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If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Beijing Capital Land Ltd., you should at once hand this circular, together with the enclosed form of proxy and reply slip, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

MAJOR TRANSACTION
PROVISION OF FINANCIAL ASSISTANCE AND
GUARANTEE TO THE PROJECT COMPANY

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 5 to 13 of this circular.

A notice convening the EGM to be held on Wednesday, 12 February 2020 at 9:00 a.m. at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, the PRC, together with the reply slip and form of proxy are enclosed herein.

If you intend to attend the EGM, please complete and return the enclosed reply slip and form of proxy in accordance with the instructions printed thereon as soon as possible, and in any event no later than Tuesday, 4 February 2020 for the reply slip and no less than 24 hours before the time appointed for the meeting or any adjourned meetings thereof for the form of proxy.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meetings thereof and, in such event, the relevant form of proxy shall be deemed to be revoked.

24 January 2020

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

“Agreements”	the Syndicated Loan Guarantee Agreement, the Shortfall Makeup Agreement and the Letter of Bond Guarantee
“Board”	the board of Directors of the Company
“Capital Group”	Beijing Capital Group Co., Ltd.* (北京首都創業集團有限公司), a state-owned enterprise incorporated in the PRC on 26 October 1994 and under the direct administration of the Government of Beijing, the controlling shareholder of the Company
“Capital Xindu”	Beijing Capital Xindu Properties Limited* (北京首創新都置業有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
“China CITIC Bank”	China CITIC Bank Corporation Limited (中信銀行股份有限公司)
“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 whose H shares are listed and traded on the Main Board of the Stock Exchange (Stock code: 2868)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Cooperation Agreement”	the cooperation and joint operation agreement dated 20 February 2019 entered into between Capital Xindu, Dayang Zhicheng, Beijing Chaoyang District Shibalidianxiang Xizhihe Village Economic Cooperative* (北京市朝陽區十八里店鄉西直河村經濟合作社) and the Project Company for a rental-residential property project on the Site
“Counter Guarantee Agreement”	the counter guarantee agreement dated 7 January 2020 entered into between the Company and Dayang Zhicheng
“Dayang Zhicheng”	Beijing Dayang Zhicheng Investment Management Group Limited*(北京大洋致誠投資管理集團有限公司), a company incorporated under the laws of the PRC with limited liability
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering and approving the Agreements and the transactions contemplated thereunder

DEFINITIONS

“Financing Document”	includes the Syndicated Loan Agreement, guarantee agreement(s), pledge agreement(s), charge agreement(s), transfer certificate(s) (if any) and other document(s) specified by the Lender Banks and the Project Company as such
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Lender Banks”	Beijing Dongcheng District Branch* (北京東城區支行) of Postal Savings Bank of China and Beijing Branch* (北京分行) of SPD Bank
“Letter of Bond Guarantee”	the letter of guarantee dated 27 December 2019 executed by the Company in favour of the Project Company
“Latest Practicable Date”	23 January 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LPR”	the prime rate for a loan with a term of five-year or above as published by the National Interbank Funding Center (全國銀行間同業拆借中心) in the PRC from time to time
“Maximum Drawdown Undertaking”	the maximum drawdown undertaking dated 7 January 2020 executed by the Project Company in favour of the Company
“Project Company”	Beijing Zhicheng Xinda Property Management Limited* (北京致誠鑫達物業管理有限公司), a company incorporated under the laws of the PRC with limited liability
“Postal Savings Bank of China”	Postal Savings Bank of China Co., Ltd. (中國郵政儲蓄銀行股份有限公司)
“Project Special Corporate Bond”	the bond to be non-publicly issued by the Project Company on the Shanghai Stock Exchange with an aggregate principal amount of not more than RMB2,000,000,000 and a maturity not exceeding 15 years, the interest shall be repaid annually and starting from the fifth year of the Project Special Corporate Bond, the principal shall be repaid in accordance with the agreed schedule (subject to the definitive terms for the Project Special Corporate Bond to be issued).

DEFINITIONS

“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“Qualified Investors”	institutional investors who comply with the requirements under the Administrative Measures for the Issuance and Trading of Corporate Bonds* (《公司債券發行與交易管理辦法》), Administrative Measures for the Eligibility of the Investors of Securities and Futures* (《證券期貨投資者適當性管理辦法》) and Administrative Measures for the Shanghai Stock Exchange Securities Market* (《上海證券交易所債券市場投資者管理辦法》)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) of the Company in the nominal value of RMB1.00 each, including the domestic share(s), non-H foreign share(s) and the H share(s)
“Shareholder(s)”	shareholder(s) of the Company
“Shareholders’ Loan”	shareholders’ loan(s) with an amount of not more than RMB910,000,000 provided by Capital Xindu to the Project Company as agreed under the Cooperation Agreement
“Shortfall Makeup Agreement”	the agreement dated 27 December 2019 entered into among the Company, the Project Company and Beijing Branch* (北京分行) of China CITIC Bank
“Special Account”	a designated account to be opened and maintained with China CITIC Bank for repayment of principal and interests of the Project Special Corporate Bond
“SPD Bank”	Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司)
“Site”	four parcels of land located outside the 5th Ring Road, Xizhihe Village, Shibalidianxiang, Chaoyang District, Beijing* (北京朝陽區十八里店鄉西直河村五環外)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Syndicated Loan”	a loan of not more than RMB3,300,000,000 made available by the Lender Banks to the Project Company under the Syndicated Loan Agreement for a term of 24 years, at the interest rate of 0.1% plus the LPR (which shall be adjusted every 12 months with reference to the then LPR) and after three years of the first drawdown, the Project Company shall start to repay part of the principal amount of the Syndicated Loan every year during the term of the Syndicated Loan
“Syndicated Loan Agreement”	the loan agreement dated 27 December 2019 entered into between the Project Company and the Lender Banks
“Syndicated Loan Guarantee Agreement”	the guarantee agreement dated 27 December 2019 entered into between the Company and the Lender Banks
“%”	percentage

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.

LETTER FROM THE BOARD



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)

Non-executive Director:

Li Songping (*Chairman*)

Executive Directors:

Zhong Beichen (*President*)

Li Xiaobin

Hu Weimin

Fan Shubin

Non-executive Director:

Su Jian

Independent non-executive Directors:

Li Wang

Wong Yik Chung, John

Liu Xin

Registered address:

Room 3071, 3/F Office

Block 4

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PRC

Place of business in the PRC:

F17, Red Goldage

No. 2, Guang Ning Bo Street

Xicheng District

Beijing

PRC

Place of business in Hong Kong:

Suites 4602-05

One Exchange Square

Central

Hong Kong

24 January 2020

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION PROVISION OF FINANCIAL ASSISTANCE AND GUARANTEE TO THE PROJECT COMPANY

INTRODUCTION

Reference is made to the announcement of the Company dated 27 December 2019 in relation to the provision of financial assistance and guarantee by the Company to the Project Company pursuant to the Syndicated Loan Guarantee Agreement, the Shortfall Makeup Agreement and the Letter of Bond Guarantee, and the transactions contemplated thereunder.

LETTER FROM THE BOARD

Reference is also made to the announcement of the Company dated 20 February 2019 in relation to the intended acquisition of 49% equity interests in the Project Company by Capital Xindu (a wholly-owned subsidiary of the Company) by way of capital injection and provision of the Shareholders' Loan to the Project Company to develop the Site located outside the 5th Ring Road, Xizhihe Village, Shibaldianxiang, Chaoyang District, Beijing, the PRC. Completion took place on 10 April 2019. As at the date of this circular, the Project Company is owned as to 49% and 51% by Capital Xindu and Dayang Zhicheng (an independent third party), respectively.

