

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to sell, dispose, acquire, purchase or subscribe for any securities of the Company and neither this announcement nor anything herein forms the basis for any contract or commitment whatsoever.

Distribution of this announcement into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this announcement should acquaint themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Neither this announcement nor any copy thereof may be released, published or distributed in or into the United States or any other jurisdiction where such release might be unlawful or to any U.S. persons. The securities have not been and will not be registered under the U.S. Securities Act or the laws of any state or jurisdiction of the United States and may not be offered or sold, pledged or transferred in the United States absent registration or an exemption from registration. There will be no public offering of securities in the United States.



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

(Stock Code: 2868)

ANNOUNCEMENT

- (1) PROPOSED RIGHTS ISSUE OF 5 RIGHTS SHARES FOR EVERY 10 EXISTING SHARES COMPRISING H SHARE RIGHTS ISSUE AT HK\$1.87 PER H RIGHTS SHARES; DOMESTIC SHARE RIGHTS ISSUE AT RMB1.68 PER DOMESTIC SHARE AND NON-H FOREIGN SHARE RIGHTS ISSUE AT RMB1.68 PER NON-H FOREIGN SHARE;**
- (2) CONNECTED TRANSACTION OF THE UNDERWRITING OF H SHARES BY THE CONTROLLING SHAREHOLDER;**
- AND (3) CLOSURE OF REGISTER OF MEMBERS**

Joint Global Coordinators



in alphabetical order

Placing Agents



in alphabetical order

Underwriters of H Share Rights Issue



**BCG CHINASTAR
INTERNATIONAL INVESTMENT
LIMITED**

(A company incorporated in Hong Kong whose members' liabilities are limited)

in alphabetical order

INTRODUCTION

References are made to the Company's announcement dated 10 March 2019 and the circular dated 17 May 2019 and the Company's poll results announcement dated 10 June 2019 in relation to the passing of the resolutions in respect of, among others, the proposed Rights Issue at the EGM, the Domestic Share Class Meeting and the H Share Class Meeting, respectively.

THE PROPOSED RIGHTS ISSUE

The Company proposes to raise approximately RMB2,546 million (approximately HK\$2,832 million) before expenses by way of the Rights Issue of 1,513,980,000 Rights Shares (comprising 510,378,000 H Rights Shares, 824,602,850 Domestic Rights Shares and 178,999,150 Non-H Foreign Rights Shares) on the basis of 5 Rights Shares for every 10 existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$1.87 per H Rights Share, RMB1.68 per Domestic Rights Share and HK\$ equivalent of RMB1.68, being HK\$1.87 per Non-H Foreign Rights Shares payable in full on acceptance.

The Company will provisionally allot 5 Rights Shares in nil-paid form for every 10 existing Shares held by each Qualifying Shareholder on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Excluded Shareholders.

The purpose of the Rights Issue is to (i) strengthen the financial position of the Group and the financial stability of the Group and support the continuing and sustainable business development of the Group; (ii) improve the quality of the Group's financial resources through reducing the Group's gearing and the related financial costs; and (iii) increase the liquidity of and facilitate trading in the Company's H Shares, thus realising the Group's inherent values. The Rights Issue allows all Qualifying Shareholders to participate in the potential growth of the Company while maintaining their respective pro rata shareholding interests in the Company. For further details of the reasons for the Rights Issue, please also refer to the section headed "7. Reasons for the Rights Issue and Use of Proceeds" below.

The net proceeds of the Rights Issue are estimated to be approximately RMB2,492 million (approximately HK\$2,772 million) after the deduction of all estimated expenses. Pursuant to the resolution duly approved in the EGM, the Domestic Share Class Meeting and the H Share Class Meeting, all of the proceeds raised from the Rights Issue, after deduction of all relevant expenses, shall be used for the partial repayment of existing onshore and offshore interest-bearing indebtedness of the Group, such as (i) the borrowings with an aggregate principal amount of approximately RMB500 million payable by the end of October 2019 with interest rate at 8.3% per annum; (ii) the borrowings with an aggregate principal amount of approximately RMB694 million payable by the end of February 2020 with interest rate at 6.8% per annum; (iii) the borrowings with an aggregate principal amount of approximately RMB2,500 million payable by the end of May 2020 with interest rate at 6.45% per annum; and (iv) the perpetual securities issued by the Group with an aggregate principal amount of US\$450 million maturing on 2 December 2019 with interest rate at 7.125% per annum. The Company will ultimately determine the allocation of the proceeds from the Rights Issue for the repayment of the onshore and offshore interest-bearing indebtedness of the Group whilst taking into consideration of the regulatory approval, the then market conditions and their respective interest rates, interest payment terms and maturity dates as well as other alternative financing channels. Given that indebtedness (i) and (iv) have been repaid, the Company will, acting on the authority of the Board granted by shareholders in the EGM, the Domestic Share Class Meeting and the H Share Class Meeting, allocate part of the proceeds from the Rights Issue for the partial repayment of other interest-bearing bank borrowings and/or notes issued by the Group.

The Rights Issue is conditional on the satisfaction of the conditions referred to in the sections headed “2(h) Conditions of the H Share Rights Issue”, “4(f) Conditions of the Domestic Share Rights Issue” and “5(e) Conditions of the Non-H Foreign Rights Issue” in this announcement.

A summary of the major terms of the Domestic Share Rights Issue and the Non-H Foreign Share Rights Issue and the expected timetable are included herein for information purposes only.

THE PLACING AGREEMENT

Pursuant to Rule 7.21(2) of the Listing Rules, there will be Compensatory Arrangements for the H Share Rights Issue and there will be no excess application arrangements in relation to the Rights Issue. Accordingly, on 9 December 2019, the Company entered into the Placing Agreement with the Placing Agents in relation to the placing of the Unsubscribed H Rights Shares and the ES Rights Shares to independent places on a best effort basis and several (but not joint or joint and several) basis. Any premium over, the aggregate amount of (i) the Subscription Price; and (ii) the expenses in relation to the Placing, that is realised will be paid to the No Action H Shareholders and the Excluded Shareholders on a pro rata basis. For details of the Placing Agreement and the Compensatory Arrangements, please refer to the section headed “Placing Agreement for the Placing Shares” and “2(g) Procedures in respect of the Compensatory Arrangements for the H Share Rights Issue” in this announcement.

THE UNDERWRITING AGREEMENT

On 9 December 2019 (after trading hours), the Company entered into the Underwriting Agreement with the Independent Underwriters and BCG. Pursuant to the Underwriting Agreement, the obligations of the Underwriters (a) are several (and not joint or joint and several); (b) (in respect of each Independent Underwriter) extends to the number of Underwritten Shares according to the Respective Commitment of such Independent Underwriter, rounded down to the nearest Board Lot, subject to such Independent Underwriter’s Maximum Respective Commitment; and (c) (in respect of BCG only) extends to the number of Underwritten Shares equivalent to the sum of BCG’s Respective Commitment and the Odd Lots, subject to (aa) BCG’s Maximum Respective Commitment; (bb) the total number of Shares legally and/or beneficially held by BCG and its associates upon completion of the Rights Issue not exceeding 75% of the entire issued share capital of the Company as enlarged by the Rights Shares to be issued under the Rights Issue; and (cc) the Company satisfying the minimum public float requirements under the Listing Rules (the “**Public Float Requirements**”), unless otherwise agreed between the Independent Underwriters and the Company in writing.

WARNING OF THE RISKS OF DEALING IN THE H SHARES AND THE NIL-PAID H RIGHTS

Existing H Shares will be dealt on an ex-rights basis from Tuesday, 17 December 2019. Dealings in the Nil-Paid H Rights are expected to take place from Monday, 30 December 2019 to Friday, 10 January 2020 (both days inclusive). If the conditions of the H Share Rights Issue (please refer to the section headed “2(h) Conditions of the H Share Rights Issue” in this announcement below) are not fulfilled, the H Share Rights Issue will not proceed.

The Underwriting Agreement contains provisions entitling the Independent Underwriters by notice in writing to terminate the Underwriting Agreement upon occurrence of certain events described in the section headed “3(d) Termination of the Underwriting Agreement” in this announcement. In the event that the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms, or if the underwriting obligations of the Underwriters, which are several by nature, are not discharged and where BCG has not exercised its right to take up additional Underwritten Shares which are not taken up by the Independent Underwriters, the H Share Rights Issue may not be fully underwritten and the size of the Rights Issue as a whole may be reduced accordingly to the extent, among others, necessary for the Company to satisfy the minimum public float requirements under the Listing Rules. As there is no requirement for minimum level(s) of subscription of the Rights Issue under the constitutional documents of the Company and the applicable laws in Hong Kong and the PRC, there is no minimum amount which must be raised in the Rights Issue in the event it proceeds on a non-fully underwritten basis.

Shareholders or other persons contemplating transferring, selling or purchasing the H Shares and/or Nil-Paid H Rights is advised to exercise caution when dealing in the H Shares and/or the Nil-Paid H Rights.

Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s). Any Shareholder or other person dealing in the H Shares or in the Nil-Paid H Rights up to the time at which the H Share Rights Issue becomes unconditional will accordingly bear the risk that the H Share Rights Issue may not become unconditional.

