to consider and, if thought fit, to approve, among other things, the Letter of Undertaking. None of the Shareholders are required to abstain from voting on the special resolution proposed at the EGM to consider and, if thought fit, to approve, among other things, the proposed amendment to the Articles.

Special resolutions will be proposed to the Shareholders at the EGM and the Class Meetings to consider and, if thought fit, to approve, among other things, the Rights Issue. Details of the Class Meetings have been set out in the Circular.

### **DESPATCH OF CIRCULAR**

The Circular containing, among other matters, (i) details of the Rights Issue, the Letter of Undertaking and the transactions contemplated thereunder and the proposed amendments to the Articles; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders on the Letter of Undertaking and the transactions contemplated thereunder; (iii) a letter of advice by the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Letter of Undertaking and the transactions contemplated thereunder, is expected to be despatched on 17 May 2019.

**As the Letter of Undertaking is subject to the satisfaction of the conditions under the Letter of Undertaking as set out in the section headed “The Letter of Undertaking” in this announcement, including but not limited to the approval of the Rights Issue by the Shareholders of the EGM and the approval(s) by the relevant PRC regulatory authorities in respect of the Rights Issue, the Letter of Undertaking 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.**

Reference is made to the announcement of Beijing Capital Land Ltd. (the “**Company**”) dated 10 March 2019 in relation to the possible Rights Issue and the circular (the “**Circular**”) of the Company dated 17 May 2019 in relation to, among other matters, the Rights Issue, the proposed amendments to the Articles, the Letter of Undertaking and the transactions contemplated thereunder. Unless the context otherwise required, terms defined in this announcement shall have the same meanings as those defined in the Circular. In connection with the Rights Issue, the Board proposed to, among other matters, enter into the Letter of Undertaking with Capital Group and proposed to make certain amendments to the Articles. Details of the Rights Issue have been set out in the Circular.

### **(1) CONNECTED TRANSACTION IN RESPECT OF THE PROPOSED UNDERWRITING OF H SHARES BY THE CONTROLLING SHAREHOLDER**

In connection with the Rights Issue, the Board announces that on 17 May 2019, the Company entered into the Letter of Undertaking with Capital Group. Pursuant to the Letter of Undertaking, Capital Group has undertaken that it or its subsidiary will, alongside independent underwriter(s), if any, act as an underwriter to take up such maximum number of the Underwritten Shares to the effect that the minimum public float requirement under the Listing Rules is satisfied by the Company.

#### **The Letter of Undertaking**

Principal terms of the Letter of Undertaking are set out below:

Date	:	17 May 2019
Issuer	:	The Company
Underwriter	:	Capital Group, the controlling shareholder of the Company, or its subsidiary
Conditions	:	The Letter of Undertaking is conditional upon the conditions of the H Share Rights Issue being waived or fulfilled (as the case may be), including but not limited to the approval of the Rights Issue by the Shareholders of the EGM and the approval(s) by the relevant PRC regulatory authorities in respect of the Rights Issue, details of which are set out under the paragraph headed “Conditions of the H Share Rights Issue” under “Further Details of the H Share Rights Issue” in the Circular

No. of Underwritten Shares : Capital Group has undertaken that it or its subsidiary will, alongside independent underwriter(s), if any, underwrite the Underwritten Shares (assuming no other Shares (other than the Rights Shares) are issued and no repurchase of Shares on or before the completion of the Rights Issue) at the Subscription Price, with the maximum number of Underwritten Shares to be subject to the following (a) the total Shares legally and/or beneficially held by Capital Group and its associates, including of such number of Rights Shares which Capital Group and its associates have undertaken to accept shall not exceed 75% of the entire issued share capital of the Company as enlarged by the Rights Shares to be issued under the Rights Issue and (b) the Company satisfies the minimum public float requirement under the Listing Rules.

*Note:* The final number of Underwritten Shares to be underwritten by each of Capital Group and any independent underwriter(s) will be determined in the underwriting agreement. The actual number of Underwritten Shares to be taken up by the controlling shareholder of the Company will also depend on inter alia, the level of subscription by Qualifying Shareholders, the results of the placing of Unsubscribed H Rights Shares and the ES Rights Shares and also the level of unsold fractions of the Rights Shares.

