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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 EQUITY INTEREST IN A PROJECT COMPANY**

The Board is pleased to announce that on 19 June 2020, Capital Xinchuang (an indirect wholly-owned subsidiary of the Company), Xingye International and the Project Company entered into the Agreement, pursuant to which Capital Xinchuang has conditionally agreed to transfer 43% of its equity interest in the Project Company to Xingye International at a consideration of RMB1,410,400,000. As a result of the Transaction, the equity interest of the Project Company will be owned as to 57% and 43% by the Company and Xingye International, respectively, and the Project Company will remain as a subsidiary of the Company. The Project Company is principally engaged in the development and operation of the Land Parcel through Beijing Jinghui.

### **LISTING RULES' IMPLICATIONS**

As one or more of the applicable percentage ratios exceed 5% but are all less than 25%, the Transaction contemplated under the Agreement constitutes 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 19 June 2020, Capital Xinchuang (an indirect wholly-owned subsidiary of the Company), Xingye International and the Project Company entered into the Agreement, pursuant to which Capital Xinchuang has conditionally agreed to transfer 43% of its equity interest in the Project Company to Xingye International for a consideration of RMB1,410,400,000. As a result of the Transaction, the equity interest of the Project Company will be owned as to 57% and 43% by the Company and Xingye International, respectively, and the Project Company will remain as a subsidiary of the Company. The Project Company is principally engaged in the development and operation of the Land Parcel through Beijing Jinghui.

## THE AGREEMENT

The principal terms of the Agreement are set out below:

- Date:** 19 June 2020
- Parties:**
- (a) Capital Xinchuang, an indirect wholly-owned subsidiary of the Company (as transferor);
  - (b) the Project Company, an indirect wholly-owned subsidiary of the Company; and
  - (c) Xingye International (as purchaser).

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

**Interest to be transferred:** 43% equity interest in the Project Company

**Conditions precedent:** The Transaction is conditional upon the following conditions being fully satisfied or waived by Xingye International:

- (i) the parties to the Agreement having obtained their respective internal approvals and authorisations in respect of the Transaction (including on matters such as the adoption of the revised articles of association and the appointment of the director of the Project Company to be nominated by Xingye International);
- (ii) the existing capital contribution to the Project Company having been fully paid and there being no court order to freeze the equity interests in the Project Company;
- (iii) the articles of association and the register of members of the Project Company having been updated in accordance with the provisions of the Agreement;

- (iv) the representations and warranties made by the Project Company and Capital Xinchuang being true, accurate and complete, and there being no false or major omission or misleading statements;
- (v) the Project Company and Capital Xinchuang not having breached their obligations under the Agreement;
- (vi) there having been no events that individually or jointly caused or may cause any material adverse change to the business, assets and financial position of the Project Company, including any legal proceedings, investigation or other procedures initiated by government or regulatory authorities on the Project Company or Capital Xinchuang; and
- (vii) there having been no changes in laws, regulations and policies that prevent or adversely affect the Transaction in a material manner.

**Consideration for the transfer:**

RMB1,410,400,000, of which RMB17,200,000 and RMB1,393,200,000 will be credited to the registered capital and the capital reserve of the Project Company, respectively.

Pursuant to the Agreement, Xingye International shall pay (i) the purchase price of RMB17,200,000 to a designated account of Capital Xinchuang within 10 working days after the date on which all conditions precedent are satisfied or waived by Xingye International (based on the date on which the last condition is satisfied or waived) firstly and (ii) the remaining portion of the purchase price, being RMB1,393,200,000, to a designated account of Capital Xinchuang within two months after date of Completion.

The consideration for the transfer was determined after arm's length negotiations between the parties, taking into account, among other things, an asset valuation report on the Project Company prepared by an independent valuer; and land premium for the transfer of the Land Parcel and the capital requirements expected for project development.

**Corporate governance:** the board of directors of the Project Company will consist of three directors, two of whom will be nominated by Capital Xinchuang and one of whom will be nominated by Xingye International. A board resolution shall be passed by a majority vote of all directors.

**COMPLETION**

The date of Completion shall be the date on which the first payment of the purchase price in respect of the Transaction is settled by Xingye International. The relevant registration procedures at the SAIC in respect of the Transaction are to be completed within 60 day from the signing of the Agreement. As a result of the Transaction, the Project Company will be owned as to 57% and 43% by the Company and Xingye International, respectively.

