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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
IN RELATION TO
(1) TRADEMARK LICENSING AGREEMENT; AND
(2) PROPERTY MANAGEMENT SERVICES
FRAMEWORK AGREEMENT**

Reference is made to the announcements of the Company dated 10 November 2020, 7 April 2021, 30 April 2021, 3 May 2021, 4 May 2021 and 12 May 2021 in relation to the Proposed Spin-off of CCMGT and separate listing of the CCMGT Shares on the Main Board of the Stock Exchange.

TRADEMARK LICENSING AGREEMENT

On 13 May 2021, the Company entered into the Trademark Licensing Agreement with CCMGT, pursuant to which the Company agreed to grant to the CCMGT Group the right to use the Licensed Trademarks (being certain trademarks of the Company and the Remaining Group registered in the PRC and Hong Kong, including the “Jianye (建業)” brand) for its business operations and investment activities, as well as the right to sub-lease the Licensed Trademarks to third parties solely for the purpose of business operation of the CCMGT Group. The Trademark Licensing Agreement has a term of ten years commencing from the CCMGT Listing, unless otherwise terminated by both parties.

PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT

On 13 May 2021, CCMGT entered into the Property Management Services Framework Agreement with CCNL, pursuant to which CCNL shall provide the property management services to the CCMGT Group, namely at CCMGT's place of business and headquarter in Zhengzhou, PRC and other branch offices of the CCMGT Group. The Property Management Services Framework Agreement has a term commencing from the CCMGT Listing to 31 December 2023.

LISTING RULES IMPLICATIONS

Trademark Licensing Agreement

As at the date of this announcement, CCMGT is a wholly-owned subsidiary of the Company. Following completion of the Proposed Spin-off and upon the CCMGT Listing, the Company will cease to have any shareholdings in CCMGT, and CCMGT will cease to be a subsidiary of the Company but will continue to be indirectly held as to more than 30% by Mr. Wu (a Director and controlling shareholder of the Company). As such, upon the CCMGT Listing, CCMGT will become Mr. Wu's associate and a connected person of the Company, and the transactions contemplated under the Trademark Licensing Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio under the Listing Rules in respect of the annual caps of the Trademark Licensing Agreement is expected to be at least 0.1% but less than 5%, the transactions under the Trademark Licensing Agreement constitute partially exempt de minimis continuing connected transactions of the Company which are subject to the written agreement, announcement, annual reporting, terms of an agreement, annual caps, changes to cap or terms of agreement and annual review requirements, but exempt from the shareholders' approval and circular (including independent financial advice) requirements under Chapter 14A of the Listing Rules, pursuant to Rule 14A.76(2) of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of the Trademark Licensing Agreement exceeds three years, the Company has appointed Red Sun Capital as the independent financial adviser to explain the reason for a longer term and to confirm that it is a normal business practice for agreements of this type to be of such duration.

Property Management Services Framework Agreement

As at the date of this announcement, CCMGT is a wholly-owned subsidiary of the Company, while CCNL is indirectly held as to more than 30% by Mr. Wu (a Director and controlling shareholder of the Company). As such, CCNL is Mr. Wu's associate and a connected person of the Company, and the transactions contemplated under the Property Management Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the Property Management Services Framework Agreement will only become effective upon the CCMGT Listing and CCMGT will cease to be a subsidiary of the Company upon the CCMGT Listing, the transactions contemplated under the Property Management Services Framework Agreement will not constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules upon the CCMGT Listing.

Shareholders and potential investors of the Company should note that the Proposed Spin-off is subject to, among other things, the approval by the Listing Committee of the Stock Exchange, the final decisions of the respective boards of directors of the Company and CCMGT, market conditions and other considerations. Accordingly, Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off will take place or as to when it may take place and therefore there is no assurance that the Trademark Licensing Agreement and the Property Management Services Framework Agreement will take effect or as to when they may take effect. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the shares of the Company. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

INTRODUCTION

Reference is made to the announcements of the Company dated 10 November 2020, 7 April 2021, 30 April 2021, 3 May 2021, 4 May 2021 and 12 May 2021 in relation to the Proposed Spin-off of CCMGT and separate listing of the CCMGT Shares on the Main Board of the Stock Exchange.

