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首創置業股份有限公司
BEIJING CAPITAL LAND LTD.

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

(Stock Code: 2868)

DISCLOSEABLE TRANSACTION
TRANSFER OF THE EQUITY INTEREST IN THE TARGET COMPANY

TRANSFER OF THE EQUITY INTEREST IN THE TARGET COMPANY

The Board is pleased to announce that, on 27 December 2019, Shoujin Xinchuang (an indirect wholly-owned subsidiary of the Company), the Fund and the Target Company entered into the Equity Transfer Agreement, pursuant to which Shoujin Xinchuang has agreed to transfer 94% of the equity interest in the Target Company to the Fund at a consideration of RMB1,066,000,000. The Target Company owns 51% equity interest in the Project Company, which holds the Qingjian Lake Land Parcel for residential development.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined by the Listing Rules) exceed 5% but less than 25%, the transaction contemplated under the Equity Transfer Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements, but is exempt from the circular and Shareholders' approval requirements, under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, on 27 December 2019, Shoujin Xinchuang (an indirect wholly-owned subsidiary of the Company), the Fund and the Target Company entered into the Equity Transfer Agreement, pursuant to which Shoujin Xinchuang has agreed to transfer 94% of the equity interest in the Target Company to the Fund at a consideration of RMB1,066,000,000.

THE EQUITY TRANSFER AGREEMENT

The major terms of the Equity Transfer Agreement are set out below:

Date	:	27 December 2019
Parties	:	(i) Shoujin Xinchuang, an indirect wholly-owned subsidiary of the Company (as the vendor); (ii) the Fund (as the purchaser); and (iii) the Target Company
Transfer Interest	:	94% equity interest in the Target Company
Transfer Consideration	:	RMB1,066,000,000 Pursuant to the Equity Transfer Agreement, the Fund shall make a payment of not less than RMB90,000,000 within 15 business days from the date of satisfaction or waiver of the Initial Payment Conditions Precedent, and shall pay the remaining amount of the Transfer Consideration within 6 months from the date of satisfaction or waiver of the Final Payment Conditions Precedent including the completion of the industrial and commercial registration of changes for the equity transfer.

The Transfer Consideration was determined after arm's length negotiation between the relevant parties and has taken into account, among others, the assets appraisal report of the Target Company with the valuation reference date of 31 October 2019 prepared by an independent valuer and the appraised value of the entire interest of the Target Company is approximately RMB1.134 billion as of the valuation reference date.

COMPLETION

The Transaction will be completed on the date where the Transfer Consideration is settled upon satisfaction or waiver of the Initial Payment Conditions Precedent and the Final Payment Conditions Precedent.

INFORMATION ABOUT THE TARGET COMPANY AND THE PROJECT COMPANY

The Target Company

The Target Company is principally engaged in, among others, real estate development and business management in the PRC and it owns 51% equity interest in the Project Company. As of the date of this announcement, the Target Company is a wholly-owned subsidiary of Shoujin Xinchuang. Upon completion of the Transaction, the equity interest in the Target Company will be owned as to 94% and 6% by the Fund and Shoujin Xinchuang, respectively.

The Target Company was established on 15 February 2019. For the eight months period from 15 February to 31 October 2019, the unaudited consolidated profit before and after tax of the Target Company were both RMB7,000.

As of 31 October 2019, the unaudited net assets of the Target Company was approximately RMB1.134 billion.

The Project Company

The Project Company is a company established under the laws of the PRC with limited liability and owned as to 51%, 25% and 24% by the Target Company and two Independent Third Parties, respectively. The Project Company is principally engaged in real estate development in the PRC and holds the Qingjian Lake Land Parcel.

The Qingjian Lake Land Parcel

The Qingjian Lake Land Parcel is located in Qingjian Lake Region, northern part of the Industrial Park, Suzhou City, Jiangsu Province, the PRC, and has a site area of approximately 71,841 sq.m. and a planned gross floor area of approximately 161,650 sq.m.. The Qingjian Lake Land Parcel is used for development of residential properties. As of the date of this announcement, the construction permit for the Qingjian Lake Land Parcel has been obtained, and the construction works are in progress.

USE OF PROCEEDS AND FINANCIAL EFFECTS OF THE TRANSACTION

The proceeds from the Transaction will be utilised by the Group as the general working capital of the Group. It is expected that the unaudited income before tax incurred by the Group from the Transaction will be less than RMB1 million, while the initial shareholder's capital, together with pre-tax income amounting approximately RMB83 million generated from it, can be effectively collected. Upon completion of the Transaction, the Target Company will cease to be a subsidiary of the Company, and its financial results will not be consolidated into the financial statements of the Company.

GENERAL INFORMATION ON THE PARTIES

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 four core business streams of residential properties, integrated outlets, urban core integrated complexes and primary land development, complemented by innovative business areas such as high-tech industry properties, cultural and creative industries, and rental housing.

