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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 form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



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)

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE FINAL DIVIDEND
FOR THE YEAR ENDED 31 DECEMBER 2021**

20 June 2022

* For identification purpose only

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SUMMARY TIMETABLE

Ex-Final Dividend date Monday, 6 June 2022

Latest time to lodge the completed transfer forms accompanied by the relevant
share certificates with the Company's branch share registrar. 4:30 p.m., on
Tuesday, 7 June 2022

Closure of the Company's register of members
for the purpose of determining Shareholders'
respective entitlements to the Final Dividend Wednesday, 8 June 2022 -
Thursday, 9 June 2022

Record Date Thursday, 9 June 2022

Latest time for submission of Election Forms 4:30 p.m., on
Wednesday, 6 July 2022

Expected date for the dispatch of cheques for
cash dividend and share certificate for
the New Shares Friday, 15 July 2022

Expected commencement date of dealing of
the New Shares Monday, 18 July 2022

Notes:

1. All reference to times are Hong Kong time
2. If a tropical cyclone warning signal number 8 or above, or "extreme conditions" caused by a super typhoon, or a "black" rainstorm warning signal is/are in force in Hong Kong at any time prior to 4:30 p.m. on 6 July 2022, the latest time for submission of Election Forms will be extended. Further information is set out in the "Letter from the Board"

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on Tuesday, 31 May 2022 at 3:00 p.m.
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“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
“Director(s)”	the director(s) of the Company
“Election Form”	the form of election in relation to the Scrip Dividend Scheme
“Eligible Shareholders”	Shareholders whose names appeared on the register of members of the Company on the Record Date
“Final Dividend”	the final dividend of HK\$2.70 cents per Share for the year ended 31 December 2021 with a scrip alternative payable on Friday, 15 July 2022 to Eligible Shareholders
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	new Share(s) credited as fully paid to be issued under the Scrip Dividend Scheme
“Overseas Shareholders”	Eligible Shareholders whose addresses as shown on the register of members of the Company on the Record Date were in places outside of Hong Kong
“PRC”	the People’s Republic of China
“Record Date”	Thursday, 9 June 2022, being the date for determining the Shareholders who qualify for the Final Dividend
“Scrip Dividend Scheme”	the scrip dividend scheme proposed by the Board and announced in the results announcement of the Company on 28 March 2022 which will give an option to elect to receive the Final Dividend all in New Shares or partly in New Shares and partly in cash or all in cash
“Shares”	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
“%”	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. Wang Jun

Non-executive Directors:

Mr. Lim Ming Yan
Ms. Wu Wallis (alias Li Hua)
Ms. Chen Ying

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

20 June 2022

To the Shareholders

Dear Sir or Madam,

SCRIP DIVIDEND SCHEME IN RELATION TO THE FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2021

INTRODUCTION

On 28 March 2022, the Company announced that the Board had declared the payment of the Final Dividend to Shareholders whose names appear on the register of members of the Company on the Record Date. At the AGM, the Final Dividend was approved by the Shareholders. Eligible Shareholders may elect to receive the Final Dividend in cash, or in the form of fully paid New Shares in lieu of cash, or partly in cash and partly in the form of fully paid New Shares under the Scrip Dividend Scheme.

* For identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to provide you with the procedures which are applicable in relation to the Scrip Dividend Scheme and the action which should be taken by the Shareholders in relation thereto.

PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Eligible Shareholders may elect to receive the Final Dividend in one of the following ways:

- a) cash of HK\$2.70 cents per Share; or
- b) an allotment of such number of New Shares having a market value (as calculated below) equal to, save for adjustment for fractions, the amount of Final Dividend which Shareholders would otherwise be entitled to receive in cash; or
- c) partly cash and partly New Shares.

BASIS OF ALLOTMENT OF NEW SHARES

For the purpose of calculating the number of New Shares to be allotted pursuant to the Scrip Dividend Scheme, the market value of a New Share, which is calculated as equivalent to the average closing price of one Share as quoted on the Stock Exchange for the five consecutive trading days commencing from Thursday, 2 June 2022 to Thursday, 9 June 2022 (both days inclusive), is HK\$0.704 per Share (the “**Average Closing Price**”). Accordingly, the number of New Shares which the Eligible Shareholders are entitled to receive in respect of the pro-rata entitlement of the Shares registered in their names as at the Record Date is calculated as follows:

$$\begin{array}{l} \text{Number of} \\ \text{New Share to} \\ \text{be received} \end{array} = \begin{array}{l} \text{Number of Shares held on} \\ \text{the Record Date and elected for} \\ \text{the New Shares} \end{array} \times \frac{(\text{HK\$}0.027 \text{ (Final Dividend per Shares)})}{(\text{HK\$}0.704 \text{ (Average Closing Price)})}$$

The number of New Shares to be issued to the Eligible Shareholders will be rounded down to the nearest whole number. Fractional entitlements to the New Shares in respect of choices (b) and (c) above will be disregarded and the benefit thereof will accrue to the Company. The New Shares will, on issue, rank *pari passu* in all respects with the Shares in issue on the date of the allotment and issue of the New Shares except that they shall not be entitled to the Final Dividend. The New Shares will be allotted by way of capitalisation of the Company’s reserves or profits and are not renounceable.

