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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)**

## **POTENTIAL DISPOSAL OF EQUITY INTEREST THROUGH PUBLIC TENDER**

### **Potential Disposal of Equity Interest**

The Board announced that the Company proposed to dispose of 51% interests of the Target Company by means of equity transfer through public tender in CBEX. The Tender Notice was published on the website of CBEX on 11 November 2019. The Company is a state-controlled listed company and the disposal of its state-owned property right is required to undergo the process of public tender through a qualified equity exchange organization in accordance with the PRC regulations concerning the disposal of state-owned property right. According to the regulations of CBEX, the successful bidder is required to enter into the Asset Transaction Agreement with the Company.

The Base Price of Transfer of 51% interests of the Target Company is RMB686,100,000. The final consideration shall be subjected to the final bid price, but in any event not less than the Base Price of Transfer. Furthermore, according to the rules of tender of CBEX, the successful bidder shall, on behalf of the Target Company, repay the Vendor the Shareholder's Loan of RMB463,525,208.27 (including principal of RMB 320,289,211.99) and the interest on above principal accrued at a rate of 10% per annum from the effective date of the Asset Transaction Agreement to the date when the successful bidder fully repays the debt to the Vendor on behalf of the Target Company.

### **Implications under the Listing Rules**

Using the Base Price of Transfer and Shareholder's Loan as the basis of calculation, the relevant percentage ratios calculated under the Listing Rules in respect of the potential Disposal is more than 5% but less than 25%. Thus, the transaction

contemplated under the potential Disposal constitutes a discloseable transaction of the Company and is therefore subject to the requirements of notice and announcement under Chapter 14 of the Listing Rules.

**As the potential Disposal may or may not proceed, the Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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### **The Public Tender**

The qualifications of the potential bidders shall be confirmed by CBEX, and shall pay a deposit of RMB205,830,000 when it submits the bid.

### **Date and Procedures of the Public Tender**

The Tender Notice has been announced on the website of CBEX on 11 November 2019.

The period of information release will be open for 20 working days from the date of the Tender Notice. During the period of information release, bidders may indicate their interest in purchasing the 51% interests of the Target Company and register themselves as bidders. If there are two or more potential bidders, the successful bidder shall be determined by the bidding procedures of CBEX. Upon the expiry of the period of information release, CBEX will notify the Company of the identity of the successful bidder.

Within 5 working days upon the notification of the successful bidder by CBEX, the Company is required to enter into the Asset Transaction Agreement with such successful bidder.

As at the date of this announcement, material information of the Asset Transaction Agreement including the successful bidder, final consideration, delivery and transfer time have not been determined. The Company will perform its relevant announcement

procedures upon confirmation of the successful bidder. As at the date of this announcement, no Asset Transaction Agreement has been entered into between the Company and any other party in relation to the potential Disposal.

### **Consideration**

The Base Price of Transfer of 51% interests of the Target Company of RMB686,100,000, is determined by reference to the results of the Valuation Report dated 5 August 2019 issued by an independent valuer, China Alliance Appraisal Co., Ltd. (北京中同華資產評估有限公司), in respect of the value in the Target Company as at 31 December 2018 being the date for valuation. The Valuation Report has been filed with Capital Group.

The final consideration shall be subjected to the final bid price, but in any event not less than the Base Price of Transfer.

According to the rules of tender of CBEX, the successful bidder shall pay the remaining transaction amount (excluding the deposit) in a lump sum within five working days after the effective date of the Asset Transaction Agreement and, on behalf of the Target Company, repay the Vendor the Shareholder's Loan of RMB463,525,208.27 (including principal of RMB320,289,211.99) and the interest on the above principal accrued at a rate of 10% per annum from the effective date of the Asset Transaction Agreement to the date when the successful bidder fully repays the debt to the Vendor on behalf of the Target Company.

### **REASONS FOR AND BENEFITS OF THE POTENTIAL DISPOSAL**

Exiting the project through equity transfer can invigorate resources, quickly recover funds, optimize the Company's asset structure, and allow the Company to concentrate its funds on developing its strategies by focusing on the core businesses in cities.

The Board is of the view that the transaction contemplated under the potential Disposal will be on normal commercial terms which is fair and reasonable and in the of the Company and the Shareholders as a whole.

Upon completion of the potential Disposal, the Company will no longer hold any interests in the Target Company.