**THE LAND PARCEL**

The Project Company obtained the mixed public construction and residential land, situated on the F2 Plot, 1606-646, Xihuangcun, Shijingshan District, Beijing on 11 February 2020 through public bidding, and the Land Parcel is then held by Beijing Jinghui, the wholly-owned subsidiary of the Project Company. Details of the Land Parcel are set out below:

- Parcel number:** Jing Tu Zheng Chu Gua (Xi) [2019] No. 050\* (京土整儲掛(石)[2019]050號)
- Location:** located at Xihuangcun, Shijingshan District, which is situated next to the West 5th Ring Road and at the Pingguoyuan area in Shijingshan District
- Site area:** 38,379.37 square metres
- Nature of the land use right:** Residential and commercial
- Term of the land use right:** 70 years for residential and 40 years for commercial
- Land premium for transfer:** RMB2,975,000,000

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT**

Xingye International has been expanding its real estate investment and financing business in recent years. It has cooperated with various large-scale premium real estate companies in projects and possesses extensive experience in real estate investment and financing. The Company is a leading large integrated real estate developer in the PRC, with projects covering residential, commercial and office buildings and other types of property. The joint development of the Land Parcel by the Company together with Xingye International will bring in significant equity capital investment and is expected to achieve a reasonable diversification of the Company's future operating risks. The Company will still possess the operating right and controlling right to the development of the Land Parcel and will share the benefits arising from the future development of the project. Besides, through the Transaction, the Company will be able to recover part of its investment funds in advance and thereby accelerating its turnover efficiency.

The Board considers that the Agreement was entered into on normal commercial terms and its terms and conditions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ON THE COMPANY AND 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.

### **Capital Xinchuang**

Capital Xinchuang is a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. Capital Xinchuang is engaged primarily in, among other things, property development and business management in the PRC.

### **Project Company**

The Project Company was established on 8 January 2020, and for the period from 8 January 2020 to 11 June 2020, the unaudited loss before and after tax of the Project Company were both approximately RMB3,496.74. As at the date of this announcement, the Project Company is a wholly-owned subsidiary of Capital Xinchuang. As a result of the Transaction, the Project Company will be owned as to 57% by Capital Xinchuang and 43% by Xingye International. The Project Company is principally engaged in the development and operation of the Land Parcel, through Beijing Jinghui.

As at 11 June 2020, the unaudited net asset value and valuation of the Project Company were both approximately RMB3.28 billion.

## **Xingye International**

Xingye International is a company incorporated under the laws of the PRC with limited liability, which invests in a wide range of financial products such as bonds, equities, funds, wealth management products offered by banks, trust plans and asset management plans. Xingye International is owned as to 73%, 8.42%, 8.42%, 4.52%, 4.81% and 0.83% by Industrial Bank Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 601166), Xiamen International Trade Group Company Limited\* (廈門國貿集團股份有限公司), Fujian Energy Group Company Limited\* (福建省能源集團有限責任公司), Fujian Huaxing Group Company Limited\* (福建省華興集團有限責任公司), Fujian Huatou Investment Company Limited\* (福建華投投資有限公司) and Nanping Investment Guarantee Centre\* (南平市投資擔保中心), respectively.

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

The proceeds from the Transaction will be used as the Group's general working capital. Following the Transaction, the Project Company will remain as a subsidiary of the Company and financial results of the Project Company will continue to be consolidated into the consolidated financial statements of the Company. It is expected that the Group will not recognize any gain or loss in respect of the Transaction.

## **LISTING RULES' IMPLICATIONS**

As one or more of the applicable percentage ratios exceed 5% but are all less than 25%, the Transaction contemplated under the Agreement constitutes 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:

“Agreement”	the equity acquisition agreement dated 19 June 2020 between Capital Xinchuang, the Project Company and Xingye International containing the terms and conditions of the Transaction
“Beijing Jinghui”	Beijing Jinghui Real Estate Co., Ltd.* (北京景輝置業有限公司), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of the Project Company as at the date of this announcement
“Board”	the board of Directors of the Company

“Capital Xinchuang”	Capital 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
“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”	the completion of the Transaction in accordance with the Agreement
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“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
“Land Parcel”	the mixed public construction and residential land, situated on the F2 Plot, 1606-646, Xihuangcun, Shijingshan District, Beijing, obtained by the Project Company on 11 February 2020 through public bidding
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China, and, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Project Company”	Shoujin Ruizhi (Tianjin) Real Estate Development Co., Ltd.* (首金睿志(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 at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SAIC”	the State Administration for Industry and Commerce of the PRC

“Shareholders”	shareholders of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Transaction”	the transaction contemplated under the Agreement in respect of the transfer of 43% equity interest in the Project Company
“Xingye International”	Xingye International Trust Limited, a company incorporated under the laws of the PRC with limited liability
“%”	per cent.

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

Hong Kong, 19 June 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.*