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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 TRANSACTIONS**

### **ACQUISITION OF PROJECT COMPANIES**

On 3 July 2014, the Group entered into three Equity Transfer Agreements with Bridge Trust, pursuant to which CCRE China agreed to acquire 49% equity interest in CCRE Nanyang, 49% equity interest in CCRE Pingdingshan and 25.1% equity interest in Henan New Town from Bridge Trust at the consideration of RMB389,935,000, RMB181,249,600 and RMB176,633,500 (equivalent to approximately HK\$487,418,750, HK\$226,562,000 and HK\$220,791,875), respectively.

As at the date of this announcement, CCRE Nanyang, CCRE Pingdingshan and Henan New Town are jointly controlled entities owned as to 51%, 51% and 74.9% by the Company, respectively. Upon completion of the Equity Transfer Agreements, all CCRE Nanyang, CCRE Pingdingshan and Henan New Town will become indirect wholly-owned subsidiaries of the Company.

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

As the three Equity Transfer Agreements are completed within a 12 month period and entered into with the same vendor, Bridge Trust; the transactions contemplated thereunder requires aggregation under Rule 14.22 of the Listing Rules.

As the applicable Percentage Ratios in respect of the aggregated consideration under the three Equity Transfer Agreements are more than 5% but less than 25%, the transactions contemplated under the three Equity Transfer Agreements constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

The Board announces that on 3 July 2014, the Group entered into three Equity Transfer Agreements with Bridge Trust. The principal terms of each of the Equity Transfer Agreements are set out as follows:

### **(1) Equity Transfer Agreement — CCRE Nanyang**

Date:	3 July 2014
Parties:	Bridge Trust as the vendor; and CCRE China (an indirect wholly-owned subsidiary of the Company) as the purchaser
Subject matter:	49% equity interest in CCRE Nanyang
Consideration:	RMB389,935,000 (equivalent to approximately HK\$487,418,750)
Payment term:	CCRE China shall pay the consideration on the date of the Equity Transfer Agreement by way of bank transfer

### **(2) Equity Transfer Agreement — CCRE Pingdingshan**

Save for the subject matter and consideration as set out below, the principal terms of the Equity Transfer Agreement — CCRE Pingdingshan are substantially the same as the Equity Transfer Agreement — CCRE Nanyang.

Subject matter:	49% equity interest in CCRE Pingdingshan
Consideration:	RMB181,249,600 (equivalent to approximately HK\$226,562,000)

### **(3) Equity Transfer Agreement — Henan New Town**

Save for the subject matter and consideration as set out below, the principal terms of the Equity Transfer Agreement — Henan New Town are substantially the same as the Equity Transfer Agreement — CCRE Nanyang.

Subject matter:	25.1% equity interest in Henan New Town
Consideration:	RMB176,633,500 (equivalent to approximately HK\$220,791,875)

## **Basis of the Consideration**

The respective considerations under each of the Equity Transfer Agreements payable by CCRE China were arrived at after arm's length negotiations between the parties after considering, among other things, the appraised market value of each of CCRE Nanyang, CCRE Pingdingshan and Henan New Town as at 30 April 2014 pursuant to the valuation reports prepared by a qualified independent third party asset valuation institution.

The respective considerations under each of the Equity Transfer Agreements will be satisfied by internal resources of the Group.

## **Completion**

Upon completion of the Equity Transfer Agreements, all CCRE Nanyang, CCRE Pingdingshan and Henan New Town will become indirect wholly-owned subsidiaries of the Company.

## **INFORMATION ABOUT CCRE NANYANG, CCRE PINGDINGSHAN AND HENAN NEW TOWN**

### **(1) CCRE Nanyang**

CCRE Nanyang is a limited liability company incorporated in the PRC on 22 March 2010. As at the date of this announcement, it is a jointly controlled entity owned as to 51% and 49% by the Company and Bridge Trust, respectively. CCRE Nanyang is mainly engaged in the residential property development and sales in Nanyang City, Henan Province, the PRC.

The following table sets out the audited financial information of CCRE Nanyang for the two years ended 31 December 2013:

	<b>For the year ended 31 December 2013 (RMB)</b>	<b>For the year ended 31 December 2012 (RMB)</b>
Net profit before tax and extraordinary items	149,637,875	46,363,558
Net profit after tax and extraordinary items	92,351,214	25,548,061

The audited net asset value of CCRE Nanyang as at 31 December 2013 was RMB602,564,156.

### **(2) CCRE Pingdingshan**

CCRE Pingdingshan is a limited liability company incorporated in the PRC on 13 June 2010. As at the date of this announcement, it is a jointly controlled entity owned as to 51% and 49% by the Company and Bridge Trust, respectively. CCRE Pingdingshan is mainly engaged in the residential property development and sales in Pingdingshan City, Henan Province, the PRC.

