

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities law of any such jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer, its management, as well as financial statements. The Company does not intend to register any part of the offering in the United States or to conduct a public offering of securities in the United States.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.*



**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 CENTRAL CHINA MANAGEMENT COMPANY LIMITED  
ON THE MAIN BOARD OF THE STOCK EXCHANGE  
OF HONG KONG LIMITED**

**DISCLOSEABLE TRANSACTION**

**PUBLICATION OF THE PROSPECTUS ISSUED BY  
CENTRAL CHINA MANAGEMENT COMPANY LIMITED  
AND  
EXPECTED SIZE OF THE GLOBAL OFFERING AND  
OFFER PRICE RANGE**

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



**BNP PARIBAS**

In connection with the Proposed Spin-off, the Global Offering (including the Preferential Offering) and the Distribution, CCMGT has published the Prospectus on 18 May 2021.

As disclosed in the Prospectus, the total number of the CCMGT Shares to be offered pursuant to the Global Offering will be 328,172,000 Shares (assuming the Over-allotment Option is not exercised), representing approximately 10.0% of the total number of the CCMGT Shares in issue immediately following the completion of the Global Offering, and 377,396,000 (assuming the Over-allotment Option is exercised in full), representing approximately 11.3% of the total number of the CCMGT Shares in issue immediately following the completion of the Global Offering.

The offer price for the CCMGT Shares in the Global Offering is expected to be not less than HK\$2.40 per CCMGT Share and not more than HK\$3.20 per CCMGT Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

The Proposed Spin-off will be effected by way of a distribution in specie of the entire issued share capital of CCMGT and a Global Offering of new CCMGT Shares. The Distribution does not constitute a transaction for the Company under Chapter 14 of the Listing Rules and the Global Offering, if materialized, will constitute a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Proposed Spinoff will be at least 5% but all will be less than 25%, the Proposed Spin-off will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

**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).**

## **INTRODUCTION**

Reference is made to the announcements of the Company dated 10 November 2020, 7 April 2021, 30 April 2021, 3 May 2021, 4 May 2021 and 12 May 2021 in relation to the proposed spin-off of CCMGT and separate listing of the CCMGT Shares on the Main Board of the Stock Exchange. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in such announcements.

## **PUBLICATION OF THE PROSPECTUS**

In connection with the Proposed Spin-off, the Global Offering (including the Preferential Offering) and the Distribution, CCMGT has published the Prospectus on 18 May 2021. The Prospectus contains, among others: (a) details of the Global Offering (including the Preferential Offering); (b) details of the Distribution; and (c) certain business and financial information in relation to the CCMGT Group.

The Prospectus is available for viewing and downloading from CCMGT's website ([www.centralchinamgt.com](http://www.centralchinamgt.com)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) from 18 May 2021. Printed copies of the Prospectus may be obtained, free of charge, at designated locations specified in: (a) the formal notice issued by CCMGT on 18 May 2021; and (b) the Prospectus, during normal business hours from 9:00 a.m. on Tuesday, 18 May 2021 until 12:00 noon on Monday, 24 May 2021.

## **PREFERENTIAL OFFERING**

Qualifying Shareholders will be provided with the assured entitlement to an aggregate of 32,818,000 Reserved Shares in the Preferential Offering (representing approximately 10.0% of the CCMGT Shares initially available under the Global Offering (before any exercise of the Over-allotment Option)) and the basis of the assured entitlement is one (1) Reserved Share for every integral multiple of 90 Shares held by the Qualifying Shareholders at 4:30 p.m. on 14 May 2021, being the Record Date. The Reserved Shares will be offered out of the CCMGT Shares initially being offered for subscription and purchase under the International Offering and will not be subject to reallocation.

A blue application form has been despatched to each Qualifying Shareholder. In addition, Qualifying Shareholders will receive a copy of the Prospectus in the manner which they have elected, or deemed to have elected, to receive corporate communications under the Company's corporate communications policy. If a Qualifying Shareholder has elected to receive corporate communications from the Company in printed form, or has not been asked to elect the means of receiving the Company's corporate communications, a printed copy of the Prospectus in the elected language version(s) will be despatched to such Qualifying Shareholder.

## **DISTRIBUTION**

On 12 May 2021, the Board declared a special dividend by way of the Distribution in specie of all CCMGT Shares.

The Distribution, as declared by the Board, is conditional upon (among others) the Listing Committee granting the approval for the listing of, and permission to deal in, the CCMGT Shares and such approval not having been revoked prior to 8:00 a.m. (Hong Kong time) on the date on which dealings in the CCMGT Shares on the Main Board of the Stock Exchange commence. If this condition is not satisfied, the Distribution will not be made and the Proposed Spin-off will not take place.

