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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 ACQUISITION OF EQUITY INTEREST

The Board is pleased to announce that on 26 January 2021, Shoujin Huizhi, Ping An Real Estate and the Project Company entered into the Cooperation Agreement in relation to, among others, the proposed acquisition of 50% equity interest in the Project Company from Ping An Real Estate by Shoujin Huizhi and the provision of capital to the Project Company for the repayment of its shareholder's loan. Upon Completion of Acquisition, Shoujin Huizhi will hold 50% equity interest in the Project Company. The Project Company is principally engaged in the development project in respect of the core activation zone of the Tongxiang New Economy City in Zhejiang Province.

Pursuant to the Cooperation Agreement, Shoujin Huizhi agreed to acquire 50% equity interest in the Project Company from Ping An Real Estate at the consideration of RMB291,871,200 and to provide capital of RMB6,000,000 to the Project Company for the repayment of its previous shareholder's loan from Ping An Real Estate. In addition, Shoujin Huizhi shall contribute RMB250,000,000 to the registered capital of the Project Company in accordance with the Project Company's articles of association upon Completion of Acquisition. Accordingly, the total commitment of Shoujin Huizhi in respect of the acquisition of the Project Company shall be RMB547,871,200.

As one or more of the applicable percentage ratios in respect of the Transactions under the Cooperation Agreement (together with the Previous Cooperation Agreement entered into with the same party) exceed 5% but less than 25%, the Transactions contemplated under the Cooperation Agreement 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 26 January 2021, Shoujin Huizhi, Ping An Real Estate and the Project Company entered into the Cooperation Agreement in relation to, among others, the proposed acquisition of 50% equity interest in the Project Company from Ping An Real Estate by Shoujin Huizhi and the provision of capital to the Project Company for the repayment of its shareholder's loan. Upon Completion of Acquisition, Shoujin Huizhi will hold 50% equity interest in the Project Company. The Project Company is principally engaged in the development project in respect of the core activation zone of the Tongxiang New Economy City in Zhejiang Province.

COOPERATION AGREEMENT

Date: 26 January 2021

Parties:

- (1) Ping An Real Estate (as vendor);
- (2) Shoujin Huizhi (as transferee); and
- (3) the Project Company

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Ping An Real Estate and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

Registered capital of the Project Company: As at the date of this announcement, the company was incorporated under the laws of the PRC with limited liability. The registered capital of the Project Company is RMB1,000,000,000 which RMB500,000,000 has already been paid.

Consideration:

Pursuant to the Cooperation Agreement, Shoujin Huizhi agreed to acquire 50% equity interest in the Project Company from Ping An Real Estate at the consideration of RMB291,871,200 and to provide capital of RMB6,000,000 to the Project Company for the repayment of its previous shareholder’s loan from Ping An Real Estate. In addition, Shoujin Huizhi shall contribute RMB250,000,000 to the registered capital of the Project Company in accordance with the Project Company’s articles of association upon Completion of Acquisition. Accordingly, the total commitment of Shoujin Huizhi in respect of the acquisition of the Project Company shall be RMB547,871,200. Within 7 business days after Ping An Real Estate has set up a specific account for the consideration for the equity transfer, Shoujin Huizhi shall settle the consideration for the equity transfer and contribute shareholder fund of RMB6,000,000 to the account specified by the Project Company at once.

The Company will finance its capital commitment to the Project Company by the Company’s internal resources.

The consideration for the acquisition of the equity interest in the Project Company was determined after arm’s length negotiations between the parties with reference to 1. the registered capital of the Project Company; 2. the proportion of equity interest to be acquired; and 3. the capital cost of the contribution made by Ping An Real Estate to the Project Company.

Board of directors:

Upon Completion of Acquisition, the board of directors of the company will comprise three directors, of which two will be appointed by the party representing the Company.

Allocation of interests:

Shareholders’ interests shall be shared on a pro rata basis according to their shareholdings.

Upon Completion of Acquisition, the Company will hold 50% equity interest in the Project Company, and the Project Company will be consolidated as a subsidiary in the Company’s consolidated financial statements.

Information on the Project Company

The Project Company is a company established in the PRC with limited liability on 22 April 2019 and is principally engaged in the development project in respect of the core activation zone of the Tongxiang New Economy City in Zhejiang Province. As at the date of this announcement, the Project Company is wholly-owned by Ping An Real Estate.

The audited loss before and after taxation of the Project Company for the year ended 2019 and for the period from 1 January 2020 to 31 August 2020 were as follows:

	Year 2019	Period from
		1 January 2020 to
		31 August 2020
	<i>(RMB)</i>	<i>(RMB)</i>
Loss before taxation	(1,203,401.98)	(135,014.16)
Loss after taxation	(902,551.48)	(101,260.62)

As at 31 August 2020, the Project Company had audited total assets of RMB511,386,248.96 and net assets of RMB498,996,187.90.