The following table sets out the audited financial information of CCRE Pingdingshan for the two years ended 31 December 2013:

	<b>For the year ended 31 December 2013 (RMB)</b>	<b>For the year ended 31 December 2012 (RMB)</b>
Net profit/(loss) before tax and extraordinary items	97,166,617	(15,160,600)
Net profit/(loss) after tax and extraordinary items	64,071,806	(13,986,937)

The audited net asset value of CCRE Pingdingshan as at 31 December 2013 was RMB315,394,215.

### **(3) Henan New Town**

Henan New Town is a limited liability company incorporated in the PRC on 9 November 2009. As at the date of this announcement, it is a jointly controlled entity owned as to 74.9% and 25.1% by the Company and Bridge Trust, respectively. Henan New Town is mainly engaged in the residential property development and sales in Zhengzhou City, Henan Province, the PRC.

The following table sets out the audited financial information of Henan New Town for the two years ended 31 December 2013:

	<b>For the year ended 31 December 2013 (RMB)</b>	<b>For the year ended 31 December 2012 (RMB)</b>
Net profit before tax and extraordinary items	254,003,329	748,331,225
Net profit after tax and extraordinary items	152,218,794	382,845,058

The audited net asset value of Henan New Town as at 31 December 2013 was RMB704,876,584.

### **INFORMATION ABOUT THE PARTIES TO THE EQUITY TRANSFER AGREEMENTS**

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.

Bridge Trust is a non-bank financial institute which is owned by Independent Third Parties. It has obtained a license issued by China Banking Regulatory Commission (中國銀行業監督管理委員會) and it is principally engaged in providing trust related products and services to customers. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Bridge Trust and its ultimate beneficial owners are Independent Third Parties of the Company and connected persons of the Company save for its interests in a number of jointly-controlled entities of the Group.

## **REASONS FOR AND BENEFIT OF ENTERING INTO THE EQUITY TRANSFER AGREEMENTS**

Reference is made to the announcements of the Company dated 18 May 2010, 4 April 2011 and the circular of the Company dated 27 May 2011 in relation to, among other things, (i) the establishment of the Bridge-CCRE Trust by CCRE China and Bridge Trust (as the trustee) on 18 May 2010, which purported to raise capital and develop existing and future property projects of the Group; (ii) Bridge Trust's capital injection in CCRE Nanyang in return for 49% equity interest in CCRE Nanyang on 26 December 2010; and (iii) the Company's disposal of its 25.1% equity interest in Henan New Town to Bridge Trust on 25 December 2010. Further to the aforesaid disclosure, on 31 December 2010, CCRE China, CCRE Pingdingshan and Bridge Trust entered into a capital increase agreement whereby Bridge-CCRE Trust and CCRE China injected RMB152,000,000 and RMB128,200,000 into CCRE Pingdingshan and held 49% and 51% equity interest in CCRE Pingdingshan thereafter respectively.

As the investment committee of the Bridge-CCRE Trust have determined to terminate the Bridge-CCRE Trust on 23 April 2014, Bridge Trust shall withdraw its investments in CCRE Nanyang, CCRE Pingdingshan and Henan New Town and the Company shall re-purchase the equity interest in the aforesaid project companies accordingly.

The Directors are of the view that the terms of each of the Equity Transfer Agreements 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**

As the three Equity Transfer Agreements are completed within a 12 month period and entered into with the same vendor, Bridge Trust; the transactions contemplated thereunder requires aggregation under Rule 14.22 of the Listing Rules.

As the applicable Percentage Ratios in respect of the aggregated consideration under the three Equity Transfer Agreements are more than 5% but less than 25%, the transactions contemplated under the three Equity Transfer Agreements constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors;
“Bridge-CCRE Trust”	the trust named “百瑞信託 — 建業集團房地產信託投資系列基金” established pursuant to the Strategic Cooperation Agreement dated 18 May 2010, details of which please refer to the announcement of the Company dated 18 May 2010;
“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 is owned by Independent Third Parties;
“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;
“CCRE Nanyang”	Central China Real Estate (Nanyang) Company Limited* (建業住宅集團南陽置業有限公司), a company established in the PRC with limited liability, is currently a 51% owned jointly controlled entity of the Company;
“CCRE Pingdingshan”	Central China Real Estate (Pingdingshan) Company Limited* (建業住宅集團平頂山置業有限公司), a company established in the PRC with limited liability, is currently a 51% owned jointly controlled entity 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 person(s)”	having the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Equity Transfer Agreement(s)”	the three equity transfer agreements entered into between CCRE China and Bridge Trust on 3 July 2014 in relation to CCRE China’s acquisition of 49% equity interest in CCRE Nanyang, 49% equity interest in CCRE Pingdingshan and 25.1% equity interest in Henan New Town from Bridge Trust, respectively;
“Group”	the Company and its subsidiaries;

“Henan New Town”	United New Town Real Estate Company Limited* (河南聯盟新城置業有限公司), a company established in the PRC with limited liability, is currently a 74.9% owned jointly controlled entity of the Company;
“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;
“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; and
“%”	per cent.

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

Hong Kong, 3 July 2014

*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 RMB1.00 equal to HK\$1.25. 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. Muk Kin Yau and Mr. Xin Luo Lin are independent non-executive Directors.*

\* For identification purposes only