

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
MEMBERSHIP MAINTENANCE AND
MANAGEMENT SERVICES FRAMEWORK AGREEMENT**

On 29 March 2019, the Company entered into the Membership Maintenance and Management Services Framework Agreement with Central China New Life, pursuant to which the Company has agreed to procure, and Central China New Life agreed to provide, the Membership Maintenance and Management 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 Membership Maintenance and Management 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 Membership Maintenance and Management Services Framework Agreement are over 0.1% but less than 5%, the transactions contemplated under the Membership Maintenance and Management 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.

On 29 March 2019, the Company entered into the Membership Maintenance and Management Services Framework Agreement with Central China New Life, pursuant to which the Company has agreed to procure, and Central China New Life agreed to provide, the Membership Maintenance and Management Services.

MEMBERSHIP MAINTENANCE AND MANAGEMENT SERVICES FRAMEWORK AGREEMENT

The principal terms of the Membership Maintenance and Management Services Framework Agreement are as follows:

Date	29 March 2019
Parties	the Company (as service user); and Central China New Life (as service provider)
Term	1 January 2019 to 31 December 2021
Nature of transaction	Central China New Life and the members of its group shall provide the Membership Maintenance and Management Services to the Group.

The parties shall enter into separate agreements for detailed service scope in respect of various Membership Maintenance and Management Services as and when necessary.

The Membership Maintenance and Management Services are provided to the residents of the residential property projects developed and proposed to be developed by the Group, who are or will be the members of various residential communities.

Scope of services and standards for charging

The service fees for regular services for members are RMB4,500 per member per annum, depending on the number of members who are provided with services. The service fees for large-scale event planning and organisation services are ranging from approximately RMB1 million to RMB4 million per event, depending on the number of staff involved for each event.

ANNUAL CAPS AND BASIS FOR DETERMINING THE ANNUAL CAPS

The annual caps for the Membership Maintenance and Management Services Framework Agreement for the year ending 31 December 2019, 31 December 2020 and 31 December 2021 are RMB50,000,000, RMB60,000,000 and RMB70,000,000, respectively.

In considering the annual caps for Membership Maintenance and Management Services Framework Agreement, the Directors have considered a number of factors, including the number of the Group's existing and upcoming real estate projects, the number of members within relevant residential communities and the need of related service and so on. In view of the number of real estate projects of the Company and the expected increase in number of members, it is currently expected that the Group will require more Membership Maintenance and Management Services from Central China New Life during the term of Membership Maintenance and Management Services Framework Agreement.

REASONS FOR AND BENEFITS OF THE MEMBERSHIP MAINTENANCE AND MANAGEMENT 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 membership operation, membership maintenance and management services, large-scale event organisation and planning services. The Group is required to seek suppliers to provide the membership maintenance and management services involved for the residential communities of the residential property projects developed and proposed to be developed by the Group. The entering into of the Membership Maintenance and Management Services Framework Agreement was in the ordinary and usual course of business of the Group.

For the two months ending 28 February 2019, Central China New Life provided Membership Maintenance and Management Services to the Group on an ongoing basis. For the two months ending 28 February 2019, fees in respect of the Membership Maintenance and Management Services provided by Central China New Life to the Company of approximately RMB5.89 million (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 Membership Maintenance and Management Services to be paid by the Company will be over 0.1% on an annual basis, the Company and Central China New Life has entered into the Membership Maintenance and Management Services Framework Agreement to set the annual caps for 2019, 2020 and 2021.

The Directors (including independent non-executive Directors) are of the view that the terms of the Membership Maintenance and Management Services Framework Agreement and the annual cap 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 Membership Maintenance and Management 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 Membership Maintenance and Management 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 Membership Maintenance and Management 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 and its subsidiaries are principally engaged in providing all-rounded property management related 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 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 Membership Maintenance and Management 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 Membership Maintenance and Management Services Framework Agreement are over 0.1% but less than 5%, the transactions contemplated under the Membership Maintenance and Management 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
“Membership Maintenance and Management Services”	membership maintenance and management services provided or to be provided by Central China New Life to the Group in respect of various residential communities, as well as large-scale event organisation and planning services provided for the Group, as set out under the Membership Maintenance and Management Services Framework Agreement
“Membership Maintenance and Management Services Framework Agreement”	the framework agreement entered into between the Company and Central China New Life on 29 March 2019 for the provision of the Membership Maintenance and Management Services by Central China New Life to the Group
“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 interests 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, 29 March 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*