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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 TRANSACTION
PARTNERSHIP AGREEMENT IN RELATION TO
FORMATION OF FUND

FORMATION OF THE PARTNERSHIP FUND

The Board is pleased to announce that on 12 September 2019, the Company, Capital Group, Capital Venture, a subsidiary of Capital Group, and Capital Jingzhong, a subsidiary of Capital Group, have entered into the Partnership Agreement in relation to the formation of the Partnership Fund. The initial registered capital of the Partnership Fund is RMB500,000,000, including RMB20,000,000 (representing 4% of the capital contribution) to be subscribed by Capital Venture as a general partner, RMB280,000,000 (representing 56% of the capital contribution) to be subscribed by Capital Group as a limited partner, and RMB100,000,000 (representing 20% of the capital contribution) to be subscribed by each of the Company and Capital Jingzhong as a limited partner. The main purpose of the formation of the Partnership Fund is to invest in sub-funds under the cultural and creative industries and projects therein. The Partnership Fund 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.

LISTING RULES IMPLICATIONS

Each of Capital Venture and Capital Jingzhong is a subsidiary of Capital Group, which is the controlling shareholder of the Company. Therefore, Capital Group, Capital Venture and Capital Jingzhong are connected persons of the Company for the purpose of the Listing Rules. Accordingly, the entering into of the 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 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 12 September 2019, the Company, Capital Group, Capital Venture, a subsidiary of Capital Group, and Capital Jingzhong, a subsidiary of Capital Group, have entered into the Partnership Agreement in relation to the formation of the Partnership Fund. The initial registered capital of the Partnership Fund is RMB500,000,000, including RMB20,000,000 (representing 4% of the capital contribution) to be subscribed by Capital Venture as a general partner, RMB280,000,000 (representing 56% of the capital contribution) to be subscribed by Capital Group as a limited partner, and RMB100,000,000 (representing 20% of the capital contribution) to be subscribed by each of the Company and Capital Jingzhong as a limited partner. The main purpose of the formation of the Partnership Fund is to invest in sub-funds under the cultural and creative industries and projects therein. The Partnership Fund 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.

ESTABLISHMENT OF PARTNERSHIP FUND

The main terms of the Partnership Agreement are as follows:

PARTNERSHIP AGREEMENT

Date: 12 September 2019

Parties:

- Capital Venture (as a general partner);
- Capital Group (as a limited partner);
- the Company (as a limited partner); and
- Capital Jingzhong (as a limited partner).

THE SCOPE OF THE BUSINESS OF THE PARTNERSHIP FUND

The scope of business of the Partnership Fund covers equity investments and investment consultation as well as other related services (subject to the scope of business being approved by the relevant Industrial and Commercial Administration Department in the PRC). The Partnership Fund will be filed as a fund with the Asset Management Association of China.

PURPOSE OF THE FORMATION OF THE PARTNERSHIP FUND AND CAPITAL COMMITMENT OF THE PARTIES

The Partnership Fund will be established in accordance to the terms and conditions of the Partnership Agreement, and the directions of investment include: cultural space (including old factories renovation and cultural and creative park projects), cultural management team, cultural and creative management team cultivation, cultural content (including film and television, IP, cultural and creative content etc.), cultural products, cultural and art derivatives, design products and cultural restoration etc.

The initial registered capital of the Partnership Fund is RMB500,000,000, including RMB20,000,000 to be subscribed by Capital Venture (as a general partner), RMB280,000,000 to be subscribed by Capital Group (as a limited partner), and RMB100,000,000 to be subscribed by each of the Company and Capital Jingzhong (each as a limited partner), respectively.

Capital Venture will endeavor to procure BCL and its subsidiaries or a third party independent of Capital Group to develop and operate the projects invested by the fund.

The initial registered capital of the Partnership Fund and the respective contributions of the partners were determined after arm's length negotiation between the Company, Capital Group, Capital Venture and Capital Jingzhong with reference to the estimated project funding requirements of the Partnership Fund.

TERM OF THE PARTNERSHIP FUND

The term of the Partnership Fund will be eight years from the date of formation of the Partnership Fund. If unanimously approved by all the partners, the first to fourth year from the date of incorporation of the limited partnership shall be the investment period, while the fifth to eighth year shall be the divestment period.

MANAGEMENT OF THE PARTNERSHIP FUND

Pursuant to the Partnership Agreement, Capital Venture, as a general partner, will act as the executive partner to manage the investment and operation of the Partnership Fund. An investment strategy committee will be formed pursuant to the Partnership Agreement as the decision-making body and it will comprise five members, of which one will be appointed by Capital Group; one will be appointed by BCL; one will be appointed by Capital Jingzhong and two will be appointed by Capital Venture. Resolutions of the investment strategy committee are subject to the approval by two-thirds of committee members, together with the vote for consent from the member appointed by Capital Group.

TRANSFER OF INTEREST IN THE PARTNERSHIP FUND

A limited partner may, with the consent of all partners, transfer its interests in the Partnership Fund, subject to the first right of refusal of the other partners.

PROFITS SHARING

Capital Venture, acting as the fund manager, will be entitled to an annual management fee calculated at 1% of the paid-up capital of the fund. 20% of the profits of the Fund will be allocated to the fund manager and 80% will be allocated to all fund investors in proportion to their respective paid-in capital contributions. The fund is subject to even allocation upon maturity and unallocated capital may be used in revolving investment.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 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. The formation of the Fund can leverage on the resources from the parties to accelerate the development of cultural and creative projects, which in turn facilitates the Group's participation in the cultural and creative industries.

The Directors (including the independent non-executive Directors) believe that the 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) contemplated under the Partnership Agreement 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

Capital Group is a large state-owned enterprise under the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality, and also a controlling shareholder of the Company.

Capital Venture is a company established in the PRC with limited liability, and a private equity fund manager registered with the Asset Management Association of China. It is principally engaged in the operation and management of culture and industrial fund platform.

Capital Jingzhong is company established in the PRC with limited liability and principally engaged in primary land development business for government land.

LISTING RULES IMPLICATIONS

Each of Capital Venture and Capital Jingzhong is a subsidiary of Capital Group, which is the controlling shareholder of the Company. Therefore, Capital Group, Capital Venture and Capital Jingzhong are connected persons of the Company for the purpose of the Listing Rules. Accordingly, the entering into of the 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 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 Jingzhong”	Capital Jingzhong (Tianjin) Investment Co., Ltd.* (首創經中(天津)投資有限公司), a company established in the PRC with limited liability, and a wholly-owned subsidiary of Capital Group
“Capital Venture”	Beijing Capital Venture Investment Co., Ltd* (北京首創創業投資有限公司), a company established in the PRC with limited liability, a private equity fund manager registered with the Asset Management Association of China and a subsidiary of Capital Group
“Company” or “BCL”	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)
“Partnership Agreement”	The partnership agreement dated 12 September 2019 entered into between the Company, Capital Group, Capital Venture and Capital Jingzhong in relation to the establishment and management of the Partnership Fund
“Partnership Fund”	Beijing Capital Culture Industrial Investment Fund (Limited Partnership)* (北京首創文化產業投資基金(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 the Partnership Agreement, and will be registered as fund in Asset Management Association of China

“percentage ratio(s)”	percentage ratio(s) as defined under Rule 14.04(9) of the Listing Rules
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“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, 12 September 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.