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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
ENTERING INTO THE
COOPERATION FRAMEWORK AGREEMENT**

THE COOPERATION FRAMEWORK AGREEMENT

On 24 June 2021, Shoujin Xinchuang (an indirect wholly-owned subsidiary of the Company) and Jinyuan Hongda entered into the Cooperation Framework Agreement, pursuant to which the parties agreed to, among other things, to (a) establish the Joint Venture Company for investment and development of the Project; (b) regulate their respective rights and obligations in the Joint Venture Company; and (c) transfer of the Economic Rights in the Property by BC Chao Yang (an indirect wholly-owned subsidiary of the Company) to the Joint Venture Company at a consideration of RMB2,300,000,000. The Joint Venture Company will be owned as to 49% and 51% by Shoujin Xinchuang and Yuancheng (a wholly-owned subsidiary of Jinyuan Hongda), respectively, and will not be accounted for as a subsidiary of the Company.

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 Transaction exceeds 25% but is less than 75%, the entering into of the Cooperation Framework Agreement constitutes 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. In addition, the joint venture arrangement pursuant to the Cooperation Framework Agreement is exempt from reporting, announcement and shareholders' approval requirements under Rule 14.04(1)(f) of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval in lieu of convening a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Cooperation Framework Agreement and the transactions contemplated thereunder; and (b) the written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at the general meeting to approve the Cooperation Framework Agreement and the transactions contemplated thereunder.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders have any material interest in the Cooperation Framework Agreement and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Cooperation Framework Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Capital Group has 2,473,808,550 shares in the Company (representing approximately 56.7% of the total issued shares in the Company). As the Company has obtained the Written Approval from Capital Group, no extraordinary general meeting will be convened by the Company for the purpose of approving the Cooperation Framework Agreement pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among others, further details of the Cooperation Framework Agreement and the transactions contemplated thereunder will be despatched to the shareholders in accordance with Listing Rules for information purposes only on or before 16 July 2021 so as to allow sufficient time for the preparation of the relevant information to be included in the circular.

INTRODUCTION

On 24 June 2021, Shoujin Xinchuang (an indirect wholly-owned subsidiary of the Company) and Jinyuan Hongda entered into the Cooperation Framework Agreement, pursuant to which the parties agreed to, among other things, to (a) establish the Joint Venture Company for investment and development of the Project; (b) regulate their respective rights and obligations in the Joint Venture Company; and (c) transfer of the Economic Rights in the Property by BC Chao Yang (an indirect wholly-owned subsidiary of the Company) to the Joint Venture Company at a consideration of RMB2,300,000,000. The Joint Venture Company will be owned as to 49% and 51% by Shoujin Xinchuang and Yuancheng (a wholly-owned subsidiary of Jinyuan Hongda), respectively, and will not be accounted for as a subsidiary of the Company.

THE COOPERATION FRAMEWORK AGREEMENT

The principal terms of the Cooperation Framework Agreement are set out as follows:

Date

24 June 2021

Parties

- (1) Shoujin Xinchuang (an indirect wholly-owned subsidiary of the Company); and
- (2) Jinyuan Hongda.

The Joint Venture Company

Pursuant to the Cooperation Framework Agreement, the Joint Venture Company will be established for the single purpose for the development and sales of properties in the Project. The Joint Venture Company will be owned as to 49% and 51% by Shoujin Xinchuang and Yuancheng (a wholly-owned subsidiary of Jinyuan Hongda), respectively, and Shoujin Xinchuang and Yuancheng will be entitled to nominate one director and two directors, respectively, to the board of directors of the Joint Venture Company. Accordingly, the Joint Venture Company will not be accounted for as a subsidiary of the Company.

Transfer of Economic Rights in the Property

Upon the establishment of the Joint Venture Company, BC Chao Yang (a wholly-owned subsidiary of the Company) will transfer the Economic Rights in the Property to the Joint Venture Company at a consideration of RMB2,300,000,000, which will be paid in cash in two instalments before 30 June 2021 and 31 December 2021, respectively. The relevant parties will enter into a definitive agreement for such transfer of Economic Rights.

The consideration for the transfer of Economic Rights was determined based on arm's length negotiations between the Shoujin Xinchuang and Jinyuan Hongda on normal commercial terms after taking into account of, among other things, (a) the estimated proceeds and the estimated floor area of the Property with reference to the recent market price of similar properties in the area; and (b) the development prospects for the Property.

Subsequently, upon the Property meeting the pre-sale conditions, BC Chao Yang will apply to the relevant PRC government authorities for the transfer and registration of the Property to the Joint Venture Company and assist the Joint Venture Company to obtain the relevant ownership certificate(s) accordingly.

THE PROJECT

The Xanadu Project is situated on a plot of land located in the first stage of Hujialou integrated residential and commercial area (呼家樓商務居住綜合區) in Chaoyang District, Beijing, the PRC with a total site area of approximately 34,163 square meters and involves the development of five buildings identified by number in sequential order, of which No. 1 Building to No. 4 Building have been completed and No. 5 Building has not yet commenced construction or sales as of the date of this announcement. The No. 5 Building has a total site area of approximately 16,572 square meters and a planned gross floor area of approximately 51,778 square meters, and involves the development of residential properties, commercial properties, underground car park and related facilities for sale. The term of land use right for the plot of land is 70 years for residential, 40 years for commercial and 50 years for underground car parking. As of the date of this announcement, the plot of land is held by BC Chao Yang (a wholly-owned subsidiary of the Company).

