



# 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)

### PLACING OF 343,200,000 H SHARES

AND

### SUBSCRIPTION AGREEMENT IN RELATION

### TO THE SUBSCRIPTION OF UP TO 376,222,000 NEW H SHARES OF THE COMPANY

AND

### RESUMPTION OF TRADING

Reference is made to the announcement made by the Company in relation to the Specific Mandate granted by the Shareholders on 9 May 2006 authorising the Directors to issue and allot up to 312,000,000 new H Shares and up to 31,200,000 H Shares to be transferred to the NSSF by the PRC state shareholders of the Company at a price of not less than 80% of the benchmarked price of the H Shares of the Company and such authority to the Directors shall lapse on 9 November 2006.

On 26 October 2006, the Company entered into a Placing Agreement with the Placing Agent in relation to the Placing, on a fully underwritten basis, of an aggregate of 343,200,000 H Shares comprising the New Placing Shares and the Sale Shares at a price of HK\$2.80 per H Share.

The Placing Shares will be issued under the Specific Mandate granted to the Directors at the extraordinary general meeting of the Company held on 9 May 2006.

Approvals of the SASAC, NSSF and the CSRC for the issue of the Placing Shares have been obtained. The Placing is conditional upon, inter alia, the Stock Exchange granting listing of, and permission to deal in, the Placing Shares.

The net proceeds of the Placing will be approximately HK\$850 million, which will be applied as follows:

- (1) as to 50% for increasing new land bank of the Company;
- (2) as to 20% for the development and construction of North Ring Centre situated in No.29A Central Road, the North Third Ring Road, Xicheng District, Beijing, the PRC;
- (3) as to 20% for the development and construction of the Chengdu Chenghua Residential project situated in Chenghua District, Chengdu, Sichuan Province, the PRC; and
- (4) as to the remaining balance will be used for general working capital.

On 26 October 2006, the Company also entered into the Reco Pearl Subscription Agreement with Reco Pearl in relation to the subscription of up to 376,222,000 H Shares comprising the Reco Pearl Subscription Shares and the NSSF Shares at a price of HK\$2.80 per H Share.

The Reco Pearl Subscription is conditional upon, inter alia, the following:—

- (1) approval from the Independent Shareholders approving the issue and allotment of the Reco Pearl Subscription Shares and NSSF Shares to Reco Pearl being obtained in accordance with the Company's constitutional documents and the Listing Rules;
- (2) approval from the SASAC, NSSF and CSRC for the issue of the Reco Pearl Subscription Shares and NSSF Shares being granted; and
- (3) approval of the listing of, and permission to deal in, all the Reco Pearl Subscription Shares and NSSF Shares being granted by the Stock Exchange.

The net proceeds of the Reco Pearl Subscription will be approximately HK\$920 million, which will be applied as follows:

- (1) as to 90% for increasing new land bank of the Company; and
- (2) as to the remaining balance will be used for general working capital.

The Placing Agreement and the Reco Pearl Subscription Agreement are independent from and not inter-conditional upon one another.

Reco Pearl's associate, Reco Ziyang, is a substantial shareholder of Beijing Capital Ziyang Real Estate Limited and New Century Real Estate Investment Limited, each being a subsidiary of the Company, Reco Pearl's another associate, Reco Hibiscus Pte Ltd., is a substantial shareholder of Beijing Anhua Shiji Real Estate Development Company Limited, a subsidiary of the Company. Accordingly, Reco Pearl is a connected person of the Company pursuant to the Listing Rules. The transactions contemplated under the Reco Pearl Subscription Agreement shall constitute a connected transaction for the Company under the Listing Rules and will be subject to the reporting, announcement and independent shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

A circular containing details of the Reco Pearl Subscription Agreement and the transactions contemplated thereunder as well as the appointment of new director, the recommendation of the Independent Board Committee, a letter of advice from an independent financial adviser and a notice of the Class Meetings and the EGM to be convened at which ordinary resolution(s) will be proposed in the Domestic Shareholders Class Meeting, the H Shareholder Class Meeting and the EGM for the Independent Shareholders to consider, and if thought fit, to approve the Reco Pearl Subscription Agreement and all matters contemplated thereunder, and the ordinary resolution to approve the appointment of new director in the EGM will be dispatched to the Shareholders as soon as practicable. The votes of the Independent Shareholders in the Class Meetings and the EGM will be taken by poll. Reco Pearl and its associates are required to abstain from voting at the H Shareholder Class Meeting and the EGM in respect of the ordinary resolution(s) to approve the Reco Pearl Subscription Agreement and the transactions contemplated thereunder.

