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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Beijing Properties (Holdings) Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**BEIJING PROPERTIES (HOLDINGS) LIMITED**

**北京建設（控股）有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 925)**

**PROPOSED MANDATE IN RELATION TO  
THE POTENTIAL MAJOR TRANSACTION  
THROUGH PUBLIC TENDER**

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Capitalised terms used on this cover page have the same meaning as defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 4 to 11 of this circular.

The Company has obtained written Shareholders’ approval for the Proposed Mandate on the Proposed Disposal and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules from the relevant Shareholders who form a closely allied group of Shareholders and together hold more than 50% of the voting rights to attend and vote at a general meeting to approve the Proposed Mandate and the transactions contemplated thereunder. Accordingly, no Shareholders’ meeting will be held to approve the Proposed Mandate and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules. This circular is being despatched to the Shareholders for information only.

20 April 2023

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## DEFINITIONS

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

“Asset Transaction Agreement”	asset transaction agreement (產權交易合同) to be entered into between the Vendor and the successful bidder of the Public Tender in respect of the Disposal Interest, according to the rules and regulations of CBEX
“BE City”	Beijing Enterprises City Development Group Limited (北京北控城市發展集團有限公司) which is a company established in the PRC and a wholly owned subsidiary of Beijing Enterprises Group Company Limited (北京控股集團有限公司)
“BEREHK”	Beijing Enterprises Real Estate (HK) Limited which is incorporated in the British Virgin Islands and is a wholly owned subsidiary of Beijing Enterprises Group Company Limited (北京控股集團有限公司)
“Board”	the board of Directors
“Brilliant Bright”	Brilliant Bright Holdings Limited which is incorporated in the British Virgin Islands and a wholly owned subsidiary of BEREHK
“CBEX”	China Beijing Equity Exchange
“Company”	Beijing Properties (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 925)
“Director(s)”	director(s) of the Company
“Disposal Interest”	50% equity interest in the Target Company which is to be disposed of by the Vendor through the Public Tender
“Final Purchase Consideration”	the final consideration for the sale and purchase of the Proposed Disposal
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Initial Minimum Purchase Consideration”	the initial minimum bid price for the Disposal Interest, being RMB145,960,000
“Latest Practicable Date”	14 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China, the purpose of this circular only, excluding Hong Kong, Taiwan and Macau
“Property”	Beijing-Tianjin Logistics Park, No. 555 Xizang Road, Tianjin Pilot Free Trade Zone, Dongjiang Bonded Port Area, Binhai New Area, Tianjin
“Property Valuation Report”	the valuation report of the Property as at 20 April 2023 issued by the Property Valuer, the text of which is set out in Appendix II to this circular
“Property Valuer”	Vincorn Consulting and Appraisal Limited, an independent valuer in Hong Kong in relation to the valuation of the Property
“Proposed Disposal”	the proposed disposal of the Disposal Interest to an independent third party through the Public Tender
“Proposed Mandate”	general mandate proposed to be granted in advance by the Shareholders to the Directors to enter into and complete the Proposed Disposal through Public Tender
“Public Tender”	the public tender for the Proposed Disposal through CBEX
“Publication Period”	the publication period for the Public Tender during which qualified bidders may submit to CBEX their applications for the bid
“Purchaser”	the successful bidder of the Public Tender in respect of the Proposed Disposal
“RMB”	Renminbi, the lawful currency of the PRC

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## DEFINITIONS

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“SASAC”	the State-owned Assets Supervision and Administration Commission of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholders”	holders of the share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Tianjin Beijing Inland Port Co., Ltd. (天津港北建通成國際物流有限公司), a domestic company established in the PRC, which the Vendor owned 50% of the equity interest in the Target Company
“Target Group”	the Target Company and its subsidiaries
“Vendor”	De Hong Cold Chain Industry Investments (HK) Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of the Company
“Working Day(s)”	a day or days other than a Saturday or Sundays, on which banks are open in the PRC to the general public for business
“%”	per cent

*For the purpose of illustration in this circular, figures in Renminbi and US\$ are translated into Hong Kong dollars at the approximate exchange rates of RMB1 to HK\$1.1286 and US\$1 to HK\$7.8 respectively. In addition, all the English translation of certain Chinese names or words in this circular is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

*\* For identification purpose only*

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LETTER FROM THE BOARD

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**BEIJING PROPERTIES (HOLDINGS) LIMITED**

**北京建設（控股）有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 925)**

*Executive Directors:*

Mr. Qian Xu  
Mr. Zhao Jiansuo  
Mr. Siu Kin Wai  
Mr. Zhang Xudong  
Mr. Dong Qilin  
Mr. Cheng Ching Fu  
Mr. Yu Luning  
Mr. Ng Kin Nam  
Mr. Ren Lin

*Independent Non-Executive Directors:*

Mr. Goh Gen Cheung  
Mr. Zhu Wuxiang  
Mr. James Chan  
Mr. Song Lishui  
Mr. Xie Ming

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principle place of  
business in Hong Kong:*

66th Floor  
Central Plaza  
18 Harbour Road  
Wanchai, Hong Kong

20 April 2023

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED MANDATE IN RELATION TO  
THE POTENTIAL MAJOR TRANSACTION  
THROUGH PUBLIC TENDER**

**INTRODUCTION**

Reference is made to the Company's announcements dated 22 February 2023, 24 February 2023 and 4 April 2023 in relation to the Proposed Mandate relating to the Proposed Disposal through the Public Tender.

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## LETTER FROM THE BOARD

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As the Company is a state-controlled listed company, the disposal of its state-owned assets or equity interests is required by laws and regulations of the PRC governing the disposal of state-controlled assets to undergo the process of public tender through a qualified equity exchange institution.

The purpose of this circular is to provide you with further information regarding, among other things, (i) further information of the Proposed Disposal; (ii) financial information of the Group; (iii) the Property Valuation Report; and (iv) general information of the Group.

