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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) ADOPTION OF SHARE AWARD SCHEME  
(2) GRANT OF AWARD SHARES  
AND  
(3) ISSUE OF NEW SHARES UNDER GENERAL MANDATE  
PURSUANT TO SHARE AWARD SCHEME**

**ADOPTION OF SHARE AWARD SCHEME**

On 21 December 2020 (after trading hours), the Board resolved to adopt the Share Award Scheme with immediate effect. In line with the principle of “a high degree of unity of corporate interests and employees’ interests”, Award Shares shall be issued and granted pursuant to the Share Award Scheme to senior management who have made outstanding contributions to the Group’s development and employees who have a long employment relationship with the Group, for the purposes of showing the Group’s appreciation and providing incentives for their dedication and contribution as well as cultivating a sense of partnership on the part of the employees such that they would work towards enhancing the value of the Group.

Accordingly, the Company will entrust the Trustee to hold the Award Shares on behalf of the relevant Selected Participants on trust, until such Award Shares are vested with the relevant Selected Participants in accordance with the Scheme Rules. The Board would determine the timing of awards, list of Selected Participants, the timing and condition of vesting and number of Award Shares based on the overall results and performance of the Group and contributions made by the Eligible Persons, as part of the overall remuneration system of the Group. The aggregated maximum number of Shares underlying all grants made pursuant to the Share Award Scheme (excluding Award Shares that have been forfeited in accordance with the Share Award Scheme) must not exceed 8% of the total issued share capital of the Company as at the Adoption Date.

## **GRANT OF AWARD SHARES**

On 21 December 2020 (after trading hours), the Board resolved to grant 108,000,000 Award Shares to 216 Selected Participants in accordance with the terms of the Share Award Scheme.

## **ISSUE OF NEW SHARES UNDER GENERAL MANDATE**

All Award Shares were granted to the Grantees who are not connected persons of the Company. New Shares shall be allotted and issued pursuant to the 2020 General Mandate to the Trustee pursuant to the terms of the Share Award Scheme in order to satisfy the Award Shares granted to the Grantees.

## **LISTING RULES IMPLICATIONS**

The Share Award Scheme does not constitute a share option scheme under Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No Shareholders' approval is required to adopt the Share Award Scheme.

None of the Grantees is a connected person of the Company and none of the Grantees is a Director, chief executive or substantial shareholder of the Company, or an associate (as defined in the Listing Rules) of any of them, and the Company has no intention to grant any Award Shares to any connected persons of the Company.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the 108,000,000 new Shares to be allotted and issued.

## **ADOPTION OF SHARE AWARD SCHEME**

On 21 December 2020 (after trading hours), the Board resolved to adopt the Share Award Scheme with immediate effect. In line with the principle of “a high degree of unity of corporate interests and employees’ interests”, Award Shares shall be issued and granted pursuant to the Share Award Scheme to senior management who have made outstanding contributions to the Group’s development and employees who have a long employment relationship with the Group, for the purposes of showing the Group’s appreciation and providing incentives for their dedication and contribution as well as cultivating a sense of partnership on the part of the employees such that they would work towards enhancing the value of the Group.

Accordingly, the Company will entrust the Trustee to hold the Award Shares on behalf of the relevant Selected Participants on trust, until such Award Shares are vested with the relevant Selected Participants in accordance with the Scheme Rules. The Board or its delegate(s) would determine the timing of awards, list of Selected Participants, the timing and condition of vesting and number of Award Shares based on the overall results and performance of the Group and contributions made by the Eligible Persons, as part of the overall remuneration system of the Group.

A summary of the Scheme Rules is set out below in this announcement:

### **1. Eligible Person to the Share Award Scheme**

Pursuant to the Scheme Rules, any individual, being an employee who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group provided that such individual is not a connected person of the Group, shall be an Eligible Person. However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Scheme.

### **2. Administration**

The Share Award Scheme is subject to the administration of the Board in accordance with the Scheme Rules and, where applicable, the Trust Deed. A decision of the Board or its delegate(s) shall be final and binding on all persons affected thereby.

### **3. Scheme Limit**

The aggregated maximum number of Shares underlying all grants made pursuant to the Share Award Scheme (excluding Award Shares that have been forfeited in accordance with the Share Award Scheme) must not exceed 8% of the total issued share capital of the Company as at the Adoption Date (i.e. 226,664,010 Shares).

### **4. Voting Rights**

For any Award Shares that have not yet been vested, neither the Selected Participant nor the Trustee may exercise any voting rights in respect of such Award Shares. For other Shares held by the Trustee which have not been granted to any Selected Participants, the Board or its delegate(s) will not give any instruction to the Trustee so that no votes will be cast for those ungranted Shares and the Trustee shall also abstain from voting with respect to such Shares.

### **5. Restrictions**

If any Director possesses unpublished inside information in relation to the Company, or where dealings by Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws from time to time, the Board or its delegate(s) shall not make any Award to the Selected Participants and give any directions or recommendations to the Trustee with respect to a grant of an Award under the Share Award Scheme.

