

*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 appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*

## **C&D Property Management Group Co., Ltd**

**建發物業管理集團有限公司**

*(Incorporated in the British Virgin Islands with limited liability)*

**(Stock Code: 2156)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



#### **THE PLACING**

On 10 December 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has agreed to appoint the Placing Agent as agent, in relation to the placing of the 131,300,000 Placing Shares and the Placing Agent agreed, as placing agent of the Company, to procure Placees on a best effort basis to subscribe for the Placing Shares, at the Placing Price (being HK\$4.16 per Share). The Placing is subject to various terms and conditions set out in the Placing Agreement.

The Placing Shares represent approximately 10.90% of the issued share capital of the Company as at the date of this announcement and approximately 9.83% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming that there will be no other change in the issued share capital of the Company from the date of this announcement to the completion of the Placing save for the allotment and issue of the Placing Shares).

The Placing Price of HK\$4.16 per Share represents:

- (i) a premium of approximately 0.24% to the closing price of HK\$4.15 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) no premium/discount to the average closing price of HK\$4.16 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Day; and
- (iii) a premium of approximately 1.22% to the average closing price of HK\$4.11 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to and including the Last Trading Day.

### **GENERAL MANDATE TO ISSUE THE PLACING SHARES**

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors to allot, issue and deal with Shares by a resolution of the Shareholders passed at the AGM. Under the General Mandate, the Company is authorized to issue up to 235,342,221 Shares. No Shares have been issued under the General Mandate as at the date of this announcement. As such, the Placing is not subject to approval of the Shareholders.

### **USE OF PROCEEDS**

Subject to the completion of the Placing and on the assumption that all Placing Shares are issued pursuant to the Placing, the gross proceeds and net proceeds (after deduction of all costs and expenses) to be received by the Company will be approximately HK\$546,208,000 and HK\$545,000,000, respectively. Approximately HK\$163.5 million and approximately HK\$381.5 million (representing 30% and 70% of the net proceeds) will be used for acquisition of property management company(ies) and general working capital, respectively.

**The Placing Agreement may be terminated pursuant to the provisions contained therein. In addition, completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

### **THE PLACING AGREEMENT**

Date: 10 December 2021 (after trading hours)

Parties:

- (a) The Company; and
- (b) The Placing Agent.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owners is not a connected person of the Company.

Pursuant to the Placing Agreement, the Company has agreed to appoint the Placing Agent as agent, in relation to the placing of the Placing Shares (being 131,300,000 Shares) and the Placing Agent agreed, as placing agent of the Company, to procure Placees on a best effort basis to subscribe for the Placing Shares, at the Placing Price (being HK\$4.16 per Share).

### **The Placees**

Pursuant to the Placing Agreement, the Placing Shares will be placed by the Placing Agent to independent Placees who/which are professional, institutional and/or other investors procured by the Placing Agent. The choice of the placees for the Placing Shares shall be determined by the Placing Agent in its sole and absolute discretion, subject to the requirements of any applicable laws, the Listing Rules and the Codes on Takeovers and Mergers and Share Buy-backs. The Placing Agent shall not place any of the Placing Shares to any placees whom it knows is a connected person of the Company.

As at the date of this announcement, the Placing Agent has informed the Company that two Placees have agreed to subscribe for the Placing Shares. The two Placees are (i) Cederberg Capital Limited, subscribing for 93,800,000 Placing Shares; and (ii) OceanLink Management Ltd., subscribing for 37,500,000 Placing Shares.

Cederberg Capital Limited is a London-based alternative investment fund manager authorised and regulated by the Financial Conduct Authority of the United Kingdom and the US Securities and Exchange Commission. Cederberg Capital Limited is an independent, wholly-owned subsidiary of Cederberg Capital (Cayman), which is majority employee-owned and ultimately owned as to approximately 64% by Mr. Dawid Krige, its sole substantial shareholder.