TRADING ARRANGEMENTS

The last day of dealings in the H Shares on a cum-rights basis will be Monday, 16 December 2019. The H Shares will be dealt in on an ex-rights basis from Tuesday, 17 December 2019. The H Rights Shares are expected to be dealt in their nil-paid form from Monday, 30 December 2019 to Friday, 10 January 2020 (both days inclusive). To qualify for the H Share Rights Issue, a H Shareholder must (1) have been registered as a member of the Company as at the Record Date; and (2) not be an Excluded Shareholder.

In order to be registered as a H Shareholder as at the Record Date, any transfer of H Shares (together with the relevant H Share certificate(s)) must be lodged with the H Share Registrar,

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre
183 Queen’s Road East, Wanchai, Hong Kong

by 4:30 p.m. (Hong Kong time) on the Last Day for Transfer.

The H Share Register will be closed from Thursday, 19 December 2019 to Monday, 23 December 2019 (both days inclusive) for determining the entitlements to the H Share Rights Issue. No transfer of H Shares will be registered during this period.

The latest time for acceptance of and payment for the H Rights Shares is expected to be 4:00 p.m. on the Latest Acceptance Date, which is expected to be on Wednesday, 15 January 2020 or such other date as the Company and the Underwriters may agree in writing. The Company will apply to the Listing Committee for the listing of, and permission to deal in, the H Rights Shares in both nil-paid and fully-paid forms.

For details of the trading arrangements, please refer to the section headed “2(o) Expected Timetable for the H Share Rights Issue” below.

GENERAL

The Prospectus Documents containing, among other things, further details of the H Share Rights Issue, are expected to be despatched by the Company to Qualifying H Shareholders on or before the Posting Date and the Prospectus will be despatched to the Excluded Shareholders for information only. A copy of the Prospectus will also be made available on the respective websites of the Company (www.bjcapitalland.com.cn) and the Stock Exchange (www.hkexnews.hk).

1 INTRODUCTION

The Company published an announcement on 10 March 2019 and a circular dated 17 May 2019 to the Shareholders in relation to, among others, the proposed Rights Issue and the Letter of Undertaking. Pursuant to the poll results announcement published by the Company on 10 June 2019, the resolutions to approve, among others, the proposed Rights Issue and the Letter of Undertaking, were duly passed at the EGM, the Domestic Share Class Meeting and the H Share Class Meeting, respectively. The Company has received the CSRC’s written approval in respect of the proposed Rights Issue.

2 TERMS OF THE H SHARE RIGHTS ISSUE

(a) H Share Rights Issue Statistics

Type and Par Value of the Rights Shares : H Shares with a par value of RMB1.00 each

Basis of the H Share Rights Issue : 5 H Rights Shares for every 10 existing H Shares held on the Record Date by the Qualifying H Shareholders

Number of Shares in issue as at the date of this announcement : 3,027,960,000

Expected number of Shares in issue as at the Record Date : 3,027,960,000

Expected number of H Shares in issue as at the Record Date : 1,020,756,000

Number of H Rights Shares proposed to be issued under the H Share Rights Issue : 510,378,000

Subscription Price for the H Rights Shares : HK\$1.87 per H Rights Share

Underwriters : The Independent Underwriters and BCG

As at the date of this announcement, the Company has no outstanding options, convertible securities or warrants which confer the right to subscribe for new Shares.

The aggregate number of H Rights Shares proposed to be provisionally allotted pursuant to the terms of the H Share Rights Issue represents approximately 50% of the Company's total issued share capital of H Shares as at the date of this announcement and approximately 33.33% of the Company's total issued share capital of H Shares as enlarged by the Rights Issue.

(b) Subscription Price

The Subscription Price of HK\$1.87 per H Rights Share is payable in full by Qualifying H Shareholder(s) upon acceptance of the provisional allotment of the H Rights Shares under the H Share Rights Issue or a transferee of Nil-Paid H Rights applies for the H Rights Shares. The Subscription Price represents:

- (i) a discount of approximately 29.17% to the closing price of HK\$2.64 per H Share as quoted on the Stock Exchange on the date of the Last Trading Date;

- (ii) a discount of approximately 29.70% to the average of the closing prices per H Share as quoted on the Stock Exchange for the 5 previous consecutive trading days up to and including the Last Trading Date of HK\$2.66;
- (iii) a discount of approximately 29.70% to the average of the closing prices per H Share as quoted on the Stock Exchange for the 10 previous consecutive trading days up to and including the Last Trading Date of HK\$2.66; and
- (iv) a discount of approximately 21.54% to the theoretical ex-rights price of approximately HK\$2.38 per H Share based on the closing price of HK\$2.64 per H Share as quoted on the Stock Exchange on the Last Trading Date.

The Subscription Price was determined based on a discount of approximately 30% of the higher of:

- (a) the closing price of HK\$2.64 per H Shares of the Company as quoted on the Stock Exchange immediately before the execution of the Underwriting Agreement; and
- (b) the higher of the average closing price of HK\$2.66 per H Shares of the Company for the 5 and 10 trading days immediately prior to the earlier of:
 - (i) the date of this announcement;
 - (ii) the date of the Underwriting Agreement; and
 - (iii) the date on which the Subscription Price is fixed,

pursuant to which the theoretical dilution effect of the Rights Issue is below 25% in compliance with Rule 7.27B of the Listing Rules.

The said percentage discount was determined by the Company in consultation with the Underwriters, taking into account factors including percentage discount(s) in other market examples of rights issue(s) and placing(s) of new shares; and any preliminary view(s) of regulatory bodies in the PRC in connection with the terms of the Rights Issue. The Subscription Price for the Domestic Rights Shares, the H Rights Shares and Non-H Foreign Rights Shares (after adjustment in the exchange rates) shall be the same.

Each Qualifying H Shareholder will be entitled to subscribe for the H Rights Shares at the Subscription Price in proportion to his/her/its shareholding held on the Record Date.

After taking into consideration the reasons for the Rights Issue as stated in the sections headed “7. Reasons for the Rights Issue and Use of Proceeds” below, the Directors consider the terms of the H Share Rights Issue, including the Subscription Price, to be fair and reasonable to, and in the interests of, the Company and the Shareholders as a whole.

(c) Basis of provisional allotment

The basis of the provisional allotment is 5 H Rights Shares (in nil-paid form) for every 10 existing H Shares held by Qualifying H Shareholders on the Record Date. Application for all or any part of a Qualifying H Shareholder’s provisional allotment should be made by duly completing a PAL and lodging the same with a cheque or a banker’s cashier order for the sum payable for the H Rights Shares being applied for with the H Share Registrar on or before the Latest Time for Acceptance.

(d) Status of the H Rights Shares

The H Rights Shares (when allotted, issued and fully-paid) will rank *pari passu* in all respects with the then existing H Shares in issue. Holders of fully-paid H Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the H Rights Shares in their fully-paid form.

(e) Share certificates for the H Rights Shares and refund cheques

Subject to the fulfilment of the conditions of H Share Rights Issue as set out below, share certificates for all fully-paid H Rights Shares are expected to be despatched by ordinary post on or around Wednesday, 22 January 2020 to the registered address of those persons who have paid for and have accepted the H Rights Shares, at their own risk.

If the H Share Rights Issue does not proceed, the monies received in respect of the relevant provisional allotments will be refunded to the Qualifying H Shareholders or such other person to whom the Nil-Paid H Rights have been validly renounced or transferred or, in the case of joint acceptances, to the first-named person, without interest and by means of cheques despatched by ordinary post at the risk of such Qualifying H Shareholders or such other person to their registered addresses by the H Share Registrar on or around Wednesday, 22 January 2020. No receipt will be given for such remittance.

(f) Fractions of the H Rights Shares and odd lot arrangement

The Company will not provisionally allot and will not accept applications for any fractions of the H Rights Shares. All fractions of the H Rights Shares will be aggregated (and rounded down to the nearest whole number). All Nil-Paid H

Rights arising from such aggregation will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained. Any unsold aggregated fractions of Nil-Paid H Rights will be made available as Underwritten Shares to be underwritten by the Underwriters.

In order to facilitate the trading of odd lots of the H Rights Shares arising from the H Share Rights Issue, a designated broker, Kingston Securities Limited, has been appointed by the Company to match the purchase and sale of odd lots of the H Shares at the relevant market price per H Share for the period from Thursday, 23 January 2020 to Friday, 14 February 2020 (both days inclusive). Holders of the H Shares in odd lots represented by valid share certificates for the H Shares who wish to take advantage of this facility either to dispose of their odd lots of the H Shares or to top up their odd lots to a full new board lot, may directly or through their brokers, contact Mr. James Lee at (852) 2298 6228 of Kingston Securities Limited or by facsimile at (852) 2552 6666 during such period. Holders of odd lots of H Shares should note that successful matching of the sale and purchase of odd lots of H Shares is on a best effort basis and not guaranteed. Any H Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

(g) Procedures in respect of the Compensatory Arrangements for the H Share Rights Issue

Pursuant to Rule 7.21(2) of the Listing Rules, as BCG, a wholly-owned subsidiary of Capital Group which is the controlling shareholder of the Company, acts as an underwriter of the Rights Issue, the Company must make arrangements described in Rule 7.21(1)(b) of the Listing Rule to dispose the Unsubscribed H Rights Shares and the ES Rights Shares by offering the Unsubscribed H Rights Shares and the ES Rights Shares (together being the Placing Shares) to independent places for the benefit of H Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue as required by Rule 7.21(2) of the Listing Rules.