The Site (which is comprised of collectively-owned lands) will be used for the development of a rental-residential property project, the total construction scale of which is of approximately 400,000 square meters. To raise funds for the development and construction of the Site and replenish its working capital, the Project Company (i) entered into the Syndicated Loan Agreement to obtain the Syndicated Loan of no more than RMB3,300,000,000 for a term of 24 years, at the interest rate of 0.1% plus the LPR (which shall be adjusted every 12 months with reference to the then LPR); and (ii) intends to issue the Project Special Corporate Bond (maturity of which not exceeding 15 years) with an aggregate principal amount of not more than RMB2,000,000,000 to the Qualified Investors in the PRC.

On 27 December 2019, the Company (i) entered into the Syndicated Loan Guarantee Agreement with the Lender Banks, pursuant to which the Company agreed to guarantee for the Project Company's entire repayment obligation under the Financing Document; (ii) entered into the Shortfall Makeup Agreement with the Project Company and Beijing Branch* (北京分行) of China CITIC Bank, pursuant to which the Company agreed that, during the term of the Project Special Corporate Bond, if the balance in the Special Account is insufficient for repayment of principal and interests of the Project Special Corporate Bond, the Company shall make up the shortfall in the Special Account; and (iii) executed the Letter of Bond Guarantee, guaranteeing for the entire repayment obligation of the Project Company under the Project Special Corporate Bond.

On 7 January 2020, the Project Company executed the Maximum Drawdown Undertaking in favour of the Company, pursuant to which it undertakes that, at all times during the term of the Syndicated Loan and the Project Special Corporate Bond, the maximum drawdown amount under these financing transactions shall not exceed RMB3,500,000,000. As such, the corresponding principal amount in respect of the financial assistance and guarantee provided by the Company shall be capped at RMB3,500,000,000. On the same date, as the provision of financial assistance and guarantee by the Company is disproportionate to its shareholding in the Project Company, the Company entered into the Counter Guarantee Agreement with Dayang Zhicheng, pursuant to which Dayang Zhicheng agreed to provide a counter guarantee in favour of the Company for 51% (which is in proportion to the equity interests of Dayang Zhicheng in the Project Company) of the payment obligations of the Company under the Agreements for a term of three years upon the guarantee and/or shortfall makeup obligations (whichever is later) is being enforced against the Company pursuant to any of the Agreements.

The purpose of this circular is to provide the Shareholders with, among other things, (i) further information in respect of the Agreements and the transactions contemplated thereunder; (ii) the financial information of the Group; (iii) other information as required under the Listing Rules; and (iv) the notice of the EGM.

LETTER FROM THE BOARD

THE SYNDICATED LOAN GUARANTEE AGREEMENT

On 27 December 2019, the Project Company entered into the Syndicated Loan Agreement with the Lender Banks, pursuant to which it agreed to obtain the Syndicated Loan of no more than RMB3,300,000,000 from the Lender Banks for a term of 24 years, at the interest rate of 0.1% plus the LPR (which shall be adjusted every 12 months with reference to the then LPR). On the same date, the Company entered into the Syndicated Loan Guarantee Agreement with the Lender Banks, the principal terms of which are set out as follows:

Date:	27 December 2019
Parties:	(1) the Company (as guarantor); and (2) the Lender Banks (as lender)
Guarantee:	on a joint and several basis, the entire repayment obligation of the Project Company under the Syndicated Loan Agreement and the Financing Document, including but not limited to principal, interests, penalties, compensations and all other expenses payable by the Project Company to the Lender Banks and all other expenses incurred by the Lender Banks from the realisation of their debts and guarantee rights
Term of guarantee:	commencing from the effective date of the Syndicated Loan Guarantee Agreement and ending on the date of three years after the expiry of the entire repayment obligation of the Project Company under the Financing Document

THE SHORTFALL MAKEUP AGREEMENT AND THE LETTER OF BOND GUARANTEE

The Project Company intends to non-publicly issue the Project Special Corporate Bond (maturity of which not exceeding 15 years) with an aggregate principal amount of not more than RMB2,000,000,000 to the Qualified Investors in the PRC.

On 27 December 2019, the Company (i) entered into the Shortfall Makeup Agreement with the Project Company and Beijing Branch* (北京分行) of China CITIC Bank; and (ii) executed the Letter of Bond Guarantee in favour of the Project Company.

LETTER FROM THE BOARD

The Shortfall Makeup Agreement

Under the Project Special Corporate Bond, the revenue received by the Project Company from the Site project, after deduction of the relevant agreed costs and fees, shall be transferred to the Special Account for repayment of principal and interests of the Project Special Corporate Bond. In this regard, the Company entered into the Shortfall Makeup Agreement, the principal terms of which are set out as follows:

- Date: 27 December 2019
- Parties:
- (1) the Company (as the shortfall makeup undertaker);
 - (2) the Project Company (as the issuer); and
 - (3) Beijing Branch* (北京分行) of China CITIC Bank
- Obligation: during the term of the Project Special Corporate Bond, if the balance in the Special Account is insufficient for repayment of principal and interests of the Project Special Corporate Bond; or early repayment is triggered for whatever reasons, whether due to the Company or the Project Company, and the balance in the Special Account is insufficient for repayment of principal, interests and early repayment fee (if any), the Company shall make up the shortfall in the Special Account for repayment of such amount and be responsible for the interests of the Project Special Corporate Bond accrued during the construction of the Site
- Term of obligation: during the term of the Project Special Corporation Bond and ending on the date of repayment of all principal and interests of the Project Special Corporate Bond

LETTER FROM THE BOARD

The Letter of Bond Guarantee

The principal terms of the Letter of Bond Guarantee are set out as follows:

Date:	27 December 2019
Guarantee:	on a joint and several basis, the entire repayment obligation of the Project Company under the Project Special Corporate Bond including the principal, interests, penalties, compensations and expenses incurred in realisation of the debts
Term of guarantee:	commencing from the issue date of the Project Special Corporate Bond and ending on the date of two years after maturity of the Project Special Corporate Bond

THE COUNTER GUARANTEE AGREEMENT

Pursuant to the Agreements, the Company guarantees the entire repayment obligation of the Project Company under the Financing Document in relation to the Syndicated Loan and the Project Special Corporate Bond and undertakes the shortfall makeup obligation, notwithstanding its 49% equity interest of the Project Company only. As such, on 7 January 2020, the Company entered into the Counter Guarantee Agreement with Dayang Zhicheng, pursuant to which Dayang Zhicheng agreed to provide a counter guarantee in favour of the Company for 51% (which is in proportion to the equity interests of Dayang Zhicheng in the Project Company) of the payment obligations of the Company under the Agreements for a term of three years upon the guarantee and/or shortfall makeup obligations (whichever is later) is being enforced against the Company pursuant to any of the Agreements.

REASONS FOR AND BENEFITS OF THE PROVISION OF FINANCIAL ASSISTANCE AND GUARANTEE

The Directors believe that the Site project as the Group's first large scale rental-residential property project on collectively-owned land(s) with total construction scale of approximately 400,000 square meters will lay a solid foundation for the large-scale development of the rental housing business of the Group. The Directors believe that the Site project will allow the Group to demonstrate its ability to construct and operate large scale rental-residential properties, thereby improving the Group's influence in the region and further enhancing the Group's brand name.

