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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  
JOINT VENTURE AGREEMENT**

The Board announces that, on 2 June 2010, Chuangxin Company, a wholly owned subsidiary of the Company, entered into the Joint Venture Agreement with CC Properties to establish the Joint Venture, a sino-foreign equity joint venture company, which shall be owned by Chuangxin Company as to 99% and CC Properties as to 1%. The total capital commitment of the Joint Venture is US\$139,137,000 and shall be contributed by each of Chuangxin Company and CC Properties as to 99% and 1%.

For the purpose of Chapter 14 of the Listing Rules, as one or more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but less than 25%, the formation of the Joint Venture pursuant to the Joint Venture Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Rules 14.34 and 14.38 of the Listing Rules.

**JOINT VENTURE AGREEMENT**

**Date of the Joint Venture Agreement**

2 June 2010

**Parties**

The Joint Venture Agreement was entered into between:

- (A) Chuangxin Company; and
- (B) CC Properties.

Chuangxin Company is a wholly owned subsidiary of the Company. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, CC Properties and its ultimate beneficial owner are Independent Third Parties.

**Formation and term of the Joint Venture**

The Joint Venture shall be owned by Chuangxin Company as to 99% and CC Properties as to 1%. The term of the Joint Venture shall be 40 years, which shall commence from the date of the issuance of the business licence of the Joint Venture.

## **Scope of business**

The scope of business of the Joint Venture shall be the development of the Project situated in Changyang Town, Fangshan, the PRC, which shall include the development of residential and commercial properties and ancillary facilities subject to the scope of business as stipulated in the business licence to be issued by the industry and commerce registration authority.

The total site area of the Land is approximately 181,800 square meters. The development of the Project is expected to commence in the second half of 2010 and it is intended that the Land will be developed into a residential and commercial complex.

## **Total capital commitment and registered capital**

The total commitment shall be US\$139,137,000 (inclusive of the amount of registered capital). The registered capital of the Joint Venture shall be US\$127,000,000 and shall be contributed as to 99% by Chuangxin Company and 1% by CC Properties. 15% of the registered capital shall be contributed in cash within 90 days from the date of establishment of the Joint Venture as shown on the business licence of the Joint Venture and the balance thereof shall be contributed in cash within 2 years from such date of establishment. The amount of capital in RMB amount equivalent to be contributed in cash by Chuangxin Company will be generated from internal resources.

The capital contribution obligations of the parties under the Joint Venture Agreement are subject to, inter alia, registration of the Joint Venture with the relevant PRC authority and the issuance of the business licence, other relevant approvals and certificates by the relevant PRC authorities, unless waived by the relevant parties to the Joint Venture Agreement as to each of the above conditions.

In the event that additional funds shall be required for the development of the Project, it shall be financed by bank loans to be arranged by the Joint Venture. The parties shall provide guarantee in accordance with the board resolution passed by the Joint Venture at the relevant point of time. Such guarantee, if any, will be provided by the parties in proportion to their respective equity interest. If the bank loan shall be insufficient to meet the funding requirement of the Joint Venture, the parties shall provide shareholders' loan to the Joint Venture in proportion to their respective equity interest in the Joint Venture and then capital injection in accordance with the board resolution passed by the Joint Venture at the relevant point of time.

## **Profit sharing**

Any profit or loss of the Joint Venture shall be shared or borne by Chuangxin Company and CC Properties in proportion to their respective equity interest in the Joint Venture.

## **Board composition**

The board of directors of the Joint Venture shall consist of five directors. Chuangxin Company shall be entitled to appoint four directors and CC Properties shall be entitled to appoint one director. The chairman of the board shall be appointed by Chuangxin Company.

## **Financial treatment**

The Joint Venture shall be owned by Chuangxin Company as to 99% and CC Properties as to 1% respectively and will become a subsidiary of the Company. The financial results of the Joint Venture will be consolidated into the Group's financial statements.