### **6. Vesting and Lapse**

Pursuant to the Scheme Rules, the Board or its delegate(s), may from time to time while the Share Award Scheme is in force and subject to all applicable laws, select any Eligible Person to be a Selected Participant, and determine, among other things, the timing of awards, list of Selected Participants, number of Award Shares, Vesting Dates and conditions of vesting, and performance targets that must be achieved before any of the Award Shares may be vested in the Selected Participants under such Award.

When a Selected Participant has satisfied all vesting conditions specified (and as may be waived or amended from time to time) by the Board or its delegate(s) and becomes entitled to the Award, the Trustee shall transfer the relevant Award Shares to such Selected Participant on the relevant Vesting Date.

The Selected Participants shall have right to all economic interests in connection with or arising out of each Award Share, and save and except for the aforesaid, the Selected Participants shall have only a contingent interest in the Award subject to the vesting of such Award in accordance with the Share Award Scheme.

Unless otherwise determined by the Board or its delegate(s) at their absolute discretion, any outstanding Award Shares not yet vested shall be immediately forfeited when the Selected Participant ceases to be an Eligible Person for reasons including, among others, retirement, death, conviction of any criminal offence involving integrity or honesty, termination of employment or contractual engagement with the Group and bankruptcy. In such case, any Award Shares awarded but have not been vested in the Selected Participant will lapse and be returned to the Trust in accordance with the Scheme Rules.

## **7. Duration and Termination**

Unless early terminated by the Board, the Share Award Scheme shall be effective for ten years from the Adoption Date.

Subject to the Scheme Rules, the Share Award Scheme shall terminate on the earlier of (a) the end of the Award Period except in respect of any non-vested Award Shares granted prior to the expiration of the Share Award Scheme, for the purpose of giving effect to the vesting of such Award Shares or otherwise as may be required in accordance with the Share Award Scheme or (b) such date of early termination as determined by the Board or its delegate(s) provided that such termination shall not affect any subsisting rights of any Selected Participant.

## GRANT OF AWARD SHARES

On 21 December 2020 (after trading hours), the Board resolved to grant 108,000,000 Award Shares to the 216 Selected Participants (the “**Grantees**”) in accordance with the Share Award Scheme in the following manner:

- (a) 21,000,000 Award Shares to 117 Selected Participants at nil consideration, subject to the acceptance of such Selected Participants; and
- (b) 87,000,000 Award Shares to 118 Selected Participants at the Grant Price, being HK\$2.98 per Award Shares, which represents (i) a discount of approximately 18.1% to the closing price of HK\$3.64 per Share as quoted on the Stock Exchange on the date of this announcement; and (ii) a discount of 20% to the average closing price of approximately HK\$3.73 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of this announcement, subject to the acceptance of such Selected Participants.

Among the 216 Selected Participants, the Award Shares are granted to 19 of them partly at the Grant Price and partly at nil consideration. The number of Award Shares granted as well as whether the grant is fully or partially subject to any Grant Price are determined based on the Grantee’s position, experience, years of service, performance, contribution to the Group and the Grantee’s financial conditions.

The Award Shares shall be held on trust for the Grantees by the Trustee which shall transfer the Award Shares to the Grantees upon the vesting dates subject to payment of the Grant Price (if applicable) and satisfaction of vesting conditions specified by the Board in the award letters issued to each Grantee.

To accept the Award, the Grantees shall complete the steps set out in the award letters issued to them, which include, among other things, paying the consideration (calculated by multiplying the number of Award Shares and the Grant Price) to the Company (if applicable).

For the Grantees who are required to pay the consideration for the relevant Award Shares, the Grantees may apply for a loan from the Company, and the amount shall not exceed 70% of the consideration at a rate of 4% per annum. The loan must be repaid by the relevant Grantee in full on the earlier of the date falling on the fifth anniversary of the drawdown date or within 30 days after he/she ceases to be an Eligible Person. If a Grantee, who is required to pay the consideration for the relevant Award Shares, (i) holds any unvested Award Shares on the date on which such Grantee ceases to be an Eligible Person, or (ii) holds any unvested Award Shares after the last Vesting Date due to the Grantee as failure to meet any vesting conditions, the Company shall refund the relevant Grantee an amount calculated by multiplying the number of unvested Award Shares as at such date and the Grant Price.

None of the Grantees is a connected person of the Company and none of the Grantees is a Director, chief executive or substantial shareholder of the Company, or an associate (as defined in the Listing Rules) of any of them.

## **ISSUE OF NEW SHARES UNDER GENERAL MANDATE PURSUANT TO THE SHARE AWARD SCHEME**

In relation to the 108,000,000 Award Shares granted to the Grantees, new Shares shall be allotted and issued, pursuant to the 2020 General Mandate, to the Trustee, out of which 87,000,000 Award Shares were issued at the Issue Price, being HK\$2.98 per Award Share, and the remaining 21,000,000 Award Shares were issued at nominal value. The aggregate nominal value of the 108,000,000 new Shares is HK\$10,800,000. Pursuant to the 2020 General Mandate, the Company can issue and allot a maximum number of 548,122,224 Shares (being 20% of the total number of the issued shares of the Company as at 14 May 2020, being the date of the relevant annual general meeting of the Company). Therefore, the issue of the new Shares is not subject to approval by the Shareholders. Except for the aforesaid issue of 108,000,000 new Shares, no new Share has been issued or allotted under the 2020 General Mandate.

