

THIS PRESS RELEASE IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SELL OR TO ISSUE, OR A SOLICITATION OF ANY OFFER TO PURCHASE OR SUBSCRIBE FOR, ANY SECURITIES (THE "SHARES") OF CENTRAL CHINA NEW LIFE LIMITED (THE "COMPANY") IN ANY JURISDICTIONS IN WHICH SUCH OFFER, INVITATION, SUBSCRIPTION OR SOLICITATION OR SALE IS NOT PERMITTED. THIS PRESS RELEASE AND THE SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR ANY STATE SECURITIES LAWS OF THE UNITED STATES, AND MAY NOT BE DISTRIBUTED OR OFFERED, SOLD OR DELIVERED, AS THE CASE MAY BE, IN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR IN ACCORDANCE WITH AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE COMPANY HAS NOT AND DOES NOT INTEND TO REGISTER THE SHARES UNDER THE U.S. SECURITIES ACT OR MAKE ANY PUBLIC OFFER OF THE SHARES IN THE UNITED STATES. NO COPY OF THIS PRESS RELEASE (AND INFORMATION CONTAINED HEREIN) HAS BEEN OR SHOULD BE DISTRIBUTED OR SENT, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES OR ANY OTHER JURISDICTION WHERE DOING SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION. THE PRICE OF THE SHARES MAY BE STABILIZED IN ACCORDANCE WITH THE SECURITIES AND FUTURES (PRICE STABILIZING) RULES (CHAPTER 571W OF THE LAWS OF HONG KONG) IN HONG KONG. THE DETAILS OF THE INTENDED STABILIZATION AND HOW IT WILL BE REGULATED UNDER THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571 OF THE LAWS OF HONG KONG) ARE CONTAINED IN THE PROSPECTUS OF THE COMPANY. THIS PRESS RELEASE CONTAINS FORWARD-LOOKING STATEMENTS THAT STATE THE INTENTIONS, BELIEFS, EXPECTATIONS OR PREDICTIONS FOR THE FUTURE THAT ARE, BY THEIR NATURE, SUBJECT TO SIGNIFICANT RISKS AND UNCERTAINTIES AND THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN SUCH FORWARD-LOOKING STATEMENTS.

[Press Release]



CENTRAL CHINA NEW LIFE ANNOUNCES

PROPOSED LISTING ON THE MAIN BOARD OF SEHK

* * * *

GLOBAL OFFERING OF 300,000,000 SHARES TO RAISE

UP TO HK\$2,160 MILLION

OFFER PRICE RANGES BETWEEN HK\$5.60 AND HK\$7.20 PER SHARE

Investment Highlights:

- “Central China” (建業) is a leading and widely-recognized brand in the central China region.
- Central China New Life is the largest property management services provider in the central China region^{Note}
- As of the end of 2019, the Company served more than one million property owners and residents in 312 properties, with a total GFA under management of 56.98 million sq.m. and a contracted GFA of 114.70 million sq. m.
- The Company owns a comprehensive O2O service platform “Jianye+” (建業+). As of the end of 2019, there were 2.186 million registered users on the “Jianye+” (建業+) platform. From 2017 to 2019, the gross merchandise volume (GMV) of “Jianye+” (建業+) increased at a CAGR of 116.6% to RMB426.4 million.
- For commercial property management and consultation services, the Company’s portfolio of assets under management consisted of three cultural tourism complexes, seven shopping malls and nine hotels as of 31 December 2019.
- The Company has achieved robust growth. From 2017 to 2019, total revenue from continuing operations increased at a CAGR of 95.2% to RMB1,754 million, and the profit from continuing operations increased at a CAGR of 144.0% to RMB233 million.
- The Company has been rooted in Henan for over 20 years. Henan is the largest provincial economy in the central China region, which ranks fifth in the PRC in terms of GDP and is also the fifth largest provincial property management market in China. The consumption scale of online consumer goods and services industry increased rapidly at a CAGR of 44.4% from 2013 to 2018.
- The core management team, which comprises elites from the real estate, property management, capital market, finance and technology industries with extensive management experience, has established a sound corporate governance system for the company.