Underwriting commission : The underwriting commission rate payable by the Company to Capital Group or its subsidiary will be no more than the rate payable to independent underwriters in respect of a rights issue of this type or other similar transactions in the market.

Subject to the determination of the Subscription Price for the H Rights Shares, the Company will further enter into a definitive underwriting agreement with Capital Group and other independent underwriter(s), if any, which will supplement the Letter of Undertaking.

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

## **(2) PROPOSED AMENDMENTS TO THE ARTICLES**

In connection with the Rights Issue, the Board proposed to make certain amendments to the Articles, which are mainly to reflect the share capital structure as a result of the proposed Rights Issue. 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 has been set out in the Circular.

### **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 leading large integrated real estate developer in the PRC, focusing primarily on developing four main business streams comprising residential property development, outlets, urban core integrated complex and primary land development.

#### **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.

### **IMPLICATIONS UNDER THE LISTING RULES**

As at the Latest Practicable Date, Capital Group directly holds 1,649,205,700 Domestic Shares in the Company, representing approximately 54.47% of the Company's total issued share capital. According to the Listing Rules, Capital Group is a controlling shareholder and hence, a connected person of the Company. Accordingly, the Letter of Undertaking and the transactions contemplated thereunder 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 Letter of Undertaking will be proposed by way of ordinary resolution at the EGM to be approved by the Independent Shareholders. Capital Group and its associates (including, among others, China Resource Products Limited and Yieldwell International Enterprise Limited) will (and any other shareholder who is involved or interested in the Letter of Undertaking will be required to) abstain from voting on the resolution(s) to be proposed at the EGM for approving the proposed Letter of Undertaking and the transactions contemplated thereunder. Save for Capital Group and its associates, to the best knowledge

of the Company, none of the Shareholders are required to abstain from voting on the ordinary resolution proposed at the EGM to consider and, if thought fit, to approve, among other things, the Letter of Undertaking.

### **(3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER AND ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE**

Pursuant to the Listing Rules, the Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Letter of Undertaking and the transactions contemplated thereunder. In this connection, Grand Moore 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 Letter of Undertaking and the transactions contemplated thereunder are fair and reasonable and make recommendation(s) on voting.

### **EGM**

A special resolution will be proposed to the Shareholders at the EGM to consider and, if thought fit, to approve, among other things, the proposed amendments to the Articles and an ordinary resolution will also be proposed to the Independent Shareholders at the EGM to consider and, if thought fit, to approve, among other things, the Letter of Undertaking and the transactions contemplated thereunder. The voting in relation to the Letter of Undertaking and the proposed amendments to the Articles at the EGM will be conducted by way of poll.

Capital Group and its associates (including, among others, China Resource Products Limited and Yieldwell International Enterprise Limited) will (and any other shareholder who is involved or interested in the Letter of Undertaking will be required to) abstain from voting on the resolutions to be proposed at the EGM for approving the proposed Letter of Undertaking and the transactions contemplated thereunder. Save for Capital Group and its associates, to the best knowledge of the Company, none of the Shareholders are required to abstain from voting on the ordinary resolution proposed at the EGM to consider and, if thought fit, to approve, among other things, the Letter of Undertaking. None of the Shareholders are required to abstain from voting on the special resolution proposed at the EGM to consider and, if thought fit, to approve, among other things, the proposed amendment to the Articles.

Special resolutions will be proposed to the Shareholders at the EGM and the Class Meetings to consider and, if thought fit, to approve, among other things, the Rights Issue. Details of the Class Meetings have been set out in the Circular.

### **DESPATCH OF CIRCULAR**

The Circular containing, among other matters, (i) details of the Rights Issue, the Letter of Undertaking and the transactions contemplated thereunder and the proposed amendments to the Articles; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders on the Letter of Undertaking and the transactions contemplated thereunder; (iii) a letter of advice by the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Letter of Undertaking and the transactions contemplated thereunder, is expected to be despatched on 17 May 2019.

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

Hong Kong, 17 May 2019

*The Board as of the date of this announcement comprises Mr. Li Songping (Chairman) who is a non-executive Director, Mr. Zhong Beichen (President), Mr. Li Xiaobin, Mr. Hu Weimin and Mr. Fan Shubin who are executive Directors, Mr. Su Jian who is a non-executive Director, and Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin who are independent non-executive Directors.*