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(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2868)

**DISCLOSEABLE TRANSACTION
PROPOSED ACQUISITION OF 49% EQUITY INTEREST
IN THE PROJECT COMPANY**

The Board announces that on 23 March 2017, Tianjin Xingtai (a wholly-owned subsidiary of the Company) and the Vendor entered into the Framework Agreement, which sets out the principal terms in respect of, among others, the sale and purchase of the Sale Interest in the Project Company, which is engaged in the development of the Site located in Hebei District, Tianjin, the PRC. Pursuant to the Framework Agreement, among others, Tianjin Xingtai has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Interest at the consideration of RMB1,300,000,000.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but are all less than 25%, the transactions contemplated under the Framework Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirement under Chapter 14 of the Listing Rules.

The Board announces that on 23 March 2017, Tianjin Xingtai (a wholly-owned subsidiary of the Company) and the Vendor entered into the Framework Agreement, which sets out the principal terms in respect of, among others, the sale and purchase of the Sale Interest in the Project Company, which is engaged in the development of the Site located in Hebei District, Tianjin, the PRC.

The principal terms of the Framework Agreement and the transactions contemplated thereunder are set out below:

THE PRINCIPAL TERMS OF THE FRAMEWORK AGREEMENT

Date: 23 March 2017

Parties: (1) Tianjin Xingtai (a wholly-owned subsidiary of the Company);
and
(2) the Vendor.

To the best of the Directors' knowledge, information and relief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The Share Acquisition

Tianjin Xingtai has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Interest in accordance with the terms and subject to the conditions of the Framework Agreement. The Share Acquisition will become effective upon the fulfilment or waiver (if applicable) of the following conditions and completion shall take place upon the completion of the relevant equity transfer registration at the relevant government authorities:

- (a) written declaration having been provided by Tianjin Metro to waive the pre-emptive rights in the Sale Interest;
- (b) written approval in respect of the Share Acquisition having been obtained by the Project Company from the lenders of a syndicated loan to the Project Company and that the Vendor will no longer be required to fulfil any obligations or bear any direct or indirect legal responsibilities pursuant to the relevant syndicated loan agreement;
- (c) completion of the internal procedures of each of Tianjin Xingtai and the Vendor in accordance with applicable laws and regulations and their respective articles of association (including the obtaining of approval(s) from the respective board of directors, shareholders or other internal authorities, if required) in respect of the Share Acquisition;
- (d) resolutions of the board of directors of the Project Company approving the Share Acquisition having been obtained;

- (e) confirmation having been provided by Tianjin Xingtai to the Vendor on its consensus with Tianjin Metro on issues including but not limited to the articles of association of the Project Company, composition and appointment of directors, supervisors and senior management personnel of the Project Company;
- (f) equity evaluation report of the Project Company in accordance with the relevant requirements of the State-owned Assets Appraisal Management (國有資產評估管理) and completion of the relevant procedures for obtaining the valid approval documents;
- (g) all the documents required for the Share Acquisition having been prepared and executed, which have been confirmed by the relevant industrial and commercial administration department in the PRC;
- (h) the original of the Performance Bond having been presented by Tianjin Xingtai to the Vendor;
- (i) all necessary approvals, licences, consents, permissions, letters, authorisations or exemptions of (as the case may be), among others, other relevant third parties and/or governmental or regulatory authorities or bodies, which are required for the execution and performance of the Framework Agreement and Share Acquisition having been obtained and not having been revoked; and
- (j) that on the day when all the above conditions are fulfilled, (i) the representations, warranties and undertakings given by the Vendor under the Framework Agreement and the ancillary equity transfer agreement remain true, accurate and effective; (ii) there are no circumstances arisen that may constitute a breach of the Framework Agreement or the ancillary equity transfer agreement; and (iii) there is no material adverse change in all aspects.