## GENERAL INFORMATION

### The Company

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 Company is a leading large integrated real estate developer in the PRC, focusing primarily on developing the four main business streams of residential property development, outlets, urban core integrated complex and primary land development, complemented by innovative business areas such as high-tech industrial property developments, cultural and creative industrial property developments and rental housing.

### The Target Company

The Target Company is a company incorporated on 20 May 2012 under PRC laws with limited liability. As at the date of this announcement, its registered capital is RMB300,000,000 and its 51% equity interest is owned by the Company. The Target Company mainly holds plots 1#, 2#, and 3# on the south bank of Wubao Lake in Jinxi Town, Kunshan, Jiangsu Province, the PRC, which are used for residential and commercial purposes, and is engaged in the development and operation of the project.

The audited financial information of the Target Company for the two years ended 31 December 2017 and 2018 prepared in accordance with the accounting standards of the PRC is set out below.

	<b>For the year ended 31 December</b>	
	<b>2017</b>	<b>2018</b>
	<i>(RMB)</i>	<i>(RMB)</i>
Profit/(loss) before tax	165,806.96	(3,867,569.30)
Profit/(loss) after tax	124,355.22	(3,867,569.30)

As at 31 December 2018, the audited net assets of the Target Company was approximately RMB354,243,040.34.

Upon completion of the Disposal, the Company will no longer hold interests in the Target Company which will no longer be the subsidiary of the Company.

## **USE OF PROCEEDS AND FINANCIAL EFFECTS OF THE TRANSACTION**

The Company intends to use the proceeds from the potential Disposal as the general working capital of the Company. As at the date of this announcement, the final consideration has not been determined, however, based on the Base Price of Transfer as the basis of calculation, the expected unaudited profit before tax will be approximately RMB336,469,700.

### **Implications under the Listing Rules**

Using the Base Price of Transfer of 51% interests of the Target Company and Shareholder's Loan as the basis of calculation, the relevant percentage ratios calculated under the Listing Rules in respect of the potential Disposal is more than 5% but less than 25%. Thus, the transaction contemplated under the potential Disposal constitutes a discloseable transaction of the Company and is therefore subject to the requirements of notice and announcement under Chapter 14 of the Listing Rules. Upon confirming the final consideration and the identity of successful bidder, the Company will issue further announcement and comply with the relevant requirements for the potential Disposal if there is any change in the category of notifiable transaction under Chapter 14 of the Listing Rules.

**As the potential Disposal may or may not proceed, the Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

### **Definitions**

In this announcement, the following terms have the meanings set forth below unless the context requires otherwise:

“Asset Transaction Agreement”	the asset transaction agreement to be entered into between the Company and the successful bidder in relation to the potential Disposal
“Base Price of Transfer”	the base price of transfer of the Disposal, being RMB686,100,000
“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, under the direct administration of the Government of Beijing, the controlling shareholder of the Company

“CBEX”	北京產權交易所有限公司 (China Beijing Equity Exchange), a comprehensive property right exchange approved to establish by the Municipal People’s Government of Beijing
“Company” or “Vendor”	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 whose H shares are listed on the Main Board of the Stock Exchange (Stock code: 2868)
“Directors”	the director(s) of the Company
“Disposal”	the disposal of 51% interests of the Target Company through public tender in CBEX
“Hong Kong”	the 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
“percentage ratios”	the percentage ratios defined by Rule 14.04(9) of the Listing Rules
“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
“Shareholders”	shareholders of the Company
“Shareholder’s Loan”	the shareholder’s loan of RMB463,525,208.27 (including principal of RMB320,289,211.99) to be repaid by the successful bidder to the Vendor and the interest on the above principal accrued at a rate of 10% per annum from the effective date of the Asset Transaction Agreement to the date when the successful bidder fully repays the debt to the Vendor on behalf of the Target Company, to be fully paid by the successful bidder in a lump sum within 5 working days after the effective date of the Asset Transaction Agreement

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Capital Qinglv (Kunshan) Real Estate Co., Ltd.* (首創青旅置業(昆山)有限公司), a company incorporated in the PRC with limited liability
“Tender Notice”	the tender notice containing details and terms of the Disposal
“Valuation Report”	the valuation report dated 5 August 2019 issued by an independent valuer, China Alliance Appraisal Co., Ltd.* (北京中同華資產評估有限公司), in respect of the value of the Target Company as at 31 December 2018 being the date for valuation

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

Hong Kong, 11 November 2019

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

\* *For identification purposes only and should not be regarded as the official English translations of the Chinese names. In the event of any inconsistency, the Chinese names prevail.*