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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)

CONTINUING CONNECTED TRANSACTIONS

**(1) PROPOSED RENEWAL OF PROPERTY CONSULTATION
AND MANAGEMENT SERVICES FRAMEWORK
AGREEMENT**

**(2) PROPOSED AMENDMENTS OF ANNUAL CAPS AND
TERMS OF INTELLIGENT TECHNOLOGY SERVICES
FRAMEWORK AGREEMENT**

**PROPOSED RENEWAL OF PROPERTY CONSULTATION AND
MANAGEMENT SERVICES FRAMEWORK AGREEMENT, AND
PROPOSED AMENDMENTS OF ANNUAL CAPS AND TERMS OF
INTELLIGENT TECHNOLOGY SERVICES FRAMEWORK
AGREEMENT**

Reference is made to: (1) the Prospectus in relation to the Property Consultation and Management Services Framework Agreement; and (2) the Prospectus and the Company's circular dated 23 November 2020 in relation to the Intelligent Technology Services Framework Agreement.

As the Property Consultation and Management Services Framework Agreement is due to expire on 31 December 2021, the Company has entered into the Renewed Property Consultation and Management Services Framework Agreement with CCRE on 11 November 2021 (after trading hours), which will take effect on 1 January 2022 and expire on 31 December 2024. Save for the renewed term, the provisions of the Renewed Property Consultation and Management Services Framework Agreement are substantially the same as that of the Property Consultation and Management Services Framework Agreement.

Further, in view of the growth in demand for the Group's services under the Intelligent Technology Services Framework Agreement as a result of the growth in business of the CCRE Group and its associates, the Board expects that the Original Annual Caps under the Intelligent Technology Services Framework Agreement will be insufficient for the years ending 31 December 2021 and 2022. Therefore, on 11 November 2021 (after trading hours), the Company and CCRE entered into the Supplemental Intelligent Technology Services Framework Agreement to amend certain terms of the respective Framework Agreements as follows:

- (1) the Original Annual Caps under the Intelligent Technology Services Framework Agreement shall be amended to the Proposed Revised Annual Caps under the Supplemental Intelligent Technology Services Framework Agreement; and
- (2) the Company shall continue to provide the Intelligent Technology Services to the CCRE Group and its associates for a term expiring on 31 December 2023.

Save for the above, the terms of the Supplemental Intelligent Technology Services Framework Agreement shall remain the same as those of the Intelligent Technology Services Framework Agreement.

The New Framework Agreements are conditional upon the approval of the Independent Shareholders at the EGM.

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 Framework Agreements and the New 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 New Framework Agreements exceeds 5%, the transactions contemplated under each of the New Framework Agreements are subject to the annual review, reporting, announcement, circular (including independent financial advice) and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In view of the above, an EGM will be convened, during which ordinary resolutions will be proposed to the Independent Shareholders to consider and if appropriate, approve the New Framework Agreements, the transactions thereunder and the Proposed Revised Annual Caps. Any vote of the Independent Shareholders at the EGM will be taken by poll. Shareholders with material interests, namely (i) Mr. Wu, who is also the controlling shareholder of the CCRE Group; (ii) Mr. Wang Jun, who is an executive director of CCRE; and (iii) each of their respective associates, will be required to abstain from voting on the relevant resolutions to be proposed at the EGM.

For the purpose of seeking the approval of the Independent Shareholders, a circular containing, *inter alia*, (i) details of the New Framework Agreements, the transactions contemplated thereunder and the Proposed Revised Annual Caps; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser; and (iv) a notice to convene the EGM will be despatched to the Independent Shareholders on or before 1 December 2021.

INTRODUCTION

Reference is made to: (1) the Prospectus in relation to the Property Consultation and Management Services Framework Agreement; and (2) the Prospectus and the Company's circular dated 23 November 2020 in relation to the Intelligent Technology Services Framework Agreement.