### **BACKGROUND**

The Company has resolved to dispose of Disposal Interest, being 50% equity interest in the Target Company held by the Vendor which is a wholly owned subsidiary of the Group.

Since the Company is a state-owned enterprise, the Disposal Interest constitutes state-owned assets and the disposal of which is required to undergo the process of Public Tender through an approved equity exchange in accordance with the relevant PRC laws and regulations governing the disposal of state-controlled assets. The Proposed Disposal will be carried out through CBEX and the successful bidder(s) will enter into the Asset Transaction Agreement, with the respective Purchaser according to the relevant rules and regulations of CBEX.

### **THE PROPOSED DISPOSAL THROUGH PUBLIC TENDER**

#### **1. Proposed Disposal**

The Vendor intends to dispose of its 50% equity interest in the Target Company through the Public Tender. The Vendor is incorporated in Hong Kong and a wholly owned subsidiary of the Company and is principally engaged in investment holding.

##### ***A. Financial information of the Target Company***

###### *1. Target Company*

The Vendor currently owns 50% equity interest in the Target Company and intends to dispose of this Disposal Interest through the Public Tender. The Vendor is incorporated in Hong Kong and a wholly owned subsidiary of the Company and is principally engaged in investment holding. The Target Company, which is established in PRC with limited liability, is principally engaged in the operation of a cold chain warehouse at the Property which is owned by the Target Company. The Property has gross floor area of approximately 54,436.39 square metre and is located at No. 555 Xizang Road, Tianjin Pilot Free Trade Zone, Dongjiang Bonded Port Area, Binhai New Area, Tianjin, PRC.

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## LETTER FROM THE BOARD

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Set out below is a summary of the financial information of the Target Company based on its unaudited financial statements for the years ended 31 December 2022 and 2021 (prepared under the generally accepted accounting principles in Hong Kong):

	<b>For the year ended 31 December 2022 (Unaudited) RMB'000</b>	<b>For the year ended 31 December 2021 (Unaudited) RMB'000</b>
Net profit/(loss) before tax	39,050	(2,708)
Net profit/(loss) after tax	21,876	(2,708)

Based on the management accounts, the net asset value (the “NAV”) and total assets of the Target Company amounted to approximately RMB248,142,000 and approximately RMB722,550,000 as at 31 December 2022, respectively.

### ***B. Major Terms of Proposed Disposal***

#### *Qualification of bidders*

The potential bidders shall satisfy, among others, the following qualifications:

1. the potential bidders must not be connected persons (as defined under Chapter 14A of the Listing Rules) of the Group;
2. the potential bidders shall be financially sound and solvent;
3. the potential bidders shall have good business credibility;
4. the potential bidders shall be validly established enterprises or natural persons who shall have full civil capacity; and
5. other qualifications stipulated under the laws and regulations of the PRC or as may be directed by the relevant PRC governmental authorities including CBEX.

#### *Procedures of the Public Tender*

To commence the formal process of the Public Tender in respect of the Proposed Disposal, the Vendor will have to submit to CBEX the tender notice setting out, inter alia, (a) the Initial Minimum Purchase Consideration; (b) the principal terms of the bid; and (c) descriptions and qualifications of potential bidders. The Vendor will submit the tender notice in respect of the Proposed Disposal to CBEX after the

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## LETTER FROM THE BOARD

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Shareholders have granted the Proposed Mandate. The Publication Period, which is subject to the rules of CBEX for the extension, will initially be 20 Working Days from the date of the respective tender notice. During the Publication Period, qualified bidders may indicate their intention to purchase the Disposal Interest, and register themselves as the interested bidders. Upon the close of the Public Tender, CBEX will notify the Vendor of the identity of the successful bidder(s). As soon as the identity of the successful bidder(s) is confirmed, the Vendor shall enter into the Asset Transaction Agreement with the successful bidder.

The tender notice was submitted to CBEX on 24 February 2023, and then the Public Tender has commenced. The end of initial Publication Period is on 23 March 2023. During the Publication Period, if no qualified bidders can be identified, the Vendor will extend the Publication Period. If successful bidder can be confirmed after the close of Publication Period, the Proposed Disposal is expected to be completed by the end of June 2023.

As at the Latest Practicable Date, material information of the Asset Transaction Agreement including the bidders, final consideration, payment, delivery and closing date have not been finalized. The Vendor will enter into the Asset Transaction Agreement upon confirmation of the successful bidder and the Company will comply with information disclosure obligations under the Listing Rules. As at the Latest Practicable Date, no agreement has been entered into between the Group and any other party in relation to the Proposed Disposal.

### *Consideration*

#### (i) Amount

As at 31 December 2022, the total assets and the liabilities of the Target Company are approximately RMB722,550,000 (mainly included the Property of approximately RMB631,000,000) and approximately RMB474,408,000 (mainly included a bank loan of approximately RMB368,835,000), respectively. As a result, the NAV of the Target Company would be approximately RMB248,142,000. After taking into consideration of an addition of the deferred tax liability related to the accumulated fair value of the Target Company's investments in the Property under the relevant accounting standard of approximately RMB17,174,000, the adjusted NAV and the 50% of adjusted NAV of the Target Company would be approximately RMB265,316,000 and RMB132,658,000 respectively. A potential buyer proposed RMB145,960,000 to acquire the 50% equity interest in the Target Company. Given the proposed acquisition price is higher than the 50% of adjusted NAV of the Target Company. Therefore, the Company will apply the proposed acquisition price from a potential buyer as the Initial Minimum Purchase Consideration instead of the net asset value of the Target Company. The Board is of the opinion that the Initial Minimum Purchase Consideration is fair and reasonable.

