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**建業新生活有限公司**  
**Central China New Life Limited**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 9983)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**  
**(1) COMMERCIAL PROPERTY MANAGEMENT SERVICES**  
**FRAMEWORK AGREEMENT**  
**(2) TOURISM SERVICES FRAMEWORK AGREEMENT**

Reference is made to: (1) the Prospectus and the Company's announcement dated 13 May 2021 in relation to the Commercial Property Management Services Framework Agreement; and (2) the Prospectus in relation to the Tourism Services Framework Agreement. As the Commercial Property Management Services Framework Agreement and the Tourism Services Framework Agreement are both due to expire on 31 December 2021, the Company has entered into the Renewed Commercial Property Management Services Framework Agreement and the Renewed Tourism Services Framework Agreement with CCRE on 29 October 2021 (after trading hours), both of which will take effect on 1 January 2022. Save for the renewed term, the provisions of the Renewed Framework Agreements are substantially the same as that of the respective Framework Agreement.

As at the date of this announcement, CCRE is indirectly owned as to more than 30% by Mr. Wu. Mr. Wu is a controlling shareholder and a connected person of the Company. Accordingly, CCRE is an associate of Mr. Wu and thus a connected person of the Company under Rule 14A.07(4) of the Listing Rules. The transactions contemplated under each of the Renewed Framework Agreements therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under each of the Renewed Framework Agreements exceeds 0.1% but is less than 5%, the transactions contemplated under each of the Renewed Framework Agreements are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

Reference is made to: (1) the Prospectus and the Company's announcement dated 13 May 2021 in relation to the Commercial Property Management Services Framework Agreement; and (2) the Prospectus in relation to the Tourism Services Framework Agreement. As the Commercial Property Management Services Framework Agreement and the Tourism Services Framework Agreement are both due to expire on 31 December 2021, the Company has entered into the Renewed Commercial Property Management Services Framework Agreement and the Renewed Tourism Services Framework Agreement with CCRE on 29 October 2021 (after trading hours), both of which will take effect on 1 January 2022. Save for the renewed term, the provisions of the Renewed Framework Agreements are substantially the same as that of the respective Framework Agreement.

## **RENEWED COMMERCIAL PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT**

The principal terms of the Renewed Commercial Property Management Services Framework Agreement are as follows:

Date: : 29 October 2021

Parties : (1) The Company (as service provider)  
(2) CCRE (as service user)

- Term : 1 January 2022 to 31 December 2024
- Services : The Group will provide to the CCRE Group and its associates the Commercial Property Management Services, being the commercial property management services and advisory consultation services for the commercial properties including (i) hotels; (ii) cultural tourism complexes; and (iii) other commercial properties such as office buildings and shopping malls, etc..
- Service fee : Fees payable for the Commercial Property Management Services for hotels consist of: (i) basic fee charged as a percentage of the total revenue for self-run hotel projects or as a fixed annual fee per room for entrusted hotel projects; (ii) service fee charged as a percentage of the total revenue for self-run hotel projects; (iii) booking fee charged as a percentage of the total revenue per available room for self-run hotel projects; (iv) incentive payable (a) with reference to the excess over the targeted net operating profit for hotel operations, or (b) as a percentage of monthly revenue for spa operations; and (v) lump-sum consultation fee for the specified types of consultation services.
- Fees payable for the Commercial Property Management Services for cultural tourism complexes consist of: (i) opening preparation fee charged at a fixed rate per project; (ii) basic management service fee charged at a percentage of the project turnover; (iii) incentive management service fee charged at a percentage of the project's net operation income in excess of budget; and (iv) advisory consultation service fee charged at a fixed rate per project.
- Fees payable for the Commercial Property Management Services for other commercial properties (excluding hotels and cultural tourism complexes) consist of: (i) basic management service fee charged as a lump-sum per month; (ii) business solicitation commission charged as a multiplier of the standard monthly rent applicable to the associated brand; (iii) incentive management service fee payable with reference to the excess over the targeted net operating profit or as a percentage of the total revenue and profit; and (iv) opening incentive payable as a fixed fee per sq.m..

