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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**

### **PROVISION OF GUARANTEE**

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On 5 June 2020 (after trading hours), CCRE China entered into the Maximum Guarantee Agreement with CGB, pursuant to which CCRE China agreed to provide the Guarantee in favour of CGB as security for the repayment obligations of the Project Company in respect of the Loan.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios in respect of the guaranteed amount of the Guarantee are more than 5% but less than 25%, the provision of the Guarantee constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## MAXIMUM GUARANTEE AGREEMENT

The Board announces that on 5 June 2020 (after trading hours), CCRE China entered into the Maximum Guarantee Agreement with CGB, pursuant to which CCRE China agreed to provide the Guarantee in favour of CGB as security for the repayment obligations of the Project Company in respect of the Loan.

The Loan will be extended to the Project Company on the terms and conditions set out in the Fixed Assets Loan Agreement. The Loan is calculated at 120% of the interest rate for loans of one to five (inclusive) years in the Benchmark Interest Rates for Renminbi Deposits and Loans of Financial Institutions published by the People's Bank of China, and the term of the Guarantee will be for a period of three years commencing from the date on which the Project Company receives the Loan. The Project Company is a jointly-controlled entity of the Company, and the Loan will be used for the project construction capital of the Project Company.

Meanwhile, the Project Company has also entered into relevant guarantee agreement with CGB and pledged its projects under construction, whose book value was approximately RMB482 million as at 31 May 2020, as security to guarantee its repayment obligations under the Fixed Assets Loan Agreement.

The principal terms of the Maximum Guarantee Agreement are set out as follows:

Date                                5 June 2020

Parties                              CCRE China (as the guarantor)

CGB (as the lender)

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, CGB and its ultimate beneficial owner(s) are Independent Third Parties.

Term                                 The Guarantee shall become effective from the date of the Maximum Guarantee Agreement and expire three years from the due date of the last repayment installment of the Loan under the Fixed Assets Loan Agreement.

Consideration	CCRE China shall not receive any fee for providing the Guarantee.
Scope of the Guarantee	The Guarantee shall cover the repayment obligations of the Project Company under the Fixed Assets Loan Agreement, including but not limited to the principal amount of the Loan together with any interest, penalties, default penalties, liquidated damages, other relevant expenses incurred from realisation of CGB's rights.

## **INFORMATION ABOUT THE GROUP, CCRE CHINA AND THE PROJECT COMPANY**

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

CCRE China is a company incorporated in the PRC with limited liability. It is an indirect wholly-owned subsidiary of the Company and is mainly engaged in the development, sales and investment of real estate in Henan Province, the PRC.

The Project Company is a company incorporated in the PRC with limited liability. It is held as to 65% by CCRE China, and is a jointly-controlled entity of the Company as stated in the Group's financial statements as no single interest holder has unilateral control over the economic activity of the Project Company based on the decision-making process of the board of directors of the Project Company. The operation scope of the Project Company includes the operation and management of cultural tourism zones; the development and sales of cultural tourism products; enterprise marketing planning; exhibition services; film and television planning; lease of site facilities; property development and operation; house leasing; and sales of tourism crafts.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE MAXIMUM GUARANTEE AGREEMENT**

The Company participates in the development of the Project Company's real estate projects. The Loan will provide stable and low-cost capital support for the subsequent development and construction of such projects, which will effectively reduce the capital contribution of its shareholders and may improve the turnover efficiency of shareholders' investment, thus increasing the return. Due to the favorable geographical location of relevant projects, stable sources of fund for repayment in the future can be expected and the risk in respect of the provision of the Guarantee by the Group is controllable.

The Directors are of the view that the Maximum Guarantee Agreement is on normal commercial terms and the terms and conditions therein are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios in respect of the guaranteed amount of the Guarantee are more than 5% but less than 25%, the provision of the Guarantee constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following terms shall have the following meanings unless the context otherwise requires:

“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
“CGB”	Zhengzhou Branch of China Guangfa Bank Co., Ltd., a company incorporated in the PRC with limited liability, being the lender under the Fixed Assets Loan Agreement and the Maximum Guarantee Agreement

“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
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Fixed Assets Loan Agreement”	the loan agreement dated 5 June 2020 entered into between the Project Company and CGB, pursuant to which, CGB (as the lender) agreed to provide the Loan to the Project Company (as the borrower)
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee provided by CCRE China to CGB pursuant to the Maximum Guarantee Agreement
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected person(s) and is/are not connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the amount of RMB700,000,000 granted to the Project Company by CGB on the terms and subject to the conditions set out in the Fixed Assets Loan Agreement
“Maximum Guarantee Agreement”	the guarantee agreement dated 5 June 2020 entered into between CCRE China and CGB, pursuant to which, CCRE China agreed to provide the Guarantee in favour of CGB as security for the repayment obligations of the Project Company under the Fixed Assets Loan Agreement

“Percentage Ratio(s)”	the percentage ratio(s) as described under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China
“Project Company”	Henan CCRE Huayi Brothers Culture Tourism Industry Company Limited* (河南建業華誼兄弟文化旅遊產業有限公司), a company incorporated under the laws of the PRC with limited liability, and a jointly-controlled entity held as to 65% by CCRE China, being the borrower under the Fixed Assets Loan Agreement
“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 Share(s)
“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, 5 June 2020

*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*