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(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

INVESTMENT IN THE FUND

The Company is pleased to announce that the Board has approved Shoujin Jiachuang, a wholly-owned subsidiary of the Company and as a Limited Partner, to invest not more than RMB940 million to the Fund. On 27 November 2019, Shoujin Jiachuang (as a Limited Partner), Shanghai Ample Harvest (as a Limited Partner) and Harmony Hui Investment Management (as the General Partner) has entered into a Partnership Agreement in relation to the establishment of the Fund.

Pursuant to the Partnership Agreement, the total initial capital commitments to the Fund amount to RMB1,041 million, comprising the initial investments of RMB590 million, RMB450 million and RMB1 million to the Fund by Shoujin Jiachuang as a Limited Partner, Shanghai Ample Harvest as a Limited Partner and Harmony Hui Investment Management as the General Partner, respectively.

The Company expects that Harmony Hui Investment Management as General Partner will introduce other Limited Partners to invest not less than RMB270 million to the Fund subsequently, subject to which Shoujin Jiachuang will further invest not more than RMB350 million to the Fund as the Limited Partner, and the final investment scale of the Fund will not be more than RMB1,661 million in aggregate. The 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

As the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Subscription for an aggregate amount of up to RMB940 million as approved by the Board are more than 5% but less than 25%, the Subscription approved by the Board constitutes a discloseable transaction and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Company is pleased to announce that the Board has approved Shoujin Jiachuang, a wholly-owned subsidiary of the Company and as a Limited Partner, to invest not more than RMB940 million to the Fund. On 27 November 2019, Shoujin Jiachuang (as a Limited Partner), Shanghai Ample Harvest (as a Limited Partner) and Harmony Hui Investment Management (as the General Partner) has entered into a Partnership Agreement in relation to the establishment of the Fund.

Pursuant to the Partnership Agreement, the total initial capital commitments to the Fund amount to RMB1,041 million, comprising the initial investments of RMB590 million, RMB450 million and RMB1 million to the Fund by Shoujin Jiachuang as a Limited Partner, Shanghai Ample Harvest as a Limited Partner and Harmony Hui Investment Management as the General Partner, respectively.

The Company expects that Harmony Hui Investment Management as General Partner will introduce other Limited Partners to invest not less than RMB270 million to the Fund subsequently, subject to which Shoujin Jiachuang will further invest not more than RMB350 million to the Fund as the Limited Partner, and the final investment scale of the Fund will not be more than RMB1,661 million in aggregate. The 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.

THE PARTNERSHIP AGREEMENT

The principal terms of the Partnership Agreement are set out below:

- Date : 27 November 2019
- Parties : (i) Harmony Hui Investment Management as the General Partner;
- (ii) Shoujin Jiachuang as a Limited Partner; and
- (iii) Shoujin Ample Harvest (as fund manager) as a Limited Partner.
- Capital commitments : Pursuant to the Partnership Agreement, the initial capital commitments in an aggregate sum of RMB1,041 million shall be contributed by the Partners in the following manners:
- (i) an amount of RMB1 million (representing approximately 0.10% of the initial capital commitments to the Fund) contributed by Harmony Hui Investment Management;
- (ii) an amount of up to RMB590 million (representing approximately 56.68% of the initial capital commitments to the Fund) contributed by Shoujin Jiachuang; and
- (iii) an amount of up to RMB450 million (representing approximately 43.23% of the initial capital commitments to the Fund) contributed by Shanghai Ample Harvest.

The initial capital commitments to the Fund will be paid by each Partner in accordance with the instructions given by the General Partner upon the establishment of the Fund.

The Company expects that the General Partner will continue to introduce potential investor(s) to make investments to the Fund and subject to which Shoujin Jiachuang will make further investments to the Fund in the following manners:

- (i) an amount of not more than RMB270 million to be invested by the potential investor(s), as Limited Partner(s); and
- (ii) an amount of not more than RMB350 million to be further invested by Shoujin Jiachuang.

Upon the completion of the above additional investments, if any, into the Fund, the total capital commitments to the Fund are expected to be increased to not more than RMB1,661 million, the proportion of amounts invested or to be invested by Shoujin Jiachuang, Shanghai Ample Harvest, Harmony Hui Investment Management and other Limited Partner(s) will be approximately 56.59%, 27.09%, 0.06% and 16.26%, respectively.

The General Partner may subsequently propose to further increase the capital commitments to the Fund, subject to the approval by all Partners. Each Partner may elect whether or not to participate in the further contributions.