The Company therefore appointed the Placing Agents to place the Placing Shares after the Latest Time for Acceptance of the H Rights Shares to be allotted and issued under the H Share Rights Issue to independent places on a best effort basis and several (but not joint or joint and several) basis. Any premium over, the aggregate amount of (i) the Subscription Price; and (ii) the expenses in relation to the Placing, that is realised will be paid to the No Action H Shareholders and the Excluded Shareholders on a pro rata basis. The Placing Agents will on a best effort basis and several (but not joint or joint and several) basis, procure, by not later than 6:00 p.m., on Friday, 17 January 2020, acquirers for all (or as many as possible) of those Placing Shares if a premium

over the Subscription Price and the placing expenses can be obtained. Any unsold Placing Shares will be taken up by the Underwriters on the terms and subject to the conditions of the Underwriting Agreement.

The Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Placing Shares) to the No Action H Shareholders and the Excluded Shareholders (but rounded down to the nearest cent).

It is proposed that the Net Gain to any of the No Action H Shareholder(s) or the Excluded Shareholders of HK\$100 or more will be paid to them in Hong Kong dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that the Net Gain may or may not be realised, and accordingly the No Action H Shareholders and the Excluded Shareholders may or may not receive any Net Gain.

Placing Agreement for the Placing Shares

The Company and the Placing Agents have entered into the Placing Agreement, the key terms of which are summarised below.

Date: 9 December 2019

Issuer: The Company

Placing Agents: CICC, CMBI, HSBC and Silk Road International were appointed as placing agents to place the Placing Shares on a best effort and several (but not joint or joint and several) basis.

Each of the Placing Agent confirmed that it is independent of and not connected with the Company and its connected persons.

Fees and expenses: (i) 1.2% of the gross proceeds from the subscription of the Placing Shares actually placed, which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at completion; and

(ii) expenses in relation to the Placing, which shall be reimbursed separately by the Company.

Placing price of the Placing Shares:	<p>The placing price of each of the Placing Shares shall be at least equal to the sum of: (a) the Subscription Price; and (b) the placing expenses per Placing Share.</p> <p>The final placing price will be determined based on the demand and market conditions of the Placing Shares during the process of placement.</p>
Placees:	<p>The Placing Shares are expected to be placed to placees, who and whose ultimate beneficial owners, will be Independent Third Parties.</p>
Ranking of the Placing Shares:	<p>The Placing Shares (when placed, allotted, issued and fully paid) shall rank <i>pari passu</i> in all respects among themselves and with the existing H Shares in issue as at the date of this announcement.</p>
Placing period:	<p>From the Business Day immediately following the publication of an announcement by the Company of the number of the Placing Shares and terminating at 6:00p.m. on the same day, unless terminated earlier pursuant to the terms of the Placing Agreement.</p>
Conditions precedent:	<p>The Placing Agreement is conditional upon the following conditions (the “Conditions”) being fulfilled:</p> <ul style="list-style-type: none"> (a) the approval of the Rights Issue by the Shareholders at the EGM; (b) the approval of the Rights Issue at the H Share Class Meeting and the Domestic Share Class Meeting, respectively; (c) the approval(s) by the relevant PRC regulatory authorities including the SASAC and the CSRC in respect of the Rights Issue; (d) the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the H Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any) by no later than the date of posting of the H Share Rights Prospectus; and

- (e) the delivery to the Stock Exchange and filing and registration of all documents in relation to the H Share Rights Issue as required by law to be filed by and registered with the Registrar of Companies in Hong Kong;

None of the Conditions are waivable by the Placing Agents and the Company.

If the Conditions set out in above paragraphs are not satisfied on or prior to 16 January 2020 or such later date as may be agreed between the Company and the Placing Agents, the Placing Agreement shall terminate and the parties shall be released from all obligations thereunder, save in respect of any antecedent breaches of the Placing Agreement. As at the date of this announcement, conditions (a) to (c) have been satisfied.

Completion: Completion shall take place on the date when the H Rights Shares are duly issued by the Company under the H Share Rights Issue (the “**Completion Date**”).

Termination: The Placing Agents may terminate the Placing Agreement by notice in writing to the Company at any time prior to 6:00 p.m. on 17 January 2020 upon the occurrence of the following events in the absolute opinion of the Placing Agents (or any one of them may terminate in respect of its own obligations only and the obligations of the other Placing Agents shall remain and continue unaffected):

- (a) there shall have occurred:
 - (i) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business or operations or prospects of the Group taken as a whole; or

- (ii) any suspension or limitation of trading (a) in any of the Company's H Shares by the Stock Exchange for two or more Business Day(s), or (b) generally on the Stock Exchange, the Shanghai Stock Exchange, the London Stock Exchange or the New York Stock Exchange; or
- (iii) any outbreak of act of terrorism, the declaration by Hong Kong, the PRC, the United States or the United Kingdom of a national emergency or war or other calamity or crisis; or
- (iv) any material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, the United States or the United Kingdom and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in Hong Kong, the PRC, the United States or the United Kingdom; or
- (v) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, the PRC, the United States or the United Kingdom or in their political or economic conditions, currency exchange rates, exchange controls or taxation,

that, in the judgment of the Placing Agents, would make the placement of the Placing Shares or the enforcement of contracts to purchase the Placing Shares impracticable, or would materially prejudice trading of the Placing Shares in the secondary market; or

- (b) the current listing of the H Shares having been withdrawn, halted, suspended or limited or indication having been received from the SFC and/or the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) for any reason; or

- (c) any of the representations, warranties or undertakings given by the Company in the Placing Agreement is untrue, inaccurate or misleading or there has been a breach on the part of the Company of any other provision of the Placing Agreement.

The terms of the Placing Agreement was determined after arm's length negotiation between the Placing Agents and the Company. The Directors consider the fee charged by the Placing Agents is no less favourable to the Company than the commission in recent placing transactions and the terms of the Placing Agreement are on normal commercial terms. Furthermore, the Placing would provide a distribution channel of the Placing Shares of the Company and a compensatory mechanism for the No Action H Shareholders and the Excluded Shareholders.

(h) Conditions of the H Share Rights Issue

The H Share Rights Issue is conditional upon the fulfilment of the following matters:

- (i) the approval of the Rights Issue by the Shareholders at the EGM;
- (ii) the approval of the Rights Issue at the H Share Class Meeting and the Domestic Share Class Meeting, respectively;
- (iii) the approval(s) by the relevant PRC regulatory authorities including the SASAC and the CSRC in respect of the Rights Issue;
- (iv) the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the H Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any) by no later than the date of posting of the Prospectus; and
- (v) the delivery to the Stock Exchange and filing and registration of all documents in relation to the H Share Rights Issue as required by law to be filed by and registered with the Registrar of Companies in Hong Kong.

The Company has undertaken to use its best endeavours to procure the fulfilment of each of the conditions by the due time and/or date referred to in each case.

None of the above conditions for the completion of the H Share Rights Issue may be waived by the Company. As at the date of this announcement, conditions (i) to (iii) have been satisfied. If the remaining conditions are not

fulfilled, the H Share Rights Issue will not proceed, in which case, the Domestic Rights Issue and the Non-H Foreign Rights Issue will also not proceed. Upon the satisfaction of conditions (i) to (v), the H Share Rights Issue will become unconditional.

The H Share Rights Issue, the Domestic Share Rights Issue and the Non-H Foreign Share Rights Issue are inter-conditional. In the event that the conditions of the Domestic Share Rights Issue and/or the Non-H Foreign Share Rights Issue are not fulfilled, the H Share Rights Issue will not proceed, and vice versa.

(i) Application for listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the H Rights Shares in both their nil-paid and fully-paid forms. Nil-Paid H Rights are to be traded in board lots of 2,000 (as the H Shares are currently traded on the main board of the Stock Exchange in board lots of 2,000). No part of the H Shares in issue or for which listing or permission to deal is being or is proposed to be sought is listed on or dealt in, any other stock exchange.

(j) Stamp duty and other applicable fees and charges

Dealings in the H Rights Shares (in both their nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

(k) H Rights Shares will be eligible for admission into CCASS

Subject to the approval for the listing of, and permission to deal in, the H Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the H Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the H Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. H Shareholders should seek advice from their licensed securities dealers or other professional advisors for details of those settlement arrangements and how such arrangements will affect their rights and interests.

(l) Qualifying H Shareholders

To qualify for the H Share Rights Issue, a H Shareholder must (1) have been registered as a H Shareholder as at the Record Date; and (2) not be an Excluded Shareholder.

In order to be registered as a H Shareholder as at the Record Date, any transfer of H Shares (together with the relevant H Share certificate(s)) must be lodged with the H Share Registrar,

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre,
183 Queen’s Road East, Wanchai, Hong Kong

by 4:30 p.m. (Hong Kong time) on the Last Day for Transfer.

The Company expects to despatch the Prospectus Documents to Qualifying H Shareholders on or before the Posting Date. Subject to the advice of the Company’s legal advisors in the relevant jurisdictions and to the extent reasonably practicable and legally permitted, the Company will send copies of the Prospectus to the Excluded Shareholders for their information only but will not send any PAL to them.

