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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 25 April 2014, a Framework Agreement was entered into between Beijing RYFX and Beijing ZRKH, each a wholly-owned/an indirectly wholly-owned subsidiary of the Company as the vendors and ZHZZF as the purchaser, 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 RMB564,984,600. 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, 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 25 April 2014, the Framework Agreement was entered into between Beijing RYFX, Beijing ZRKH and ZHZZF, 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 RMB564,984,600. 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 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: 25 April 2014

Vendors: Beijing RYFX; and
Beijing ZRKH

Purchaser: ZHZZF

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 RMB542,012,000 and the interest accrued up to 28 February 2014 was RMB2,972,600. The interest accrued for the period from 1 March 2014 up to the date of the assignment of the Shareholder's Loan is calculated at 13% per annum.

The Consideration is RMB564,984,600 made up of the consideration for the Equity Interest of RMB20,000,000 and the consideration for the Shareholder's Loan (principal together with the interest accrued up to 28 February 2014) of RMB544,984,600.

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 28 February 2014 and the valuation as at 28 February 2014 of the Target Company.

Conditions Precedent: (i) The Company shall complete all the necessary internal approval procedures for the transfer of the Equity Interest;

(ii) The Purchaser shall complete the fund-raising and all the approval procedures for the fund-raising and the fund raised shall not exceed RMB810,000,000; and

(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 for the Equity Interest to the Vendors' respective designated bank accounts within 30 days after the definitive agreement is signed; and

(ii) The parties shall prepare and submit the required necessary documents in respect of the registration of the transfer of the Equity Interest within 180 days after the definitive agreement is signed.

- 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.
- 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 the Consideration payable on every subsequent day after the due date.

ENTERING INTO THE LIMITED PARTNERSHIP AGREEMENT FOR THE FORMATION OF 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 RMB810,000,000 and the Company will subscribe the fund units in the amount of RMB81,000,000 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 participating in the fund operation to invest in the project, the Company could increase 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 one or more than one of 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 Framework Agreement constitutes a discloseable transaction of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL INFORMATION ON THE PARTIES

INFORMATION ON THE GROUP

The Group 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.

Beijing RYFX is a company incorporated under the laws of the PRC with limited liability and is a wholly-owned subsidiary of the Company. The principal business of Beijing RYFX is property development.

Beijing ZRKH is a company incorporated under the laws of the PRC with limited liability and is an indirectly wholly-owned subsidiary of the Company. The principal business of Beijing ZRKH is investment management.

INFORMATION ON THE PURCHASER

ZHZZF is a limited partnership established under the laws of the PRC and its 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; Beijing Tian Di Fang Zhong Asset Management Limited* (北京天地方中資產管理有限公司) and Zhong Xin Xin Cheng Asset Management Limited* (中信信誠資產管理有限公司) are the Preferential Limited Partner; Beijing RYFX and Beijing ZRKH are the Intermediate Limited Partners.

Beijing Tian Di Fang Zhong Asset Management Limited* (北京天地方中資產管理有限公司) 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 investment management business.

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 business 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.

INFORMATION ON THE TARGET COMPANY

The Target Company is an indirectly wholly-owned subsidiary of the Company and was incorporated under the laws of the PRC with limited liability on 24 February 2014 and is principally engaged in the development of Beijing Pinggu Daxingzhuang Project (北京市平谷區大興莊鎮項目).

The unaudited net asset value of the Target Company as at 28 February 2014 was approximately RMB20,000,000.

USE OF PROCEEDS AND FINANCIAL EFFECTS OF THE TRANSACTION

The Target Company is an indirect wholly-owned subsidiary of the Company and the initial investment cost is approximately RMB20,000,000. The net asset value and fair value as at 28 February 2014 was both RMB20,000,000 and the consideration is RMB20,000,000. It is expected that the transaction would not have any significant impact on the Group's consolidated income statement (excluding interest income and subject to audit).

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

Upon Completion, the Target Company shall cease to be an indirect wholly-owned subsidiary of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

Beijing RYFX	Beijing Rui Yuan Feng Xiang Property Limited* (北京瑞元豐祥置業有限公司), a company incorporated under the laws of the PRC with limited liability, which holds 50% equity interest in the Target Company
Beijing ZRKH	Beijing Zhong Rui Kai Hua Investment Management Limited* (北京中瑞凱華投資管理有限公司), a company incorporated under the laws of the PRC with limited liability, which holds 50% equity interest in the Target Company
“Board”	the board of directors of the Company
“Capital Commitment”	the total aggregate capital commitment to be contributed by the Partners shall not exceed RMB810,000,000 pursuant to the Limited Partnership Agreement
“Beijing Pinggu Daxingzhuang Project”	parcels of land situated at Daxingzhuang District in Pinggu District, Beijing, the PRC with GFA of 82,785 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 Vendors
“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 Vendors 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 Vendors and ZHZZF on 25 April 2014 in connection with the Proposed Disposal
“Fund” or “Partnership” or “Purchaser”	ZHZZF, a limited partnership established under the laws of the PRC pursuant to the Limited Partnership Agreement
“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
“Proposed Disposal”	the proposed disposal of the Equity Interest and the Shareholder’s Loan (principal and interest) by the Vendors 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 Vendors as at the date of the Framework Agreement

“Target Company”	Beijing Tai Hao Sheng Yuan Property Limited* (北京泰浩盛垣置業有限公司), a company held as to 50% by Beijing RYFX and 50% by Beijing ZRKH and is an indirect wholly-owned subsidiary of the Company and incorporated under the laws of the PRC with limited liability
“Vendors”	Beijing RYFX and Beijing ZRKH
“ZHZZF”	Zhuhai Hengqin Beijing Capital Land Zi Zhu Fang Equity Investment Centre (Limited Partner)* (珠海橫琴首創置業自住房股權投資中心(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, 25 April 2014

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. Wang Hao, Mr. Shen Jianping 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.