If the Distribution becomes unconditional, it will be satisfied wholly by way of the distribution in specie to the Qualifying Shareholders whose names appeared on the register of members of the Company on the Record Date of an aggregate of 2,967,116,120 CCMGT Shares, representing the entire issued share capital of CCMGT, on a pro-rata basis to their shareholdings in the Company on the Record Date on basis of one (1) CCMGT Share for every one (1) Share held by the Qualifying Shareholders on the Record Date.

## **EXPECTED SIZE OF THE GLOBAL OFFERING AND OFFER PRICE RANGE**

As disclosed in the Prospectus, the total number of the CCMGT Shares to be offered pursuant to the Global Offering will be 328,172,000 (assuming the Over-allotment Option is not exercised), representing approximately 10.0% of the total number of the CCMGT Shares in issue immediately following the completion of the Global Offering, and 377,396,000 (assuming the Over-allotment Option is exercised in full), representing approximately 11.3% of the total number of the CCMGT Shares in issue immediately following the completion of the Global Offering.

The offer price for the CCMGT Shares in the Global Offering is expected to be not less than HK\$2.40 per CCMGT Share and not more than HK\$3.20 per CCMGT Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

On the basis of the number of the CCMGT Shares to be offered pursuant to the Global Offering (assuming the Over-allotment Option is not exercised) and the expected offer price range as stated above, if the Global Offering proceeds:

- (a) the market capitalization of CCMGT will be between approximately HK\$7,908.7 million and approximately HK\$10,544.9 million; and
- (b) the Company will not retain any interest in the issued share capital of CCMGT upon completion of the Global Offering.

## **CONDITIONS OF THE PROPOSED SPIN-OFF AND THE GLOBAL OFFERING**

The Proposed Spin-off and the Global Offering (including the Preferential Offering) are conditional upon, among other things:

- (a) the Listing Committee granting approval for the listing of, and permission to deal in, the CCMGT Shares to be issued pursuant to the Global Offering (including any CCMGT Shares which may be issued by CCMGT pursuant to the exercise of the Over-allotment Option);
- (b) the final offer price for the CCMGT Shares in the Global Offering being duly agreed among CCMGT and the Joint Global Coordinators (for themselves and on behalf of the Underwriters);
- (c) the execution and delivery of the International Underwriting Agreement on the Price Determination Date; and

- (d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming unconditional and not having been terminated in accordance with the terms of the respective agreements, in each case on or before the dates and times specified in the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement, as the case may be (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than 30 days after the date of the Prospectus.

An application has been made to the Stock Exchange for the listing of, and permission to deal in, the CCMGT Shares.

Please refer to the Prospectus for details in relation to the conditions of the Global Offering. If the conditions are not fulfilled on or before the time specified therein, the Proposed Spin-off and the Global Offering will not proceed and an announcement will be published by the Company as soon as practicable thereafter.

## **USE OF PROCEEDS**

CCMGT estimates that it will receive net proceeds from the Global Offering, after deducting the underwriting commissions, the discretionary incentive fee (assuming the full payment of the discretionary incentive fee of 0.5% of the aggregate Offer Price of all the Offer Shares under the Global Offering) and the estimated expenses in relation to the Global Offering (assuming the Over-allotment Option is not exercised), will be approximately HK\$852.6 million, assuming an Offer Price of HK\$2.80 (being the mid-point of the Offer Price range).

CCMGT Company intends to use the net proceeds from the Global Offering (assuming the Over-allotment Option is not exercised) for the following purposes:

<b>Percentage and Amount of Net Proceeds</b>	<b>Intended Application</b>
Approximately 40.0%, or HK\$341.0 million	for expanding into new markets in the “Greater Central China” region and enriching CCMGT’s service offerings
Approximately 36.0%, or HK\$306.9 million	for potential acquisitions of other industry participants in the project management value chain

**Percentage and Amount of  
Net Proceeds**

**Intended Application**

Approximately 14.0%, or  
HK\$119.4 million

for further enhancing its information technology  
system and infrastructure

Approximately 10.0%, or  
HK\$85.3 million

for its general corporate and working capital purposes

For details, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

**INFORMATION ABOUT THE GROUP AND THE CCMGT GROUP**

The Group is principally engaged in real estate development and sales in Henan Province, the PRC.

The CCMGT Group is principally engaged in the provision of project management services throughout all phases of property development projects in the PRC.

