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CHINA TIANBAO GROUP DEVELOPMENT COMPANY LIMITED
中國天保集團發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1427)

DISCLOSEABLE TRANSACTION

**PURCHASE OF LAND USE RIGHT OF A LAND PARCEL
LOCATED IN ZHUOZHOU HIGH-TECH DEVELOPMENT ZONE**

INTRODUCTION

Tianbao Property Development entered into the Land Use Right Grant Contract of the Land Parcel at a total consideration of RMB246,276,000 with the Vendor on January 6, 2020.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Land Acquisition is more than 5% but less than 25%, the Land Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Tianbao Property Development entered into the Land Use Right Grant Contract in relation to the Land Acquisition of the Land Parcel at a total consideration of RMB246,276,000 with the Vendor on January 6, 2020.

The Land Parcel has a total area of 58,610.92 sq.m., the term for the grant of land use right is of 40 years, and will be used for other commercial service purpose, including but not limited to commercial offices, hotels and apartments.

LAND USE RIGHT GRANT CONTRACT

The principal terms of the Land Use Right Grant Contract are as follows:

Date	:	January 3, 2020
Vendor	:	Zhuozhou Natural Resources and Planning Bureau
Purchaser	:	Tianbao Property Development, an indirect wholly-owned subsidiary of the Company
Location of the Land Parcel	:	The Land Parcel is situated north to Yongji East Road and east to Pengcheng Street in the High-Tech Development Zone, Zhuozhou, the PRC
Total site area of the Land Parcel	:	The total site area of the Land Parcel is 58,610.92 sq.m.
Term of land use right of the Land Parcel	:	The land use right of the Land Parcel is valid for a term of 40 years for other commercial service purpose
Total consideration	:	RMB246,276,000, and Tianbao Property Development has paid RMB123,188,000 during the bid. The balance of the consideration, being RMB123,088,000, will be paid before January 2, 2021. Total consideration will be financed by the net proceeds from the global offering of the Company and the internal resources of the Group.
Basis of consideration	:	The consideration was determined by way of public auction
Delivery date of the Land Parcel	:	The Vendor shall deliver the Land Parcel to Tianbao Property Development by January 10, 2020
Others	:	The proposed construction project of the Land Parcel shall commence before October 1, 2020 and be completed before September 30, 2023. The completion date can be extended for one year with the consent of the Vendor.

INFORMATION ABOUT HIGH-TECH DEVELOPMENT ZONE, ZHUOZHOU, THE PRC

Hebei Zhuozhou High and New Technology Industrial Development Zone is a provincial development zone established in 1992 with the approval from the provincial government, and is situated east to the urban area of Zhuozhou with a planning area of 17.5 square kilometres, of which 9.9 square kilometres has been developed. Housing a cluster of emerging industries, the High-Tech Development Zone is the place of origin of innovation-driven development, the bridgehead of reform and opening up and the growth driver of economic development. Through years of construction, the High-Tech Development Zone gradually formed its own development characteristics and competitive advantages, and achieved “nine connections and one accessibility” for its infrastructure.

REASONS AND BENEFITS FOR THE LAND ACQUISITION

The Directors believe the Land Parcel is located in the High-Tech Industry Development Zone of Zhuozhou which has huge development potential and enjoys prominent location advantage. Pengcheng Street goes north to Huatian Road, which connects the entrance and exit of a new highway, making the Land Parcel easily accessible. The surrounding area has one kindergarten, one special education kindergarten, one school for nine-year compulsory education and two vocational and technical colleges and is densely populated, offering promising prospect for land development. As such, the Directors believe the price for the purchase of the land use right is reasonable, it will strengthen the Group’s property development business in the Beijing-Tianjin-Hebei Region, and the management of the Company agreed to acquire the Land Parcel after conducting feasibility studies and research.

In view of the above reasons and benefits, the Board considers that the Land Acquisition is conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the bid and the Land Use Right Grant Contract and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in property development and construction contracting business in the PRC. Tianbao Property Development is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. Tianbao Property Development is principally engaged in property development business.

INFORMATION ABOUT THE VENDOR

The Vendor is Zhuozhou Natural Resources and Planning Bureau and an authority under the People’s Government of Zhuozhou Municipal.

To the best of the knowledge, information and belief of all Directors having made all reasonable enquiries, the People’s Government of Zhuozhou Municipal (being the authority which the Vendor is subordinated to) is a governmental authority, and the People’s Government of Zhuozhou Municipal and its ultimate beneficial owner(s) are independent third parties independent of the Company and its connected persons and are not the connected persons of the Company.

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DEFINITIONS

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

“bid”	the bid for the state-owned construction land use right of the land parcel
“Board”	the board of Directors of the Company
“Company”	China Tianbao Group Development Company Limited (stock code: 1427), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land Acquisition”	the acquisition of land use right of the Land Parcel through the bid
“Land Parcel”	a land parcel situated north to Yongji East Road and east to Pengcheng Street in the High-Tech Development Zone, Zhuozhou, the PRC with a total area of 58,610.92 sq.m.
“Land Use Right Grant Contract”	the contract for grant of state-owned construction land use right entered into between the Vendor and Tianbao Property Development on January 6, 2020 in relation to the Land Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.01 each of the Company
“Shareholder(s)”	shareholder(s) of the Company
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianbao Property Development”	Tianbao Property Development Company Limited, a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Vendor”	Zhuozhou Natural Resources and Planning Bureau
“%”	per cent.

There can be no assurance that any forward-looking statements regarding the business development of the Group set out in this announcement and any of the matters set out herein are attainable, will actually occur or will be realised or are complete or accurate. Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and not to place any excessive reliance on the information disclosed herein. Any shareholder or potential investor of the Company who in doubt is advised to seek advise from professional advisors.

By order of the Board
China Tianbao Group Development Company Limited
Li Baotian
Chairman

Hong Kong, January 6, 2020

As at the date of this announcement, the executive Directors of the Company are Mr. Li Baotian, Ms. Shen Lifeng, Ms. Wang Xinling, Mr. Li Yaruixin, Mr. Zang Lin and Ms. Wang Huijie; and the independent non-executive Directors of the Company are Mr. Li Xu, Mr. Liu Kaixiang and Mr. Li Qingxu.