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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)

CONNECTED TRANSACTIONS PARTNERSHIP AGREEMENTS IN RELATION TO FORMATION OF FUNDS

FORMATION OF FUNDS

The Board is pleased to announce that on 4 July 2019, Shoujin Yingchuang (a wholly-owned subsidiary of the Company) has entered into the Shoujin Dechuang Partnership Agreement with Shouzheng Zefu in relation to the formation of Shoujin Dechuang Fund. The initial registered capital of Shoujin Dechuang Fund is RMB100,000,000, including RMB20,000,000 (representing 20% of the capital contribution) to be subscribed by Shoujin Yingchuang as a general partner, and RMB80,000,000 (representing 80% of the capital contribution) to be subscribed by Shouzheng Zefu as a limited partner. Shoujin Dechuang Partnership will not be accounted for as a subsidiary of the Company and its financial results will not be consolidated into the accounts of the Company.

In addition, on 4 July 2019, Shoujin Yingchuang (a wholly-owned subsidiary of the Company) has entered into the Shouzheng Dejin Partnership Agreement with Shouzheng Desheng in relation to the formation of Shouzheng Dejin Fund. The initial registered capital of Shouzheng Dejin Fund is RMB100,000,000, including RMB20,000,000 (representing 20% of the capital contribution) to be subscribed by Shouzheng Desheng as a general partner, and RMB80,000,000 (representing 80% of the capital contribution) to be subscribed by Shoujin Yingchuang as a limited partner. Shouzheng Dejin Partnership will not be accounted for as a subsidiary of the Company and its financial results will not be consolidated into the accounts of the Company.

The main purpose of the formation of Shoujin Dechuang Fund and Shouzheng Dejin Fund is to jointly invest in real estate projects including urban renewal projects, commercial property projects, long-term rental housing projects, real estate-related cultural and creative projects and other real estate-related equity projects.

LISTING RULES IMPLICATIONS

Each of Shouzheng Zefu and Shouzheng Desheng is a subsidiary of Capital Group, which is the controlling shareholder of the Company. Therefore, Capital Group, Shouzheng Zefu and Shouzheng Desheng are connected persons of the Company for the purpose of the Listing Rules. Accordingly, the entering into of the Shoujin Dechuang Partnership Agreement and Shouzheng Dejin Partnership Agreement and the transaction(s) contemplated thereunder constitute connected transactions of the Company under the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceed 0.1% but are less than 5%, the entering into of the Shoujin Dechuang Partnership Agreement and Shouzheng Dejin Partnership Agreement and the transaction(s) contemplated thereunder are subject to the announcement requirement but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 4 July 2019, Shoujin Yingchuang (a wholly-owned subsidiary of the Company) has entered into the Shoujin Dechuang Partnership Agreement with Shouzheng Zefu in relation to the formation of Shoujin Dechuang Fund. The initial registered capital of Shoujin Dechuang Fund is RMB100,000,000, including RMB20,000,000 (representing 20% of the capital contribution) to be subscribed by Shoujin Yingchuang as a general partner, and RMB80,000,000 (representing 80% of the capital contribution) to be subscribed by Shouzheng Zefu as a limited partner. Shoujin Dechuang Partnership will not be accounted for as a subsidiary of the Company and its financial results will not be consolidated into the accounts of the Company.

In addition, on 4 July 2019, Shoujin Yingchuang (a wholly-owned subsidiary of the Company) has entered into the Shouzheng Dejin Partnership Agreement with Shouzheng Desheng in relation to the formation of Shouzheng Dejin Fund. The initial registered capital of Shouzheng Dejin Fund is RMB100,000,000, including RMB20,000,000 (representing 20% of the capital contribution) to be subscribed by Shouzheng Desheng as a general partner, and RMB80,000,000 (representing 80% of the capital contribution) to be subscribed by Shoujin Yingchuang as a limited partner. Shouzheng Dejin Partnership will not be accounted for as a subsidiary of the Company and its financial results will not be consolidated into the accounts of the Company.

The main purpose of the formation of Shoujin Dechuang Fund and Shouzheng Dejin Fund is to jointly invest in real estate projects including urban renewal projects, commercial property projects, long-term rental housing projects, real estate-related cultural and creative projects and other real estate-related equity projects.