Note: According to China Index Academy, based on total GFA under management as of 31 December 2018 and the total revenue for 2018

(Hong Kong, 5 May 2020) **Central China New Life Limited (“Central China New Life” or the “Company”)**, a comprehensive service provider rooted in Central China, has announced details of its proposed listing on the Main Board of Hong Kong Stock Exchange (“SEHK”) today.

The Company intends to offer 300,000,000 shares (subject to the over-allotment option), 90% of which are for the international placement (subject to reallocation and the over-allotment option) and the remaining 10% is for the Hong Kong public offering (subject to reallocation). The offer price is between HK\$5.60 and HK\$7.20 per share. Assuming the offer price is HK\$6.40 per share, being the mid-point of the indicative offer price range, the Company is expected to receive net proceeds of approximately HK\$1,785 million from the global offering.

The application for Hong Kong Public Offer shares is to commence on 5 May 2020 (Tuesday), and end at noon, 8 May 2020 (Friday). The final offer price and allotment results are expected to be announced on 14 May 2020 (Thursday). Trading of its shares is expected to commence on 15 May 2020 (Friday) under the stock code 9983. Shares are to be sold in lots of 1,000 shares.

Approximately 60% of the net proceeds from the global offering will be used to pursue strategic investment and acquisition opportunities to further expand its property management business portfolio and value-added services. Around 15% will be used to enhance its “Jianye+” (建業+) platform to optimize users’ experience. Approximately 15% will be used to invest in advanced information technologies to improve operational efficiency. The remaining 10% will be used for working capital and other general corporate purposes.

BNP Paribas Securities (Asia) Limited is the sole sponsor of the listing, while BNP Paribas Securities (Asia) Limited, Morgan Stanley Asia Limited, DBS Asia Capital Limited are the joint global coordinators, joint bookrunners and joint lead managers.

Mr. Wang Jun, Chairman of the Board, Chief Executive Officer and Executive Director of Central China New Life, said, “Central China New Life is a comprehensive service provider deeply rooted in the central China region with a history of over 20 years. Now it has become synonymous with high quality property management and consumer goods and services. Our mission is to enrich the living experience and lifestyle of all people in Henan. Our business consists of three major segments, namely 1) property management and value-added services, 2) lifestyle services and 3) commercial property management and consultation services. Backed by the trusted and reputable ‘Central China’ (建業) brand and with the advantages of our enormous individual and corporate client database and the comprehensive O2O one-stop service platform ‘Jianye+’ (建業+), we have created an ecosystem which brings additional value to our customers and fosters a growing portfolio of high quality customized products and services for the expanding middle class in the central China region.”

Property Management and Value-added Services

According to the China Index Academy Report, based on total GFA under management as at 31 December 2018 and total revenue for 2018, Central China New Life is the largest property management services provider in the central China region. As at 31 December 2019, its total GFA under management was 56.98 million sq.m., and total contracted GFA was 114.7 million sq.m., covering 18 prefecture-level cities and 81 county-level cities in Henan province and also Haikou city in Hainan province, and serving over 1 million property owners and residents living in 312 properties. The properties under management include residential properties, shopping malls, cultural tourism complexes, commercial apartments, office buildings, schools and properties of governmental agencies.

Dated back to 1994, the predecessor of Central China New Life's subsidiary began providing property management services for the properties developed by Central China Real Estate Limited (832.HK) and its subsidiaries (together as "CCRE") and associates or joint ventures. In 2000, the Company expanded its business to manage properties developed by third-party developers. Between the end of 2017 and the end of 2019, the Company's total GFA under management surged at a CAGR of 67.3%, and the proportion of third-party properties increased from 9.1% of total GFA under management at the end of 2017 to 31.1% at the end of 2019, underscoring the strong growth momentum.

