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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)

**(1) FULL REDEMPTION OF THE CONVERTIBLE BONDS
AND SURRENDER OF THE WARRANTS; AND
(2) RESIGNATION OF NON-EXECUTIVE DIRECTOR**

**(1) FULL REDEMPTION OF THE CONVERTIBLE BONDS AND SURRENDER OF
THE WARRANTS**

References are made to (i) the announcements of the Company dated 5 August 2009 and 31 August 2009 in relation to, among other things, the issue of and subscription for the Convertible Bonds and the Warrants; and (ii) the announcement of the Company dated 2 November 2012 in relation to, among other things, the partial redemption of the Convertible Bonds from and surrender of the Warrants by one of the Investors.

On 31 August 2009, the Company issued the Convertible Bonds in the principal amount of HK\$765 million and 76,097,561 Warrants to the Investors. The Convertible Bonds bear a coupon rate of 4.9% per annum and are convertible into Conversion Shares at an initial Conversion Price of HK\$3.10 per Conversion Share while the Warrants carry the rights to subscribe for 76,097,561 Warrant Shares at an initial Exercise Price of HK\$4.10 per Warrant Share. The Conversion Price and the Exercise Price were subsequently adjusted to HK\$2.984 per Conversion Share and HK\$3.947 per Warrant Share respectively as a result of the Rights Issue in June 2011.

As disclosed in the announcement of the Company dated 2 November 2012, West Hill, being one of the then holders of the Convertible Bonds and the Warrants, served a notice of redemption on the Company requiring the Company to redeem the West Hill CB in the principal amount of HK\$78 million at the Early Redemption Amount and surrendered 7,758,967 West Hill Warrants to the Company at nil consideration.

After completion of the redemption of the West Hill CB and before completion of the Redemption of the outstanding Convertible Bonds and surrender of the outstanding Warrants as detailed below, (i) the Convertible Bonds had an outstanding principal amount of HK\$687 million which were held by FV Green Alpha II in full; and (ii) 68,338,594 Warrants remained outstanding and all of which were held by FV Green Alpha II.

The Board announces that, on 27 August 2014, the Company received a redemption notice from FV Green Alpha II to redeem all outstanding Convertible Bonds on or before 31 August 2014, being the Maturity Date of the Convertible Bonds. The Company completed the Redemption of the Convertible Bonds in full at the Redemption Amount of HK\$893,904,826 in accordance with the terms and conditions of the Convertible Bonds on 29 August 2014. The Company satisfied the payment of the Redemption Amount with part of the proceeds from the issue of the 2014 Notes. The Redemption would not have any material adverse effect on the operations and the financial position of the Group.

Upon Redemption, the Convertible Bonds has been cancelled and the Company does not have any outstanding Convertible Bond.

In conjunction with the Redemption, FV Green Alpha II surrendered all outstanding Warrants to the Company on 29 August 2014. All outstanding Warrants surrendered by FV Green Alpha II have been cancelled and the Company does not have any outstanding Warrant.

The Board considers that the Redemption could reduce the Company's debt position and improve the gearing ratio of the Company and therefore it is in the interests of the Company and the Shareholders as a whole.

(2) RESIGNATION OF NON-EXECUTIVE DIRECTOR

The Board announces that Mr. Hu Yongmin (“**Mr. Hu**”) has resigned as a non-executive Director with effect from 29 August 2014.

As provided in the Subscription Agreement, FV Green Alpha II shall have the right to nominate one person to be appointed as a non-executive Director (the “**Investor Director**”) on and from the closing date of the Subscription Agreement and for such time as FV Green Alpha II (together with its affiliates) holds, directly or indirectly, the Governance Rights Proportion. Mr. Hu was appointed as the Investor Director on 3 September 2009 following the closing date of the Subscription Agreement on 31 August 2009.

Following completion of the Redemption and surrender of the Warrants on 29 August 2014, FV Green Alpha II ceased to hold any Convertible Bond and Warrant and thus the Governance Rights Proportion. As such, FV Green Alpha II has procured Mr. Hu to, and Mr. Hu has, resigned as a non-executive Director with effect from 29 August 2014.