OceanLink Management Ltd. is the general partner of OceanLink Partners Fund, L.P. and the investment manager and a contingent interest partner of Cassini Partners L.P. and an existing Shareholder interested in 22,943,000 Shares. OceanLink Partners Fund, L.P. is a limited partnership incorporated in the United States of America. OceanLink Management Ltd. is owned by Mr. Steven Shen and Mr. Richard Li as to 65% and 35%, respectively. As at 30 November 2021, the number of limited partners of OceanLink Partners Fund, L.P. was 89, and none of the partners of OceanLink Partners Fund, L.P. contributed 30% or more of the fund's capital. Cassini Partners L.P. is a limited partnership incorporated in the United States of America. Assets of Cassini Partners L.P. under OceanLink Management Ltd.'s management amounted to approximately US\$520 million.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Placees and its ultimate beneficial owners is not a connected person of the Company. Immediately after completion of the Placing, each of the Placees will not become a substantial shareholder of the Company.

## **Placing Price**

The Placing Price of HK\$4.16 per Share (exclusive of stamp duty, brokerage, Stock Exchange trading fees and SFC transaction levies) represents:

- (i) a premium of approximately 0.24% to the closing price of HK\$4.15 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) no premium/discount to the average closing price of HK\$4.16 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Day; and
- (iii) a premium of approximately 1.22% to the average closing price of HK\$4.11 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to and including the Last Trading Day.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis among the Company and the Placing Agent. The Directors consider that the Placing Price and the terms of the Placing are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

## **Number of Placing Shares**

The Placing Shares represent approximately 10.90% of the issued share capital of the Company of 1,204,961,106 Shares as at the date of this announcement, and approximately 9.83% of the issued share capital of the Company of 1,336,261,106 Shares as enlarged by the allotment and issue of Placing Shares (assuming that there will be no other change in the issued share capital of the Company from the date of this announcement to the completion of the Placing save for the allotment and issue of the Placing Shares). The aggregate nominal value of the Placing Shares is HK\$1,313,000.

## **Ranking of the Placing Shares**

The Placing Shares rank *pari passu* with the other Shares in issue in the capital of the Company.

## **Rights of the Placing Shares**

The Placing Shares will be sold free from all liens, charges and encumbrances, claims, options, security interests, equities and other third party rights (including rights of pre-emption) of any nature whatsoever and together with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on the Placing Shares at any time on or after the date of issue of the Placing Shares.

## **Conditions of the Placing**

The Placing is conditional on the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares pursuant to the Placing Agreement), the Placing Agent having received on or prior to the Closing Date an opinion from the Hong Kong legal counsel of the Company and certain termination events below, upon the occurrence of which the Placing will not proceed to completion unless otherwise waived by the Placing Agent.

## **Termination**

Unless otherwise waived by the Placing Agent, if at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date:

- (a) there develops, occurs or comes into force:
  - (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations or the interpretation or application thereof by any court or other competent authority which in the sole opinion of the Placing Agent is or is likely to be materially adverse to the success of the Placing; or
  - (ii) any event, or series of events beyond the control of the Placing Agent (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God) in or affecting Hong Kong, the People's Republic of China, the United Kingdom, the European Union or the United States, or the declaration by Hong Kong, the People's Republic of China, the United Kingdom, the European Union (or any member thereof) or the United States of war or a state of emergency or calamity or crisis; or
  - (iii) any significant change in local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, interbank markets and credit markets) which in the sole opinion of the Placing Agent is or is likely to be materially adverse to the success of the Placing; or
  - (iv) any material adverse change in local, national or international securities market conditions or currency exchange rates or exchange controls which in the sole opinion of the Placing Agent is or is likely to be materially adverse to the success of the Placing; or
  - (v) any suspension or limitation of dealings in the Shares during the Placing Period whatsoever (other than as a result of the Placing); or

