

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
MARKETING AND SERVICE PLATFORM CONSTRUCTION
SERVICES FRAMEWORK AGREEMENT**

On 29 June 2020, the Company entered into the Marketing and Service Platform Construction Services Framework Agreement with Central China New Life, pursuant to which the Company agreed to procure, and Central China New Life agreed to provide the Marketing and Service Platform Construction Services.

As at the date of this announcement, Central China New Life 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, Central China New Life 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 Marketing and Service Platform Construction Services Framework Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (other than the profit ratio) in respect of the annual cap of the Marketing and Service Platform Construction Services Framework Agreement are over 0.1% but less than 5%, the transactions contemplated under the Marketing and Service Platform Construction Services Framework Agreement are subject to the reporting, announcement and annual review requirements but exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

On 29 June 2020, the Company entered into the Marketing and Service Platform Construction Services Framework Agreement with Central China New Life, pursuant to which the Company agreed to procure, and Central China New Life agreed to provide the Marketing and Service Platform Construction Services.

MARKETING AND SERVICE PLATFORM CONSTRUCTION SERVICES FRAMEWORK AGREEMENT

The principal terms of the Marketing and Service Platform Construction Services Framework Agreement are as follows:

| | |
|---------------|--|
| Date | 29 June 2020 |
| Parties | the Company (as service user); and Central China New Life (as service provider) |
| Term | 1 June 2020 to 31 December 2020 |
| Service scope | Central China New Life and its group members shall provide the Marketing and Service Platform Construction Services to the Group. Central China New Life shall develop exclusive system modules for the marketing management platform based on the marketing needs and plans of various projects of the Group. The Group can provide customers with services relating to sales and marketing activities such as online customer services, customer engagement, house viewing, and house purchase through the “Jianye +” platform of Central China New Life, and obtain relevant marketing data analysis from the platform. |

The parties shall enter into separate agreement for detailed service scope subject to the needs of the Group’s various projects as and when necessary.

Fee standards

The development fee of the software system template of each platform is based on the construction workload, development period, platform requirements, features, development personnel required, and the prevailing market price of similar services. The development fee of each platform ranges between RMB500,000 and RMB3,000,000. Such price range is agreed by the parties on arm length's negotiation and the Company has sought quotations from at least two independent third party service providers for providing respective comparable services or products in order to ensure that such price range is fair and reasonable and no less favourable to the Company than those available from independent third parties.

ANNUAL CAP AND BASIS FOR DETERMINING THE ANNUAL CAP

The annual cap for the Marketing and Service Platform Construction Services Framework Agreement for the year ending 31 December 2020 is RMB30,000,000.

In considering the annual cap for the Marketing and Service Platform Construction Services Framework Agreement, the Directors have considered a number of factors, including the number of marketing platforms required by the Group and the past and present number of users, the number, launching schedule and number of relevant residents of real estate projects in 2020, and the demand for and growth of relevant services.

Prior to entering into any individual service agreements with Central China New Life in relation to its real estate projects, the Company shall invite at least two independent service providers to provide quotations for the provision of relevant services to ensure that the terms of the individual services agreements are on normal commercial terms or no less favourable to the Company than those available from independent third parties, as well as in compliance with the terms and conditions of the Marketing and Service Platform Construction Services Framework Agreement. In the event that the Company fails to receive successful quotations at its satisfaction, the Company may reassess the scope of services required or revisit the design requirements and relaunch the tender or seek revised quotations.

After entering into any individual services agreements, the management of the Company shall be responsible for monitoring the individual services agreements. The finance department of the Group is responsible for monitoring the development fees for the Marketing and Service Platform Construction Services to ensure that they are in accordance with the Marketing and Service Platform Construction Services Framework Agreement and the annual cap is not exceeded. In addition, the finance department will also conduct an overall review on a monthly basis. Where the finance department is aware of any potential non-compliance with the pricing policies or that the annual cap will be exceeded, the finance department will report the matters to the senior management of the Company who will co-ordinate at the Group level to take remedial actions and ensure that the bases of annual cap are followed and annual cap is not exceeded.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MARKETING AND SERVICE PLATFORM CONSTRUCTION SERVICES FRAMEWORK AGREEMENT

By using various functions of the marketing platform, the Group can carry out online marketing, provide information support for precise marketing of real estate projects, and comprehensively promote the “Jianye” brand through the platform to enhance the brand value of “Jianye”. Accordingly, the Group needs to seek suppliers to provide relevant Marketing and Service Platform Construction Services. The Marketing and Service Platform Construction Services Framework Agreement was entered into in the ordinary and usual course of business of the Group. As at the date of this announcement, Central China New Life does not provide any Marketing and Service Platform Construction Services to the Group.

The Directors (including independent non-executive Directors) are of the view that the terms of the Marketing and Service Platform Construction Services Framework Agreement and the annual cap 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 Marketing and Service Platform Construction Services Framework Agreement is in the interests of the Company and the Shareholders as a whole.

DIRECTOR'S INTEREST IN THE CONTINUING CONNECTED TRANSACTION

Central China New Life is indirectly owned as to more than 30% by Mr. Wu. Mr. Wu is regarded as being interested in the transactions contemplated under the Marketing and Service Platform Construction Services Framework Agreement due to his interest in Central China New Life, and Mr. Wang Jun, an executive Director of the Company, is also an executive director and the chairman of Central China New Life. Therefore, they have abstained from voting on the Board resolution approving the said agreement and its annual cap. Save and except for the aforesaid, none of the Directors has any material interest in any of the transactions contemplated under the Marketing and Service Platform Construction Services Framework Agreement and is required to abstain from voting on the Board resolutions to approve the same.

INFORMATION OF THE PARTIES

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

Central China New Life is principally engaged in (i) provision of property management services and related value-added services; (ii) provision of lifestyle services; and (iii) provision of commercial property management and consultation services in the PRC.

LISTING RULES IMPLICATION

As at the date of this announcement, Central China New Life 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, Central China New Life 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 Marketing and Service Platform Construction Services Framework Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (other than the profit ratio) in respect of the annual cap of the Marketing and Service Platform Construction Services Framework Agreement are over 0.1% but less than 5%, the transactions contemplated under the Marketing and Service Platform Construction Services Framework Agreement are subject to the reporting, announcement and annual review requirements but exempted 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 |
| “Central China New Life” | Central China New Life Limited, a company incorporated under the laws of the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 9983), and a connected person of the Company |
| “Company” | Central China Real Estate Limited, a 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)” | has the meaning given to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “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 |
| “Marketing and Service Platform Construction Services” | as set out in the Marketing and Service Platform Construction Services Framework Agreement, the Group can provide customers with services relating to sales and marketing activities such as online customer services, customer engagement, house viewing, and house purchase through the “Jianye +” platform of Central China New Life |

| | |
|--|--|
| “Marketing and Service Platform Construction Services Framework Agreement” | the framework agreement entered into between the Company and Central China New Life on 29 June 2020 in respect of the provision of the Marketing and Service Platform Construction Services by Central China New Life to the Group |
| “Mr. Wu” | Mr. Wu Po Sum, the chairman of the Company, an executive Director and the controlling Shareholder of the Company, and also the controlling shareholder of Central China New Life |
| “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, 29 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*