ESTABLISHMENT OF FUNDS

The main terms of the Shoujin Dechuang Partnership Agreement and the Shouzheng Dejin Partnership Agreement are as follows:

SHOUJIN DECHUANG PARTNERSHIP AGREEMENT

Date: 4 July 2019

Parties:

- Shoujin Yingchuang (a wholly-owned subsidiary of the Company) as a general partner; and
- Shouzheng Zefu as a limited partner.

THE SCOPE OF THE BUSINESS OF SHOUJIN DECHUANG PARTNERSHIP

The scope of business of Shoujin Dechuang Partnership is equity investment, investment consultation, and other related services (subject to the business scope to be approved by the relevant Industrial and Commercial Administration Department in the PRC). Shoujin Dechuang Partnership will be registered as fund in Asset Management Association of China.

PURPOSE OF THE FORMATION OF SHOUJIN DECHUANG FUND AND CAPITAL COMMITMENT OF THE PARTIES

The Shoujin Dechuang Fund will be established according to the terms and conditions of the Shoujin Dechuang Partnership Agreement with investment focus primarily in real estate projects including urban renewal projects, commercial property projects, long-term rental housing projects, real estate-related cultural and creative projects and other real estate-related equity projects.

According to Shoujin Dechuang Partnership Agreement, the initial registered capital of Shoujin Dechuang Fund is RMB100,000,000, including RMB20,000,000 to be subscribed by Shoujin Yingchuang as a general partner, and RMB80,000,000 to be subscribed by Shouzheng Zefu as a limited partner. All capital contributions to be subscribed by each partner shall be paid in accordance with the partnership agreement unless otherwise agreed by the partners. The Company will finance the contribution of Shoujin Yingchuang under the partnership agreement from its internal resources.

The initial registered capital of Shoujin Dechuang Fund and the respective contribution of all partners should be determined after arm's length negotiation between Shoujin Yingchuang and Shouzheng Zefu with reference to the expected funding needs of Shoujin Dechuang Fund's projects.

TERM OF SHOJIN DECHUANG FUND

The term of the Shoujin Dechuang Fund will be five years from the date of formation of this fund, subject to early termination or extension if unanimously approved by all partners. The Shoujin Dechuang Partnership is registered for a long-term period commencing from the date of issuance of the business license.

MANAGEMENT OF SHOJIN DECHUANG FUND

Pursuant to the Shoujin Dechuang Partnership Agreement, Shoujin Yingchuang as general partner, will act as the executive partner to manage the investment and operation of Shoujin Dechuang Fund. An investment strategy committee will be formed pursuant to the Shoujin Dechuang Partnership Agreement as the decision-making body of the Shoujin Dechuang Fund and it will comprise five members, of which three members will be appointed by Shoujin Yingchuang and two members will be appointed by Shouzheng Zefu. Resolutions of the investment strategy committee may only be passed with an unanimous vote from its members.

TRANSFER OF INTEREST IN SHOJIN DECHUANG FUND

The limited partner may, with the consent of all partners, transfer its interests in the Shoujin Dechuang Fund, subject to a first right of refusal of the other partners.

PROFITS SHARING

Shoujin Yingchuang, acting as the executive partner, will be entitled to (1) annual management fee calculated at 2% of the paid-up capital of the fund; and (2) another 20% of the profits of the Shoujin Dechuang Fund after each partner has been distributed with its investment principal amount and such additional amount to give an investment return rate of 8% per annum, and the remaining profits, if any, will be shared amongst the partners according to their respective proportion of capital contributions to the Shoujin Dechuang Fund.

SHOUZHENG DEJIN PARTNERSHIP AGREEMENT

Date: 4 July 2019

Parties:

- Shouzheng Desheng, as a general partner; and
- Shoujin Yingchuang, a wholly-owned subsidiary of the Company, as a limited partner.

SCOPE OF BUSINESS OF SHOZHENG DEJIN PARTNERSHIP

The scope of business of the Shouzheng Dejin Partnership is equity investment, investment consultation and other related services (subject to the business scope to be approved by the relevant Industrial and Commercial Administration Department in the PRC). Shouzheng Dejin Partnership will be registered as fund in Asset Management Association of China.

PURPOSE OF THE FORMATION OF THE SHOZHENG DEJIN FUND AND CAPITAL COMMITMENT OF THE PARTIES

The Shouzheng Dejin Fund will be established according to the terms and conditions of the Shouzheng Dejin Partnership Agreement with the investment focus primarily in real estate projects including urban renewal projects, commercial property projects, long-term rental housing projects, real estate-related cultural and creative projects and other real estate-related equity projects.