As the Property Consultation and Management Services Framework Agreement is due to expire on 31 December 2021, the Company has entered into the Renewed Property Consultation and Management Services Framework Agreement with CCRE on 11 November 2021 (after trading hours), which will take effect on 1 January 2022 and expire on 31 December 2024. Save for the renewed term, the provisions of the Renewed Property Consultation and Management Services Framework Agreement are substantially the same as that of the Property Consultation and Management Services Framework Agreement.

Further, in view of the growth in demand for the Group's services under the Intelligent Technology Services Framework Agreement as a result of the growth in business of the CCRE Group and its associates, the Board expects that the Original Annual Caps under the Intelligent Technology Services Framework Agreement will be insufficient for the years ending 31 December 2021 and 2022. Therefore, on 11 November 2021 (after trading hours), the Company and CCRE entered into the Supplemental Intelligent Technology Services Framework Agreement to amend certain terms of the respective Framework Agreements as follows:

- (1) the Original Annual Caps under the Intelligent Technology Services Framework Agreement shall be amended to the Proposed Revised Annual Caps under the Supplemental Intelligent Technology Services Framework Agreement; and
- (2) the Company shall continue to provide the Intelligent Technology Services to the CCRE Group and its associates for a term expiring on 31 December 2023.

Save for the above, the terms of the Supplemental Intelligent Technology Services Framework Agreement are the same as those of the Intelligent Technology Services Framework Agreement.

The New Framework Agreements are conditional upon the approval of the Independent Shareholders at the EGM.

RENEWED PROPERTY CONSULTATION AND MANAGEMENT SERVICES FRAMEWORK AGREEMENT

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

- Date : 11 November 2021
- Parties : (1) The Company (replacing Henan Central China New Life as the former signing party under the Property Consultation and Management Services Framework Agreement) (as service provider)
- (2) CCRE (as service user)
- Term : The term will commence on 1 January 2022 and expire on 31 December 2024
- Services : The Group will provide to the CCRE Group and its associates the following property consultation and management services:
- (a) **Consultation services**: including (i) pre-delivery consultancy services, including but not limited to provide advices throughout the process of project development (from both property development and end-user perspectives) at the planning and design stage, the engineering construction stage, the marketing stage, the inspection stage and the delivery stage; and (ii) early stage initiation services, including but not limited to providing staff trainings before the delivery of the properties and the initiation service before the completion of property projects;
 - (b) **Marketing centre management services**: overall management services in respect of the various marketing centres of the CCRE Group and its associates set up for the sales and promotion of the property projects, including operation, administration and management, security and maintenance, concierge, cleaning, gardening and other ancillary services;

- (c) ***Vacant properties management services***: management services (including patrolling) of vacant properties of the CCRE Group and its associates which are available for sale, including residential units and parking lots;
- (d) ***Self-owned properties management services***: property management services provided for the office buildings and other properties owned by the CCRE Group and its associates which are used for their business operations; and
- (e) ***Properties pre-delivery inspection services***: post-completion and pre-delivery property examination and checking services provided for newly completed properties of the CCRE Group and its associates.

Service fee : The fees to be charged by the Group for the Property Consultation and Management Services consist of:

- (a) ***Consultation services***: determined with reference to the nature and size of the property and the scope of the consultation services. The price ranges between RMB1 to RMB8 per sq.m.
- (b) ***Marketing centre management services***: charged based on the operating costs (including staff salaries, staff benefits, administration and management costs), the applicable tax of approximately 6.72% related to the marketing centre management services, plus a mark-up of 10% to 20% depending on factors including the nature, type and location of the property projects, the location and size of the marketing centre and the nature, schedule and complexity of the marketing activities.
- (c) ***Vacant properties management services***: charged in accordance with the management fee standard for residential property or parking lot in the district where the vacant property is located. The price ranges between RMB0.6 to RMB20 per month per sq.m.

