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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 40% EQUITY INTERESTS IN THE TARGET COMPANY**

#### **EQUITY TRANSFER AGREEMENT**

The Board announces that, on 2 July 2019, CCRE China and Ping An Trust entered into the Equity Transfer Agreement, pursuant to which CCRE China has agreed to acquire and Ping An Trust has agreed to dispose 40% equity interests in the Target Company at a consideration of RMB606,458,333.33. As at the date of the Equity Transfer Agreement, the Target Company was owned as to 60% by CCRE China and as to 40% by Ping An Trust, respectively. Upon the Completion, the Target Company will change from a jointly controlled entity of the Company to an indirect wholly-owned subsidiary of the Company. The financial statements of the Target Company 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**

2 July 2019 (after trading hours)

### **2. Parties**

Purchaser: CCRE China

Seller: Ping An Trust

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

### 3. Equity transfer

Pursuant to the Equity Transfer Agreement, CCRE China has agreed to acquire and Ping An Trust has agreed to dispose 40% equity interests in the Target Company.

### 4. Consideration and payment

The consideration to be paid by the Company for the Acquisition is RMB606,458,333.33, which was determined on arm's length negotiations by the parties with reference to, amongst others, 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 anticipated sales revenue generated from the Target Land upon completion of the development. The consideration will be paid in cash in a lump sum upon Completion of the transaction. The consideration under the Equity Transfer Agreement will be satisfied by the internal resources of the Group.

## INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a limited liability company established in the PRC on 10 August 2007 and has a registered capital of RMB100,000,000 as at the date of this announcement. The Target Company is principally engaged in the property development on the Target Land located in Gulou District and Longting District, Kaifeng City, Henan Province, the PRC, details of which are set out below:

Location of land parcel	Owned by	Area of land parcel sq.m. (approximately)	Planned use	Planned and designed conditions		
				Plot ratio	Building density (%)	Green space rate (%)
South of Longting West Road, Longting District, Kaifeng City* (開封市龍亭區龍亭西路南側)	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司)	24,621	Public service facilities and green land	≤0.6	≤25.0%	≥20.0%
Wanshan Street, Gulou District, Kaifeng City* (開封市鼓樓區萬善街)	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司)	9,810	Commercial	≤0.6	≤40.0%	≥20.0%
South of Ximen Avenue, Longting District, Kaifeng City* (開封市龍亭區西門大街南側)	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司)	4,306	Commercial	≤1	≤38.5%	≥20.0%
South of Ximen Avenue, Longting District, Kaifeng City* (開封市龍亭區西門大街南側)	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司)	3,990	Commercial	≤0.8	≤38.5%	≥20.0%

Location of land parcel	Owned by	Area of land parcel sq.m. (approximately)	Planned use	Planned and designed conditions		
				Plot ratio	Building density (%)	Green space rate (%)
North of Fayuan Street, west of Longting West Road, south and east of the River System (Phase II)* (開封市法院街以北, 龍亭西路以西, 水系二期河道以南, 以東)	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司)	57,952	Public service facilities and green land	≤0.6	≤25.0%	≥20.0%
Xiaoyansi Street, Longting District, Kaifeng City* (開封市龍亭區孝嚴寺街)	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司)	11,789	Public service facilities	≤0.9	–	≥20.0%
Yuhuangmiao Street, Longting District, Kaifeng City* (開封市龍亭區玉皇廟街)	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司)	4,402	Commercial	≤1.2	≤40.0%	≥20.0%
Beirenyi Hutong, Longting District, Kaifeng City* (開封市龍亭區北仁義胡同)	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司)	652	Commercial and residential	≤1.3	≤35.0%	≥20.0% for commercial; ≥25.0% for residential
Dingjiao Street, Gulou District, Kaifeng City* (開封市鼓樓區丁角街)	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司)	407	Commercial and residential	≤1.5	≤30.0%	≥20.0% for commercial; ≥25.0% for residential
Xisimen Street, Gulou District, Kaifeng City* (開封市鼓樓區西司門街)	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司)	942	Commercial and residential	≤1.0	≤48.0%	≥20.0% for commercial; ≥25.0% for residential
Wanshan Street, Gulou District, Kaifeng City* (開封市鼓樓區萬善街)	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司)	1,524	Commercial and residential	≤1.5	≤35.0%	≥20.0% for commercial; ≥25.0% for residential
Chenghuangmiao Back Street, Longting District, Kaifeng City* (開封市龍亭區城隍廟後街)	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司)	3,922	Commercial and residential	≤1.2	≤40.0%	≥20.0% for commercial; ≥25.0% for residential
Ximen Avenue, Longting District, Kaifeng City* (開封市龍亭區西門大街)	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司)	646	Commercial and residential	≤1.3	≤35.0%	≥20.0% for commercial; ≥25.0% for residential
West of Jinkui Lane and north of Daxing West Street, Kaifeng City* (開封市金奎巷西側、大興西街北側)	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司)	2,929	Commercial and residential	≤1.5	≤35.0%	≥20.0% for commercial; ≥25.0% for residential
East of the River System (Phase II) and south of Chenggong Street, Gulou District, Kaifeng City* (開封市鼓樓區水系二期河道東側、成功街南側)	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司)	72,645	Commercial and residential	≤1.4	≤36.0%	≥20.0% for commercial; ≥25.0% for residential

The Target Company recorded an audited (i) revenue of approximately RMB130 million and approximately RMB15 million; (ii) profit/(loss) before tax of approximately RMB23 million and approximately RMB(41 million); (iii) net profit/(loss) of approximately RMB17 million and approximately RMB(32 million) for 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 RMB1,196 million and RMB1,717 million, respectively.

## **INFORMATION ABOUT THE PARTIES**

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

Ping An Trust is a non-bank financial institution holding a license issued by the CBRC, which is mainly engaged in providing customers with trust-related products and services, corporate asset restructuring, M&As, project financing, enterprise financing, financial consulting and other business activities approved by the CBRC. To the best knowledge, information and belief of the Directors and after making all reasonable enquiries, Ping An Trust and its ultimate beneficial owners are Independent Third Parties.

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

The Target Company is the legal and beneficial owner of the Target Land which will be developed into a residential and commercial project. It is expected that the project will make significant contributions to the Group's profit upon its completion.

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 40% equity interests in the Target Company by CCRE China from Ping An Trust pursuant to the terms of the Equity Transfer Agreement
“Board”	the board of Directors
“CBRC”	China Banking Regulatory Commission
“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 directors of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 2 July 2019 entered into between CCRE China (as purchaser) and Ping An Trust (as seller) 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
“Percentage Ratio(s)”	the percentage ratio(s) as described under Rule 14.07 of the Listing Rules
“Ping An Trust”	Ping An Trust Co., Ltd.* (平安信託有限責任公司), a company established in the PRC with limited liability, holding 40% equity interests in the Target Company as at the date of this announcement
“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”	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司), a company incorporated under the laws of the PRC with limited liability, and was held as to 60% by CCRE China and as to 40% by Ping An Trust as at the date of this announcement

“Target Land” the parcel of land located in Gulou District and Longting District, Kaifeng City, Henan Province, details of which are set out in the paragraph headed “Information about the Target Company” in this announcement

“%” Percentage

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

Hong Kong, 2 July 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*