According to the Shouzheng Dejin Partnership Agreement, the initial registered capital of Shouzheng Dejin Fund was RMB100,000,000, including RMB20,000,000 to be subscribed by Shouzheng Desheng as a general partner, and RMB80,000,000 to be subscribed by Shoujin Yingchuang as a limited partner. All capital contributions to be subscribed by each partner shall be paid in accordance with the partnership agreement unless otherwise agreed by the partners. The Company will finance the contribution of Shoujin Yingchuang under the partnership agreement from its internal resources.

The initial registered capital of the Shouzheng Dejin Fund and the respective contributions of all partners should be determined after arm's length negotiation between Shouzheng Desheng and Shoujin Yingchuang with reference to the anticipated capital requirement of the Shouzheng Dejin Fund's projects.

TERM OF THE SHOZHENG DEJIN FUND

The term of the Shouzheng Dejin Fund will be five years from the date of formation of this fund, subject to early termination or extension if unanimously approved by all partners. The Shouzheng Dejin Partnership is registered for a long-term period commencing from the date of issuance of the business license.

MANAGEMENT OF SHOZHENG DEJIN FUND

Pursuant to the Shouzheng Dejin Partnership Agreement, Shouzheng Desheng as general partner, will act as the executive partner to manage the investment and operation of the Shouzheng Dejin Fund. An investment strategy committee will be formed pursuant to the Shouzheng Dejin Partnership Agreement as the decision-making body of the Shouzheng Dejin Fund and it will comprise five members, of which three members will be appointed by Shouzheng Desheng and two members will be appointed by Shoujin Yingchuang. Resolutions of the investment strategy committee may only be passed with an unanimous vote from its members.

TRANSFER OF INTEREST IN SHOUZHENG DEJIN FUND

The limited partner may, with the consent of all partners, transfer its interests in the Shouzheng Dejin Fund, subject to a first right of refusal of the other partners.

PROFITS SHARING

Shouzheng Desheng, acting as the executive partner, will be entitled to (1) annual management fee calculated at 2% of the paid-up capital of the fund; and (2) another 20% of the profits of the Shouzheng Dejin Fund after each partner has been distributed with its investment principal amount and such additional amount to give an investment return rate of 8% per annum, and the remaining profits, if any, will be shared amongst the partners according to their respective proportion of capital contributions to the Shouzheng Dejin Fund.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHOUJIN DECHUANG PARTNERSHIP AGREEMENT AND THE SHOUZHENG DEJIN PARTNERSHIP AGREEMENT

The Company is a leading large integrated real estate developer in the PRC, focusing primarily on developing the four main business streams of residential property development, outlets, urban core integrated complex and primary land development, complemented by innovative business areas such as high-tech industry properties, cultural and creative industries and rental housing. In order to effectively utilise the internal resources of Capital Group and fully leverage the strength of the Group, through Prime Golden Capital, and Capital Group, through Capital Securities in respect of private real estate funds, the Company and Capital Securities intend to jointly invest in urban renewal projects, commercial property projects, long-term rental housing projects, real estate-related cultural and creative projects and other real estate-related equity projects with growth potential by establishing funds, which could provide fundraising channels. In further, Shoujin Yingchuang will bring about additional management fee income to the Group for acting as the executive partner of the Shoujin Dechuang Fund.

The Directors (including the independent non-executive Directors) believe that the Shoujin Dechuang Partnership Agreement and Shouzheng Dejin Partnership Agreement and the transaction(s) contemplated thereunder are in the interests of the Company and the Shareholders as a whole and their terms are on normal commercial terms in the ordinary and usual course of business of the Company and are fair and reasonable. None of the Directors (except for Mr. Li Songping and Mr. Su Jian, who assume directorships and/or management roles in Capital Group) has material interests in the transaction(s) and is required to abstain from voting on the relevant Board resolutions. Mr. Li and Mr. Su had abstained from the relevant Board resolutions.

INFORMATION ABOUT THE PARTIES

Shoujin Yingchuang is a company established in the PRC with limited liability and principally engaged in fund investment operation and management. It is a wholly-owned subsidiary of Prime Golden Capital, which principally engaged in asset management and investment management.