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## LETTER FROM THE BOARD

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(ii) Payment terms

The potential bidders for any of the Proposed Disposal shall pay an amount equivalent to no greater than 30% of the minimum consideration for the Disposal Interest to a designated account as deposit. Any deposit paid by the successful bidder shall be deemed to be part payment of the final consideration for the purchase of the Disposal Interest. The full amount of the deposit shall be returned to the other bidders within 3 Working Days after the identity of the successful bidder will be confirmed by CBEX. The final consideration for the sale and purchase of the Disposal Interest, shall equal the winning bid price of the Public Tender, but in any event, shall not be less than the minimum consideration of the Disposal Interest as set out above. The final consideration for the sale and purchase of Disposal Interest shall be paid pursuant to the terms of the Asset Transaction Agreement. Any deposit paid by the successful bidder shall be deemed to be part payment of the final consideration. The Final Purchase Consideration shall be paid in PRC. The Purchaser shall pay the Final Purchase Consideration in full to the Vendor upon Completion.

*Conditions precedent to the Proposed Disposal*

The entering into and completion of the Proposed Disposal shall be conditional upon, *inter alia*:

- (i) the Company having completed all filing procedures and obtained all necessary consents and approvals regarding the Proposed Disposal; and
- (ii) the Purchaser having all necessary regulatory approval from the relevant authorities for the transfer of the Disposal Interest if required.

Once a Purchaser for the Disposal Interest has been identified, the Vendor is unconditionally obliged under the rules of the CBEX to enter into the Asset Transaction Agreement with such Purchaser and shall, subject to the fulfilment of the conditions precedent and the payment of the consideration by the Purchaser, complete the transaction contemplated thereunder.

*Representations and Warranties*

The Vendor shall give certain representations and warranties in relation to the Target Group in the Asset Transaction Agreement, including but not limited to: (i) due incorporation and valid existence; (ii) title and ownership in relation to the Vendor's equity interest in Target Company; (iii) compliance with applicable laws and regulations; (iv) financial and business conditions and liabilities; and (v) title and ownership of the Property.

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## LETTER FROM THE BOARD

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### **C. Taxation**

The Proposed Disposal is subject to payment of PRC tax liabilities in relation to indirect transfer of equity interest in PRC resident enterprises pursuant to the Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (“**Circular 7**”) issued by the PRC State Taxation Administration on 3 February 2015 and the Announcement on Issues concerning the Withholding of Enterprise Income Tax at Source on Non-Resident Enterprises (《國家稅務總局關於非居民企業間所得稅源泉扣繳有關問題的公告》) (“**Circular 37**”) which became effective on 1 December 2017. In relation to the PRC tax liabilities under Circular 7 and Circular 37, the Vendor and the Purchaser shall report the Proposed Disposal to the relevant tax authorities within 30 days from the execution of the Asset Transaction Agreement. The Vendor is liable for the payment of tax and the estimated amount of tax liability based on the Initial Minimum Purchase Consideration is RMB2,596,000.

### **REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL**

The Group is principally engaged in investment, development and operation of (i) high-end and modern general warehouses; (ii) cold chain logistics warehouses; (iii) specialized wholesale market for the trading and distribution of local agricultural products; (iv) modernized industrial plants; and (v) investments in commercial properties and primary land development. The Company positions itself as a developer of specialized real estate in logistics, cold chain, industrial and commercial sectors as well as primary land development. The business model of the Company is: (i) to invest in projects at their initial stage; (ii) to cultivate the value of the projects after development; and (iii) to sell the projects at a satisfactory value. The cash returned will be used: (i) to repay the loans of the Group to reduce continuous finance costs and thus increase the profitability of the Group; (ii) to reinvest in new business to create another future profit-generating opportunity; and (iii) to distribute appropriate returns to the Shareholders as investment returns to investors.

The Target Company has completed its development last year. The Company is under restructuring by disposing of the heavy assets and is transforming itself to increase the focus more on providing service in cold chain industry, including online services and trading platforms which are the main drivers of the Group’s supply chain business development, Coldeal (凍品e港) ([www.cciinet.com](http://www.cciinet.com)), and App version was gradually optimized and launched with successful integration of online registration, trading and payment. Engaging these services does not need to have cold storage facilities. In addition, the Target Company is a joint venture company, does not have majority control in the Target Company. Therefore, the Company would like to dispose of it and use the fund to reduce the debts of the Group. In view of the above, the Company believes that it is the right time to reduce the investment in the Target Company, and the Proposed Disposal will allow the Company to concentrate its resources to increase the development of new business. The Directors (including the independent non-executive Directors) are of the view that the key terms of the Proposed Disposal are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### FINANCIAL EFFECT OF THE PROPOSED DISPOSAL

It is estimated that the Company will realize an unaudited gain after tax of approximately RMB19,293,000 from the Proposed Disposal. The gain is calculated based on the Initial Minimum Purchase Consideration from the Proposed Disposal less the carrying amount of approximately RMB124,071,000 of 50% of the unaudited NAV of the Target Company and the relevant withholding tax is approximately RMB2,596,000. Shareholders should note that the actual gain/loss on the Proposed Disposal to be recorded by the Company will depend on the net asset value of the Target Company as at the date of completion of the disposal and is subject to the final audit.

Immediately after the completion of the Proposed Disposal, the Group will not have any interest in Target Company which will cease to be an associate of the Group and the results of the Target Company will not be accounted for in the Group's financial statements by equity accounting.

### INTENDED USE OF PROCEEDS

The proceeds of the Disposal Consideration, after deducting related expenses (primarily comprising legal and professional charges) and taxes, is estimated to be approximately RMB143,231,000. It is intended that the net proceeds from the Proposed Disposal shall be used to repay the loans of the Group to reduce continuous finance costs and thus increase the profitability of the Group.