The latest time for acceptance of and payment for the H Rights Shares is expected to be 4:00 p.m. on the Latest Acceptance Date.

Qualifying H Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any H Rights Shares arising from the aggregation of fractional entitlements). **If a Qualifying H Shareholder does not take up any of his/her/its entitlement in full under the H Share Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

(m) Rights of Overseas Shareholders

Overseas Shareholders on the Record Date may not be eligible to take part in the H Share Rights Issue as explained below. The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. If there is any H Shareholder with registered address outside Hong Kong as at the Record Date, the Board will make enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange to assess the feasibility of extending the H Share Rights Issue to the Overseas Shareholders and the results of the enquiries will be included in the H Share Rights Issue Prospectus. If, after

making such enquiries, the Board is of the opinion that it would be necessary or expedient, on account of either the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the H Rights Shares to any of the Overseas Shareholders, no provisional allotment of Nil-Paid H Rights or allotment of fully-paid H Rights Shares will be made to such Overseas Shareholders. The basis of exclusion of the Excluded Shareholders, if any, from the H Share Rights Issue will be disclosed in the Prospectus. The Company may, to the extent reasonably practicable and legally permitted, send the Prospectus to the Excluded Shareholders for their information only on or before the Posting Date but will not send the PALs to them.

The Excluded Shareholders would not have any entitlement under the Rights Issue. However, the ES Rights Shares will form part of the Placing Shares and be first placed by the Placing Agents under the Placing Arrangement together with the Unsubscribed H Rights Shares. If unsuccessfully sold, such ES Rights Shares will be available as Underwritten Shares to be taken up by the Underwriters. Please refer to the sections headed “2(g) Procedures in respect of the Compensatory Arrangements for the H Share Rights Issue” and “3. The Underwriting Agreement”.

Overseas Shareholders and beneficial holders of H Shares held in CCASS and who are resident outside Hong Kong should note that they may or may not be entitled to the H Share Rights Issue subject to the results of the enquiries made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to permit any H Shareholder (whether as a direct holder or beneficial holder) whose registered address is in, or who otherwise resides in, a jurisdiction other than Hong Kong to take up H Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempted from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of H Rights Shares in that jurisdiction and to treat as invalid any acceptances of or applications for the H Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction, but in any event, the Rights Issue will not be extended into the United States and any H Shareholder whose registered address is in, or who otherwise resides in, the United States are excluded from the Rights Issue. Accordingly, such Overseas Shareholders and beneficial holders of H Shares should exercise caution when dealing in the H Shares.

(n) Closure of the H Share Register

The H Share Register of the Company will be closed from Thursday, 19 December 2019 to Monday, 23 December 2019 (both days inclusive) for determining the entitlements to the H Share Rights Issue. No transfer of H Shares will be registered during this period.

(o) Expected timetable for the H Share Rights Issue

The expected timetable of the H Share Rights Issue is set out below:

Last day of dealings in the H Shares on a cum-rights basis	Monday, 16 December 2019
Commencement of dealings in the H Shares on an ex-rights basis	Tuesday, 17 December 2019
Latest time for lodging transfer documents of the H Shares in order to qualify for the H Share Rights Issue	4:30 p.m. on Wednesday, 18 December 2019
Closure of the H Share Register for determining entitlements under the H Share Rights Issue (both days inclusive)	Thursday, 19 December 2019 to Monday, 23 December 2019
Record Date	Monday, 23 December 2019
H Share Register re-opens	Tuesday, 24 December 2019
Despatch of the Prospectus Documents.	Tuesday, 24 December 2019
First day of dealings in Nil-Paid H Rights	Monday, 30 December 2019
Latest time for splitting of Nil-Paid H Rights	4:30 p.m. on Tuesday, 7 January 2020
Last day of dealings in Nil-Paid H Rights	Friday, 10 January 2020
Latest time for holders of Nil-Paid H Rights to qualify for Compensatory Arrangements	4:00 p.m. on Wednesday, 15 January 2020
Latest time for acceptance of and payment for the H Rights Shares	4:00 p.m. on Wednesday, 15 January 2020

Announcement of the number of Placing Shares subject to the Compensatory Arrangements to be posted on the Stock Exchange's website and the Company's website on or before Thursday, 16 January 2020

Commencement of placing of Placing Shares by the Placing Agents. Friday, 17 January 2020

Latest time of placing of Placing Shares by the Placing Agents 6:00 p.m. on Friday, 17 January 2020

Latest time for the termination of the Underwriting Agreement and the Placing Agreement 6:00 p.m. on Friday, 17 January 2020

Announcement of allotment results of the H Share Rights Issue (including results of placing of Placing Shares and the amount of Net Gain per Placing Share under the Compensatory Arrangements) to be posted on the Stock Exchange's website and the Company's website on or before Wednesday, 22 January 2020

Certificates for the fully-paid H Rights Shares to be despatched and completion of Placing to take place on or around Wednesday, 22 January 2020

Commencement of dealings in fully-paid H Rights Shares including any Placing Shares 9:00 a.m. on Thursday, 23 January 2020

Designated broker starts to stand in the market to provide matching services for odd lots of H Shares. Thursday, 23 January 2020

Payment of Net Gain to relevant No Action H Shareholders (if any) Thursday, 30 January 2020

The last day for the designated broker to provide matching services for odd lots of H Shares. Friday, 14 February 2020

All times and dates in this announcement refer to Hong Kong local times and dates. Shareholders should note that the dates specified in the expected timetable of the H Share Rights Issue as set out above, and in other parts of this announcement, are indicative only and may be varied by the Board.

The Board may extend, or make adjustment to, the expected timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be announced as and when appropriate.

(p) Effect of bad weather on the Latest Time for Acceptance

The Latest Time for Acceptance will not take place if there is:

- (i) a tropical cyclone warning signal number 8 or above; or
- (ii) a “black” rainstorm warning

is in force in Hong Kong at any local time:

- (A) before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. In such event, the latest time for acceptance of and payment for the H Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (B) between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. In such event, the latest time for acceptance of and payment for the H Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the Latest time for Acceptance does not take place on the Latest Acceptance Date, the dates mentioned in the section headed “2(o) Expected Timetable for the H Share Rights Issue” above may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

(q) Warning of the risks of dealing in the H Shares and the Nil-Paid H Rights

Existing H Shares will be dealt on an ex-rights basis from Tuesday, 17 December 2019. Dealings in the Nil-Paid H Rights are expected to take place from Monday, 30 December 2019 to Friday, 10 January 2020 (both days inclusive). If the conditions of the H Share Rights Issue (please refer to the paragraphs headed “2(h) Conditions of the H Share Rights Issue” above) are not fulfilled, the H Share Rights Issue will not proceed.

Shareholder or other person contemplating transferring, selling or purchasing the H Shares and/or Nil-Paid H Rights is advised to exercise caution when dealing in the H Shares and/or the Nil-Paid H Rights.

Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s). Any Shareholder or other person dealing in the H Shares or in the Nil-Paid H Rights up to the time at which the H Share Rights Issue becomes unconditional will accordingly bear the risk that the H Share Rights Issue may not become unconditional.

3 THE UNDERWRITING AGREEMENT

(a) Underwriting Agreement

Principal terms of the Underwriting Agreement are as follow:

Date: 9 December 2019

Issuer: The Company

Underwriters: The Independent Underwriters and BCG

Pursuant to the Underwriting Agreement, the Underwriters agree severally (and not jointly or jointly and severally) to procure subscribers for, failing which they shall subscribe (as principal) for, the Underwritten Shares at the Subscription Price in the manner set out in the Underwriting Agreement. The obligations of the Underwriters:

- (i) are several (and not joint or joint and several); and
- (ii) (in respect of each Independent Underwriter) extend to the number of Underwritten Shares according to the Respective Commitment of such Independent Underwriter, rounded down to the nearest Board Lot, subject to such Independent Underwriter's Maximum Respective Commitment; and

(iii) (in respect of BCG only) extend to the number of Underwritten Shares equivalent to the sum of BCG’s Respective Commitment and the Odd Lots, subject to (aa) BCG’s Maximum Respective Commitment; (bb) the total number of Shares legally and/or beneficially held by BCG and its associates upon completion of the Rights Issue not exceeding 75% of the entire issued share capital of the Company as enlarged by the Rights Shares to be issued under the Rights Issue; and (cc) the Company satisfying the minimum public float requirements under the Listing Rules (the “**Public Float Requirements**”),

unless otherwise agreed between the Independent Underwriters and the Company in writing.

Number of Underwritten Shares to be underwritten by the Underwriters:

Each of the Underwriters shall be responsible only for such number of Underwritten Shares according to the Respective Commitment subject to the Maximum Respective Commitment (if lower):

Underwriter	Respective Commitment	Maximum Respective Commitment
CMBI	8.20%	41,854,000 H Rights Shares
HSBC	32.80%	167,416,000 H Rights Shares
Silk Road International	2.10%	10,694,000 H Rights Shares
BCG	56.90%	290,414,000 H Rights Shares

BCG shall has the right (but not the obligation to) take up any additional Underwritten Shares in the Respective Commitment of the Independent Underwriters which are not taken up, subject to the Public Float Requirements set out in (iii) above, under the section headed “3. The Underwriting Agreement — (a) Underwriting Agreement” of this Announcement.