Trading of the H shares of the Company on the Stock Exchange has been suspended from 9:30 a.m. on Thursday, 26 October 2006 at the request of the Company pending the issue of this announcement and application has been made to the Stock Exchange for the resumption of trading in the H shares of the Company with effect from 9:30 a.m. on Friday, 27 October 2006.

#### I. THE PLACING AGREEMENT

Reference is made to the announcement made by the Company in relation to the Specific Mandate granted by the Shareholders on 9 May 2006 authorising the Directors to issue and allot up to 312,000,000 new H Shares and up to 31,200,000 H Shares to be transferred to the NSSF by the PRC state shareholders of the Company at a price of not less than 80% of the benchmarked price of the H Shares of the Company and such authority to the Directors shall lapse on 9 November 2006.

##### The Placing Agreement

Date: 26 October 2006

- Parties: (i) the Company;
- (ii) the Placing Agent.

##### The Placing

The Placing Agent agrees as agent for the Company to procure, on a fully underwritten basis, institutional and other investors in and outside of Hong Kong to subscribe for the Placing Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the investors in the Placing Shares and their respective ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

##### Independence of the Placing Agent

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

##### Number of Placing Shares

343,200,000 H Shares, comprising 312,000,000 New Placing Shares and 31,200,000 Sale Shares, which represents (i) approximately 50.65% and approximately 20.00% respectively of the existing H Shares in issue and registered capital of the Company prior to the Placing; and (ii) approximately 33.62% and approximately 16.92% respectively of the H Shares in issue and the registered capital of the Company as enlarged by the Placing Shares; and (iii) approximately 24.57% and approximately 14.48% respectively of the H Shares in issue and the registered capital of the Company as enlarged by the Placing Shares, the Reco Pearl Subscription Shares and the NSSF Shares.

##### Placees

The Placing Shares will be placed, through the Placing Agent, on a fully underwritten basis, to not less than six placees who are independent individual, corporate and/or institutional investors, and who and whose ultimate beneficial owners (i) are not connected persons (as defined in the Listing Rules) of the Company, and (ii) are independent of the Company, its connected persons and other placees.

##### Placing Price

The Placing Price is HK\$2.80 per H Share, representing

- (i) a discount of approximately 13.31% to the closing price of HK\$3.23 per H Share on the Stock Exchange on 25 October 2006, being the last day of trading of the H Shares of the Company prior to the date of the Placing Agreement;
- (ii) a discount of approximately 12.50% to the average closing price of HK\$3.20 per H Share on the Stock Exchange for the last five trading days up to and including 25 October 2006;
- (iii) a discount of approximately 8.49% to the average closing price of HK\$3.06 per H Share on the Stock Exchange for the last ten trading days up to and including 25 October 2006; and
- (iv) a premium of about 40.70% over the unaudited net asset value per Share of RMB2.02 (equivalent to HK\$1.99) as at 30 June 2006.

The Placing Price was agreed upon after arm's length negotiations between the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and its Shareholders as a whole.

##### Conditions of the Placing

The Placing is conditional upon the Stock Exchange granting listing of, and permission to deal in, the Placing Shares. The Placing Agreement may be terminated by the Placing Agent in accordance with the terms thereof, such as on the grounds of material breach of the representations, warranties and undertakings of the Company in the Placing Agreement or the occurrence of certain *force majeure* events.

##### Lock-up by the Company

The Company has undertaken to the Placing Agent that, save and except for (i) the Reco Pearl Subscription Shares to be issued by the Company to Reco Pearl, subject to the approval of the Shareholders of the Company, CSRC and Stock Exchange and (ii) the NSSF Shares and subject to certain limited exceptions, it will not, for a period commencing from and including the date of the Placing Agreement until the expiry of 90 days thereafter, without the prior written consent of the Placing Agent, (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any H Shares or any interests in H Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any H Shares or interest in H Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transaction described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

##### Completion of the Placing

Completion of the Placing shall take place on the business day immediately after the granting of listing of, and permission to deal in, the Placing shares from the Stock Exchange or such other time or date as the Company and the Placing Agent shall agree.

