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)

DISCLOSEABLE TRANSACTION
DEEMED DISPOSAL IN RELATION TO THE PROPOSED SPIN-OFF INTERESTS IN CERTAIN COMMERCIAL PROPERTIES AND SEPARATE LISTING ON THE SHANGHAI STOCK EXCHANGE

PROPOSED SPIN-OFF

Reference is made to the Announcement dated 9 March 2026 regarding the Proposed Spin-off of the Two Retail Malls. The Proposed Spin-off constitutes (i) a deemed disposal of the Two Retail Malls to the Commercial REITs, and (ii) a subscription of approximately 34% of the Units in the Commercial REITs by the Group. As stated in the Announcement, the Proposed Spin-off on the Shanghai Stock Exchange constitutes a spin-off under PN15 of the Listing Rules. The Company has submitted its PN15 Application and a waiver from strict compliance with paragraph 3(f) of PN15 of the Listing Rules to the Stock Exchange in relation to the Proposed Spin-off to the Stock Exchange and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

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 ratios in respect of 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, 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

Reference is made to the Announcement dated 9 March 2026 regarding the Proposed Spin-off of the Two Retail Malls.

As stated in the Announcement, the Proposed Spin-off on the Shanghai Stock Exchange constitutes a spin-off under PN15 of the Listing Rules. The Company has submitted the PN15 Application in relation to the Proposed Spin-off to the Stock Exchange and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

Details of the Proposed Spin-off are as follows:

THE PROPOSED SPIN-OFF

The structure of the Commercial REITs and the public offering

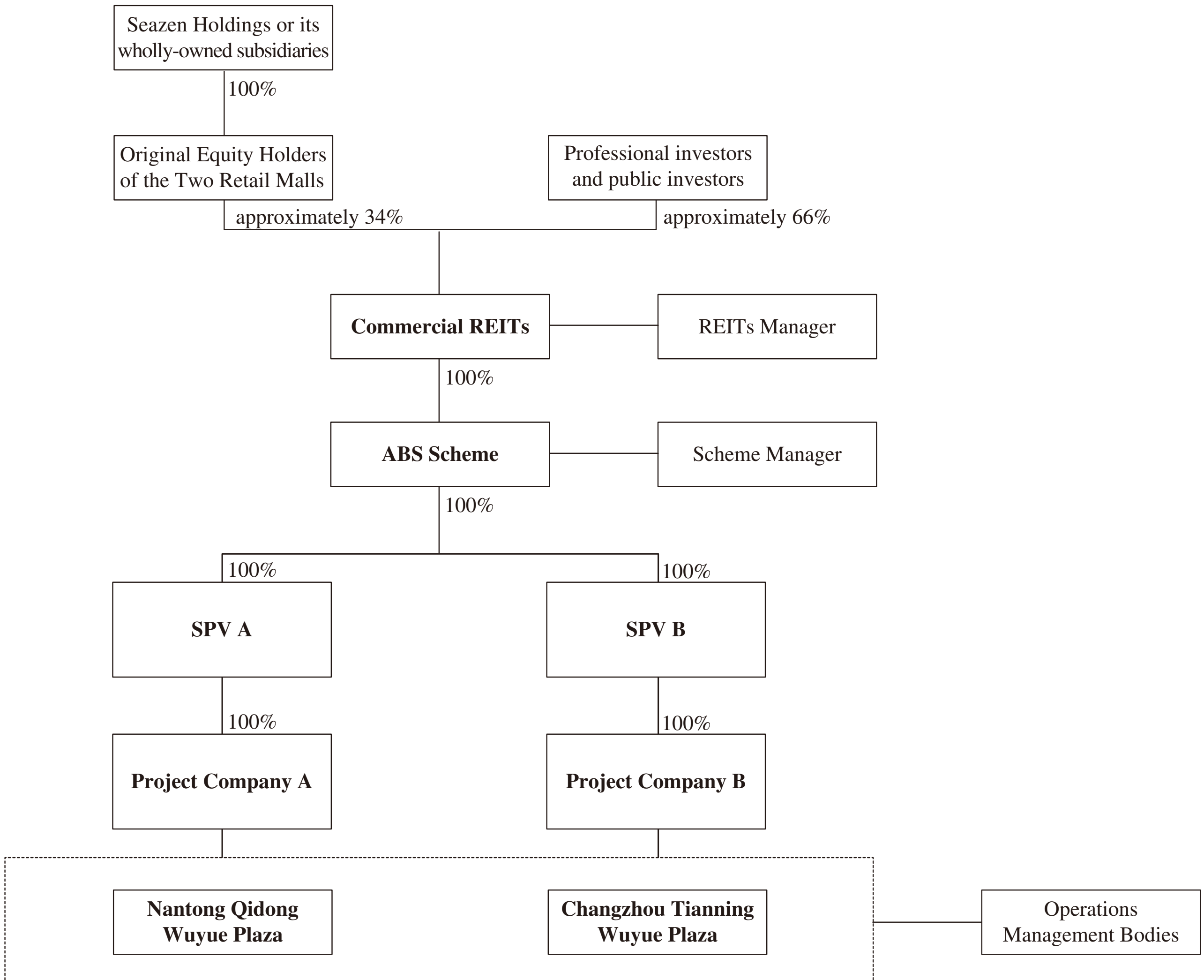
The Proposed Spin-off will involve the separate listing of the Commercial REITs on the Shanghai Stock Exchange, which will indirectly hold the entire interest in the Two Retail Malls. Upon listing, the Commercial REITs will be backed by the Two Retail Malls and, as the case may be, continue to acquire premium assets through further capital offerings; concurrently, the Company will persist in property development, property investment, and commercial property management businesses.

