

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CONTINUING CONNECTED TRANSACTION
MARKETING AND SERVICE PLATFORM CONSTRUCTION
SERVICES FRAMEWORK AGREEMENT

On 27 October 2021 (after trading hours), the Company entered into the Marketing and Service Platform Construction Services Framework Agreement with CCMGT, pursuant to which the Company agreed to provide, and CCMGT agreed to procure the Marketing and Service Platform Construction Services.

As at the date of this announcement, CCMGT 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, CCMGT 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 the Marketing and Service Platform Construction Services Framework Agreement 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 the Marketing and Service Platform Construction Services Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Marketing and Service Platform Construction Services Framework Agreement 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

On 27 October 2021 (after trading hours), the Company entered into the Marketing and Service Platform Construction Services Framework Agreement with CCMGT, pursuant to which the Company agreed to provide, and CCMGT agreed to procure the Marketing and Service Platform Construction Services.

MARKETING AND SERVICE PLATFORM CONSTRUCTION SERVICES FRAMEWORK AGREEMENT

The principal terms of the Marketing and Service Platform Construction Services Framework Agreement are as follows:

Date	27 October 2021
Parties	(1) The Company (as service provider) (2) CCMGT (as service user)
Term	27 October 2021 to 31 December 2021
Service scope	<p>The Group shall provide the Marketing and Service Platform Construction Services to the CCMGT Group. The Group shall develop exclusive software, system and related technical consulting services for the marketing management platform based on the marketing needs and plans of the CCMGT Group's various projects under management, with specific functions including, but not limited to, external customer acquisition mini program, incentives, procurement, rights gifting, corporate WeChat user unified system, etc.</p> <p>The parties shall enter into a separate agreement for detailed service scope subject to the needs of the CCMGT Group's various projects under management as and when necessary.</p>
Service fee	<p>The development fee of the software system template of each platform is based on the construction workload, development period, platform requirements, features, development personnel required, and the prevailing market price of similar services. The development fee of each platform ranges between RMB200,000 and RMB1,500,000. Such price range is determined with reference to a reasonable cost plus a reasonable profit margin and agreed by the parties on arm length's negotiation in order to ensure that such price range is fair and reasonable and no less favourable than those charged by the Company to independent third parties.</p>

ANNUAL CAP AND BASIS FOR DETERMINING THE PRICE

The annual cap for the Marketing and Service Platform Construction Services Framework Agreement for the year ending 31 December 2021 is RMB11,000,000.

In considering the annual cap for the Marketing and Service Platform Construction Services Framework Agreement, the Directors have considered a number of factors, including the number of marketing platforms required by the CCMGT Group and the expected resources required to be deployed and costs for the development of the requested number of platforms.

Prior to entering into any individual service agreements with CCMGT in relation to its projects under management, (a) (where there are no market prices for the relevant services which meet the specific business needs of the CCMGT Group) the Group will determine the price and terms based on the costs, profit margins and market conditions of the similar services, and a reasonable mark-up rate charged for all transactions contemplated thereunder, provided that the price provided by the Group to the CCMGT Group is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Company's minority Shareholders and will ensure that the transaction is in compliance with the terms and conditions of the Marketing and Service Platform Construction Services Framework Agreement; (b) (where there are market prices for the relevant services to be provided) the Group will also determine the price by reference to (if applicable) other market reference prices to ensure that the relevant fees will not be lower than those charged to independent third parties; and (c) in the event that there is any material difference between the price charged by the Group and that charged by the independent third party, the price charged by the Group will be adjusted accordingly.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MARKETING AND SERVICE PLATFORM CONSTRUCTION SERVICES FRAMEWORK AGREEMENT

The Company considers that entering into the Marketing and Service Platform Construction Services Framework Agreement will be conducive to the Group's revenue growth from value-added services, 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 Ms. Wu Lam Li, who is 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 transaction described above has 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 transaction (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 Marketing and Service Platform Construction Services Framework Agreement 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 Marketing and Service Platform Construction Services Framework Agreement 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 Marketing and Service Platform Construction Services Framework Agreement;
- (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 Marketing and Service Platform Construction Services Framework Agreement; and
- (5) the independent non-executive Directors would continue to conduct regular review and assessment on the transactions contemplated under the Marketing and Service Platform Construction Services Framework Agreement 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 Marketing and Service Platform Construction Services Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interest of the Company and its minority shareholders.

DIRECTORS' INTEREST IN THE CONTINUING CONNECTED TRANSACTION

CCMGT is indirectly owned as to more than 30% by Mr. Wu. As Ms. Wu Lam Li is the wife of Mr. Wu, as a Director, she has abstained from voting on the Board resolution approving regarding the Marketing and Service Platform Construction Services Framework Agreement 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 Marketing and Service Platform Construction Services Framework Agreement and is required to abstain from voting on the Board resolutions to approve the same.

INFORMATION OF THE PARTIES

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 CCMGT Group is principally engaged in the provision of project management services throughout all phases of property development projects in the PRC.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CCMGT 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, CCMGT 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 the Marketing and Service Platform Construction Services Framework Agreement 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 the Marketing and Service Platform Construction Services exceeds 0.1% but is less than 5%, the transactions contemplated under the Marketing and Service Platform Construction Services Framework Agreement 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

“CCMGT”	Central China Management Company 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: 9982), and a connected person of the Company
“CCMGT Group”	CCMGT and its subsidiaries
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Marketing and Service Platform Construction Services”	as set out in the Marketing and Service Platform Construction Services Framework Agreement, the marketing and service platform construction services provided by the Group to the CCMGT Group
“Marketing and Service Platform Construction Services Framework Agreement”	the framework agreement entered into between the Company and CCMGT on 27 October 2021 for the provision of Marketing and Service Platform Construction Services by the Company to CCMGT
“Mr. Wu”	Mr. Wu Po Sum, the chairman, a non-executive director and a controlling shareholder of CCMGT, and a controlling Shareholder of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“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
“%”	per cent

On behalf of the Board
Central China New Life Limited
Wang Jun
Chairman

Hong Kong, 27 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.