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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)

ANNOUNCEMENT

TERMINATION OF LAND GRANT CONTRACT

The Directors of Beijing Capital Land Ltd. announce that on 8th September 2006, a resolution was passed by the Board to terminate the Land Grant Contract and Indemnity Agreement made between the Company, Super Shine and the Beijing Ministry of Land and Resources Bureau dated 2nd June 2006.

Reference is made to the announcement made by Beijing Capital Land Ltd. (the "Company") on 5th June 2006 and the circular dated 24th June 2006. The directors ("Directors") of the Company announce that on 8th September 2006, a resolution was passed by the board of directors of the Company (the "Board") to terminate the "Land Grant Contract in relation to State-Owned Land in Beijing" ("Land Grant Contract") and the "Indemnity Agreement in relation to the Development of Land and Constructions" ("Indemnity Agreement") made between the Company, Super Shine Company Limited ("Super Shine") and the Beijing Ministry of Land and Resources Bureau dated 2nd June 2006 in relation to the project ("Project") situated in Da Tun Bei Ding Village, Chaoyang District, Beijing, People's Republic of China.

After careful consideration, the Board considered that there have been changes to the project operation time table of the Project and the best timing for the development of the Project has passed, the Board therefore decided to terminate the Land Grant Contract and the Indemnity Agreement with the Beijing Ministry of Land and Resources Bureau. The Board also considered that the termination was made in accordance with the terms and conditions of the Land Grant Contract and Indemnity Agreement and all sums paid by the Company pursuant to the Land Grant Contract and Indemnity Agreement shall be returned and no loss shall be suffered by the Company.

In relation to the joint venture company, Beijing Capital Hui Huang Real Estate Ltd. (the "Joint Venture Company") set up by the Company and Super Shine as described in the announcement of the Company dated 5th June 2006, the Company and Super Shine is considering how to deal with the Joint Venture Company and separate announcement will be made by the Company should the Company decides not to keep but to wind up the Joint Venture Company.

By Order of the Board
Beijing Capital Land Ltd.
Eva Chan
Company Secretary

Hong Kong, 11th September, 2006

The Board as of the date of this announcement comprises Mr. Liu Xiaoguang (Chairman), Mr. Tang Jun and Mr. He Guang who are the executive Directors, Mr. Feng Chun Qin, Mr. Wang Zhengbin, Ms. Zhu Min and Mr. Muk Kin Yau who are the non-executive Directors, Mr. Benny Kwong Kai Sing, Mr. Ke Jianmin, Mr. Yu Xing Bao and Mr. Li Zhaojie being the independent non-executive Directors.