Under the proposed offering structure, the REITs Manager will set up the commercial real estate investment trust fund (the "**Commercial Real Estate Fund**" or "**Commercial REITs**") for listing on the Shanghai Stock Exchange at the expected size of approximately RMB1.541 billion (based on the preliminary valuation of the Two Retail Malls and the information available as of the date of this announcement). It is currently expected that around 34% of the total Units of the Commercial REITs will be subscribed by the Group through the original equity holders of the Two Retail Malls and the rest of the total Units of the Commercial REITs will be subscribed by external investors.

The Commercial REITs will be set up in accordance with the Guidance and other applicable laws and regulations in the PRC. As part of the reorganisation, the original equity holders of the Two Retail Malls will prior to Listing, transfer the entire equity interest of the project companies for Two Retail Malls to the special purpose vehicles ("**SPVs**") under the Commercial REITs, while the Commercial REITs will wholly own the ABS Scheme and wholly own the SPVs through the ABS Scheme, with the Commercial REITs and the ABS Scheme being managed by the REITs Manager and the Scheme Manager, respectively. As of the date of this announcement, the transfer has not been made.

As at the date of this announcement, the REITs Manager has obtained the letter of no-objection to the listing and transfer by the Shanghai Stock Exchange on 27 August 2026, and the approval for the registration of the Commercial REITs by the CSRC on 3 September 2026. According to this approval, the fund is structured as a contractual closed-end fund with a fund term of 32 years. The total number of units approved for offering is 500 million. The Fund shall commence the offering within six months from the date of the approval, and the offering period shall not exceed three months from the launch date. Immediately prior to the Listing, the Company will discharge its obligations to issue an announcement in accordance with the Listing Rules.

The anticipated structure of the Commercial REITs upon completion of the Proposed Spin-off is set out below:



After the Proposed Spin-off, operations management bodies, namely the operations management co-ordinating body (i.e. Seazen Holdings) and the operations management implementing bodies (i.e. subsidiaries of Seazen Holdings) will be engaged by the REITs Manager to continue to provide operations management, property management and carpark management services to the Projects. The purpose of such arrangement is to leverage the Group's expertise and experience for the daily operation and management of the Projects, which will continue to be marketed under the Group's brand, and to minimize the disruption of the daily operations of the Two Retail Malls after the Proposed Spin-off.

The Proposed Spin-off has been approved by the CSRC and the Shanghai Stock Exchange; however, the relevant definitive agreements and the terms of the public offering, such as the size and price range of the offering and the timetable of the public offering, may still be subject to further adjustments.

Proceeds from the Proposed Spin-off and Proposed Use of Proceeds

Taking into account the estimated offering price and the number of units to be issued under the Commercial REITs, the proceeds from the Proposed Spin-off will be approximately RMB1.541 billion. However, investors should note that the proceeds to be raised are subject to the future business needs of the project companies and the market conditions prevailing prior to the listing of the Commercial REITs on the Shanghai Stock Exchange, and will be determined with reference to the feedback received during the price discovery phase and other approaches to be agreed between the REITs Manager and the Scheme Manager. In determining the offering price, factors to be considered include, but are not limited to: (i) the historical operating results and financial performance of the Two Retail Malls; (ii) the business prospects and expected investment returns of the Two Retail Malls; and (iii) the expansion plans and capital requirements of the project companies. The Company will issue a further announcement after the offering price is determined. The proceeds from the Proposed Spin-off are expected to be primarily used for supplementing working capital and repaying onshore debts.

