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CENTRAL CHINA MANAGEMENT COMPANY LIMITED

中原建業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9982)

CONNECTED TRANSACTION IN RELATION TO ENTERING INTO THE SUBLEASE AGREEMENT

THE SUBLEASE AGREEMENT

The Board wishes to announce that the Company's lease for its principal place of business in Hong Kong expired on 31 March 2023. As such, the Company has renewed such lease. On 31 March 2023, Central China Properties (as sublessor) and the Company (as sublessee) entered into the Sublease Agreement, pursuant to which, Central China Properties agreed to sublet the Subleased Portion to the Company for a term of three years commencing from 1 April 2023 to 30 March 2026 (both days inclusive).

LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 "Leases", the Group will recognize the value of the right-of-use assets on its balance sheet in respect of the Subleased Portion under the Sublease Agreement, and this transaction will be regarded as an acquisition of assets by the Group pursuant to the Listing Rules.

As at the date of this announcement, Central China Properties is an indirect wholly-owned subsidiary of CCRE, which is indirectly owned as to more than 30% by Mr. Wu. Mr. Wu is a controlling shareholder and a connected person of the Company. Accordingly, Central China Properties is an associate of Mr. Wu and thus a connected person of the Company under Rule 14A.07(4) of the Listing Rules. The transactions contemplated under the Sublease Agreement therefore constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Sublease Agreement is more than 0.1% but less than 5%, the Sublease Agreement is subject to the reporting and announcement requirements but exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE SUBLEASE AGREEMENT

The principal terms of the Sublease Agreement are set out below:

Date	:	31 March 2023
Parties	:	(1) Central China Properties (as sublessor) (2) The Company (as sublessee)
Subleased Portion	:	Unit No. 7701A on Level 77 of International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
Use	:	Office premises
Term	:	The period commencing from 1 April 2023 to 30 March 2026 (both days inclusive)
Rent	:	HK\$206,392.90 per calendar month (exclusive of air-conditioning and management charges, government rates and other outgoing, which are payable by the Company)
Air-conditioning and management charges	:	HK\$28,131.64 per calendar month
Deposit	:	HK\$731,339.43, which is equivalent to the aggregate of three (3) months' rent, three (3) months' air-conditioning and management charges and three (3) months' government rates

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBLEASE AGREEMENT

The Company's lease for its principal place of business in Hong Kong expired on 31 March 2023. As such, the Company has renewed such lease. The Company intends to sublease the Subleased Portion from Central China Properties as one of the Group's office premises, taking into account the favourable location, size and floor level of the Subleased Portion.

The terms of the Sublease Agreement (including the rent) were determined after arm's length negotiations between the parties, with reference to the actual rental, air-conditioning and management charges and other fees and charges charged by the landlord of the Head

Lease pursuant to the terms of the Head Lease without any mark-up (being about 35% of the size of the Head-lease Premises). The rental being charged by the landlord of the Head Lease to Central China Properties was determined by reference to the prevailing market rental of comparable office premises in the vicinity of the Head-lease Premises.

The Directors (including the independent non-executive Directors) consider that the Sublease Agreement has been entered into on normal commercial terms and in the ordinary and usual course of business of the Company, and that the terms of the Sublease Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

DIRECTOR'S INTEREST IN THE CONNECTED TRANSACTION

As at the date of this announcement, Central China Properties is an indirect wholly-owned subsidiary of CCRE, which is indirectly owned as to more than 30% by Mr. Wu. Mr. Wu is a controlling shareholder and a connected person of the Company. Accordingly, Central China Properties is an associate of Mr. Wu and thus a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Therefore, he has abstained from voting on the Board resolutions regarding the Sublease Agreement to avoid any conflict of interest. Save for the above, none of the Directors has any material interest in any of the transactions contemplated under the Sublease Agreement and is required to abstain from voting on the Board resolutions to approve the same.

INFORMATION OF THE PARTIES

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

Central China Properties is a company incorporated in Hong Kong with limited liability. It is an investment holding company and an indirect wholly-owned subsidiary of CCRE.

IMPLICATIONS UNDER THE LISTING RULES

In accordance with HKFRS 16 "Leases", the Group will recognize the value of the right-of-use assets on its balance sheet in respect of the Subleased Portion under the Sublease Agreement, and this transaction will be regarded as an acquisition of assets by the Group pursuant to the Listing Rules.

As at the date of this announcement, Central China Properties is an indirect wholly-owned subsidiary of CCRE, which is indirectly owned as to more than 30% by Mr. Wu. Mr. Wu is a controlling shareholder and a connected person of the Company. Accordingly, Central China Properties is an associate of Mr. Wu and thus a connected person of the Company under Rule 14A.07(4) of the Listing Rules. The transactions contemplated under the Sublease Agreement therefore constitute a connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Sublease Agreement is more than 0.1% but less than 5%, the Sublease Agreement is subject to the reporting and announcement requirements but exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as set forth below:

“associate(s)”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors
“CCRE”	Central China Real Estate Limited, a company incorporated under the laws of the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 832), and a connected person of the Company
“Central China Properties”	Central China Properties Development Limited (建業物業發展有限公司), a company incorporated under the laws of Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of CCRE and a connected person of the Company
“Company”	CENTRAL CHINA MANAGEMENT COMPANY LIMITED, a company incorporated under the laws of the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning given to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Head Lease”	the lease agreement dated 29 March 2023 entered into between the landlord of the Head-lease Premises and Central China Properties in relation to the leasing of the Head-lease Premises
“Head-lease Premises”	Unit Nos. 7701–7702A and 7708 on Level 77 of International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	the share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sublease Agreement”	the sublease agreement dated 31 March 2023 entered into between Central China Properties and the Company in relation to the subleasing of the Subleased Portion
“Subleased Portion”	Unit No. 7701A on Level 77 of International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
“subsidiary(ies)”	has the meaning given to it under the Listing Rules
“%”	per cent

By order of the Board of
CENTRAL CHINA MANAGEMENT COMPANY LIMITED
Wu Po Sum
Chairman

Hong Kong, 31 March 2023

As at the date of this announcement, (1) the chairman and non-executive Director is Mr. Wu Po Sum; (2) the executive Directors are Mr. Hu Bing, Mr. Chen Aiguo and Mr. Duan Juwei; (3) the non-executive Director is Ms. Wu Wallis (alias Li Hua); and (4) the independent non-executive Directors are Mr. Zhu Baoguo, Mr. Xu Ying and Mr. Siu Chi Hung.