### IMPLICATIONS OF THE LISTING RULES

Based on the preliminary information from the market, there is a potential buyer which has indicated interest to bid for the Proposed Disposal. Based on the amount of the Initial Minimum Purchase Consideration, the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Proposed Disposal is more than 25% but is less than 75%. Therefore, the Proposed Disposal is expected to constitute a major transaction of the Company and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approvals for the Proposed Mandate to be granted in advance for the Directors to enter into and complete the Proposed Disposal through the Public Tender and the transactions contemplated therein may be obtained by way of written Shareholders' approvals in lieu of holding 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 Proposed Mandate and the transactions contemplated thereunder; and (b) the written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the Proposed Mandate on the Proposed Disposal and the transactions contemplated thereunder.

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## LETTER FROM THE BOARD

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The Company has obtained written Shareholders' approvals for the Proposed Mandate on the Proposed Disposal and the transactions contemplated thereunder in accordance with Rule 14.44 of the Listing Rules from a closely allied group of Shareholders comprising Brilliant Bright and BEREHK, which are beneficially interested in 1,557,792,500 Shares and 2,526,882,407 Shares respectively, representing approximately an aggregate of 58.61% of the entire issued capital of the Company, as at 22 February 2023 (being the date of the announcement published by the Company in relation to the Proposed Disposal). Brilliant Bright is a wholly-owned subsidiary of BEREHK, which is wholly-owned by BE City. BE City is a wholly-owned subsidiary of Beijing Enterprises Group Company Limited. Accordingly, Brilliant Bright and BEREHK are members of a closely allied group of Shareholders. Pursuant to Rule 14.44(2) of the Listing Rules, the written Shareholders' approval from Brilliant Bright and BEREHK will be accepted in lieu of holding a general meeting of the Shareholders. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interests in the Proposed Disposal. As such, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Proposed Mandate and the transactions contemplated thereunder. Accordingly, no physical Shareholders' meeting will be convened by the Company to approve the Proposed Mandate and the transactions contemplated thereunder. A circular containing further information on the Proposed Disposal and the transactions contemplated thereunder is expected to be despatched to the Shareholders on or before 20 April 2023 in accordance with the Listing Rules to allow sufficient time for the preparation and finalization of certain information of the circular. As the circular will not be despatched to the Shareholders within 15 business days after 22 February 2023 (the date of the publication of the announcement on the Proposed Disposal), the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and such approval has been obtained.

**The terms of the Public Tender have yet to be finalized and therefore may be subject to further changes. In addition, as the Proposed Disposal may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company. The Company will make further announcement(s) in compliance with the Listing Rules as and when appropriate or required.**

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

By Order of the Board  
**Beijing Properties (Holdings) Limited**  
**Cheng Ching Fu**  
*Company Secretary*

## 1. FINANCIAL INFORMATION

The audited consolidated financial statements of the Group for the years ended 31 December 2019, 2020 and 2021 are disclosed in the annual report of the Company for the year ended 31 December 2019 published on 28 April 2020, the annual report of the Company for the year ended 31 December 2020 published on 21 April 2021, and the annual report of the Company for the year ended 31 December 2021 published on 25 April 2022 respectively. The unaudited interim consolidated financial statements of the Group for the six months ended 30 June 2022 published on 22 September 2022 are disclosed in the interim report of the Company. All of the aforementioned reports have been published on the website of the Company ([www.bphl.com.hk](http://www.bphl.com.hk)) and the website of the Stock Exchange (<http://www.hkexnews.hk>) through the links below:

- the 2019 annual report of the Company for the year ended 31 December 2019 which was published on 28 April 2020 ([https:// www1.hkexnews.hk/listedco/listconews/sehk/2020/0428/2020042801062.pdf](https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0428/2020042801062.pdf));
- the 2020 annual report of the Company for the year ended 31 December 2020 which was published on 29 April 2021 ([https:// www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042900607.pdf](https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042900607.pdf));
- the 2021 annual report of the Company for the year ended 31 December 2021 which was published on 25 April 2022 ([https:// www1.hkexnews.hk/listedco/listconews/sehk/2022/0425/2022042501625.pdf](https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0425/2022042501625.pdf)); and
- the interim report of the Company for the six months ended 30 June 2022 which was published on 22 September 2022 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0922/2022092200731.pdf>).

## 2. STATEMENT OF INDEBTEDNESS

At the close of business on 28 February 2023, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had outstanding (1) banks loans with an aggregate principal amount of approximately HK\$1,910,691,000, which were secured by certain buildings, investment properties, properties held for sale, cash and bank balances, trade receivables and equity interests of certain subsidiaries of the Group, and are guaranteed by the Company; (2) unsecured bank loans with an aggregate principal amount of approximately RMB533,443,000 (equivalent to approximately HK\$602,053,000) guaranteed by the Company; (3) unguaranteed and unsecured bank loans with an aggregate principal amount of approximately HK\$4,566,506,000; and (4) loans from fellow subsidiaries of the Company with an aggregate principal amount of approximately HK\$2,426,166,000).

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal accounts payable in the ordinary course of business, as at 28 February 2023, the Group did not have any other loan capital issued and outstanding or agreed to be issued but unissued, loans, bank overdrafts, or other similar indebtedness, financial lease or hire purchase commitment, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, guarantees or other material contingent liabilities.

### **3. WORKING CAPITAL**

According to certain bank and other loan agreements, certain amounts of bank and other loans will be due within the next 12 months from the date of this circular. In considering of that, the Directors plan to undertake a refinancing, including but not limited to new debts financing, within the next 12 months in order to repay the existing bank and other loans. In addition, the Directors have proposed to dispose of some of the Group's projects, such as the Proposed Disposal in this circular, in order to release the debt exposure of the Group. Management of the Company conducts regular assessment as to whether the Company is able to refinance successfully. If the management determines that there are any events or conditions affecting the Group's proposed refinancing, or amount of the refinancing to be lower than the amount sufficient for supporting the Group's working capital, the Directors have proposed further measures described below in order to raise more fund for its working capital need.

