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

(Stock Code: 2868)

CONNECTED TRANSACTION SPONSORSHIPS IN THE TENNIS COMPETITIONS

INTRODUCTION

On 18 September 2020, the Company entered into the Sponsorship Agreements with Beijing Tennis Competition Marketing, pursuant to which, among other things, the Company, as title sponsor, will sponsor the China Amateur Tennis Competition 2020 and the Tennis Stars Competition 2020 organised and managed by Beijing Tennis Competition Marketing with sponsorship fees of an aggregate amount of RMB15.5 million. The Tennis Competitions are expected to be held during September 2020 to December 2020.

LISTING RULES IMPLICATIONS

Beijing Tennis Competition Marketing is an associate of Capital Group, which is a controlling shareholder of the Company. Therefore, Beijing Tennis Competition Marketing is a connected person of the Company and the Sponsorships constitute connected transactions of the Company under the Listing Rules. As one or more of the applicable percentage ratio(s) is/are more than 0.1% but less than 5%, the Sponsorships are subject to the reporting and announcement requirements, but exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

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THE SPONSORSHIP AGREEMENTS

The principal terms of the Sponsorship Agreements are summarized as follows:

Date

18 September 2020

Parties

- (A) the Company, as title sponsor; and
- (B) Beijing Tennis Competition Marketing, as the sponsored party.

The Sponsorships

Pursuant to the Sponsorship Agreements, the Company, as title sponsor, will sponsor the China Amateur Tennis Competition 2020 (2020年中網業餘聯賽) and the Tennis Stars Competition 2020 (2020年網球菁英邀請賽), which are proposed to be named as BCL China Amateur Tennis Competition 2020 (2020年首創置業中網業餘聯賽) and the BCL Tennis Stars Competition 2020 (2020年首創置業網球菁英邀請賽), organised and managed by Beijing Tennis Competition Marketing with sponsorship fees of RMB12 million and RMB3.5 million, respectively.

In determining the basis of the sponsorship fees, the Company has taken into account various factors, including (a) the reputation of the Tennis Competitions; (b) the prestige of being a sponsor with naming rights of the Tennis Competitions; (c) the publicity and press/media coverage of the Tennis Competitions in the PRC; and (d) the budgets for operating and managing each of the Tennis Competitions estimated with reference to the previous experiences of holding tennis competitions of similar nature by Beijing Tennis Competition Marketing (including lease and decoration of the venue, hiring of umpires, ushers and other staff and the trophy and awards), which has been reviewed by the Parties.

The sponsorship fees will be paid by the Group in cash, of which 50% of the sponsorship fees will be payable within up to 20 business days after receiving the invoice provided by Beijing Tennis Competition Marketing after signing of the Sponsorship Agreements and 50% of the sponsorship fees will be payable within up to 20 business days after receiving the invoice provided by Beijing Tennis Competition Marketing after the completion of each of the Tennis Competitions.

Term

Each of the Sponsorship Agreements will be effective on the date of signing and valid for one year or until the date when the sponsorship fees are fully paid and the realization of cooperation rights and benefits under the Sponsorship Agreements, whichever is later.

The organisation and management of the Tennis Competitions

The China Amateur Tennis Competition 2020 is proposed to be held in various cities in China from 17 October 2020 to 31 December 2020, including Beijing, Shanghai, Wuhan, Chongqing, Chengdu City, Kunming and Shenyang. For the China Amateur Tennis Competition 2020, the sponsorship rights of the Company are as follows: (a) the Company is the exclusive title sponsor of the competition and has the naming right of competitions in each station and the final; (b) the logo of the Company will be displayed in the competition registration website, live platforms, tennis match arenas and live news, and booths will be set up in the playing fields; (c) the Company will participate in the opening ceremony, award ceremony and present speeches in each division across the country and the year-end final in Beijing; (d) the Company will have certain number of free entry quotas and participation quotas of fan meetings held at the competition venue(s) or the Company's local project location; and (e) the media promotion and coverage of the competition.