- (vi) any moratorium, suspension, restriction or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the Shanghai Stock Exchange, the London Stock Exchange or the Shenzhen Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
- (b) (i) any breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement (or, in the case of any such representations, warranties and undertakings which are not qualified by materiality, any breach of any of such representations, warranties and undertakings in any material respect) comes to the knowledge of the Placing Agent; (ii) any event occurs or any matter arises on or after the date hereof and prior to the completion of the Placing on the Closing Date which if it had occurred or arisen before the date hereof would have rendered any of the representations, warranties and undertakings set out in the Placing Agreement untrue or incorrect; or (iii) there has been a material breach of, or failure to perform, any other provision of the Placing Agreement in any material respect on the part of the Company; or
- (c) there is any material change, or any development involving a prospective material change, in or affecting the business, general affairs, management, prospects, assets and liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group (other than those already disclosed to the public on or before the date of the Placing Agreement) as a whole which in the sole opinion of the Placing Agent is or is likely to be materially adverse to the success of the Placing;

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date.

### **Completion of the Placing**

Subject to the satisfaction of the Conditions, completion of the Placing will take place on the Closing Date or as soon as practicable thereafter or such other date as the Placing Agent and the Company may agree in writing.

### **Application for Listing**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Placing Shares.

### **GENERAL MANDATE TO ISSUE THE PLACING SHARES**

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors to allot, issue and deal with Shares by a resolution of the Shareholders passed at the AGM. Under the General Mandate, the Company is authorized to issue up to 235,342,221 Shares. No Shares have been issued under the General Mandate as at the date of this announcement since it was granted. As such, the Placing is not subject to approval of the Shareholders.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Placing, on the assumption that (a) there will be no other change in the issued share capital of the Company from the date of this announcement to the completion of the Placing save for the issue of the Placing Shares; and (b) the Placees do not and will not hold any Shares other than the Placing Shares:

| Name of Shareholder                                  | As at the date of<br>this announcement                   |  | Immediately after completion<br>of the Placing           |  |
|--|--|--|--|--|
|  | Number of<br>issued Shares/<br>underlying<br>Shares held | Approximate<br>percentage in<br>the issued<br>share capital of<br>the Company<br>(%) | Number of<br>issued Shares/<br>underlying<br>Shares held | Approximate<br>percentage in<br>the issued<br>share capital of<br>the Company<br>(%) |
| Well Land International Limited<br>(Note 1)          | 764,430,106  | 63.44  | 764,430,106  | 57.21  |
| Diamond Firetail Limited (Note 2)                    | 60,412,000   | 5.01   | 60,412,000   | 4.52   |
| BOCI Trustee (Hong Kong) Limited<br>(Note 3)         | 28,250,000   | 2.34   | 28,250,000   | 2.11   |
| <b>Public Shareholders</b>                           |  |  |  |  |
| Placees  | 22,943,000   | 1.90   | 154,243,000  | 11.54  |
| Other public Shareholders<br>(excluding the Placees) | 328,926,000  | 27.31  | 328,926,000  | 24.62  |
| <b>Total</b>   | <b>1,204,961,106</b>                                     | <b>100.00</b>  | <b>1,336,261,106</b>                                     | <b>100.00</b>  |

Notes:

- Well Land International Limited is a wholly-owned subsidiary of Well Honour International Limited. Well Honour International Limited is a wholly-owned subsidiary of C&D Real Estate. C&D Real Estate is owned as to 54.65% and 45.35% by Xiamen C&D Inc., the shares of which are listed on the Shanghai Stock Exchange (stock code: 600153) and Xiamen C&D Corporation Limited, a state-owned group of companies under the supervision of Xiamen State-owned Assets Supervision and Administration Commission of Xiamen Municipal People's Government respectively. Xiamen C&D Corporation Limited is interested in Xiamen C&D Inc. as to 47.38%. Therefore, Well Honour International Limited, C&D Real Estate, Xiamen C&D Inc. and Xiamen C&D Corporation Limited are deemed to be interested in the Shares which Well Land International Limited is interested by virtue of the SFO.
- Diamond Firetail Limited is a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Tricor Equity Trustee Limited. Tricor Equity Trustee Limited is a trustee of a discretionary trust and each of Mr. Zhuang Yuekai and Ms. Zhao Chengmin is one of the founders of the said discretionary trust. Ms. Cao Xinyu, Ms. Liu Jing and Mr. Lin Weiguo are protectors of the said discretionary trust. Therefore, Tricor Equity Trustee Limited, Mr. Zhuang Yuekai, Mr. Lin Weiguo, Ms. Cao Xinyu, Ms. Liu Jing and Ms. Zhao Chengmin are deemed to be interested in the Shares held by Diamond Firetail Limited by virtue of the SFO.
- The Shares were allotted and issued to BOCI Trustee (Hong Kong) Limited, the trustee of the Incentive Scheme, who held the Shares on behalf of the incentive recipients of the Incentive Scheme. Being the incentive recipients of the Incentive Scheme, each of Ms. Qiao Haixia and Mr. Huang Danghui is interested in 600,000 Shares and 600,000 Shares held on trust by the trustee under the Incentive Scheme, respectively, which are subject to vesting.



## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Directors consider that the Placing represents an opportunity to raise capital for the Company while broadening the shareholder base and capital base of the Company. Accordingly, the Directors considered that the Placing, and the terms of the Placing Agreement are fair and reasonable and on normal commercial terms and that the entering into of the Placing Agreement is beneficial to the Company and in the interests of the Company and the Shareholders as a whole.

Subject to the completion of the Placing, and on the assumption that all Placing Shares are issued pursuant to the Placing, the gross proceeds and net proceeds (after deduction of all costs and expenses) to be received by the Company will be approximately HK\$546,208,000 and HK\$545,000,000, respectively. Based on the estimated net proceeds of approximately HK\$545,000,000, the net price to the Company per Placing Share will be approximately HK\$4.15.

The Board noted that the Group has cash and cash equivalents of approximately RMB1.41 billion as at 30 November 2021, which were mainly derived from the receipt of prepaid property management fees by property owners and the prepaid renovation fees under community value-added and synergy services. However, such amount was reserved and will be utilized as the Group's working capital in its ordinary course of business, hence the Group is required to raise additional funds for expansion and business development. Details of the usage of the Group's existing working capital are set out below:

- a. approximately 45% will be utilized as working capital for its property management projects;
- b. approximately 40% will be utilized as working capital for community value-added and synergy services, for supporting the Group's home beauty services (such as furnishing etc.) etc.;
- c. approximately 10% will be utilized as working capital for value-added services to non-property owners;
- d. approximately 5% will be utilized as working capital for security deposit of third party projects and for its investment and maintenance of its information systems.

The specific use of working capital will be adjusted from time to time based on actual market conditions and the Group's business strategies.



The Company intends to use the net proceeds from the Placing for business development or investment by acquiring targets that are suitable for the Company's principal business as opportunities arise, as well as for general working capital. On or before 31 December 2022, approximately HK\$163.5 million, representing 30% of the net proceeds will be used for acquisition of property management company(ies) and approximately HK\$381.5 million, representing 70% of the net proceeds shall be used as general working capital. As at the date of this announcement, the Company has not identified any specific investment or acquisition targets. The specific use of the net proceeds will be adjusted from time to time based on actual market conditions and the Group's business strategies.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

Save as disclosed below, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

| <b>Date of announcement</b> | <b>Event</b>   | <b>Net proceeds and intended use of proceeds</b>   | <b>Actual use of proceeds</b>   |
|-----------------------------|--|--|---|
| 1 July 2021                 | Issue of up to 35,300,000 Shares under the Incentive Scheme pursuant to the specific mandate, whereby 28,250,000 Shares were issued at HK\$2.41 each as at the date of this announcement | HK\$68,082,500 as general working capital (based on 28,250,000 Shares issued under the Incentive Scheme as at the date of this announcement) | HK\$68,082,500 was used as general working capital (based on 28,250,000 Shares issued under the Incentive Scheme as at the date of this announcement) |

## **INFORMATION ON THE GROUP**

The Group is principally engaged in the businesses of property management services, community value-added and synergy services and value-added services to non-property owners in the PRC.