- (d) *Self-owned properties management services*: determined with reference to the expected costs and prevailing market prices for comparable services. The price ranges between RMB0.6 to RMB20 per month per sq.m.
- (e) *Properties pre-delivery inspection services*: determined with reference to the size of the property, expected costs and prevailing market prices for comparable services. The price ranges between RMB6 to RMB8 per sq.m.

Pricing basis : The fees to be charged by the Group for provision of the Property Consultation and Management Services are determined on arm's length basis with reference to the (i) nature, category and location of the properties; (ii) gross floor area of the properties; (iii) anticipated operation costs, including primarily staff costs and administration costs; and (iv) prevailing market prices for comparable services. With respect to each project, the relevant members and associates of CCRE and the Group will further enter into individual separate agreement that prescribes the specific terms and conditions of each project.

Save for the renewed term, the provisions of the Renewed Property Consultation and Management Services Framework Agreement are substantially the same as that of the Property Consultation and 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 Property Consultation and Management Services Framework Agreement during the year/period stated in the table below:

	For the year ended 31 December 2019 <i>RMB'000</i>	For the year ended 31 December 2020 <i>RMB'000</i>	For the nine months ended 30 September 2021 <i>RMB'000</i> (unaudited)
Historical transaction amount	159,800	194,400	161,840

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 Property Consultation and 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 Property Consultation and Management Services Framework Agreement for each of the three years ending 31 December 2024:

	For the year ending 31 December		
	2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>
Annual cap	300,000	375,000	480,000

The proposed annual caps under the Renewed Property Consultation and Management Services Framework Agreement represent a 25.0% and 28.0% year-on-year increase for 2022 to 2023 and 2023 to 2024, respectively. Such proposed annual caps have been determined after taking into account the following factors:

- the historical transaction amounts and volume of Property Consultation and Management Services we provided during the years ended 31 December 2019 and 2020 and the nine months ended 30 September 2021;
- the total contracted GFA of approximately 90.37 million sq.m. for properties developed by the CCRE Group and its associates or joint ventures as of 30 September 2021;
- the anticipated growth in the estimated transaction amounts for Property Consultation and Management Services for the three years ending 31 December 2024, taking into account the expected increase in number of property projects to be released by the CCRE Group and its associates in various cities;
- in relation to consultation services, properties pre-delivery inspection services and self-owned properties management services, our estimation of the aggregate GFA of the upcoming property projects or self-owned properties that would require such services, which will be charged at specified fees per sq.m.;
- in relation to marketing centre management services, the expected number of marketing centre expected to be launched to facilitate the sales of the upcoming properties, which will be charged at specified fees per marketing centre;
- in relation to vacant properties management services, the expected aggregate GFA of the vacant properties that would require such services, which will be charged at specified monthly fees per sq.m. throughout the estimated duration of vacancy; and
- the number of separate agreements entered into and expected to be entered into pursuant to the Property Consultation and Management Services Framework Agreement and the Renewed Property Consultation and Management Services Framework Agreement.

SUPPLEMENTAL INTELLIGENT TECHNOLOGY SERVICES FRAMEWORK AGREEMENT

The principal terms of the Supplemental Intelligent Technology Services Framework Agreement are as follows:

- Date : 11 November 2021
- Parties : (1) The Company (as service provider)
(2) CCRE (as service user)
- Term : The term will be extended to 31 December 2023
- Services : Same as under the Intelligent Technology Services Framework Agreement, the Group shall continue to provide the following intelligent technology services to the CCRE Group and its associates:
- (a) ***Engineering installation services for intelligent products and sales service for products***: installation, repair and maintenance services necessary for the establishment of intelligence communities video surveillance system, indoor fresh air system, intelligent home system, exterior wall insulation and floor heating system;
 - (b) ***Software development services***: customised system integration and development services based on customer needs, such as the visual management platform, operation and management platform, and data analysis platform, for assisting customers in their decision-making process and daily operations; and
 - (c) ***Consultation services***: customised consultation to properties including residential properties and commercial properties.