A Deposit of RMB10,000,000 has been paid in advance by Tianjin Xingtai to the Vendor in connection with the Framework Agreement and (i) if Tianjin Xingtai has fulfilled conditions (c), (e) and (h) above on or before 30 April 2017, provided that the Vendor has also fulfilled conditions (a), (c) and (d) above, the Vendor shall return the Deposit to Tianjin Xingtai before 5 p.m. of the second business day after 30 April 2017; (ii) if Tianjin Xingtai has not fulfilled any of conditions (c), (e) or (h) above on or before 30 April 2017, provided that the Vendor has fulfilled conditions (a), (c) and (d) above, the Vendor will have the right to take the Deposit and accordingly, the Framework Agreement shall be terminated upon written notice by the Vendor and Tianjin Xingtai will not bear any further liability. If the Vendor does not exercise its right

to take the Deposit under such circumstances, the obligations under the Framework Agreement shall continue and the Vendor shall return the Deposit to Tianjin Xingtai before 5 p.m. of the second business day after Tianjin Xingtai has fulfilled conditions (c), (e) and (h) above, and (iii) if the Vendor has not fulfilled (a), (c) and (d) above on or before 30 April 2017, the Vendor shall return the Deposit to Tianjin Xingtai before 5 p.m. of the second business day after Tianjin Xingtai has fulfilled conditions (c), (e) and (h) above. The parties have entered into an ancillary equity transfer agreement on the same date as the Framework Agreement which shall take effect upon the fulfilment of the above-mentioned conditions. Key terms of the Share Acquisition and the Shopping Mall Disposal are set out in the Framework Agreement.

Subject matter of the Share Acquisition

As at the date of this announcement, the Project Company is owned as to 49% and 51% by the Vendor and Tianjin Metro (an independent third party of the Company), respectively, and the Sale Interest represents the 49% equity interest in the Project Company held by the Vendor.

Upon Completion, the Project Company will be owned as to 49% and 51% by Tianjin Xingtai and Tianjin Metro, respectively. It is expected that the Project Company will not be consolidated in the financial statements of the Group.

The Project Company is engaged in the development of the Site located in Hebei District, Tianjin, the PRC. For further details of the Project Company and the Site, please refer to the paragraph headed “Information on the Project Company and the Site” below.

Consideration of the Share Acquisition

The consideration of the Share Acquisition is RMB1,300,000,000, which shall be payable subsequent to Completion as follows:

- (a) if the ancillary agreement in relation to the Shopping Mall Disposal has been entered into before 29 December 2017, Tianjin Xingtai shall, upon obtaining by the Project Company of the pre-sale permit issued by the relevant authority and within five business days upon the execution of a shopping mall pre-sale agreement, pay the full amount of RMB1,300,000,000 into a bank account designated by the Vendor; or

- (b) if the ancillary agreement in relation to the Shopping Mall Disposal has not been entered into before 29 December 2017, the Vendor may at its discretion exercise the Performance Bond. For the avoidance of doubt, if the Vendor has exercised the Performance Bond, Tianjin Xingtai's payment obligations in respect of the consideration of the Share Acquisition (being the amount of RMB1,300,000,000) shall be fully discharged and released.

Basis of determination of the consideration of the Share Acquisition

The consideration was determined after arm's length negotiation among the parties to the Framework Agreement with reference to, among others, (a) the equity evaluation report of the Project Company by an independent professional valuer, which took into account of, among others, the assets and liabilities of the Project Company as at 31 October 2016 as well as the land premium of the Site; (b) the non-controlling nature of the Sale Interest; and (c) the Shopping Mall Disposal.

Board composition of the Project Company

After Completion, the board of directors of the Project Company will comprise six directors, of which three directors will be nominated by Tianjin Xingtai and three directors will be nominated by Tianjin Metro.

Management fee payable by the Project Company

The Vendor currently has the right to claim and receive a management fee of RMB40,000,000 in annual instalments from the Project Company according to the resolutions of the board of directors of the Project Company and upon Completion, the right of receiving such management fee will be vested in Tianjin Xingtai.

