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)

PROFIT WARNING

This announcement is made by Central China Real Estate Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors of the Company that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group and other information currently available, the Group expects to record a lower profit attributable to the Shareholders than that as compared to the profit attributable to the Shareholders recorded in the audited consolidated financial statements of the Company for the year ended 31 December 2015. The profits attributable to the Shareholders for the year ended 31 December 2016 is expected to decline by about 50% to approximately RMB400 million as compared with the same period in 2015. This was primarily attributable to the construction progress of certain projects are slower than expected due to the environmental protection policies of the Government of the People's Republic of China. The recognised sold area for the year ended 31 December 2016 is therefore expected to decrease by about 14% to approximately 1.8 million square metres. As a result, the total amount of gross profit of the Group is expected to decrease accordingly.

Nevertheless, the total unaudited contracted sales of the Group for the year ended 31 December 2016 records a year-on-year increase of 28.0% to RMB20,146 million. Due to the growth in contracted sales and satisfactory result of cash collection, the total unaudited balances of cash, cash equivalents and bank deposits of the Group are approximately RMB11,180 million as at 31 December 2016. Unaudited net debt balances after deducting cash, cash equivalents and bank deposits approximately amount to RMB3,170 million, and the unaudited net debt ratio is approximately 45% as at 31 December 2016. As the Group adopts a prudent financial principle, the Group is able to continue to maintain a high cash-on-hand ratio and a reasonable level of gearing.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2016. The information contained in this announcement is only based on the Company's preliminary assessment of the consolidated management accounts of the Group for the year ended 31 December 2016 and such information has not been reviewed or audited by the auditors of the Company. As at the date of this announcement, the Group's consolidated results for the year ended 31 December 2016 have not yet been finalised, and may be subject to necessary adjustments. The Group's financial information for the year ended 31 December 2016, which may be different from the information contained in this announcement, is expected to be published in mid to late March 2017.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Central China Real Estate Limited
Wu Po Sum
Chairman

Hong Kong, 8 March 2017

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*