Having considered that substantial funds are required in light of the large scale of the Site project and the long investment return period for the Company as it will take three years for construction and the properties on the Site shall be leased instead of sale after completion, the financing repayment term of up to 24 years for the two financing transactions and the financing cost at the LPR level, the Directors are of the view that by leveraging on the credibility of the Company, the provision of the financial assistance and guarantees can assist the Project Company in obtaining low-cost, long-term and large amount of funds for development of the Site project and replenish its working capital, thereby reducing the need for the Group to provide funds to the Project Company. The Directors further believe that a stable source of funds can accelerate the development of the Site project and bring investment returns to the Company.

LETTER FROM THE BOARD

Furthermore, the Site project, with total construction scale of approximately 400,000 square meters, will be the largest rental-residential property projects in Beijing, the PRC upon completion. The Directors believe that there is a strong support for the rental housing market in Beijing going forward as (i) Beijing, being capital of the PRC, has a large number of non-local residents and students coming into the city for work and higher education every year, which form a broad foundation for the development of the rental housing market and (ii) the PRC government has advocated to “accelerate the construction of a housing system that ensures supply through multiple sources, provide housing support through multiple channels, and encourage both housing purchase and renting system (加快建設多主體供給、多渠道保障、租購並舉的住房制度)”, and has formulated policies to increase rental housing supply and solve housing problem through enhancing land supply for rental purpose and building rental housing properties on collectively-owned lands, etc. As such, it is expected that the rental income to be generated from the rental properties on the Site will bring stable and recurring income to the Project Company and investment return to the Company.

Pursuant to the Cooperation Agreement, Capital Xindu shall be solely responsible for arranging for the financing and developing of the Site project and shall have the right to operate and manage the properties on the Site alone for not less than 40 years after the development of the properties on the Site is completed. Therefore, the Company shall be entitled to make decisions on the financing matters of the Site project at its sole discretion. The Project Company, under the management of Capital Xindu, shall operate the properties on the Site by arranging and recruiting personnel for designing, constructing and operating the properties on the Site which includes (i) engaging designers to design the outfit and interior of the properties; (ii) engaging contractors to undertake fitting-out works in respect of the Site project; and (iii) formulating marketing strategies for rental properties and managing property rental matters after completion.

The first three financial years of the Project Company are the construction period of the Site project. The Directors expect that based on the construction and operation schedule of the Site project, and the estimation prepared for the Site project but subject to the occurrence of unforeseen circumstances, the Project Company will be able to generate rental income from the Site project starting in the first financial year of the Project Company after operation of the Site project (i.e. the fourth financial year of the Project Company) and in or about the third or fourth financial year of the Project Company after operation of the Site project (i.e. the sixth or seventh financial years of the Project Company), the Project Company will be able to record a net cash inflow (after deduction of costs and expenses, repayment of interest of external loans and part of the principal amount of the Syndicated Loan). In the premises, the Directors expect that the Project Special Corporate Bond and the Syndicated Loan can be served in the following manner:

- (i) for the first three years upon the first drawdown of the Syndicated Loan and the Project Special Corporate Bond, the Project Company is not required to repay all or any of the principal amount. The Project Company will be able to pay the interests payable through the proceeds of the Project Special Corporate Bond and the Syndicated Loan;
- (ii) starting from the fourth year upon the first drawdown of the Syndicated Loan, the Project Company shall start to repay partly the principal amount of the Syndicated Loan and the Project Company will be able to repay such principal amount of the Syndicated Loan and the interest payable under the Project Special Corporate Bond and the Syndicated Loan through the proceeds of the Project Special Corporate Bond and the Syndicated Loan and the income to be generated from the Site project; and
- (iii) in or about the sixth year upon the first drawdown of the Syndicated Loan and the Project Special Corporate Bond, the Project Company will be able to pay the principal payable and the accrued payable interest through the income generated from the Site project.

LETTER FROM THE BOARD

In addition, until the repayment of all the principal and interests of the Project Special Corporate Bond and the Syndicated Loan, the Project Company shall not distribute any dividends out to any shareholders and starting from the year following the Project Company recording a net cash inflow (after deduction of costs and expenses, repayment of the shareholders' loan, external bank loans and fees for occupation of the Site), Capital Xindu shall share 75% of the after-tax profits, pursuant to the Cooperation Agreement. As such, notwithstanding the Company has equity interest of 49% of the Project Company only, the Company, having considered that the risks relating to the provision of the guarantee is manageable and that Dayang Zhicheng agreed to provide a counter guarantee in favour of the Company for 51% (which is in proportion to the equity interests of Dayang Zhicheng in the Project Company) of the payment obligations of the Company under the Agreements after the provision of financial assistance and guarantee by the Company to the Project Company, guarantees the entire repayment obligation of the Project Company under the Financing Document in relation to the Syndicated Loan and the Project Special Corporate Bond pursuant to the Agreements.

In light of the above, the Directors consider that the Agreements and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE PROVISION OF FINANCIAL ASSISTANCE AND GUARANTEE

The Directors are of the view that the provision of the financial assistance and guarantees under the Agreements will not have any material effects on the earnings, assets and liabilities of the Group.

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 the four main business streams of residential properties development, outlets, urban core integrated complex and primary land development, complemented by innovative business areas such as high-tech industrial property developments, cultural and creative industrial property developments and rental housing.

The Project Company

The Project Company is a company incorporated under the laws of the PRC with limited liability and is principally engaged in the development and operation of the Site. The Site (which is comprised of collectively-owned lands) will be used for the development of a rental-residential property project with total construction scale of approximately 400,000 square meters. The properties to be developed on the Site include rental-residential units, parking lots and commercial premises. The Project Company is held as to 49% and 51% by Capital Xindu (a wholly-owned subsidiary of the Company) and Dayang Zhicheng (an independent third party), respectively. The Project Company is an affiliated company of the Group.

LETTER FROM THE BOARD

Dayang Zhicheng

Dayang Zhicheng is a company incorporated under the laws of the PRC with limited liability and is principally engaged in the development and investment of real estate projects in the PRC. To the Company's best knowledge, information and belief after having made reasonable enquiries, Dayang Zhicheng is a wholly-owned subsidiary of Beijing Shibalidian Agricultural and Commercial Operation Service Centre* (北京十八里店農工商經營服務中心), a collectively-owned enterprise in the PRC, the ultimate beneficial owner of which is the government of the Shibalidian County (十八里店鄉政府) in Beijing, the PRC.

The Lender Banks

Postal Savings Bank of China is a joint stock commercial bank incorporated under the laws of the PRC with limited liability whose H shares are listed on the Main Board of the Stock Exchange (Stock code: 1658).

SPD Bank is a joint stock commercial bank incorporated under the laws of the PRC with limited liability whose A shares are listed on the Shanghai Stock Exchange (Stock code: 600000).

China CITIC Bank

China CITIC Bank is a joint stock commercial bank incorporated under the laws of the PRC with limited liability whose A shares and H shares are listed on the Shanghai Stock Exchange (Stock code: 601998) and the Main Board of the Stock Exchange (Stock code: 998), respectively.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Dayang Zhicheng, the Lender Banks and Beijing Branch* (北京分行) of China CITIC Bank and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Syndicated Loan Guarantee Agreement, the Shortfall Makeup Agreement and the Letter of Bond Guarantee, after aggregating with those of the Shareholders' Loan, exceed 25% and all of them are less than 100%, the entering into of the Agreements constitute a major transaction of the Company, and is therefore subject to the reporting, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Agreements and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Agreements and the transactions contemplated thereunder, and thus no Shareholder is required to abstain from voting at the EGM.