TRADEMARK LICENSING AGREEMENT

On 13 May 2021, the Company entered into the Trademark Licensing Agreement with CCMGT, pursuant to which the Company agreed to grant to the CCMGT Group the right to use the Licensed Trademarks (being certain trademarks of the Company and the Remaining Group registered in the PRC and Hong Kong, including the “Jianye (建業)” brand) for its business operations and investment activities, as well as the right to sub-lease the Licensed Trademarks to third parties solely for the purpose of business operation of the CCMGT Group. The Trademark Licensing Agreement has a term of ten years commencing from the CCMGT Listing, unless otherwise terminated by both parties.

The principal terms of the Trademark Licensing Agreement are set out as follows:

Date	13 May 2021
Parties	<ol style="list-style-type: none">1. The Company (as licensor)2. CCMGT (as licensee)
Term	Ten years commencing from the CCMGT Listing, unless otherwise terminated by both parties. Neither party has the right to unilaterally terminate the Trademark Licensing Agreement.

The Company and CCMGT will commence discussions and negotiations in good faith regarding the renewal of such agreement at least two years before the expiry of such ten-year term. If at any time the Company becomes reasonably certain that it will not renew such agreement, the Company must notify CCMGT as soon as practicable.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of the Trademark Licensing Agreement exceeds three years, the Company has appointed Red Sun Capital as the independent financial adviser to explain the reason for a longer term and to confirm that it is a normal business practice for agreements of this type to be of such duration. See the section headed “Opinion from the Independent Financial Adviser on term of the Trademark Licensing Agreement” below for details.

Services

The Company will grant to the CCMGT Group the right to use the Licensed Trademarks for its business operations and investment activities, as well as the right to sub-lease the Licensed Trademarks to third parties solely for the purpose of business operation of the CCMGT Group.

Licensing fees

(1) For the first three years: RMB15 million per year; (2) for the fourth to sixth year: RMB20 million per year; and (3) for the seventh to tenth year: RMB25 million per year.

Such licensing fee will be calculated on a pro-rated basis for less than an entire calendar year.

Historical transaction amounts

No licensing fee had been paid by the CCMGT Group to the Company given that the CCMGT Group was wholly-owned by the Company before completion of the Proposed Spin-off and the CCMGT Listing.

Proposed annual caps

As mentioned above, the licensing fees under the Trademark Licensing Agreement are as follows: (1) for the first three years: RMB15 million per year; (2) for the fourth to sixth year: RMB20 million per year; and (3) for the seventh to tenth year: RMB25 million per year.

The licensing fees have been arrived at after arm's length negotiations between the Company and CCMGT after taking into account (among others):

- (1) the brand value and intended use of the Licensed Trademarks, particularly for further expansion of the CCMGT Group's project management business. In particular, according to the brand valuation prepared by CIA which also estimates the total net income that could be derived from the "Jianye (建業)" brand as a whole (i.e. the "**Total Net Income Attributable to Brand**"), (a) the average % of the trademark licensing fee as compared to Total Net Income Attributable to Brand in 2021 and 2022 is close to (b) the average % of revenue of the CCMGT Group as compared to the total revenue of the Group during the three years ended 31 December 2020. See the paragraph headed "– Brand valuation" below for details; and

- (2) the expected scope and expansion of CCMGT's project management business which will continue to use the Licensed Trademarks;
- (3) the mutual benefits of such licensing arrangement to both the Company and CCMGT as (including the fact that CCMGT's continued provision of high quality project management services while utilizing the Licensed Trademarks will inherently enhance the brand recognition, image and value of the Licensed Trademarks in the real estate industries, and that such licensing fees represent an additional revenue stream for the Remaining Group) as detailed further below in this announcement; and
- (4) the licensing fees to be paid by CCMGT as a percentage of its total revenue (being 1.3% to 2.2%, calculated based on the low-end of the licensing fees (i.e. RMB15 million) and the high-end of the licensing fees (i.e. RMB25 million) over its total revenue for the year ended 31 December 2020), which is comparable to that of certain other companies listed on the Stock Exchange. The gradual increase in the licensing fees is also in line with CCMGT's expected growth and development in the coming period.