FINANCIAL EFFECT OF THE PROPOSED SPIN-OFF

Upon completion of the Proposed Spin-off, the Company, through Seazen Holdings, will indirectly hold the entire interest in the Projects and it is anticipated that it will hold approximately 34% of the total Units of the Commercial REITs and it is expected that the Commercial REITs will be consolidated into the financial results of the Group for the following key reasons: (1) the Company expects to maintain *de facto* control due to highly dispersed natural person shareholder ownership and no collective action mechanisms; (2) the Company is exposed to the risk of variable returns through both its equity interest and performance-based management fees. They constitute variable returns as defined by HKFRS 10 B55, which indicates the second element for control under HKFRS 10; and (3) the Remaining Group acts as the Projects' operations management bodies for the Two Retail Malls. This role, combined with the Group's significant voting interest, provides the current ability to influence the REIT's financial and operating policies, thereby affecting the amount of its returns.

The overall impact on profit or loss that the Company expects to record from the Proposed Spin-off will mainly include the difference between the consideration for the transfer of the entire equity interest in the Two Retail Malls, which will depend on, among other things, the offer price of the Commercial REITs, and the carrying value of the Projects in the consolidated accounts of the Company, and the relevant transaction costs.

The actual amount of gain or loss resulting from the Proposed Spin-off will be assessed after its completion and will be subject to review and final audit by the Company's auditors.

INFORMATION ON THE TWO RETAIL MALLS

As at the date of this announcement, it is expected that the Commercial REITs will include the Two Retail Malls, which comprise (i) Nantong Qidong Wuyue Plaza, a seven-floor retail mall operating since 2018 located in Nantong City, Jiangsu, the PRC and (ii) Changzhou Tianning Wuyue Plaza, an eight-floor retail mall operating since 2019 located in Changzhou City, Jiangsu, the PRC. The Two Retail Malls are wholly-owned by Seazen Holdings as of the date of this announcement. The approximate gross floor area of Nantong Qidong Wuyue Plaza and Changzhou Tianning Wuyue Plaza as at 31 March 2026 was 80,353 and 123,394 sq.m., respectively.

The table below sets out the unaudited pro forma financial information of the Commercial REITs for the two years ended 31 December 2025 prepared in accordance with Hong Kong Accounting Standards:

	For the year ended 31 December	
	2024	**2025**
	RMB'000	***RMB'000***
	(unaudited)	**(unaudited)**
Revenue	213,104	**212,741**
Profit before taxation	102,092	**142,709**
Profit after taxation	76,894	**108,535**

The unaudited pro forma net asset value of the Projects as at 31 March 2026 prepared in accordance with Hong Kong Accounting Standards was approximately RMB974.8 million.

Reasons for and benefits of the Proposed Spin-off

The issuance of Commercial REITs is an important measure for the Company and Seazen Holdings to actively respond to industry policies, seize the development opportunities of the multi-level capital market, utilize innovative financing tools to promote the optimal allocation of industry resources, and support the construction of a new real estate development model. It is conducive to the Company and Seazen Holdings to broaden financing channels, effectively revitalize existing assets, further improve asset operation quality and efficiency, and enhance the momentum of sustainable development.

In view of the above, the Directors believe that the terms of the Proposed Spin-off are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company and the Operations Management Body

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

Seazen Holdings will act as an operations management body, which shall be mainly responsible for the coordination of operations and management for the Two Retail Malls.

The REITs Manager

GF Fund Management Co., Ltd.* (廣發基金管理有限公司) ("**GF Fund**"), an independent third party of the Company, will be the REITs Manager. Based on publicly available information, GF Fund Management Co., Ltd. is a subsidiary of GF Securities Co., Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 1776) and the Shenzhen Stock Exchange (stock code: 000776.SZ). The Commercial REITs will be managed by the REITs Manager. The REITs Manager is principally engaged in the sales and raising of funds, asset management and other businesses as approved by the CSRC. The REITs Manager will be responsible for making decisions in respect of the investment and management of the Commercial REITs, including but not limited to annual budgets, approval of operation plans, etc. The REITs Manager will also implement rules for approving connected transactions and a mechanism for handling conflict of interest situations to ensure that the Commercial REITs will operate independently from the Remaining Group.

