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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 CCRE CHINA GUARANTEE AND CHARGE OVER LAND PARCELS

On 1 February 2016 (after trading hours), CCRE China entered into the CCRE China Guarantee Agreement, Henan Tihome entered into the Henan Tihome Guarantee Agreement, and CCRE Tihome entered into the Charge Agreement with Bank of China, respectively, whereby CCRE China agreed to provide the CCRE China Guarantee, Henan Tihome agreed to provide the Henan Tihome Guarantee, and CCRE Tihome agreed to provide the Charge over the Land Parcels in favour of Bank of China as security for the repayment obligations of CCRE Tihome in respect of the Entrusted Loan in the amount of RMB300,000,000 (equivalent to approximately HK\$354,000,000) granted by Bank of China.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable Percentage Ratios in respect of the secured amount under the CCRE China Guarantee and the Charge are more than 5% but not less than 25%, the provision of the CCRE China Guarantee by CCRE China and the Charge by CCRE Tihome constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 1 February 2016 (after trading hours), (i) CCRE China (an indirect wholly-owned subsidiary of the Company) entered into the CCRE China Guarantee Agreement with Bank of China; (ii) Henan Tihome entered into the Henan Tihome Guarantee Agreement with Bank of China; and (iii) CCRE Tihome (a jointly-controlled entity owned as to 51% and 49% by CCRE China and Henan Tihome respectively) entered into the Charge Agreement with Bank of China. Pursuant to the CCRE China Guarantee Agreement, the Henan Tihome Guarantee Agreement and the Charge Agreement respectively, CCRE China agreed to provide the CCRE China Guarantee, Henan Tihome agreed to provide the Henan Tihome Guarantee, and CCRE Tihome agreed to provide the Charge over the Land Parcels in favour of Bank of China as security for the repayment obligations of CCRE Tihome in respect of the Entrusted Loan in the amount of RMB300,000,000 (equivalent to approximately HK\$354,000,000) granted by Bank of China.

The Entrusted Loan will be extended to CCRE Tihome on the terms and conditions set out in the Entrusted Loan Agreement. The Entrusted Loan will bear interest at 6% per annum and the term of the Entrusted Loan will be for a period of 36 months commencing from the date on which CCRE Tihome receives the Entrusted Loan.

THE CCRE CHINA GUARANTEE AGREEMENT

Date: 1 February 2016 (after trading hours)

Parties: (1) CCRE China as the guarantor for the CCRE China Guarantee
(2) Bank of China as the lender of the Entrusted Loan

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

Salient terms of the CCRE China Guarantee Agreement

The principal terms of the CCRE China Guarantee Agreement are as follows:

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

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

Scope of guarantee: The CCRE China Guarantee shall cover the repayment obligations of CCRE Tihome under the Entrusted Loan Agreement, including but not limited to the principal amount of the Entrusted Loan together with any interest, penalties, liquidated damages, other relevant expenses for realisation of Bank of China's rights incurred.

THE CHARGE AGREEMENT

As additional security for the repayment obligations of CCRE Tihome under the Entrusted Loan Agreement, on 1 February 2016 (after trading hours), CCRE Tihome (as chargor) entered into the Charge Agreement with Bank of China (as chargee) whereby CCRE Tihome agreed to charge the Land Parcels (comprising three land parcels owned by CCRE Tihome in Zhengzhou with aggregate site area of 69,817.15 square metres) in favour of Bank of China.

The security under the Charge shall cover the repayment obligations of CCRE Tihome under the Entrusted Loan Agreement, including but not limited to the principal amount of the Entrusted Loan together with any interest, penalties, liquidated damages, other relevant expenses for realisation of Bank of China's rights incurred.

Pursuant to the Charge Agreement, the parties agreed that the Charge shall not be released until all repayment obligations of CCRE Tihome under the Entrusted Loan Agreement have been fulfilled.

INFORMATION ABOUT THE GROUP, CCRE CHINA, CCRE TIHOME AND BANK OF CHINA

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.

CCRE Tihome is a limited liability company established in the PRC. It is held as to 51% and 49% by CCRE China and Henan Tihome respectively and is accounted for as a jointly-controlled entity of the Company as none of CCRE China and Henan Tihome has unilateral control over the economic activity of CCRE Tihome based on the decision-making process of the board of directors of CCRE Tihome.

Bank of China is a licensed commercial bank in PRC and provides a variety of financial products and services to corporate and personal banking customer. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Bank of China and its ultimate beneficial owners are Independent Third Parties of the Company.

