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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  
DISPOSAL OF 50.31% EQUITY INTERESTS  
IN THE TARGET COMPANY**

**EQUITY TRANSFER AGREEMENT**

The Board announces that, on 27 June 2019, CCRE China, Orient Jindian, the Target Group and the Guarantors entered into the Equity Transfer Agreement, pursuant to which CCRE China has agreed to dispose and Orient Jindian has agreed to acquire 50.31% equity interests in the Target Company at a consideration of RMB527,400,000. As at the date of the Equity Transfer Agreement, the Target Company was owned as to 50.31% by CCRE China and as to 49.69% by Oriental Jindian, respectively. Upon Completion, the Target Company will cease to be a jointly controlled entity of the Company and the Company will no longer have any equity interests in the Target Company.

## **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**

27 June 2019 (after trading hours)

### **2. Parties**

Seller: CCRE China

Purchaser: Oriental Jindian

Other parties: the Target Group and the Guarantors

To the best knowledge, information and belief of the Board and after making all reasonable enquiries, Zhang Ran, Jindian Group, Jindian Chengjian, Xinyang Hengxiang, Xinyang Yuchang, Xinyang Hengxing, Henan Oriental, Jiaozuo Oriental, Oriental Jindian and their (save and except Zhang Ran) respective ultimate beneficial owners, are Independent Third Parties.

### **3. Equity transfer**

Pursuant to the Equity Transfer Agreement, Oriental Jindian has agreed to acquire and CCRE China has agreed to dispose 50.31% equity interests in the Target Company.

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

The consideration to be received by CCRE China for the Disposal is RMB527,400,000, which was determined after arm's length negotiations between the parties based on various considerations including the financial position of the Target Company, the development potential of the Target Land, the planning and design conditions and the branding benefits of the project.

The consideration shall be settled by two tranches in cash: (i) Oriental Jindian shall pay the first tranche of consideration in the amount of RMB172,800,000 to CCRE China before 19 November 2020; and (ii) Oriental Jindian shall pay the remaining consideration in the amount of RMB354,600,000 to CCRE China before 19 May 2021.

### **5. Shareholders' loan**

Pursuant to the terms of the Equity Transfer Agreement, Oriental Jindian shall pay RMB96,108,189 to the Target Company before 19 May 2021 to fully settle the Shareholders' loan and interest of in total RMB75,800,000 and the interest thereon up to 19 May 2021 owed by the Target Company to CCRE China as of 28 June 2019 as calculated at the interest rate of 12% per annum.

## 6. Guarantees

Pursuant to the terms of the Equity Transfer Agreement, certain Guarantors shall provide the following guarantee and charges as securities to CCRE China in respect of the consideration for the Disposal and the Shareholders' loan and interest thereon:

- (1) Within 5 working days after the entering into of the Equity Transfer Agreement, Oriental Jindian shall charge 100% equity interests in Jindian Chengjian, which is owned by Jindian Group, to CCRE China or its designated party(ies);
- (2) As of the date of the Equity Transfer Agreement, the 36.62% equity interests in Jindian Group held by Zhang Ran was in pledge. Oriental Jindian, Zhang Ran and Jindian Group shall charge the 36.62% equity interests in Jindian Group held by Zhang Ran to CCRE China or its designated party(ies) within 3 working days after the release of the pledge of the equity interests in Jindian Group held by Zhang Ran; and
- (3) Henan Oriental and Jiaozuo Oriental shall provide joint and several guarantee for the obligations under the Equity Transfer Agreement by Oriental Jindian and the Target Company pursuant to the terms of the Equity Transfer Agreement.

## INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a limited liability company established in the PRC on 26 June 2013 and has a registered capital of RMB48,300,000 as at the date of this announcement. The Target Company is principally engaged in the real estate development on the Target Land located in Yangshan New District, Xinyang City, Henan Province, the PRC, details of which are set out below:

Location of land parcel	Owned by	Area of land parcel	Planned use	Planned and designed conditions		
		sq.m. (approximately)		Plot ratio	Building density (%)	Green space rate (%)
East of the North Extension of Xinliu Avenue, Yangshan New District* (羊山新區新六大街北延段東側)	Xinyang Hengxiang	46,410	10% for commercial and 90% for residential	1.8 to 2.5	Not more than 35%	Not less than 35%
	Xinyang Yuchang	66,372				
	Xinyang Hengxing	81,144				
East of the North Extension of Xinliu Avenue, Yangshan New District* (羊山新區新六大街北延段東側)	Target Company	36,370	10% for commercial and 90% for residential	1.8 to 2.5	Not more than 35%	Not less than 35%
		77,920				
		84,391				

The Target Company recorded an audited (i) loss before tax of approximately RMB4,514,000 and approximately RMB6,822,000; (ii) net loss of approximately RMB3,734,000 and approximately RMB5,381,000 for each of the two years ended 31 December 2017 and 2018, respectively. The audited net assets and total assets of the Target Company as at 31 December 2018 were approximately RMB36,580,000 and RMB398,422,000, respectively; (iii) the Target Company recorded no revenue in 2017 and 2018.

## INFORMATION ABOUT THE PARTIES

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

Oriental Jindian is engaged in the real estate development and operation, property management, etc. in Henan Province, the PRC.



“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”	the completion of the Disposal
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Disposal”	the disposal of 50.31% equity interests in the Target Company by CCRE China to Oriental Jindian pursuant to the terms of the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated 27 June 2019 entered into among CCRE China (as the seller), Oriental Jindian (as the purchaser), the Target Company, Zhang Ran, Jindian Group, Jindian Chengjian, Xinyang Hengxiang, Xinyang Yuchang, Xinyang Hengxing, Henan Oriental and Jiaozuo Oriental in respect of the Disposal
“Group”	the Company and its subsidiaries
“Guarantors”	Zhang Ran, Jindian Group, Jindian Chengjian, Henan Oriental and Jiaozuo Oriental
“Henan Oriental”	Henan Oriental Real Estate Development Company Limited* ( 河南東方房地產開發有限公司 ), a party to the Equity Transfer Agreement

“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons and are not connected persons of the Company
“Jiaozuo Oriental”	Jiaozuo Oriental Jindian Real Estate Development Company Limited* (焦作東方今典房地產開發有限公司), a party to the Equity Transfer Agreement
“Jindian Chengjian”	Henan Oriental Jindian Chengjian Group Company Limited* (河南東方今典城建集團有限公司), a party to the Equity Transfer Agreement
“Jindian Group”	Oriental Jindian Group Company Limited* (東方今典集團有限公司), a party to the Equity Transfer Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Oriental Jindian”	Henan Oriental Jindian Real Estate Group Company Limited* (河南東方今典房地產集團有限公司), a company established in the PRC with limited liability, holding 49.69% equity interests in the Target Company as at the date of this announcement
“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
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Xinyang Tianheng Real Estate Company Limited* (信陽天恒置業有限公司), a company incorporated under the laws of the PRC with limited liability, and was held as to 100% by Xinyang Hengxiang, Xinyang Yuchang and Xinyang Hengxing as at the date of this announcement
“Target Group”	Target Company, Xinyang Hengxiang, Xinyang Yuchang and Xinyang Hengxing
“Target Land”	the parcel of land located in Yangshan New District, Xinyang City, Henan Province, details of which are set out in the paragraph headed “Information about the Target Company” in this announcement
“Xinyang Hengxiang”	Xinyang Hengxiang Real Estate Development Company Limited* (信陽恒祥房地產開發有限公司), a party to the Equity Transfer Agreement and a wholly-owned subsidiary of the Target Company
“Xinyang Hengxing”	Xinyang Hengxing Real Estate Development Company Limited* (信陽恒興房地產開發有限公司), a party to the Equity Transfer Agreement and a wholly-owned subsidiary of the Target Company
“Xinyang Yuchang”	Xinyang Yuchang Real Estate Development Company Limited* (信陽裕昌房地產開發有限公司), a party to the Equity Transfer Agreement and a wholly-owned subsidiary of the Target Company

“Zhang Ran”

Mr. Zhang Ran, a party to the Equity Transfer Agreement

“%”

Percentage

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

Hong Kong, 27 June 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*