
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Central China Real Estate Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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)

**PROPOSAL FOR ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the Extraordinary General Meeting of Central China Real Estate Limited to be held at Emerald Room, Level 8, The Ritz-Carlton, Hong Kong, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong on Thursday, 19 April 2018 at 4:00 p.m. (or immediately after the conclusion or adjournment of the annual general meeting of the holders of shares of the Company to be held on the same date) is set out on pages 25 to 26 of this circular. A form of proxy for use at the Extraordinary General Meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk).

Whether or not you intend to attend the Extraordinary General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Branch Share Registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof should you so wish.

Hong Kong, 29 March 2018

* For identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
1. Introduction	4
2. Adoption of the New Share Option Scheme	5
3. Conditions precedent of the New Share Option Scheme	5
4. Value of the Options	6
5. Principal terms of the New Share Option Scheme	6
6. Extraordinary General Meeting	7
7. Document available for inspection	7
8. Recommendation	8
9. Responsibility Statement	8
Appendix – Summary of the principal terms of the New Share Option Scheme	9
Notice of Extraordinary General Meeting	25

DEFINITIONS

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

“2008 Share Option Scheme”	the share option scheme adopted by the Company on 14 May 2008
“Adoption Date”	19 April 2018, being the date of adoption of the New Share Option Scheme by resolution of the Shareholders at the Extraordinary General Meeting
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Auditors”	the auditors for the time being of the Company
“Board”	the board of Directors, and in the Appendix to this circular, references to the “Board” shall mean the board of directors of the Company or a duly authorised committee thereof for the time being
“Business Day”	a day (other than a Saturday or a Sunday) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities
“Commencement Date”	in respect of any particular Option, the date upon which an Option is deemed to be granted and accepted in accordance with the terms of the New Share Option Scheme
“Company”	Central China Real Estate Limited (建業地產股份有限公司*), an exempted company incorporated on 15 November 2007 under the laws of the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“core connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be convened and held for Shareholders to consider and, if thought fit, approve the adoption of the New Share Option Scheme, the notice of which is set out on pages 25 to 26 of this circular
“Grantee”	any Participant who accepts an Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the original Grantee
“Group”	the Company and its Subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	23 March 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the Extraordinary General Meeting a summary of the principal terms of which is set out in the Appendix to this circular
“Offer”	the offer of the grant of an Option made by the Board in accordance with the terms of the New Share Option Scheme
“Offer Date”	the date on which an Offer is made to a Participant, which must be a Business Day
“Option”	a right granted to the Participant to subscribe for Shares pursuant to the terms of the New Share Option Scheme

DEFINITIONS

“Option Period”	in respect of an Option, a period to be determined by the Board at its absolute discretion and notified by the Board to the Grantee as being the period during which an Option may be exercised and in any event such period of time shall not exceed a period of ten (10) years commencing on the Commencement Date
“Participants”	any director (including executive directors, non-executive directors and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the terms of the New Share Option Scheme
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning ascribed to it under the Listing Rules), of the Company, whether incorporated in Hong Kong, the Cayman Islands or elsewhere and “Subsidiaries” shall be construed accordingly
“substantial shareholder”	shall have the meaning ascribed to it under the Listing Rules
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Wu Po Sum (*Chairman*)

Mr. Liu Weixing

Ms. Yan Yingchun

Non-Executive Director:

Mr. Lucas Ignatius Loh Jen Yuh (*Vice-Chairman*)

Mr. Puah Tze Shyang

Ms. Wu Wallis (alias Li Hua)

Independent Non-Executive Directors:

Mr. Cheung Shek Lun

Mr. Xin Luo Lin

Dr. Sun Yuyang

Registered Office:

Cricket Square Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Place of business in Hong Kong:

Room 7701B-7702A, 77th Floor

International Commerce Centre

1 Austin Road West

Kowloon

Hong Kong

29 March 2018

To the Shareholders

Dear Sir or Madam,

**PROPOSAL FOR ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information on the resolution regarding the proposed adoption of the New Share Option Scheme to be proposed at the Extraordinary General Meeting and to set out the notice of Extraordinary General Meeting.