Brand valuation

CCMGT has engaged CIA to prepare an independent valuation on the brand of the Licensed Trademarks (i.e. the “Jianye (建業)” brand as a whole). It is prepared based on discounting the estimated perpetual income that could be derived by the effect of brand name each year to its present value, applying the appropriate growth rate, risk factor, discount rate and other factors that CIA considered appropriate. It is understood from CIA that: (1) it has been engaged in brand valuation research on property developers in the PRC for more than ten years; (2) the 2020 “Jianye (建業)” brand value was prepared by CIA using the same methodology that has been consistently applied by CIA for more than 10 years; (3) the methodology and assumptions used by CIA inevitably have their own limitations which involves subjective assessment by CIA; and (4) there is no international standardised brand valuation approach. The determination of the trademark licensing fee has taken into account a number of qualitative and quantitative factors. While brand value is only one of the factors being considered, it is considered more qualitatively in the sense that customers are attracted to engage the CCMGT Group due to the market reputation of the properties they developed and the track record and professional experiences of its personnel as implied by the “Jianye (建業)” brand, but the determination of trademark licensing fee is not calculated directly from the brand value.

Further details of such brand valuation will be disclosed in the prospectus to be issued by CCMGT prior to the CCMGT Listing and the effective date of the Trademark Licensing Agreement.

PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT

On 13 May 2021, CCMGT entered into the Property Management Services Framework Agreement with CCNL, pursuant to which CCNL shall provide property management services to the CCMGT Group, namely at CCMGT's place of business and headquarter in Zhengzhou, PRC and other branch offices of the CCMGT Group. The Property Management Services Framework Agreement has a term commencing from the CCMGT Listing to 31 December 2023.

Historical transaction amounts

The fees paid by the CCMGT Group for the property management services amounted to RMB0.1 million, RMB1.1 million and RMB2.4 million for the years ended 31 December 2018, 2019 and 2020, respectively.

Proposed annual caps

It is estimated that the maximum annual fees to be paid by CCMGT under the Property Management Services Framework Agreement for the years ending 31 December 2021, 2022 and 2023 will not exceed RMB3.0 million, RMB3.5 million and RMB4.0 million, respectively.

In arriving at the above annual caps, the following factors have been considered:

- the historical transaction amounts for provision of such property management services during the three years ended 31 December 2020;
- the expected increase in fees payable for the CCMGT Group's premises that currently require such property management services (being its headquarters and seven branch offices) due to anticipated gradual increases in operation costs of CCNL (primarily staff costs and administration costs), with such increase being approximately RMB300,000 for each of the years ending 31 December 2021, 2022 and 2023; and
- the expected expansion and opening of branch offices by CCMGT which will require additional property management services in the amount of approximately RMB200,000 for each of the years ending 31 December 2021, 2022 and 2023.

Pricing policy

The Property Management Services Framework Agreement was agreed upon on normal commercial terms after arm's length negotiations, and the property management fees were determined based on the (i) number, nature, category and location of the properties; (ii) GFA of the properties; (iii) rate generally offered by CCNL to independent third parties in respect of comparable services; (iv) anticipated staff costs of CCNL; and (v) prevailing market prices for comparable services by obtaining quotations from at least two independent third parties for the provision of similar services to determine if the terms offered by CCNL are fair and reasonable and comparable to those offered by independent third parties. To the Directors' best knowledge and belief, the fees for such property management services are no more favourable than those charged by CCNL to its independent third-party customers. With respect to each property, the relevant members of CCNL and the CCMGT Group will further enter into an individual separate agreement that prescribes the specific terms and conditions of each property.

INFORMATION ABOUT PARTIES TO THE TRADEMARK LICENSING AGREEMENT AND THE PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT

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

The CCMGT Group is principally engaged in the provision of project management services throughout all phases of property development projects in the PRC.

The CCNL Group 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.

