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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 INVESTMENT IN THE FUND

The Board is pleased to announce that on 19 November 2014, the Limited Partnership Agreement was entered into among ZHSC Equity Investment Fund Management, which 40% equity interest is held by the Company, as General Partner, ZHR Equity Investment Enterprise, which equity is indirectly wholly-owned by the Company, as Intermediate Limited Partner, and other investors as Preferential Limited Partner 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 to be contributed by the Partners shall be RMB2,200,000,000, including RMB22,000,000 to be invested in the Fund by ZHSC Equity Investment Fund Management as General Partner and RMB456,000,000 to be invested in the Fund by ZHR Equity Investment Enterprise as Intermediate Limited Partner.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the investment in the Fund by ZHR Equity Investment Enterprise exceed 5% but are all less than 25%, the transaction constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

On 19 November 2014, the Limited Partnership Agreement was entered into among ZHSC Equity Investment Fund Management, which 40% equity interest is held by the Company, as General Partner, ZHR Equity Investment Enterprise, which equity is indirectly wholly-owned by Company, as Intermediate Limited Partner and other investors as Preferential Limited Partner 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 to be contributed by the Partners shall be RMB2,200,000,000, including RMB22,000,000 to be invested in the Fund by ZHSC Equity Investment Fund Management as General Partner and RMB456,000,000 to be invested in the Fund by ZHR Equity Investment Enterprise as Intermediate Limited Partner.

THE LIMITED PARTNERSHIP AGREEMENT

Date: 19 November 2014

Parties (Partners): **General Partner**

- ZHSC Equity Investment Fund Management;

Intermediate Limited Partner

- ZHR Equity Investment Enterprise;

Other Partners

- CITIC-CP Asset Management Corporation Ltd. * (中信信誠資產管理有限公司), as Preferential Limited Partner; and
- other investors as Secondary Limited Partners.

Capital Commitment to Partnership:

The Capital Commitment in the aggregate sum of RMB2,200,000,000 shall be contributed by the Partners in the following manner:–

- (i) RMB22,000,000, representing 1% of the Capital Commitment, to be contributed by ZHSC Equity Investment Fund Management, as General Partner;
- (ii) an aggregate sum of RMB2,178,000,000, representing 99% of the Capital Commitment, to be contributed by the Limited Partners in proportion to their respective amount of capital commitment under the Limited Partnership Agreement, particulars of which are as follows:–
 - (a) RMB456,000,000, representing approximately 20.73% of the Capital Commitment, to be contributed by ZHR Equity Investment Enterprise as Intermediate Limited Partner; and
 - (b) RMB1,722,000,000, representing approximately 78.27% of the Capital Commitment, to be contributed by the Preferential Limited Partner and Secondary Limited Partners.

The Capital Commitment was determined based on the estimated costs for the acquisition of the Project Company by the Fund, the estimated costs in relation to the Project Company's operations including, among others, the costs of development of land, construction of property on the land and working capital required by the Project Company.

The General Partner, as the manager of the Fund, has the right to increase the capital commitment and issue new interest in the Fund during the term of the Fund.

Payment of the Capital Commitment for the Fund:	The Partners shall contribute their respective amount of capital commitments set out above in cash, payable to the Fund on or before the deadline as notified by ZHSC Equity Investment Fund Management, which is expected to be 31 December 2014.
Establishment date of the Fund	The Fund shall be established on such date to be declared by the General Partner as the manager of the Fund (the “ Establishment Date ”).
Term of the Fund:	The term of the Fund shall be six (6) years commencing from the date of issue of its business licence (the “ End Date ”) and the Fund shall be dissolved upon the expiry of the term.
Right of early redemption	<p>With the consent of the General Partner as the manager of the Fund, the Preferential Limited Partner has the right to redeem its capital commitment in the Fund prior to the End Date.</p> <p>The Intermediate Limited Partner, the Secondary Limited Partners and the General Partner do not have such right of early redemption.</p>
Business scope of the Fund:	The business scope of the Fund is investment in non-listed companies, and investment in listed companies which are not offered to the public, and activities related to such investments.
Application of the Fund:	The Capital Commitment received by the Fund will be used to acquire 100% equity interest in the Project Company and to finance the Project Company’s operation.
Fees for the Fund:	<ul style="list-style-type: none"> • The Fund shall pay a management fee to the General Partner, as the manager of the Fund, equivalent to 2% of the residual balance of the total Capital Commitment by all the Partners times $N/365$, N being the actual number of days commencing from the Establishment Date of the Fund until the capital injected by all the Partners have been fully distributed. The management fee shall be paid every twelve (12) months after the Establishment Date. • The Fund shall be responsible for all relevant costs, fees and expenses incurred and arising from the establishment and operation of the Fund, including, among others, government fees, legal and professional fees and financing costs.
Management of the Fund:	<p>ZHSC Equity Investment Fund Management, the General Partner, shall be the manager of the Fund and shall have the power to make all decisions in the operations and investments of the Fund and to represent the Fund in such matters pursuant and subject to the Limited Partnership Agreement.</p> <p>Pursuant to the Limited Partnership Agreement, the Fund shall engage the Company for the supervision and management of the daily operations of the Project Company, and the Project Company shall have the right to use the Company’s trademark. The Company shall enter into a separate management agreement with the Fund in connection with such supervision and management services, and shall receive a management fee under such agreement.</p>

