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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)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF 45.45% EQUITY INTERESTS
IN CCRE HENGXIN**

THE ACQUISITION AGREEMENT

On 29 January 2019 (after trading hours), CCRE China and Bridge Trust entered into the Acquisition Agreement, pursuant to which, CCRE China agreed to acquire 45.45% equity interests in CCRE Hengxin from Bridge Trust at a consideration of RMB709,685,373.94 (equivalent to approximately HK\$823,235,000). As at the date of the Acquisition Agreement, CCRE Hengxin was owned as to 54.55% and 45.45% by CCRE China and Bridge Trust respectively. Upon the Completion, CCRE Hengxin will be owned as to 100% by CCRE China, and will change from a jointly controlled entity of the Company to an indirect wholly-owned subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable Percentage Ratios in respect of the transactions as contemplated under the the Acquisition Agreement in aggregate exceeds 5% but less than 25%, the entering into of the Acquisition Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements thereunder.

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Principal terms of the Acquisition Agreement are set out as follows:

1. Date

29 January 2019 (after trading hours)

2. Parties

Vendor: Bridge Trust

Purchaser: CCRE China

To the best knowledge, information and belief of the Board and after making all reasonable enquiries, Bridge Trust and its ultimate beneficial owner are an Independent Third Parties.

3. Subject matter

Pursuant to the Acquisition Agreement, CCRE China agreed to acquire, and Bridge Trust agreed to sell its holding of 45.45% equity interests in CCRE Hengxin.

4. Consideration

The parties agreed that the consideration for the Acquisition shall be RMB709,685,373.94 (equivalent to approximately HK\$823,235,000), which will be settled by CCRE China in cash upon signing of the Acquisition Agreement. The consideration is determined by the parties on arm's length negotiations with reference to, among other things, the historical financial performance and prospect of CCRE Hengxin as well as various characteristics of the Target Land including its location, permitted use and development potential as well as the expected investment and development costs of the Target Land and the property sales expected to be derived from the Target Land upon completion of development, and also the fact that the financial results of CCRE Hengxin will be consolidated to the Group's financial results following the Completion.

The consideration under the Acquisition Agreement will be satisfied by the internal resources of the Group.

INFORMATION ABOUT CCRE HENGXIN

CCRE Hengxin is a limited liability company established in the PRC on 10 November 2009 and has a registered capital of RMB220,000,000.00 as at the date of this announcement. CCRE Hengxin is principally engaged in the property development on the Target Land located in surrounding areas of Yingcai Street and Xiangshan Road, Kaiyuan Road, Huiji District, Zhengzhou City, Henan Province, details of which are set out below:

Land lot No.	Location	Site area (m ²)	Planned use	Term of the land certificate	Interests held by the Company following completion of the Acquisition
n1	Surrounding areas of Yingcai Street and	14904.46	Urban residential	2018.5.8-2088.5.7	100%
n2	Xiangshan Road, Kaiyuan Road, Huiji District, Zhengzhou City, Henan Province	34607.56	Urban residential, wholesale and retail, accommodation and catering	Residential 2015.12.12- 2085.12.22 Commercial 2015.12.12- 2055.12.22	100%
n3		19077.05	Urban residential	2016.1.21-2086.1.29	100%
n4		27699.94	Urban residential	2018.5.2-2088.5.1	100%
n5		13851.12	Urban residential	2018.5.2-2088.5.1	100%
n6		28887.55	Urban residential, wholesale and retail, accommodation and catering	Residential 2016.4.25- 2086.4.30 Commercial 2016.4.25- 2086.4.30	100%
n7		40418.356	Urban residential	Application for land certificate is in progress	100%
n8		45330.42	Urban residential	2016.4.25-2086.4.30	100%
n9		15745.65	Urban residential	2016.4.25-2086.4.30	100%

CCRE Hengxin recorded (i) an audited revenue of approximately RMB1,881.3 million and an unaudited revenue of approximately RMB272.9 million; (ii) an audited profit before tax of approximately RMB204.9 million and an unaudited loss before tax of approximately RMB38.1 million; (iii) an audited net profit of approximately RMB153.7 million and an unaudited net loss of approximately RMB40.2 million for each of the two years ended 31 December 2017 and 2018, respectively. The unaudited net asset value of CCRE Hengxin as at 31 December 2018 was approximately RMB818.9 million.

