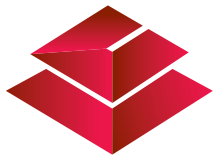


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# 首創置業股份有限公司

## BEIJING CAPITAL LAND LTD.

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

(Stock Code: 2868)

### DISCLOSEABLE TRANSACTIONS – FRAMEWORK AGREEMENT

#### **FRAMEWORK AGREEMENT**

The Board is pleased to announce that on 19 July 2013, a Framework Agreement was entered into between the Company as the vendor and ZHHQ, in respect of the Proposed Disposal, involving the disposal of the Equity Interest, representing the entire equity interest in the Target Company, and the Shareholder's Loan with interest, at the Consideration of approximately RMB497,048,850. Under the Framework Agreement, the Parties agreed on the framework for the Proposed Disposal, completion of all matters relating to the registration of the Proposed Disposal, obtaining the new business license of the Target Company, and procuring the relevant parties to enter into definitive agreements to record and effect the transfer of legal title of the Equity Interest and assignment of all rights, title, benefit and interest of and in the Shareholder's Loan.

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 transaction under the Framework Agreement constitutes a discloseable transaction for the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

#### **BACKGROUND**

On 19 July 2013, the Framework Agreement was entered into between the Company and ZHHQ, in respect of the Proposed Disposal, involving the disposal of the Equity Interest, representing the entire equity interest in the Target Company, and the Shareholder's Loan with interest, at the Consideration of approximately RMB497,048,850. Under the Framework Agreement, the Parties agreed on the framework for the Proposed Disposal, completion of all matters relating to the registration of the Proposed Disposal, obtaining the new business license of the Target Company, and procuring the relevant parties to enter into definitive agreements to record and effect the transfer of legal title of the Equity Interest and assignment of all rights, title, benefit and interest of and in the Shareholder's Loan.

## THE FRAMEWORK AGREEMENT

Date: 19 July 2013

Vendor: The Company

Purchaser: ZHHQ, as the Purchaser.

Assets to be disposed and consideration:

The assets to be disposed comprise:– (i) the Equity Interest, representing the entire equity interest of the Target Company as at the date of Completion; and (ii) the Shareholder's Loan with interest. The principal amount of the Shareholder's Loan was RMB397,972,500 and the interest accrued up to the date of the Framework Agreement was RMB17,076,350. The interest accrued for the period from the date of the Framework Agreement up to the date of the assignment of the Shareholder's Loan is calculated at 10.4% per annum.

The Consideration is RMB497,048,850 made up of the consideration for the Equity Interest of RMB82,000,000 and the consideration for the Shareholder's Loan (principal together with the interest accrued up to the date of the Framework Agreement) of RMB415,048,850.

The above consideration was determined after arm's length negotiations between the Company and the Purchaser taking into consideration of the principal amount of the Shareholder's Loan and all interest accrued up to the date of the Framework Agreement and the valuation as at 31 May 2013 of the Target Company.

Conditions Precedent:

- (i) The Company shall complete all the necessary internal approval procedures for the transfer of the Equity Interest; and
- (ii) The Purchaser shall complete the fund-raising and all the approval procedures for fund-raising and the fund raised shall not be less than RMB850,000,000.
- (iii) If the Conditions Precedent cannot be fulfilled within 90 days after the date of the Framework Agreement, the Framework Agreement shall be automatically terminated and neither party shall assume any liability.

- Obligations of the parties and payment of the Consideration:
- (i) The Purchaser shall make payment of the Consideration to the Company's designated bank account at least one (1) working day before the parties dispatch the registration of the transfer of the Equity Interest with the relevant governmental authorities in the PRC;
  - (ii) The Purchaser may provide funds to the Target Company to pay the balance of the land cost of the Project by way of shareholder's loan; and
  - (iii) The parties shall prepare and submit the required necessary documents in respect of the registration of the transfer of the Equity Interest within 90 days after the land cost of the Project has been fully paid.

Completion: The transaction will be completed on the date when registration of the transfer of the Equity Interest with the relevant governmental authorities in the PRC is completed and the business license of the Target Company is obtained.