**The Placing Agreement may be terminated pursuant to the provisions contained therein. In addition, completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

|                           |  |
|---------------------------|--|
| “AGM”                     | the annual general meeting of the Company held on 21 May 2021  |
| “Board”                   | the board of Directors   |
| “Business Day”            | any day (excluding a Saturday, Sunday and public holidays in Hong Kong) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is generally open for trading of securities in Hong Kong   |
| “Closing Date”            | the Business Day after the date on which the Conditions are fulfilled but in any event no later than 20 December 2021, or such other date as the Company and the Placing Agent may agree in writing                            |
| “Company”                 | C&D Property Management Group Co., Ltd (建發物業管理集團有限公司), a company incorporated in the British Virgin Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange                  |
| “Conditions”              | the conditions to completion of the Placing  |
| “connected person(s)”     | has the meaning ascribed to it under the Listing Rules   |
| “controlling shareholder” | has the meaning ascribed to it under the Listing Rules   |
| “C&D Real Estate”         | C&D Real Estate Corporation Limited* (建發房地產集團有限公司), a company established in the PRC with limited liability and a controlling shareholder of the Company   |
| “Directors”               | the directors of the Company   |
| “General Mandate”         | the general mandate granted to the Directors by a resolution of the Shareholders passed at the AGM to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the AGM |
| “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   |
| “Incentive Scheme”        | the 2021 restricted share incentive scheme approved at the extraordinary general meeting of the Company held on 9 June 2021  |

|                     |   |
|---------------------|---|
| “Last Trading Day”  | 10 December 2021, being the date of this announcement   |
| “Listing Rules”     | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Placee(s)”         | any professional, institutional and other investors whom the Placing Agent has procured to subscribe for any of the Placing Shares pursuant to the Placing Agreement  |
| “Placing”           | the placing by or on behalf of the Placing Agent of the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement  |
| “Placing Agent”     | China International Capital Corporation Hong Kong Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO |
| “Placing Agreement” | the placing agreement dated 10 December 2021 entered into among the Company and the Placing Agent in relation to the Placing  |
| “Placing Period”    | the period commencing upon the execution of the Placing Agreement and terminating at 8:00 a.m. (Hong Kong time) on the Closing Date (or such later time and date as the Company and the Placing Agent may agree in writing)   |
| “Placing Price”     | HK\$4.16 per Placing Share, as determined in accordance with the terms of the Placing Agreement   |
| “Placing Shares”    | 131,300,000 new Shares to be issued by the Company pursuant to the Placing Agreement  |
| “PRC”               | the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan   |
| “SFC”               | the Securities and Futures Commission of Hong Kong  |
| “SFO”               | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)   |
| “Share(s)”          | the ordinary share(s) of HK\$0.01 each in the share capital of the Company  |
| “Shareholders”      | holders of the Shares   |

|                              |  |
|------------------------------|--|
| “Stock Exchange”             | The Stock Exchange of Hong Kong Limited                |
| “substantial shareholder(s)” | has the meaning ascribed to it under the Listing Rules |
| “%”                          | per cent.  |

For and on behalf of  
**C&D Property Management Group Co., Ltd**  
**Zhuang Yuekai**  
*Chairman and Non-executive Director*

Hong Kong, 10 December 2021

*As at the date of this announcement, the executive Directors are Ms. Qiao Haixia (Chief Executive Officer) and Mr. Huang Danghui; the non-executive Directors are Mr. Zhuang Yuekai (Chairman) and Mr. Lin Weiguo; and the independent non-executive Directors are Mr. Cheung Kwok Kwan J.P., Mr. Lee Cheuk Yin Dannis, Mr. Li Kwok Tai James and Mr. Wu Yat Wai.*

*\* for identification purpose only*