To the extent that there shall remain any untaken Underwritten Shares after each Underwriter has taken up the Underwritten Shares under its Respective Commitment or its Maximum Respective Commitment (if lower), the total number of H Rights Shares to be issued in the Rights Issue may be reduced by the number of any such untaken Underwritten Shares.

Fees and expenses: A fixed commission of 3% on the multiple of the Subscription Price and each of the Maximum Respective Commitment and the reasonable costs, fees and other expenses of the Underwriters

Subject to the fulfilment of the conditions contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriters have agreed to subscribe or procure the subscription for the Underwritten Shares, being the H Right Shares that are not being taken up by the Qualifying H Shareholders and not being actually placed by the Placing Agents under the Compensatory Arrangements, the ES Rights Shares not being placed by the Placing Agents under the Compensatory Arrangements, and unsold fractions of the Rights Shares.

The Directors consider that the terms of the Underwriting Agreement, including the rate of commission are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned.

(b) Information about the Independent Underwriters and BCG

CMBI, is a corporation licensed under the SFO to carry on type 1 (dealing in Securities) and type 6 (advising on corporate finance) regulated activities under the SFO and its principal business activity involves underwriting of securities.

HSBC, is a corporation licensed under the SFO to carry on type 1 (dealing in Securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and its principal business activity involves underwriting of securities.

Silk Road International, is a corporation licensed under the SFO to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and its principal business activity involves underwriting of securities.

BCG is a company incorporated in Hong Kong with limited liability, its principal business activity is investment holding and is a wholly-owned subsidiary of Capital Group, the controlling shareholder of the Company.

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. As at the date of this announcement, Capital Group directly holds an aggregate of 1,649,205,700 Domestic Shares, representing the entire issued Domestic Shares of the Company and approximately 54.47% of the total issued share capital of the Company. As Capital Group is the controlling shareholder of the Company and it and BCG are connected persons of the Company under Rule 14A.07 of the Listing Rules, the transactions contemplated under the Underwriting Agreement constitute a connected transaction of the Company, which was contemplated under the Letter of Undertaking and was duly approved in the EGM convened on 10 June 2019. To comply with relevant laws and regulations of the PRC, Capital Group has nominated its wholly-owned subsidiary, BCG, to be one of the Underwriters.

As at the date of this announcement, save and except the Shares held by the Independent Underwriters as shown in the section headed “6. Effect of the Rights Issue on Shareholdings in the Company” below, to the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Independent Underwriters and its respective ultimate shareholders are Independent Third Parties.

(c) Conditions of the Underwriting Agreement

The several obligations of the Underwriters to subscribe for the Underwritten Shares pursuant to the Underwriting Agreement are conditional on the fulfilment (or waiver, if applicable, by the Independent Underwriters) of the following conditions:

- (1) the approval of the Rights Issue by the Shareholders at the EGM;
- (2) the approval of the Rights Issue at the H Share Class Meeting and the Domestic Share Class Meeting, respectively;
- (3) the approval(s) by the relevant PRC regulatory authorities including the SASAC and the CSRC in respect of the Rights Issue;
- (4) the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the H Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any) by no later than the date of posting of the H Share Rights Prospectus;

- (5) the delivery to the Stock Exchange and filing and registration of all documents in relation to the H Share Rights Issue as required by law to be filed by and registered with the Registrar of Companies in Hong Kong;
- (6) each condition to enable the Nil-Paid H Rights to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the H Rights Shares (in their nil-paid and fully-paid forms respectively) and no indication or notification having been received by the Company from HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;
- (7) the representations, warranties and undertakings referred to in the Underwriting Agreement being true, complete, accurate and not misleading on and as of the date of Underwriting Agreement and at any time before the Latest Time for Termination;
- (8) the delivery by the Company of customary closing documents pursuant to the terms and conditions of the Underwriting Agreement;
- (9) the trading of the H Shares on the Stock Exchange not having been, at any time beginning from the date of the Underwriting Agreement up to and including the Latest Time for Termination, halted, suspended or limited for a consecutive period of two (2) Business Days or the current listing of the H Shares not having been withdrawn or any indication having been received before the Latest Time for Termination from the SFC and/or the Stock Exchange to the effect that such listing may be suspended, withdrawn or objected to (or conditions will or may be attached thereto); and
- (10) compliance by Capital Group (or BCG) with its obligations under the Letter of Undertaking and the Letter of Undertaking remaining in full force and effect.

The Company undertakes to procure the fulfilment of each of the conditions by the relevant time or date specified and shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may reasonably be required by the Underwriters, the SFC, the Stock Exchange or HKSCC in connection with therewith.

If any of the above conditions of the Underwriting Agreement is not fulfilled, or waived by the Independent Underwriters by the Latest Time for Termination the Underwriting Agreement shall terminate (save in respect of certain customary surviving provisions under the Underwriting Agreement) but the Rights Issue may nonetheless proceed with the size of the Rights Issue reduced. As at the date of this announcement, conditions (1) to (3) have been satisfied.

(d) Termination of the Underwriting Agreement

If any time prior to the Latest Time for Termination:

- (1) any matter or circumstance arises as a result of which any of the conditions set out in the section headed “3(c) Conditions of the Underwriting Agreement” above (other than those having been satisfied at the date of the Underwriting Agreement) has become incapable of satisfaction as at the required time;
- (2) the fact that any of the representations, warranties or undertakings contained in the Underwriting Agreement is untrue, inaccurate or misleading comes to the knowledge of the Independent Underwriters, or there has been a breach on the part of the Company of any other provision of the Underwriting Agreement or any of the Independent Underwriter has cause to believe that any such breach has occurred;
- (3) the Company’s application to the Main Board of the Stock Exchange for permission for the listing of the H Rights Shares (in their nil-paid and fully paid forms) and permission to deal in the H Rights Shares (in their nil-paid and fully paid forms) on the Stock Exchange is withdrawn by the Company and/or refused by the Stock Exchange;
- (4) any condition to enable the Nil-Paid H Rights to be admitted as eligible securities for deposit, clearance and settlement in CCASS is not satisfied or notification is received by the Company from HKSCC that such admission or facility for holding and settlement has been or is to be refused;
- (5) any statement contained in this announcement or any Prospectus Document has become or been discovered to be untrue, inaccurate or incomplete in any material respect or misleading;
- (6) any event, act or omission occurs which gives or is likely to give rise to any liability of the Company pursuant to the indemnities referred to in the Underwriting Agreement;
- (7) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business or operations or prospects of the Group taken as a whole;
- (8) any suspension or limitation of trading generally on the Stock Exchange, the Shanghai Stock Exchange, the London Stock Exchange or the New York Stock Exchange;

- (9) there shall have occurred any event or series of events in Hong Kong, the PRC, the United States or the United Kingdom which amounts to the occurrence of any outbreak of natural disaster, riot, public disorder, civil commotion, outbreak of any infectious and hazardous disease, calamity, crisis, strike, lock out, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic;
- (10) any material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, the United States or the United Kingdom and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in Hong Kong, the PRC, the United States or the United Kingdom;
- (11) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, the PRC, the United States or the United Kingdom or in their political or economic conditions, currency exchange rates, exchange controls or taxation;
- (12) any new laws, rules, statutes, ordinances, regulations, guidelines or circulars, orders judgements, decrees or rulings of any governmental authority (the “**Laws**”) are implemented by any court or other competent authority in the PRC or any other place in which any member of the Group conducts or carries on its business; or
- (13) any suspension of dealings in the H Shares for a consecutive period of two (2) Business Days owing to reasons other than the Rights Issue or the current listing of the H Shares having been withdrawn;

and which, individually or in the aggregate, and in the absolute opinion of the Independent Underwriters after consulting the Company to the extent practicable (but the consent of the Company is not required):

- (a) is or will be, or is likely to be, materially adverse to business, financial, trading condition or prospects of the Group; or
- (b) has or will have or is likely to have a material adverse impact on the success of the Rights Issue or dealings in the H Rights Shares in the secondary market; or
- (c) makes it impracticable or inexpedient to proceed with the H Shares Rights Issue on the terms and in the manner contemplated in the Prospectus Documents,

then and in any such case, such Independent Underwriter may terminate the Underwriting Agreement (in respect of itself only and the obligations of BCG and the other Independent Underwriter shall remain and continue unaffected) with immediate effect without liability provided that such notice is received at or prior to the Latest Time for Termination.

In the event that the Underwriting Agreement is terminated in accordance with its terms, the H Share Rights Issue may not be fully underwritten and the size of the Rights Issue as a whole may be reduced accordingly to the extent, among others, necessary for the Company to satisfy the minimum public float requirements under the Listing Rules. As there is no requirement for minimum level(s) of subscription of the Rights Issue under the constitutional documents of the Company and the applicable laws in Hong Kong and the PRC, there is no minimum amount which must be raised in the Rights Issue in the event it proceeds on a non-fully underwritten basis.

Investors are advised to exercise caution when dealing in the securities of the Company.