* For identification purpose only

LETTER FROM THE BOARD

2. ADOPTION OF THE NEW SHARE OPTION SCHEME

The 2008 Share Option Scheme has a term of 10 years and will expire on 13 May 2018. In view of the imminent expiry of the 2008 Share Option Scheme, the Board proposes to recommend to the Shareholders to approve the adoption of the New Share Option Scheme. The New Share Option Scheme will become effective after all the conditions precedent as referred to under the paragraph headed “Conditions precedent of the New Share Option Scheme” below have been fulfilled.

As at the Latest Practicable Date, the Company has granted 152,004,000 options to subscribe for the Shares under the 2008 Share Option Scheme, 16,463,400 of which have lapsed. There are 116,225,920 outstanding options under the 2008 Share Option Scheme.

As at the Latest Practicable Date, there were a total of 2,449,262,560 Shares in issue. Assuming that there is no change in the total number of Shares in issue between the period from the Latest Practicable Date up to the Adoption Date, the maximum number of Shares which may be issued pursuant to the New Share Option Scheme and any other schemes (if any) will be 244,926,256 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date. The Company may seek approval by its Shareholders to renew the 10% limit on the basis that the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.

3. CONDITIONS PRECEDENT OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall take effect subject to the following conditions:

- (a) the passing of an ordinary resolution to approve the adoption of the New Share Option Scheme by the Shareholders in general meeting and authorising the Directors to grant Options to subscribe for Shares hereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of Options granted under the New Share Option Scheme.

LETTER FROM THE BOARD

An application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

Once the New Share Option Scheme is adopted, any alterations to the terms and conditions thereof, which are of material nature, must be approved by the Shareholders, except where the alterations take effect automatically pursuant to the terms originally provided in the New Share Option Scheme.

4. VALUE OF THE OPTIONS

The Directors consider that it is not appropriate to state the value of all Options that can be granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the value the Options have not been determined. Such variables include but are not limited to the exercise price, exercise period, any lock up period, any performance targets set and other variables. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

5. PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

A summary of the principal terms of the New Share Option Scheme is set out in the Appendix to this circular. The terms of the New Share Option Scheme are in line with the provisions of Chapter 17 of the Listing Rules, which governs the terms of the share option schemes of listed companies.

Under the New Share Option Scheme, the Board has the authority to set the terms and conditions in the grant of the Options (e.g. in relation to the minimum period of the Options to be held, the performance targets to be achieved before such Options can be exercised and to determine the Subscription Price). The Board believes that this will provide the Board with more flexibility in imposing appropriate conditions in light of the circumstances of each grant and help facilitate the achievement of the purpose of the New Share Option Scheme, which is to provide incentives and rewards to the Participants for their contribution to the Group.

None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee of the New Share Option Scheme, if any.

LETTER FROM THE BOARD

6. EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting is to be held for the purposes of seeking the approval of the Shareholders of the adoption of the New Share Option Scheme. The notice of the Extraordinary General Meeting is set out on pages 25 to 26 of this circular.

A form of proxy for use at the Extraordinary General Meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Branch Share Registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Extraordinary General Meeting or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the Extraordinary General Meeting will demand a poll on the resolution proposed at the Extraordinary General Meeting.

The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

7. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the rules of the New Share Option Scheme is available for inspection at the Company's head office and principal place of business in Hong Kong, Room 7701B-7702A, 77th Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong at normal business hours from the date of this circular up to and including the date of the Extraordinary General Meeting, which is a period of not less than 14 days before the date of the Extraordinary General Meeting.

LETTER FROM THE BOARD

8. RECOMMENDATION

The Directors consider that the adoption of the New Share Option Scheme is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the ordinary resolution to be proposed at the Extraordinary General Meeting approving the adoption of the New Share Option Scheme.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the ordinary resolution to be proposed at the Extraordinary General Meeting approving the adoption of the New Share Option Scheme.

9. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company and its Subsidiaries. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
By order of the Board
Central China Real Estate Limited
Wu Po Sum
Chairman

The following is a summary of the principal terms of the New Share Option Scheme to be approved at the Extraordinary General Meeting. It does not form part of, nor is it intended to be part of the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme. The Directors reserve the right at any time prior to the Extraordinary General Meeting to make such amendments to the New Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary of this Appendix.

