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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 AND SHARE CHARGES

On 9 December 2016 (after trading hours), the Group (through two indirect wholly-owned subsidiaries of the Company) (i) entered into the Guarantee Agreement with CITIC Trust, whereby the Group agreed to provide the Guarantee to CITIC Trust and (ii) provided the Share Charges in favour of CITIC Trust, as security for the repayment obligations of CCRE Tianming in respect of the Entrusted Loan in the amount of RMB400,000,000 (equivalent to approximately HK\$452,000,000) granted by CITIC Trust.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable Percentage Ratios in respect of the secured amount under the Guarantee and the Share Charges exceed(s) 5% but is/are less than 25%, the provision of the Guarantee and the Share Charges constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 9 December 2016 (after trading hours), the Group (through two indirect wholly-owned subsidiaries of the Company) (i) entered into the Guarantee Agreement with CITIC Trust, whereby the Group agreed to provide the Guarantee in favour of CITIC Trust and (ii) provided the Share Charges in favour of CITIC Trust, as security for

the repayment obligations of CCRE Tianming in respect of the Entrusted Loan in the amount of RMB400,000,000 (equivalent to approximately HK\$452,000,000) granted by CITIC Trust.

The Entrusted Loan will be extended to CCRE Tianming on the terms and conditions set out in the Entrusted Loan Agreement. The Entrusted Loan will bear interest at 6.2% per annum and the term of the Entrusted Loan will be for a period of 1 year commencing from the date on which CCRE Tianming receives the Entrusted Loan.

THE GUARANTEE AGREEMENT

Date: 9 December 2016 (after trading hours)

Parties: (1) CCRE China, as the guarantor for the Guarantee; and
(2) CITIC Trust, as the lender of the Entrusted Loan

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

Salient terms of the Guarantee Agreement

The principal terms of the Guarantee are as follows:

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

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

Scope of the Guarantee: The Guarantee shall cover the repayment obligations of CCRE Tianming 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 CITIC Trust's rights incurred.

THE SHARE CHARGES

As additional security for the repayment obligations of CCRE Tianming under the Entrusted Loan Agreement, on 9 December 2016 (after trading hours), CCRE Investments and CCRE China (as chargors) entered into the Share Charge Agreements with CITIC Trust (as chargee) whereby CCRE Investments and CCRE China agreed to charge their 60% and 6.66% equity interest in CCRE Tianming in favour of CITIC Trust respectively.

The security under the Share Charges shall cover the repayment obligations of CCRE Tianming 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 CITIC Trust's rights incurred.

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

INFORMATION ABOUT THE GROUP, CCRE INVESTMENTS, CCRE CHINA AND CCRE TIANMING

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

CCRE Investments is a limited liability company incorporated in Hong Kong. It is an indirect wholly-owned subsidiary of the Company and is mainly engaged in real estate investments.

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 Tianming is a limited liability company established in the PRC. It is held as to 60%, 33.34% and 6.66% by CCRE Investments, Shanghai Jinfu and CCRE China respectively and is accounted for as a jointly-controlled entity of the Company as neither the Group or Shanghai Jinfu has unilateral control over the economic activities of CCRE Tianming based on the decision-making process of the board of directors of CCRE Tianming.

INFORMATION ABOUT CITIC TRUST

CITIC Trust is a company established in the PRC with limited liability, which is a non-bank financial institute and has obtained a license issued by China Banking Regulatory Commission (中國銀行業監督管理委員會). 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, CITIC Trust and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFIT FOR ENTERING INTO THE GUARANTEE AGREEMENT AND THE SHARE CHARGES

CCRE Tianming is the legal and beneficial owner of the Zhengzhou land which is currently under construction and is being developed into a high class residential project with the name of Jianye Tianzhu* (建業天築) (the "**Tianzhu Project**"). It is anticipated that the Tianzhu Project upon completion will make a substantial contribution to the Group's profit.

Since CCRE Tianming obtained the Entrusted Loan from CITIC Trust for the purpose of development of the Tianzhu Project, the Directors consider that the provision of the Guarantee and the Share Charges will facilitate funding of the Tianzhu Project and which in

turn will be beneficial to the Company. The Directors, after due consideration, are of the view that the provision of the Guarantee and the Share Charges will not undermine the interests of the Company.

The Directors are of the view that the terms of the Guarantee Agreement and the Share Charges 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 one or more of the applicable Percentage Ratios in respect of the secured amount under the Guarantee and the Share Charges exceed(s) 5% but is/are less than 25%, the provision of the Guarantee and the Share Charges 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:

“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 with limited liability which was incorporated in the PRC and is an indirect wholly-owned subsidiary of the Company, being the chargor under the Share Charges and the guarantor under the Guarantee Agreement;
“CCRE China Share Charge Agreement”	the share charge agreement dated 9 December 2016 between CCRE China and CITIC Trust whereby CCRE China agreed to charge 6.66% equity interest in CCRE Tianming in favour of CITIC Trust as security for CCRE Tianming’s repayment obligations under the Entrusted Loan Agreement;
“CCRE Investments”	Central China Real Estate Investments Limited (建業地產投資股份有限公司), a limited liability company which was incorporated in Hong Kong and is an indirect wholly-owned subsidiary of the Company, being the chargor under the Share Charges;
“CCRE Investments Share Charge Agreement”	the share charge agreement dated 9 December 2016 between CCRE Investments and CITIC Trust whereby CCRE Investments agreed to charge 60% equity interest in CCRE Tianming in favour of CITIC Trust as security for CCRE Tianming’s repayment obligations under the Entrusted Loan Agreement;

“CCRE Tianming”	Zhengzhou Central China Tianming Property Company Limited* (鄭州建業天明置業有限公司), a jointly-controlled entity held as to 60%, 33.34% and 6.66% by CCRE Investments, Shanghai Jinfu and CCRE China respectively, being the borrower under the Entrusted Loan Agreement;
“CITIC Trust”	CITIC Trust Co., Ltd., a company established in the PRC with limited liability;
“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 RMB400,000,000 (equivalent to approximately HK\$452,000,000) made available to CCRE Tianming by CITIC Trust on the terms and subject to the conditions set out in the Entrusted Loan Agreement;
“Entrusted Loan Agreement”	the entrusted loan agreement dated 9 December 2016 between CCRE Tianming and CITIC Trust whereby CITIC Trust as lender agreed to make available the Entrusted Loan to CCRE Tianming;
“Group”	the Company and its subsidiaries;
“Guarantee Agreement”	the guarantee agreement dated 9 December 2016 between CCRE China and CITIC Trust whereby CCRE China agreed to provide the Guarantee in favour of CITIC Trust as security for CCRE Tianming’s repayment obligations under the Entrusted Loan Agreement;
“Guarantee”	the guarantee provided by CCRE China to CITIC Trust pursuant to the Guarantee 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(ies)”	third party(ies) 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;

“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;
“Shanghai Jinfu”	Shanghai Jinfu Investment Centre (Limited Partnership)* (上海津福投資中心(有限合伙)), a limited partnership established in the PRC and is owned by Independent Third Parties;
“Share Charge Agreements”	CCRE China Share Charge Agreement and CCRE Investments Share Charge Agreement;
“Share Charges”	the share charges to be provided by CCRE Investments and CCRE China under the Share Charge Agreements;
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) 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, 9 December 2016

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\$1.13. 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