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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

The directors of Beijing Capital Land Ltd. (the "Company") announce that the proposed issue of A shares which has previously been disclosed in the announcement of the Company dated 2nd February 2004 and the circular of the Company dated 5th February 2004 was unsuccessful.

This announcement is made pursuant to rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The directors of the Company (the "Directors") announce that the Company has been informed by the China Securities Regulatory Commission ("CSRC") verbally that the proposed issue of A shares which has previously been disclosed in the announcement of the Company dated 2nd February 2004 and the circular of the Company dated 5th February 2004 was unsuccessful.

The Directors believe that the business operations of the Company and its subsidiaries (the "Group") will not be affected by the rejection of the proposed issue of A shares and that the current financial position of the Group is stable and the Group has sufficient financial resources to finance the business development of the Group. Please also refer to the announcement of the Company dated 1st April 2004 in relation to the major, discloseable and connected transactions in which disclosures have been made by the Company in relation to the funding of projects. The Company shall continue to proceed with the application for the proposed issue of A shares at such time when the Company considers appropriate. Further announcement will be made by the Company if there are any further developments in relation to the proposed issue of A shares.

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

By order of the Board
Beijing Capital Land Ltd.
Liu Xiaoguang
Chairman

Beijing, the PRC, 23rd July 2004