Set out below is certain information in relation to the CCMGT Group for the years ended 31 December 2019 and 31 December 2020 as disclosed in the Prospectus:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Profits before taxation	858,224	912,337
Income tax	<u>(217,127)</u>	<u>(230,867)</u>
<b>Profit for the year</b>	<b><u>641,097</u></b>	<b><u>681,470</u></b>

The audited consolidated net assets of CCMGT was approximately RMB1,007,392,000 as at 31 December 2020.

There will be no gain or loss arising from the deemed disposal by the Company of its interest in CCMGT under the Global Offering to be recognized in profit or loss of the Group, save for certain listing expenses to be borne by the Group as disclosed in the Prospectus.

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

The Board believes the Proposed Spin-off is in the interests of the Company and CCMGT 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 CCMGT will create a more defined business focus for both the CCMGT 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 CCMGT Group's corporate profile and brand awareness, while increasing the operational and financial transparency of the CCMGT Group and provide investors, the market and rating agencies with greater clarity on the businesses and financial status of the CCMGT Group;
- (iii) **Better clarity and focus for management:** the Proposed Spin-off will enable the respective management of the CCMGT 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 CCMGT 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.

The Board believes that the Proposed Spin-off is fair and reasonable and in the best interest of the Company and the Shareholders as a whole.



## LISTING RULES IMPLICATIONS

The Proposed Spin-off will be effected by way of a distribution in specie of the entire issued share capital of CCMGT and a Global Offering of new CCMGT Shares. The Distribution does not constitute a transaction for the Company under Chapter 14 of the Listing Rules and the Global Offering, if materialized, will constitute a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Proposed Spinoff will be at least 5% but all will be less than 25%, the Proposed Spin-off will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## GENERAL

In connection with the Global Offering (including the Preferential Offering), the price of the CCMGT Shares may be stabilised in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Details of any intended stabilisation and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) will be contained in the Prospectus.

The Global Offering (including the Preferential Offering) is conditional upon, among others: (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the CCMGT Shares to be issued pursuant to the Global Offering (including any CCMGT Shares which may be issued by CCMGT pursuant to the exercise of the Over-allotment Option); (ii) the final offer price for the CCMGT Shares in the Global Offering having been duly agreed between CCMGT and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on or about Monday, 24 May 2021 and, in any event, no later than Thursday, 27 May 2021 (the “**Price Determination Date**”); (iii) the execution and delivery of the International Underwriting Agreement on the Price Determination Date; and (iv) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming unconditional and not having been terminated in accordance with the terms of the respective agreements, in each case on or before the dates and times specified in the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement, as the case may be (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than 30 days after the date of the Prospectus.

**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).**

This announcement is not intended to, and does not, constitute an offer to sell or a solicitation of an offer to subscribe for or purchase any CCMGT Shares in connection with the Global Offering (including the Preferential Offering) and the Distribution or otherwise. Any such offer or solicitation is made solely through the Prospectus or other offering documents that may be issued in compliance with applicable laws and any decision to subscribe for or purchase the CCMGT Shares in connection with the Global Offering (including the Preferential Offering) and the Distribution or otherwise should be made solely on the basis of the information contained in the Prospectus and such other offering documents. No action has been or will be taken in any jurisdiction (other than in Hong Kong) that would permit a public offering of the CCMGT Shares to be offered in the Global Offering (including the Preferential Offering) and the Distribution in any jurisdiction where action for that purpose is required.

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off, the Global Offering (including the Preferential Offering) and the Distribution as and when appropriate.

## **DEFINITIONS**

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

“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering
“Hong Kong Underwriting Agreement”	the underwriting agreement in relation to the Hong Kong Public Offering entered into by, among others, CCMGT and the Hong Kong Underwriters on 17 May 2021
“International Underwriters”	the underwriters of the International Offering

“International Underwriting Agreement”	the underwriting agreement in relation to the International Offering which is expected to be entered into by, among others, CCMGT and the International Underwriters on the Price Determination Date
“Joint Global Coordinators”	the joint global coordinators of the Global Offering
“Over-allotment Option”	the option expected to be granted by CCMGT to the International Underwriters, exercisable by the Joint Global Coordinators of the Global Offering (on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which CCMGT may be required to allot and issue up to an aggregate of 49,224,000 additional CCMGT Shares at the Offer Price to, cover over-allocations in the International Offering, if any
“SFC”	the Securities and Futures Commission
“Underwriters”	the Hong Kong Underwriters and the International Underwriters

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

Hong Kong, 18 May 2021

*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*