Shouzheng Desheng is a company established in the PRC with limited liability and principally engaged in private equity fund management business and equity investment related financial advisory business. Shouzheng Desheng is a wholly-owned subsidiary of Capital Securities, which principally engaged in securities broking, underwriting, proprietary trading business, investment consultation, asset management, investment banking and direct investment business.

Shouzheng Zefu is a company established in the PRC with limited liability and principally engaged in alternative investments businesses, such as financial products and equity. It is a wholly-owned subsidiary of Capital Securities.

LISTING RULES IMPLICATIONS

Each of Shouzheng Zefu and Shouzheng Desheng is a subsidiary of Capital Group, which is the controlling shareholder of the Company. Therefore, Capital Group, Shouzheng Zefu and Shouzheng Desheng are connected persons of the Company for the purpose of the Listing Rules. Accordingly, the entering into of the Shoujin Dechuang Partnership Agreement and Shouzheng Dejin Partnership Agreement and the transaction(s) contemplated thereunder constitute connected transactions of the Company under the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceed 0.1% but are less than 5%, the entering into of the Shoujin Dechuang Partnership Agreement and Shouzheng Dejin Partnership Agreement and the transaction(s) contemplated thereunder are subject to the announcement requirement but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors of the Company
“Capital Group”	Beijing Capital Group Co., Ltd.* (北京首都創業集團有限公司), a state-owned enterprise incorporated in the PRC on 26 October 1994, under the direct administration of the Government of Beijing, the controlling shareholder and a connected person of the Company

“Capital Securities”	Capital Securities Co., Ltd.* (首創證券有限責任公司), a company incorporated in the PRC with limited liability, and a subsidiary of Capital Group
“Company”	Beijing Capital Land Ltd. (首創置業股份有限公司), a joint stock company incorporated in the PRC with limited liability and whose H Shares are listed on the Main Board of the Stock Exchange (stock code: 2868)
“connected person(s)”	has the meaning ascribed to such term in the Listing Rules
“Director(s)”	the director(s) of the Company
“H Share(s)”	the ordinary shares of RMB1.00 each of the Company which are issued outside the PRC, listed on the Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“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
“Prime Golden Capital”	Prime Golden Capital Management (Tianjin) Company Limited* (首金資本管理(天津)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Shoujin Dechuang Partnership Agreement”	partnership agreement entered into between Shoujin Yingchuang and Shouzheng Zefu on 4 July 2019 in relation to the establishment and management of Shoujin Dechuang Fund
“Shoujin Dechuang Partnership” or “Shoujin Dechuang Fund”	Shoujin Dechuang (Tianjin) Equity Investment Fund Partnership (Limited Partnership)* (首金德創(天津)股權投資基金合夥企業(有限合夥) (the final name of which is subject to the approval of the administrative department for industry and commerce), a limited partnership to be established in the PRC under Shoujin Dechuang Partnership Agreement, and will be registered as fund in Asset Management Association of China

“Shoujin Yingchuang”	Shoujin Yingchuang Investment and Management (Zhuhai) Company Limited* (首金盈創投資管理(珠海)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Prime Golden Capital
“Shouzheng Dejin Partnership Agreement”	the partnership agreement dated 4 July 2019 entered into between Shouzheng Desheng and Shoujin Yingchuang in relation to the establishment and management of Shouzheng Dejin Fund
“Shouzheng Dejin Partnership” or “Shouzheng Dejin Fund”	Zhuhai Shouzheng Dejin Equity Investment Fund (Limited Partnership)* (珠海首正德金股權投資基金(有限合夥)) (the final name of which is subject to the approval of the administrative department for industry and commerce), a limited partnership to be established in the PRC under Shouzheng Dejin Partnership Agreement, and will be registered as fund in Asset Management Association of China
“Shouzheng Desheng”	Shouzheng Desheng Capital Management Co., Ltd.* (首正德盛資本管理有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Capital Securities
“Shouzheng Zefu”	Shouzheng Zefu Innovation Investment (Beijing) Co., Ltd.* (首正澤富創新投資(北京)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Capital Securities
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage

* *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, 4 July 2019

The Board as of the date of this announcement comprises Mr. Li Songping (Chairman) who is the non-executive Director, Mr. Zhong Beichen (President), Mr. Li Xiaobin, Mr. Hu Weimin and Mr. Fan Shubin who are the executive Directors, Mr. Su Jian who is the non-executive Director, and Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin who are the independent non-executive Directors.