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seazen

新城发展

SEAZEN GROUP LIMITED

新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

PROPOSED SPIN-OFF AND SEPARATE LISTING OF INTERESTS IN CERTAIN COMMERCIAL PROPERTIES ON THE MAIN BOARD OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

THE PROPOSED SPIN-OFF

The Company proposes to dispose a number of subsidiaries which holds nine real estate assets located in the Yangtze River Delta region and provincial capital cities in the PRC. to a trust (the “Trust”) via a spin-off and separately list the Securities in the Trust, on the Main Board of the SGX-ST. The separate listing of the Securities on the Main Board of the SGX-ST constitutes a spin-off of the Securities by the Company under Practice Note 15. On 30 July 2021, the Stock Exchange has approved the Proposed Spin-off.

THE COMPANY’S APPLICATION FOR LISTING OF INTERESTS IN CERTAIN COMMERCIAL PROPERTIES

It is expected that Seazen Asset Management Pte. Ltd., an indirect subsidiary of the Company, will submit a listing application form to the SGX-ST on or before 1 August 2021 to apply for the listing of, and permission to deal in, the Securities on the Main Board of the SGX-ST. The Company has submitted a waiver application and has been granted a waiver from strict compliance with paragraph 3(f) of Practice Note 15 regarding the legal restrictions faced by the Company and Seazen Holdings for the provision of assured entitlement (either by way of the distribution in species and the preferential offering) subject to the disclosure of reasons for not providing assured entitlements to its shareholders. The Company will provide the reasons for not providing assured entitlement to the Shareholder by further announcement(s) in due course.

Upon completion of the Proposed Spin-off and Listing, Seazen Holdings, which is an approximately 67.05% subsidiary of the Company, is expected to indirectly hold 51% to 55% of the Securities, assuming that the over-allotment option is exercised in full.

The Trust will be established with the investment strategy of investing principally, directly or indirectly, in a diversified portfolio of income-producing real estate, which is used primarily for retail purposes, as well as real estate-related assets in relation to the foregoing, with an initial focus on the PRC.

LISTING RULES IMPLICATIONS

The Proposed Spin-off constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As one or more of the applicable ratio in respect for the Proposed Spin-off are over 5% but less than 25%, the Proposed Spin-off constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

As the Listing is conditional upon, among other things, the approvals from relevant authorities, including the MAS and the SGX-ST, prevailing market conditions and other considerations, the Proposed Spin-off may or may not occur. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Company proposes to dispose a number of subsidiaries which holds nine real estate assets located in the Yangtze River Delta region and provincial capital cities in the PRC. to the Trust via a spin-off and separately list the Securities in the Trust, on the Main Board of the SGX-ST. The separate listing of the Securities on the Main Board of the SGX-ST constitutes a spin-off of the Securities by the Company under Practice Note 15. On 30 July 2021, The Stock Exchange has approved the Proposed Spin-off.

It is expected that Seazen Asset Management Pte. Ltd., an indirect subsidiary of the Company, will submit a listing application form to the SGX-ST on or before 1 August 2021 to apply for the listing of and permission to deal in the Securities on the Main Board of the SGX-ST.

THE PROPOSED SPIN-OFF

The Proposed Spin-off involves the spin-off and separate listing of the Securities in the Trust on the Main Board of the SGX-ST by way of an Offering by the Trust. The Offering is expected to consist of (i) an international placement of the Securities to investors, including institutional and other investors in Singapore; and (ii) an offering of Securities to the public in Singapore. As at the date of this announcement, the Company holds approximately 67.05% of the Seazen Holdings. It is intended that upon completion of the Proposed Spin-off and the Listing, the Remaining Group shall indirectly hold 51% to 55% of the Securities, assuming that the over-allotment option is exercised in full. As the Listing is conditional upon, among other things, the approvals from relevant authorities, including the Stock Exchange, the MAS and the SGX-ST, prevailing market conditions and other considerations, the Proposed Spin-off may or may not occur.

THE SPIN-OFF ENTITY

The Trust will be established with the investment strategy of investing principally, directly or indirectly, in a diversified portfolio of income-producing real estate, which is used primarily for retail purposes, as well as real estate-related assets in relation to the foregoing, with an initial focus on the PRC.