Service fee : The fees to be charged by the Group for the Intelligent Technology Services consist of:

- (a) ***Engineering installation services for intelligent products and sales service for products***: determined with reference to the equipment materials, installation costs, enterprise management fees, profit and tax. Depending on the configuration standard of the specific project, the integrated average unit price ranges between RMB30 to RMB100 per sq.m.
- (b) ***Software development services***: depending on the project content and the development content, the price ranges between RMB20,000 to RMB4,000,000 per project.
- (c) ***Consultation services***: depending on the GFA and nature of the project, the unit price for residential consultation services ranges between RMB2 to RMB3 per sq.m., and the unit price for office consultation services ranges between RMB2.5 to RMB3.5 per sq.m.

Pricing basis : Same as under the Intelligent Technology Services Framework Agreement, the fees to be charged by the Group for provision of the intelligent technology services shall continue to be determined on arm's length basis with reference to (i) prices of the intelligent technology products; (ii) anticipated operation costs taking into account factors including, among others, equipment materials, installation costs, enterprise management fees; (iii) specific software requirement; (iv) GFA and nature of the property projects; and (v) prevailing market prices for comparable services. The fees are charged at fixed lump-sum fees taking into account the above factors, which are payable by instalments with reference to stage of completion of the works specified under each agreement. With respect to each project, the relevant members and associates of CCRE and members of the Group will further enter into individual separate agreement that prescribes the specific terms and conditions of each project, including the service scope and service fee applicable to the particular property project.

Annual caps : The Original Annual Caps of RMB360.0 million and RMB380.0 million for the years ending 31 December 2021 and 2022 will be increased to the Proposed Revised Annual Caps of RMB500.0 million, RMB700.0 million and RMB1,000.0 million for the years ending 31 December 2021, 2022 and 2023, respectively.

Save for the Proposed Revised Annual Caps and extension of term, the terms of the Supplemental Intelligent Technology Services Framework Agreement are the same as those of the Intelligent Technology Services Framework Agreement, further details of which are set out in the Prospectus and the Company's circular dated 23 November 2020.

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 Intelligent Technology Services Framework Agreement during the year/period stated in the table below:

	For the year ended 31 December 2019 <i>RMB'000</i>	For the year ended 31 December 2020 <i>RMB'000</i>	For the nine months ended 30 September 2021 <i>RMB'000</i> (unaudited)
Historical transaction amount	140,700	328,500	303,620

The Directors confirm that the transaction amounts from 1 January 2021 to the date of this announcement are within the Original Annual Cap for 2021 under the Intelligent Technology Services Framework Agreement.

Annual caps

The table below sets out the Original Annual Caps and the Proposed Revised Annual Caps of the fees payable to the Group by the CCRE Group and its associates for the Intelligent Technology Services under the Intelligent Technology Services Framework Agreement:

	Original Annual Caps		Proposed Revised Annual Caps		
	For the year ending 31 December				
	2021	2022	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Annual cap	360,000	380,000	500,000	700,000	1,000,000

The Proposed Revised Annual Caps under the Supplemental Intelligent Technology Services Framework Agreement represent a 38.9% and 84.2% increase from the Original Annual Caps for 2021 and 2022, and a 40.0% and 42.9% year-on-year increase for 2021 to 2022 and 2022 to 2023, respectively. Such Proposed Revised Annual Caps have been determined after taking into account the following factors:

- the historical transaction amount and volume of the intelligent technology services provided by the Group during the years ended 31 December 2019 and 2020 and the nine months ended 30 September 2021;
- the increase in demand and budget on the Group's intelligent technology services by the CCRE Group and its associates driven by the rapid penetration of smart home solutions into the property development industry and their strategy to differentiate their properties with technological elements for improvement in quality of life;
- the CCRE Group and its associates have decided to assign more property projects to the Group (instead of other service providers) for provision of intelligent technology services having considered the successful delivery of a number of property projects utilising the Group's intelligent technology services at satisfactory quality;
- the increase in demand for the Group's intelligent technology services, taking into account the expected increase in number of property projects to be delivered by the CCRE Group and its associates; and
- the number of separate agreements entered and to be entered into pursuant to the Intelligent Technology Services Framework Agreement and the Supplemental Intelligent Technology Services Framework Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW 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 Directors consider that entering into the New 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 in the following aspects:

- (a) the Renewed Property Consultation and Management Services Framework Agreement would (i) further consolidate its leading position in central China as a property management service provider; and (ii) boost the revenue of the Group's business segment of property management services and value-added services; and
- (b) the Supplemental Intelligent Technology Services Framework Agreement would (i) enable the Group to capture the opportunities and benefit from the latest property market trend with increasing adoption of smart home solutions requiring the Group's intelligent technology services; (ii) further consolidate its market position as an intelligent technological solutions provider for property developers subsequent to the Group's successful expansion into this segment after the acquisition of Aiou Electronic in December 2018; and (iii) boost the revenue of the Group's business segment of property management services and value-added services.

The Directors (excluding Mr. Wang Jun and Ms. Wu Lam Li, who were required to abstain from voting on the relevant Board Resolutions, and also the independent non-executive Directors who will form their view after taking into account the advice of the Independent Financial Adviser) 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.

THE GROUP'S INDEPENDENT BUSINESS OPERATION WITHOUT UNDUE RELIANCE ON THE CCRE GROUP

Based on the unaudited financial information for the nine months ended 30 September 2021, the total revenue of the Group increased by approximately 45.1% as compared to the nine months ended 30 September 2020, whereas the revenue generated from the CCRE Group and its associates or joint ventures as a percentage of the total revenue decreased from approximately 41.4% for the nine months ended 30 September 2020 to approximately 38.1% for the nine months ended 30 September 2021. The Directors consider that the Proposed Revised Annual Caps would not significantly increase the percentage of the Group's revenue generated from the CCRE Group and its associates or joint ventures during the years ending 31 December 2021, 2022 and 2023.

Notwithstanding the New Framework Agreements (including the Proposed Revised Annual Caps), the Board is of the view that the Group will remain capable of carrying out its business operation independently and not placing undue reliance on the CCRE Group due to the reasons set out below:

- (i) the majority of the revenue of the Group for each of the three years ended 31 December 2020 and the nine months ended 30 September 2021 was generated from Independent Third Parties. For each of the three years ended 31 December 2020 and the nine months ended 30 September 2021, the Group's revenue derived from the CCRE Group and its associates or joint ventures accounted for approximately 19.5%, 42.5%, 44.9% and 38.1% of the Group's total revenue during the respective years/period;
- (ii) it is expected that the majority of the revenue of the Group for the year ending 31 December 2021 is to be derived from Independent Third Parties and the Company anticipates that the revenue derived from the CCRE Group and its associates or joint ventures would remain at less than 45.0% of the Company's total revenue for the year ending 31 December 2021;
- (iii) the business, operation, finance and management of the Group is independent from the CCRE Group because (a) the Company possesses a Board and senior management team that function independently of the CCRE Group; (b) the Group secures projects from the CCRE Group in an impartial manner and has entered into the Framework Agreements, the New Framework Agreements and all other agreements governing the connected transactions with the CCRE Group and its associates on arm's length basis; and (c) the business operation of the Group does not rely on any financial support from CCRE Group or other members of the CCRE Group;