In the opinion of Directors, the sufficiency of working capital of the Group in the next 12 months from the date of this circular is dependent on (i) the successful disposal of the Group's properties; (ii) the success in obtaining additional funds from banks and financial institution; or failing which, the success in (iii) obtaining the continual financial support and funding from the Company's holding companies or fellow subsidiaries.

The Directors, after due and careful enquiry, are of the opinion that, after taking into account (i) the net proceeds from disposal of the Group's projects; (ii) the Group's internal resources (including listed equity investments and marketable properties); (iii) continual stable cash flows from operations; (iv) the Group's ability to refinance its existing debts upon maturity through financing activities including obtaining additional funds from banks and financial institution, issuance of a new bond and renewal of existing bank borrowings and facilities; or failing which, (v) the continual financial support and funding from the Company's holding companies or fellow subsidiaries, accordingly, the Group has sufficient working capital to satisfy its requirements for at least twelve (12) months from the date of this circular.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

### **4. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any circumstances or events that may give rise to a material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest audited financial statements of the Group were made up.

## 5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in investment, development and operation of (i) high-end and modern general warehouses; (ii) cold chain logistics warehouses; (iii) specialised wholesale market for the trading and distribution of local agricultural products; (iv) modernised industrial plants; and (v) investments in commercial properties and primary land development. The Group positions itself as a professional property developer that engages in businesses such as logistics property, cold chain property, industrial property and commercial property, as well as primary land development. As a developer, our profit is primarily derived from profits from the disposal of projects. The Group's business development model is divided into four stages, which are: financing – investment – management and disposal.

As disclosed in the Company's 2021 annual report, as the COVID-19 outbreak continues to spread around the world, the external environment becomes more complicated, severe and uncertain, with insufficient motivation for the global economic recovery, and fluctuations in commodity prices at a high level. The economy of China is still in the process of recovery from severe impact of the sudden outbreak, but the long term positive economic fundamentals remain unchanged. At present, the government continues to implement relief policies that benefit enterprises, and continuously implements tax cuts and fee reductions to stimulate the vitality of market players and promote steady economic development. As logistics property operators continue to enlarge their networks of modern logistics properties and invest in the logistics property market using funds, REITs and other financial instruments, there is an industry landscape of "one superpower and several major players".

Epidemic prevention and control measures lead to the further opening of the full channels of traditional retail brands, acceleration of fresh e-commerce and other emerging cold chain demands, and further increase the e-commerce penetration rate. Under such circumstances, the transition of offline entities to online e-commerce will objectively increase the market demand in the warehousing logistics and cold chain industry in 2022. With quality cold chain projects in Qingdao and Tianjin as the foundation, the domestic cold chain segment seized business opportunities to build a core online asset consisting of an online comprehensive trading centre for frozen products, and a core offline asset consisting of physical cold chain storage service. The timely launch of CCII Frozen Product Industry Integration Service Platform based on "Coldeal" will satisfy the need of clients in the frozen product industry for online trading and financing, reduce trading costs, enhance trading efficiency and provide solutions for large-scale industrial and technological development. The development of this platform will without doubt nurture a productive ecosystem for both upstream and downstream frozen product industry, reform the structure of the industry and create synergies among the resources of producers, traders and service providers.

The sale of assets at the disposal stage of a project is currently the only means for the Group, as a diversified property developer, to crystallise asset appreciation gains. It is also the basic business model of property developers in general. At present, most of the Group's projects have been completed and put into operation with significant rise in values. In view of the development trends in the domestic real estate industry and its future development plans, the

Group plans to sell some of its relatively mature assets that are ready for sale by way of equity transfers in order to complete the disposal and realisation stage in the cycle of “financing, investment, management and exit”, recover cash, generate profits and reduce debts. Despite a lengthier period of development for the first cycle, the Group has acquired a number of quality projects in the past and is gradually realising their values. Therefore, it is expected that the Group’s development cycle will quicken gradually and achieve sustainable profitability in the coming years. Under the unstable economic condition, the Group will slow down its reliance on heavy assets and the speed of investment from the principle of prudence, and shift to a development model that combines light with heavy assets. With mature experience in logistics property, industrial property and cold chain business, we will increase the proportion of service business, and continue to reduce operating costs and financial expenses to achieve operating profit and positive cash flow, and continue to bring benefits to shareholders. The disposals of Beijing Inland Port Group and certain industrial projects were completed in 2022.

The Proposed Disposal is one of the measures of the Group to dispose of properties, which will generate cash of approximately RMB143,231,000 to be used to repay certain debts of the Group to reduce continuous finance costs and improve the profitability of the Group in the foreseeable future. The Proposed Disposal will not have any significant impact on the existing business of the Group. The Group will continue to carry out its existing businesses.

The Board is of the view that the completion of the Proposed Disposal can strengthen the cash position of the Group as a positive cash cycle will be established and it will also help reduce the Group’s reliance on debt financing and thus improve the financial performance of the Group in the future.

*The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from Vincorn Consulting and Appraisal Limited, an independent valuer, in connection with its valuation of the property interests to be disposed of by the Group. Terms defined in this appendix applies to this appendix only.*

**Vincorn Consulting and Appraisal Limited**

Units 1602-4, 16/F  
FWD Financial Centre  
No. 308 Des Voeux Road Central  
Hong Kong



The Board of Directors

**Beijing Properties (Holdings) Limited**

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

20 April 2023

Dear Sirs,

**INSTRUCTION AND VALUATION DATE**

We refer to your instructions for us to assess the Market Value of the property interests located in The People's Republic of China ("**The PRC**") to be disposed of by Beijing Properties (Holdings) Limited (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") for the purposes of public disclosure. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary in order to provide you with our opinion of the Market Value of the property interests as at 28 February 2023 (the "**Valuation Date**").