As at the date of this announcement, the Trustee is a third party independent of the Company and it is not a connected person of the Company. Upon the allotment of the 108,000,000 new Shares, the Trustee will hold such Shares on trust for the Grantees and will transfer the respective proportions to each of them upon vesting of their respective Award Shares. The new Shares to be issued and allotted by the Company to satisfy the 108,000,000 Award Shares represent (i) approximately 3.8% of the total issued Shares as at the date of this announcement; and (ii) approximately 3.7% of the total issued Shares as enlarged by such allotment and issue. The new Shares will rank *pari passu* among themselves and with the other Shares in issue. The issue of the new Shares is not subject to any conditions.

For the 21,000,000 Award Shares to be issued at nominal value, the issue of such Shares shall be funded by the Company's internal resources. Accordingly, no funds will be raised from the issue of such new Shares.

For the 87,000,000 Award Shares to be issued at the Issue Price, the gross and net proceeds from the issue and allotment of 87,000,000 new Shares are expected to be HK\$259,260,000 and HK\$259,260,000, respectively. It is intended that the net proceeds will be applied for working capital and general corporate purposes. The Issue Price is equivalent to the Grant Price. The market price of the Shares is HK\$3.64 per Share, being the closing price per Share as quoted on the Stock Exchange on the date of this announcement. The net price for each of the 87,000,000 Shares is estimated to be approximately HK\$2.98 per Share.

The Company has not engaged in any fund raising activities by any issue of Shares in the 12 months immediately preceding the date of this announcement.

## **LISTING RULES IMPLICATIONS**

The Share Award Scheme does not constitute a share option scheme under Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No Shareholders' approval is required to adopt the Share Award Scheme.

None of the Grantees is a connected person of the Company and none of the Grantees is a Director, chief executive or substantial shareholder of the Company, or an associate (as defined in the Listing Rules) of any of them, and the Company has no intention to grant any Award Shares to any connected persons of the Company.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the 108,000,000 new Shares to be allotted and issued.



## DEFINITIONS

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

“2020 General Mandate”	the general mandate granted by the Shareholders at the annual general meeting of the Company held on 14 May 2020;
“Adoption Date”	21 December 2020, being the date on which the Board adopted the Share Award Scheme;
“Award”	an award granted by the Board to a Selected Participant pursuant to the Scheme Rules;
“Award Period”	the period commencing on the Adoption Date, and ending on the Business Day immediately prior to the tenth anniversary of the Adoption Date;
“Award Shares”	in respect of a Selected Participant, such number of Shares awarded by the Board pursuant to the Scheme Rules;
“Board”	the board of Directors of the Company;
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities;
“Company”	Central China Real Estate Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Stock Exchange;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;

“Director(s)”	the directors of the Company;
“Eligible Person(s)”	any individual, being an employee who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group, subject to certain qualifications as set out in the Scheme Rules;
“Grant Price”	the consideration payable by the Selected Participants for each Award Share upon acceptance of an Award;
“Group”	the Company and its subsidiaries;
“HK\$”	the lawful currency for the time being of the Hong Kong Special Administrative Region;
“Issue Price”	HK\$2.98 per new Share;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Scheme Rules”	the rules of the Share Award Scheme, as amended from time to time;
“Selected Participant(s)”	any Eligible Person approved for participation in the Share Award Scheme and who has been granted any Award;
“Share Award Scheme”	the share award scheme adopted by the Company on the Adoption Date (in its present or any amended form);
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.10 each in the share capital of the Company;

“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Trust”	the trust to be constituted by the Trust Deed;
“Trust Deed”	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time);
“Trustee”	Computershare Hong Kong Trustees Limited, the trustee (who is an independent third party) to be appointed by the Board to hold the Shares and manage the Trust in accordance with the terms and conditions of the Trust Deed for the benefit of the Selected Participants;
“Vesting Date”	in respect of a Selected Participant, the vesting date on which the Trustee may vest the legal and beneficial ownership of the relevant Award Shares (or the relevant portions thereof) in such Selected Participant; and
“%”	per cent.

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

Hong Kong, 21 December 2020

*As at the date of this announcement, the Board comprises nine Directors, of which Mr. Wu Po Sum, Mr. Wang Jun and Mr. Yuan Xujun are executive Directors, Mr. Lim Ming Yan, Ms. Wu Wallis (alias Li Hua) and Ms. Chen Ying are non-executive Directors, Mr. Cheung Shek Lun, Mr. Xin Luo Lin and Dr. Sun Yuyang are independent non-executive Directors.*

\* *For identification purposes only*