

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2868)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE ESTABLISHMENT OF THE PARTNERSHIP**

ESTABLISHMENT OF THE PARTNERSHIP

The Board is pleased to announce that on 7 February 2020, Shoujin Capital and Guoxin Yicheng (both wholly-owned subsidiaries of the Company) have entered into the Partnership Agreement with Union Life Insurance and Longma Capital in relation to the establishment of a Partnership.

Pursuant to the Partnership Agreement, the total capital commitment of the Partnership is RMB2,536,000,000, of which Longma Capital and Guoxin Yicheng, as General Partners, will each invest RMB1,000,000 (each representing 0.04% of the total capital commitment of the Partnership), while Shoujin Capital and Union Life Insurance, as Limited Partners, will each invest RMB1,267,000,000 (each representing 49.96% of the total capital commitment of the Partnership). The purpose of the Partnership is to purchase the Tianyue Binjiang Commercial Properties located in Shanghai, the PRC, which will be developed and pre-sold by the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceed 5% but are all less than 25%, the entering into of the Partnership Agreement and the transaction thereunder constitute a discloseable transaction of the Company, and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 7 February 2020, Shoujin Capital and Guoxin Yicheng (both wholly-owned subsidiaries of the Company) have entered into the Partnership Agreement with Union Life Insurance and Longma Capital in relation to the establishment of a Partnership.

Pursuant to the Partnership Agreement, the total capital commitment of the Partnership is RMB2,536,000,000, to which Longma Capital and Guoxin Yicheng, as General Partners, will each invest RMB1,000,000 (each representing 0.04% of the total capital commitment of the Partnership), while Shoujin Capital and Union Life Insurance, as Limited Partners, will each invest RMB1,267,000,000 (each representing 49.96% of the total capital commitment of the Partnership).

Establishment of the Partnership

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

Partnership Agreement

Date : 7 February 2020

Parties :

- Longma Capital, as a General Partner;
- Guoxin Yicheng, a wholly-owned subsidiary of the Company, as a General Partner;
- Shoujin Capital, a wholly-owned subsidiary of the Company, as a Limited Partner; and
- Union Life Insurance, as a Limited Partner.

Scope of business of the Partnership

The scope of business of the Partnership is investment management, industrial investment, asset management, project investment and investment consultation. The Partnership will arrange for its filing as a fund with the Asset Management Association of China.

Purpose and capital commitment of the Partnership

The purpose of the Partnership is to purchase the Tianyue Binjiang Commercial Properties located in Shanghai, the PRC, which will be developed and pre-sold by the Group. As of the date of this announcement, the relevant parties have not entered into any definitive agreements in relation to the investment in the Tianyue Binjiang Commercial Project.

The Partnership has a size of RMB2,536,000,000, which consists of the investments of RMB1,000,000 from each of Longma Capital and Guoxin Yicheng, respectively, both of which acting as General Partners and each accounts for 0.04% of the size of the Partnership; and the investments of RMB1,267,000,000 from each of Shoujin Capital and Union Life Insurance, respectively, both of which acting as Limited Partners and each accounts for 49.96% of the size of the Partnership.

The size of the Partnership and the capital contributions of the Partners are determined after arm's length negotiations between the Group, Longma Capital and Union Life Insurance with reference to the expected costs of purchase of the Tianyue Binjiang Commercial Properties to be borne by the Partnership. The Partnership will not be accounted for as a subsidiary of the Company and therefore its financial results will not be consolidated into the accounts of the Company.

Term of the Partnership

The Partnership has a term of up to five years, starting from the date on which the first capital contributions of all Limited Partners are received by the escrow account. After three years, the Partnership may be terminated or extended for up to two years depending on the operation conditions of the project company held by the Partnership and the timing for the divestment of the Partnership.

Investment strategies of the Partnership

The Partnership will establish subsidiaries, through which it will acquire commercial assets or acquire equity interest of companies which are engaged in the investment and development of commercial property projects. The Partnership aims to increase the value of the invested properties through property management and to obtain capital gain through the disposal of invested projects. The Partnership has agreed to establish a special purpose vehicle, which will be owned as to 99.9% and 0.1% by the Partnership and a wholly-owned subsidiary of the Company, respectively, with the intention of directly purchasing the Tianyue Binjiang Commercial Properties, which will be developed and pre-sold by Shanghai Shouyang, a wholly-owned subsidiary of the Company.