Completion of the Share Acquisition

Completion of the Share Acquisition shall take place upon the completion of the relevant equity transfer registration at the relevant government authorities, which is expected to be on or before 31 May 2017. If the relevant equity transfer registration at the relevant government authorities is not completed on or before 31 May 2017, the Vendor shall be entitled to terminate the Framework Agreement and shall have the right to claim for compensation, but the Vendor shall not exercise the Performance Bond under such circumstances and shall return the Performance Bond to Tianjin Xingtai upon termination of the Framework Agreement.

The Shopping Mall Disposal

Pursuant to the Framework Agreement, Tianjin Xingtai has conditionally agreed to procure the Project Company to dispose of and deliver the Shopping Mall to the Shopping Mall Purchaser at a consideration of RMB1,300,000,000 after, among others, the completion of its construction inspection procedures in accordance with the requirements of the Framework Agreement and the preliminary registrations with the relevant authorities. The parties will subsequently enter into an ancillary agreement for the Shopping Mall Disposal in accordance with the requirements of the Framework Agreement. As the Project Company will not become a subsidiary of the Company after Completion of the Share Acquisition, the disposal by the Project Company of the Shopping Mall and the agreement thereof will not constitute a transaction of the Company under the Listing Rules. The consideration of the Shopping Mall Disposal of RMB1,300,000,000 was determined after arm's length negotiation among the parties to the Framework Agreement based on the estimated aggregate costs of construction of the Shopping Mall in accordance with the requirements of the Framework Agreement and which shall be paid by the Shopping Mall Purchaser to the Project Company within 30 days of receipt by the Vendor of the payment of the consideration of the Share Acquisition from Tianjin Xingtai. Please also refer to the section headed "Reasons for and benefit of entering into the Framework Agreement" below for reasons for the Shopping Mall Disposal.

The Performance Bond

Pursuant to the Framework Agreement, Tianjin Xingtai shall provide an irrevocable and unconditional Performance Bond in the amount of RMB1,600,000,000 in favour of the Vendor to guarantee its obligations under the Framework Agreement, including but not limited to its obligation to procure the Shopping Mall Disposal. The original of the Performance Bond will be delivered to the Vendor pursuant to the conditions of the Share Acquisition.

The Performance Bond shall remain effective until (i) the completion of the preliminary registrations for the Shopping Mall by the Project Company; and (ii) the provision of all the necessary documents for registration of the transfer of title of the Shopping Mall by the Project Company to the Vendor or the Shopping Mall Purchaser, unless in the event of an early termination of the Framework Agreement for reasons of force majeure or other exempt or change of law events as provided in the Framework Agreement where no party is in breach, in which case the Performance Bond shall cease to have effect upon either the receipt of the consideration of the Share Acquisition by the Vendor or the Shopping Mall Purchaser or the return of the consideration of the Shopping Mall Disposal to the Vendor or the Shopping Mall Purchaser.

In the event of a significant breach by Tianjin Xingtai or the Project Company of the Framework Agreement which jeopardizes the Shopping Mall Disposal, the Vendor shall serve a notice in writing to Tianjin Xingtai, which shall have the opportunity to remedy the breach within five business days, failing which the Vendor is entitled to exercise the Performance Bond in accordance with the terms of the Framework Agreement and demand payment in writing to the issuing bank of the Performance Bond. In the event that the Performance Bond has been exercised and the Vendor has demanded payment of RMB1,600,000,000 accordingly, (a) if the consideration of the Share Acquisition has not been paid by Tianjin Xingtai and the consideration of the Shopping Mall Disposal has not been paid by the Shopping Mall Purchaser, the payment obligations of Tianjin Xingtai in respect of the consideration of the Share Acquisition (being the amount of RMB1,300,000,000) will be fully discharged; (b) if the consideration of the Share Acquisition has been paid by Tianjin Xingtai and the consideration of the Shopping Mall Disposal has not been paid by the Shopping Mall Purchaser, the Vendor shall repay Tianjin Xingtai the full amount received for the consideration of the Share Acquisition; and (c) if the consideration of the Share Acquisition has been paid by Tianjin Xingtai and the consideration of the Shopping Mall has been paid by the Shopping Mall Purchaser to the Project Company, the Shopping Mall Purchaser shall either unconditionally assign to Tianjin Xingtai the right to receive the repayment of the consideration of the Shopping Mall Disposal from the Project Company or pay to Tianjin Xingtai the consideration of the Shopping Mall Disposal after repayment by the Project Company. Therefore, the total commitment of Tianjin Xingtai under the Framework Agreement is expected to be no more than RMB1,600,000,000 in accordance with its terms.