The last day on which Eligible Shareholders will be entitled to elect their form of dividend is Wednesday, 6 July 2022. Elections to receive the New Shares must be submitted to the Company’s branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 6 July 2022.

LETTER FROM THE BOARD

The latest time for submission of Election Forms will not be valid if a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by a super typhoon, or a “black” rainstorm warning is/are:

- a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 6 July 2022. Instead the deadline for the submission of Election Forms will be 5:00 p.m. on the same business day;
- b) in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m. on Wednesday, 6 July 2022. Instead the deadline for the submission of Election Forms will be rescheduled to 4:30 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m..

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Shareholders an opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. It will also benefit the Company to the extent that cash which would otherwise have been paid to the Shareholders who elect to receive the New Shares, in whole or in part in lieu of cash dividend, will be retained for use as working capital of the Company.

EFFECT OF THE SCRIP DIVIDEND SCHEME

As of the Record Date, the Company has 2,964,116,120 Shares in issue, and 77,884,000 share options outstanding under the share option scheme of the Company. Save for such outstanding share options, the Company has no other warrants, options or other securities convertible into Shares of the Company. As the outstanding share options have not been converted into Shares as at the Record Date, only the 2,964,116,120 Shares in issue as at the Record Date are entitled to participate in the Scrip Dividend Scheme. If all Eligible Shareholders elect to receive the Final Dividend in cash, the total cash dividend payable by the Company would be HK\$80,031,135.24. If all Eligible Shareholders elect to receive all of their entitlements to the Final Dividend in the form of New Shares in lieu of cash, based on the Average Closing Price, the maximum number of New Shares to be issued under the Scrip Dividend Scheme will be 113,680,590 Shares, representing approximately 3.84% of the issued share capital of the Company as at the Record Date and approximately 3.69% of the issued share capital of the Company as enlarged by the issue of such New Shares.

LETTER FROM THE BOARD

Mr. Wu Po Sum, the controlling shareholder of the Company holding his interest in the Company through Joy Bright Investments Limited holds in aggregate 2,078,036,867 Shares, representing approximately 70.11% of the issued share capital of the Company as at the Record Date, has indicated to the Company that he will elect to receive the Final Dividend in New Shares. Assuming that no other Shareholder would elect to receive the Final Dividend in New Shares, the shareholding of Joy Bright Investments Limited and its associates in the Company would increase to approximately 70.89%. The Company would still be able to meet the public float requirement under Rule 8.08 of the Listing Rules in such a case.

Shareholders should note that the New Shares to be issued under the Scrip Dividend Scheme may give rise to disclosure requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). **Shareholders who are in any doubt as to how these provisions may affect them as a result of the issue of the New Shares are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

ELECTION FORM

An Election Form is enclosed with this circular for use by the Eligible Shareholders who wish to receive the Final Dividend wholly in New Shares or partly in cash and partly in New Shares. Please read carefully the instructions below and the instructions printed on the Election Form.

If you wish to receive your Final Dividend wholly in cash, you DO NOT need to take any action and DO NOT need to return the Election Form. Shareholders who do not make an election to receive their Final Dividend in New Shares will receive their Final Dividend in cash.

If you wish to receive your Final Dividend wholly in New Shares, please just SIGN, DATE and RETURN the Election Form.

If you elect to receive New Shares, or partly in cash and partly in the form of New Shares, you should use the enclosed form of election. If you complete the form of election but do not specify the number of Shares in respect of which you wish to receive New Shares, or if you elect to receive New Shares in respect of a greater number of Shares than your registered holding on Thursday, 9 June 2022, you will be deemed to have exercised your election to receive New Shares in respect of all the Shares of which you were then registered as holder.

LETTER FROM THE BOARD

Any Shareholder who wishes to elect to receive New Shares in lieu of cash in respect of the Final Dividend entitlement, either in whole or in part, must complete the enclosed form of election in accordance with the instructions printed thereon and return it to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 6 July 2022. No acknowledgement of receipt of the form of election will be issued.

Failure to complete and return the Election Form in accordance with the instructions printed thereon will result in the relevant Eligible Shareholder's Final Dividend being paid wholly in the form of cash. Election in respect of the Final Dividend cannot be in any way withdrawn, revoked, superseded, or altered after the relevant Election Form is signed and lodged with Computershare Hong Kong Investor Services Limited.