Pricing basis : The service fees were agreed upon on normal commercial terms after arm's length negotiations and were determined having regard to: (i) for hotels, nature of hotel projects (self-run hotel projects or entrusted hotel projects); (ii) for cultural tourism complexes, stage and location of the complex; (iii) for other commercial properties, stage of project (preparation or operation stage) and location for commercial properties; (iv) nature and scope of services; (v) anticipated operation and management cost for hotels, commercial properties and cultural tourism complexes; and (vi) prevailing market prices for comparable services for hotels, commercial properties and cultural tourism complexes. With respect to each project, the relevant members and associates of CCRE and our Group will further enter into an individual separate agreement that prescribes the specific terms and conditions of each project.

Save for the renewed term, the provisions of the Renewed Commercial Property Management Services Framework Agreement (as set out above) are substantially the same as that of the Commercial Property Management Services Framework Agreement.

### Historical transaction amounts

The table below sets out the historical transaction amounts paid to the Group by the CCRE Group and its associates under the Commercial Property Management Services Framework Agreement during the year/period stated in the table below:

	<b>For the year ended 31 December 2019 RMB'000</b>	<b>For the year ended 31 December 2020 RMB'000</b>	<b>For the nine months ended 30 September 2021 RMB'000 (unaudited)</b>
Historical transaction amount	31,400	40,200	49,170

The Directors confirm that the transaction amounts from 1 January 2021 to the date of this announcement are within the annual cap for 2021 under the Commercial Property Management Services Framework Agreement.

## Annual caps

The table below sets out the proposed annual caps of the service fees payable to the Group by the CCRE Group and its associates under the Renewed Commercial Property Management Services Framework Agreement for each of the three years ending 31 December 2024:

	<b>For the year ending 31 December</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Annual cap	105,000	115,000	120,000

The annual caps under the Renewed Commercial Property Management Services Framework Agreement have been determined after taking into account the following factors:

- the historical transaction amounts and volume of Commercial Property Management Services we provided during the years ended 31 December 2019 and 2020 and the nine months ended 30 September 2021;
- the estimated fees to be received by the Company for the Commercial Property Management Services calculated based on the formula comprising various items as disclosed above;
- the anticipated growth in the estimated incentive management service fee (calculated based on the best estimated net operating profit, revenue or profit (as applicable)) that the Group might receive pursuant to the terms of the separate agreements for management of hotels, cultural tourism complexes and commercial properties; and
- the number of separate agreements entered into and expected to be entered into pursuant to the Commercial Property Management Services Framework Agreement and the Renewed Commercial Property Management Services Framework Agreement.

## **RENEWED TOURISM SERVICES FRAMEWORK AGREEMENT**

The principal terms of the Renewed Tourism Services Framework Agreement are as follows:

Date: : 29 October 2021

Parties : (1) The Company (as service provider)  
(2) CCRE (as service user)

- Term : 1 January 2022 to 31 December 2024
- Services : The Group will provide to the CCRE Group and its associates the Tourism Services, being customized solution services for business tourism for the promotion of the CCRE Group's and its associates' business and other related ancillary services.
- Pricing basis : The service fees to be charged by the Group were agreed upon on normal commercial terms after arm's length negotiations and were determined having regard to: (i) the estimated cost involved (including but not limited to costs of transportation, accommodation, catering, entrance tickets and other travel-related expenditures) plus a mark-up taking into account the nature, scope and complexity of the tourism services to be provided; and (ii) comparable market prices provided by the Group to Independent Third Parties. With respect to each project, the relevant members and associates of CCRE and the Group will further enter into an individual separate agreement that prescribes the specific terms and conditions of each project.

Save for the renewed term, the provisions of the Renewed Tourism Services Framework Agreement (as set out above) are substantially the same as that of the Tourism Services Framework Agreement.

### Historical transaction amounts

The table below sets out the historical transaction amounts paid to the Group by the CCRE Group and its associates under the Tourism Services Framework Agreement during the year/period stated in the table below:

	<b>For the year ended 31 December 2019 <i>RMB'000</i></b>	<b>For the year ended 31 December 2020 <i>RMB'000</i></b>	<b>For the nine months ended 30 September 2021 <i>RMB'000</i> <i>(unaudited)</i></b>
Historical transaction amount	38,700	27,450	20,990

The Directors confirm that the transaction amounts from 1 January 2021 to the date of this announcement are within the annual cap for 2021 under the Tourism Services Framework Agreement.