Termination: If the Company fails to carry out the necessary procedures to register the transfer of the Equity Interest with the relevant governmental authorities in the PRC, the Company shall pay to the Purchaser a daily penalty fee of 0.05% of the Consideration payable on every subsequent day after the due date.

If the Purchaser fails to pay the Consideration, the Purchaser shall pay to the Company a daily penalty fee of 0.05% of Consideration payable on every subsequent day after the due date.

## **ENTERING INTO THE LIMITED PARTNERSHIP AGREEMENT WITH THE FUND**

Subsequent to the Framework Agreement, a Limited Partnership Agreement will be entered into among ZHHQ-GP, as the General Partner, and the Company as one of the Intermediate Limited Partners and other investors as the Preferential, Intermediate and Secondary Limited Partners, for the purpose of the establishment of the Fund.

Pursuant to the Limited Partnership Agreement, the total Capital Commitment of the Fund shall not exceed RMB850,000,000 and the Company will subscribe the fund units in the amount of RMB140,000,000 as one of the Intermediate Limited Partners.

## **REASONS FOR AND BENEFIT OF ENTERING INTO THE FRAMEWORK AGREEMENT**

The Board considers that the Proposed Disposal will assist the Company to speed up the turnover cycle for its assets, strengthen its cash resources and raise its effective use of capital, which is beneficial to the expansion of the Group's business, further increasing the business scale and market share of the Group. Through co-operating with the fund to invest in the project, the Company could increase its revenue and return on investment and accumulate fund management experience, to achieve the "asset-light" business model in operation.

The Directors (including the independent non-executive Directors) are of the view that the framework agreement was 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**

For the purpose of Chapter 14 of the Listing Rules, as the applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) exceed 5% but less than 25%, the transaction under the Proposed Disposal constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **GENERAL INFORMATION ON THE PARTIES**

### **The Company**

The Company is a joint stock company incorporated under the laws of the PRC with limited liability and whose H shares are listed and traded on the Hong Kong Stock Exchange. The Company is a large property developer in the PRC, focusing primarily on developing and investing in high quality and high-end commercial properties and medium to high-end residential properties, operation of hotels, property consulting services and investment holding.

### **The Purchaser**

ZHHQ is a limited partnership established under the laws of the PRC and the business scope is investment in non-listed companies and non-publicly offered shares of listed companies and other related businesses.

ZHHQ-GP is the General Partner; Zhong Xin Xin Cheng Asset Management Limited\* (中信信誠資產管理有限公司) is the Preferential Limited Partner; the Company and Beijing Shi Ji Bo Yu Investment Management Limited\* (北京世紀博宇投資管理有限公司) are the Intermediate Limited Partners; Beijing Pu Feng You Shi Investment Management Limited\* (北京普豐優勢投資管理有限公司) is the Secondary Limited Partner of the Fund. Beijing Shi Ji Bo Yu Investment Management Limited\* (北京世紀博宇投資管理有限公司) and Beijing Pu Feng You Shi Investment Management Limited\* (北京普豐優勢投資管理有限公司) are companies incorporated under the laws of the PRC with limited liability and principally engaged in investment management.

### **ZHHQ-GP**

The Company, Zhong Xin Ju Xin (Beijing) Capital Management Limited\* (中信聚信(北京)資本管理有限公司) and CITIC Trust Co., Ltd.\* (中信信託有限責任公司) holds 40%, 40% and 20% of the equity interests in ZHHQ-GP respectively. ZHHQ-GP is a company incorporated under the laws of the PRC with limited liability and principally engaged in investment management and related consultancy services.

CITIC Trust Co., Ltd.\* (中信信託有限責任公司), Zhong Xin Ju Xin (Beijing) Capital Management Limited\* (中信聚信(北京)資本管理有限公司) and Zhong Xin Xin Cheng Asset Management Limited\* (中信信誠資產管理有限公司) are incorporated under the laws of the PRC with limited liability and principally engaged in trust business, investment and asset management and related financial services respectively and held by CITIC Group\* (中國中信集團).

