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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**

**PUBLICATION OF THE PROSPECTUS ISSUED BY  
POWERLONG COMMERCIAL MANAGEMENT HOLDINGS LIMITED  
AND  
EXPECTED SIZE OF THE GLOBAL OFFERING AND  
OFFER PRICE RANGE**

In connection with the Proposed Spin-off and the Global Offering, Powerlong Commercial Management published the Prospectus on 16 December 2019.

As disclosed in the Prospectus, the total number of the Powerlong Commercial Management Shares to be offered pursuant to the Global Offering will be 150,000,000, representing approximately 25% of the total number of the Powerlong Commercial Management Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), and 172,500,000, representing approximately 27.71% of the total number of Powerlong Commercial Management Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is exercised in full).

## **INTRODUCTION**

Reference is made to the announcements of the Company dated 20 August 2019, 25 November 2019, 28 November 2019 and 6 December 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.

## **PUBLICATION OF THE PROSPECTUS**

In connection with the Proposed Spin-off and the Global Offering, Powerlong Commercial Management published the Prospectus on 16 December 2019. The Prospectus contains, among other things, (a) details of the number of the Powerlong Commercial Management Shares to be offered in the Global Offering, the offer price range, other details of the Global Offering and (b) certain business and financial information in relation to the Powerlong Commercial Management and its subsidiaries.

The Prospectus is available for viewing and downloading from the websites of Powerlong Commercial Management at [www.powerlongcm.com](http://www.powerlongcm.com) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) from 16 December 2019. Printed copies of the Prospectus may be obtained, free of charge, at designated locations specified in (a) the formal notice issued by Powerlong Commercial Management on 16 December 2019; and (b) the Prospectus, during normal business hours from 9:00 a.m. on Monday, 16 December 2019 until 12:00 noon on Thursday, 19 December 2019.

## **PREFERENTIAL OFFERING**

Qualifying Shareholders will be provided with the Assured Entitlement to an aggregate of 14,369,156 Reserved Shares in the Preferential Offering (representing approximately 9.58% of the Powerlong Commercial Management 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 100 Powerlong Shares held by Qualifying Shareholders on Monday, 9 December 2019, being the Record Date. The Reserved Shares will be offered out of the Powerlong Commercial Management Shares initially being offered for subscription and purchase under the International Offering and will not be subject to reallocation.

A blue application form, together with a printed copy of the Prospectus, has been despatched to each Qualifying Shareholder at the address of such Qualifying Shareholder as shown on the register of members of the Company on the Record Date. The procedures for applying for the Reserved Shares pursuant to the Preferential Offering are set out in the Prospectus.

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

As disclosed in the Prospectus, the total number of the Powerlong Commercial Management Shares to be offered pursuant to the Global Offering will be 150,000,000, representing approximately 25% of the total number of the Powerlong Commercial Management Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), and 172,500,000, representing approximately 27.71% of the total number of the Powerlong Commercial Management Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is exercised in full).

The offer price for the Powerlong Commercial Management Shares in the Global Offering is expected to be not less than HK\$7.50 per Powerlong Commercial Management Share and not more than HK\$10.00 per Powerlong Commercial Management 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 Powerlong Commercial Management Shares to be offered pursuant to the Global Offering and the expected offer price range as stated above, if the Global Offering proceeds:

- (a) the market capitalisation of Powerlong Commercial Management will be between approximately HK\$4,500 million and approximately HK\$6,000 million; and
- (b) the Company, through its wholly-owned subsidiary, will hold 67.50% of the total issued share capital of Powerlong Commercial Management immediately upon completion of the Global Offering and the Capitalisation Issue (taking no account of the Powerlong Commercial Management Shares which may be issued pursuant to the exercise of the Over-allotment Option).

## **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 Global Offering (including the Preferential Offering) is conditional upon, amongst others, (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Powerlong Commercial Management Shares; (ii) the final offer price for the Powerlong Commercial Management Shares in the Global Offering having been agreed between Powerlong Commercial Management and the Sole Global Coordinator of the Global Offering (for itself and on behalf of the Underwriters) on or about Thursday,

19 December 2019 and, in any event, no later than Sunday, 22 December 2019; (iii) the execution and delivery of the Underwriting Agreements on or before the dates as mentioned in the Prospectus; and (iv) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements.

**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.**

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 Powerlong Commercial Management Shares in connection with the Global Offering 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 Powerlong Commercial Management Shares in connection with the Global Offering 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 Powerlong Commercial Management Shares to be offered in the Global Offering 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 and the Global Offering as and when appropriate.

## **DEFINITION**

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

“Capitalisation Issue”	the issue of 449,912,222 Powerlong Commercial Management Shares to be made upon capitalisation of certain sums standing to the credit of the share premium account of Powerlong Commercial Management
“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, Powerlong Commercial Management and the Hong Kong Underwriters on 13 December 2019

“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, Powerlong Commercial Management and the International Underwriters
“Over-allotment Option”	the option expected to be granted by Powerlong Commercial Management to the International Underwriters, exercisable by the Sole Global Coordinator (on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which Powerlong Commercial Management may be required to allot and issue up to an aggregate of 22,500,000 additional Shares at the Offer Price to, among other things, cover over-allocations in the International Offering, if any
“Powerlong Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“SFC”	the Securities and Futures Commission
“Underwriters”	the Hong Kong Underwriters and the International Underwriters

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

Hong Kong, 16 December 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.*