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POWERLONG

宝龙

POWERLONG REAL ESTATE HOLDINGS LIMITED

寶龍地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1238)

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
POWERLONG COMMERCIAL MANAGEMENT HOLDINGS LIMITED
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

**BASIS OF ASSURED ENTITLEMENT OF QUALIFYING
SHAREHOLDERS
IN THE PREFERENTIAL OFFERING
AND
ADDITIONAL INFORMATION FOR PRC STOCK CONNECT
INVESTORS**

The basis of the Assured Entitlement of the Qualifying Shareholders to the Powerlong Commercial Management Shares (the “**Reserved Shares**”) in the Preferential Offering, if and when made, has been determined.

The basis of the Assured Entitlement is one (1) Reserved Share for every integral multiple of 100 Shares held by Qualifying Shareholders on Monday, 9 December 2019, being the Record Date.

INTRODUCTION

Reference is made to the announcements of the Company dated 20 August 2019 and 25 November 2019 (the “**Announcements**”) in relation to the Proposed Spin-off. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

BASIS OF THE ASSURED ENTITLEMENT OF THE QUALIFYING SHAREHOLDERS IN THE PREFERENTIAL OFFERING

The basis of the Assured Entitlement of the Qualifying Shareholders to the Reserved Shares in the Preferential Offering, if and when made, has been determined.

The basis of the Assured Entitlement is one (1) Reserved Share for every integral multiple of 100 Shares held by Qualifying Shareholders on Monday, 9 December 2019, being the Record Date.

The Assured Entitlements of the Qualifying Shareholders to the Reserved Shares are not transferable and there will be no trading in nil-paid entitlements on the Stock Exchange.

Qualifying Shareholders may apply for a number of the Reserved Shares which is greater than, equal to or less than their Assured Entitlements or may apply only for excess Reserved Shares under the Preferential Offering.

A valid application for a number of the Reserved Shares which is less than or equal to a Qualifying Shareholder’s Assured Entitlement under the Preferential Offering will be accepted in full, subject to the terms and conditions of the Preferential Offering.

Where a Qualifying Shareholder applies for a number of the Reserved Shares which is greater than the Qualifying Shareholder’s Assured Entitlement under the Preferential Offering, the relevant Assured Entitlement will be satisfied in full (subject to the terms and conditions as mentioned above), but the excess portion of such application will only be satisfied to the extent that there are sufficient available Reserved Shares not taken up by Qualifying Shareholders as their Assured Entitlements under the Preferential Offering. Details of how such excess portion will be satisfied will be further described in the prospectus of Powerlong Commercial Management (the “**Prospectus**”).

Qualifying Shareholders who hold less than 100 Shares on the Record Date and therefore will not have an Assured Entitlement to the Reserved Shares will still be entitled to participate in the Preferential Offering by applying for excess Reserved Shares only. Such application will only be satisfied to the extent that there are sufficient available Reserved Shares not taken up by Qualifying Shareholders as their Assured Entitlements under the Preferential Offering.

If the Preferential Offering proceeds, details of the Preferential Offering, including the terms and conditions for applications (including excess applications) for the Reserved Shares under the Preferential Offering, will be set out in the Prospectus and the accompanying blue application form.

ADDITIONAL INFORMATION FOR PRC STOCK CONNECT INVESTORS

As the Shares are eligible stock for southbound trading under the Shenzhen-Hong Kong Stock Connect, the Company would like to provide additional information for the investors trading and potential investors who may trade in the Shares through the Shenzhen-Hong Kong Stock Connect (the “**PRC Stock Connect Investors**”). Pursuant to Article 23 of the Implementation Rules for Registration, Depository and Clearing Services under the Mainland China-Hong Kong Stock Markets Connect Program (《內地與香港股票市場互聯互通機制登記、存管、結算業務實施細則》), China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) does not provide services relating to the subscription of newly issued shares. Accordingly, the PRC Stock Connect Investors are Non-Qualifying Shareholders and cannot participate in the Preferential Offering through the trading mechanism of Shenzhen-Hong Kong Stock Connect.

As the size and structure of the Global Offering have not yet been finalised, the basis of the Assured Entitlement of the Qualifying Shareholders to the Reserved Shares in the Preferential Offering as set out in this announcement is subject to change. In the event that there is a change in the basis of the Assured Entitlement of the Qualifying Shareholders to the Reserved Shares in the Preferential Offering, a further announcement will be made by the Company.

GENERAL

In connection with the Global Offering, the price of the Powerlong Commercial Management 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 Proposed Spin-off is subject to, among others, the approval of the Listing Committee for the listing of, and permission to deal in, the Powerlong Commercial Management Shares, the final decision of the Board and of the board of directors of Powerlong Commercial Management, which are dependent upon, among others, market conditions and other considerations. Accordingly, the Proposed Spin-off may or may not occur. Shareholders and other investors should be aware that there is no assurance that the

Proposed Spin-off will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the Preferential Offering will not proceed. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company. Persons who are in doubt about their position or any action to be taken are recommended to consult their own professional advisers.

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off as and when appropriate.

By order of the Board
Powerlong Real Estate Holdings Limited
Hoi Kin Hong
Chairman and Executive Director

Hong Kong, 28 November 2019

As at the date of this announcement, the executive Directors are Mr. Hoi Kin Hong, Mr. Hoi Wa Fong, Mr. Xiao Qing Ping, Ms. Shih Sze Ni Cecilia and Mr. Zhang Hong Feng; the non-executive Director is Ms. Hoi Wa Fan; and the independent non-executive Directors are Dr. Ngai Wai Fung, Dr. Mei Jian Ping and Dr. Ding Zu Yu.