RATIONALE AND BENEFITS OF THE PROPOSED SPIN-OFF

The real estate assets to be injected into the Trust has grown to a size sufficient to command a separate listing and the Board confirms that the Proposed Spin-off and the Waiver (as defined below) are fair and reasonable and in the interests of the Company and its shareholders as a whole for the following reasons:

- (a) the Trust would serve as an efficient platform for holding future retail properties which the Seazen Holdings may divest, subject to mutual agreement and necessary approvals. Such disposals have the potential to realise the long-term capital appreciation value created in such properties;
- (b) Seazen Holdings, which is an approximately 67.05% subsidiary of the Company, is expected to indirectly hold 51% to 55% of the Trust, therefore, the Proposed Spin-off would allow shareholders to continue to benefit from the Company's ownership of the initial portfolio through the Trust and the recurring distributable income from the Company's interest in the Trust;
- (c) the Proposed Spin-off will enable the Trust to build its identity as a separately listed group, have a separate fund-raising platform and broaden its investor base through the Offering; the Proposed Spin-off will increase the operational and financial transparency of the Trust and provide the investors, the investment market and rating agencies with greater clarity on the businesses and financial status of the Company and the Trust; and
- (d) the Proposed Spin-off will enable the Company to unlock value and recycle its capital and free up resources for its core property development business and to pursue growth opportunities, while deriving fee income through its subsidiary, the manager of the Trust, adding a valuable fee-based fund management business to the Company's portfolio.

ASSURED ENTITLEMENT

The Company has submitted a waiver application and has been granted a waiver from strict compliance with paragraph 3(f) of Practice Note 15 regarding the legal restrictions faced by the Company and Seazen Holdings for the provision of assured entitlement (either by way of the distribution in species and the preferential offering) subject to the disclosure of reasons for not providing assured entitlements to its shareholders (the "**Waiver**"). The Company will provide the reasons for not providing assured entitlement to the Shareholder by further announcement(s) in due course.

INFORMATION ON THE GROUP

The Group is principally engaged in property development and property investment businesses in the PRC.

LISTING RULES IMPLICATIONS

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As the Listing is conditional upon, among other things, the approvals from relevant authorities, including the MAS and the SGX-ST, prevailing market conditions and other considerations, the Proposed Spin-off may or may not occur. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

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| “Board” | the board of Directors of the Company; |
| “Company” | Seazen Group Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange; |
| “Directors” | directors of the Company; |
| “Group” | the Company and its subsidiaries; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |
| “Listing” | the listing of the Securities in the Trust on the Main Board of the SGX-ST; |
| “Listing Committee” | the Listing Committee of the Stock Exchange; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “MAS” | the Monetary Authority of Singapore; |
| “Offering” | offering consists of (i) an international placement of the Securities to investors, including institutional and other investors in Singapore, and (ii) an offering of the Securities to the public in Singapore; |
| “Practice Note 15” | Practice Note 15 to the Listing Rules; |

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| “PRC” | the People’s Republic of China; |
| “Proposed Spin-off” | the proposed spin-off and separate listing of the Securities of the Trust on the Main Board of the SGX-ST; |
| “Remaining Group” | the Group excluding the Trust; |
| “Shareholder(s)” | shareholders of the Company; |
| “SGX-ST” | the Singapore Exchange Securities Trading Limited; |
| “Seazen Holdings” | Seazen Holdings Co., Ltd., a subsidiary of the Company with its A shares listed on the Shanghai Stock Exchange (stock code: 601155); |
| “Securities” | All the securities of the Trust, which are in issue and to be issued in connection with the Offering; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; and |
| “Trust” | trust in which the Company injects interests of nine (9) real estate assets located in the Yangtze River Delta region and provincial capital cities in the PRC to form its initial portfolio for the purpose of listing on the SGX-ST; |
| “%” | Percentage. |

By order of the Board
Seazen Group Limited
Wang Xiaosong
Chairman

PRC, 30 July 2021

As at the date of this announcement, the Directors are Mr. Lv Xiaoping and Mr. Lu Zhongming as executive Directors, Mr. Wang Xiaosong, Mr. Qu Dejun and Mr. Zhang Shengman as non-executive Directors, and Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhong Wei as independent non-executive Directors.