Distribution Mechanism of the capital commitments and returns of the Fund: Subject to the Limited Partnership Agreement, the Fund shall distribute the capital commitments and returns of the Fund in cash in the following manner (if applicable):–

- (i) The respective amount of capital commitments of the Limited Partners and the relevant returns (where applicable) shall first be distributed to the Limited Partners as determined under the Limited Partnership Agreement. The ranking for distribution among the Limited Partners shall be the Preferential Limited Partner, the Intermediate Limited Partner and then the Secondary Limited Partners.
- (ii) The remaining respective amount of capital commitment of the General Partner and the relevant returns (where applicable) shall then be distributed to the General Partner as determined under the Limited Partnership Agreement.
- (iii) In the event that there is a surplus in the Fund after the above distributions (“**Surplus**”), it shall be distributed to the Partners in such proportion in accordance with the Limited Partnership Agreement.

Subject to the availability of cash in the Fund at the relevant times and as determined by the General Partner, as the manager of the Fund, the payment of the above distribution(s) shall be made as follows (if applicable):

- (i) Every twelve (12) months after the Establishment Date in respect of the relevant returns (where applicable) to the Preferential Limited Partner.
- (ii) At the End Date of the Fund in respect of (a) the respective amount of capital commitment and unpaid relevant returns (where applicable) to the Preferential Limited Partner; (b) the respective amount of capital commitment and relevant returns (where applicable) to the Intermediate Limited Partner; (c) the respective amount of capital commitment of the Secondary Limited Partners; and (d) the respective amount of capital commitment of the General Partner.
- (iii) The Surplus and other unpaid distributions (where applicable) to the Partners shall be paid prior to the end of the term of the Fund.

REASONS FOR AND BENEFIT OF ENTERING INTO THE LIMITED PARTNERSHIP AGREEMENT

The Board expects to obtain a steady return and share of profit in the Project Company through the distributions by the Fund out of its investment in the Project Company. The Company's investment in the Fund will increase the effectiveness of its usage of internal funds, enlarge the Company's business scale without increasing its liabilities and assist the Company to further increase the brand presence and market share of the Group. In addition, the investment in the Fund would increase the Company's return on investment and accumulate its fund management experience, to achieve a "light-asset" business model for the Company and assist the Group in achieving its strategic target of breakthrough in business scale. As the Company will also provide management services pursuant to a separate management services agreement with the Fund which will generate additional management fee to the Company, it would also increase the income source of the Company.

The Directors (including the independent non-executive Directors) are of the view that the Limited Partnership 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.

THE PROJECT COMPANY

The Project Company is a company newly incorporated under the laws of the PRC in July 2014 with limited liability which is currently held by another fund. The Project Company was incorporated for the purposes of holding the residential and commercial project involving the development of land plots in Jialing Industrial Park of Shapingba District in Chongqing (重慶市沙坪壩區雙碑嘉陵工業園) with a site area of 218,303 sq.m. The acquisition of the relevant land plots by the Project Company is expected to be completed in December 2014 and the development of the relevant land plots is expected to commence in March 2015 and to be completed by the end of 2019. The properties will be offered for sale after completion.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) in respect of the investment in the Fund by ZHR Equity Investment Enterprise exceed 5% but are all less than 25%, the transaction under the Limited Partnership Agreement constitutes a discloseable transaction for the Company and is 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 in the PRC with limited liability, whose H shares are listed on the Main Board of the Stock Exchange (Stock Code: 2868). The Group is a large property developer in the PRC, focusing primarily on developing and investing in commercial properties, outlets-backed integrated properties and medium to high-end residential properties, operation of hotels, property consulting services and investment holding.