LETTER FROM THE BOARD

RECOMMENDATION

Having considered the reasons set out herein, the Directors (including the independent non-executive Directors) consider that the Agreements and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Agreements and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By Order of the Board
Beijing Capital Land Ltd.
Li Songping
Chairman

1. FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 December 2016, 2017 and 2018 are disclosed in the following documents which have been published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.bjcapitalland.com.cn:

- (a) annual report of the Company for the year ended 31 December 2016 published on 9 March 2017 (pages 85 to 240);
<https://www1.hkexnews.hk/listedco/listconews/sehk/2017/0309/lt20170309344.pdf>
- (b) annual report of the Company for the year ended 31 December 2017 published on 13 March 2018 (pages 85 to 276);
<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0313/lt20180313025.pdf>
- (c) annual report of the Company for the year ended 31 December 2018 published on 21 March 2019 (pages 92 to 264); and
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0321/lt20190321971.pdf>
- (d) interim report of the Company for the six months ended 30 June 2019 published on 26 August 2019 (pages 41 to 254).
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0826/lt20190826395.pdf>

2. INDEBTEDNESS

As at the close of business on 30 November 2019, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had aggregate outstanding borrowings of approximately RMB97,529,185,000 comprising:

- (a) outstanding bank borrowings of approximately RMB55,174,320,000, among which RMB6,281,887,000 were secured by properties and land use rights, RMB3,921,484,000 were secured by certain relevant properties under development, and unsecured loans of approximately RMB44,970,949,000;
- (b) other loans of approximately RMB3,273,325,000 in aggregate, among which approximately RMB2,900,000,000 were secured by account receivables, and approximately RMB373,325,000 were unsecured; and
- (c) corporate bonds of approximately RMB39,081,540,000.

As at 30 November 2019, the Group provided a guarantee amounted to RMB357,000,000 for a long term borrowing of a subsidiary of a joint venture.

As at 30 November 2019, the Group provided an irrevocable and joint and several guarantee expiring in May 2020 in respect of a long-term borrowing of RMB747,950,000 borrowed by a subsidiary of a joint venture from AVIC Trust Co., Ltd. in March 2018.

As at 30 November 2019, the Group provided a guarantee amounted to RMB252,000,000 for a long term borrowing of a subsidiary of a joint venture.

As at 30 November 2019, the Group provided a guarantee amounted to RMB20,360,000 for a long term borrowing of a subsidiary of a joint venture.

As at 30 November 2019, the Group provided guarantees amounted to RMB7,825,554,000 to secure repayments of obligations of mortgage loan for certain customers.

As at 30 November 2019, lease liabilities of the Group was amounted to RMB31,859,000.

Save as aforesaid or as otherwise disclosed in this appendix, and apart from intra-group liabilities, as at the close of business on 30 November 2019, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, hire purchase commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, taking into account of (i) the internal resources of the Group; (ii) cash flows from operations; (iii) the continuing support from the Group's banks in providing committed additional and existing banking facilities to the Group; (iv) the effect of the provision of financial assistance and guarantee by the Company to the Project Company pursuant to the Agreements and in the absence of unforeseen circumstances such as acts of God and change in existing government policies or political, legal, fiscal, market or economic conditions in the PRC which will materially and adversely affect the business and the operation of the Group, are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of publication of this circular.

4. FINANCIAL AND TRADING PROSPECT

As competition in property sector intensifies and land cost significantly increases in recent years, timely controls through regulatory policies implemented by the PRC government enable the profitability of property sector to gradually return to a reasonable range of fluctuation and property developers are expected to further improve their profit-making ability. Looking forward to the financial year ending 2020, in order to constantly improve profitability and hold a place in a competitive market, property developers must continuously improve their capabilities in product design, cost control, asset turnover and enhancing brand names to achieve lean operation, and must pursue for business re-modellings and upgrade at appropriate time to create new sources of profit growth and differentiate themselves to develop core competitiveness.

Looking forward, "Housing for Livelihood not Speculation" (房住不炒) and "City-based Segregated Policy Formulation and Implementation" (一城一策、因城施策) shall continue to be the overarching themes of the property sector in China, and development in the sector shall remain in a relatively stable and orderly manner. Any substantial policy loosening sector-wide is unlikely in the foreseeable future. Under such market conditions, property developers with sound fundamentals and acting on prudent principles should be well-placed to achieve sustainable and quality growth. Notwithstanding the numerous challenges, there are also opportunities such as those in business re-modelling/upgrade and in creating new bright spots of profit potentials, and we expect exploration and initiatives for such opportunities would become market trend. The Group will continue to focus on maintaining stability in operation with prudent and orderly development as well as the core business objective of "achieving quality growth". To this end, the Group will adopt the following development strategies:

The Group will continue the strict implementation of its “fast turnover” strategy with the core product lines, namely the “Tian Yue” and “Xi Rui” series, as our primary focus. It will accelerate the flow of launch and delivery of projects to realize stable increase in contracted sales. It will also dedicate to enhance the evaluation and incentive systems on cash collection performance, to push for ongoing improvement in sell-through rate and sales proceeds collection rate.

The Group will focus on investing in the three core metropolitan areas of Beijing-Tianjin-Hebei, the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area as well as key tier-2 cities with market potential, implementing a prudent and cautious investment strategy, and capitalising on multiple and diverse channels such as synergy with Capital Group, primary and secondary land development linkage, strategic cooperation, cross-industrial synergies, and merger and acquisition, to secure high-quality resources through multiple and diverse channels and will increase acquisition in noncompeting but strategically key resources projects.

The Group will press ahead the comprehensive implementation of “BCL Made 2020” by ongoing upgrade in business expertise such as, amongst others, product design, project development and property services, thereby enhancing its core competitive strength; it intend to speed up its turnover rate with full implementation of the so-called “369 standard phase timespans”, and will also strive to revitalise its inventory, optimise its asset structure and increase asset value of its inventory. It will further strengthen the development of BCL’s property management group to raise its level in property services and thereby beef up its presence in the property sector.

The Group may continue to explore its cultural and creative industrial property developments, high-tech industrial property developments and rental housing on collective land by leveraging on its own characteristics and strengths and devising a profitable business model, thereby creating new bright spots of profit potentials and complementing the acquisition of high-quality core resources with innovative businesses.

The Group aims to build a multi-dimensional, diversified financial platform in pursuing high-quality financing resources. It will closely monitor the direct financing opportunities from the capital markets and further optimise capital structure should such plans continually enhance its Shareholders’ value. Leveraging on its strong corporate background and edge in credit, the Group will seek to expand its financing channels, reinforce its strength in financing channels and costs, thereby ensuring financial risks would be adequately covered and managed.

5. MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest audited financial statement of the Group were made up and up to the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility for the information contained herein, includes particulars given in compliance with the Listing Rules for the purpose of giving information relating to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, none of the Directors, supervisors and the chief executive of the Company or their associates had any interests or short positions in the shares or underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the supervisors of the Company).
- (b) As at the Latest Practicable Date, none of the Directors was a director or employee of a company which had or was deemed to have an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.
- (c) As at the Latest Practicable Date, none of the Directors had a service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).
- (d) As at the Latest Practicable Date, none of the Directors had direct or indirect material interest in any assets which have been, since 31 December 2018 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to or by or proposed to be acquired or disposed of by or leased to or by any member of the Group.
- (e) There is no contract or arrangement subsisting at the date of this circular in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company), so far as are known to any Director, had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholders	Number of Shares		Approximate percentages in relevant class of shares (%)			Approximate percentages in total issued share capital (%)		
	directly and indirectly held	Class of shares	Direct interests	Indirect interests	Aggregate interests	Direct interests	Indirect interests	Aggregate interests
Capital Group	2,473,808,350 (Note 1)	Non-listed Shares	87.36% (long position)	–	87.36%	56.70% (long position)	–	56.70%
Beijing Rong Tong Zheng He Investment Management Company Limited* (北京融通正和投资管理有限公司)	357,998,300 (Note 1 & 2)	Non-listed Shares	–	12.64% (long position)	12.64%	–	8.21% (long position)	8.21%
Guoda Limited	357,998,300 (Note 3)	Non-listed Shares	–	12.64% (long position)	12.64%	–	8.21% (long position)	8.21%
China Resource Products Limited	357,998,300 (Note 4)	Non-listed Shares	9.72% (long position)	2.92% (long position)	12.64%	6.31% (long position)	1.90% (long position)	8.21%
Yieldwell International Enterprise Limited	82,762,100	Non-listed Shares	2.92% (long position)	–	2.92%	1.90% (long position)	–	1.90%
Reco Pearl Private Limited	181,194,000	H Shares	11.83% (long position)	–	11.83%	4.15% (long position)	–	4.15%
Recosia China Pte Ltd	181,194,000 (Note 6)	H Shares	–	11.83% (long position)	11.83%	–	4.15% (long position)	4.15%
Recosia Pte Ltd.	181,194,000 (Note 7)	H Shares	–	11.83% (long position)	11.83%	–	4.15% (long position)	4.15%
GIC	181,194,000 (Note 8)	H Shares	–	11.83% (long position)	11.83%	–	4.15% (long position)	4.15%

Notes:

1. 2,473,808,550 Shares are directly held by Capital Group. As at the Latest Practicable Date, China Resource Products Limited 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.
2. 275,236,200 Shares are deemed corporate interests pursuant to the SFO indirectly held through Guoda Limited and China Resource Products Limited. 82,762,100 Shares are deemed corporate interests pursuant to the SFO indirectly held through Guoda Limited, China Resources Products Limited and Yieldwell International Enterprise Limited.
3. 275,236,200 Shares are deemed corporate interests pursuant to the SFO indirectly held through China Resource Products Limited. 82,762,100 Shares are deemed corporate interests pursuant to the SFO indirectly held through China Resources Products Limited and Yieldwell International Enterprise Limited.
4. 82,762,100 Shares are deemed corporate interests pursuant to the SFO indirectly held through Yieldwell International Enterprise Limited.
5. 181,194,000 Shares are deemed corporate interests pursuant to the SFO indirectly held through Reco Pearl Private Limited.
6. 181,194,000 Shares are deemed corporate interests pursuant to the SFO indirectly held through Reco Pearl Private Limited and Recosia China Pte Ltd.
7. 181,194,000 Shares are deemed corporate interests pursuant to the SFO indirectly held through Reco Pearl Private Limited, Recosia China Pte Ltd. and Recosia Pte Ltd.

Save as disclosed, so far as is known to the Directors, there is no person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. INTERESTS IN COMPETING BUSINESS

To the best knowledge of the Directors, none of the Directors or the controlling Shareholders or their respective close associates had interests in any business which competed or might compete with the business of the Group or has or may have any other conflicts of interest with the Group pursuant to the Listing Rules as at the Latest Practicable Date.

5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) had been entered into by the members of the Group within the two years immediately preceding the issue of this circular and are or may be material:

- (a) the acquisition agreement dated 13 March 2018 entered into between Tianjin Xingtai Jihong Real Estate Co., Ltd.* (天津興泰吉鴻置業有限公司), a wholly-owned subsidiary of the Company, and Tianjin Metro (Group) Company Limited* (天津市地下鐵道集團有限公司) in relation to the acquisition of the 51% equity interest in Tianjin TJ-Metro MTR Construction Company Limited* (天津城鐵港鐵建設有限公司) from Tianjin Metro (Group) Company Limited* (天津市地下鐵道集團有限公司) for a total consideration of RMB1,831,000,000;
- (b) the cooperation agreement dated 2 April 2018 entered into between Capital (Tianjin) Property Management Company Limited* (首創(天津)置業管理有限公司), a wholly-owned subsidiary of the Company, Tianjin Zhaosheng Real Estate Company Limited* (天津招勝房地產有限公司), Beijing Fangxing Yicheng Properties Limited* (北京方興亦城置業有限公司), Tianjin Real Estate Development (Group) Company Limited* (天津市房地產發展(集團)股份有限公司), Nanjing Renyuan Investment Company Limited* (南京仁遠投資有限公司) and Tianjin Hefa Real Estate Development Company Limited* (天津合發房地產開發有限公司) in relation to, among other things, the acquisition of 19.8% equity interests in Tianjin Hefa Real Estate Development Company Limited* (天津合發房地產開發有限公司) at the consideration of RMB39,600,000 and the provision of funds for development of the site project located in Tianjin City held by Tianjin Hefa Real Estate Development Company Limited* (天津合發房地產開發有限公司) of RMB950,004,000 by Capital (Tianjin) Property Management Company Limited* (首創(天津)置業管理有限公司);
- (c) the properties transaction contract dated 11 April 2018 entered into between the Company, Capital Group, Beijing Shuixing Investment Management Co., Ltd.* (北京水星投資管理有限責任公司) and Shouzheng Desheng Capital Management Co., Ltd.* (首正德盛資本管理有限公司) in relation to, among other things, the disposal of 10% equity interests of Beijing Capital Financial Asset Exchange Information Service Co., Ltd.* (北京首創金融資產交易信息服務股份有限公司) to Capital Group by the Company at RMB23,200,000;
- (d) the cooperation agreement dated 30 May 2018 entered into between Beijing Zhongrui Kaihua Investment and Management Co., Ltd.* (北京中瑞凱華投資管理有限公司), a wholly-owned subsidiary of the Company, the Beijing Xuhui Business Management Co., Ltd.* (北京旭輝企業管理有限公司), Beijing De Jun Land Development Company Limited* (北京德俊置業有限公司), Beijing Tai Da He Xin Investment and Management Co., Ltd.* (北京泰達和信投資管理有限公司), the Beijing Le You Fu Tuo Investment Company Limited* (北京樂優富拓投資有限公司), Beijing Yan Du Shui Jun Real Estate Development Company Limited* (北京燕都水郡房地產開發有限公司) and Beijing Yuan Chuang Zhong Hui Real Estate Development Company Limited* (北京遠創中輝房地產開發有限公司) in relation to Beijing Zhongrui Kaihua Investment and Management Co., Ltd.* (北京中瑞凱華投資管理有限公司)'s acquisition of 25% equity interests in the Beijing Le You Fu Tuo Investment Company Limited* (北京樂優富拓投資有限公司) held by the Beijing Xuhui

