

# TARGET

## Intelligence Report

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T H U R S D A Y

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**CENTRAL CHINA MANAGEMENT COMPANY LTD:  
BELIEVE IT OR NOT:  
DIVIDENDS AT THE RATE OF 50 PERCENT OF NET PROFITS !**

It would be remarkably difficult to believe, in this day and age, that the Senior Management of a publicly listed company could recommend – let alone suggest – that its shareholders should expect the distribution of their annual dividends to be near to the 50-percent mark with regard to the Net Profit Attributable to Shareholders.

But that is, exactly, that which Central China Management Company Ltd (中原建業有限公司) (Code: 9982, Main Board, The Stock Exchange of Hongkong Ltd) has stated in its Global Offering Prospectus.

Believe it or not!

At Page 264 of the Global Offering Prospectus, one was told:

*‘After the completion of the Listing (on the Main Board of The Stock Exchange of Hongkong Ltd), we expect to declare and distribute approximately 50% of our net profit for a given year as dividends to our Shareholders. Any future determination to declare and pay any dividends would require the approval of the Board and will be at their discretion. In addition, any final dividend for a financial year will be subject to shareholders’ approval and the relevant laws... The Board will review dividend policy from time to time in light of the following factors in determining whether dividends are to be declared and paid:*

- *our result of operations;*
- *our cash flows;*
- *our financial condition;*
- *our Shareholders’ interests;*
- *general business conditions and strategies;*
- *our capital requirements and surplus;*
- *the payment by our subsidiaries of cash dividends to us; and,*
- *other factors the Board may deem relevant.’*

**The Initial Public Offering (IPO) Of Central China Management Company Ltd**

On Tuesday, May 18, 2021, Management of Central China Management Company Ltd published and disseminated its Global Offering Prospectus in the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**.

Management indicated that it was desirous of selling a total of 328,172,000, one-cent Offer Shares at the Indicative Offer Price Per Share, ranging from a minimum level of \$HK2.40 to a maximum level of \$HK3.20.

HKSAR Investors were offered the opportunity to subscribe to 32,818,000 Offer Shares (the HKSAR Offer Shares tranche) while International Investors – Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with their corporate entities in which this class of investors was deemed to own, legally and beneficially, equity control – were induced to put in valid applications for some of the 295,354,000 Offer Shares, catered especially for the international, higher-echelon investor (the International Offer Shares tranche).

On Friday, May 28, 2021, Management of Central China Management Company Ltd announced that the Offer Price Per Share had been struck at \$HK3.00; and, that it was envisaged that the net proceeds from the IPO would be about \$HK916.18 million.

In that Announcement, informing shareholders as to the Offer Price and Allotment Results, it was stated that, with regard to the HKSAR Offer Shares tranche, it had *'been moderately over-subscribed ... A total of 21,431 valid applications'*, having been received for a total of 163,908,000 HKSAR Offer Shares, *'representing approximately 4.99 times'* the 32,818,000 Offer Shares, initially available under this tranche.

As to the International Offer Shares tranche, one was informed that it had *'been slightly over-subscribed'*, representing about 1.72 times the 295,354,000 Offer Shares, initially available under this category of Share Offerings.

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