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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

This announcement is made by the Board of Directors of Central China New Life Limited (the “**Company**”, together with its subsidiaries, the “**Group**”). Reference is made to the Company’s corporate governance report for the year ended 31 December 2023 (the “**2023 CG Report**”) and the Company’s announcements dated 26 and 27 March 2024 regarding (among others) the delay in publication of the Company’s annual results for the year ended 31 December 2023 (the “**Announcements**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as defined in the CG Report and the Announcements.

The Board would like to provide further information to the 2023 CG Report as follows.

As disclosed in the Announcements, the delay in publication of the 2023 Annual Results and 2023 CG Report was primarily due to a delay in collecting the Outstanding Information required by its auditors. The Outstanding Information mainly consisted of the expected credit loss (“**ECL**”) assessment relating to amounts due from CCRE and related entities, and the latest financial statements and relevant financial information of CCRE, in order to assess the financial impact on the Company’s financial statements. As at the date of the Announcements, the Company was unable to provide such Outstanding Information to its auditors as CCRE had not yet published its audited financial statements, the deadline for which had not yet passed (i.e. 31 March 2024) pursuant to Rule 13.49 of the Listing Rules.

Such ECL assessment required additional supporting information compared to previous financial periods in light of the deteriorating PRC real estate sector, CCRE's business performance and liquidity, and restructuring as announced by CCRE on 23 June 2023. However, at such time, only limited information on CCRE was available to the Company, resulting in the Company deciding to wait for CCRE to publish its annual results for 2023.

All of such factors were beyond the Company's control. Nevertheless, in light of the delay in publication of the 2023 Annual Results and 2023 CG Report, the Company has assessed if there may be room for improvement in the Company's internal control systems. As a result of such assessment, the Company has implemented the following measures to prevent reoccurrence of a delay in publication of its annual results:

1. **Regular Meetings with CCRE:** The Company has designated a member of its management team to have regular monthly or bi-weekly meetings with CCRE with a goal of timely understanding CCRE's financial soundness and obtain key financial information necessarily for assessing the ECL of amounts due from CCRE.
2. **Establishing a Committee:** The Company has established a committee that is responsible for overseeing the collection of receivables due from CCRE and regular ECL assessment, as well as reporting to the executive Directors. Designated personnel will be required to report regularly to such committee on their findings.
3. **Enhanced Monitoring and Assessment:** Such committee will closely monitor these findings and continually assess whether the Company has sufficient information needed to assess the ECL of amounts due from CCRE.
4. **Early Engagement of Accounting Experts:** Early involvement of accounting experts to quantify the ECL using alternative approaches in accordance with HKFRS9 if the committee consider there is not sufficient reliable financial information of CCRE available.
5. **Reduction of Transactions with CCRE:** The Company will continue to further reduce its extent of connected transactions with CCRE, which it indeed has been doing over the past few years.

The above additional information does not affect other information contained in the 2023 CG Report. All other information in the 2023 CG Report remains unchanged.

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

Hong Kong, 21 May 2024

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