Name of the Fund : Tianjin Harmony Nili Equity Investment Limited Partnership Fund* (天津和諧霓鯉股權投資基金合夥企業(有限合夥))

- Investment strategies : The Fund will make investments in commercial properties (including office buildings) located in first-tier cities in the PRC (mainly Beijing and Shanghai), which principally are commercial properties of the Group. The Fund will manage such commercial properties, with an aim to upgrade and optimize the value of such properties and generate returns to Partners. In any event, the Fund shall not trade in shares of listed companies, invest in futures or invest in any industries restricted by the PRC government.
- Term : The term of the Fund will be not more than five years in aggregate commencing from the start of the Investment Period, i.e. the Fund having obtained the business license and is available for investment, of which the first three years will be the Investment Period and not more than two years will be the Extension Period.
- Investment committee : The investment committee of the Fund will comprise of three members, all of which will be appointed by the General Partner. The investment committee of the Fund is responsible for the investment decisions of the Fund and the operation and management decision of the project companies held by the Fund.
- Consultation committee : The consultation committee of the Fund will comprise of three members, of which Shoujin Jiachuang, Shanghai Ample Harvest and the General Partner will each appoint one member and after the Investment Period the member(s) will be primarily appointed by the General Partner. The consultation committee of the Fund is responsible for considering (a) the proposals for the disposal of the Fund's investments; (b) revolving investments; (c) the external financing and guarantee of the Fund and the project company(ies) which the Fund invested in; and (d) any related party transactions entered into by the parties related to the Fund of which the amount exceeds 20% of the net assets of the Fund. Except for the withdrawal plan of the Fund's investments during the Extension Period, all the resolutions of the consultation committee shall be passed with unanimous consent of all members.

- Management fee : The Fund will pay an annual management fee to the General Partner during the Investment Period based on 1.85% of the total capital commitment of the Fund. The management fee is payable semi-annually. No management fee will be payable to the General Partner during the Extension Period.
- Profit/loss sharing and allocation mechanism : Pursuant to the Partnership Agreement, the Fund will pay investment yield to each of the Partners and make cash distributions in the following manners:
- (1) The allocation arrangement during the Investment Period
 - (i) on specified dates in 2019, 2020 and 2021, basic investment yield will be allocated to the Partners based on the performance of the Fund and in proportion to the respective paid-up capital commitments of the Partners as of those dates;
 - (ii) On specified date in December 2021, March 2022 and June 2022, basic investment yield and investment principal will be allocated to the Partners based on the respective proportion paid-up capital contribution of the Partners as of those dates and will be subject to the cash available for allocation of the Fund as of those dates;
 - (iii) On the expiry date of the Investment Period, the Fund can be allocated as follows (1) allocate the investment yield based on the proportion of paid-up balance of each Partner, until the investment principal of each Partner are fully recovered; (2) continue to allocate basic investment yield to each Partner based on the proportion of paid-up investment contributions on the expiry date of the Investment Period; (3) after the completion of the above-mentioned allocation, if there are remaining capital available for allocation, the excess yield shall be allocated based on the then proportion of balances of paid-up contributions from each Limited Partner on the expiry date of the Investment Period.

- (2) The income arrangement during the Extension Period (if applicable)

The annual basic investment yield for the Extension Period shall be allocated first followed by the investment principal afterwards based on the proportion of the paid-up contribution balance of each Partner in the Extension Period. The excess yield for the Extension Period shall be allocated based on the then proportion of the balance of paid-up contribution for the Extension Period of each Limited Partner.

In any event, the liability of the Limited Partners will be limited to their respective capital commitments to the Fund and the General Partner will have unlimited liability.

Transfer of interests in the Fund : The transfer of all or portion of the interests in the Fund (as represented by the respective capital commitments in the Fund) by any Limited Partner will be subject to the approval of the General Partner and a party designated by the General Partner will have the pre-emptive right of the interests proposed to be transferred.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Company has been exploring opportunities to exploit the potential value of commercial properties, with the purpose of enhancing the returns to the shareholders of the Group. Harmony Hui Investment Management is a real estate fund investment management company in the PRC under IDG Capital Investment* (IDG資本), which has been committed to promoting the development of the commercial real estate funds of IDG Capital Investment since its establishment, especially the reserves of core assets in first-tier cities and the investment opportunities of city-industry integration. Harmony Hui Investment will be the fund manager of the Fund. Both parties will apply their investment and management experience and manage the projects according to the asset management strategies of the fund manager. Leveraging on the global vision of IDG Capital Investment, the strength in upstream and downstream resources as well as the professional investment management capability, more opportunities is expected to be provided in respect of upgrading project quality and streamlining operation management, thereby achieving value-added gains in asset values. Meanwhile, the establishment of the Fund may lay down the foundation of the long-term strategic cooperation between both parties. The Company and IDG Capital Investment anticipate to expand and deepen the cooperation areas continuously, integrate resources of both parties intensively and complement advantages, so as to jointly explore the investment opportunities of other premium properties and seek mutual benefits and win-win situation.

