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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 60% EQUITY INTERESTS IN LUOYANG ZHUZONG**

#### **EQUITY TRANSFER AGREEMENT**

The Board is pleased to announce that, on 24 June 2019 (after trading hours), following completion of the bidding process through China Beijing Equity Exchange\* (北京產權交易所) (“CBEX”), CCRE China and Beijing Uni-Construction entered into the Equity Transfer Agreement, pursuant to which CCRE China agreed to acquire 60% equity interests in Luoyang Zhuzong from Beijing Uni-Construction at a consideration of RMB721,210,620 (equivalent to approximately HK\$822,180,000). On the date of the Equity Transfer Agreement, Luoyang Zhujian was owned as to 40% by CCRE China and as to 60% by Beijing Uni-Construction, respectively. Upon the Completion, Luoyang Zhuzong 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. Its financial statements will be consolidated into the financial statements of the Group.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable Percentage Ratios in respect of the transactions as contemplated under the Equity Transfer Agreement in aggregate exceeds 5% but less than 25%, the entering into of the Equity Transfer 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.

## **EQUITY TRANSFER AGREEMENT**

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Principal terms of the Equity Transfer Agreement are set out as follows:

### **1. Date**

24 June 2019 (after trading hours)

### **2. Parties**

Vendor: Beijing Uni-Construction

Purchaser: CCRE China

To the best knowledge, information and belief of the Board and after making all reasonable enquiries, Beijing Uni-Construction and its ultimate beneficial owner are Independent Third Parties.

### **3. Subject matter**

Pursuant to the Equity Transfer Agreement, CCRE China agreed to acquire, and Beijing Uni-Construction agreed to sell its holding of 60% equity interests in Luoyang Zhuzong.

### **4. Consideration and payment**

The consideration payable by the Company for the Acquisition is RMB721,210,620, which was determined by reference to the valuation of 60% equity interests in Beijing Uni-Construction (being RMB721,210,620) valued by the independent valuer Beijing Shoujia Joint Assets Appraisal Company Limited\* (北京首佳聯合資產評估有限公司) on 30 September 2018. The consideration for the Acquisition shall be remitted to the settlement account designated by CBEX.

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

## INFORMATION ABOUT LUOYANG ZHUZONG

Luoyang Zhuzong is a limited liability company established in the PRC on 6 August 2009 and has a registered capital of RMB50,000,000 as at the date of this announcement. Luoyang Zhuzong is principally engaged in the property development on the Target Land located in Laocheng District, Luoyang City, Henan Province, the PRC, details of which are set out below:

Category of land parcel	Name of land parcel	State-owned Land Use Right Certificate No.	Located in	Planned use	Expiry date of the land use right	Area involved in the land use right (m <sup>2</sup> )	Interests held by the Company following completion of the Acquisition
	Land Parcel 1	Luo Shi Guo Yong (2010) No. 02001570	Southeast corner of intersection of Jingqi Road (經七路) and National Highway 310(310國道), Laocheng District	Urban residential	15 July 2079	62,800.90	100%
	Land Parcel 1	Luo Shi Guo Yong (2013) No. 02000906	Southwest corner of intersection of Dingding North Road (定鼎北路) and National Highway 310 (310國道), Laocheng District	Urban residential	15 July 2079	7,183.60	100%
	Land Parcel 2	Luo Shi Guo Yong (2010) No. 02001572	Southeast corner of intersection of Jingqi Road (經七路) and Daobei 5 Road (道北五路), Laocheng District	Urban residential	15 July 2079	152,716.20	100%
	Land Parcel 2	Luo Shi Guo Yong (2011) No. 02000357	Northeast corner of intersection of Xiangshan Road (香山路) and Daobei 5 Road (道北五路), Xigong District	Residential and commercial	15 April 2079	344.10	100%
Land parcels in the north	Land Parcel 2	Luo Shi Guo Yong (2011) No. 02000358	West of Dingding North Road (定鼎北路), Xigong District	Residential and commercial	15 April 2079	1,821.50	100%
	Land Parcel 3	Luo Shi Guo Yong (2013) No. 02000905	Southeast corner of intersection of Daobei 5 Road (道北五路) and Hongye Road (紅葉路), Laocheng District	Urban residential	15 July 2079	56,868.40	100%
	Land Parcel 4	Luo Shi Guo Yong (2013) No. 02000907	Southeast corner of intersection of Daobei 5 Road (道北五路) and Xiangshan Road (香山路), Laocheng District	Urban residential	15 July 2079	63,558.10	100%
	Land Parcel 5	Luo Shi Guo Yong (2013) No. 02000904	Southwest corner of intersection of Daobei 5 Road (道北五路) and Xiangshan Road (香山路), Laocheng District	Urban residential	15 July 2079	54,158.00	100%