### **Annual caps**

The table below sets out the proposed annual caps of the service fees payable to the Group by the CCRE Group and its associates under the Renewed Tourism Services Framework Agreement for each of the three years ending 31 December 2024:

	<b>For the year ending 31 December</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Annual cap	50,000	70,000	100,000

The annual caps under the Renewed Tourism Services Framework Agreement have been determined after taking into account the following factors:

- the historical transaction amounts and volume of Tourism Services we provided during the years ended 31 December 2019 and 2020 and the nine months ended 30 September 2021;
- the estimated fees to be received by us calculated by multiplying the average fees charged per tourist by the estimated number of tourists;
- the anticipated growth in the estimated transaction amounts for Tourism Services for the three years ending December 31, 2024, taking into account the anticipated restoration and pickup of the tourism sector in Henan Province which was hit by COVID-19 in the past two years; and
- the number of separate agreements entered into and expected to be entered into pursuant to the Tourism Services Framework Agreement and the Renewed Tourism Services Framework Agreement.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED FRAMEWORK AGREEMENTS**

The Directors have been carefully monitoring the historical transaction amounts of, and the estimated demand for, the continuing connected transactions of the Group. The Company has provided the Commercial Property Management Services and the Tourism Services to the CCRE Group and its associates for several years in the ordinary and usual course of business of the Company. The Company expects to continue to provide such services, and since the Commercial Property Management Services Framework Agreement and the Tourism Services Framework Agreement are both due to expire on 31 December 2021, the Company has entered into the Renewed Commercial Property Management Services Framework Agreement and the Renewed Tourism Services Framework Agreement with CCRE, both of which will take effect on 1 January 2022. The Directors consider that entering into the Renewed Framework Agreements would be conducive to the Group's revenue growth, increasing the Group's total revenue and boosting profits as a result, which is in line with the Group's strategic development needs.

The Directors (excluding Mr. Wang Jun, Ms. Wu Lam Li and Ms. Min Huidong, who were required to abstain from voting on the relevant Board Resolutions, but including the independent non-executive Directors) are of the view that: (i) the continuing connected transactions described above have been and will be entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better; and (ii) the terms of the continuing connected transactions (including the relevant annual caps) are fair, reasonable and in the interests of the Group and Shareholders as a whole.

## **INTERNAL CONTROL MEASURES**

In order to ensure the transactions will be conducted in accordance with the principal terms of the Renewed Framework Agreements and on normal commercial terms, the Group has adopted the following measures:

- (1) the finance department of the Group, will be responsible for regular monitoring of the continuing connected transactions contemplated under the Renewed Framework Agreements to ensure that the proposed annual caps will not be exceeded, in particular, the Group will cease to enter into any new individual agreement if such will cause the total contractual income to exceed the proposed annual caps for that financial year;



- (2) the implementation of individual agreements will be supervised and monitored by the respective heads of the operation department, marketing department, finance department and management of the Group to ensure that the individual agreements are in line with the pricing policy and principal terms of the respective Renewed Framework Agreements;
- (3) the heads of the operation department of the Group will conduct regular reviews to keep abreast of: (i) the price level charged by the Group to Independent Third Parties customers for providing comparable services (where applicable); and (ii) the prevailing fee level in the market and the market conditions, for the purpose of considering if the price charged for a specific transaction is fair and reasonable and is in accordance with the pricing policy;
- (4) the auditors of the Company shall conduct annual reviews on pricing and the proposed annual caps to ensure that the transaction amounts are within the proposed annual caps and that the transactions are conducted on the principal terms of the respective Renewed Framework Agreements; and
- (5) the independent non-executive Directors would continue to conduct regular review and assessment on the transactions contemplated under the Renewed Framework Agreements on a half-yearly basis to ensure that such transactions are conducted on normal commercial terms and are in the ordinary and usual course of business of the Group, and the terms and conditions thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

In view of the pricing policy and internal control measures above, the Directors are of the view that appropriate measures are in place to ensure that the transactions contemplated under the Renewed Framework Agreements will be conducted on normal commercial terms and not prejudicial to the interest of the Company and its minority shareholders.