The Scheme Manager

Ruiyuan Capital Management Co., Ltd.* (瑞元資本管理有限公司), is a wholly-owned subsidiary of GF Fund. The Scheme Manager shall be primarily responsible for establishing the ABS Scheme, managing the underlying assets, namely the Two Retail Malls, and distributing proceeds to the Commercial REITs.

To the best of the Directors' knowledge, information and belief and having made all reasonable inquiries, each of the REITs Manager and the Scheme Manager and their respective ultimate beneficial owners is an independent third party.

WAIVER FROM STRICT COMPLIANCE WITH PARAGRAPH 3(F) OF PRACTICE NOTE 15 OF THE LISTING RULES

Paragraph 3(f) of PN15 requires a listed company contemplating a spin-off to have due regard to the interests of its existing shareholders by providing them with an assured entitlement to shares in the spun-off entity, either by way of a distribution in specie of existing shares in the spun-off entity or by way of preferred application in any offering of existing or new shares in the spun-off entity.

As advised by the PRC legal advisers of the Company,

(i) according to the relevant laws and regulations of the PRC, investors who subscribe for units of public funds must have RMB ordinary securities accounts, closed-end fund accounts or open-end fund accounts ("**CSDC Open-end Fund Accounts**") maintained through China Securities Depository and Clearing Corporation Limited.

(ii) RMB ordinary securities accounts and close-end fund accounts can only be opened by (i) qualified PRC investors, including PRC citizens over 18 years old and PRC citizens over 16 years old whose main source of support is income from his/her own labour, foreigners with PRC permanent residency, and ordinary PRC institutional investors; (ii) qualified foreign investors, including residents from Hong Kong, Macau and Taiwan who work and reside in the mainland of the PRC; and (iii) qualified special institutions and products, mainly including securities companies and their asset management subsidiaries, fund management companies and their subsidiaries, insurance companies, trust companies, banks and their commercial bank wealth management subsidiaries, foreign strategic investors approved by the relevant authorities in the PRC, securities investment products established under the asset management scheme of securities companies, asset management scheme of fund management companies, asset management scheme of futures companies, asset management scheme of insurance asset management companies, security investment funds, trust products, insurance products, bank asset management products, enterprise annuity schemes, professional annuity schemes, pension funds, social security funds, private funds, qualified foreign institutional investors and RMB qualified foreign institutional investors in accordance with laws. CSDC Open-end Fund Accounts can only be opened by (iv) individual investors with certain valid identification documents; and (v) other institutional and individual investors that fulfil the account opening standards of fund sales agencies institutions ((i) to (v) are collectively referred to "**Qualified Investors**").

    As the Company is unable to ascertain the identities of the Shareholders whose Shares were held by them through HKSCC Nominees Limited or further assess whether such Shareholders are Qualified Investors, accordingly, not all, if any, of the existing Shareholders will be qualified to hold the Units following the proposed Listing, and thus compliance with paragraph 3(f) of PN15 in relation to the proposed Listing will not be feasible.

(iii) as further advised by PRC legal advisers of the Company, according to the Guidance, and the Shanghai Stock Exchange's Guidelines for the Application of the Rules on Public Offering of Real Estate Investment Trusts (REITs) No. 2 – Offering Business (Trial)* (《上海證券交易所公開募集不動產投資信託基金(REITs)規則適用指引第2號–發售業務(試行)》), unless otherwise prescribed by law, the investors of the REITs are prohibited from being provided with a preferential allocation of the units on the ground that all investors shall be treated equally. Except for the strategic placement to the original owners of the Commercial REITs or their related parties under common control and the units offered to offline investors in accordance with the applicable laws and regulations, the relevant laws and regulations do not grant other specific entities the right to subscribe for a specific percentage of the units of public funds on a preferential basis. Pursuant to the applicable PRC laws and regulations, the Company is unable to ascertain the identities of the Shareholders or further assess whether such Shareholders are qualified to participate in the preferential allocations. Accordingly, the Company is unable to provide Shareholders with an assured entitlement by way of a preferential allocation of the Units.