1. PURPOSE

- 1.1 The purpose of the New Share Option Scheme is to reward Participants who have contributed to the Group and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.
- 1.2 In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.

2. CONDITIONS PRECEDENT

The New Share Option Scheme shall take effect subject to the following conditions:

- 2.1 the passing of an ordinary resolution to approve the adoption of the New Share Option Scheme by the Shareholders in general meeting and authorising the Directors to grant Options to subscribe for Shares hereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme; and
- 2.2 the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of Options granted under the New Share Option Scheme.

3. DURATION AND ADMINISTRATION

- 3.1 Subject to the fulfilment of the conditions in paragraphs 2 and the termination provisions in paragraph 15, the New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options will be granted but in all other respects, subject to the compliance with the provisions under the Listing Rules, the provisions of the New Share Option Scheme shall remain in full force and effect and Options which are granted during the life of the New Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

- 3.2 The New Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the New Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.
- 3.3 Subject to compliance with the requirements of the Listing Rules and the provisions of the New Share Option Scheme, the Board shall have the right (i) to interpret and construe the provisions of the New Share Option Scheme; (ii) to determine the persons who will be awarded Options under the New Share Option Scheme, the number of Shares to be issued under the Option; (iii) to determine the Subscription Price; (iv) to make such appropriate and equitable adjustments to the terms of Options granted under the New Share Option Scheme as it deems necessary; and (v) to make such other decisions, determinations or regulations as it shall deem appropriate in the administration of the New Share Option Scheme. The Board may also provide restrictions on the exercise of an Option during the period an Option may be exercised.

4. GRANT OF OPTIONS

- 4.1 On and subject to the requirements of the Listing Rules and the terms of the New Share Option Scheme, the Board shall be entitled at any time, within 10 years after the Adoption Date to make an Offer to any Participant as the Board may in its absolute discretion select, and subject to any conditions as the Board may at its absolute discretion think fit, to subscribe for such number of Shares as the Board may (subject to paragraphs 8 and 9) determine at the Subscription Price.
- 4.2 No Offer shall be made after inside information has come to the knowledge of the Company until it has announced the information. In particular, during the period commencing one month immediately before the earlier of:
- (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

- (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, no Option may be granted. In the event of any delay in publishing an announcement mentioned in paragraph 4.2(ii) above, no Option may be granted during such period of delay.

- 4.3 An Offer shall be made to a Participant by letter in such form as the Board may from time to time determine (the “Offer Letter”) specifying the number of Shares under the Option and the Option Period and requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme, and shall remain open for acceptance by the Participant to whom an Offer is made for a period of 28 days from the Date of Grant (the “Acceptance Period”) provided that no such Offer shall be open for acceptance after the expiry of the Option Period or after the New Share Option Scheme has been terminated in accordance with the provisions hereof or after the Participant for whom the Offer is made has ceased to be a Participant, whichever is earlier.
- 4.4 No Offer shall be made to, nor shall any Offer be capable of acceptance by, any Participant at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any other applicable rules, regulations or law.
- 4.5 An Offer shall be deemed to have been accepted by the Grantee and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the Offer Letter comprising acceptance of the Offer duly signed by the Grantee specifying the number of Shares in respect of which the Offer is accepted and a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within the Acceptance Period. Such remittance shall in no circumstances be refundable or considered as part of the Subscription Price.

- 4.6 Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted as representing board lot(s) for dealing in Shares on the Stock Exchange or an integral multiple thereof, and the number of Shares in respect of which the Offer is accepted is clearly stated in the duplicate of the Offer Letter as mentioned in paragraph 4.5. To the extent that the Offer is not accepted within the Acceptance Period in the manner indicated in paragraph 4.5, it shall be deemed to have been irrevocably declined by the Participant and the Offer shall automatically lapse and become null and void.
- 4.7 Subject to the provisions of the New Share Option Scheme and the Listing Rules, the Board may at its discretion when making the Offer impose any conditions, restrictions or limitations in relation thereto as it may think fit.
- 4.8 The Company shall as soon as practicable after the Commencement Date issue to the Grantee Option certificate(s) in such form as the Board may from time to time determine.
- 4.9 As soon as possible upon an Offer of the grant of an Option, the Company must publish an announcement relating to the terms of the Offer in accordance with the Listing Rules setting out the following details:
- (i) the date of the Offer;
 - (ii) the Subscription Price of the Options granted;
 - (iii) the number of Options granted;
 - (iv) the market price of the Shares on the Offer Date;
 - (v) where any of the Grantee is a Director, chief executive or substantial shareholder of the Company, or an associate of any of them, the names of such Grantees and the number of Options granted to each of them; and
 - (vi) the Option Period.