ZHR Equity Investment Enterprise

ZHR Equity Investment Enterprise is a limited partnership established under the laws of the PRC, which equity is indirectly wholly-owned by the Company, and is principally engaged in equity investments, project investments and partnership investments.

ZHSC Equity Investment Fund Management

The Company, CITIC 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 ZHSC Equity Investment Fund Management respectively. ZHSC Equity Investment Fund Management 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) and CITIC Ju Xin (Beijing) Capital Management Limited* (中信聚信(北京)資本管理有限公司) 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 indirectly held as to 100% by CITIC Group* (中國中信集團公司).

CITIC-CP Asset Management Corporation Ltd.

CITIC-CP Asset Management Corporation Ltd. is a company incorporated under the laws of the PRC with limited liability, which is a third party independent of the Company and principally engaged in investment and asset management.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as other wise stated above, each of the counterparties to the Limited Partnership Agreement and their ultimate beneficial owner(s) is third party independent of the Company and not a connected person 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:

“Board”	the board of Directors
“Capital Commitment”	the total capital commitment to be contributed by the Partners pursuant to the Limited Partnership Agreement, being an amount of RMB2,200,000,000
“Company”	Beijing Capital Land Limited (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
“connected persons”	having the meaning ascribed to such term in the Listing Rules
“Directors”	the directors of the Company
“Fund” or “Partnership”	Zhuhai Hengqin Ruiyuan Jialing Equity Investment Centre (Limited Partner)* (珠海橫琴瑞元嘉陵股權投資中心(有限合伙)), a limited partnership to be established under the laws of the PRC pursuant to the Limited Partnership Agreement, which name is subject to approval by the relevant PRC government authorities

“General Partner”	a partner to the Partnership with unlimited liability and for the purpose of the Limited Partnership Agreement, being ZHSC Equity Investment Fund Management
“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 Partner”	being the class of partner whose right to receive distribution(s) of its respective amount of capital commitment and relevant returns (where applicable) shall rank after the Preferential Limited Partner and before the Secondary Limited Partners and the General Partner under the Limited Partnership Agreement
“Limited Partner(s)”	Preferential Limited Partner, Intermediate Limited Partner and Secondary Limited Partners to the Partnership with limited liability in proportion to their respective amount of capital commitment under the Limited Partnership Agreement
“Limited Partnership Agreement”	the Limited Partnership Agreement entered into on 19 November 2014 among ZHSC Equity Investment Fund Management, which 40% equity interest is held by the Company, as the General Partner, and ZHR Equity Investment Enterprise, which equity is indirectly wholly-owned subsidiary by Company, as the Intermediate Limited Partner and other investors as Preferential Limited Partner 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
“Partners”	the General Partner and Limited Partners
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Preferential Limited Partner”	being the class of partner whose right to receive distribution(s) of its respective amount of capital commitment and relevant returns (where applicable) shall rank before the Intermediate Limited Partner, the Secondary Limited Partners and the General Partner under the Limited Partnership Agreement
“Project Company”	Chongqing Shouhui Property Limited* (重慶首滙置業有限公司), a company incorporated under the laws of the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Secondary Limited Partners”	being the class of partner whose right to receive distribution(s) of its respective amount of capital commitment and relevant returns (where applicable) shall rank after the Preferential Limited Partner and Intermediate Limited Partner and before the General Partner under the Limited Partnership Agreement
“ZHR Equity Investment Enterprise”	Zhuhai Hengqin Ruiyuan Equity Investment Enterprise (Limited Partner)* (珠海橫琴瑞元滙金股權投資企業(有限合伙)) is a limited partnership established under the laws of the PRC, which equity is indirectly wholly-owned by the Company, being the Intermediate Limited Partner
“ZHSC Equity Investment Fund Management”	Zhuhai Hengqin Shouju Chuangxin Equity Investment Fund Management Company Limited* (珠海橫琴首聚創信股權投資基金管理有限公司) is a company incorporated under the laws of the PRC with limited liability, which 40% equity interest is held by the Company, being the General Partner

* *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 Sze Wai
Company Secretary

Hong Kong, 19 November 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.