Completion of the Placing is expected to take place on or around 8 November 2006.

##### Specific Mandate to Issue the Placing Shares

The Placing Shares will be allotted and issued under the Specific Mandate granted to the Directors at the extraordinary general meeting of the Company held on 9 May 2006 to issue and allot up to 312,000,000 new H Shares. As at the date of this announcement, no H Share has been issued under the Specific Mandate.

31,200,000 existing promoter shares of the Company held by The Capital Group shall also be sold by the Company on behalf of the NSSF to comply with the Provisional Measures, and the actual number of Shares to be sold on behalf of NSSF shall represent 10% of the number of H Shares actually issued and allotted by the Company pursuant to the Placing.

The Company has obtained the approval from the SASAC on 22 May 2006, the authorisation and approval from the NSSF on 15 June 2006 and the approval from the CSRC in respect of the Placing and the issue of the Placing Shares on 12 October 2006. Pursuant to the approval from the CSRC, the Company shall report the status of the Placing to the CSRC within 15 business days from completion of the Placing.

Save for the approvals as stated above, the Company is not required to obtain any other approvals from any other PRC government authority in respect of the Placing and the issue of the Placing Shares under the PRC law.

#### II. RECO PEARL SUBSCRIPTION AGREEMENT

##### Date

26 October 2006

##### Parties

- (i) the Company
- (ii) Reco Pearl, a connected person of the Company as defined in the Listing Rules.

##### Number of Subscription Shares

342,020,000 H Shares, representing (i) approximately 50.48% and approximately 19.93% respectively of the existing H Shares in issue and registered capital of the Company prior to the Placing and Reco Pearl Subscription; and (ii) approximately 24.48% and approximately 14.43% respectively of the H Shares in issue and the registered capital of the Company as enlarged by the issue of the Placing Shares, the Reco Pearl Subscription Shares and the NSSF Shares.

34,202,000 existing domestic promoter Shares (representing 10% of the H Shares to be newly issued and allotted by the Company under the Reco Pearl Subscription) held by PRC state shareholders shall also be transferred to the NSSF to comply with the Provisional Measures. In the event that the NSSF shall, in its approval to be granted to the Company in respect of the Reco Pearl Subscription, request the Company to sell the NSSF Shares on its behalf, the number of H Shares to be subscribed by Reco Pearl pursuant to the Reco Pearl Subscription Agreement shall be increased to 376,222,000 H Shares, representing (i) approximately 55.53% and approximately 21.92%

respectively of the existing H Shares in issue and registered capital of the Company prior to the Placing and Reco Pearl Subscription; and (ii) approximately 26.93% and approximately 15.87% respectively of the H Shares in issue and the registered capital of the Company as enlarged by the issue of the Placing Shares, Reco Pearl Subscription Shares and the NSSF Shares.

Upon completion of the Reco Pearl Subscription Agreement, Reco Pearl shall become a substantial shareholder of the Company holding (i) in the event that NSSF shall authorise the Company to sell the NSSF Shares on its behalf which shall be sold to Reco Pearl pursuant to the Reco Pearl Subscription Agreement, approximately 38.75% and approximately 22.84% respectively of the H Shares in issue and the registered capital of the Company as enlarged by the issue of the Placing Shares, the Reco Pearl Subscription Shares and the NSSF Shares; and (ii) in the event that NSSF shall not be selling the NSSF Shares, approximately 36.30% and approximately 21.40% respectively of the H Shares in issue and the registered capital of the Company as enlarged by the issue of the Placing Shares, the Reco Pearl Subscription Shares and the NSSF Shares.

The Company shall monitor the public float of the Shares of the Company and will take appropriate steps to ensure that not less than 25% of the registered capital of the Company will be held by the public following the completion of the Reco Pearl Subscription Agreement.

