建業地產股份有限公司 *

Central China Real Estate Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0832)

CONTINUING CONNECTED TRANSACTION REAL ESTATE AGENCY SERVICES FRAMEWORK AGREEMENT

On 31 December 2018, the Company entered into the Real Estate Agency Services Framework Agreement with Central China New Life, pursuant to which the Company has agreed to procure, and Central China New Life has agreed to provide, the Real Estate Agency Services.

As at the date of this announcement, Central China New Life is indirectly owned as to more than 30% by Mr. Wu. Mr. Wu is the controlling Shareholder and a connected person of the Company. Accordingly, Central China New Life is an associate of Mr. Wu and thus a connected person of the Company under Rule 14A.07(4) of the Listing Rules. The transactions contemplated under the Real Estate Agency Services Framework Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (other than the profit ratio) in respect of the transactions contemplated under the Real Estate Agency Services Framework Agreement are over 0.1% but less than 5%, the transactions contemplated under the Real Estate Agency Services Framework Agreement are subject to the reporting, announcement and annual review requirements but exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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REAL ESTATE AGENCY SERVICES FRAMEWORK AGREEMENT

The principal terms of the Real Estate Agency Services Framework Agreement are as follows:

Date	31 December 2018
Parties	the Company (as service user); and Central China New Life (as service provider)
Term	1 November 2018 to 31 October 2021
Nature of transaction	Central China New Life shall provide Real Estate Agency Services in respect of the first-hand property sales to the Group. The parties shall enter into separate agreements for detailed service scope in respect of various Real Estate Agency Services as and when necessary.
Fees charged for the Real Estate Agency Services and its pricing basis	The services fees were determined by the parties on and arm's length basis and on normal commercial terms or better to the Company having regard to (i) the agency fees charged as commission based on contracted sales amount of the Group's properties, which ranges from 0.5% to 0.8% of the contracted sales amount of the Group's properties, depending on the overall property market environment, project location, difficulties of marketing and other factors; (ii) the rate generally offered by Central China New Life to independent third parties in respect of comparable agency services; and (iii) comparable market prices of the respective regions quoted from at least two independent service providers.

ANNUAL CAP AND BASIS FOR DETERMINING THE ANNUAL CAP

The annual caps for the Real Estate Agency Services Framework Agreement for the year ending 31 October 2019, 31 October 2020 and 31 October 2021 are RMB312,000,000, RMB320,000,000 and RMB330,000,000, respectively.

In considering the annual caps for the Real Estate Agency Services Framework Agreement, the Directors have considered a number of factors including the number of existing and upcoming real estate projects of the Group and their scale, location and the tentative schedule of property sales.

The transaction amount of the Real Estate Agency Services provided by Central China New Life to the Company for the one month ended 30 November 2018 was approximately RMB6,860,000 (unaudited). For the one month ended 30 November 2018, Central China New Life provided Real Estate Agency Services to the Group on ongoing basis. It is currently expected that the Group will procure more Real Estate Agency Services from Central China New Life during the term of the Real Estate Agency Services Framework Agreement, given that more property projects will be launched and sold.

REASONS FOR AND BENEFITS OF THE REAL ESTATE AGENCY SERVICES FRAMEWORK AGREEMENT

In order to focus on the main business of real estate development, the Group decided to outsource the real estate marketing segment to assist in integrating resources to develop its main business. The entering into of the Real Estate Agency Services Framework Agreement was in the ordinary and usual course of business of the Group.

For the one month ended 30 November 2018, fees in respect of the Real Estate Agency Services provided by Central China New Life to the Company of approximately RMB6,860,000 (unaudited) has been incurred. In the anticipation that one or more applicable percentage ratios (other than the profit ratio) in respect of the aggregate fees of the Real Estate Agency Services to be paid by the Company will be over 0.1% on an annual basis, the Company and Central China New Life have entered into the Real Estate Agency Services Framework Agreement to set the annual caps for 2018, 2019 and 2020.

The Directors (including independent non-executive Directors) are of the view that the terms of the Real Estate Agency Services Framework Agreement and the annual caps are fair and reasonable and the transaction contemplated thereunder are on normal commercial terms or better to the Company and that the entering into of the Real Estate Agency Services Framework Agreement is in the interests of the Company and the Shareholders as a whole.

DIRECTOR'S INTEREST IN THE CONTINUING CONNECTED TRANSACTION

Central China New Life is indirectly owned as to more than 30% by Mr. Wu. Mr. Wu is regarded as being interested in the transactions contemplated under the Real Estate Agency Services Framework Agreement due to his interest in Central China New Life and therefore has abstained from voting on the Board resolution approving the said agreement and the annual cap. Save and except for the aforesaid, none of the Directors has any material interest in any of the transactions contemplated under the Real Estate Agency Services Framework Agreement and was required to abstain from voting on the Board resolution to approve the same.

INFORMATION OF THE PARTIES

The Group is principally engaged in real estate development and sales in Henan Province, the PRC.

Central China New Life is principally engaged in providing all-rounded property management service for buildings and communities nearby in Henan Province, the PRC.

LISTING RULES IMPLICATION

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As one or more applicable percentage ratios (other than the profit ratio) in respect of the transactions contemplated under the Real Estate Agency Services Framework Agreement are over 0.1% but less than 5%, the transactions contemplated under the Real Estate Agency Services Framework Agreement are subject to the reporting, announcement and annual review requirements but exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

"associate(s)"	has the meaning given to it under the Listing Rules
"Board"	the board of Directors
"Central China New Life"	Central China New Life Service Company Limited*（河南建業新生活服務有限公司）, a company incorporated in the PRC with limited liability and a connected person of the Company
"Company"	Central China Real Estate Limited（建業地產股份有限公司*）, an exempted company established under the laws of the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning given to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Real Estate Agency Services"	the real estate agency services in respect of the first-hand property sales provided or to be provided by Central China New Life to the Group, as set out under the Real Estate Agency Services Framework Agreement

"Real Estate Agency Services Framework Agreement"	the framework agreement entered into between the Company and Central China New Life on 31 December 2018 for the provision of the Real Estate Agency Services by Central China New Life to the Group
"Mr. Wu"	Mr. Wu Po Sum, the chairman of the Company, an executive Director and a controlling shareholder of the Company and as at the date of this announcement owns 100% equity interest in Central China New Life
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holder(s) of the Shares
"Shares"	the shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

By order of the Board
Central China Real Estate Limited
Wu Po Sum
Chairman

Hong Kong, 31 December 2018

As at the date of this announcement, the Board comprises nine Directors, of which Mr. Wu Po Sum, Mr. Liu Weixing and Mr. Wang Jun are executive Directors, Mr. Lucas Ignatius Loh Jen Yuh, Mr. Puah Tze Shyang and Ms. Wu Wallis (alias Li Hua) are non-executive Directors, Mr. Cheung Shek Lun, Mr. Xin Luo Lin and Dr. Sun Yuyang are independent non-executive Directors.

* *For identification purposes only*