4 DOMESTIC SHARE RIGHTS ISSUE

(a) Details of the Domestic Share Rights Issue Statistics

Type and Par Value of the Rights Shares	:	Domestic Shares with a par value of RMB1.00 each
Basis of the Domestic Share Rights Issue	:	5 Domestic Rights Shares for every 10 existing Domestic Shares held on the Domestic Share Record Date by the Qualifying Domestic shareholders
Number of Shares in issue as at the date of this announcement	:	3,027,960,000
Expected number of Shares in issue as at the Record Date	:	3,027,960,000
Expected number of Domestic Shares in issue as at the Record Date	:	1,649,205,700
Number of Domestic Rights Shares proposed to be issued under the Domestic Share Rights Issue	:	824,602,850
Subscription Price for the Domestic Rights Shares	:	RMB1.68 per Domestic Rights Share

(b) Basis of Entitlement

The basis of entitlement is 5 Domestic Rights Shares for every 10 existing Domestic Shares held by Qualifying Domestic Shareholders on the Record Date.

(c) Qualifying Domestic Shareholders

To qualify for the Domestic Share Rights Issue, a Shareholder must have been registered as a Domestic Shareholder on the Record Date.

(d) Expected Timetable for the Domestic Share Rights Issue

Record Date Monday, 23 December 2019

Commencement of the Domestic Share Rights Issue

First day of acceptance and payment
for the Domestic Rights Shares Tuesday, 24 December 2019

Close of the Domestic Share Rights Issue

Last day of acceptance of and payment
for the Domestic Rights Shares Wednesday, 15 January 2020

Verification of payment for subscription
for the Domestic Rights Shares Wednesday, 15 January 2020

Announcement of results of
the Domestic Share Rights Issue Wednesday, 22 January 2020

Shareholders should note that the dates specified in the expected timetable of the Domestic Share Rights Issue as set out above are indicative only and may be changed by the Board. Any such change to the expected timetable will be announced as and when appropriate.

(e) Irrevocable Undertaking from Capital Group

As at the date of this announcement, Capital Group directly holds an aggregate of 1,649,205,700 Domestic Shares, representing the entire issued Domestic Shares of the Company and approximately 54.47% of the total issued share capital of the Company.

As previously disclosed in the Circular, on 17 May 2019, the Company received from Capital Group an undertaking that it will subscribe for such number of the Domestic Rights Shares to be allotted to it according to the Domestic Share Rights Issue approved at the EGM and the Domestic Share Class Meeting and in no circumstance should it result in the Company not satisfying the minimum public float requirement under the Listing Rules. In the event that the H Share Rights Issue is (i) not underwritten by the Independent Underwriters and BCG; and (ii) undersubscribed to such extent that the Company is unable to meet the minimum public float requirement under the Listing Rules, the total number of Domestic Rights Shares to be subscribed by Capital Group under its provisional allotment entitlement might be reduced.

Save for the undertaking from Capital Group, the Company has not obtained any undertakings from other Shareholders that they will subscribe for any or all of the Rights Shares to be provisionally allotted to them under the Rights Issue.

(f) Conditions of the Domestic Share Rights Issue

The Domestic Share Rights Issue will be conditional upon the fulfilment of the following matters:

- (i) the approval of the Rights Issue by the Shareholders at the EGM;
- (ii) the approval of the Rights Issue at the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting, respectively; and
- (iii) the approval(s) by the relevant PRC regulatory authorities including the SASAC and the CSRC in respect of the Rights Issue.

None of the above conditions for the completion of the Domestic Share Rights Issue may be waived by the Company. As at the date of this announcement, all the conditions have been satisfied.

The Domestic Share Rights Issue, the H Share Rights Issue and the Non-H Foreign Share Rights Issue are inter-conditional. In the event that the conditions of the H Share Rights Issue and/or the Non-H Foreign Share Rights Issue are not fulfilled, the Domestic Share Rights Issue will not proceed, and vice versa.

(g) Procedures in respect of Unsubscribed Domestic Rights Shares

As disclosed in the Circular, an undertaking to subscribe from Capital Group was received by the Company on 17 May 2019 to the effect that Capital Group will subscribe for such number of the Domestic Rights Shares to be provisionally allotted to it according to the Domestic Share Rights Issue and in no circumstance should it result in the Company not satisfying the minimum public float requirement under the Listing Rules. In the event that the H Share Rights Issue is (i) not underwritten by any of the Independent Underwriters and BCG; and (ii) undersubscribed to such extent that the Company is unable to meet the minimum public float requirement under the Listing Rules, the total number of Domestic Rights Shares to be subscribed by Capital Group under its provisional allotment entitlement might be reduced. Given such undertaking, there will be no underwriting arrangement or compensatory arrangement for any unsubscribed Domestic Rights Shares. Under PRC laws, there is no requirement for the Domestic Share Rights Issue to be fully underwritten.

(h) Status of the Domestic Rights Shares

The Domestic Rights Shares, when allotted and fully-paid, will rank *pari passu* in all respects with the Domestic Shares then in issue. Holders of fully-paid Domestic Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the Domestic

Rights Shares. The Domestic Shares are not, and the Domestic Rights Shares will not be, listed on any stock exchanges unless the Domestic Shares and the Domestic Rights Shares are approved by the CSRC for listing.

5 NON-H FOREIGN SHARE RIGHTS ISSUE

(a) Details of the Non-H Foreign Share Rights Issue Statistics

Type and Par Value of the Rights Shares	: Non-H Foreign Shares with a par value of RMB1.00 each
Basis of the Non-H Foreign Share Rights Issue	: 5 Non-H Foreign Rights Shares for every 10 existing Non-H Foreign Shares held on the Record Date by the Qualifying Non-H Foreign Shareholders
Number of Shares in issue as at the date of this announcement	: 3,027,960,000
Expected number of Shares in issue as at the Record Date	: 3,027,960,000
Expected number of Non-H Foreign Shares in issue as at the Record Date	: 357,998,300
Number of Non-H Foreign Rights Shares proposed to be issued under the Non-H Foreign Share Rights Issue	: 178,999,150
Subscription Price for the Non-H Foreign Rights Shares	: HK\$ equivalent of RMB1.68, being HK\$1.87 per Non-H Foreign Rights Share

(b) Basis of Entitlement

The basis of entitlement is 5 Non-H Foreign Rights Shares for every 10 existing Non-H Foreign Shares held by Qualifying Non-H Foreign Shareholders on the Record Date.

(c) Qualifying Non-H Foreign Shareholders

To qualify for the Non-H Foreign Share Rights Issue, a Shareholder must have been registered as a Non-H Foreign Shareholder on the Record Date.

(d) Expected Timetable for the Non-H Foreign Share Rights Issue

Record Date Monday, 23 December 2019

Commencement of the Non-H Foreign Share Rights Issue

First day of acceptance and payment
for the Non-H Foreign Rights Shares Tuesday, 24 December 2019

Close of the Non-H Foreign Share Rights Issue

Last day of acceptance of and payment
for the Non-H Foreign Rights Shares Wednesday, 15 January 2020

Verification of payment for subscription
for the Non-H Foreign Rights Shares Wednesday, 15 January 2020

Announcement of results of the
Non-H Foreign Share Rights Issue Wednesday, 22 January 2020

Shareholders should note that the dates specified in the expected timetable of the Non-H Foreign Share Rights Issue as set out above are indicative only and may be changed by the Board. Any such change to the expected timetable will be announced as and when appropriate.

(e) Conditions of the Non-H Foreign Share Rights Issue

The Non-H Foreign Share Rights Issue will be conditional upon the fulfilment of the following matters:

- (i) the approval of the Rights Issue by the Shareholders at the EGM; and
- (ii) the approval of the Rights Issue at the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting, respectively; and
- (iii) the approval(s) by the relevant PRC regulatory authorities including the SASAC and the CSRC in respect of the Rights Issue.

None of the above conditions for the completion of the Non-H Foreign Share Rights Issue may be waived by the Company. As at the date of this announcement, all the conditions have been satisfied.

The Domestic Share Rights Issue, the H Share Rights Issue and the Non-H Foreign Share Rights Issue are inter-conditional. In the event that the conditions of the Domestic Share Rights Issue and/or the H Share Rights Issue are not fulfilled, the Non-H Foreign Share Rights Issue will not proceed, and vice versa.

(f) Procedures in respect of Unsubscribed Non-H Foreign Rights Shares

Under PRC laws, there is no requirement for the Non-H Foreign Shares Rights Issue to be fully underwritten and Non-H Foreign Shares are unlisted shares which lack liquidity. Accordingly, there will be no underwriting arrangement or compensatory arrangement for any unsubscribed Non-H Foreign Rights Shares. Any unsubscribed Non-H Foreign Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

(g) Status of the Non-H Foreign Rights Shares

The Non-H Foreign Rights Shares, when allotted and fully-paid, will rank *pari passu* in all respects with the Non-H Foreign Shares then in issue. Holders of fully-paid Non-H Foreign Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the Non-H Foreign Rights Shares. The Non-H Foreign Shares are not, and the Non-H Foreign Rights Shares will not be, listed on any stock exchanges unless the Non-H Foreign Shares and the Non-H Foreign Rights Shares are approved by the CSRC for listing.