For years, the Company has been continuously providing more value-added services to elevate the quality of life of residents in the properties that it manages. Currently, its property management and value-added services comprise property management services, community value-added services, value-added services to non-property owners (mainly for property developers), intelligent community solutions and property agency services, as well as personalized services provided to over 10,000 VIP customers of Central China Consumer Club (an exclusive service platform for high-end customers of CCRE).

Lifestyle Services

Central China New Life's lifestyle services include the products and services provided on the "Jianye+" (建業+) platform, tourism services and management services provided in Cuisine Henan Foodcourts (建業大食堂). Central China New Life's one-stop integrated O2O platform, the mobile app "Jianye+" (建業+), offers consumer goods and services through working with over 340 suppliers, some of which were well-known brands that were listed on NASDAQ or the SEHK. It also offers a wide range of benefits including exclusive offers with hotels, malls and restaurants in Henan.

The "Jianye+" (建業+) platform has strong monetization capability and growth potential. As of 31 December 2019, its registered users reached 2.186 million, 31.1% of which are owners or residents of properties developed by CCRE and its associates or joint ventures. From 2017 to 2019, the gross merchandise value (GMV) of "Jianye+" (建業+) increased at a CAGR of 116.6% from RMB90.9 million to RMB426.4 million.

The Company's travel services provide customers with four distinct types of tours, including leisure tours, corporate tours, football tours and educational tours. The six Cuisine Henan Foodcourts it manages hosted over 330 vendors as of 31 December 2019, offering customers with a wide variety of cuisines from 18 prefecture-level cities in Henan.

Commercial Property Management and Consultation Services

Central China New Life's commercial property management and consultation services are specialized in maximizing the value of a property by repositioning a property and streamlining its operations to increase income and reduce costs. The services include management of hotels, commercial property and cultural tourism complexes. As of 31 December 2019, the asset portfolio managed by the Company consisted of three cultural tourism complexes, seven shopping malls and nine hotels, with some of the hotels branded under internationally-recognized names such as Marriott, Intercontinental and Accor.

The Company's core management team comprises elites from the real estate, property management, capital market, finance and technology industries with extensive management experience. The visionary management team is creative with innovative ideas and possesses new market economy skills. It has also established a sound corporate governance system for the Company.

Central China New Life has garnered numerous accolades in China through its quality services. It was ranked 13th among China's Top 100 Property Management Companies (中國物業服務百強企業) in 2019 and named as a "Leading Brand for Property Management Service in the Central China Region" (華中物業服務領先品牌) by China Index Academy. It was also presented the "2019 Potential Unicorn of Property Management Service" (2019物業服務企業潛力獨角獸), "2019 Featured Brand of Property Management Service – New Lifestyle Provider" (2019特色物業服務品牌企業—新型生活方式服務商) and "2019 Top 50 Most Valuable Brand of Property Management Service" (2019物業服務企業品牌價值50強) awards by China Property Management Institute.

Regarding its financial performance, Central China New Life reported robust growth in both revenue and profit in the past three years. From 2017 to 2019, the Company's total revenue from continuing operations surged at a CAGR of 95.2% from approximately RMB461 million to approximately RMB1,754 million. Gross profit from continuing operations increased at a CAGR of 134.0% from approximately RMB105 million to approximately RMB576 million, with gross profit margin from continuing operations rising significantly from 22.9% in 2017 to 32.8% in 2019. Benefiting from the increase in both revenue from and gross profit margin of continuing operations, Central China New Life's profit from continuing operations soared at a CAGR of 144.0% from approximately RMB39 million in 2017 to approximately RMB233 million in 2019. In 2019, Central China New Life's profit attributable to owners of the Company amounted to RMB234 million. With continued expansion in its new business segments, the Company expects the revenue contribution from lifestyle services and commercial property management and consultation services will increase in the future.

Mr. Wang Jun, Chairman of the Board, Chief Executive Officer and Executive Director of Central China New Life, concluded, “Henan is the largest provincial economy in the central China region and ranks fifth among the provinces in China in terms of GDP. It is also the fifth largest property management market in China. The consumption scale of Henan’s online consumer goods and services market also increased at a CAGR of 44.4% from 2013 to 2018, which demonstrates a high long-term growth potential. Central China New Life, as a company deeply rooted in Henan, will capitalize on its unique advantages and successful experience and grasp the market opportunities through strategic investment, cooperation and acquisition to accelerate the expansion of its business scale, as it strives to maximize sustainable returns for shareholders and investors.”

