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

(Stock Code: 2868)

**MAJOR TRANSACTION
CAPITAL INJECTION INTO JOINT VENTURE COMPANY
AND ITS WHOLLY-OWNED SUBSIDIARY**

The board is pleased to announce that on 27 June 2016, Capital Zhengheng (a wholly-owned subsidiary of the Company) and Poly Jianjin (Independent Third Party) entered into the Agreement in relation to the injection of capital into the JV Company and Shanghai Xuanxi (JV Company's wholly-owned subsidiary), which are principally engaged in the development of the Site located in Zhoupu Town, Pudong New District, Shanghai, the PRC. The Site will be used for the development of a residential property project.

Pursuant to the Agreement, Capital Zhengheng agreed to inject not more than a total of RMB2,779,500,000 into the JV Company and Shanghai Xuanxi, which represents 51% of the land premium payable for the Site of RMB5,450,000,000, based on its pro-rata interest in the JV Company. Upon the Completion, Capital Zhengheng and Poly Jianjin will be interested in 51% and 49% of the registered capital, respectively, in the JV Company.

As one or more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 25% but are all less than 100%, the transaction constitutes a major transaction for the Company, and is therefore subject to the reporting, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

WRITTEN APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by written shareholders' approval in lieu of convening a general meeting if (a) no shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Agreement and the transactions contemplated thereunder; and (b) written approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at general meetings to approve the Agreement and the transactions contemplated thereunder.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the shareholders have any material interest in the Agreement and the transactions contemplated thereunder, and therefore no shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Capital Group has 1,649,205,700 shares in the Company (representing approximately 54.47% of the total issued shares in the Company). As the Company has obtained the Written Approval from Capital Group, no extraordinary general meeting will be convened by the Company for the purpose of approving the Agreement pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among others, further details of the Agreement and the transactions contemplated thereunder will be despatched to the shareholders in accordance with Listing Rules for information purposes only on or before 19 July 2016 so as to allow sufficient time for the preparation of the relevant information to be included in the circular.

The board is pleased to announce that on 27 June 2016, Capital Zhengheng (a wholly-owned subsidiary of the Company) and Poly Jianjin (Independent Third Party) entered into the Agreement in relation to the injection of the capital into the JV Company and Shanghai Xuanxi (JV Company's wholly-owned subsidiary).

Major terms of the Agreement have been set out below.

THE AGREEMENT

Date: 27 June 2016

Parties: Capital Zhengheng; and
Poly Jianjin.

To the best of Directors' knowledge, information and belief, having made all reasonable enquiries, Poly Jianjin and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Scope of Business: The principal scope of business of the JV Company is property development and operation; industrial consultation (subject to the business scope being approved by the Industrial and Commercial Administration Department in the PRC).

Purpose: The JV Company, through its 100% holding in Shanghai Xuanxi, is principally engaged in the development of the Site in Shanghai, PRC.

Capital Commitment: As at the date of the announcement, the registered capital of the JV Company is RMB5 million, which is subscribed by Poly Jianjin.

Pursuant to the Agreement, Capital Zhengheng agreed to inject not more than a total of RMB2,779,500,000 into the JV Company and Shanghai Xuanxi, which represents 51% of the land premium payable for the Site of RMB5,450,000,000, based on its pro-rata interest in the JV Company. Upon the Completion, Capital Zhengheng and Poly Jianjin will be interested in 51% and 49% of the registered capital, respectively, in the JV Company.

The Company will finance its capital commitment under the JV Company and Shanghai Xuanxi from internal resources of the Group.

The capital requirements of the JV Company and Shanghai Xuanxi was determined by arm's length negotiation between the parties, taking into account the land premium of the Site and development plans for residential properties for sale.

Profit Sharing: Any profit or loss of the JV Company shall be shared or borne by Capital Zhengheng and Poly Jianjin in proportion to their respective equity interests in the JV Company.

Upon Completion, the Company will be indirectly interested in 51% equity interest in the JV Company, and therefore the JV Company will be accounted for as a subsidiary of the Company and hence, it will be included in the Group's consolidated financial statements.

THE SITE

The Site was acquired by Shanghai Xuanxi, by way of land use right bidding held on 18 May 2016 through the Shanghai Municipal Bureau of Planning and Land Resources (上海市規劃和國土資源管理局).

Details of the Site are listed below:

Code of the land:	West Zone Unit PDP0-1001 Lot A-03-11, Zhoupu Town, Pudong New District (浦東新區周浦鎮西社區PDP0-1001單元A-03-11地塊)
Location:	Zhoupu Town, Pudong New District, Shanghai (上海浦東新區周浦鎮)
Total site area:	69,433.1 square meters
Nature of the land use rights:	Residential
Term of the land use rights:	70 years
Land premium:	RMB5,450,000,000

REASONS FOR AND BENEFITS OF THE ESTABLISHMENT OF THE JV COMPANY

The Group is a large integrated leading real estate developer in the PRC, focusing on residential properties, outlets-backed integrated properties, urban core integrated complexes and primary land development. Through the investment in the JV Company with Poly Real Estate Group, a renowned property developer, the Company expects to achieve synergy benefits and expand the Group's land bank in Shanghai, one of the core cities in which the Company is focused.