APPROVAL BY THE BOARD

Mr. Wu is the controlling shareholder of each of the Group, the CCMGT Group and the CCNL Group. Ms. Wu Wallis (alias Li Hua) is Mr. Wu's daughter. As such, both Mr. Wu and Ms. Wu Wallis have abstained from voting on the Board resolutions for considering and approving the transactions contemplated under the Trademark Licensing Agreement and the Property Management Services Framework Agreement. Save for the above, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Directors had material interest in the transactions contemplated under each of the Trademark Licensing Agreement and the Property Management Services Framework Agreement, and accordingly none of them was required to abstain from voting on the Board resolutions for considering and approving the transactions contemplated under the Trademark Licensing Agreement and the Property Management Services Framework Agreement.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED UNDER THE TRADEMARK LICENSING AGREEMENT AND THE PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT

Trademark Licensing Agreement

The CCMGT Group has historically used the Licensed Trademarks in its ordinary and usual course of business. Upon the CCMGT Listing, CCMGT will cease to be a subsidiary of the Company, and therefore the Company will charge CCMGT a licensing fee pursuant to the Trademark Licensing Agreement.

This licensing arrangement is highly beneficial to both the Company and CCMGT, with the CCMGT Group being allowed to continue to use the Licensed Trademarks for its project management business, and the Remaining Group being able to receive a license fee for a line of business (i.e. project management) which the Remaining Group will not be involved in upon the CCMGT Listing. Further, such project management business of CCMGT will not compete with the businesses of the Remaining Group. In other words, such license fee represents a source of income that the Remaining Group would not otherwise receive and which would not adversely impact the Remaining Group's business. Further, in light of the above as well as CCMGT's track record of providing quality project management services under the "Jianye (建業)" brand, its continued success in its project management business while utilizing the Licensed Trademarks will inherently enhance the brand recognition, image and value of the Licensed Trademarks (in particular, the "Jianye (建業)" brand) in the real estate industries, which would in turn ultimately be highly beneficial to the Remaining Group as the registered proprietor.

In addition, the CCMGT Group has implemented certain control measures designed to enhance protection of the “Jianye (建業)” brand from unauthorized use by its customers.

The Directors (including the independent non-executive Directors) consider that the terms of the Trademark Licensing Agreement are on normal commercial terms, fair and reasonable, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Property Management Services Framework Agreement

The CCMGT Group has historically engaged the CCNL Group to provide property management services at CCMGT’s place of business and headquarter in Zhengzhou, PRC and other branch offices of the CCMGT Group. Such offices are used for the purpose of managing and running the day-to-day operations of the CCMGT Group and will continue to require property management services upon the CCMGT Listing. The Property Management Services Framework Agreement regulates such transactions, provides flexibility for the entering into of individual separate agreements that prescribed the specific terms and conditions of each property for such continuing transactions, and is of administrative convenience for the purpose of compliance with Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) consider that the terms of the Property Management Services Framework Agreement are on normal commercial terms, fair and reasonable, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

OPINION FROM THE INDEPENDENT FINANCIAL ADVISER ON TERM OF THE TRADEMARK LICENSING AGREEMENT

Pursuant to Rule 14A.52 of the Listing Rules, Red Sun Capital has formulated its opinion based on its research and analysis, relied on the information set out in this announcement and has referred to the term of the Trademark Licensing Agreement, which has a duration of ten years. Red Sun Capital has taken into consideration the following reasons for a duration exceeding three years for the Trademark Licensing Agreement, including:

- (i) the Group is principally engaged in real estate development and sales in Henan Province, the PRC;
- (ii) the CCMGT Group is principally engaged in the provision of project management services throughout all phases of property development projects in the PRC;