- Business Management Co., Ltd.* (北京旭輝企業管理有限公司) for a total consideration of RMB250,000 (the final consideration for equity interests will be determined based on the approved value of the State-owned Assets Supervision and Administration Commission of the State Council's evaluation) and the provision of funds for development of the site in the form of a loan to the Beijing Yuan Chuang Zhong Hui Real Estate Development Company Limited* (北京遠創中輝房地產開發有限公司) in an amount not exceeding RMB742,000,000;
- (e) the equity transfer agreement dated 5 June 2018 entered into between the Company, Central Plaza Development Ltd., a wholly-owned subsidiary of the Company, and Transcend Avenue Limited in relation to the disposal of 59.5% equity interests (and accordingly, 34% income rights) in Beijing Financial Street International Hotel Limited* (北京金融街國際酒店有限公司) by the Company and Central Plaza Development Ltd. to Transcend Avenue Limited at a consideration of RMB667,025,000;
- (f) in connection with the cooperation agreement dated 3 April 2018, the supplemental cooperation agreement dated 12 June 2018 entered into between Capital (Tianjin) Property Management Company Limited* (首創(天津)置業管理有限公司), a wholly-owned subsidiary of the Company, Tianjin Zhaosheng Real Estate Company Limited* (天津招勝房地產有限公司), Beijing Fangxing Yicheng Properties Limited* (北京方興亦城置業有限公司), Nanjing Renyuan Investment Company Limited* (南京仁遠投資有限公司) and Tianjin Hefa Real Estate Development Company Limited* (天津合發房地產開發有限公司) in relation to further subscription of 4.9% equity interests in Tianjin Hefa Real Estate Development Company Limited* (天津合發房地產開發有限公司) for a consideration not exceeding RMB9,800,000 and provision of funding of not more than RMB235,102,000 to Tianjin Hefa Real Estate Development Company Limited* (天津合發房地產開發有限公司) by Capital (Tianjin) Property Management Company Limited* (首創(天津)置業管理有限公司);
- (g) the amended non-competition deed dated 10 October 2018 entered into between the Company and Beijing Capital Grand Limited, replacing the non-competition deed dated 28 June 2016;
- (h) the capital injection agreement dated 29 October 2018 entered into between Shenzhen Capital Investment Real Estate Co., Ltd.* (深圳首創投資置業有限公司), a wholly owned subsidiary of the Company, Shenzhen Runtou Consultancy Company Limited* (深圳市潤投諮詢有限公司), Guangdong Poly Real Estate Development Company Limited* (廣東保利房地產開發有限公司), Guangzhou Guangao Real Estate Development Company Limited* (廣州廣奧房地產發展有限公司), Guangzhou Changzhuo Business Consultancy Company Limited* (廣州昌卓商務諮詢有限公司) and Guangzhou Zengcheng District Runyu Properties Company Limited* (廣州增城區潤昱置業有限公司) in relation to (among others) the acquisition of 20% equity interests in the Guangzhou Zengcheng District Runyu Properties Company Limited* (廣州增城區潤昱置業有限公司) by Shenzhen Capital Investment Real Estate Co., Ltd.* (深圳首創投資置業有限公司) at RMB200,000,000 and the provision of shareholder's loans to Guangzhou Zengcheng District Runyu Properties Company Limited* (廣州增城區潤昱置業有限公司) of an amount not more than RMB722,529,700;

- (i) the capital provision agreement dated 19 November 2018 entered into between Shenzhen Capital Investment Real Estate Co., Ltd.* (深圳首創投資置業有限公司), a wholly-owned subsidiary of the Company, and Guangzhou Bizeng Real Estate Development Co., Ltd.* (廣州碧增房地產開發有限公司) (a PRC limited liability company which is subscribed as to 51% and 49% by Shenzhen Capital Investment Real Estate Co., Ltd.* (深圳首創投資置業有限公司) and Guangzhou Country Garden Real Estate Development Co., Ltd.* (廣州碧桂園房地產開發有限公司)) respectively in relation to, among other things, the further provision of capital of not more than RMB410,000,000 by Shenzhen Capital Investment Real Estate Co., Ltd.* (深圳首創投資置業有限公司) to Guangzhou Country Garden Real Estate Development Co., Ltd.* (廣州碧桂園房地產開發有限公司) by way of shareholders' loan;
- (j) the guarantee agreement dated 11 December 2018 entered into between the Company, Guangzhou Bizeng Real Estate Development Co., Ltd.* (廣州碧增房地產開發有限公司) and China Credit Trust Co., Ltd. (中誠信託有限責任公司), a trust company regulated by China Banking and Insurance Regulatory Commission, in relation to the Company providing a guarantee of not more than RMB590,000,000 for Guangzhou Bizeng Real Estate Development Co., Ltd.* (廣州碧增房地產開發有限公司) in proportion to its equity interests and in respect of an undertaking by the Guangzhou Bizeng Real Estate Development Co., Ltd.* (廣州碧增房地產開發有限公司) to China Credit Trust Co., Ltd. (中誠信託有限責任公司) under the "2018 Integrated Investment Trust Scheme for China Credit Trust-Country Garden Zhengcheng Shiwei Road Project" (2018年中誠信託碧桂園增城獅尾路項目投資集合信託計劃) (the "Trust Scheme") to unconditionally top up the shortfall if the equity income of Guangzhou Biqing Real Estate Development Co., Ltd.* (廣州碧慶房地產開發有限公司) falls below the minimum investment returns for the equity income rights in Guangzhou Biqing Real Estate Development Co., Ltd.* (廣州碧慶房地產開發有限公司), for three years upon the expiry of the Trust Scheme;
- (k) the acquisition agreement dated 28 December 2018 entered into between Chongqing Capital Xinshi Real Estate Development Co., Ltd.* (重慶首創新石置業有限公司), a wholly-owned subsidiary of the Company, Beijing Capital Investment & Development Co, Ltd* (首創投資發展有限公司) (a wholly-owned subsidiary of Capital Group) and Chongqing Haohua Land Ltd.* (重慶昊華置業有限公司) in relation to, among other things, (i) the acquisition by Chongqing Capital Xinshi Real Estate Development Co., Ltd.* (重慶首創新石置業有限公司) of the 30% equity interest in Chongqing Haohua Land Ltd.* (重慶昊華置業有限公司) held by Beijing Capital Investment & Development Co., Ltd.* (首創投資發展有限公司) at a consideration of RMB103,700, which is subject to the State-owned Assets Supervision and Administration Commission of the State Council's final approval and the loans owed by Chongqing Haohua Land Ltd.* (重慶昊華置業有限公司) to Beijing Capital Investment Development Limited* (首創投資發展有限公司) at the carrying amount of RMB69,577,448.66 in aggregate, and (ii) the provision of additional loans of not more than RMB73,000,000 in aggregate at the interest rate of 10% per annum to Chongqing Haohua Land Ltd.* (重慶昊華置業有限公司) by Chongqing Capital Xinshi Real Estate Development Co., Ltd.* (重慶首創新石置業有限公司); In addition, Chongqing Capital Xinshi Real Estate Development Co., Ltd.* (重慶首創新石置業有限公司), Beijing Capital Asset Management Co., Ltd.* (北京首創資產管理有限公司) and Chongqing Haohua Land Ltd.* (重慶昊華置業有限公司) entered into an assignment agreement on 28 December