**VALUATION STANDARDS**

The valuation has been prepared in accordance with the HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors effective from 31 December 2020 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2022; and the requirements set out in the Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**VALUATION BASIS**

Our valuation has been undertaken on the basis of Market Value. Market Value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

**VALUATION ASSUMPTIONS**

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowances have been made for any charges, mortgages or amounts owing on the property interests, nor for any expenses or taxations which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect the values of the property interests.

As the property interests are held under long term land use rights, we have assumed that the owner has free and uninterrupted rights to use the property interests for the whole of the unexpired term of the land use rights.

**VALUATION METHODOLOGY**

When valuing the property interests to be disposed of by the Group, we have adopted Income Capitalisation Approach.

Income Capitalisation Approach is a valuation approach commonly adopted for income producing properties such as offices, shops and arcades. It estimates the capital value of a property by capitalising rental income on a fully leased basis having regard to the current passing rental income from existing tenancy and the potential reversionary rental income at market level.

**LAND TENURE AND TITLE INVESTIGATION**

We have been provided with copies of documents in relation to the titles of the property interests. However, we have not scrutinised the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on information provided by the Group.

We have relied on the advices given by The PRC legal adviser of the Group, Tianyuan Law Firm, regarding the titles of the property interests in The PRC. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All legal documents disclosed in this letter and the valuation certificate are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter and the valuation certificate.

### **INFORMATION SOURCES**

We have relied to a considerable extent on information provided by the Group and the legal adviser, in respect of the titles of the property interests in The PRC. We have also accepted advice given to us on matters such as identification of the property, particulars of occupancy, areas and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of information provided to us by the Group which is material to the valuation.

### **INSPECTION AND INVESTIGATIONS**

The property was inspected externally and internally. Although not all areas were accessible for viewing at the time of inspection, we have endeavoured to inspect all areas of the property. Investigations were carried out as necessary. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any services of the property and are therefore unable to report on their present conditions. We have not undertaken any structural surveys of the property and are therefore unable to comment on the structural conditions. We have not carried out any investigations on site to determine the suitability of the ground conditions for any future developments. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be required.

We have not carried out any on-site measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents or deduced from the plans are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.

**CURRENCY**

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (“RMB”).

The valuation certificate is attached hereto.

Yours faithfully,  
For and on behalf of  
**Vincorn Consulting and Appraisal Limited**  
**Vincent Cheung**  
*BSc(Hons), MBA, FRICS, MHKIS, RPS(GP),  
MCIREA, MHKSI, MISCM, MHIREA, FHKIoD,  
RICS Registered Valuer  
Registered Real Estate Appraiser & Agent PRC  
Managing Director*

*Note:* Vincent Cheung is a fellow of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong Special Administrative Region (“**Hong Kong**”), a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a fellow of the Hong Kong Institute of Directors, a Registered Valuer of the Royal Institution of Chartered Surveyors and a Registered Real Estate Appraiser and Agent People’s Republic of China. He is suitably qualified to carry out the valuation and has over 25 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

## VALUATION CERTIFICATE

## Property Interests to be Disposed of by the Group in The PRC

Property	Description and Tenure	Occupancy Particulars	Market Value in the Existing State as at 28 February 2023
Beijing-Tianjin Logistics Park, No. 555 Xizang Road, Binhai New District, Tianjin, The PRC	<p>The property comprises three cold storage facilities, two warehouses, a composite building and some ancillary buildings.</p> <p>As per the Real Estate Title Certificate, the property has a site area of approximately 175,719.80 square metres (“sq.m.”) and has a gross floor area (“GFA”) of approximately 54,436.39 sq.m. It was completed in about 2021.</p> <p>The land use rights of the property were granted for a term expiring on 17 August 2067 for warehouse uses.</p>	As per our on-site inspection and the information provided by the Group, the property is partly owner-occupied and partly leased subject to various tenancies at a total monthly rent of RMB770,000 per month with the latest expiry in May 2023. The prevailing occupancy rate is about 89.4%, which includes both the leased and owner-occupied portions.	<p>RMB631,000,000 (RENMINBI SIX HUNDRED AND THIRTY ONE MILLION)</p> <p>50% Interest Attributable to the Group Before Disposal:</p> <p>RMB315,500,000 (RENMINBI THREE HUNDRED FIFTEEN MILLION AND FIVE HUNDRED THOUSAND)</p>

## Notes:

- The property was inspected by Ines Wang *Probationer of RICS* on 3 March 2023.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons), MBA, FRICS, MHKIS, RPS(GP), MCIREA, MHKSI, MISCM, MHIREA, FHKIoD, RICS Registered Valuer, Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons), MRICS, MHKIS, RPS(GP), MCIREA, MHIREA, RICS Registered Valuer, Registered Real Estate Appraiser PRC*.
- Pursuant to a Real Estate Title Certificate, Jin (2022) Tian Jin Dong Jiang Bao Shui Gang Qu Bu Dong Chan Quan Di No. 1150659 dated 8 April 2022 and issued by Tianjin Planning and Natural Resources Bureau, the land use rights of the property with a site area of 175,719.80 sq.m. and the building ownership rights of the property with a GFA of 54,436.39 sq.m. were vested in Tianjin Beijing Inland Port Co., Ltd. The land use rights of the property were granted for a term expiring on 17 August 2067 for warehouse uses.
- The general description and market information of the property are summarised below:

