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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 EQUITY ACQUISITION

The Board is pleased to announce that on 22 April 2020, Zhongrui Kaihua, a wholly-owned subsidiary of the Company, and the Vendor entered into the Equity Transfer Agreement in relation to, among others, the proposed acquisition by Zhongrui Kaihua of 20% equity interest in the Target Company held by the Vendor. Meanwhile, Zhongrui Kaihua will provide funds to the Target Company for repayment of existing shareholders' funds. Upon the Completion of the Acquisition, Zhongrui Kaihua will directly hold 20% of the equity interest in the Target Company. The Target Company is principally engaged in the development and operation of the Site.

Pursuant to the Equity Transfer Agreement, Zhongrui Kaihua will acquire 20% equity interest in the Target Company held by the Vendor for a consideration of RMB1,472,540, and fulfill its payment obligation of the registered capital of RMB12,500,000 to the Target Company as stipulated in the articles of association of the Target Company. Meanwhile, Zhongrui Kaihua will provide funds to the Target Company for its repayment of existing shareholders' funds in respect of its corresponding 20% equity interest, together with related interest, of not more than RMB1,093,835,500. Accordingly, the total commitment for Zhongrui Kaihua to acquire the Target Company will be not more than RMB1,107,808,040.

As one or more of the applicable percentage ratios exceed 5% but less than 25%, the entering into the Equity Transfer Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 22 April 2020, Zhongrui Kaihua, a wholly-owned subsidiary of the Company, and the Vendor entered into the Equity Transfer Agreement in relation to, among others, the proposed acquisition by Zhongrui Kaihua of 20% equity interest in the Target Company held by the Vendor. Meanwhile, Zhongrui Kaihua will provide funds to the Target Company for repayment of existing shareholders' funds. Upon the Completion of the Acquisition, Zhongrui Kaihua will directly hold 20% of the equity interest in the Target Company. The Target Company is principally engaged in the development and operation of the Site.

THE EQUITY TRANSFER AGREEMENT

Date: 22 April 2020

Parties: (1) Jintang Tianrun, as vendor; and
(2) Zhongrui Kaihua, as transferee

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owners is an independent third party of the Company and its connected persons.

Consideration: As at the date of this announcement, the registered capital of the Target Company is RMB62,500,000 and has not been paid up. 40% equity interest of which is held by the Vendor.

Pursuant to the Equity Transfer Agreement, Zhongrui Kaihua will acquire for 20% equity interest in the Target Company held by the Vendor for RMB1,472,540, and fulfill its payment obligation of the registered capital of RMB12,500,000 as stipulated in the articles of association of the Target Company. Ultimately, each of Zhongrui Kaihua, the Vendor and the Partners will hold a 20% equity interest in the Target Company respectively. In addition, Zhongrui Kaihua will provide funds of not more than RMB1,093,835,500 to the Target Company for the repayment of its shareholders' funds in respect of its corresponding 20% equity interest together with related interest. Accordingly, the total commitment for Zhongrui Kaihua to acquire the Target Company will be not more than RMB1,107,808,040. The consideration for equity transfer shall be settled by Zhongrui Kaihua to the Vendor within 20 working days after all the documents required for the registration of transfer of equity interest in the Target Company with the authority for industry and commerce are in order, and the registered capital contribution to the Target Company in accordance with the articles of association of the Target Company shall be settled by 15 June 2020. Provision of funds for the repayment of existing shareholders' funds in respect of its corresponding 20% equity interest, together with the interests, are expected to be made available to the Target Company by the end of April 2020.

The capital commitment in relation to the Target Company will be financed by the Company's internal resources.

The consideration for the acquisition of the equity interest in the Target Company (including the payment obligation of the Target Company's registered capital and the total commitment of the provision of funds) was determined by arm's length negotiation between the parties and with the consideration to, among others, the assets valuation report of the Target Company with valuation date of 31 July 2019 prepared by an independent valuer, the payment obligation of the registered capital of the Target Company and the shareholders' funds requirement for the development and construction project of the Target Company.

Upon the Completion of the Acquisition, the Company shall indirectly hold 20% equity interest in the Target Company and the Target Company will not be consolidated into the Company's consolidated financial statements.

THE SITE

The Vendor and the Partners obtained the multi-purposes land project of other category, situated on the F-03 Plot, Southern Districts D-07 and D-08, Lize Financial Business District, Fengtai District, Beijing on 18 May 2017 through public bidding. On 22 January 2018, the entity for project development and construction was changed to the Target Company, which is established in accordance with the proportion agreed in a joint bid agreement entered into by the consortium. The Target Company is principally engaged in the development and operation of the Site.

Details of the Site are set out below:

Site number:	Jing Tu Zheng Chu Gua (Feng) [2017] 035
Location:	a multi-purposes land of other category, situated on the F-03 Plot, Southern Districts D-07 and D-08, Lize Financial Business District, Fengtai District, Beijing
Site area:	73,911.326 square metres
Nature of the land use rights:	Commercial and office
Term of the land use rights:	40 years for commercial and 50 years for office
Land transfer fee:	RMB4,340,000,000

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

The Company is a leading large-scale comprehensive property developer in the PRC and urban core complex development is one of the Company's four core business lines. In 2013, the Company acquired land lots F-02, F-03 and F-05 in Lize Business District and successfully completed the "Beijing Capital Centre" project - a large-scale urban complex located in the south-west second ring road, comprising of office, shopping mall and apartments. With the well-developed supporting facilities in the area, Lize Business District is destined to become the spotlight and a new financial district of Beijing in the future.