2018, pursuant to which, amongst others, Beijing Capital Asset Management Co., Ltd.* (北京首創資產管理有限公司) will assign to Chongqing Capital Xinshi Real Estate Development Co., Ltd.* (重慶首創新石置業有限公司) the loans owed by Chongqing Haohua Land Ltd.* (重慶昊華置業有限公司) to Beijing Capital Asset Management Co., Ltd.* (北京首創資產管理有限公司) at the carrying amount of RMB25,116,620 in aggregate. Upon completion of assignment of such loans, the interest payable by Chongqing Haohua Land Ltd.* (重慶昊華置業有限公司) to Chongqing Capital Xinshi Real Estate Development Co., Ltd.* (重慶首創新石置業有限公司) will be based on the interest rate of 10% per annum;

- (l) the cooperation agreement dated 29 December 2018 entered into between Juyuan Xincheng (Tianjin) Commercial Management LLP* (聚源信誠(天津)商業管理合夥企業(有限合夥)), a wholly owned subsidiary of the Company, Zhejiang Sunac Chancheng Holdings Company Limited* (浙江融創產城集團有限公司), Hangzhou Yunhe Group Investment Company Limited* (杭州運河集團投資發展有限公司), Xiamen Rongdi Real Estate Co., Ltd.* (廈門融地置業有限公司) and the Hangzhou Rongxiang Real Estate Co., Ltd.* (杭州融祥置地有限公司) in relation to the acquisition of 36% equity interests in the Xiamen Rongdi Real Estate Co., Ltd.* (廈門融地置業有限公司) at RMB36,000,000 and the provision of the shareholder's loan of not more than RMB783,000,000 to Xiamen Rongdi Real Estate Co., Ltd.* (廈門融地置業有限公司) by Juyuan Xincheng (Tianjin) Commercial Management LLP* (聚源信誠(天津)商業管理合夥企業(有限合夥));
- (m) the loan agreement dated 24 January 2019 entered into between the Company and Tianjin Ruihe Real Estate Co., Ltd.* (天津瑞和置業有限公司), a direct wholly-owned subsidiary of a joint venture of the Group in relation to the Company providing Tianjin Ruihe Real Estate Co., Ltd.* (天津瑞和置業有限公司) a shareholder's loan in an aggregate principal amount of up to RMB1,200,000,000 for a term of not more than three years from the respective date(s) of drawdown, and the shareholder's loan shall bear interest at a rate of 8% per annum based on the principal amount drawn;
- (n) the partnership agreement dated 29 January 2019 entered into between Shanghai Juque Investment Management Co., Ltd.* (上海鉅譽投資管理有限公司) and Shouju (Ningbo) Corporate Management Consulting Company Limited* (首鉅(寧波)企業管理諮詢有限公司), which are both indirect controlling subsidiaries of the Company, in relation to the establishment of the limited partnership investment fund to be established and registered under the laws of the PRC with Beijing NOVA Corporate Management Consulting Co., Limited* (北京盛煦企業管理諮詢有限公司), Beijing Yusheng Property Management Co., Limited* (北京昱盛物業管理有限公司) and Beijing Mobo Management Consulting Co., Limited* (北京魔博管理諮詢有限公司) which involved Shanghai Juque Investment Management Co., Ltd.* (上海鉅譽投資管理有限公司) and Shouju (Ningbo) Corporate Management Consulting Company Limited* (首鉅(寧波)企業管理諮詢有限公司) contributing RMB750 million, accounting for 25% of the fund size;

- (o) the cooperation agreement dated 20 February 2019 entered into between Beijing Capital Xindu Properties Limited* (北京首創新都置業有限公司), a wholly owned subsidiary of the Company, Beijing Dayang Zhicheng Investment Management Group Limited* (北京大洋致誠投資管理集團有限公司), Beijing Chaoyang District Shibalidianxiang Xizhihe Village Economic Cooperative* (北京市朝陽區十八里店鄉西直河村經濟合作社), and Beijing Zhicheng Xinda Property Management Limited* (北京致誠鑫達物業管理有限公司) in relation to the acquisition of 49% equity interests in Beijing Zhicheng Xinda Property Management Limited* (北京致誠鑫達物業管理有限公司) at a consideration of RMB4,900,000 and the provision of a shareholder's loan to Beijing Zhicheng Xinda Property Management Limited* (北京致誠鑫達物業管理有限公司) of not more than RMB910,000,000 by Beijing Capital Xindu Properties Limited* (北京首創新都置業有限公司);
- (p) the partnership agreement dated 26 February 2019 entered into between Shoujin Capital Management (Tianjin) Company Limited* (首金資本管理(天津)有限公司), Beijing Wan'an Jinrui Investment Management Co., Ltd.* (北京萬安金瑞投資管理有限公司), which are both wholly-owned subsidiaries of the Company, Beijing Capital New Town Construction Investment Fund (Limited Partnership)* (北京首創新城鎮建設投資基金(有限合夥)), and Beijing Capital New Town Construction Investment Fund Management Company Limited* (北京首創新城鎮建設投資基金管理有限公司) in relation to the establishment of Beijing Shoujin Xing Bang Town Construction Investment Management Centre (Limited Partnership)* (北京首金興邦城鎮建設投資管理中心(有限合夥)) for development of shanty town renovation and environmental remediation projects in the cluster of Langezhuang Village – Dianshang Village, Dongxiaokou Town, Changping District, Beijing where Beijing Wan'an Jinrui Investment Management Co., Ltd.* (北京萬安金瑞投資管理有限公司) would contribute RMB700,000 as a general partner while Shoujin Capital Management (Tianjin) Company Limited* (首金資本管理(天津)有限公司) would contribute an amount of RMB349,300,000 as a limited partner;
- (q) the underwriting agreement dated 27 March 2019 entered into between the Company, Capital Securities Co., Ltd* (首創證券有限責任公司), a connected person of the Company, China International Capital Corporation Limited (中國國際金融股份有限公司), China Merchants Securities Co., Ltd. (招商證券股份有限公司) and First Capital Investment Banking Co., Ltd.(第一創業證券承銷保薦有限責任公司) in relation to the Company's proposed issue of domestic corporate bonds in the PRC, with an aggregate principal amount of not more than RMB10 billion in one or more tranches to be eligible for bidding and transfer on the Shanghai Stock Exchange;
- (r) the letter of undertaking dated 17 May 2019 entered into between the Company and the Capital Group in relation to the Company's proposed issue of not more than 824,602,850 new ordinary domestic shares, not more than 510,378,000 ordinary H Shares with par value of RMB1.00 each, and not more than 178,999,150 ordinary non-H foreign shares with par value of RMB1.00 each;