#### Subscription Price

The Reco Pearl Subscription Price is HK\$2.80 per H Share for the Reco Pearl Subscription Shares and if applicable, the NSSF Shares, representing

- a discount of approximately 13.31% to the closing price of HK\$3.23 per H Share on the Stock Exchange on 25 October 2006, being the last day of trading of the H Shares of the Company prior to the date of the Reco Pearl Subscription Agreement; and
- a discount of approximately 12.50% to the average closing price of HK\$3.20 per H Share on the Stock Exchange for the last five trading days up to and including 25 October 2006;
- a discount of approximately 8.49% to the average closing price of HK\$3.06 per H Share on the Stock Exchange for the last ten trading days up to and including 25 October 2006; and
- a premium of about 40.70% over the unaudited net asset value per H Share of RMB2.02 (equivalent to HK\$1.99) as at 30 June 2006.

#### Conditions of the Reco Pearl Subscription

The Reco Pearl Subscription is conditional upon the following:—

- approval from the independent shareholders of the Company approving the issue and allotment of the Reco Pearl Subscription Shares and NSSF Shares to Reco Pearl being obtained in accordance with the Company's constitutional documents and the Listing Rules;
- approvals from the SASAC, NSSF and CSRC for the issue of the Reco Pearl Subscription Shares and NSSF Shares having been duly granted;
- all approvals and filings (governmental, regulatory and corporate) having been obtained and remaining in full force and effect;
- no breach of the representations, warranties and undertakings of the Company;
- no occurrence of certain material adverse changes which in the reasonable opinion of Reco Pearl is or would be materially adverse to the success of the Reco Pearl Subscription; and
- approval of the listing of, and permission to deal in, all the Reco Pearl Subscription Shares and NSSF Shares being granted by the Stock Exchange.

In the event that each of the above conditions is not fulfilled or waived by Reco Pearl by 30 April 2007 (or such later time and/or date as may be agreed by the Parties in writing), all rights, obligations and liabilities of the Parties shall cease and determine and neither of the Parties shall have any claim against the other save for any antecedent breach.

#### Other Conditions

Reco Pearl shall be entitled to appoint an additional non-executive director to the board of Directors of the Company, and the resolution of such appointment shall be considered by the Shareholders at the EGM. After the appointment, Reco Pearl shall have two nominees in the board of directors of the Company, both being non-executive directors.

The Company undertakes to Reco Pearl that, among others, the Company shall ensure that each member of the Group will operate its business in the usual way so as to maintain that business as a going concern for the period between the signing of the Reco Pearl Subscription Agreement and the date of its completion.

#### Completion of the Reco Pearl Subscription Agreement

Completion of the Reco Pearl Subscription Agreement shall take place on the date falling two business days which the conditions of the Reco Pearl Subscription Agreement shall have been fulfilled or such other time or date as the Company and Reco Pearl shall otherwise agree.

### III. CONNECTED TRANSACTION

Reco Pearl's associate, Reco Ziyang, is a substantial shareholder of Beijing Capital Ziyang Real Estate Limited and New Century Real Estate Investment Limited, each being a subsidiary of the Company. Reco Pearl's another associate, Reco Hibiscus Pte Ltd., is a substantial shareholder of Beijing Anhua Shiji Real Estate Development Company Limited, a subsidiary of the Company. Accordingly, Reco Pearl is a connected person of the Company pursuant to the Listing Rules.

The transactions contemplated under the Reco Pearl Subscription Agreement constitute a connected transaction for the Company under the Listing Rules and will be subject to the reporting, announcement and independent shareholders' approval requirements as set out in Chapter 14A of the Listing Rules. Ordinary resolution(s) will be proposed in the Domestic Shareholders Class Meeting, the H Shareholder Class Meeting and the EGM for the Independent Shareholders to consider, and if thought fit, to approve the Reco Pearl Subscription Agreement and all matters contemplated thereunder. Reco Pearl and its associates are required to abstain from voting at the H Shareholders Class Meeting and the EGM in respect of the ordinary resolution(s) to approve the Reco Pearl Subscription Agreement and the transactions contemplated thereunder.

The Directors (excluding the independent non-executive Directors) are of the opinion that the terms of the Reco Pearl Subscription Agreement are made on an arm's length basis and on normal commercial terms and are fair and reasonable and in the interest of the Shareholders as a whole.

### IV. INDEPENDENT AGREEMENTS

The Placing Agreement and the Reco Pearl Subscription Agreement are independent from and not inter-conditional upon one another.

### V. RANKING

The Placing Shares, Reco Pearl Subscription Shares and NSSF Shares will rank pari passu in all respects with the existing H Shares in issue on completion of the Placing and Reco Pearl Subscription respectively, including the right to receive all dividends and distributions declared, paid or made after the respective date of completion.