Location	:	The property is located at No. 555 Xizang Road, Binhai New District, Tianjin, The PRC.
Transportation	:	Tianjin Binhai International Airport and Binhai West Station are located approximately 46.2 kilometres and 18.0 kilometres away from the property respectively.
Nature of Surrounding Area	:	The area is predominately an industrial area in Binhai New District.
- We have been provided with a legal opinion regarding the property by Tianyuan Law Firm, which contains, *inter alia*, the following:
  - Tianjin Beijing Inland Port Co., Ltd. has obtained the state-owned land use rights and building ownership rights of the property in accordance with laws;
  - The state-owned land use rights and building ownership rights of the property is not subject to mortgage, pledge, seizure, lien or other restrictions of rights; and
  - Tianjin Beijing Inland Port Co., Ltd. can legally use, occupy, transfer, let, mortgage or by other ways to handle in accordance with laws the state-owned land use rights and building ownership rights of the property.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

### (a) Directors' and the chief executives' interests and short positions in Shares and underlying shares

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules, were as follows:

#### (i) Long positions in the Shares

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of the Company's issued share capital (%)
Mr. Yu Luning	Beneficial owner	9,690,000	0.139
Mr. Ng Kin Nam	Beneficial owner	98,445,200	1.413
	Interest of spouse	9,729,000	0.140
	Interest of controlled corporation ( <i>note</i> )	42,491,800	0.610
		150,666,000	2.163

*Note:* 42,491,800 Shares are held by Jade Investment Limited which is beneficially owned by Mr. Ng Kin Nam and his spouse.

*(ii) Long positions in the Underlying Shares*

The interests of the Directors and chief executives in the share options of the Company are separately disclosed in the section “Share option scheme” below. Other than as disclosed above, as at the Latest Practicable Date, no Directors has interests or short positions in the Shares or underlying Shares which were recorded in the register of substantial shareholders maintained under Section 336 of the SFO.

*Share Option Scheme*

Name of Director	Nature of underlying shares in respect of share options	Date of grant of share options	Exercise price of share options (HK\$)	Exercise period of share options	Approximate percentage of the Company's issued share capital (%)
Mr. Siu Kin Wai	6,000,000	24 May 2013	0.574	24-05-2013 to 23-05-2023	0.0861
	5,000,000	31 March 2014	0.940	31-03-2014 to 30-03-2024	0.0717
	3,000,000	28 August 2014	0.750	28-08-2014 to 27-08-2024	0.0430
	4,000,000	8 April 2015	0.720	08-04-2015 to 07-04-2025	0.0574
	18,000,000				0.2582
Mr. Cheng Ching Fu	2,000,000	24 May 2013	0.574	24-05-2013 to 23-05-2023	0.0287
	2,500,000	31 March 2014	0.940	31-03-2014 to 30-03-2024	0.0359
	1,000,000	28 August 2014	0.750	28-08-2014 to 27-08-2024	0.0143
	2,000,000	08 April 2015	0.720	08-04-2015 to 07-04-2025	0.0287
	7,500,000				0.1076

Name of Director	Nature of underlying shares in respect of share options	Date of grant of share options	Exercise price of share options (HK\$)	Exercise period of share options	Approximate percentage of the Company's issued share capital (%)
Mr. Yu Luning	4,000,000	24 May 2013	0.574	24-05-2013 to 23-05-2023	0.0574
	4,000,000	31 May 2014	0.940	31-03-2014 to 30-03-2024	0.0574
	1,000,000	28 August 2014	0.750	28-08-2014 to 27-08-2024	0.0143
	3,000,000	08 April 2015	0.720	08-04-2015 to 07-04-2025	0.0430
	12,000,000				0.1721
Mr. Goh Gen Cheung	2,000,000	24 May 2013	0.574	24-05-2013 to 23-05-2023	0.0287
	1,500,000	31 March 2014	0.940	31-03-2014 to 30-03-2024	0.0215
	1,000,000	8 April 2015	0.720	08-04-2015 to 07-04-2025	0.0143
	4,500,000				0.0645
Mr. Zhu Wuxiang	2,000,000	24 May 2013	0.574	24-05-2013 to 23-05-2023	0.0287
	1,500,000	31 March 2014	0.940	31-03-2014 to 30-03-2024	0.0215
	1,000,000	08 April 2015	0.720	08-04-2015 to 07-04-2025	0.0143
	4,500,000				0.0645

Name of Director	Nature of underlying shares in respect of share options	Date of grant of share options	Exercise price of share options (HK\$)	Exercise period of share options	Approximate percentage of the Company's issued share capital (%)
Mr. James Chan	2,000,000	24 May 2013	0.574	24-05-2013 to 23-05-2023	0.0287
	1,500,000	31 March 2014	0.940	31-03-2014 to 30-03-2024	0.0215
	1,000,000	08 April 2015	0.720	08-04-2015 to 07-04-2025	0.0143
	4,500,000				0.0645
Mr. Song Lishui	1,000,000	8 April 2015	0.720	08-04-2015 to 07-04-2025	0.0143

*Note:* The share options have no vesting period and the exercise price is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they would be taken or deemed to have under such provisions of the SFO); (ii) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

**(b) Substantial Shareholders' and other persons' interests and short positions in Shares and underlying shares**

So far as is known to the Directors, as at the Latest Practicable Date, the following persons (not being Directors or chief executives of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

*Long positions in Shares and underlying Shares*

Name	Notes	Number of shares held, capacity and nature of interest		Number of underlying shares held, capacity and nature of interest		Total	Approximate percentage of the Company's issued share capital (%)
		Directly beneficially owned	Through a controlled corporation	Directly beneficially owned	Through a controlled corporation		
Brilliant Bright Holdings Limited ("Brilliant Bright")	(a)	1,557,792,500	-	-	-	1,557,792,500	22.35
Beijing Enterprises Real Estate (HK) Limited ("BEREHK")	(b)	2,526,882,407	1,557,792,500	-	-	4,084,674,907	58.61
北京北控城市發展集團有限公司 (Beijing Enterprises City Development Group Limited) ("BE City")	(c)	-	4,084,674,907	-	-	4,084,674,907	58.61
Illumination Holdings Limited ("Illumination")	(d)	87,451,458	-	-	-	87,451,458	1.25
Beijing Holdings Limited ("BHL")	(e)	487,166,195	87,451,458	-	-	574,617,653	8.24
Beijing Enterprises Group Company Limited ("BE Group")	(f)	-	4,659,292,560	-	-	4,659,292,560	66.85

*Notes:*

- (a) Brilliant Bright holds 1,557,792,500 Shares.
- (b) BEREHK (i) holds 2,526,882,407 Shares; and (ii) is deemed to be interested in the 1,557,792,500 Shares of Brilliant Bright by virtue of its controlling interests in its wholly-owned subsidiary, Brilliant Bright.