The Tennis Stars Competition 2020 is proposed to be held in Beijing and Shanghai, in China, from 25 September 2020 to 17 October 2020. For the Tennis Stars Competition 2020, the sponsorship rights of the Company are as follows: (a) the Company is the exclusive title sponsor of the competition; (b) the logo of the Company will be displayed in the competition registration website, live platforms, tennis match arenas and live news, and booths will be set up in the playing fields; (c) the Company will participate in the opening ceremony, award ceremony and present speeches in the competition in each sub-station across the country; (d) the Company will have special invitation quotas in sub-stations; and (e) the media promotion and coverage of the competition.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SPONSORSHIP AGREEMENTS

China Open is the only international tennis competition in China named after the country. Being one of the domestic top-tier sports IPs, it is a leading competition of the national level, with most number of participants and highly popular across the country. The China Amateur Tennis Competition and Tennis Stars Competition are nationwide competitions derived from the brand “China Open”. The Company proactively upholds the corporate brand strategy of “Quality Life and Exercise Together”. Through sponsoring the Tennis Competitions held by Beijing Tennis Competition Marketing and leveraging on its accumulated coverage of nationwide fans and tennis lovers, further penetration of different target customer groups for the real estate business sector could be achieved by the potential exposure of the Group and its projects to tennis lovers and fans, which will provide a wide range of marketing and advertisement opportunities to the Group. At the same time, press articles will be available in different cities where the Tennis Competitions are held and the Group has certain projects in such cities, such publicity will facilitate the promotion of the Company’s brand and logo and enhance the Company’s brand influence continuously.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the Sponsorship Agreements and the transactions contemplated thereunder are on normal commercial terms or better and entered into on an arm’s length basis, fair and reasonable, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

Save for Mr. Li Songping and Mr. Su Jian, who have abstained from voting on a voluntary basis for reasons of their directorships and/or management roles in Capital Group to the best knowledge of the Company having made all reasonable enquiries, none of the other Directors have a material interest in the Sponsorships under the Listing Rules and therefore no other Director was required to abstain from voting on the relevant resolution(s) of the Board approving the Sponsorship Agreements and the transactions contemplated thereunder.

INFORMATION ON 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 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 industrial property developments, cultural and creative industrial property developments and rental housing.

Beijing Tennis Competition Marketing is a company established in the PRC with limited liability and an associate of Capital Group, and thus a connected person of the Company. Beijing Tennis Competition Marketing is principally engaged in the organization, promotion and management of sports competitions in Asia. Beijing Tennis Competition Marketing is the operating organisation of China Open. It owns the right to operate national tennis-themed promotion activities incubated by tennis open championships, such as the China Amateur Tennis Competition.

LISTING RULES IMPLICATIONS

Beijing Tennis Competition Marketing is an associate of Capital Group, which is a controlling shareholder of the Company. Therefore, Beijing Tennis Competition Marketing is a connected person of the Company and the Sponsorships constitute connected transactions of the Company under the Listing Rules. As one or more of the applicable percentage ratio(s) is/are more than 0.1% but less than 5%, the Sponsorships are subject to the reporting and announcement requirements, but exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Beijing Tennis Competition Marketing”	Beijing Tennis Competition Marketing Co., Ltd.* (北京中國網球公開賽體育推廣有限公司), a company established in the PRC with limited liability and an associate of Capital Group, and thus a connected person of the Company
“Board”	the board of Directors
“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, the controlling shareholder of the Company and a connected person of the Company

“Company”	Beijing Capital Land Ltd. (首創置業股份有限公司), a joint stock company incorporated under 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)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and modified from time to time
“Parties”	Beijing Tennis Competition Marketing and the Company
“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)”	holder(s) of the share(s) of the Company
“Sponsorships”	the sponsorships for the Tennis Competitions of an aggregate amount of RMB15.5 million provided by the Group pursuant to the Sponsorship Agreements
“Sponsorship Agreements”	the two project cooperation agreements entered into between the Company and Beijing Tennis Competition Marketing in relation to the sponsorship of each of the Tennis Competitions, respectively
“Tennis Competitions”	the China Amateur Tennis Competition 2020 and the Tennis Stars Competition 2020
“%”	per cent.

In this announcement, unless the context requires otherwise, the terms, “associate(s)”, “connected person(s)”, “connected transaction(s)”, “controlling shareholder(s)”, “percentage ratio” and “subsidiary(ies)” shall have the meanings given to such terms in the Listing Rules.

** 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, 18 September 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.