5. SUBSCRIPTION PRICE

The Subscription Price in relation to each Option shall, subject to the adjustments referred to in paragraph 11, be determined by the Board in its absolute discretion and must be at least the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date, which must be a Business Day; and
- (iii) the nominal value of a Share.

6. EXERCISE OF OPTIONS

- 6.1 An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests (legal or beneficial) in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee (to the extent not already exercised) without incurring any liability on the part of the Company.
- 6.2 Unless otherwise determined by the Board and specified in the Offer Letter at the time of the Offer, there is neither any minimum period for which an Option must be held before the Option can be exercised, nor any performance target which needs to be achieved by the Grantee before an Option can be exercised. An Option may be exercised in whole or in part in the manner as set out in the Offer Letter and paragraph 6.3 by the Grantee (or the Grantee's legal personal representative(s), as the case may be) by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and the remittance and, where appropriate, receipt of the written confirmation of the independent financial adviser or the Auditors (as the case may be) pursuant to paragraph 11, the Company shall allot and issue the relevant Shares to the Grantee (or the Grantee's legal personal representative(s), as the case may be) credited as fully paid and issue to the Grantee (or the Grantee's legal personal representative(s), as the case may be) a share certificate in respect of the Shares so allotted.

- 6.3 Subject to as hereinafter provided and subject to the terms and conditions upon which the Option was granted, the Option may be exercised by the Grantee at any time during the Option Period provided that:
- (a) in the event of the Grantee ceasing to be a Participant by reason of his death before exercising his Option in full and none of the events which would be a ground for termination of his employment as specified in paragraph 7(f) having arisen, his legal personal representative(s) may exercise the Option up to the Grantee's entitlement as at the date of death (to the extent not already exercised) within the period of 12 months following his death provided that where any of the events set out in paragraphs 6.3(e), (f), (g) and (h) occurs prior to his death or within such period of 12 months following his death, then his personal representative(s) may so exercise the Option only within such of the various periods respectively set out in such paragraphs provided further that if within a period of 3 years prior to the Grantee's death, the Grantee had committed any of the acts specified in paragraph 7(f) which would have entitled the Company to terminate his employment prior to his death, the Board may at any time forthwith terminate the Option (to the extent not already exercised) by written notice to the Grantee's legal personal representative(s) and/or to the extent the Option has been exercised in whole or in part by his legal personal representative(s), but Shares have not been allotted, he shall be deemed not to be so exercised such Option and the Company shall return him the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;
 - (b) in the event the Grantee who is an employee or a director of the Company or another member of the Group ceasing to be a Participant for any reason other than his death or the termination of his employment or directorship in one or more of the grounds specified in paragraph 7(f), the Option (to the extent not already exercised) shall lapse on the date of cessation or termination of such employment (which date shall be the Grantee's last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable;

- (c) in the event of a Grantee who is not an employee or a director of the Company or another member of the Group ceasing to be a Participant as and when determined by the Board by resolution for any reason other than his death, the Board may by written notice to such Grantee within one month from the date of such cessation determine the period within which the Option (or such remaining part thereof) shall be exercisable following the date of such;
- (d) in the event of the Grantee ceasing to be a Participant by reason of the termination of his employment or directorship on one or more of the grounds specified in paragraph 7(f), his Option shall lapse automatically (to the extent not already exercised) and shall not be exercisable on or after the date of termination of his employment and to the extent the Grantee has exercised the Option in whole or in part pursuant to paragraph 6.2, but Shares have not been allotted to him, the Grantee shall be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;
- (e) if a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph 6.3(f) below) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulatory requirements (if required), becomes or is declared unconditional, the Grantee (or his legal personal representative(s)) may by notice in writing within 14 days after the date on which such offer becomes or is declared unconditional, exercise the Options (to the extent not already exercised) to its full extent or to the extent specified in such notice, and any Options not so exercised shall lapse and determine after the aforesaid 14-day period;
- (f) if a general offer for Shares by way of scheme of arrangement is made to all the holders of Shares and has been approved by the necessary number of holders of Shares at the requisite meetings, the Company shall forthwith give notice thereof to the Grantee and the Grantee (or his legal personal representative(s)) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in such notice;