- (iii) the CCMGT Group shall use the Licensed Trademarks for its project management business, and in return the Remaining Group shall receive licensing fees. Red Sun Capital further noted that the Remaining Group will not be involved in the project management business upon the CCMGT Listing. On this basis and as set out in the paragraph headed “REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED UNDER THE TRADEMARK LICENSING AGREEMENT AND THE PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT” to this announcement above, such project management business of CCMGT will not compete with the businesses of the Remaining Group;
- (iv) the licensing fee payable by CCMGT Group under the Trademark Licensing Agreement shall be RMB15 million per year for the first three year, RMB20 million per year for the fourth to sixth year and RMB25 million per year for the seventh to tenth year, which will be calculated on a pro-rated basis if the subject period is for less than an entire calendar year. The licensing fee shall be additional stable source of income for the Remaining Group during the term of the Trademark Licensing Agreement of 10 years commencing from the CCMGT Listing, unless otherwise terminated, such income would not have materialised in absence of the Trademark Licensing Agreement;
- (v) it is stated that the determination of the trademark licensing fee has taken into account a number of qualitative and quantitative factors including, among others, an independent valuation on the brand of the Licensed Trademarks (i.e. the “Jianye (建業)” brand as a whole);
- (vi) given the term of the Trademark Licensing Agreement shall commence from the date of the CCMGT Listing, CCMGT, which will already be a listed company on the Main Board of the Stock Exchange at the relevant time, shall use the Licensed Trademarks to operate its project management business. Given CCMGT’s track record and success attained over the years, Red Sun Capital considers that so long as the CCMGT Group continues to provide quality services and participate in reputable projects, barring unforeseen circumstances, the use of the Licensed Trademarks by the CCMGT Group shall contribute positively towards the overall brand value and recognition in the PRC real estate related industries. Furthermore, it is noted that the CCMGT Group has implemented certain control measures designed to enhance protection of the “Jianye (建業)” brand from unauthorized use by its customers. On this basis, the transactions contemplated under the Trademark Licensing Agreement are in the interests of the Shareholders and the Company as a whole;

- (vii) having considered the aforesaid factors, the nature of the project management business operated by the CCMGT Group, the potential management resources of the Company that may be required to conduct further negotiation among the relevant parties thereto for the renewal of the Trademark Licensing Agreement for every other three years or less, limiting the term of the Trademark Licensing Agreement to a maximum of three years in accordance with Rule 14A.52 of the Listing Rules may be burdensome to the Group;
- (viii) Red Sun Capital conducted research into corporate spin-offs involving separate listing of companies and initial public offerings on the Main Board of the Stock Exchange, and noted that it is not uncommon for the original parent company (as the licensor) to grant the spin-off group or the newly listed group (as the licensee) certain trademark(s). Based on the market research on the published prospectuses, Red Sun Capital has identified eight precedent cases (the “**Listing Market Precedents**”) and noted from their respective prospectus that the duration for the use of trademarks granted by the subject licensor ranged from a five year term up to the termination of the subject licensing agreement and/or such agreement remaining effective, with no specified end date set out in the subject prospectus, which implied that such has a perpetual term. On this basis, the proposed term of 10 years under the Trademark Licensing Agreement falls within the range of the Listing Market Precedents; and
- (ix) based on the research conducted by Red Sun Capital on announcements and publications issued by other companies listed on the Stock Exchange, Red Sun Capital has identified not less than 12 comparable cases in relation to the granting of licensed trademark(s) entered into by member(s) of a listed group on the Stock Exchange and was effective as at the date of this announcement (the “**Market Licensing Precedents**”). Red Sun Capital considered the Market Licensing Precedents to be an appropriate reference for general market practice, and noted that the term of the relevant agreements in connection with the Market Licensing Precedents ranged from a term of five years up to a perpetual term. As such, the proposed term of 10 years under the Trademark Licensing Agreement fall within such range.

Based on the above considerations, Red Sun Capital is of the opinion that the duration of ten years under the Trademark Licensing Agreement is on normal commercial term for a transaction of this nature and it is normal business practice for agreement of this type to be of such duration.

LISTING RULES IMPLICATIONS

Trademark Licensing Agreement

As at the date of this announcement, CCMGT is a wholly-owned subsidiary of the Company. Following completion of the Proposed Spin-off and upon the CCMGT Listing, the Company will cease to have any shareholdings in CCMGT, and CCMGT will cease to be a subsidiary of the Company but will continue to be indirectly held as to more than 30% by Mr. Wu (a Director and controlling shareholder of the Company). As such, upon the CCMGT Listing, CCMGT will become Mr. Wu's associate and a connected person of the Company, and the transactions contemplated under the Trademark Licensing Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios under the Listing Rules in respect of the annual caps of the Trademark Licensing Agreement are expected to be at least 0.1% but less than 5%, the transactions under the Trademark Licensing Agreement constitute partially exempt de minimis continuing connected transactions of the Company which are subject to the written agreement, announcement, annual reporting, terms of an agreement, annual caps, changes to cap or terms of agreement and annual review requirements, but exempt from the shareholders' approval and circular (including independent financial advice) requirements under Chapter 14A of the Listing Rules, pursuant to Rule 14A.76(2) of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of the Trademark Licensing Agreement exceeds three years, the Company has appointed Red Sun Capital as the independent financial adviser to explain the reason for a longer term and to confirm that it is a normal business practice for agreements of this type to be of such duration.