## **DIRECTOR'S INTEREST IN THE CONTINUING CONNECTED TRANSACTIONS**

As at the date of this announcement, CCRE is indirectly owned as to more than 30% by Mr. Wu. Mr. Wu is a controlling shareholder and a connected person of the Company. Accordingly, CCRE is an associate of Mr. Wu and thus a connected person of the Company under Rule 14A.07(4) of the Listing Rules. As (i) Ms. Wu Lam Li is the wife of Mr. Wu, (ii) Mr. Wang Jun is an executive director of CCRE, and (iii) Ms. Min Huidong holds positions in the CCRE Group relating to cultural tourism development, as Directors, they have

abstained from voting on the Board resolutions regarding the relevant Renewed Framework Agreements to avoid any conflict of interest. Save for the above, none of the Directors has any material interest in any of the transactions contemplated under the Renewed Framework Agreements and is required to abstain from voting on the Board resolutions to approve the same.

## **INFORMATION ABOUT PARTIES TO THE RENEWED FRAMEWORK AGREEMENTS**

The 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.

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

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CCRE is indirectly owned as to more than 30% by Mr. Wu. Mr. Wu is a controlling shareholder and a connected person of the Company. Accordingly, CCRE is an associate of Mr. Wu and thus a connected person of the Company under Rule 14A.07(4) of the Listing Rules. The transactions contemplated under each of the Renewed Framework Agreements therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under each of the Renewed Framework Agreements exceeds 0.1% but is less than 5%, the transactions contemplated under each of the Renewed Framework Agreements are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“associate(s)”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors

“CCRE”	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), and a connected person of the Company
“CCRE Group”	CCRE and its subsidiaries
“Commercial Property Management Services”	commercial property management services and advisory consultation services provided by the Group to the CCRE Group and its associates for commercial properties (including hotels, cultural tourism complexes and other commercial properties such as office buildings and shopping malls)
“Commercial Property Management Services Framework Agreement”	the commercial property management services framework agreement dated 26 June 2019 entered into between Henan Central China New Life (a subsidiary of the Company) and CCRE, pursuant to which the Group agreed to provide the Commercial Property Management Services to the CCRE Group and its associates commencing from 1 January 2019 to 31 December 2021
“Company”	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
“connected person(s)”	has the meaning given to it under the Listing Rules
“controlling shareholder(s)”	has the meaning given to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Henan Central China New Life”	Henan Central China New Life Service Co., Ltd.* (河南建業新生活服務有限公司), a limited liability company established in the PRC on April 21, 2016 and a wholly-owned subsidiary of the Company

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an entity which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wu”	Mr. Wu Po Sum, the chairman, an executive director and a controlling shareholder of CCRE, and a controlling Shareholder of the Company
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 5 May 2020 in relation to its global offering
“Renewed Commercial Property Management Services Framework Agreement”	the commercial property management services framework agreement dated 29 October 2021 entered into between the Company and CCRE, pursuant to which the Group agreed to provide the Commercial Property Management Services to the CCRE Group and its associates commencing from 1 January 2022 to 31 December 2024
“Renewed Framework Agreements”	the Renewed Commercial Property Management Services Framework Agreement and the Renewed Tourism Services Framework Agreement
“Renewed Tourism Services Framework Agreement”	the tourism services framework agreement dated 29 October 2021 entered into between the Company and CCRE, pursuant to which the Group agreed to provide tourism services to the CCRE Group and its associates commencing from 1 January 2022 to 31 December 2024
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	the share(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning given to it under the Listing Rules
“Tourism Services”	customised solution services provided by the Group to the CCRE Group and its associates for business tourism for the promotion of the CCRE Group’s business and other related ancillary services
“Tourism Services Framework Agreement”	the tourism services framework agreement dated 30 January 2019 entered into between Henan Central China New Life (a subsidiary of the Company) and CCRE, pursuant to which the Group agreed to provide the Tourism Services to the CCRE Group and its associates commencing from 1 January 2019 to 31 December 2021
“%”	per cent

\* *For identification purpose only*

By Order of the Board  
**Central China New Life Limited**  
**Wang Jun**  
*Chairman*

Hong Kong, 29 October 2021

*As at the date of this announcement, the Board comprises: (i) Mr. Wang Jun (Chairman) and Mr. Wang Qian as executive Directors; (ii) Ms. Wu Lam Li and Ms. Min Huidong as non-executive Directors; and (iii) Mr. Leong Chong, Ms. Luo Laura Ying and Ms. Xin Zhu as independent non-executive Directors.*