- (g) in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company (other than for the purposes of a reconstruction, amalgamation or scheme of arrangement) the Company shall forthwith give notice thereof to the Grantee and the Grantee (or his legal personal representative(s)) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice, and the Company shall as soon as possible and in any event no later than 3 days prior to the date of the proposed general meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option;
- (h) in the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 6.3(f) above, between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such compromise or arrangement and the Grantee (or his legal personal representative(s)) may at any time thereafter but before such time as shall be notified by the Company exercise the Option (to the extent not already exercised) either to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than 3 days prior to the date of the proposed meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option.
- 6.4 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the memorandum of association and articles of the Company for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which those Shares are allotted on exercise of the Option and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which Shares are allotted other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date on which the Shares are allotted, provided always that when the date of exercise of the Option falls on a date upon which the register of shareholders of the Company is closed, then the exercise of the Option shall become effective on the first day on which the register of shareholders of the Company is re-opened.

- 6.5 Any Options granted but not exercised may be cancelled if the Grantee so agrees and new Options may be granted to the Grantee provided that such new Options fall within the limits prescribed by paragraph 8, excluding the cancelled Options, and are otherwise granted in accordance with the terms of the New Share Option Scheme.

7. LAPSE OF OPTION

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period (subject to the provisions of the New Share Option Scheme);
- (b) the expiry of any of the periods referred to in paragraph 6.3;
- (c) the expiry of the period referred to in paragraph 6.3(e) provided that if any court of competent jurisdiction makes an order the effect of which is to prohibit the offeror from acquiring the remaining Shares in the Offer, the relevant period within which Options may be exercised shall not begin to run until the discharge of the order in question or unless the Offer lapses or is withdrawn before that date;
- (d) subject to the scheme of arrangement (referred to in paragraph 6.3(f)) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph 6.3(f);
- (e) the date of commencement of the winding-up of the Company;
- (f) the date on which the Grantee (if an employee or director of the Company or another member of the Group) ceases to be a Participant by reason of the termination of his employment or directorship on the grounds that the Grantee has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 7(f) shall be conclusive and binding on the Grantee, and where appropriate, his legal representative(s);

- (g) the date on which the Grantee commits a breach of paragraph 6.1;
- (h) subject to paragraph 6.3(b), the date the Grantee ceases to be a Participant for any other reason.

8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

8.1 Subject to paragraphs 8.2 and 8.3:

- (a) The total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10 per cent. of the total number of Shares in issue as at the Adoption Date, unless the Company obtains a fresh approval from the Shareholders pursuant to paragraphs 8.1(b) or 8.1(c). Options lapsed in accordance with the terms of the New Share Option Scheme shall not be counted for the purpose of calculating such 10 per cent. limit.
- (b) The Company may seek approval by the Shareholders in general meeting for “refreshing” the 10 per cent. limit set out in paragraph 8.1(a). However, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company under the limit as “refreshed” shall not exceed 10 per cent. of the total number of Shares in issue as at the date of approval to refresh such limit. Options previously granted under any share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme or exercised Options) shall not be counted for the purpose of calculating the limit as “refreshed”. The Company shall send a circular to the Shareholders containing the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

- (c) The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the 10 per cent. limit set out in paragraphs 8.1(a) or 8.1(b) (as the case may be) provided the Options in excess of such limit are granted only to Participants specifically identified by the Company before such approval is sought. In such case, the Company shall send a circular to the Shareholders containing a generic description of the specified Participant(s) who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Participant(s) with an explanation as to how the terms of the Options serve such purpose, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- 8.2 Notwithstanding anything in paragraph 8.1 and subject to paragraph 9, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30 per cent. (or such higher percentage as may be allowed under the Listing Rules) of the total number of Shares in issue from time to time. No Options may be granted under the New Share Option Scheme and any other share option schemes of the Company if this will result in such limit being exceeded.
- 8.3 If the Company conducts a share consolidation or subdivision after the 10 per cent. limit set out in paragraphs 8.1(a) or 8.1(b) (as the case may be) has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all options to be granted under all of the share option schemes of the Company under the 10 per cent. limit set out in paragraphs 8.1(a) or 8.1(b) (as the case may be) as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same.