### VI. SHAREHOLDING STRUCTURE

The shareholding structure of the Company immediately before and after the Placing and Reco Pearl Subscription is set out below:

Name of Shareholder	Immediately before the Placing and Reco Pearl Subscription		Immediately after the Placing and Reco Pearl Subscription	
	Number of Shares held (Shares)	Approximate percentage of shareholding (%)	Number of Shares held (Shares)	Approximate percentage of shareholding (%)
<b>Domestic Promoter Shares and Foreign Promoter Shares</b>				
The Capital Group	56,007,100	3.26	24,807,100	1.22
Beijing Sunshine Real Estate Comprehensive Development Company	47,418,600	2.76	47,418,600	2.34
Beijing Capital Sunshine Real Estate Development Co., Ltd.	286,225,700	16.68	286,225,700	14.11
Beijing Capital Technology Investment Ltd.	172,006,700	10.02	172,006,700	8.48
Beijing Capital Hangyu Economic Development Co., Ltd.	118,747,600	6.92	118,747,600	5.86
China Resource Products Limited	275,236,200	16.04	275,236,200	13.57
Yieldwell International Enterprise Limited	82,762,100	4.82	82,762,100	4.08
<b>H Shares</b>				
Reco Pearl Private Limited	165,070,000	9.62	165,070,000	8.14
NSSF	—	—	—	—
<b>Public (H Shares)</b>				
Places under the Placing	—	—	343,200,000	16.92
Others	512,486,000	29.88	512,486,000	25.28
<b>Total<sup>i</sup></b>	<b>1,715,960,000</b>	<b>100</b>	<b>2,027,960,000</b>	<b>100</b>

Name of Shareholder	Immediately after the Reco Pearl Subscription (assuming the Reco Pearl Transfer Shares shall be sold)		Immediately after the Reco Pearl Subscription (assuming the Reco Pearl Transfer Shares shall be held by NSSF)	
	Number of Shares held (Shares)	Approximate percentage of shareholding (%)	Number of Shares held (Shares)	Approximate percentage of shareholding (%)
<b>Domestic Promoter Shares and Foreign Promoter Shares</b>				
The Capital Group	24,807,100	1.05	24,807,100	1.05
Beijing Sunshine Real Estate Comprehensive Development Company	13,216,600 <sup>(ii)</sup>	0.56	13,216,600 <sup>(ii)</sup>	0.56
Beijing Capital Sunshine Real Estate Development Co., Ltd.	286,225,700	12.08	286,225,700	12.08
Beijing Capital Technology Investment Ltd.	172,006,700	7.26	172,006,700	7.26
Beijing Capital Hangyu Economic Development Co., Ltd.	118,747,600	5.01	118,747,600	5.01
China Resource Products Limited	275,236,200	11.61	275,236,200	11.61
Yieldwell International Enterprise Limited	82,762,100	3.49	82,762,100	3.49
<b>H Shares</b>				
Reco Pearl Private Limited	541,292,000	22.84	507,090,000	21.40
NSSF	—	—	34,202,000	1.44
<b>Public (H Shares)</b>				
Places under the Placing	343,200,000	14.48	343,200,000	14.48
Others	512,486,000	21.62	512,486,000	21.62
<b>Total<sup>i</sup></b>	<b>2,369,980,000</b>	<b>100</b>	<b>2,369,980,000</b>	<b>100</b>

i. The percentages may not add up to 100% due to rounding discrepancies.

ii. The shareholding held by Beijing Sunshine Real Estate Comprehensive Development Company immediately after completion of the Reco Pearl Subscription is based on the assumption that the domestic promoter Shares to be transferred to the NSSF pursuant to the Reco Pearl Subscription shall be transferred from the domestic promoter Shares held by Beijing Sunshine Real Estate Comprehensive Development Company instead of other holders of domestic promoter shares.

### VII. REASONS FOR THE PLACING AND RECO PEARL SUBSCRIPTION

In view of the current market conditions, the Directors consider that the Placing and Reco Pearl Subscription represent a good opportunity for the Company to raise further financing. Given the existing tender and bidding system adopted in the PRC for any purchase of land, it is important for the Company to maintain sufficient funding reserve for the acquisition of land so as to increase the land bank of the Company. The Company has not identified any particular projects at this moment but will continue to look for investment opportunities. The Directors also consider that it is beneficial to the Company to broaden its shareholder and capital base.

