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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**

On 31 January 2013 (after trading hours), CCRE China (an indirect wholly-owned subsidiary of the Company) entered into the Guarantee in favour of Bank of China Zhengzhou, pursuant to which CCRE China agreed to provide guarantee in respect of the repayment obligations of the Loan in the amount of RMB600,000,000 (equivalent to approximately HK\$740,740,741) granted to the Borrower (a jointly-controlled entity owned as to 51.15% and 48.85% by CCRE China and Bridge Trust respectively) by Bank of China Zhengzhou for a term of thirty (30) months from the date of drawdown of the Loan.

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

The provision of the Guarantee constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules on the basis that the relevant Percentage Ratio(s) exceed(s) 5% but less than 25%.

## **INTRODUCTION**

On 31 January 2013 (after trading hours), the Borrower, a jointly-controlled entity of the Company, entered into the Loan Agreement with Bank of China Zhengzhou.

At the request of Bank of China Zhengzhou, CCRE China (an indirect wholly-owned subsidiary of the Company and the equity holder holding 51.15% equity interest of the Borrower) entered into the Guarantee in favour of Bank of China Zhengzhou to guarantee the repayment obligations of the Borrower under the Loan Agreement.

## **THE GUARANTEE**

Date: 31 January 2013 (after trading hours)

Parties: (1) CCRE China as the guarantor for the Guarantee

(2) Bank of China Zhengzhou as the lender for the Loan Agreement

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Bank of China Zhengzhou and its ultimate beneficial owners are Independent Third Parties.

### **Principal terms of the Guarantee**

The principal terms of the Guarantee are as follows:

Term: The Guarantee shall become effective from the date of the Guarantee and shall expire two years after the payment due date of the last installment of the Loan under the Loan Agreement.

Consideration: CCRE China shall not receive any fee or commission for providing the Guarantee.

Scope of guarantee: The Guarantee shall cover the amount of the Loan together with any interest, penalties, liquidated damages, other relevant expenses for realization of Bank of China Zhengzhou's rights incurred.

## **INFORMATION ABOUT THE GROUP, CCRE CHINA, THE BORROWER AND BANK OF CHINA ZHENGZHOU**

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

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

The Borrower is a limited liability company established in the PRC. It is held by CCRE China and Bridge Trust as to 51.15% and 48.85% respectively and is accounted for as a jointly-controlled entity of the Company as none of CCRE China and Bridge Trust has unilateral control over the economic activity of the Borrower based on the decision-making process of the board of directors of the Borrower.

Bank of China Zhengzhou is a licensed commercial bank in the PRC and provides a variety of financial products and services to corporate and personal banking customers.

## **REASONS FOR AND BENEFIT OF PROVIDING THE GUARANTEE**

The Borrower is the legal and beneficial owner of the Zhengzhou Land which is currently under construction and is being developed into residential and retail units and car parks under the project name of Code Two City (貳號城邦). It is anticipated that the Code Two City project upon completion will make a substantial contribution to the Group's profit.

Since the Borrower obtained the Loan from Bank of China Zhengzhou for the purpose of development of the Code Two City project, the Directors consider that the provision of the Guarantee will facilitate funding of the Code Two City project and which in turn is to the benefit of the Company. The Directors, after due consideration, agreed to give the Guarantee and are of the view that the entering into of the Guarantee will not undermine the interest of the Company.

The Directors are of the view that the terms of the Guarantee 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**

The provision of the Guarantee constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules on the basis that the relevant Percentage Ratio(s) exceed(s) 5% but less than 25%.

## **DEFINITIONS**

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

“Board”	the board of Directors;
“Bank of China Zhengzhou”	Bank of China, Zhengzhou Wenhua Branch* (中國銀行股份有限公司鄭州文化支行);
“Borrower”	Henan Coal Chemical China Real Estate Development Investment Co., Ltd.* (河南煤化建業房地產開發投資有限公司), a jointly-controlled entity held as to 51.15% and 48.85% by CCRE China and Bridge Trust respectively, being the borrower under the Loan Agreement;
“Bridge Trust”	Bridge Trust Co., Ltd.* (百瑞信託有限責任公司), a limited liability company established in the PRC and an Independent Third Party;

“CCRE China”	Central China Real Estate Group (China) Company Limited* (建業住宅集團(中國)有限公司), a wholly foreign-owned enterprise with limited liability which was incorporated in the PRC and is 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;
“connected persons”	having the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Guarantee”	the guarantee agreement dated 31 January 2013 between CCRE China and Bank of China Zhengzhou whereby CCRE China agrees to pay and satisfy to Bank of China Zhengzhou all sums of monies, debts and liabilities owed or incurred, due but unpaid to Bank of China Zhengzhou from or by the Borrower under the Loan Agreement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party”	a third party 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;
“Loan”	the loan in the amount of RMB600,000,000 (equivalent to approximately HK\$740,740,741) made available by Bank of China Zhengzhou to the Borrower on the terms and subject to the conditions set out in the Loan Agreement;
“Loan Agreement”	the loan agreement dated 31 January 2013 between the Borrower and Bank of China Zhengzhou whereby Bank of China Zhengzhou (as lender) agreed to make available the Loan to the Borrower (as borrower) pursuant to the terms therein for a term of thirty (30) months;
“Percentage Ratio(s)”	the percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction;
“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;
“Shareholders”	holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Zhengzhou Land”	a parcel of land located in Zhengzhou, the PRC, at the north of Nongye Road and the west of Qingong Road; and
“%”	per cent.

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

Hong Kong, 31 January 2013

*For the purpose of this announcement, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$1.00 equal to RMB0.81. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.*

*As at the date of this announcement, the Board comprised nine Directors, of which Mr. Wu Po Sum and Ms. Yan Yingchun are executive Directors, Mr. Lim Ming Yan (alternate director: Mr. Lucas Ignatius Loh Jen Yuh), Mr. Leow Juan Thong Jason, Mr. Hu Yongmin and Ms. Wu Wallis (alias Li Hua) are non-executive Directors, Mr. Cheung Shek Lun, Mr. Wang Shi and Mr. Xin Luo Lin are independent non-executive Directors.*

\* *For identification purposes only*