Shoujin Xinchuang

Shoujin Xinchuang is a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. Shoujin Xinchuang is principally engaged in, among others, real estate development and business management in the PRC.

The Fund

The Fund is a contractual private equity fund established and registered under the laws of the PRC. 33.36% and 66.64% of the total capital contribution to the Fund, being not more than RMB363,000,000 and not more than RMB725,000,000, were subscribed by an inferior investor and a priority investor, in which Kunyi Tianjin subscribed for the inferior portion. As of the date of this announcement, Kunyi Tianjin is owned as to 40% and 60% by the Company and Independent Third Parties, respectively and is not accounted for as a subsidiary of the Company.

The Target Company

The Target Company was a company established under the laws of the PRC with limited liability. It is principally engaged in, among others, real estate development and business management. As of the date of this announcement, the Target Company is a wholly-owned subsidiary of Shoujin Xinchuang. Upon completion of the Transaction, the equity interest in the Target Company will be owned as to 94% and 6% by the Fund and Shoujin Xinchuang, respectively.

Save as disclosed above, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Fund and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Transaction will bring external capital resources into the development of the Qingjian Lake Land Parcel, while the Group will continue to retain a portion of its indirect interest in the Qingjian Lake Land Parcel to gain a share of the potential returns in the project, and also be able to recover its investment from the Transaction in advance and expedite the turnover of the invested capital of the Group.

The Board considers that the Equity Transfer Agreement is on normal commercial terms, and its terms and conditions are fair and reasonable and are in the benefits of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined by the Listing Rules) exceed 5% but less than 25%, the transaction contemplated under the Equity Transfer Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements, but is exempt from the circular and Shareholders' approval requirements, under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

"Board"	the board of directors of the Company
"Company"	Beijing Capital Land Ltd. (首創置業股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability and whose H shares are listed and traded on the main board of the Hong Kong Stock Exchange (Stock Code: 2868)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Equity Transfer Agreement"	the equity transfer agreement entered into by Shoujin Xinchuang, the Fund and the Target Company on 27 December 2019, in relation to the Transaction
"Final Payment Conditions Precedent"	the final payment conditions precedent to be satisfied or waived pursuant to the Equity Transfer Agreement in relation to the completion of the Transaction, including amendment of the articles of the Target Company and completion of the industrial and commercial registration of changes for the equity transfer with the relevant government authority
"Fund"	Shoujin Yingchuang Shouxin No. 3 Graded Private Equity Investment Fund* (首金盈創首信叁號分級私募股權投資基金), a contractual private equity fund established and registered under the laws of the PRC
"Group"	the Company and its subsidiaries
"H Shares"	the ordinary shares of RMB1.00 each of the Company which are issued outside the PRC, listed on the Stock Exchange and traded in Hong Kong dollar
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	person(s) who, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, is not a connected person of the Company pursuant to the Listing Rules

"Initial Payment Conditions Precedent"	the conditions precedent to be satisfied or waived pursuant to the Equity Transfer Agreement before the initial payment of the Transfer Consideration, including the Fund having raised an investment amount of not less than RMB90,000,000 and the Project Company having paid the land prices and relevant taxes and obtained the land use rights license
"Kunyi Tianjin"	Kunyi (Tianjin) Industrial Development Co., Ltd.* (坤毅(天津)實業發展有限公司), a company established in the PRC with limited liability and owned as to 40% and 60% by the Company and Independent Third Parties, respectively, as of the date of this announcement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Project Company"	Suzhou Hongchang Real Estate Co., Ltd.* (蘇州泓昶置業有限公司), a company established in the PRC with limited liability which holds the Qingjian Lake Land Parcel as of the date of this announcement
"Qingjian Lake Land Parcel"	a land parcel with parcel no. Sudi 2018-WG-37* (蘇地2018-WG-37號) located in Qingjian Lake Region, northern part of the Industrial Park, Suzhou City, Jiangsu Province, the PRC. The land parcel is of residential nature with a site area of approximately 71,841 sq.m.
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	shareholder(s) of the Company
"Shoujin Xinchuang"	Shoujin Xinchuang (Tianjin) Real Estate Development Co., Ltd.* (首金新創(天津)置業發展有限公司), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Company"	Shoujin Yuanchuang (Tianjin) Real Estate Development Co., Ltd.* (首金元創(天津)置業發展有限公司), a company established in the PRC with limited liability, a wholly-owned subsidiary of Shoujin Xinchuang as of the date of this announcement
"Transaction"	the transaction contemplated under the Equity Transfer Agreement in relation to the transfer of 94% equity interest in the Target Company
"Transfer Consideration"	the consideration of an amount of RMB1,066,000,000
"Transfer Interest"	the 94% equity interest in the Target Company to be transferred under the Transaction
"%"	per cent.

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

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

Hong Kong, 27 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 nonexecutive Director, and Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin who are the independent non-executive Directors.