The Directors (including the independent non-executive Directors) are of the view that the Subscription is on normal commercial terms, and the terms and conditions contained in the Partnership Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Subscription for an aggregate investment amount of not more than RMB940 million approved by the Board are more than 5% but less than 25%, the Subscription approved by the Board constitutes a discloseable transaction and is therefore 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 leading large integrated real estate developer in the PRC, focusing primarily on developing the three main business streams of residential properties, outlets-backed integrated properties and urban core integrated complexes, complemented by innovative business areas such as primary land development, high-tech industry properties, cultural and creative industries and long term rental apartments.

Shoujin Jiachuang

Shoujin Jiachuang is a company established under the laws of the PRC and an indirect wholly owned subsidiary of the Company. It is principally engaged in equity investments and project investments.

Shanghai Ample Harvest

Shanghai Ample Harvest is a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Shanghai Ample Harvest (Group) Co. Ltd.* (上海豐實服務(集團)有限公司). It is mainly engaged in businesses such as financial information services, investment consulting etc.. It is a financial investment service institution that is resource-driven and event-driven, covering innovative investment banks, asset management and wealth management. Shanghai Ample Harvest is a private equity and venture capital fund manager registered under the Asset Management Association of China.

Harmony Hui Investment Management

Harmony Hui Investment Management is a company established under the laws of the PRC with limited liability and a real estate fund investment management company which is principally engaged in investment management and asset management. Harmony Hui Investment Management is a private equity and venture capital fund manager registered under the Asset Management Association of China.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Shanghai Ample Harvest, Harmony Hui Investment Management and their ultimate beneficial owner are third parties independent of the Company and its connected person(s) 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 of the Company
“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 Stock Exchange
“Director(s)”	director(s) of the Company
“Extension Period”	a period of not more than two years upon the expiration of the Investment Period
“Fund”	Tianjin Harmonious Nili Equity Investment Fund (Limited Partnership)* (天津和諧霓鯉股權投資基金合夥企業(有限合夥)), a limited partnership investment fund to be established and registered under the laws of the PRC in accordance with the terms and conditions of the Partnership Agreement
“General Partner”	general partner of the Fund, currently being Harmony Hui Investment Management pursuant to the Partnership Agreement

“Group”	the Company and its subsidiaries
“Harmony Hui Investment Management”	Harmony Hui Equity Investment Management (Beijing) Co. Ltd.* (和諧匯股權投資管理(北京)有限公司), a company established in the PRC with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment Period”	a period of three years commencing from the Fund obtains the business license and is available for investment
“Limited Partner(s)”	the limited partner(s) of the Fund, currently being Shoujin Jiachuang and Shanghai Ample Harvest pursuant to the Partnership Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Partners”	the General Partner and the Limited Partners
“Partnership Agreement”	the partnership agreement entered into on 27 November 2019 among Shoujin Jiachuang, Shanghai Ample Harvest and Harmony Hui Investment Management in respect of, among other things, the establishment of the Fund and the initial investment of RMB590 million to the Fund by Shoujin Jiachuang
“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
“Shanghai Ample Harvest”	Shanghai Ample Harvest Equity Investments Management Limited* (上海豐實股權投資管理有限公司), a company established in the PRC with limited liability

“Shoujin Jiachuang”	Shoujin Jiachuang (Tianjin) Real Estate Development Co. Ltd.* (首金嘉創(天津)置業發展有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the proposed investment(s) of an aggregate amount of up to RMB940 million in the Fund by Shoujin Jiachuang as a Limited Partner pursuant to the Partnership Agreement and the separate agreement(s) to be entered into among the relevant parties in relation to the additional investments in the Fund
“%”	per cent

* *For identification purposes only and should not be regarded as the official English translations of the Chinese names. In the event of any inconsistency, the Chinese names prevail.*

By Order of the Board
Beijing Capital Land Ltd.
Lee Sze Wai
Company Secretary

Hong Kong, 27 November 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.