Management of the Partnership

Pursuant to the Partnership Agreement, Longma Capital, being a General Partner, will act as the fund manager to provide management services including investigations and analyses of investment targets, transaction structure designs, participation in negotiations, monitoring and management of companies in which the investments are made, provision of advice regarding divestment etc. Fund manager has right to charge management fee from Partnership.

The investment decision-making committee has been established by the Partnership as the decision-making body of the Partnership. The investment decision-making committee is responsible for all matters related to the Partnership, including investment and divestment. The investment decision-making committee shall consist of three members, of which two members shall be appointed by Longma Capital, while one member shall be appointed by Guoxin Yicheng. General matters shall be approved by at least two-thirds of the members of the investment decision-making committee. Special matters (including foreign investment, financing and guarantee, and income distribution) shall be unanimously approved by all members of the investment decision-making committee.

Management Fee

Pursuant to the Partnership Agreement, Longma Capital, as the fund manager of the Partnership, can charge a management fee at the rate of no more than 0.1% per annum based on the balance of the paid-in capital contribution made by the Partnership, which is accrued on a daily basis.

Distribution Mechanism

Income of the Partnership shall be distributed to each Partner according to its respective proportion of paid-in capital contribution. The order of distribution(s) by the Partnership shall be as follows: 1) various taxes and fees payable by the Partnership; 2) management fees and bank custody fees payable; 3) income distribution to the Partners according to their respective proportion of paid-in capital contribution; and 4) paid-in capital contributions of each Partner.

Transfer of the Interests in the Partnership

With the unanimous consent of each Partner, the Limited Partner may transfer its interests in the Partnership and the other Partners shall be entitled to pre-emptive rights for acquiring such interests.

TIANYUE BINJIANG COMMERCIAL PROJECT

The Tianyue Binjiang Commercial Project (天閱濱江商業項目) is a commercial project to be developed on the Land. It is expected that commercial properties such as retail shops and offices will be developed for sale. The Tianyue Binjiang Commercial Project is held by Shanghai Shouyang, a wholly-owned subsidiary of the Company, which is responsible for its development and sale. Set out below are the details of the Land and the Tianyue Binjiang Commercial Project:

Location:	Intersection of Yulin Road (榆林路) and Jingxing Road (景星路) in Yangpu District (楊浦區) and the North Bund in Shanghai, the PRC
Nature of land-use-rights:	Commercial
Site area:	approximately 9,164.4 sq.m.
Planned gross floor area:	approximately 50,561.88 sq.m.
Construction scale:	approximately 33,252.01 sq.m.
Development status:	The construction permit has been obtained. The structural roof sealing of block 9a has been completed, while constructions of other blocks are yet to be commenced.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PARTNERSHIP AGREEMENT

Longma Capital is mainly engaged in equity investment and operation in the real estate sector, especially the establishment of business districts in first and second-tier cities. It has successfully invested in and operated a considerable number of commercial properties. The Company intends to bring in the management experience of Longma Capital in managing the commercial properties and utilize the capital of Union Life Insurance to invest in Tianyue Binjiang Commercial Properties, which will be developed and pre-sold by the Group, to efficiently recover the upfront capital invested by the Group in such project and expedite the turnover of the invested capital of the Shareholders. Meanwhile, the Company will utilize the management experience and professional knowledge of Longma Capital to increase the value of the Tianyue Binjiang Commercial Properties. The Group shall partially retain its interest in Tianyue Binjiang Commercial Properties through its investment in the Partnership to share the potential income of the project.

The Directors (including the independent non-executive Directors) believe that the Partnership Agreement and the transaction(s) contemplated thereunder are on normal commercial terms and their terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

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 four main business streams of residential properties, integrated outlets, urban core integrated complexes and primary land development, complemented by innovative business areas such as high-tech industry properties, cultural and creative industries and rental housing.