The project is located in Tongxiang High-speed Railway New Town, Zhejiang Province, which is the key area of future planning and development in Tongxiang City. The project covers an area of approximately 3.5 square kilometers and is intended to be developed into an integrated gateway to the High-speed Railway New Town which combines commercial office, industrial park and other related infrastructure.

On 29 September 2018, the Project Company entered into a cooperation agreement with the Administrative Committee of Tongxiang Economic Development Zone, pursuant to which the Project Company was commissioned by the Administrative Committee of Tongxiang Economic Development Zone to jointly carry out the area development project in respect of the core activation zone of Tongxiang New Economy City. The Administrative Committee of Tongxiang Economic Development Zone shall be responsible for the construction and management work of primary land development while the Project Company shall be responsible for capital injection, project planning and design, industry investment, merchandising and operation, and in return receiving industry subsidies.

REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION AGREEMENT

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 properties, cultural and creative industry and rental housing.

As stated in the section “Information on the Project Company” above, the Administrative Committee of Tongxiang Economic Development Zone shall be responsible for the construction and management work of primary land development while the Project Company shall be responsible for capital injection, project planning and design, industry investment, merchandising and operation. Upon Completion of Acquisition, the project will be managed mainly by the Company. By taking full advantages of the Company’s substantial experience in integrated development sector and the resources possessed by Ping An Real Estate, the Project Company can speed up and optimize the project as well as obtaining investment returns by ways of receiving industry subsidies, where the Company can share the profit from the Project Company. In addition, the cooperation under this project will allow the Company to further deepen its strategic cooperation with Ping An Real Estate which will be beneficial for the Company to leverage Ping An Real Estate’s extensive advantages in capital, resources and business deployment and obtain more high quality development resources.

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

INFORMATION ON THE PARTIES

Ping An Real Estate

Ping An Real Estate, a company incorporated under the laws of the PRC with limited liability, is a subsidiary of Ping An Insurance (Group) Company of China, Ltd., whose A shares are listed on the Shanghai Stock Exchange (Stock Code: 601318) and H shares are listed on the Stock Exchange (Stock Code: 2318), and is a professional real estate investment and asset management platform enterprise of Ping An of China.

Shoujin Huizhi

Shoujin Huizhi is an indirect wholly-owned subsidiary of the Company. It is a company incorporated under the laws of the PRC with limited liability and is principally engaged in real estate development.

The Project Company

The Project Company, a company established in the PRC with limited liability, is an wholly-owned subsidiary of Ping An Real Estate, a company incorporated under the laws of the PRC with limited liability, and is principally engaged in the investment in and development of Tongxiang New Economy City.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Transactions under the Cooperation Agreement (together with the Previous Cooperation Agreement entered into with the same party) exceed 5% but less than 25%, the Transactions contemplated under the Cooperation Agreement 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, unless otherwise defined, the following words and expressions shall have the meaning ascribed to them below:

“Board”	the board of Directors of the Company
“Company”	Beijing Capital Land Ltd. (首創置業股份有限公司), a joint stock company incorporated 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 Acquisition”	the date on which the completion of the procedures for changes in industrial and commercial registration in regards of the acquisition take place
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Cooperation Agreement”	the cooperation agreement dated 26 January 2021 entered into between Shoujin Huizhi, Ping An Real Estate and the Project Company in relation to, among others, the proposed acquisition of 50% equity interest in the Project Company from Ping An Real Estate by Shoujin Huizhi and the provision of capital to the Project Company for the repayment of its shareholder’s loan
“Director(s)”	the directors 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“percentage ratios”	the percentage ratios as defined in Rule 14.04(9) of the Listing Rules
“Ping An Real Estate”	Ping An Real Estate Company Limited* (平安不動產有限公司), a company incorporated under the laws of the PRC with limited liability
“PRC”	the People’s Republic of China excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“Previous Cooperation Agreement”	the cooperation agreement dated 23 December 2020 entered into between Shoujin Xingjiang, Tongxiang Ping An, Shenzhen Anchuang, Yijin Properties, Yiwei Properties, Yiyi Properties, Anyue Properties, Anrun Properties and Anbo Properties in relation to, among others, the acquisitions of Parcel B3, Parcel B4 and Parcel B5 in Wuzhen, Tongxiang City, Zhejiang Province, the PRC, the details of which were set out in the announcement of the Company dated 23 December 2020
“Project Company”	Tongxiang Ping An New Economy City Development Company Limited*(桐鄉平安新經濟城開發有限公司), a company incorporated under the laws of the PRC with limited liability which is an wholly-owned subsidiary of Ping An Real Estate as of the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Shoujin Huizhi”	Shoujin Huizhi (Tianjin) Property Development Company Limited* (首金輝志(天津)置業發展有限公司), a company incorporated under the laws of the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transactions”

the transactions contemplated under the Cooperation Agreement

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

Hong Kong, 26 January 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, and Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin who are the independent non-executive Directors.

* *for identification purpose only*