- (iv) whilst the Proposed Revised Annual Caps would be conducive to the Group's revenue growth, in the unlikely event that the Proposed Revised Annual Caps are not approved by Independent Shareholders at the EGM and that the Group is to conduct the connected transactions contemplated under the Framework Agreements on the basis of the Original Annual Caps, the Group would still be able to achieve robust revenue growth for the year ending 31 December 2021 compared to the year ended 31 December 2020;
- (v) whilst the Board considers that the Group could benefit from the mutual and complementary relationship with the CCRE Group, the Group has also made continuous efforts to broaden its customer base and source of revenue through providing services to and collaborating with more third-party property developers and has implemented a number of incentive measures to encourage its employees to obtain service contracts for property developments owned/developed by Independent Third Parties (the "External Projects") in respect of all the business segments with particular focus on property management services. As of 31 December 2018, 31 December 2019, 31 December 2020, 30 June 2021 and 30 September 2021, the Group's GFA under management for properties of the Independent Third Party property developers was 4.2 million sq.m., 17.7 million sq.m., 45.1 million sq.m., 55.4 million sq.m. and 63.9 million sq.m., accounting for 16.3%, 31.1%, 45.1%, 48.2% and 51.1% of the Group's total GFA under management as at the respective dates. As illustrated above, the Group's GFA under management for properties of the Independent Third Party property developers experienced an overall increasing trend in the past few years;
- (vi) the Company has been and will continue to implement its business strategy to expand its business scale through strategic investments, cooperation and acquisitions, which is expected to result in dilution of revenue generated from the CCRE Group and its associates or joint ventures in the future. For example, as disclosed in the Company's announcement dated 28 December 2020, the Company acquired 51% equity interests in Taihua Jinye Life Services Co., Ltd.* (泰華錦業生活服務有限公司). Therefore, due to the reasons set out in paragraph (v) above and this paragraph (vi), the Board maintains the expectation that the percentage of total revenue to be generated from properties developed by the CCRE Group will decrease in the long run; and

(vii) the Group's Jianye + (建業+) platform operated under its lifestyle services has been experiencing vigorous growth in terms of significant increase in the number of registered users as well as the average spending per user, resulting in increase in revenue in the Group's lifestyle services, which was among the key reasons for the substantial growth of 47.4% in the revenue of the Group during the six months ended 30 June 2020 compared to the six months ended 30 June 2019. The registered users for the Group's Jianye + (建業+) platform increased from approximately 2.8 million as at 30 June 2020 to approximately 4.7 million as at 30 June 2021 and further to approximately 5.2 million as at 30 September 2021. Given that the customers of the Group's Jianye + (建業+) platform are Independent Third Parties, the growth in revenue of the Group's lifestyle services is expected to increase the Group's revenue generated from the Independent Third Parties in the future.

Having considered the above, the Board is of the view that, despite the Company entered into the New Framework Agreements with CCRE, the Company is able to carry out an independent business operation without undue reliance on the CCRE Group.

INTERNAL CONTROL MEASURES

In order to ensure the transactions will be conducted in accordance with the principal terms of the New 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 New 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 New 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 New Framework Agreements; and
- (5) the independent non-executive Directors would continue to conduct regular review and assessment on the transactions contemplated under the New 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.

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, and (ii) Mr. Wang Jun is an executive director of CCRE, as Directors, they have abstained from voting on the Board resolutions regarding the relevant New 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 New Framework Agreements 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 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 the New 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 New Framework Agreements exceeds 5%, the transactions contemplated under each of the New Framework Agreements are subject to the annual review, reporting, announcement, circular (including independent financial advice) and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT SHAREHOLDERS' APPROVAL

In view of the above, an EGM will be convened, during which ordinary resolutions will be proposed to the Independent Shareholders to consider and if appropriate, approve the New Framework Agreements, the transactions contemplated under and the Proposed Revised Annual Caps. Any vote of the Independent Shareholders at the EGM will be taken by poll. Shareholders with material interests, namely (i) Mr. Wu, who is also the controlling shareholder of the CCRE Group; (ii) Mr. Wang Jun, who is an executive director of CCRE; and (iii) each of their respective associates, will be required to abstain from voting on the relevant resolutions to be proposed at the EGM.

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether the terms of the New Framework Agreements, the transactions contemplated thereunder and the Proposed Revised Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote on the resolutions to be proposed at the EGM. Red Sun Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same issues.