- (s) the equity transfer agreement dated 20 May 2019 entered into between Beijing Zhongzhi Dingfu Property Development Limited* (北京眾置鼎福房地產開發有限公司), a wholly-owned subsidiary of the Company, Kunshan Venture Capital Company Limited* (昆山市創業投資有限公司) and Kunshan Guangsheng Real Estate Development and Management Company Limited* (昆山市廣盛房地產開發經營有限公司) in relation to, among others, the acquisition of 100% of the equity interest in Kunshan Guangsheng Real Estate Development and Management Company Limited* (昆山市廣盛房地產開發經營有限公司) held by Kunshan Venture Capital Company Limited* (昆山市創業投資有限公司) at a consideration of not more than RMB10,226,700, and the repayment of borrowings of RMB1,303,131,500 together with related interest thereon to Kunshan Venture Capital Company Limited* (昆山市創業投資有限公司) by Beijing Zhongzhi Dingfu Property Development Limited* (北京眾置鼎福房地產開發有限公司);
- (t) the Shoujin Dechuang Partnership Agreement dated 4 July 2019 entered into between Shoujin Yingchuang Investment and Management (Zhuhai) Company Limited* (首金盈創投資管理(珠海)有限公司), a wholly owned subsidiary of the Company, and Shouzheng Zefu Innovation Investment (Beijing) Co., Ltd.* (首正澤富創新投資(北京)有限公司) a wholly owned subsidiary of the Capital Securities Co., Ltd.* (首創證券有限責任公司), in relation to the formation of Shoujin Dechuang Fund involving RMB20,000,000 (representing 20% of the capital contribution) to be subscribed by Shoujin Yingchuang Investment and Management (Zhuhai) Company Limited* (首金盈創投資管理(珠海)有限公司) as a general partner and RMB80,000,000 (representing 80% of the capital contribution) to be subscribed by Shouzheng Zefu Innovation Investment (Beijing) Co., Ltd.* (首正澤富創新投資(北京)有限公司) as a limited partner;
- (u) the Shouzheng Dejin Partnership Agreement dated 4 July 2019 entered into between Shoujin Yingchuang Investment and Management (Zhuhai) Company Limited* (首金盈創投資管理(珠海)有限公司), a wholly owned subsidiary of the Company, and Shouzheng Desheng Capital Management Co., Ltd.* (首正德盛資本管理有限公司), a wholly-owned subsidiary of the Capital Securities Co., Ltd.* (首創證券有限責任公司), in relation to the formation of Shouzheng Dejin Fund involving RMB20,000,000 (representing 20% of the capital contribution) to be subscribed by Shouzheng Desheng Capital Management Co., Ltd.* (首正德盛資本管理有限公司) as a general partner and RMB80,000,000 (representing 80% of the capital contribution) to be subscribed by Shoujin Yingchuang Investment and Management (Zhuhai) Company Limited* (首金盈創投資管理(珠海)有限公司) as a limited partner;
- (v) the guarantee agreement dated 15 July 2019 entered into between the Company and the Industrial Bank Co., Ltd. Guangzhou Branch in relation to the Company providing a joint liability guarantee of not more than RMB357,000,000 to Guangzhou Biqing Real Estate Development Co., Ltd.* (廣州碧慶房地產開發有限公司) in accordance with the Company's 51% indirect shareholding in Guangzhou Biqing Real Estate Development Co., Ltd.* (廣州碧慶房地產開發有限公司) for two years upon the expiry of the repayment obligation of the main debt of not more than RMB700,000,000;

- (w) the asset transaction agreement dated 25 October 2019 entered into between the Company and Bantex Investments Limited, in relation to the disposal of 50% equity interests in Beijing Tiancheng Yongyuan Investment Management Co., Ltd.* (北京天城永元置業有限公司) through public tender in China Beijing Equity Exchange for a total consideration of RMB3,025,130,808;
- (x) the placing agreement dated 9 December 2019 entered into between the Company, China International Capital Corporation Hong Kong Securities Limited, The Hongkong and Shanghai Banking Corporation Limited, CMB International Capital Limited and Silk Road International Capital Limited, in relation to the placing of the Placing Shares under the H Share Rights Issue to the Independent Third Party(ies) on a best effort basis and several (but not joint or joint and several) basis; and
- (y) the underwriting agreement dated 9 December 2019 entered into between the Company, BCG Chinastar International Investment Limited, CMB International Capital Limited, The Hongkong and Shanghai Banking Corporation Limited and Silk Road International Capital Limited in relation to the underwriting arrangement in respect of the H Share Rights Issue at the Subscription Price.

6. LITIGATION AND CLAIMS

As at the Latest Practicable Date, there was no litigation or claim of material importance pending or threatened against any member of the Group.

7. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Lee Sze Wai. Mr. Lee is a member of The Hong Kong Institute of Chartered Secretaries.
- (b) The registered office of the Company is at Room 3071, 3/F Office, Block 4, No. 13 Kaifang East Road, Huairou District, Beijing, PRC.
- (c) The headquarter of the Company is at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC.
- (d) The principal place of business in Hong Kong of the Company is at Suites 4602–05, One Exchange Square, Central, Hong Kong.
- (e) The share registrar of the H Shares of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (f) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the place of business of the Company in Hong Kong at Suites 4602–05, One Exchange Square Central, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts referred to in the section headed “material contracts” in this appendix;
- (c) the annual reports of the Company for the two financial years ended 31 December 2017 and 2018;
- (d) interim report of the Company for the six months ended 30 June 2019;
- (e) this circular; and
- (f) circular of the Company dated 21 October 2019 in relation to a potential major and connected transaction, which is the disposal of 50% equity interest in Beijing Tiancheng Yongyuan Investment Management Co., Ltd.* (北京天城永元置業有限公司) through public tender.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Beijing Capital Land Ltd. (the “**Company**”) will be held on Wednesday, 12 February 2020 at 9:00 a.m. at F17, Red Goldage, No.2, Guang Ning Bo Street, Beijing, People's Republic of China (the “**PRC**”) to consider and, if thought fit, pass the following resolutions. Capitalised terms defined in the circular dated 24 January 2020 issued by the Company (the “**Circular**”) shall have the same meanings when used herein unless otherwise specified:

ORDINARY RESOLUTIONS

“THAT

- (a) the provision of financial assistance and guarantee by the Company to the Project Company pursuant to the Agreements and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and
- (b) the executive directors and the president of the Company be and are hereby authorised to do all such acts and things and execute all such documents, and to take such steps which he may consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Agreements and the transactions contemplated thereunder.”

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

Hong Kong, 24 January 2020

NOTICE OF EGM

Notes:

1. Voting arrangements

If you are a registered member of the Company, you are entitled to attend the EGM and cast your vote in person. If you are a registered Shareholder and do not plan to attend the EGM, you may appoint a proxy to exercise your rights at the EGM. You may also appoint separate proxies to represent respectively the number of the shares held by you as specified in each of your proxy forms and instruct your proxy(ies) to cast your vote(s) at the EGM.

If you are not a registered member of the Company (e.g. your shares are held through a nominee or broker), you may instruct them to appoint you as their proxy or corporate representative to attend and vote at the EGM.

2. Registration procedures for the EGM

Shareholders who intend to attend the EGM have to return the reply slip together with any necessary registration documents to the Company in person or by post or fax on or before Tuesday, 4 February 2020.

3. Proxy

- i. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote at the meeting on his or her behalf. A proxy need not be a Shareholder.
- ii. In order to be valid, the proxy form and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority, shall be deposited by holders of domestic shares or non-H foreign Shares at the place of business of the Company in the PRC not less than 24 hours before the time for holding of the EGM, or by the holder of H Shares at the place of business of the Company in Hong Kong or to the H Share registrar of the Company by such time. The H Share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by such time.
- iii. Shareholders or their proxies shall produce their identification documents when attending the EGM.

4. Miscellaneous

- i. The duration of the EGM is expected not to exceed half a day. The Shareholders who attend the EGM shall arrange for their own transportation and accommodation at their own expenses.
- ii. All voting at the EGM will be conducted by poll.
- iii. Place of business of the Company in the PRC:

F17, Red Goldage
No. 2, Guang Ning Bo Street
Beijing, PRC
Telephone: 86–10–6652 3000
E-mail: ir@bjcapitaland.com.cn
- iv. Place of business of the Company in Hong Kong:

Suites 4602–05,
One Exchange Square
Central
Hong Kong
Telephone: 852–2869 9098
Facsimile: 852–2869 9708

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