In addition, pursuant to the relevant requirements of the Guidance, the original owners of the Commercial REITs or their related parties under common control shall subscribe for not less than 20% of the total number of Units under the strategic placement. If the original owner of the assets holds not less than 20% of the Units, it must hold 20% of the Units for at least 60 months from the listing date of the Commercial REITs, whilst any units held by such original owner in excess of 20% must be held for at least 36 months from the listing date of the Commercial REITs. As advised by the PRC legal advisers to the Company, since it is proposed that the Company (through its subsidiaries) will hold more than 20% of the Units upon completion of the proposed Listing, the Company (through its subsidiaries) will be required to hold the Units for at least 36 months from the date of the proposed Listing pursuant to the Guidance. Therefore, it is impractical for the Company to transfer or distribute the Units to the Shareholders.

After due and careful consideration of the Proposed Spin-off and having taken into account the advice from the PRC legal counsel on the legal impediments in fulfilling such requirement, and such legal impediments cannot be overridden, the Board considers that it would be unduly burdensome for the Company to seek minority Shareholders' approval to waive the assured entitlement at a general meeting as the legal restriction could not be overridden even if the resolutions were voted down. Accordingly, the Board considers that the Proposed Spin-off and the non-provision of the assured entitlement in relation to the Proposed Spin-off are fair and reasonable, and in the interest of the Company and the Shareholders as a whole. The Company has also applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement of paragraph 3(f) of Practice Note 15 of the Listing Rules.

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 ratios in respect of 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, 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 following meanings, unless the context otherwise requires:

"ABS"	Asset-backed securities
"Announcement"	Voluntary announcement of the Company dated 9 March 2026 regarding the Proposed Spin-off of Commercial REITs
"Board"	the board of Directors of the Company
"Changzhou Tianning Wuyue Plaza"	Changzhou Tianning Wuyue Plaza(常州天寧吾悅廣場) located at No. 11 Dongfang West Road, Tianning District, Changzhou City, Jiangsu Province, the PRC
"Commercial REITs"	the commercial real estate investment trust fund
"Company"	Seazen Group Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange (Stock Code: 1030)
"CSRC"	China Securities Regulatory Commission
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"Guidance"	Guidance on Public Offering of Infrastructure Securities Investment Fund (Trial)*(公開募集基礎設施證券投資基金指引（試行)) promulgated by CSRC

"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"independent third party(ies)"	person(s) who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, is not a connected person of the Company pursuant to the Listing Rules
"Listing"	the listing of the Units in the Commercial REITs on the Shanghai Stock Exchange
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Nantong Qidong Wuyue Plaza"	The Nantong Qidong Wuyue plaza (南通啟東吾悅廣場) located at No. 88 Jianshe South Road, Huilong Town, Qidong City, Nantong City, Jiangsu Province, the PRC
"PN15 Application"	The application made by the Company to the Stock Exchange pursuant to PN15 on the Proposed Spin-off
"Practice Note 15" or "PN15"	Practice Note 15 to the Listing Rules
"PRC"	The People's Republic of China
"Projects"	the Changzhou Tianning Wuyue Plaza Project (常州天寧吾悅廣場項目) and Nantong Qidong Wuyue Plaza Project (南通啟東吾悅廣場項目) and their underlying assets
"Proposed Spin-off"	The proposed spin-off of the Two Retail Malls for the Units in the Commercial REITs and separate listing on the Shanghai Stock Exchange
"REITs Manager" or "GF Fund"	GF Fund Management Co., Ltd* (廣發基金管理有限公司), an independent third party
"Remaining Group"	The Group excluding the Commercial REITs
"RMB"	Renminbi, the lawful currency of the PRC
"Scheme Manager" or "Ruiyuan Capital"	Ruiyuan Capital Management Co., Ltd. (瑞元資本管理有限公司), a wholly-owned subsidiary of GF Fund and an independent third party

"Seazen Holdings"	Seazen Holdings Co., Ltd., a subsidiary of the Company with its A shares listed on the Shanghai Stock Exchange (stock code: 601155)
"Shanghai Stock Exchange"	Shanghai Stock Exchange
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Two Retail Malls"	The Nantong Qidong Wuyue Plaza and Changzhou Tianning Wuyue Plaza
"Unit(s)"	the units of the Commercial REITs, which will be issued in connection with the Listing
"%"	Per cent

By Order of the Board
Seazen Group Limited
Wang Xiaosong
Chairman

The PRC, 4 September 2026

As at the date of this announcement, the Directors are Mr. Lu Zhongming and Mr. Zhou Fudong as executive Directors, Mr. Wang Xiaosong as non-executive Director, and Mr. Zhu Zengjin, Mr. Zhong Wei and Ms. Wu Ke as independent non-executive Directors.

* *for identification purposes only*