~ End ~

Use of Proceeds

Assuming an offer price of HK\$6.40 per offer share, which is the mid-point of the indicative offer price range, the Company expects to receive net proceeds of approximately HK\$1,785 million, after deducting the underwriting fees and commissions and estimated expenses payable in connection with the Global Offering (assuming the overallotment option, Pre-IPO share option scheme and post-IPO share option scheme are not exercised). The Company intends to use the proceeds from the Global Offering for the purposes and in the amounts set forth below:

➤ Pursuing strategic investment and acquisition opportunities to further expand its property management business portfolio and value-added services	HK\$1,071.0 million	60%
➤ Enhancing the “Jianye+” (建業+) platform to optimize users’ experience	HK\$267.8 million	15%
➤ Investing in advanced information technologies to improve operational efficiency	HK\$267.8 million	15%
➤ Working capital and other general corporate purposes	HK\$178.5 million	10%

Financial Highlights (RMB’000)

	For the Year Ended 31 December		
	2017	2018	2019
Continuing Operations:			
Revenue	460,532	693,988	1,754,402
Gross Profit	105,264	160,682	576,284
Gross Profit Margin	22.9%	23.2%	32.8%
Profit	39,126	51,970	232,839
Net Profit Margin	8.5%	7.5%	13.3%
Profit Attributable to Owners of the Company	23,411	19,471	233,954

Revenues (RMB'000) and Percentages of Total Revenue by Business Segments

	Revenue of Property Management and Value-added Services	Percentage of Total Revenue ⁽¹⁾	Revenue of Lifestyle Services	Percentage of Total Revenue ⁽¹⁾	Revenue of Commercial Property Management and Consultation Services	Percentage of Total Revenue ⁽¹⁾	Total ⁽²⁾
2017	421,397	91.5%	23,877	5.2%	15,258	3.3%	460,532
2018	620,712	89.4%	62,179	9.0%	11,097	1.6%	693,988
2019	1,341,092	76.4%	308,575	17.6%	104,735	6.0%	1,754,402

Notes:

(1) Referring to the percentage of total revenue from continuing operations

(2) Referring to the total revenue from continuing operations

Gross Profit (RMB'000) and Gross Profit Margin by Business Segments

	Gross Profit of Property Management and Value-added Services	Gross Profit Margin	Gross Profit of Lifestyle Services	Gross Profit Margin	Gross Profit of Commercial Property Management and Consultation Services	Gross Profit Margin	Overall Gross Profit ⁽³⁾	Overall Gross Profit Margin ⁽⁴⁾
2017	89,717	21.3%	2,539	10.6%	13,008	85.3%	105,264	22.9%
2018	148,789	24.0%	5,533	8.9%	6,360	57.3%	160,682	23.2%
2019	405,941	30.3%	101,245	32.8%	69,098	66.0%	576,284	32.8%

Notes:

(3) Referring to the overall gross profit from continuing operations

(4) Referring to the overall gross profit margin from continuing operations

Experienced Management Team

Mr. Wang Jun (Age: 39) – Chairman of the Board, Chief Executive Officer and Executive Director

- Responsible for formulating and executing business strategies, and annual operational and financial plans
- More than 16 years of experience in accounting and corporate finance fields
- Served as executive director in the investment banking division (real estate team) of Morgan Stanley Asia International Limited
- Obtained a bachelor's degree in English and a master's degree in business administration

Mr. Cai Bin (Age: 40) – Chief Operating Officer and Executive Director

- Responsible for managing daily business operations
- About 17 years of experience in real estate, property management and network technology businesses
- Joined Central China Real Estate in 2003 and served in various management positions, and joined the Company in December 2015
- Obtained a bachelor's degree in law and is currently enrolled as an Executive Master of Business Administration degree candidate