REASONS FOR AND BENEFIT OF ENTERING INTO THE CCRE CHINA GUARANTEE AGREEMENT AND THE CHARGE AGREEMENT

CCRE Tihome is the legal and beneficial owner of the Land Parcels which are currently under construction and is being developed into Tihome Jianye International City project* (建業泰宏國際城) (the “Tihome Jianye International City Project”), comprising residential and commercial units. It is anticipated that the Tihome Jianye International City Project upon completion will make a substantial contribution to the Group’s profit.

Since CCRE Tihome obtained additional Entrusted Loan from Bank of China for the purpose of development of the Tihome Jianye International City Project, the Directors consider that the provision of the CCRE China Guarantee by CCRE China and the Charge by CCRE Tihome will facilitate funding of the Tihome Jianye International City Project and which in turn is to the benefit of the Company. The Directors, after due consideration, are of the view that the entering into of the CCRE China Guarantee Agreement and the Charge Agreement will not undermine the interest of the Company.

The Directors are of the view that the terms of the CCRE China Guarantee Agreement and the Charge Agreement 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 applicable Percentage Ratios in respect of the secured amount under the CCRE China Guarantee and the Charge are more than 5% but not less than 25%, the provision of the CCRE China Guarantee by CCRE China and the Charge by CCRE Tihome 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 expressions shall have the following meanings unless the context requires otherwise:

“Bank of China”	Zhengzhou Longxi Branch, Bank of China Co., Ltd.* (中國銀行股份有限公司鄭州隴西支行), a limited liability company established in the PRC;
“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 wholly foreign-owned enterprise established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;
“CCRE China Guarantee”	the guarantee provided by CCRE China to Bank of China pursuant to the CCRE China Guarantee Agreement;

“CCRE China Guarantee Agreement”	the guarantee agreement dated 1 February 2016 between CCRE China and Bank of China whereby CCRE China agreed to provide the CCRE China Guarantee to Bank of China as security for CCRE Tihome’s repayment obligations under the Entrusted Loan Agreement;
“CCRE Tihome”	Central China Tihome (Henan) Real Estate Company Limited* (河南建業泰宏置業有限公司), a jointly-controlled entity held as to 51% and 49% by CCRE China and Henan Tihome respectively, being the borrower under the Entrusted Loan Agreement and the chargor under the Charge Agreement;
“Charge”	the charge over the Land Parcels provided by CCRE Tihome in favour of Bank of China under the Charge Agreement;
“Charge Agreement”	the charge agreement dated 1 February 2016 between CCRE Tihome and Bank of China whereby CCRE Tihome agreed to provide the Charge over the Land Parcels in favour of Bank of China as security for CCRE Tihome’s repayment obligations under the Entrusted Loan 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 persons”	having the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Entrusted Loan”	the Entrusted Loan in the amount of RMB300,000,000 (equivalent to approximately HK\$354,000,000) made available by Bank of China to CCRE Tihome on the terms and subject to the conditions set out in the Entrusted Loan Agreement;
“Entrusted Loan Agreement”	the Entrusted Loan agreement dated 1 February 2016 between CCRE Tihome and Bank of China whereby Bank of China as lender agreed to make available the Entrusted Loan to CCRE Tihome;
“Group”	the Company and its subsidiaries;
“Henan Tihome”	Henan Tihome Real Estate Company Limited* (河南省泰宏房地產有限公司), a limited liability company established in the PRC and the holder of 49% equity interest in CCRE Tihome;

“Henan Tihome Guarantee”	the guarantee provided by Henan Tihome to Bank of China pursuant to the Henan Tihome Guarantee Agreement;
“Henan Tihome Guarantee Agreement”	the guarantee agreement dated 1 February 2016 between Henan Tihome and Bank of China whereby Henan Tihome agreed to provide the Henan Tihome Guarantee to Bank of China as security for CCRE Tihome’s repayment obligations under the Entrusted Loan Agreement;
“HK\$”	Hong Kong dollar, 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;
“Land Parcels”	three land parcels owned by CCRE Tihome in Zhengzhou with aggregate site area of 69,817.15 square metres;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Percentage Ratio(s)”	The Percentage ratio(s) as described under Rule 14.07 of the Listing Rules;
“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, 1 February 2016

For the purpose of this announcement, translations of Renminbi into Hong Kong dollar or vice versa have been calculated by using an exchange rate of RMB1.00 equal to HK\$1.18. 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 comprises eight Directors, of which Mr. Wu Po Sum and Ms. Yan Yingchun are executive Directors, Mr. Lucas Ignatius Loh Jen Yuh, Mr. Puah Tze Shyang 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*