Lize Business District is located 6 kilometers away from Financial Street and is an emerging financial district planned by Beijing. It is assigned for satisfying the spill-over demand for service functions from Financial Street and the Central Business District and is a natural fit for leveraging both the policy and location advantages offered by the business district of Financial Street. The construction of Beijing's second international airport terminal in the northern part of Lize District accelerates the development of Lize into a new international economic and cultural exchange centre. The resumption of the construction and operation of Lize section in the 14-metro line, which will be directly connecting Lize and CBD and other areas in 2021, will accelerate the enhancement of the commercial value of the District. The site of Lize Business District will be the last remaining large-scale commercial land supply in Beijing's 4th Ring Road areas and an extremely scarce resource.

In view of the successful development and construction of the "Beijing Capital Centre" project, the Company intends to participate in the development of the Site by acquiring a 20% equity interest in the Target Company, and join hands with first-tier property companies such as China Resources, China Jinmao and Shokai, as well as Jintang, a powerful property company in its own territory, to undertake the second complex project in Lize Business District in addition to the "Beijing Capital Centre" project, aiming to enrich the Company's urban core complex business layout.

The Board considers that the entering into the Equity Transfer Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and the terms of which are on normal commercial terms and are fair and reasonable.

INFORMATION ON THE TARGET COMPANY AND THE PARTIES

The Target Company

The Target Company is a company established in the PRC with limited liability on 14 November 2017 and is principally engaged in the development and operation of the Site. As at the date of this announcement, the Vendor holds 40% of the equity interest in the Target Company.

The audited loss before and after tax of the Target Company for the year ended 31 December 2018 and 2019 respectively are as follows:

	Year ended 31 December 2018 (RMB)	Year ended 31 December 2019 (RMB)
Loss before/after tax	<u>(3,139,515.19)</u>	<u>(1,359,908.95)</u>

As at 31 December 2019, the registered capital of the Target Company is RMB62,500,000, the audited total assets of the Target Company amounted to RMB5,432,943,339 while the net assets of the Target Company amounted to RMB(4,499,424). As at 31 July 2019, the valuation of the owners' equity of the Target Company is RMB9,443,900.

The Vendor

The Vendor is a company established under the laws of the PRC with limited liability and is a wholly-owned subsidiary of Beijing Jinpeng Tianrun Real Estate Investment Management Company* (北京金鵬天潤置業投資管理公司). It is principally engaged in property management and urban greening.

Zhongrui Kaihua

Zhongrui Kaihua is a wholly-owned subsidiary of the Company. It is a company established under the laws of the PRC with limited liability and is principally engaged in real estate development.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios exceed 5% but less than 25%, the entering into the Equity Transfer Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of 20% equity interest in the Target Company from the Vendor while the Company will provide funds to the Target Company for the repayment of its existing shareholders’ funds with related interest. The total capital commitment for the Acquisition will be not more than RMB1,107,808,040
“Beijing Chenmao”	Beijing Chenmao Real Estate Co., Ltd.* (北京宸茂置業有限公司), a company incorporated under the laws of the PRC with limited liability, and a wholly-owned subsidiary of China Jinmao Holdings Group Limited, a company listed on the Stock Exchange (stock code: 0817)
“Beijing Runzhi”	Beijing Runzhi Commercial Operation Management Co., Ltd.* (北京潤置商業運營管理有限公司), a company incorporated under the laws of the PRC with limited liability, and a wholly-owned subsidiary of China Resources Land Holdings Limited, a company listed on the Stock Exchange (stock code: 1109)
“Beijing Shoukai”	Beijing Capital Development Co., Ltd. (北京首都開發股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600376), a joint-stock company incorporated under the laws of the PRC with limited liability
“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 in the PRC with limited liability and whose H shares are listed on the main board of the Stock Exchange (Stock code: 2868)
“Completion of the Acquisition”	the completion of the change in business registration in relation to the equity transfer under the Acquisition
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company

“Equity Transfer Agreement”	the equity transfer agreement dated 22 April 2020 entered into between Zhongrui Kaihua and the Vendor, in relation to, among other things, the proposed acquisition by Zhongrui Kaihua of 20% equity interest in the Target Company held by the Vendor
“H Share(s)”	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 dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Partners”	Beijing Chenmao, Beijing Shoukai and Beijing Runzhi
“percentage ratios”	the percentage ratios defined under Rule 14.04(9) of the Listing Rules
“PRC”	the People’s Republic of China, and, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Site”	the multi-purposes land of other category, situated on the F-03 Plot, Southern Districts D-07 and D-08, Lize Financial Business District, Fengtai District, Beijing, obtained by the Vendor and the Partners on 18 May 2017 through public bidding
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Target Company”	Beijing Kaichuang Jinrun Real Estate Co., Ltd.*(北京開創金潤置業有限公司), a company incorporated under the laws of the PRC with limited liability
“Vendor”	Beijing Jintang Tianrun Media Development Co., Ltd.* (北京金唐天潤傳媒發展有限公司), a company incorporated under the laws of the PRC with limited liability

“Zhongrui Kaihua”

Beijing Zhongrui Kaihua Investment and Management Co., Ltd.* (北京中瑞凱華投資管理有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company

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

Hong Kong, 22 April 2020

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

* *For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese name shall prevail.*