The sale of the Sale Shares and if applicable, the NSSF Shares is made pursuant to the Provisional Measures.

### VIII. USE OF PROCEEDS

The amount to be raised from the Placing and Reco Pearl Subscription by the Company will be approximately HK\$850 million and HK\$920 million respectively, after deducting the underwriting fees, legal fees, printing fees and other estimated expenses payable by the Company relating to the Placing and Reco Pearl Subscription.

The net proceeds raised by the Company under the Placing will be applied as follows:

- as to 50% for increasing new land bank of the Company;
- as to 20% for the development and construction of North Ring Centre situated in No.29A Central Road, the North Third Ring Road, Xicheng District, Beijing, the PRC;
- as to 20% for the development and construction of the Chengdu Chenghua Residential project situated in Chenghua District, Chengdu, Sichuan Province, the PRC; and
- as to the remaining balance will be used for general working capital.

The net proceeds raised by the Company under the Reco Pearl Subscription will be applied as follows:

- as to 90% for increasing new land bank of the Company; and
- as to the remaining balance will be used for general working capital.

### IX. EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD

There has been no fund raising exercises made by the Company during the last 12 months immediately before the date of this announcement.

### X. APPLICATION FOR LISTING

Application has been made to the Stock Exchange for listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

Application will be made to the Stock Exchange for listing of, and permission to deal in, the Reco Pearl Subscription Shares and the NSSF Shares on the Stock Exchange.

### XI. GENERAL

The Company is a large property developer in the PRC, focusing primarily on developing quality/high-end office buildings and commercial properties, and medium to high-end residential properties. The Group will also selectively invest and operate quality office property and shops. The Group also intends to have property investment as one of its core businesses.

Reco Pearl is an affiliate of GIC Real Estate Pte. Ltd., a global real estate investment manager and the real estate investment arm of Government of Singapore Investment Corporation Pte. Ltd., which manages Singapore's foreign reserves.

A circular containing details of the Reco Pearl Subscription Agreement and the transactions contemplated thereunder and details in relation to the appointment of new director, the recommendation of the Independent Board Committee, a letter of advice from an independent financial adviser and a notice of the Class Meetings and the EGM to be convened at which ordinary resolution(s) will be proposed for the Independent Shareholders in the Domestic Shareholders Class Meeting, the H Shareholder Class Meeting and the EGM to consider, and if thought fit, to approve the Reco Pearl Subscription Agreement and all matters contemplated thereunder and the ordinary resolution to approve the appointment of new director in the EGM, will be dispatched to the Shareholders as soon as practicable. The votes of the Independent Shareholders in the Class Meetings and EGM will be taken by poll. Reco Pearl and its associates are required to abstain from voting at the H Shareholder Class Meeting and the EGM in respect of the ordinary resolution(s) to approve the Reco Pearl Subscription Agreement and the transactions contemplated thereunder.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.

### XII. RESUMPTION OF TRADING

Trading of the H shares of the Company on the Stock Exchange has been suspended from 9:30 a.m. on Thursday, 26 October 2006 at the request of the Company pending the issue of this announcement and application has been made to the Stock Exchange for the resumption of trading in the H shares of the Company with effect from 9:30 a.m. on Friday, 27 October 2006.

### DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Articles”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“associate”	has the meaning given to it under the Listing Rules
“Class Meetings”	the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting
“Company”	Beijing Capital Land Ltd., a joint stock limited company established in the PRC whose H Shares are listed and traded on the Stock Exchange