Save as the above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the above parties is an Independent Third Party and not connected person of the Company.

### **The Target Company**

The Target Company is a wholly-owned subsidiary of the Company and was incorporated under the laws of the PRC with limited liability on 13 March 2013 and is principally engaged in the development of Chongqing Xiyong Central Business Project (重慶西永商務中心區項目).

The unaudited net asset value of the Target Company as at 31 May 2013 was approximately RMB79,563,221. The unaudited net loss both before and after taxation and extraordinary items were approximately RMB436,779 for the period ended 31 May 2013.

### **FINANCIAL EFFECTS OF THE TRANSACTION**

An aggregate gain (after tax) of approximately RMB1,936,779 (excluding interest income and subject to audit) is expected to arise from the Proposed Disposal, which represents the difference between (1) the Consideration; and (2) the aggregate of the costs of investment incurred by the Group in the Target Company.

It is the current intention of the Company that the proceeds arising from the Framework Agreement shall be used by the Company as general working capital.

### **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
“Capital Commitment”	the total aggregate capital commitment to be contributed by the Partners shall not exceed RMB850,000,000 pursuant to the Limited Partnership Agreement
“Chongqing Xiyong Central Business Project”	parcels of land situated at Xiyong Central Business District in Shapingba District, Chongqing, the PRC with above-the-ground GFA of 146,409 sq.m. and aggregate GFA of 491,977 sq.m.
“Company”	Beijing Capital Land Ltd. (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 transfer of the Equity Interest and assignment of all rights, title, benefit and interest of any in the Shareholder's Loan from the Vendor
“connected person(s)”	having the meaning ascribed to such term in the Listing Rules

“Consideration”	the total consideration to be paid by the Purchaser to the Company for the transfer of the Equity Interest and the assignment of the Shareholder’s Loan (principal and interest) pursuant to the Framework Agreement
“Framework Agreement”	the framework agreement entered into between the Company and ZHHQ on 19 July 2013 in connection with the Proposed Disposal
“Fund” or “Partnership” or “Purchaser”	ZHHQ, a limited partnership established under the laws of the PRC pursuant to the Limited Partnership Agreement
“General Partner”	a partner to the Partnership, for the purpose of the Limited Partnership Agreement, being ZHHQ-GP, which is responsible for the executive functions and management of the Partnership
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Intermediate Limited Partners”	the partner to the Partnership with limited liability in proportion to their respective capital commitment under the Limited Partnership Agreement
“Limited Partnership Agreement”	the Limited Partnership Agreement will be entered among, ZHHQ-GP, as a General Partner, the Company, as an Intermediate Limited Partner and other investors, as Preferential, Intermediate and Secondary Limited Partners, for the purpose of the establishment of the Fund
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau and Taiwan
“Project Company” or “Target Company”	Chongqing Shou Yong Property Limited* (重慶首永置業有限公司), a wholly-owned subsidiary of the Company and incorporated under the laws of the PRC with limited liability
“Proposed Disposal”	the proposed disposal of the Equity Interest and the Shareholder’s Loan (principal and interest) by the Company to the Purchaser pursuant to the terms of the Framework Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Shareholder’s Loan”	all the Shareholder’s loan due from the Target Company to the Company as at the date of the Framework Agreement

“ZHHQ”	Zhuhai Hengqin Beijing Capital Land Guang He Cheng Equity Investment Fund (Limited Partner)* (珠海橫琴首創置業光和城股權投資基金(有限合夥), a limited partnership established under the laws of the PRC
“ZHHQ-GP”	Zhuhai Hengqin Shou Ju Chuang Xin Equity Investment Fund Management Limited* (珠海橫琴首聚創信股權投資基金管理有限公司), a company incorporated under the laws of the PRC with limited liability

\* *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 Sing Yeung, Simon**  
*Company Secretary*

Hong Kong, 19 July 2013

*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 Mr. Zhang Shengli who are the non-executive Directors, Mr. Li Zhaojie, Mr. Ng Yuk Keung and Mr. Wang Hong who are the independent non-executive Directors.*