## **PRINCIPAL ACTIVITIES**

The Group is a large property developer in the PRC, focusing primarily on developing medium to high-end residential properties, quality/high-end office buildings and commercial properties. Chuangxin Company is a wholly owned subsidiary of the Company and is principally engaged in investment management.

CC Properties is principally engaged in trading. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, CC Properties and its ultimate beneficial owner are Independent Third Parties.

## **REASONS FOR AND BENEFITS OF THE FORMATION OF JOINT VENTURE**

The Board considers that the Project is of good development potential which enables the Group to enhance its influence in the PRC property market. By entering into the Joint Venture Agreement, the Directors believe that it will provide a good opportunity for the Group to enhance its competitiveness in furtherance of its business in property development.

The Directors believe that the terms of the Joint Venture Agreement are made on an arm's length basis and on normal commercial terms, and are made in the ordinary and usual course of business of the Group and are fair and reasonable and in the interest of the Shareholders as a whole.

The Directors consider that it will be in the interest of the Company to adopt the terms of the Joint Venture Agreement.

## **LISTING RULES IMPLICATION**

For the purpose of Chapter 14 of the Listing Rules, as one or more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but less than 25%, the formation of the Joint Venture pursuant to the Joint Venture Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Rules 14.34 and 14.38 of the Listing Rules.

## **DEFINITIONS**

|                       |  |
|-----------------------|--|
| “Board”               | the board of Directors   |
| “CC Properties”       | China Creative Properties Limited (中創置業有限公司), a company incorporated in Hong Kong with limited liability and an Independent Third Party  |
| “Chuangxin Company”   | Beijing Chuangxin Jianye Real Estate Investment Limited (北京創新建業地產投資有限公司), a company incorporated in the PRC with limited liability and a wholly owned subsidiary of the Company          |
| “Company”             | Beijing Capital Land Ltd., a joint stock company incorporated in the PRC with limited liability and whose H Shares (stock code: 2868) are listed on the Main Board of the Stock Exchange |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules   |
| “Directors”           | the directors of the Company   |

|                                |  |
|--------------------------------|--|
| “Group”                        | the Company and its subsidiaries   |
| “H Shares”                     | the ordinary shares of RMB1.00 each in the share capital of the Company, which are issued outside the PRC, listed on the Stock Exchange and traded in Hong Kong          |
| “Hong Kong”                    | The Hong Kong Special Administrative Region of the PRC   |
| “Independent Third Party(ies)” | parties independent of the Group and its connected persons   |
| “Joint Venture”                | Beijing Capital Outlet Fangshan Real Estate Development Company Limited (北京首創奧特萊斯房山置業有限公司), a company incorporated in the PRC with limited liability                     |
| “Joint Venture Agreement”      | the sino-foreign equity joint venture agreement entered into between Chuangxin Company and CC Properties on 2 June 2010 in respect of the formation of the Joint Venture |
| “Land”                         | the piece of land which is situated in Changyang Town, Fangshan, the PRC   |
| “Listing Rules”                | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “PRC”                          | the People’s Republic of China   |
| “Project”                      | the property project to be developed by the Joint Venture on the Land  |
| “RMB”                          | Renminbi yuan, the lawful currency of the PRC  |
| “Shareholders”                 | the shareholders of the Company  |
| “Stock Exchange”               | The Stock Exchange of Hong Kong Limited  |
| “US\$”                         | United States dollars, the lawful currency of the United States of America   |
| “%”                            | per cent.  |

By Order of the Board  
**Beijing Capital Land Ltd.**  
**Lee Sing Yeung, Simon**  
*Company Secretary*

Hong Kong, 2 June 2010

*The Board as of the date of this announcement comprises Mr. Liu Xiaoguang (Chairman), Mr. Tang Jun and Mr. Zhang Juxing who are the executive Directors, Mr. Feng Chunqin, Ms. Cao Guijie and Ms. Zhu Min who are the non-executive Directors, Mr. Ke Jianmin, Mr. Li Zhaojie and Mr. Ng Yuk Keung who are the independent non-executive Directors.*