- (c) BEREHK is a wholly-owned subsidiary of BE City. BE City is deemed to be interested in the Shares which BEREHK is interested in.
- (d) Illumination holds 87,451,458 Shares.
- (e) BHL (i) holds 487,166,195 Shares; and (ii) is deemed to be interested in the 87,451,458 Shares of Illumination by virtue of its controlling interests in its wholly-owned subsidiary, Illumination. BHL is deemed to be interested in the Shares which Illumination is interested in.
- (f) BE City and BHL are wholly-owned subsidiaries of BE Group. BE Group is deemed to be interested in the Shares which BE City and BHL are interested in.
- (g) Mr. Qian Xu being a director of the Company is also a director of each of Brilliant Bright, BEREHK and BE City. Mr. Siu Kin Wai being a director of the Company is also a director of Brilliant Bright. Mr. Zhao Jiansuo being a director of the Company is also a director of BEREHK and BE City.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### 3. DIRECTORS' OTHER INTERESTS

#### **Directors' competing interests**

As at the Latest Practicable Date, Mr. Qian Xu and Mr. Zhao Jiansuo were also the directors of BE City, which engages in business of property investment and development, and they were considered to have interests in a business which competes or is likely to compete, directly or in indirectly, with the business of the Group.

As the Board is independent of the board of the aforesaid company and maintains five independent non-executive Directors, the Group operates its businesses independently of, and at arm's length from, the business of the aforesaid company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective close associates had any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

#### **Directors' interest in assets**

As at the Latest Practicable Date, none of the Directors has any interest, either direct or indirect, in any assets which have been, since 31 December 2021, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to, any member of the Group.

There was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director was materially interested and which was significant to the business of the Group.

#### 4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

#### 5. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and there is no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

#### 6. EXPERT AND CONSENT

The following is the qualification of the expert who has given its opinion and advice which are contained in this circular:

<b>Name</b>	<b>Qualification</b>
Vincorn Consulting and Appraisal Limited	Independent Property Valuer

As at the Latest Practicable Date, the above expert did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in the promotion of, or in any assets which have been, since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report or letter and the references to its name in the form and context in which they are included.

## 7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (a) the third supplemental agreement entered into between the Company and Beijing Enterprises Group Finance Co., Ltd on 25 October 2022 in relation to the revision of certain provisions of the deposit service master agreement between the same parties on 29 June 2015 with annual cap of HK\$400 million for each of the financial years ending on 31 December 2023, 31 December 2024 and 31 December 2025;
- (b) the sale and purchase agreement dated 17 October 2022 between China Industrial Properties (Holdings) Limited (as Seller) and WXYZ I (BVI) Holdings Limited (as Purchaser) in relation to the sale and purchase of 75% of the total issued share capital in each of SSinolog (Taicang) IV Pte. Ltd., SSinolog (Taicang) III Pte. Ltd., SSinolog (Changshu) I Pte. Ltd. and SSinolog (Changshu) I Pte. Ltd. with the final consideration of RMB810,723,358;
- (c) the sale and purchase agreement dated 28 February 2022 between China Logistics Infrastructures (Holdings) Limited (as vendor) and JD Oriental Development III Limited (as purchaser) in relation to the sale and purchase of 90% of the issued share capital in New Concord Properties Limited with the final consideration of RMB430,105,263.16 being the minimum bid price for the sale shares and under the aforesaid agreement the purchaser shall be obliged to pay the vendor to acquire interest in certain outstanding loans on the date of completion together with the supplemental agreement dated 28 February 2022 between the same parties on matters relating to completion of the transaction;
- (d) the sale and purchase agreement dated 28 February 2022 between China Logistics Infrastructures (Holdings) Limited (as vendor) and JD Oriental Development III Limited (as purchaser) in relation to the sale and purchase of 90% of the issued share capital in New Fine International Development Limited with the final consideration of RMB931,894,736.84 being the minimum bid price for the sale shares and under the aforesaid agreement the purchaser shall be obliged to pay the vendor to acquire interest in certain outstanding loans on the date of completion together with the supplemental agreement dated 28 February 2022 between the same parties on matters relating to completion of the transaction; and
- (e) the facility agreement dated 9 June 2021 entered into between the Company as borrower and banks as lenders in relation to a certain term loan facility in the total amounts of up to US\$65,000,000 and HK\$195,000,000.

**8. MISCELLANEOUS**

- (a) The company secretary of the Company is Mr. Cheng Ching Fu, a fellow member of each of the Hong Kong Institute of Certified Public Accountants, the CPA Australia, the Hong Kong Chartered Governance Institute and the Chartered Governance Institute.
- (b) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (c) The head office and principal place of business of the Company in Hong Kong is located at 66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.
- (d) The branch share registrar of the Company in Hong Kong is Tricor Tengis Limited, located at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.

**9. DOCUMENTS ON DISPLAY**

Copies of the following documents are published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.bphl.com.hk](http://www.bphl.com.hk)) for a period of fourteen (14) days from the date of this circular:

- (a) the valuation report issued by the Property Valuer, the text of which is set out in Appendix II to this circular; and
- (b) the written consent referred to in the section headed “Expert and Consent” in this Appendix.