Mr. Ma Nan (Age: 32) – Chief Financial Officer

- Responsible for overseeing financial affairs
- More than eight years of experience in the operations and finance industries
- Obtained a bachelor's degree in accounting and a master's degree in business administration

Mr. Zhang Hu (Age: 48) – Vice President

- Responsible for managing agricultural projects and the tourism business
- More than 20 years of experience in property management and agricultural project management
- Graduated from college with a major in law

Mr. Zhang Shoukai (Age: 50) – Vice President

- Responsible for managing the operations of “Jianye+” (建業+) platform and network technology development
- More than 15 years of experience in the technology industry
- Obtained a bachelor's degree in electrical engineering and a master's degree in business administration

Mr. Zhang Penghua (Age: 41) – Vice President

- Responsible for managing the product portfolio, and access and integration of internal and external service resources of the “Jianye+” (建業+) platform
- More than 12 years of experience in the technological consultation field
- Obtained a bachelor's degree in computer science and a master's degree in software engineering

Mr. Wang Weiqing (Age:33) – Vice President

- Responsible for developing and implementing innovative property management servicing systems and managing the property management business
- More than 11 years of experience in the property management industry
- Obtained a bachelor's degree in bioengineering, a master's degree in tourism management and a master's degree in public administration, and is currently enrolled in a doctorate program in agricultural economic management

Mr. Zhang Lihui (Age: 41) – Deputy General Manager of Central China Property Management

- Responsible for developing overall strategy and managing the daily business operations of Central China Property Management
- More than 19 years of experience in the property management industry
- Recognized as one of the Top 10 CEOs of China in Property Management of 2018 (2018 中國十大物業年度 CEO) by Leju Finance (樂居財經), Sina Finance (新浪財經), China Entrepreneur (中國企業家), Fangchan.com (中房網) and E-House China (易居中國)
- Obtained a bachelor's degree in civil engineering and the qualification as a "Certified Property Manager" from the Ministry of Housing and Urban-Rural Development of the PRC

About Central China New Life Limited

Central China New Life is a comprehensive service provider deeply rooted in the central China region, leveraging a wealth of the trusted and reputable "Central China" (建業) brand. It has cultivated its roots extensively in Henan for more than 20 years and has become synonymous with high quality property management and consumer goods and services. Its mission is to enrich the living experience and lifestyle of all the people in Henan. Its business consists of three major segments, namely 1) property management and value-added services, 2) lifestyle services and 3) commercial property management and consultation services. With its high quality services, the company has won many property management and new lifestyle service awards in China.

Central China New Life is the largest property management service provider in the central China region, covering 18 prefecture-level cities and 81 county-level cities in Henan province and Haikou city in Hainan province. It serves more than one million property owners and residents in 312 properties. As of the end of 2019, its total GFA under management was 56.98 million sq.m., and total contracted GFA was 114.7 million sq.m.

As for the Company's lifestyle services, it has an enormous individual and corporate client database. It provides customers with a comprehensive range of high-quality consumer products and services through its integrated O2O one-stop services platform "Jianye+" (建業+). As at 31 December 2019, its registered users reached 2.186 million. From 2017 to 2019, the gross merchandise volume of "Jianye+" (建業+) increased at a CAGR of 116.6% to RMB426.4 million. As of the end of 2019, the six Cuisine Henan Foodcourts (建業大食堂) managed by the Company hosted over 330 vendors and offered customers with cuisines from 18 prefecture-level cities in Henan.

Regarding the commercial property management and consultation services, the asset portfolio managed by the Company consisted of three cultural tourism complexes, seven shopping malls and nine hotels as of 31 December 2019.

Media Enquiries:

Strategic Financial Relations (China) Limited

Ms. Anita CHEUNG	Tel: (852) 2864 4827
Ms. Jover WONG	Tel: (852) 2864 4811
Ms. Chanelle CHEN	Tel: (852) 2864 4838
Ms. Lonn LO	Tel: (852) 2114 4962

Email: sprg-projectblueocean@sprg.com.hk