The Board (including the independent non-executive Directors) believes that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable, are on normal commercial terms and in the ordinary and usual course of business of the Group and are in the interests of the Company and the shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 25% but are all less than 100%, the transaction constitutes a major transaction for the Company, and is therefore subject to the reporting, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by written shareholders' approval without the need of convening a general meeting if (a) no shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Agreement and the transactions contemplated thereunder; and (b) written approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at general meetings to approve the Agreement and the transactions contemplated thereunder.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the shareholders have any material interest in the Agreement and the transactions contemplated thereunder, and therefore no shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Capital Group has 1,649,205,700 shares in the Company (representing approximately 54.47% of the total issued shares in the Company). As the Company has obtained the Written Approval from Capital Group, no extraordinary general meeting will be convened by the Company for the purpose of approving the Agreement pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among others, further details of the Agreement and the transactions contemplated thereunder will be despatched to the shareholders in accordance with Listing Rules for information purposes only on or before 19 July 2016 so as to allow sufficient time for the preparation of the relevant information to be included in the circular.

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 integrated leading real estate developer in the PRC, focusing on residential properties, outlets-backed integrated properties, urban core integrated complexes and primary land development. By coordination of integrated complexes and each line of business, the Company aims at building the core competitiveness and achieving competition differentiation.

Capital Zhengheng

Capital Zhengheng is a company incorporated under the laws of the PRC with limited liability and a direct wholly-owned subsidiary of the Company. Capital Zhengheng is principally engaged in the development and investment of real estate in the PRC.

Poly Jianjin

Poly Jianjin is a company incorporated under the laws of the PRC with limited liability and a subsidiary of Poly Real Estate Group. Poly Jianjin is principally engaged in investment holding.

JV Company and Shanghai Xuanxi

The JV Company is a company incorporated under the laws of the PRC with limited liability and is principally engaged in property development and operation. The JV Company holds 100% equity interest in Shanghai Xuanxi. The JV Company was established on 21 December 2015 for the purpose of development of the Site.

Shanghai Xuanxi is a company incorporated under the laws of the PRC with limited liability and is principally engaged in property development and operation of the Site. The Site was acquired by Shanghai Xuanxi by way of land use right bidding held on 18 May 2016 through Shanghai Municipal Bureau of Planning and Land Resources. Shanghai Xuanxi was established on 7 January 2016 for the purpose of development of the Site.

Since there was no material operations after the recent establishment of the JV Company and Shanghai Xuanxi (save and except for the acquisition of the Site) and no material profits or losses have been recorded, therefore no financial statements have been prepared for the JV Company and Shanghai Xuanxi. The main asset of Shanghai Xuanxi is the Site.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Agreement”	A capital injection agreement dated 27 June 2016 entered into between Capital Zhengheng and Poly Jianjin relating to the injection of capital into the JV Company and Shanghai Xuanxi
“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 and under the direct supervision of the Beijing Municipal Government, a controlling shareholder of the Company
“Capital Zhengheng”	Shanghai Capital Zhengheng Property Co., Ltd.* (上海首創正恒置業有限公司), a company incorporated under the laws of the PRC with limited liability and a direct wholly-owned subsidiary 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 Hong Kong Stock Exchange
“Completion”	completion of transfer procedures of the injection of registered capital into the JV Company pursuant to the Agreement
“connected persons”	having the meaning ascribed to such term in the Listing Rules
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Company”	Shanghai Yujing Real Estate Co., Ltd.* (上海裕憬房地產開發有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of Poly Jianjin as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Poly Jianjin”	Shanghai Poly Jianjin Real Estate Co., Ltd.*(上海保利建錦房地產有限公司), a company incorporated under the laws of the PRC with limited liability and a subsidiary of Poly Real Estate Group

“Independent Third Party”	independent third party not connected with the Company and its connected persons, having the meaning ascribed to such term in the Listing Rules
“Poly Real Estate Group”	Poly Real Estate Group Ltd. (保利房地產(集團)股份有限公司), a company incorporated under the laws of the PRC with limited liability and whose shares are listed and traded on the Shanghai Securities Exchange (stock code: 600048)
“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 Xuanxi”	Shanghai Xuanxi Real Estate Co., Ltd.* (上海暄熹房地產開發有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the JV Company as at the date of this announcement
“Site”	a parcel of land located in Zhoupu Town, Pudong New District, Shanghai (上海浦東新區周浦鎮)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Written Approval”	the written approval in relation to the Agreement and the transactions contemplated thereunder by Capital Group dated 27 June 2016 pursuant to Rule 14.44 of the Listing Rules
“%”	per cent.

* *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, 27 June 2016

The Board as of the date of this announcement comprises Mr. Wang Hao (Chairman) and Mr. Tang Jun (President) who are the Executive Directors, Mr. Li Songping, Mr. Song Fengjing, Mr. Shen Jianping and Ms. Sun Baojie who are the Non-Executive Directors, Mr. Wang Hong, Mr. Li Wang and Mr. Wong Yik Chung, John who are the Independent Non-Executive Directors.