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**建業地產股份有限公司 \***

**Central China Real Estate Limited**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 0832)

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF  
THE SHARES OF CENTRAL CHINA  
MANAGEMENT COMPANY LIMITED  
ON THE MAIN BOARD OF  
THE STOCK EXCHANGE OF HONG KONG LIMITED**

**Sole Financial Advisor to the Company and CCMC**



**BNP PARIBAS**

This announcement is made by the board of directors (the “**Board**”) Central China Real Estate Limited (the “**Company**”), together with its subsidiaries, the “**Group**” pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) and Practice Note 15 (“**PN15**”) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The Company proposes to spin-off and separately list the shares of Central China Management Company Limited (“**CCMC**”, together with its subsidiaries, the “**CCMC Group**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) by way of introduction, to be implemented by means of a distribution in specie of the entire issued share capital of CCMC owned by the Company (the “**Proposed Spin-off**”) to the shareholders of the Company (the “**Shareholders**”). The CCMC Group is principally engaged in property project management. The Company has submitted a spin-off proposal to the Stock Exchange pursuant to PN15 in relation to the Proposed Spin-off, and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

On 10 November 2020, CCMC, through its appointed joint sponsors, ICBC International Capital Limited and CCB International Capital Limited, submitted an application to the Stock Exchange for the listing of, and permission to deal in, the shares of CCMC (the “**CCMC Shares**”) on the Main Board of the Stock Exchange. A redacted form of the application proof of CCMC’s listing document (the “**Application Proof**”) is expected to be available for viewing and downloading from the Stock Exchange’s website from 10 November 2020.

Following completion of the Proposed Spin-off, the Company will not retain any interest in the issued share capital of CCMC and CCMC will no longer be a subsidiary of the Company.

**The Proposed Spin-off is subject to, among other things, the approval of the Stock Exchange, and the final decisions of the respective boards of directors of the Company and CCMC. Accordingly, Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off will take place or as to when it may take place. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the shares of the Company. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).**

## **1. INTRODUCTION**

This announcement is made by the Board pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) and PN15 of the Listing Rules.

The Company proposes to spin-off and separately list the shares of CCMC on the Main Board of the Stock Exchange by way of introduction, to be implemented by means of a distribution in specie of the entire issued share capital of CCMC owned by the Company to the Shareholders. The CCMC Group is principally engaged in property project management. The Company has submitted a spin-off proposal to the Stock Exchange pursuant to PN15 in relation to the Proposed Spin-off, and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

## **2. LISTING APPLICATION AND APPLICATION PROOF**

The Board is pleased to announce that on 10 November 2020, CCMC, through its appointed joint sponsors, ICBC International Capital Limited and CCB International Capital Limited, submitted an application to the Stock Exchange for the listing of, and permission to deal in the CCMC Shares on the Main Board of the Stock Exchange.

A redacted form of the Application Proof is expected to be available for viewing and downloading on the Stock Exchange's website at <http://www.hkexnews.hk/APP/SEHKAPPMainIndex.htm> from 10 November 2020. The Application Proof contains, among other things, certain business and financial information relating to CCMC.

**Shareholders should note that the Application Proof is in draft form and the information contained in it is subject to change which can be material. The Company does not have any obligation or liability whatsoever in relation to the Application Proof.**

### **3. THE PROPOSED SPIN-OFF AND LISTING RULES IMPLICATIONS**

The Proposed Spin-off will be implemented by way of a distribution in specie of the entire issued share capital of CCMC owned by the Company (the “**Distribution**”) to the Shareholders on the proposed basis of one CCMC Share for every one share of the Company held on the relevant record date, being a date yet to be fixed. The Board intends to declare a special interim dividend to be satisfied by way of the Distribution to the qualifying Shareholders. Immediately after the completion of the Proposed Spin-off, qualifying Shareholders will hold the same proportionate interests in CCMC as they hold in the Company as at the record date for the Distribution. The Company will make further announcement(s) in relation to the Distribution as and when appropriate.

As the disposal of the Company’s interest in CCMC will be by means of the Distribution, the Proposed Spin-off does not constitute a transaction for the Company under Chapters 14 and 14A of the Listing Rules. Accordingly, no Shareholders’ approval is required in respect of the Proposed Spin-off and the Distribution under the Listing Rules.

Following completion of the Proposed Spin-off, the Company will not retain any interest in the issued share capital of CCMC and CCMC will no longer be a subsidiary of the Company.

### **4. ASSURED ENTITLEMENTS TO SHARES**

The Board intends to fulfill the assured entitlement requirement in Practice Note 15 of the Listing Rules by declaring a conditional special interim dividend in accordance with the articles of association of the Company and all relevant laws and regulations and satisfying the payment of such dividend by effecting the Distribution. As the Proposed Spin-off will be implemented by way of the Distribution only, there will not be any offering of new CCMC Shares to the public under the Proposed Spin-off.

### **5. INFORMATION ON THE CCMC GROUP AND THE GROUP**

CCMC was incorporated in the Cayman Islands on 22 October 2020. The CCMC Group is principally engaged in the provision of project management services throughout all phases of property development projects in the PRC.

Following the Spin-off, the Group (excluding the CCMC Group) will continue to be principally engaged in property development in the PRC, as well as property leasing and hotel operations.

## **6. REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF**

The Board believes the Proposed Spin-off is in the interests of the Company and CCMC and their respective shareholders as a whole for the following reasons:

- (i) **More defined business and investor focus:** the Proposed Spin-off and listing of the CCMC will create a more defined business focus for both the CCMC Group and the Group. This will further enhance their branding and provide investors with greater investment focus for each group;
- (ii) **Enhanced corporate profile and transparency for investors:** the Proposed Spin-off will enhance the CCMC's corporate profile and brand awareness, while increasing the operational and financial transparency of the CCMC Group and provide investors, the market and rating agencies with greater clarity on the businesses and financial status of the CCMC Group;
- (iii) **Better clarity and focus for management:** the Proposed Spin-off will enable the respective management of the CCMC Group and the Group to improve resource allocation, better focus on their respective businesses and enhance their decision-making process as well as responsiveness to market changes; and
- (iv) **Better access to capital markets and improved financing flexibility:** the Proposed Spin-off will allow the CCMC Group to gain direct access to the capital markets for equity and/or debt financing to fund its existing operations and future expansion without reliance on the Company, thereby accelerating its expansion and improving its operating and financial performance.

**Shareholders and potential investors of the Company should note that the Proposed Spin-off is subject to, among other things, the final decisions of the respective boards of directors of the Company and CCMC. Accordingly, Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off will take place or as to when it may take place. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the shares of the Company. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).**

Further announcements will be made by the Company in relation to the Proposed Spin-off as and when appropriate.

By Order of the Board  
**Central China Real Estate Limited**  
**Wu Po Sum**  
*Chairman*

Hong Kong, 10 November 2020

*As at the date of this announcement, the Board comprises nine Directors, of which Mr. Wu Po Sum, Mr. Wang Jun and Mr. Yuan Xujun are executive Directors, Mr. Lim Ming Yan, Ms. Wu Wallis (alias Li Hua) and Ms. Chen Ying are non-executive Directors, Mr. Cheung Shek Lun, Mr. Xin Luo Lin and Dr. Sun Yuyang are independent non-executive Directors.*

*\* For identification purposes only*