9. MAXIMUM ENTITLEMENT OF SHARES OF EACH PARTICIPANT

- 9.1 Subject to paragraph 9.2, unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of the Options granted to each Participant under the New Share Option Scheme and any other share option schemes (including both exercised, cancelled and outstanding Options) in any 12-month period shall not exceed 1 per cent. of the total number of Shares in issue.

9.2 Where any further grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent. of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Participant and his close associates (within the meaning as ascribed under the Listing Rules) (or his associates if the Participant is a connected person) abstaining from voting. In such case, the Company must send a circular to the Shareholders and the circular must disclose the identity of the Participant, the number and terms of the Options to be granted (and Options previously granted to such Participant), the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules. The number and terms (including the exercise price) of the Options to be granted to such Participant shall be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

10. GRANTING OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OR ANY OF THEIR RESPECTIVE ASSOCIATES

10.1 In addition to the Shareholders' approval set out in paragraphs 8 and 9, each grant of Options to a Participant who is a director, chief executive or substantial shareholder (all within the meaning as ascribed under the Listing Rules) of the Company or any their respective associates must be approved by the independent non-executive Directors of the Company (excluding independent non-executive Director who is the Grantee).

10.2 Where the Board proposes to grant Options to a Participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to the Participant under the New Share Option Scheme and any other share option schemes of the Company in the 12-month period up to and including the Offer Date:

- (i) representing in aggregate more than 0.1% of the total number of Shares in issue; and

- (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by the Shareholders. In such case, the Company must send a circular to the Shareholders containing all the information as required under the Listing Rules. The Grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. Pursuant to Rule 13.39(4) of the Listing Rules, any vote taken at the general meeting to approve the grant of such Options must be taken on a poll.

10.3 The circular to be issued by the Company to the Shareholders pursuant to paragraph 10.2 shall contain the following information:

- (a) details of the number and terms (including the Subscription Price) of the Options to be granted to each Participant, which must be fixed before the Shareholders' meeting, and the date of the Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the Subscription Price;
- (b) a recommendation from the independent non-executive directors of the Company (excluding the independent non-executive director who is the Grantee) to the independent shareholders as to voting;
- (c) the information required under Rules 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (d) the information required under Rule 2.17 of the Listing Rules.

10.4 Any change in the terms of Options granted to a Participant who is a substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates, must be approved by the Shareholders at general meeting. The requirements for the granting of Options to a director or chief executive of the Company set out in this paragraph 10 do not apply where the Participant is only a proposed director or chief executive of the Company.

11. REORGANISATION OF CAPITAL STRUCTURE

11.1 In the event of any capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital of the Company, such corresponding alterations (if any) shall be made (except on an issue of securities of the Company as consideration in a transaction which shall not be regarded as a circumstance requiring alteration or adjustment) in:

- (a) the number of Shares subject to any outstanding Options;
- (b) the Subscription Price; and/or
- (c) the number of Shares in respect of which any further Options may be granted within the limits set out in the New Share Option Scheme,

as the independent financial adviser to the Company or the Auditors shall confirm in writing to the Directors, either generally or as regards any particular Grantee that any such alterations shall satisfy the requirements set out in the note to Rule 17.03(13) of the Listing Rules and shall give the Grantee the same proportion of the issued share capital of the Company as that to which the Grantee was previously entitled, provided that no such alterations shall be made if the effect of such alterations would be to enable a Share to be issued at less than its nominal value (if any). The capacity of the Auditors or the independent financial adviser, as the case may be, in this paragraph 11.1 is that of experts and not arbitrators and their confirmation shall, in the absence of manifest error, be final and conclusive and binding on the Company and the Grantees.

