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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)

DISCLOSEABLE TRANSACTION: PROVISION OF FINANCIAL ASSISTANCE EXTENSION OF THE REPAYMENT DATES

Reference is made to the announcement of the Company dated 13 April 2023. On 27 December 2023 (after trading hours of the Stock Exchange), the Company (through its wholly-owned subsidiary, Zhongyuan Jianye), entered into the Extension Agreements, pursuant to which the Loans under the four Loan Agreements were extended, with Nanyang Magnolia, Luoyang Jianling, Yucheng County Hongjin and Shangqiu Jiantai (each as a borrower and an Independent Third Party) undertaking to (i) repay the Loans on or before 30 November 2024; and (ii) continue to pay the interest calculated at the rate of 12% per annum accrued from 1 December 2023 up to the date of repayment and payable on 31 May 2024 and 30 November 2024. Further, for Loan Agreement D with Shangqiu Jiantai (as borrower), the principal loan amount was reduced from RMB108.53 million to 102.61 million.

The Extension Agreements constitute financial assistance under the Listing Rules. As the highest applicable percentage ratio calculated under Rule 14.06 of the Listing Rules in respect of the Extension Agreements is more than 5% but less than 25%, the Extension Agreements constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Extension Agreements are subject to the notification and announcement requirements but are exempted from shareholders' approval requirement under Chapter 14 of the Listing Rules.

As each of the applicable percentage ratios in respect of each of the Extension Agreements is below 8%, none of the Extension Agreements constitutes an advance to an entity that needs to be disclosed under Rules 13.13 to 13.15 of the Listing Rules.

Reference is made to the announcement of CENTRAL CHINA MANAGEMENT COMPANY LIMITED (the “**Company**”) dated 13 April 2023 (the “**Announcement**”) in relation to four loan agreements dated 1 December 2022, pursuant to which Zhongyuan Jianye (as the lender) agreed to provide loans the (“**Loans**”) to Nanyang Magnolia, Luoyang Jianling, Yucheng County Hongjin and Shangqiu Jiantai (each as a borrower and an Independent Third Party) in the principal amounts of RMB100.0 million, RMB100.0 million, RMB120.0 million and RMB108.53 million, respectively, for a term of one year at 14.0% interest per annum (the “**Loan Agreements**”).

Unless otherwise stated, capitalized terms used herein shall denote the same meanings as those defined in the Announcement.

EXTENSION AGREEMENTS

Upon further negotiations with the borrowers, on 27 December 2023 (after trading hours of the Stock Exchange), the parties entered into extension agreements (the “**Extension Agreements**”), pursuant to which the Loans under the Loan Agreements were extended, with the borrowers undertaking to (i) repay the Loans on or before 30 November 2024; and (ii) continue to pay the interest calculated at the rate of 12% per annum accrued from 1 December 2023 up to the date of repayment and payable on 31 May 2024 and 30 November 2024 (the “**Extensions**”). Further, for Loan Agreement D with Shangqiu Jiantai (as borrower), the principal loan amount was reduced from RMB108.53 million to 102.61 million.

Save for the aforesaid, all other terms of the Loan Agreements shall remain the same and in full force and effect.

DIRECTOR’S INTEREST IN THE LOAN AGREEMENTS

None of the Directors has any material interest in any of the transactions contemplated under the Extension Agreements. As such, no Director was required to abstain from voting on the Board resolutions for the approval of the transactions contemplated under the Extension Agreements.

INFORMATION ON THE PARTIES

The Group

The Group is principally engaged in the provision of property management services and related value-added services, provision of lifestyle services, and provision of commercial property management and consultation services in the PRC.

Nanyang Magnolia

Nanyang Magnolia is a limited liability company established under the laws of the PRC and is principally engaged in real estate development in the Central China region in the PRC. As advised by Nanyang Magnolia, it is ultimately owned as to 42.0% by Liu Rutao (劉如濤), 32.0% by Niu Zhenjiang (牛振江), and the remainder by various individuals (all such beneficial owners being Independent Third Parties).