Mr. Hu has confirmed that he has no disagreement with the Board and there is no other matters relating to the resignation that needs to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its sincere gratitude to Mr. Hu for his valuable contribution towards the Company during his tenure of service.

DEFINITIONS

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

“2014 Notes”	the 6.5% senior notes due 2017 with an aggregate principal amount of S\$200,000,000 issued by the Company on 15 May 2014;
“Board”	the board of Directors;
“CB Instrument”	the instrument constituting the Convertible Bonds executed by the Company as a deed on 31 August 2009;
“Company”	Central China Real Estate Limited (建業地產股份有限公司*), an exempted company incorporated under the laws of the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange;
“Conversion Price”	the price at which the Investors may convert their Convertible Bonds into Conversion Shares;
“Conversion Shares”	new Shares to be allotted and issued by the Company to the Investors upon conversion of the Convertible Bonds, and the term “Conversion Share” means any one of such Shares;
“Convertible Bonds”	the HK\$ denominated 4.9% per annum convertible bonds due 2014 with an outstanding principal amount of HK\$687 million as at the date of this announcement issued by the Company to the Investors on 31 August 2009, and the term “Convertible Bond” means any one of them;
“Director(s)”	the director(s) of the Company;
“Early Redemption Amount”	the principal amount of the West Hill CB plus the Yield to Maturity payable by the Company for redeeming the West Hill CB in November 2012;
“Exercise Price”	the price at which the Warrant Shares will be allotted and issued upon exercise of the Warrants;
“FV Green Alpha II”	FV Green Alpha Two Limited, a company incorporated under the laws of the Cayman Islands;

“Governance Rights Proportion”	an interest in such number of Shares, whether directly or indirectly, by holding the legal and/or beneficial title to Shares and/or through any holding of Securities (as defined in the Subscription Agreement), as is equal to or more than 5% of the issued share capital of the Company on a fully diluted basis, assuming full conversion of the Convertible Bonds and full exercise of the Warrants;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Investors”	FV Green Alpha II and West Hill, and the term “Investor” means any one of them;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Maturity Date”	the date falling on the fifth anniversary from the issue date of the Convertible Bonds, that is, 31 August 2014;
“PRC”	the People’s Republic of China;
“Redemption”	the redemption of the outstanding Convertible Bonds by the Company from FV Green Alpha II;
“Redemption Amount”	the redemption amount of HK\$893,904,826 payable by the Company for the Redemption pursuant to the terms and conditions of the Convertible Bonds;
“Rights Issue”	the rights issue of 428,000,000 Rights Shares at HK\$1.71 each on the basis of 21.4 Rights Shares for every 100 Shares held on 7 June 2011;
“Rights Shares”	428,000,000 new Shares allotted and issued by the Company under the Rights Issue;
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	the subscription agreement dated 5 August 2014 between the Company and FV Green Alpha II in respect of the subscription of the Convertible Bonds, which were issued in conjunction with the Warrants;

“Warrants”	68,338,594 outstanding unlisted warrants carrying the rights to subscribe for 68,338,594 Warrant Shares;
“Warrant Shares”	68,338,594 new Shares to be allotted and issued by the Company upon full exercise of the Warrants;
“West Hill”	West Hill Asia Limited;
“West Hill CB”	the Convertible Bonds previously registered in the name of West Hill in the principal amount of HK\$78 million;
“West Hill Warrants”	7,758,967 Warrants previously registered in the name of West Hill;
“Yield to Maturity”	has the same meaning as defined in the CB Instrument;
“S\$”	Singapore dollar, the lawful currency of the Republic of Singapore; and
“%”	per cent.

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

Hong Kong, 29 August 2014

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. Lim Ming Yan (alternate director: Mr. Lucas Ignatius Loh Jen Yuh), Mr. Leow Juan Thong Jason 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*