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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)

**CONTINUING CONNECTED TRANSACTIONS  
RENEWAL OF TOURISM SERVICES  
FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company in relation to the 2018 Tourism Services Framework Agreement dated 30 November 2018. As the 2018 Tourism Services Framework Agreement has been expired, the Company entered into the 2019 Tourism Services Framework Agreement with Central China New Life on 30 January 2019 to renew the 2018 Tourism Services Framework Agreement.

**LISTING RULES IMPLICATION**

As at the date of this announcement, Central China New Life is directly 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 2019 Tourism 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 2019 Tourism Services Framework Agreement are over 0.1% but less than 5%, the transactions contemplated under the 2019 Tourism 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.

Reference is made to the announcement of the Company in relation to the 2018 Tourism Services Framework Agreement dated 30 November 2018. As the 2018 Tourism Services Framework Agreement has been expired, the Company entered into the 2019 Tourism Services Framework Agreement with Central China New Life on 30 January 2019 to renew the 2018 Tourism Services Framework Agreement.

### **The 2019 Tourism Services Framework Agreement**

The principal terms of the 2019 Tourism Services Framework Agreement are as follows:

|                       |                                                                                                                                                                                                                                                               |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date                  | 30 January 2019                                                                                                                                                                                                                                               |
| Parties               | (1) the Company (as service user); and<br><br>(2) Central China New Life (as service provider)                                                                                                                                                                |
| Term                  | 1 January 2019 to 31 December 2021                                                                                                                                                                                                                            |
| Nature of transaction | Central China New Life shall provide Tourism Services to the Group for the promotion of the Group's business.<br><br>The parties shall enter into separate agreement for detailed service scope in respect of various tourism services as and when necessary. |

|                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tourism Service        | The fees payable by the Group to Central China New Life in respect of the Tourism Services is calculated with reference to the actual cost of the Tourism Services (the “Actual Cost”) incurred plus a mark up depending on the size of the tour groups and scope, complexity and nature of the Tourism Services requested by the Group. The Actual Cost includes but not limited to costs of transportation, accommodation, food and beverage and other tourism products.                                                       |
| Fees and pricing basis | The Tourism Service fees were determined by the parties on an arm’s length basis and on normal commercial terms or better to the Company having regard to (i) the nature, scope and complexity of the tourism services; (ii) the rate generally offered by Central China New Life to independent third parties in respect of comparable services; and (iii) comparable market prices quoted from at least two independent service providers. The Actual Cost shall not be higher than that offered by independent third parties. |

### **Historical transaction amount, annual caps and basis for determining the annual caps**

The transaction amount of the Tourism Services provided by Central China New Life to the Company for the year ended 31 December 2018 was approximately RMB15,900,000 (unaudited), while the annual cap of the 2018 Tourism Services Framework Agreement was RMB16,000,000.

The annual caps for the 2019 Tourism Services Framework Agreement for each of the year ending 31 December 2019, 2020 and 2021 are RMB39,000,000, RMB48,000,000 and RMB67,500,000, respectively.

In considering the annual caps for the 2019 Tourism Services Framework Agreement, the Directors have considered a number of factors including the historical transaction amount and volume of the Tourism Services used by the Company and the expected demand for the Tourism Services based on the expected number of tourists, tours and upcoming real estate projects and business events of the Group. It is currently expected that the Group will procure more Tourism Services from Central China New Life in the coming three years given that the Group intends to gradually switch from its existing service providers to Central China New Life for similar tourism services, as well as there are new property projects to be launched where corresponding sizeable business events will be organized for pushing up the sales of properties.

### **Reasons for and benefits of entering into the 2019 Tourism Services Framework Agreement**

Central China New Life is principally engaged in providing comprehensive property management services in Henan Province, the PRC. It also provides various ancillary services in association therewith, including but not limited to organising relating marketing events and tourism services. Whilst the Group's business events require expertise in tourism services, the entering into of the 2019 Tourism Services Framework Agreement was in the ordinary and usual course of business of the Group.

The Directors (including independent non-executive Directors) are of the view that the terms of the 2019 Tourism 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 2019 Tourism Services Framework Agreement is in the interests of the Company and the Shareholders as a whole.

## **DIRECTOR'S INTEREST IN THE CONTINUING CONNECTED TRANSACTIONS**

Central China New Life is directly owned as to more than 30% by Mr. Wu. Mr. Wu is regarded as being interested in the transactions contemplated under the 2019 Tourism Services Framework Agreement due to his respective interest in Central China New Life and therefore has abstained from voting on the Board resolution approving the 2019 Tourism Services Framework Agreement and the annual caps. Save and except for the aforesaid, none of the Directors has any material interest in any of the transactions contemplated under the 2019 Tourism Services Framework Agreement, and was required to abstain from voting on the Board resolutions 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**

As at the date of this announcement, Central China New Life is directly 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 2019 Tourism 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 2019 Tourism Services Framework Agreement are over 0.1% but less than 5%, the transactions contemplated under the 2019 Tourism 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:

|                                             |                                                                                                                                                                                                                                                    |
|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “2018 Tourism Services Framework Agreement” | the framework agreement entered into between the Company and Central China New Life on 30 November 2018 as detailed in the announcement of the Company of even date                                                                                |
| “2019 Tourism Service Framework Agreement”  | the framework agreement entered into between the Company and Central China New Life on 30 January 2019 for the provision of the Tourism Services by Central China New Life to the Group and to renew the 2018 Tourism Services Framework Agreement |
| “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                                                                                    |
| “Chairman”                                  | chairman 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                                                                                                                                                                                                |

|                    |                                                                                                                                                                                                                                                                         |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Tourism Services” | the customized solution services for business tourism for the promotion of the Group’s business and other related ancillary services, provided or to be provided by Central China New Life to the Group, as set out under the 2019 Tourism Services Framework Agreement |
| “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                                                                                                                                                                                                     |
| “Mr. Wu”           | Mr. Wu Po Sum, the Chairman, an executive Director and a controlling shareholder of the Company and as at the date of this announcement owns 100% equity interest of 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, 30 January 2019

*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*