REASONS FOR AND BENEFITS OF THE COOPERATION FRAMEWORK AGREEMENT

The Company plans to invite Century Golden Resources, the parent company of Jinyuan Hongda and Yuancheng and a renowned real estate developer in the PRC with extensive experiences in the property development and operation of high-end residential and commercial real estate, large scale urban complex, tourism real estate, new industrial cities and characteristic towns, to jointly develop the Project in order to facilitate the creation of synergies drawing on the strengths and resources of the parties in the construction, sales and operations aspects and thus enhancing the competitiveness of the properties. The Group will retain 49% equity interest in the Joint Venture Company and will be able to continue to share the potential returns from the sales of the properties to be developed under the Project.

The Directors consider that the terms of the Cooperation Framework Agreement and the transactions contemplated thereunder are fair and reasonable, are on normal commercial terms and in the ordinary and usual course of business of the Group and are in the interests of the Company and the shareholders as a whole.

INFORMATION ON THE PARTIES

The Company is a joint stock company incorporated in the PRC with limited liability, whose H shares are listed on the Main Board of the Stock Exchange (stock code: 2868). The Company is a leading large integrated real estate developer in the PRC, focusing primarily on developing the four main business streams of residential property development, integrated 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.

Shoujin Xinchuang is a company established under the laws of the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in property development.

Jinyuan Hungda is a company established under the laws of the PRC with limited liability and is principally engaged in property development. Jinyuan Hungda is wholly-owned by Century Golden Resources, which in turn is owned by Huang Tao (黃濤) and Huang Shiyong (黃世榮) as to 60% and 40%, respectively.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, Jinyuan Hungda and its ultimate beneficial owners are Independent Third Parties.

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 Transaction exceeds 25% but is less than 75%, the entering into of the Cooperation Framework Agreement constitutes 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. In addition, the joint venture arrangement pursuant to the Cooperation Framework Agreement, having a single purpose for the development of the Project, was, among other things, made on arm's length basis on normal commercial terms and accordingly, the joint venture arrangement is exempt from reporting, announcement and shareholders' approval requirements under Rule 14.04(1)(f) of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval in lieu of convening a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Cooperation Framework Agreement and the transactions contemplated thereunder; and (b) the written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at the general meeting to approve the Cooperation Framework Agreement and the transactions contemplated thereunder.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders have any material interest in the Cooperation Framework Agreement and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Cooperation Framework Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Capital Group has 2,473,808,550 shares in the Company (representing approximately 56.7% of the total issued shares in the Company). As the Company has obtained the Written Approval from Capital Group, no extraordinary general meeting will be convened by the Company for the purpose of approving the Cooperation Framework Agreement pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among others, further details of the Cooperation Framework Agreement and the transactions contemplated thereunder will be despatched to the shareholders in accordance with Listing Rules for information purposes only on or before 16 July 2021 so as to allow sufficient time for the preparation of the relevant information to be included in the circular.

DEFINITIONS

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

“BC Chao Yang”	Beijing Capital Chao Yang Real Estate Development Co., Ltd.* (首創朝陽房地產發展有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“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 supervision of the Beijing Municipal Government, a controlling shareholder of the Company
“Company”	Beijing Capital Land Ltd. (首創置業股份有限公司), a joint stock company incorporated under in the PRC with limited liability and whose H shares are listed and traded on the Main Board of the Stock Exchange (stock code: 2868)
“Century Golden Resources”	Century Golden Resources Investment Group Co., Ltd. (世紀金源投資集團有限公司), a company incorporated under the laws of the PRC with limited liability
“Cooperation Framework Agreement”	the cooperation framework agreement dated 24 June 2021 entered into between Shoujin Xinchuang and Jinyuan Hongda in relation to, among other things, the establishment of the Joint Venture Company and the transfer of the Economic Rights in the Property

“Director(s)”	the director(s) of the Company
“Economic Rights”	the rights to potential proceeds after tax (including but not limited to revenue and rental income) that will be received from the Property
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	individuals or companies who or which are not connected with (within the meaning of the Listing Rules) any directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates
“Jinyuan Hungda”	Beijing Jinyuan Hongda Real Estate Co., Ltd.* (北京金源鴻大房地產有限公司), a company incorporated under the laws of the PRC with limited liability, a wholly-owned subsidiary of Century Golden Resources
“Joint Venture Company”	a joint venture of the Company to be established under the laws of the PRC with limited liability for the sole purpose of development and sales of the Project, which will be respectively owned as to 49% and 51% by Shoujin Xinchuang and Yuancheng
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Project”	the development and construction of the No. 5 Building under the Xanadu Project on a plot of land located in the first stage of Hujialou integrated residential and commercial area (呼家樓商務居住綜合區) in Chaoyang District, Beijing with a total granted site area of approximately 34,163 square meters
“Property”	the property to be ultimately constructed under the Project

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Shoujin Xinchuang”	Shoujin Xinchuang (Tianjin) Real Estate Development Co., Ltd.* (首金新創(天津)置業發展有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transfer of the Economic Rights in the Property by BC Chao Yang to the Joint Venture Company at a consideration of RMB2,300,000,000 pursuant to the Cooperation Framework Agreement
“Written Approval”	the written approval in relation to the Cooperation Framework Agreement and the transactions contemplated thereunder (including, among others, the Transaction) by Capital Group pursuant to Rule 14.44 of the Listing Rules
“Yuancheng”	Beijing Yuancheng Real Estate Co., Ltd.* (北京源成置業有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Jinyuan Hongda
“%”	per cent.

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

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

Beijing, 24 June 2021

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. Huang Ziquan, Mr. Hu Weimin and Mr. Fan Shubin who are the executive Directors, Ms. Sun Baojie who is the non-executive Director, Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin who are the independent non-executive Directors.