INFORMATION ABOUT THE PARTIES

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

Bridge Trust is a non-bank financial institute which is owned by independent third parties. It has obtained a license issued by China Banking Regulatory Commission (中國銀行業監督管理委員會) and is principally engaged in providing trust related products and services to customers. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Bridge Trust and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ACQUISITION AGREEMENT

CCRE Hengxin is the legal and beneficial owner of the Target Land which will be developed into a residential and commercial project. The Target Land is located in a prime location of Huiji District, Zhenzhou City, Henan Province comprised of 9 parcels of land with a total site area of approximately 240,522 m². It is anticipated that the project will make a substantial contribution to the Group's profit upon completion of development. Upon Completion, the Group will have full control over the future development of the Target Land. Also, CCRE Hengxin will become a wholly-owned subsidiary of, and will be accounted for as a subsidiary of the Group and the Group can therefore benefit fully from the financial results of CCRE Hengxin.

In light of the potential return of the commercial property market of Henan province, numerous real estate developers have entered the market. The Group is primarily focusing on development of residential properties, while development of commercial properties and hotels also form part of the Group's strategy. As of 31 December 2017, 72.9%, 8.0% and 0.8% of the Group's land reserves were allocated to residential, commercial and hotel development projects respectively. The Acquisition and the subsequent development of the Target Land into a residential and commercial development will enhance the Group's portfolio and widen its participation in the commercial property market of Henan province.

The Directors are of the view that the terms of the Acquisition Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable Percentage Ratios in respect of the transactions as contemplated under the Acquisition Agreement in aggregate exceeds 5% but less than 25%, the entering into of the Acquisition Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements thereunder.

DEFINITIONS

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

“Acquisition”	the acquisition of 45.45% equity interests in CCRE Hengxin from Bridge Trust by CCRE China in accordance with the terms of the Acquisition Agreement;
“Acquisition Agreement”	the equity transfer agreement dated 29 January 2019 entered into between CCRE China (as purchaser) and Bridge Trust (as vendor) in relation to the Acquisition;
“Bridge Trust”	Bridge Trust Co., Ltd.* (百瑞信託有限責任公司), a company established in the PRC with limited liability, holding 45.45% equity interests in CCRE Hengxin as at the date of this announcement;
“Board”	the board of Directors;
“CCRE China”	Central China Real Estate Group (China) Company Limited* (建業住宅集團(中國)有限公司), a company incorporated under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;

“CCRE Hengxin”	Henan Central China Hengxin Property Company Limited* (河南建業恆新置業有限公司), a company incorporated under the laws of the PRC with limited liability, and a jointly controlled entity of the Company which is owned as to 54.55% by CCRE China as at the date of this announcement;
“Company”	Central China Real Estate Limited (建業地產股份有限公司*), an exempted company incorporated under the laws of the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
“Completion”	completion of the Acquisition;
“connected person(s)”	having the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons and are not connected persons of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Percentage Ratio(s)”	the percentage ratio(s) as described under Rule 14.07 of the Listing Rules;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Land”	the parcel of land located in surrounding areas of Yingcai Street and Xiangshan Road, Kaiyuan Road, Huiji District, Zhengzhou City, Henan Province, details of which are set out in the paragraph headed “Information about CCRE Hengxin” in this announcement; and
“% ”	per cent.

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

Hong Kong, 29 January 2019

For the purpose of this announcement, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of RMB1.00 equal to HK\$1.16. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.

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