Property Management Services Framework Agreement

As at the date of this announcement, CCMGT is a wholly-owned subsidiary of the Company, while CCNL is indirectly held as to more than 30% by Mr. Wu (a Director and controlling shareholder of the Company). As such, CCNL is Mr. Wu's associate and a connected person of the Company, and the transactions contemplated under the Property Management Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the Property Management Services Framework Agreement will only become effective upon the CCMGT Listing and CCMGT will cease to be a subsidiary of the Company upon the CCMGT Listing, the transactions contemplated under the Property Management Services Framework Agreement will not constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules upon the CCMGT Listing.

GENERAL

Details in respect of the Proposed Spin-off have not yet been finalised. Further announcement(s) will be made by the Company in relation to the Proposed Spin-off as and when appropriate.

Shareholders and potential investors of the Company should note that the Proposed Spin-off is subject to, among other things, the approval by the Listing Committee of the Stock Exchange, the final decisions of the respective boards of directors of the Company and CCMGT, market conditions and other considerations. Accordingly, Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off will take place or as to when it may take place and therefore there is no assurance that the Trademark Licensing Agreement and the Property Management Services Framework Agreement will take effect or as to when they may take effect. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the shares of the Company. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CCMGT”	CENTRAL CHINA MANAGEMENT COMPANY LIMITED, a company incorporated under the laws of the Cayman Islands with limited liability and, prior to completion of the Proposed Spin-off, a wholly-owned subsidiary of the Company
“CCMGT Group”	CCMGT and its subsidiaries

“CCMGT Listing”	the date on which the CCMGT Shares are first listed and from which dealings in the CCMGT Shares first commence on the Main Board of the Stock Exchange
“CCNL”	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
“CCNL Group”	CCNL and its subsidiaries
“CIA”	China Index Academy (中指研究院), an independent consultant engaged by CCMGT to (among others) conduct a valuation on the Licensed Trademarks
“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 (stock code: 832)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Licensed Trademarks”	certain trademarks of the Company and the Remaining Group registered in the PRC and Hong Kong, including the “Jianye (建業)” brand

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wu”	Mr. Wu Po Sum (胡葆森先生), (1) the chairman, an executive Director and a controlling Shareholder of the Company, (2) the chairman, a non-executive director and a controlling shareholder of CCMGT, and (3) a controlling shareholder of CCNL
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Property Management Services Framework Agreement”	the property management services framework agreement entered into between CCMGT and CCNL on 13 May 2021, pursuant to which CCNL shall provide property management services to the CCMGT Group, namely at CCMGT’s place of business and headquarter in Zhengzhou, PRC and other branch offices of the CCMGT Group
“Proposed Spin-off”	the proposed spin-off and separate listing of the CCMGT Shares on the Main Board of the Stock Exchange
“Red Sun Capital”	Red Sun Capital Limited, a licensed corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the independent financial adviser appointed to advise in respect of the terms of the Trademark Licensing Agreement
“Remaining Group”	the Group upon completion of the Spin-off, which will exclude the CCMGT Group
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Trademark Licensing Agreement”	the trademark licensing agreement entered into between the Company and CCMGT on 13 May 2021, pursuant to which the Company agreed to grant to the CCMGT Group the right to use the Licensed Trademarks for its business operations and investment activities, as well as the right to sub-lease the Licensed Trademarks to third parties solely for the purpose of business operation of the CCMGT Group
“%”	per cent.

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

Hong Kong, 13 May 2021

As at the date of this announcement, the Board comprises nine Directors, of which Mr. Wu Po Sum, Mr. Wang Jun and Mr. Yuan Xujun are executive Directors, Mr. Lim Ming Yan, Ms. Wu Wallis (alias Li Hua) and Ms. Chen Ying 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*