OVERSEAS SHAREHOLDERS AND PRC SOUTHBOUND TRADING INVESTORS

This circular will not be registered or filed under the securities laws or equivalent legislation of any foreign jurisdictions outside of Hong Kong. The participation in the Scrip Dividend Scheme by Overseas Shareholders (if any) may be affected by the laws of their relevant jurisdictions. Receipt of this circular and/or a form of election will not constitute an offer in jurisdictions outside of Hong Kong where it would be illegal to make such an offer and, in those circumstances, this circular and/or the form of election will be deemed to have been sent for information only. This circular and the form of election do not constitute or form part of an offer or solicitation of any offer to buy securities of the Company, and the form of election is non-transferable. Accordingly, the Scrip Dividend Scheme will not be made available directly or indirectly, and neither this circular nor any other material or advertisement in connection with the Scrip Dividend Scheme may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Based on the information made available to the Directors, there were no Overseas Shareholders whose names appeared on the register of members of the Company on the Record Date and whose addresses as shown on such register were outside of Hong Kong.

LETTER FROM THE BOARD

As of the Record Date, 174,996,000 Shares, representing approximately 5.90% of the total issued Shares of the Company, were held by China Securities Depository and Clearing Corporation Limited (“ChinaClear”). Pursuant to the Frequently Asked Questions Series 29 issued by the Stock Exchange on 14 November 2014 and updated on 4 November 2016 and 13 July 2018 on the interpretation of the Listing Rules, investors from the PRC who hold Shares of the Company through ChinaClear as nominee under Shanghai Connect and Shenzhen Connect (the “**PRC Southbound Trading Investors**”) can participate in the Scrip Dividend Scheme through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to elect to receive the New Shares in respect of all or part of his/her holding of Shares of the Company in accordance with the relevant laws and regulations.

The PRC Southbound Trading Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participants) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions with such intermediary in relation to the election to receive the New Shares.

The Scrip Dividend Scheme is made in compliance with the laws of Hong Kong and with all other relevant codes, rules and other requirements that apply to the Scrip Dividend Scheme in Hong Kong. All Shareholders resident outside Hong Kong should consult their professional advisers as to whether or not they are permitted to participate in the Scrip Dividend Scheme or whether any government or other consent is required or other formalities need to be observed.

BOOK CLOSURE PERIOD

The register of members of the Company was closed from Wednesday, 8 June 2022 to Thursday, 9 June 2022, both days inclusive, for the purpose of determining Shareholders who qualify for the Final Dividend.

CONDITIONS OF SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares. Application has been made to the Stock Exchange for the listing of, and permission to deal in, the New Shares. Apart from this condition, there are no other conditions to the Final Dividend. In the unlikely event that the above condition is not satisfied, the Scrip Dividend Scheme will not become effective and the Election Forms will be void, and the Final Dividend will then be paid wholly in cash.

LETTER FROM THE BOARD

LISTING AND DEALINGS AND DESPATCH OF SHARE CERTIFICATES

It is expected that share certificates with respect to the New Shares, and cheques for cash entitlements, will be despatched to Shareholders at the risk of those entitled thereto on or about Friday, 15 July 2022. Dealings in the New Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Monday, 18 July 2022. Subject to the granting of the listing of, and permission to deal in, the New Shares issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such New Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System. Shareholders should seek the advice of their licensed securities dealer or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed on the Stock Exchange. No Shares of the Company are listed or dealt in on any other stock exchange nor is listing or permission to deal in on any other stock exchange being or proposed to be sought.

CENTRAL CLEARING AND SETTLEMENT SYSTEM

Subject to the granting of the listing of, and permission to deal in, the New Shares to be issued under the Scrip Dividend Scheme on the Stock Exchange, such New Shares to be issued by the Company will be admitted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their stockbroker or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

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. 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.

LETTER FROM THE BOARD

GENERAL AND RECOMMENDATION

New Shares issued to the Eligible Shareholders pursuant to an election to receive some or all of their Final Dividend in New Shares may be allocated in odd lots (of less than a board lot of 1,000 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of New Shares issued in odd lots. Eligible Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

Whether or not it is to your advantage to receive cash or the New Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the sole responsibility of each Shareholder. If you are in doubt as to what to do, you should consult your professional advisers. No financial product advice is given in this circular (or any other material) in relation to the Scrip Dividend Scheme and that nothing in this circular (or any other material) should be taken to constitute a recommendation or opinion that is intended to influence any Shareholders in making a decision to participate in the Scrip Dividend Scheme.

Shareholders who are trustees are recommended to take professional advice as to whether the choice of New Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

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