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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 ENGINEERING SERVICES STRATEGIC COOPERATION FRAMEWORK AGREEMENT

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

On 13 November 2019, the Company entered into the Strategic Cooperation Framework Agreement with Drawin Intelligent Manufacture, pursuant to which the Company agreed to procure, and Drawin Intelligent Manufacture agreed to provide the Engineering Services.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Drawin Intelligent Manufacture is indirectly owned as to more than 30% by Mr. Wu. Mr. Wu is a controlling Shareholder and a connected person of the Company. Accordingly, Drawin Intelligent Manufacture 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 Strategic Cooperation Framework Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (save for the profit ratio) in respect of the transactions contemplated under the Engineering Services Strategic Cooperation Framework Agreement are over 0.1% but less than 5%, the transactions contemplated under the Engineering Services Strategic Cooperation Framework Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

On 13 November 2019, the Company entered into the Engineering Services Strategic Cooperation Framework Agreement with Drawin Intelligent Manufacture, pursuant to which the Company agreed to procure, and Drawin Intelligent Manufacture agreed to provide the Engineering Services.

ENGINEERING SERVICES STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The principal terms of the Engineering Services Strategic Cooperation Framework Agreement are as follows:

Date	13 November 2019
Parties	the Company (as services user); and Drawin Intelligent Manufacture (as services provider)
Term	1 November 2019 to 31 December 2019
Nature of transaction	Drawin Intelligent Manufacture and the members of its group shall provide services (including engineering design, general contracting of construction, manufacture, transportation and installation of concrete prefabricated parts, decoration of finished housing and supply of decoration board (彩力板) for the proposed real estate projects) to the Group.

The Company and Drawin Intelligent Manufacture shall enter into separate agreements for detailed scope in respect of various Engineering Services as and when necessary.

Scope of Services	Services Introduction	Pricing Basis
Engineering design	Engineering technique consultancy services (integrating design, research and development, consultancy and promotion) for the whole industrial chain of buildings	Based on the average design price of the industry
General contracting of construction	Buildings, installation project construction and the procurement and supply of material equipment	Based on the type, number of stories, height, purpose and floor area of the project buildings
Manufacture, transportation and installation of concrete prefabricated parts	Production and supply services for new environmentally-friendly material – PC components	Based on the specifications, type, area and volume of the concrete prefabricated parts
Decoration of finished housing	House decoration construction and the procurement and supply of material equipment	Based on the saleable area
Supply of decoration board	Research and development, design, production, supply and construction technique guidance services for decoration board	Based on the type, specifications and area

Before entering into any separate services agreements, the Company needs to seek quotations or bids from other independent third party service providers for providing respective services in order to ensure that the terms of the separate services agreements are fair and reasonable and no less favourable to the Company than those available from independent third parties.

ANNUAL CAPS AND BASIS FOR DETERMINING THE ANNUAL CAPS

The annual cap for the Engineering Services Strategic Cooperation Framework Agreement for the year ending 31 December 2019 is RMB350,000,000. In considering the annual caps for the Engineering Services Strategic Cooperation Framework Agreement, the Directors have considered a number of factors (including the number, size, design, configuration, positioning and overall planning of the Group's existing and upcoming real estate projects) to determine the needs for the Engineering Services.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ENGINEERING SERVICES STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The Group has been dedicated to providing superior products and promoting the overall progress of the society. It currently plans to transform and upgrade from the traditional construction industry to the high-tech manufacturing industry through the development of prefabricated buildings, seeking improvement in many aspects such as product quality and production efficiency. As for prefabricated buildings, construction waste can be decreased, construction water and revolving materials can be saved, and on-site labor and construction period can be reduced, so that buildings can be completed in higher quality with shortened construction period and lowered cost. Accordingly, the Group needs to seek suppliers to provide relevant engineering services. The Engineering Services Strategic Cooperation Framework Agreement was entered into 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 Engineering Services Strategic Cooperation Framework Agreement and the annual caps are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms or more favourable to the Company and that the entering into of the Engineering Services Strategic Cooperation Framework Agreement is in the interests of the Company and the Shareholders as a whole.

DIRECTOR'S INTEREST IN THE CONTINUING CONNECTED TRANSACTION

Drawin Intelligent Manufacture is indirectly owned as to more than 30% by Mr. Wu. Mr. Wu is regarded as being interested in the transactions contemplated under the Engineering Services Strategic Cooperation Framework Agreement due to his interest in Drawin Intelligent Manufacture and therefore has abstained from voting on the Board resolution approving the said agreement and the annual caps. Save for the above, none of the Directors has any material interest in any of the transactions contemplated under the Engineering Services Strategic Cooperation Framework Agreement and is required to abstain from voting on the Board resolution to approve the same.

INFORMATION OF THE PARTIES

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

Drawin Intelligent Manufacture is an operator specializing in providing integrated solutions for intelligent buildings and an innovative high-tech enterprise engaging in the ecological chain construction of intelligent buildings.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Drawin Intelligent Manufacture is indirectly owned as to more than 30% by Mr. Wu. Mr. Wu is a controlling Shareholder and a connected person of the Company. Accordingly, Drawin Intelligent Manufacture 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 Engineering Services Strategic Cooperation Framework Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (save for the profit ratio) in respect of the transactions contemplated under the Engineering Services Strategic Cooperation Framework Agreement are over 0.1% but less than 5%, the transactions contemplated under the Engineering Services Strategic Cooperation Framework Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following terms 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
“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
“Drawin Intelligent Manufacture”	Drawin Intelligent Manufacture Technology Industry Group Limited* (築友智造科技產業集團有限公司), a company incorporated in the PRC with limited liability and a connected person of the Company
“Engineering Services”	services (including engineering design, general contracting of construction, supply and installation of concrete prefabricated parts, decoration of finished housing and supply of decoration board for the proposed development projects) provided by Drawin Intelligent Manufacture to the Group, as set out in the Engineering Services Strategic Cooperation Framework Agreement
“Engineering Services Strategic Cooperation Framework Agreement”	the framework agreement entered into between the Company and Drawin Intelligent Manufacture on 13 November 2019 for the provision of the Engineering Services by Drawin Intelligent Manufacture to the Group

“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 of the Company, an executive Director and a controlling Shareholder of the Company, and as at the date of this announcement indirectly owns more than 30% equity interest in Drawin Intelligent Manufacture
“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, 13 November 2019

As at the date of this announcement, the Board comprises nine Directors, of which Mr. Wu Po Sum, Mr. Liu Weixing, Mr. Wang Jun and Mr. Yuan Xujun are executive Directors, Mr. Lim Ming Yan 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*