INFORMATION ON THE PROJECT COMPANY AND THE SITE

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 of the Site. The Site is planned for the development of a complex with commercial and residential properties, offices, shopping malls and other facilities above ground level as well as car parks and commercial properties underground. The development of the Site has commenced with the foundations for portion of the residential properties having been completed as at the date of this announcement. Please refer to the paragraph headed “The Site” below for further details of the Site.

All information relating to the Project Company, including information relating to its business, the Site and its financial information, as disclosed in this announcement were provided by the Vendor or the Project Company and have not been independently verified by the Company, save and except for the financial information of the Project Company for the ten months period ended 31 October 2016 which is based on the financial statements of the Project Company as audited by the auditors engaged by Tianjin Xingtai.

Financial Information of the Project Company

Set out below is the audited financial information of the Project Company for the two years ended 31 December 2014 and 31 December 2015 and the ten months period ended 31 October 2016, respectively:

	For the ten months period ended 31 October 2016	For the year ended 31 December 2015	For the year ended 31 December 2014
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Net loss before taxation	8,228,968	7,448,813	5,562,908
Net loss after taxation	8,228,968	7,448,813	5,562,908

As at 31 October 2016, the audited net asset value of the Project Company was approximately RMB2,245,000,000.

The Site

The Site was acquired by the Project Company by way of land use right bidding from the Bureau of Land Resources and Housing Management of Tianjin (天津市國土資源和房屋管理局) on 5 August 2013. Details of the Site are listed below:

Site code:	津北富(掛)2013-066號
Site location:	the site located at north of the Xiao Wang Zhuang Jin Pu North Road, Hebei District, Tianjin, the PRC (天津市河北區小王莊津浦路北側)
Total land area:	approximately 66,888 sq.m.
Total planned gross floor area:	approximately 435,950 sq.m., of which approximately 252,650 sq.m. is above ground level and approximately 183,300 sq.m. is underground
Terms of land use rights:	70 years (for urban residential use) 40 years (for commercial use)
Land premium:	RMB2,075,000,000

REASONS FOR AND BENEFIT OF ENTERING INTO THE FRAMEWORK AGREEMENT

The Group is a large property developer in the PRC, focusing primarily on the development of residential properties, outlets-backed integrated properties and core urban integrated properties as well as primary land development as its core business lines. The Share Acquisition and transactions contemplated under the Framework Agreement are consistent with the Group's business and development strategy, facilitating cooperation with a renowned corporation and expanding the Group's presence in main cities in the PRC such as Tianjin, thus generating synergy benefits and enhancing returns to the Group's shareholders. In addition, leveraging on the well developed and high-end management and operational experience and expertise of MTR Corporation, the operation and management of the Shopping Mall by the Vendor or the Shopping Mall Purchaser subsequent to the Shopping Mall Disposal is expected to enhance the value of the surrounding properties within the Site. The Site is situated in Hebei District, Tianjin in the PRC, which is within the core commercial area of Tianjin. In consideration of the strategic location and potential of the Site, it is expected to achieve a stable financial return to the Group. In addition, the Board believes that the Share Acquisition provides an excellent investment opportunity and further strengthens the Group's established presence in the property market in Tianjin.