11.2 In respect of any adjustments required by paragraph 11.1, other than any made on a capitalisation issue, an independent financial adviser to the Company or the Auditors must confirm to the Directors in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and/or such other requirement prescribed under the Listing Rules from time to time.

12. SHARE CAPITAL

- 12.1 The exercise of any Option shall be subject to the Shareholders in a general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.
- 12.2 The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company.

13. ALTERATION OF THE NEW SHARE OPTION SCHEME

- 13.1 Subject to paragraph 13.2 below, the New Share Option Scheme may be altered in any respect by resolution of the Board (including amendments in order to comply with changes in legal or regulatory requirements and amendments to waive any restrictions, imposed by the provision of the New Share Option Scheme, which are not found under Chapter 17 of the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any Grantee at that date). Other than that, there are no specific provisions of the New Share Option Scheme which may be changed or altered by the Board without the approval of the Shareholders.
- 13.2 Those specific provisions of the New Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants without the prior approval of the Shareholders in general meeting. Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of the Options granted, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme. The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules. Any change to the authority of the Directors or scheme administrators of the New Share Option Scheme in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

14. CANCELLATION OF OPTIONS

The Board may, with the consent of the relevant Grantee, at any time at its absolute discretion cancel any Option granted but not exercised. Where the Company cancels Options and makes an Offer to the same Option holder, the Offer may only be made, under the New Share Option Scheme with available Options (to the extent not yet granted and excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in paragraph 8.

15. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered or granted but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme, and Options which are granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the New Share Option Scheme and their terms of issue. Details of the Options granted, including Options exercised or outstanding, under the New Share Option Scheme and (if applicable) Options that become void or non-exercisable as a result of the termination are required under the Listing Rules to be disclosed in the circular to the Shareholders seeking approval of the first new scheme established after such termination.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “Meeting”) of the shareholders of Central China Real Estate Limited (the “Company”) will be held at Emerald Room, Level 8, The Ritz-Carlton, Hong Kong, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong on Thursday, 19 April 2018 at 4:00 p.m. (or immediately after the conclusion or adjournment of the annual general meeting of the holders of shares of the Company to be held on the same date) for the following ordinary resolution of the Company:

To consider and approve that subject to and conditional upon the Listing Committee of the Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the ordinary share(s) of HK\$0.10 each in the capital of the Company (the “Shares”) to be issued and allotted pursuant to the exercise of any options granted under the new share option scheme of the Company (the “New Share Option Scheme”), the rules of which are contained in the document marked “A” produced to the meeting and signed by the chairman of the meeting for the purpose of identification, the New Share Option Scheme be and is hereby approved and adopted and the board of directors of the Company be and are hereby authorised to grant options thereunder and to issue and allot from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme.

By Order of the Board

CENTRAL CHINA REAL ESTATE LIMITED

WU PO SUM

Chairman

Hong Kong, 29 March 2018

* *For identification purposes only*

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (a) The register of members of the Company will be closed from Monday, 16 April 2018 to Thursday, 19 April 2018 (both days inclusive), during which period no transfer of shares in the Company can be registered. In order to qualify for attending the Meeting, all properly completed share transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 13 April 2018.
- (b) Any shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a shareholder of the Company. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or any adjourned meeting.
- (c) Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the Meeting or any adjournment thereof if he/she so desires and, in such event, the instrument appointing a proxy shall be deemed to have been revoked.
- (d) In the case of joint registered holders of any Shares, any one of such persons may vote at the Meeting (or at any adjournment thereof), either personally or by proxy, in respect of such Share(s) as if he or she were solely entitled thereto; but if more than one joint registered holder is present at the Meeting, whether in person or by proxy, that one of the joint registered holders whose name stands first on the register of members in respect of the relevant joint holding shall, to the exclusion of other joint holders, be entitled to vote in respect thereof.
- (e) If Typhoon Signal No. 8 or above is expected to be hoisted or a Black Rainstorm Warning Signal is expected to be in force any time after 6:00 a.m. on the date of the Meeting, then the Meeting will be postponed and the shareholders will be informed of the date, time and venue of the rescheduled Meeting by a supplementary notice posted on the websites of the Company and the Stock Exchange.

The Meeting will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the Meeting under bad weather condition bearing in mind their own situations and if they do so, they are advised to exercise care and caution.