For the purpose of seeking the approval of the Independent Shareholders, a circular containing, *inter alia*, (i) details of each of the New Framework Agreements, the transactions contemplated thereunder and the Proposed Revised Annual Caps; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser; and (iv) a notice to convene the EGM will be despatched to the Independent Shareholders on or before 1 December 2021.

DEFINITIONS

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

“Aiou Electronic”	Henan Aiou Electronic Technology Co., Ltd.*, a limited liability company established in the PRC on March 25, 2014 and our non wholly-owned subsidiary, being owned as to 93.3% by the Company (through Central China New Life) and 6.7% by Mr. Lu Feng (14) (an Independent Third Party)
“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
“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

“EGM”	the extraordinary general meeting to be convened by the Company for consideration and if appropriate, approval of the New Framework Agreements, the transactions contemplated thereunder and the Proposed Revised Annual Caps
“Framework Agreements”	the Property Consultation and Management Services Framework Agreement and the Intelligent Technology Services Framework
“GFA”	gross floor area
“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 Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors (namely Mr. Leong Chong, Ms. Luo Laura Ying and Ms. Xin Zhu) established for the purpose of advising the Independent Shareholders in respect of the New Framework Agreements, the transactions contemplated thereunder and the Proposed Revised Annual Caps
“Independent Financial Adviser”	Red Sun Capital Limited, a corporation licensed by the Securities and Futures Commission to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the New Framework Agreements, the transactions contemplated thereunder and the Proposed Revised Annual Caps

“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM to approve the New Framework Agreements, the transactions contemplated thereunder and the Proposed Revised Annual Caps
“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
“Intelligent Technology Services”	intelligent technology services (consisting of engineering installation services for intelligent products and sales service for products, software development services and consultation services) provided by the Group to the CCRE Group and its associates
“Intelligent Technology Services Framework Agreement”	the intelligent technology services framework agreement dated 29 March 2019 entered into between the Company and CCRE (as amended by the supplemental agreements dated 28 October 2019 and 30 October 2020), pursuant to which the Group agreed to provide the Intelligent Technology Services to the CCRE Group and its associates
“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
“New Framework Agreements”	the Renewed Property Consultation and Management Services Framework Agreement and the Supplemental Intelligent Technology Services Framework Agreement
“Original Annual Caps”	the maximum annual fee to be received by the Group under the Intelligent Technology Services Framework Agreement for the years ending 31 December 2021 and 2022
“PRC”	the People’s Republic of China

“Property Consultation and Management Services”	property consultation and management services (consisting of consultation services, marketing centre management services, vacant properties management services, self-owned properties management services and properties pre-delivery inspection services) provided by the Group to the CCRE Group and its associates
“Property Consultation and Management Services Framework Agreement”	the property consultation and management services framework agreement dated 29 March 2019 entered into between Henan Central China New Life (a subsidiary of the Company) and CCRE (as amended by the supplemental agreement dated 28 October 2019), pursuant to which the Group agreed to provide the Property Consultation Management Services to the CCRE Group and its associates
“Proposed Revised Annual Caps”	the proposed maximum annual fee to be received by the Group under the Intelligent Technology Services Framework Agreements for the years ending 31 December 2021, 2022, 2023 and 2024
“Prospectus”	the prospectus of the Company dated 5 May 2020 in relation to its global offering
“Renewed Property Consultation and Management Services Framework Agreement”	the property consultation and management services agreement dated 11 November 2021 entered into between the Company (replacing Henan Central China New Life as the former signing party under the Property Consultation and Management Services Framework Agreement) and CCRE, pursuant to which the Group agreed to provide the Property Consultation and Management Services to the CCRE Group and its associates commencing from 1 January 2022 to 31 December 2024
“Share(s)”	the share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the meaning given to it under the Listing Rules
“Supplemental Intelligent Technology Services Framework Agreement”	the agreement dated 11 November 2021 entered into between the Company and CCRE to revise the annual caps thereunder and to extend its term to 31 December 2023
“%”	per cent

* *For identification purpose only*

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

Hong Kong, 11 November 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.