The Directors (including the independent non-executive Directors) are of the view that the Framework Agreement, the related ancillary equity transfer agreement and the transactions contemplated thereunder were entered into on normal commercial terms, and the terms and conditions therein are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but are all less than 25%, the transactions contemplated under the Framework Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirement under Chapter 14 of the Listing Rules.

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 Group is a large property developer in the PRC, focusing primarily on the development of residential properties, outlets-backed integrated properties and core urban integrated properties as well as primary land development as its core business lines.

Tianjin Xingtai

Tianjin Xingtai is a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company. Tianjin Xingtai is principally engaged in property development.

The Vendor

The Vendor is a company incorporated under the laws of the Hong Kong with limited liability and a wholly-owned subsidiary of MTR Corporation. The Vendor's principal business is investment holding.

DEFINITIONS

In this announcement, unless the context otherwise requires, 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 Limited (首創置業股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability and whose H shares are listed and traded on the main board of the Hong Kong Stock Exchange
“Completion”	completion of the Share Acquisition
“connected persons”	having the meaning ascribed to such term in the Listing Rules

“Deposit”	the deposit of RMB10,000,000 paid in advance by Tianjin Xingtai to the Vendor in connection with the Framework Agreement
“Framework Agreement”	a framework agreement dated 23 March 2017 entered into between Tianjin Xingtai and the Vendor in relation to, among others, the Share Acquisition, the Shopping Mall Disposal and the Performance Bond, and the ancillary agreements thereto
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MTR Corporation”	MTR Corporation Limited (香港鐵路有限公司), a company incorporated under the laws of Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock code: 66)
“Performance Bond”	an irrevocable and unconditional payment on demand bond for an amount up to RMB1,600,000,000 issued by an independent bank in favour of the Vendor to guarantee the obligations of Tianjin Xingtai under the Framework Agreement
“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 Company”	Tianjin TJ-Metro MTR Construction Company Limited* (天津城鐵港鐵建設有限公司), a company incorporated under the laws of the PRC with limited liability, which is owned as to 49% and 51% by the Vendor and Tianjin Metro as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC

“Sale Interest”	the 49% equity interest in the Project Company held by the Vendor as at the date of this announcement
“Share Acquisition”	the acquisition of the Sale Interest by Tianjin Xingtai from the Vendor pursuant to the Framework Agreement
“Shopping Mall”	the shopping mall planned to be constructed and developed on the Site with a planned gross floor area of approximately 90,685 sq.m., which will form the subject matter of the Shopping Mall Disposal
“Shopping Mall Disposal”	the proposed disposal of the Shopping Mall by the Project Company to the Shopping Mall Purchaser pursuant to the Framework Agreement
“Shopping Mall Purchaser”	a wholly-owned subsidiary to be established by the Vendor or any other subsidiary of the MTR Corporation
“Site”	the site located at north of the Xiao Wang Zhuang Jin Pu North Road, Hebei District, Tianjin, the PRC (天津市河北區小王莊津浦北路北側)
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Metro”	Tianjin Metro (Group) Company Limited* (天津市地下鐵道集團有限公司), a company incorporated under the laws of the PRC with limited liability and an independent third party of the Company
“Tianjin Xingtai”	Tianjin Xingtai Jihong Real Estate Co., Ltd.* (天津興泰吉鴻置業有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company

“Vendor”

MTR Property (Tianjin) No.1 Company Limited (港鐵物業(天津)第一有限公司), a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of MTR Corporation

* *The English name is a translation of its Chinese name and is included for identification purposes only.*

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

Hong Kong, 23 March 2017

The Board as of the date of this announcement comprises Mr. Li Songping (Chairman) who is a non-executive director of the Company, Mr. Tang Jun (President) who is an executive director of the Company, Ms. Sun Baojie, Mr. Sun Shaolin, Mr. Su Jian and Mr. Yang Weibin who are the non-executive directors of the Company, and Mr. Wang Hong, Mr. Li Wang and Mr. Wong Yik Chung, John who are the independent non-executive directors of the Company.