6 EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

Changes in the Shareholding Structure of the Company arising from the Rights Issue

Set out below are the shareholding structure of the Company as at the date of this announcement and the shareholding structure immediately after completion of the Rights Issue:

Share class	As at the date of this announcement		Immediately after completion of the Rights Issue				
	Total number of Shares held	Percentage of total issued Shares	Assuming none of the H Rights Shares and Non-H Foreign Rights Shares are taken up by the Qualifying H Shareholders and Qualifying Non-H Foreign Shareholders respectively (Note 1) (Note 10)	Percentage of total issued Shares (Note 1)	Assuming 100% of the H Rights Shares and Non-H Foreign Rights Shares are taken up by the Qualifying H Shareholders and Qualifying Non-H Foreign Shareholders respectively (Note 1)	Percentage of total issued Shares (Note 1)	
Capital Group and other non-public Shareholders (Note 2)							
Capital Group (Notes 3)	Domestic	1,649,205,700	54.47%	2,473,808,550	56.70%	2,473,808,550	54.47%
BCG (Note 9)	H Shares	—	—%	290,414,000	6.66%	—	—%
China Resource Products Limited (Notes 3 & 4)	Non-H Foreign	275,236,200	9.09%	275,236,200	6.31%	412,854,300	9.09%
Yieldwell International Enterprise Limited (Notes 3 & 5)	Non-H Foreign	82,762,100	2.73%	82,762,100	1.90%	124,143,150	2.73%
Reco Pearl Private Limited (Note 6)	H Shares	121,814,000	4.02%	121,814,000	2.79%	182,721,000	4.02%
<i>Subtotal</i>		<u>2,129,018,000</u>	<u>70.31%</u>	<u>3,244,034,850</u>	<u>74.35%</u>	<u>3,193,527,000</u>	<u>70.31%</u>
Public Shareholders							
Independent Underwriter (HSBC) (Note 7)	H Shares	871,769	0.03%	168,287,769	3.86%	1,307,653	0.03%
Independent Underwriter (CMBI) (Note 7)	H Shares	—	—%	41,854,000	0.96%	—	—%
Independent Underwriter (Silk Road International) (Note 7)	H Shares	—	—%	10,694,000	0.25%	—	—%
Other H Shareholders (Note 8)	H Shares	898,070,231	29.66%	898,070,231	20.58%	1,347,105,346	29.66%
<i>Subtotal</i>		<u>898,942,000</u>	<u>29.69%</u>	<u>1,118,906,000</u>	<u>25.65%</u>	<u>1,348,413,000</u>	<u>29.69%</u>
Total issued Shares		<u><u>3,027,960,000</u></u>	<u><u>100.00%</u></u>	<u><u>4,362,940,850</u></u>	<u><u>100.00%</u></u>	<u><u>4,541,940,000</u></u>	<u><u>100.00%</u></u>

Notes:

1. Based on the number of the Shares to be issued under the Rights Issue assuming on the basis of 5 Rights Shares for every 10 existing Shares in issue.
2. Non-public Shareholders refer to core connected persons (as defined under the Listing Rules) of the Company of which their respective shareholdings will not be regarded as part of the public float.
3. 1,649,205,700 Shares are directly held by Capital Group. As at the date of this announcement, Yieldwell International Enterprise Limited is a subsidiary of China Resource Products Limited, which is 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.

Accordingly, Capital Group is not deemed to be interested in 275,236,200 Shares held through China Resource Products Limited and 82,762,100 Shares held through China Resource Products Limited and Yieldwell International Enterprise Limited pursuant to the SFO, but however, China Resource Products Limited and Yieldwell International Enterprise Limited are core connected persons of the Company pursuant to the Listing Rules.

4. 275,236,200 Shares are directly held by China Resource Products Limited and deemed corporate interests pursuant to the SFO indirectly held by Beijing Rongtong Zhenghe Investment Management Co., Ltd. (北京融通正和投資管理有限公司) through Guoda Limited and China Resource Products Limited.
5. 82,762,100 Shares are directly held by Yieldwell International Enterprise Limited and deemed corporate interests pursuant to the SFO indirectly held by Beijing Rongtong Zhenghe Investment Management Co., Ltd. (北京融通正和投資管理有限公司) through Guoda Limited, China Resources Products Limited and Yieldwell International Enterprise Limited.
6. To the best knowledge of the Company, Reco Pearl Private Limited 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 121,814,000 H Shares in the Company (representing approximately 4.02% of the Company's total issued share capital as at the date of this announcement) and is a core connected person of the Company pursuant to the Listing Rules by virtue of it being a substantial shareholder of the subsidiary(ies) of the Company.
7. The Independent Underwriter or its sub-underwriter(s).
8. The other H Shareholders are public Shareholders.
9. 290,414,000 H Shares are expected to be held by BCG, a wholly-owned subsidiary of Capital Group, pursuant to and subject to the conditions of BCG's underwriting obligation under the Underwriting Agreement.
10. The total issued Shares of the Company will be 4,362,940,850 Shares only in such scenario as there will be no underwriting arrangement for the unsubscribed Non-H Foreign Rights Shares.

7 REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The purpose of the Rights Issue is to (i) strengthen the financial position of the Group and the financial stability of the Group and support the continuing and sustainable business development of the Group; (ii) improve the quality of the Group's financial resources through reducing the Group's gearing and the related financial costs; and (iii) increase the liquidity of and facilitate trading in the Company's H Shares, thus realising the Group's inherent values. The final amount of gross proceeds shall be determined based on the actual Subscription Price and the number of Rights Shares to be issued at the time of the Rights Issue. It is currently expected that the gross proceeds of the Rights Issue before expenses will be not more than RMB2,546 million (approximately HK\$2,832 million).

The net proceeds of the Rights Issue are estimated to be approximately RMB2,492 million (approximately HK\$2,772 million) after the deduction of all estimated expenses (based on the number of Shares in issue as at the date of this announcement), which pursuant to the resolution duly approved in the EGM, the Domestic Share Class Meeting and the H Share Class Meeting, is expected to be used for the partial repayment of existing onshore and offshore interest-bearing indebtedness of the Group, such as (i) the borrowings with an aggregate principal amount of approximately RMB500 million payable by the end of October 2019 with interest rate at 8.3% per annum; (ii) the borrowings with an aggregate principal amount of approximately RMB694 million payable by the end of February 2020 with interest rate at 6.8% per annum; (iii) the borrowings with an aggregate principal amount of approximately RMB2,500 million payable by the end of May 2020 with interest rate at 6.45% per annum; and (iv) the perpetual securities issued by the Group with an aggregate principal amount of US\$450 million maturing on 2 December 2019 with interest rate at 7.125% per annum. The Company will ultimately determine the allocation of the proceeds from the Rights Issue for the repayment of the onshore and offshore interest-bearing indebtedness of the Group whilst taking into consideration of the regulatory approval, the then market conditions and their respective interest rates, interest payment terms and maturity dates as well as other alternative financing channels. Given that indebtedness (i) and (iv) have been repaid, the Company will, acting on the authority of the Board granted by shareholders in the EGM, the Domestic Share Class Meeting and the H Share Class Meeting, allocate part of the proceeds from the Rights Issue for the partial repayment of other interest-bearing bank borrowings and/or notes issued by the Group.

Taking into account (a) the development plans of the Group which includes, among others, increasing the Company's regional investments in three key metropolitan areas, and strengthening its primary land development platform in Beijing — Tianjin — Hebei which are capital intensive; (b) the current financial position of the Group having higher gearing and higher borrowing costs, which may be reduced through the Rights Issue; (c) other equity financing options such as placement or subscription of new Shares, or the issue of convertible bonds, which are either not in the best interest of the Company or expected to increase the leverage of the Group and having a greater potential dilutive effect on existing Shareholders, the Rights Issue allows all Qualifying Shareholders to have a fair opportunity to participate in the potential growth of the Company while maintaining their respective pro rata shareholding interests in the Company. As such, the Directors consider that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

8 TAXATION

Qualifying H Shareholders are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of receipt, purchase, holding, exercising, disposing of or dealing in the Nil-Paid H Rights or the fully-paid H Rights Shares and, regarding the Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the Nil-Paid H Rights on their behalf.

9 EQUITY FUND RAISING EXERCISE OF THE COMPANY

The Company has not engaged in or initiated any equity fund raising exercises (including any rights issue exercise) during the 12 months immediately preceding the date of this announcement.

10 INFORMATION ON THE GROUP

Information relating to 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.