Longma Capital is a company established in the PRC with limited liability and a registered private equity fund manager of the Asset Management Association of China (manager registration no.: P1005328). It is principally engaged in asset management and project investment. Longma Capital, formed by the alumni of Central University of Finance and Economics in the PRC, has extensive experience in real estate investment and operation. To the best knowledge and belief of the Company, the single largest percentage interest holder of Longma Capital is Ningbo Meishan Bonded Port Longchuang Tianze Capital Partners, L.P.* (寧波梅山保稅港區龍創天澤投資管理合夥企業(有限合夥)) which holds about 22.5% interest in Longma Capital. The second largest percentage interest holder of Longma Capital is Beijing Zhongcai Longma Investment Management Co. Ltd. (北京中財龍馬投資管理有限公司) which holds about 20.5% interest in Longma Capital.

Guoxin Yicheng is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in investment management.

Shoujin Capital is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in asset management and investment management.

Union Life Insurance is a company established in the PRC with limited liability. It is principally engaged in a variety of services, covering insurance, asset management, elderly care, etc. Union Life Insurance is licensed by the China Insurance Regulatory Commission to operate in the PRC with life and health insurance products. To the best knowledge and belief of the Company, the largest percentage interest holder of Union Life Insurance is Zhongfa Enterprise (Group) Ltd. (中發實業(集團)有限公司) which holds about 46.06% interest in Union Life Insurance and Mr. Dai Hao is the actual controller.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Longma Capital, Union Life Insurance and their respective ultimate beneficial owners are third parties independent of the Company and its connected person(s) of the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceed 5% but are all less than 25%, the entering into of the Partnership Agreement and the transaction thereunder constitute a discloseable transaction of the Company, and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“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 in the PRC with limited liability and whose H shares are listed and traded 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
“General Partner(s)”	the general partner(s) of the Partnership, currently being Longma Capital and Guoxin Yicheng, pursuant to the Partnership Agreement
“Group”	the Company and its subsidiaries

“Guoxin Yicheng”	Guoxin Yicheng Investment Management (Beijing) Co., Ltd.* (國信易誠投資管理(北京)有限公司), a company established in the PRC with limited liability, and a wholly-owned subsidiary 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”	the Hong Kong Special Administrative Region of the PRC
“Land”	the land located at the intersection of Yulin Road (榆林路) and Jingxing Road (景星路) in Yangpu District (楊浦區) and the North Bund in Shanghai, the PRC
“Limited Partner(s)”	the limited partner(s) of the Partnership, currently being Shoujin Capital and Union Life Insurance, pursuant to the Partnership Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Longma Capital”	Beijing CUFU Longma Capital Co., Ltd.* (北京中財龍馬資本投資有限公司), a company established in the PRC with limited liability
“Partner(s)”	the General Partner(s) and/or the Limited Partner(s)
“Partnership”	Tianjin Longma Venture Capital Investment Partnership (Limited Partnership)* (天津龍馬合創股權投資合夥企業(有限合夥)), a limited partnership established in the PRC pursuant to the Partnership Agreement, and will be registered as a fund in Asset Management Association of China
“Partnership Agreement”	the partnership agreement dated 7 February 2020 entered into among Longma Capital, Guoxin Yicheng, Shoujin Capital and Union Life Insurance in relation to the establishment and management of the Partnership
“PRC”	the People’s Republic of China excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Shanghai Shouyang”	Shanghai Shouyang Investment Company Limited* (上海首楊投資有限公司), a company established in the PRC with limited liability, and a wholly-owned subsidiary of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Shoujin Capital”	Shoujin 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
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianyue Binjiang Commercial Project”	The Tianyue Binjiang Commercial Project* (天閱濱江商業項目), details of which are set out in the section headed “Tianyue Binjiang Commercial Project”
“Tianyue Binjiang Commercial Properties”	the commercial properties to be developed under the Tianyue Binjiang Commercial Project
“Union Life Insurance”	Union Life Insurance Co., Ltd.* (合眾人壽保險股份有限公司), a company established in the PRC with limited liability
“%”	per cent

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

Hong Kong, 7 February 2020

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.

* *for identification purposes only*