“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company (or a duly authorized committee thereof)
“Domestic Shareholders Class Meeting”	the class meeting of the holders of the domestic promoter Shares and foreign promoter Shares to be convened by the Company for the approval of the Reco Pearl Subscription Agreement
“EGM”	the extraordinary general meeting of all the existing Shareholders of the Company to be convened by the Company for the approval of the Reco Pearl Subscription Agreement and the appointment of new director
“Group”	the Company and its subsidiaries
“H Share(s)”	the ordinary shares of RMB1.00 each in the share capital of the Company, which are issued outside the PRC, listed on the Hong Kong Stock Exchange and traded in Hong Kong dollar
“H Shareholders Class Meeting”	the class meeting of the holders of H Shares to be convened by the Company for the approval of the Reco Pearl Subscription Agreement
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board to be formed which shall comprise the independent non-executive Directors of the Company to consider and advise the Independent Shareholders with regard to the Reco Pearl Subscription Agreement
“Independent Shareholders”	shareholders who do not have any material interests in the Reco Pearl Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Placing Shares”	the 312,000,000 H Shares to be allotted and issued by the Company in connection with the Placing
“NSSF”	the PRC National Social Security Fund
“NSSF Shares”	the 34,202,000 H Shares to be converted from the same number of existing domestic promoter Shares that are to be allocated from a PRC state Shareholder to NSSF under the Reco Pearl Subscription made pursuant to the Provisional Measures, which shall represent 10% of the total number of new H Shares actually issued and allotted by the Company under the Reco Pearl Subscription
“Placing”	the placing of 343,200,000 H Shares comprising the New Placing Shares and the Sale Shares by the Placing Agent as placing agent and underwriter pursuant to the Placing Agreement
“Placing Agent”	CLSA Limited, acting as placing agent and underwriter of the Placing, a corporation licensed to conduct type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance
“Placing Agreement”	a placing and underwriting agreement entered into between the Company and the Placing Agent dated 26 October 2006 in relation to the Placing
“Placing Price”	the placing price of HK\$2.80 per H Share under the Placing
“Placing Shares”	the 343,200,000 H Shares comprising the New Placing Shares and the Sale Shares to be placed pursuant to the Placing
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, Taiwan and Macau)
“Provisional Measures”	Provisional Measures on the Administration of the Reduction of the State Owned Shares for Raising Social Security Funds (減持國有股籌集社會保障基金管理暫行辦法), which provides that for any issue of new shares by a joint stock limited company with state-owned shares, the state shareholders of such joint stock limited company shall transfer such amount of state-owned shares to NSSF which is equivalent to 10% of the amount to be raised by the allotment of new shares by the joint stock limited company
“Reco Pearl”	Reco Pearl Private Limited, a connected person of the Company as defined in the Listing Rules
“Reco Pearl Subscription”	the subscription of up to 376,222,000 H Shares pursuant to the Reco Pearl Subscription Agreement, which shall comprise the Reco Pearl Subscription Shares, and together with, if applicable, the NSSF Shares
“Reco Pearl Subscription Agreement”	the subscription agreement made between the Company and Reco Pearl dated 26 October 2006 in relation to the Reco Pearl Subscription
“Reco Pearl Subscription Shares”	342,020,000 new H Shares to be issued and allotted to Reco Pearl pursuant to the Reco Pearl Subscription
“Reco Pearl Subscription Price”	the subscription price of HK\$2.80 per H Share under the Reco Pearl Subscription Agreement
“Reco Ziyang”	Reco Ziyang Pte Ltd, a substantial shareholder of Beijing Capital Ziyang Real Estate Limited and New Century Real Estate Investment Limited, each being a subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	31,200,000 H Shares to be allotted and issued by the Company upon conversion of the same number of existing domestic promoter Shares in the capital of the Company currently held by The Capital Group to NSSF, which shall represent 10% of the number of new H Shares actually issued and allotted by the Company under the Placing
“SASAC”	the PRC State Council State-Owned Assets Supervision and Administration Commission
“Share(s)”	domestic promoter shares, foreign promoter shares and H Shares (as appropriate) of the Company
“Shareholder(s)”	shareholders of the Company
“Specific Mandate”	the specific mandate granted to the Directors at the extraordinary general meeting of the Company held on 9 May 2006 authorising the Directors to issue and allot up to 312,000,000 new H Shares and up to 31,200,000 H Shares to be transferred to the NSSF by the PRC state shareholders of the Company
“State-Owned Assets Committee”	the PRC State Council State-Owned Assets Supervisory and Management Committee
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Investment Agreement”	the strategic investment agreement made between, inter alia, the Company and Reco Pearl dated 11 March 2003, as amended by a supplemental agreement dated 15 May 2003
“substantial shareholder”	has the meaning given to it under the Listing Rules
“%”	per cent

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

Hong Kong, 26 October 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.*