Luoyang Jianling

Luoyang Jianling is a limited liability company established under the laws of the PRC and is principally engaged in real estate development in the Central China region in the PRC. As advised by Luoyang Jianling, it is ultimately owned as to 52.41% by Liang Zhijie (梁志杰), 35.79% by Wang Haitao (王海濤), and the remainder by various individuals (all such beneficial owners being Independent Third Parties).

Yucheng County Hongjin

Yucheng County Hongjin is a limited liability company established under the laws of the PRC and is principally engaged in real estate development in the Central China region in the PRC. As advised by Yucheng County Hongjin, it is ultimately owned as to 60.0% by Zhang Yongqian (張永乾) and 40.0% by Zhao Xintong (趙信通) (both being Independent Third Parties).

Shangqiu Jiantai

Shangqiu Jiantai is a limited liability company established under the laws of the PRC and is principally engaged in real estate development in the Central China region in the PRC. As advised by Shangqiu Jiantai, it is ultimately owned as to 60.0% by Xu Quanyu (徐全玉) and 40.0% by Yang Bin (楊賓) (both being Independent Third Parties).

To the best of the Directors' knowledge, information, and belief having made all reasonable inquiries, each of Nanyang Magnolia, Luoyang Jianling, Yucheng County Hongjin, and Shangqiu Jiantai, and their respective ultimate beneficial owners are Independent Third Parties.

REASONS FOR, AND BENEFITS OF, THE EXTENSION AGREEMENTS

The background and reasons for the Extension Agreements are consistent with those set out in the section headed “Reasons For and Benefits of the Loan Agreements” in the Announcement.

The Board has considered to enter into the Extension Agreements at an interest rate of 12.0% by taking into account several key factors. As disclosed in the Announcement, the borrowers are existing customers of the Company and have collaborated on multiple projects in the past, with a focus on developing land parcels in the Central China region. This partnership aligns with the Company’s “Greater Central China” strategy, which focuses on developing land parcels in the Central China region. By extending the Loans to these strategic customers, the Company will be able to continue to foster long-term relationships and enhance the potential for mutual success. Besides, the Company assessed that the People’s Bank of China implemented two interest rate cuts in 2023, resulting in a cumulative decrease of 0.2% or a decrease of 5.48% in the one-year Loan Prime Rate (LPR) to 3.45% as of 20 December 2023. To comply with the relevant regulations, the interest rate for private lending must not exceed four times the interest rate of comparable bank loans (i.e. 13.8%). Consequently, the interest rate of the Extension Agreements was determined to be 12% to align with the decreasing trend in interest rate while ensuring compliance with regulations and protection of the interests of all parties involved.

Given the aforesaid and the wishes of the Group to fully utilize its financial resources (in particular, idle cash) and the potential return of the Loans are higher than merely depositing the financial resources of the Group in commercial banks, the Group has decided to enter into the Extension Agreements. Further, such Loans will continue to increase the Company’s ability to acquire more project management contracts as the Loans assist such strategic customers to successfully acquire and develop the relevant land parcel, which will result in a win-win situation for both the Company and the customers, as the Company will be engaged as the project management service provider.

The terms of the Extension Agreements were negotiated on an arm’s length basis between the Group and the borrowers based on, amongst others, the financial conditions of the borrowers, the Group’s assessment of the sources of funds for repayment, the business conditions of the borrowers, and the business plans of the Group in the forthcoming year. Taking into account the interest income expected to be generated as a result of the Extensions and all of the above, the Directors consider that the terms and conditions of the Extension Agreements (including the interest rate of 12.0% per annum) are fair and reasonable and that the Extension Agreements are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Extension Agreements constitute financial assistance under the Listing Rules. As the highest applicable percentage ratio calculated under Rule 14.06 of the Listing Rules in respect of the Extension Agreements is more than 5% but less than 25%, the Extension Agreements constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Extension Agreements are subject to the notification and announcement requirements but are exempted from shareholders' approval requirement under Chapter 14 of the Listing Rules.

As each of the applicable percentage ratios in respect of each of the Extension Agreements is below 8%, none of the Extension Agreements constitutes an advance to an entity that needs to be disclosed under Rules 13.13 to 13.15 of the Listing Rules.

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

Hong Kong, 27 December 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.