Category of land parcel	Name of land parcel	State-owned Land Use Right Certificate No.	Located in	Planned use	Expiry date of the land use right	Area involved in the land use right (m <sup>2</sup> )	Interests held by the Company following completion of the Acquisition
	Land Parcel 6	Luo Shi Guo Yong (2012) No. 2000407	Southwest corner of intersection of Daobei 4 Road (道北四路) and Xiangshan Road (香山路), Laocheng District	Urban mixed residential	15 July 2079	9,729.30	100%
	Land Parcel 7	Luo Shi Guo Yong (2012) No. 2000408	Southwest corner of intersection of Daobei 4 Road (道北四路) and Hongye Road (紅葉路), Laocheng District	Urban mixed residential	15 July 2079	69,872.00	100%
	Land Parcel 8	Luo Shi Guo Yong (2012) No. 2000409	Southeast corner of intersection of Daobei 4 Road (道北四路) and Hongye Road (紅葉路), Laocheng District	Urban mixed residential	15 July 2079	72,347.90	100%
Land parcels in the south	Land Parcel 9	Luo Shi Guo Yong (2012) No. 2000410	Southeast corner of intersection of Daobei 4 Road (道北四路) and Hongye Road (紅葉路), Laocheng District	Urban mixed residential	15 July 2079	45,549.20	100%
	Land Parcel 9	Luo Shi Guo Yong (2012) No. 2000411	Northeast corner of intersection of Daobei 3 Road (道北三路) and Hongye Road (紅葉路), Laocheng District	Urban mixed residential	15 July 2079	7,540.60	100%
	Land Parcel 10	Luo Shi Guo Yong (2012) No. 3002588	Southeast corner of intersection of Daobei 3 Road (道北三路) and Hongye Road (紅葉路), Laocheng District	Urban mixed residential	15 July 2079	13,927.50	100%

Luoyang Zhuzong recorded an audited (i) revenue of approximately RMB56 million and approximately RMB694 million; (ii) (loss)/profit before tax of approximately RMB(20) million and approximately RMB101 million; (iii) net (loss)/profit of approximately RMB(32) million and approximately RMB76 million for each of the two years ended 31 December 2017 and 2018, respectively. The audited net assets and total assets of Luoyang Zhuzong as at 31 December 2018 were approximately RMB34 million and RMB1,252 million, respectively.

## **INFORMATION ABOUT THE PARTIES**

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

Beijing Uni-Construction is a wholly-owned subsidiary of Beijing Uni-Construction Group Co., Ltd.\* (北京住總集團有限責任公司) and is principally engaged in real estate development and sales in Beijing, the PRC.

## **REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER AGREEMENT**

Luoyang Zhuzong is the legal and beneficial owner of the Target Land which will be developed into a residential and commercial project. With a total planned construction area of approximately 2 million square meters, a total site area of approximately 1,200 mu and a construction land area of 927 mu, the project will cover a site area of approximately 618,000 square meters.

In view 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 residential and commercial projects also forms part of the Group's strategy. As of 31 December 2018, 72.1% and 7.9% of the Group's land reserves were allocated to residential and commercial development projects, respectively. The Acquisition and the subsequent development of the Target Land into a residential and commercial development project will enhance the Group's investment portfolio and increase its presence in the commercial property market of Henan Province.

The Directors are of the view that the terms of the Equity Transfer 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 Equity Transfer Agreement in aggregate exceeds 5% but less than 25%, the entering into of the Equity Transfer 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 60% equity interests in Luoyang Zhuzong from Beijing Uni-Construction by CCRE China in accordance with the terms of the Equity Transfer Agreement;
- “Beijing Uni-Construction” Beijing Uni-Construction Real Estate Development Co., Ltd.\* (北京住總房地產開發有限責任公司), a company established in the PRC with limited liability, holding 60% equity interests in Luoyang Zhuzong 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;
- “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;
“Equity Transfer Agreement”	the equity transfer agreement dated 24 June 2019 entered into between CCRE China (as purchaser) and Beijing Uni-Construction (as vendor) in relation to the Acquisition;
“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;
“Luoyang Zhuzong”	Luoyang Zhuzong Yutai Real Estate Development Co., Ltd.* (洛陽住總宇泰房地產開發有限公司), a company incorporated under the laws of the PRC with limited liability, and is held as to 40% by CCRE China and as to 60% by Beijing Uni-Construction, respectively;
“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 Laocheng District, Luoyang City, Henan Province, details of which are set out in the paragraph headed “Information about Luoyang Zhuzong” in this announcement; and
“%”	per cent.

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

Hong Kong, 24 June 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\$1.14. 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*