11 GENERAL

The Prospectus Documents containing, among other things, further details of the H Share Rights Issue, are expected to be despatched by the Company to Qualifying H Shareholders on or before the Posting Date and the Prospectus will be despatched to the Excluded Shareholders for information only. A copy of the Prospectus will also be made available on the respective websites of the Company (www.bjcapitalland.com.cn) and the Stock Exchange (www.hkexnews.hk).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms will have the following meanings:

“BCG”	BCG Chinastar International Investment Limited 首創華星國際投資有限公司, a company incorporated in Hong Kong with limited liability and is wholly-owned by Capital Group
“Board”	the board of Directors of the Company

“Board Lot”	2,000 H Shares each
“Business Day”	any day on which banks are generally open for business in Hong Kong (excluding Saturday and Sunday)
“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
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CICC”	China International Capital Corporation Hong Kong Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on future contracts) and type 6 (advising on corporate finance) regulated activities under the SFO
“Circular”	the circular published by the Company on 17 May 2019 relating to, among other things, the Rights Issues and the Letter of Undertaking
“CMBI”	CMB International Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“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)
“Compensatory Arrangements”	placement of (i) the Unsubscribed H Rights Shares by the Placing Agents on a best effort basis pursuant to arrangements described in Rule 7.21(1)(b) of the Listing Rules; and (ii) the ES Rights Shares
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules

“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Directors”	the directors of the Company
“Domestic Rights Shares”	the new Domestic Shares proposed to be allotted and issued to the Qualifying Domestic Shareholders pursuant to the Domestic Share Rights Issue
“Domestic Share(s)”	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 convened on 10 June 2019 at which, among other things, the Rights Issue was considered and approved
“Domestic Share Rights Issue”	the proposed issue of 824,602,850 Domestic Rights Shares at the Subscription Price on the basis of 5 Domestic Rights Shares for every 10 existing Domestic Shares held on the Record Date
“Domestic Shareholder(s)”	holder(s) of the Domestic Shares
“EGM”	extraordinary general meeting of the Shareholders convened on 10 June 2019 at which, among other things, the Rights Issue and the transactions contemplated thereunder was considered and approved
“ES Rights Shares”	the H Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the H Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries
“H Rights Shares”	the new H Shares proposed to be allotted and issued to the Qualifying H Shareholders pursuant to the H Share Rights Issue

“H Share(s)”	ordinary H shares with par value of RMB1.00 each in the share capital of the Company which are issued outside the PRC, listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars
“H Share Class Meeting”	the class meeting of the H Shareholders convened on 10 June 2019 a which, among other things, the Rights Issue was considered and approved
“H Share Register”	the H Shareholders’ register of the Company
“H Share Registrar”	Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, being the Company’s registrar of the H Shares
“H Share Rights Issue”	the proposed issue of 510,378,000 H Rights Shares at the Subscription Price on the basis of 5 H Rights Shares for every 10 existing H Shares held on the Record Date
“H Shareholder(s)”	holder(s) of the H Shares
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees Limited”	a wholly-owned subsidiary of HKSCC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on future contracts), type 6 (advising on corporate finance) and) and type 9 (asset management) regulated activities under the SFO and is a licensed bank under the Banking Ordinance (Cap. 155 of the laws of Hong Kong)
“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 and its connected person(s) under the Listing Rules

“Independent Underwriters”	CMBI, HSBC and Silk Road International and “Independent Underwriter” means any of them
“Last Day for Transfer”	Wednesday, 18 December 2019, being the last date for lodging transfer of H Shares prior to the closure of H Share Register
“Last Trading Date”	the last trading day of H Shares immediately before the release of this announcement, being 6 December 2019
“Latest Acceptance Date”	Wednesday, 15 January 2020, being the last day for acceptance of, and payment for, the H Rights Shares, or such other date as the Company and the Underwriters may agree in writing
“Latest Time for Acceptance”	the latest time for acceptance of, and payment for, the H Rights Shares, which is expected to be 4:00 p.m. on the Latest Acceptance Date
“Latest Time for Termination”	the latest time for the termination of the Underwriting Agreement, being 6:00 p.m. on Friday, 17 January 2020, or such later date as the Company and the Underwriters may agree in writing
“Letter of Undertaking”	the letter of undertaking entered into between Capital Group (or its subsidiary) and the Company on 17 May 2019 in relation to the underwriting of the underwritten shares by Capital Group (or its subsidiary) under the H Share Rights Issue at the Subscription Price
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Maximum Respective Commitment”	the respective maximum number of H Rights Shares committed to be taken up by each of the Underwriters pursuant to the Underwriting Agreement
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting (a) the aggregate amount of the Subscription Price for the Unsubscribed H Rights Shares placed by the Placing Agents under the Compensatory Arrangements and the ES Rights Shares; and (b) the aggregate amount of the expenses of the Placing Agents and any other related expenses/fees)
“Nil-Paid H Right(s)”	the right(s) to subscribe for H Rights Shares (in the form of H Rights Shares in nil-paid form) before the Subscription Price is paid

“No Action H Shareholder(s)”	Qualifying H Shareholders who do not subscribe for the H Rights Shares (whether partially or fully) under the PAL(s) or their renounces, or such persons who hold any Nil-Paid H Right(s) at the time such Nil-Paid H Right(s) are lapsed
“Non-H Foreign Rights Shares”	the new Non-H Foreign Shares proposed to be allotted and issued to the Qualifying Non-H Foreign Shareholders pursuant to the Non-H Foreign Share Rights Issue
“Non-H Foreign Share(s)”	ordinary non-H foreign shares with par value of RMB1.00 each in the share capital of the Company
“Non-H Foreign Share Rights Issue”	the proposed issue of 178,999,150 Non-H Foreign Rights Shares at the Subscription Price on the basis of 5 Non-H Foreign Rights Shares for every 10 existing Non-H Foreign Shares held on the Record Date
“Non-H Foreign Shareholder(s)”	holder(s) of the Non-H Foreign Share(s)
“Odd Lots”	the aggregated portion of such Underwritten Shares not taken up by the Independent Underwriters under their Respective Commitment due to the rounding down of their respective Underwritten Shares to the nearest Board Lot
“Overseas Shareholder(s)”	H Shareholder(s) whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date and whose address(es) is/are in a place outside Hong Kong, if any
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying H Shareholders in respect of their assured entitlements under the H Share Rights Issue
“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agents to the placee(s) during the placing period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agents”	collectively, CICC, CMBI, HSBC and Silk Road International and “Placing Agent” means any of them

“Placing Agreement”	the placing agreement dated 9 December 2019 and entered into between the Company and the Placing Agents in relation to the placing of the Placing Shares to the Independent Third Party(ies) on a best effort basis and several (but not joint or joint and several) basis
“Placing Arrangement”	the expected arrangement for the Placing Agents to place the Placing Shares to independent placees on a best effort basis and several (but not joint or joint and several) basis pursuant to the terms and conditions of the Placing Agreement and at a placing price which is expected to be no less than the sum of the Subscription Price and the expenses related to the Placing Arrangement
“Placing Shares”	the Unsubscribed H Rights Shares and the ES Rights Shares subject to be placed under the Placing Agreement
“Posting Date”	Tuesday, 24 December 2019 or such other date as the Company may determine in writing for the despatch of the Prospectus Documents
“PRC”	the People’s Republic of China but excluding, for the purposes of this circular, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be issued by the Company and despatched to the H Shareholders in respect of the H Share Rights Issue containing further details of the H Share Rights Issue
“Prospectus Date”	proposed date of Prospectus
“Prospectus Documents”	the Prospectus and PAL(s)
“Qualifying Domestic Shareholder(s)”	Domestic Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date
“Qualifying H Shareholder(s)”	H Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date (excluding the Excluded Shareholder(s))
“Qualifying Non-H Foreign Shareholder(s)”	Non-H Foreign Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date

“Qualifying Shareholder(s)”	collectively, the Qualifying Domestic Shareholder(s), the Qualifying H Shareholder(s) and the Qualifying Non-H Foreign Shareholder(s)
“Record Date”	the date by reference to which entitlements to the H Share Rights Issue, Domestic Share Rights Issue and Non-H Foreign Share Rights Issue (as the case may be), are expected to be determined, which is currently scheduled to be on Monday, 23 December 2019 or such later date as announced by the Company
“Respective Commitment”	the respective proportion of the total Underwritten Shares for which each of the Underwriters are responsible pursuant to the Underwriting Agreement
“Rights Issue”	collectively, the Domestic Share Rights Issue, the H Share Rights Issue and the Non-H Foreign Share Rights Issue
“Rights Share(s)”	collectively, the Domestic Rights Share(s), the H Rights Share(s) and the Non-H Foreign Rights Share(s)
“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)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and modified from time to time
“Share(s)”	Domestic Share(s), Non-H Foreign Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of the Shares of the Company
“Silk Road International”	Silk Road International Capital Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$1.87 for each H Rights Share, RMB1.68 for each Domestic Rights Share and HK\$ equivalent of RMB1.68, being HK\$1.87 for each Non-H Foreign Rights Shares

“Underwriters”	collectively, the Independent Underwriters and BCG, and “Underwriter” means any of them
“Underwriting Agreement”	the underwriting agreement entered into between the Company, the Independent Underwriters and BCG on 9 December 2019 in relation to the underwriting arrangement in respect of the H Share Rights Issue
“Underwritten Shares”	such H Rights Shares comprising: <ul style="list-style-type: none"> (i) Unsubscribed H Rights Shares not being placed by the Placing Agents under the Compensatory Arrangements; (ii) ES Rights Shares not being placed by the Placing Agents under the Compensatory Arrangements; and (iii) unsold fractions of the Rights Shares, to be underwritten by the Independent Underwriters and BCG pursuant to the terms of the Underwriting Agreement
“Unsubscribed H Rights Shares”	H Rights Shares that are not subscribed by Qualifying H Shareholders
“%”	per cent.

In this announcement, unless the context otherwise requires, the terms “connected transaction(s)” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.

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 RMB0.90 as at the date of the announcement. 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.

Certain amounts and percentage figures set out in this circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and the currency conversion or percentage equivalents may not be an arithmetic sum of such figures.

References to the singular number include references to the plural and vice versa and references to one gender include every gender.

The English names of Chinese entities marked with “” are translations of their Chinese names and are included in this circular for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.*

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

Hong Kong, 9 December 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.