

THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE SUBJECT SECURITIES. IF BENEFICIAL OWNERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL AND LEGAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES, IMMEDIATELY FROM THEIR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE THE RE-TRANSMITTAL TO BENEFICIAL OWNERS OF THE SECURITIES IN A TIMELY MANNER.

If you have recently sold or otherwise transferred your entire holding(s) of Notes (as defined below), you should immediately forward this document to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE TO NOTEHOLDERS

Central China Real Estate Limited (the “Company”)

**7.65% Senior Notes due 2025
(ISIN: XS2613403646)
(the “Notes”)**

September 20, 2023

Reference is made to the indenture dated as of April 28, 2023 (the “**Indenture**”) made between, *inter alios*, the Company and DB Trustees (Hong Kong) Limited (the “**Trustee**”) as the trustee for the holders of the Notes.

All terms and expressions used but not otherwise defined in this notice shall have the meanings attributed to them in the Indenture.

Non-Payment of the Minimum Principal on a Mandatory Redemption Date for the Notes due 2025.

The Trustee has been notified by the paying and transfer agent for the Notes that the Company has failed to make payment of at least the Minimum Principal of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed plus accrued and unpaid interest on the Mandatory Redemption Date of August 28, 2023 pursuant to Section 3.01 (*Mandatory Redemption on Specified Dates*) (the “**Non-Payment Event**”). Pursuant to Sections 6.01(a) and 6.01(b) (*Events of Default*) of the Indenture, an Event of Default occurs where the Company defaults in the (i) “payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise”, and (ii) “payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days” .

A letter has been sent by the Trustee to the Company requesting the Company to confirm what action it proposes to take in respect of the Non-Payment Event.

On June 23, 2023, the Company issued an announcement to the Hong Kong Stock Exchange confirming that it will suspend payments to all offshore creditors. The notice is attached as Appendix 1.

No further action by the Trustee

Unless instructed to do so by the Noteholders (and subject to it being indemnified and/or secured or prefunded to its satisfaction), the Trustee does not presently intend to take any further action pursuant to the Indenture in relation to the Default.

Noteholders are requested to contact the Trustee in accordance with the procedures set out below and provide indemnification and/or security or pre-funding to the Trustee's satisfaction and their instructions as to what actions (if any) such Noteholders require the Trustee to take in relation to the Default.

Verification of Holdings

The Trustee hereby invites the Noteholders to make themselves known to the Trustee and to verify their holdings of the Notes to the Trustee as set out below.

Noteholders who wish to facilitate any communication with the Trustee must instruct Euroclear or Clearstream, Luxembourg to send a SWIFT disclosing the following information:

1. ISIN for the Notes XS2613403646;
2. Account No.;
3. Participant Name;
4. Nominal Amount; and
5. Beneficial Holder Details (including email address)

(such SWIFT, a “**Disclosure SWIFT**”) to Deutsche Bank AG, Hong Kong Branch as Paying and Transfer Agent (Attention: Corporate Trust, Trust and Agency Services). The Paying and Transfer Agent will then forward such details to the Trustee. The Trustee will require the Notes of any Noteholder that gives any direction to the Trustee to be blocked in the clearing systems if the Disclosure SWIFT does not do so.

Beneficial Holders may also facilitate any communication with the Trustee they must first direct their custodian to arrange for Euroclear or Clearstream, Luxembourg to send a Disclosure SWIFT to the relevant Paying and Transfer Agent (as defined in the Indenture). The Trustee will also require proof of the beneficial ownership of the Notes before taking any action based on any such direction from the Beneficial Holders.

Further Information

The Trustee provides the information above for the information of Noteholders, but makes no representation as to the accuracy or completeness thereof and cannot accept any liability for any loss caused by any inaccuracy therein. Holders should not rely on the Trustee as their sole source of information and are encouraged to review notices and announcement published by the Company on The Stock Exchange of Hong Kong Limited or on the Company's website (<https://www.sunac.com.cn>) on a regular basis. The Trustee expresses no opinion as to the action (if any) that Noteholders should take in relation to the matters set out above.

The Trustee makes no recommendations and gives no legal, investment, accounting, financial or tax advice herein or as to the Notes generally. Noteholders should take and rely on their own independent legal, financial or other professional advice, and may not rely on advice or information provided to the Trustee, statements included in notices issued by the Trustee relating to the Notes or otherwise or the views of any of the Trustee expressed herein or otherwise.

ISIN and Common Code numbers appearing herein have been included solely for the convenience of the Noteholders. The Trustee assumes no responsibility for the selection or use of such number and makes no representation as to the correctness of the numbers listed above.

The Trustee may conclude that a specific response to particular inquiries from individual Noteholders is not consistent with equal and full dissemination of significant information to all Noteholders or parties in interest. In such event, the Trustee may decline to provide a response to a particular inquiry when presented in favor of sending a notice to all Noteholders setting forth such specific response.

The above communication is made without prejudice to any and all of the rights of the Trustees under the Indentures, all of which are expressly reserved.

This notice is given by
DB TRUSTEES (HONG KONG) LIMITED
in its capacity as the Trustee.

Appendix 1

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

INSIDE INFORMATION

This announcement is made by Central China Real Estate Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

CONTINUING DETERIORATION OF MARKET CONDITIONS; COMPLETE SUSPENSION OF OFFSHORE DEBT PAYMENTS

Since the second half of 2021, there have been dramatic changes to the macro environment in the property sector in China. The Group has explored various liability management exercises in order to bolster liquidity, including extending its debt maturity profile and improving cashflow management. Meanwhile, the Group has been using its best efforts to fulfill its payment obligations for all its offshore debts. Facing the severe challenges of the industry, the Group has been continuing to make every effort to fulfill its obligations. Since 1 July 2021, the Group has paid principal and interest of approximately US\$1,260 million to offshore creditors, including principal payment of approximately US\$930 million and interest payment of approximately US\$330 million.

Since the second quarter of 2023, the sales of China's real estate market have remained weak, the monthly sales have gradually deteriorated, the liquidity constraints of the Group have been exacerbating, and the pressure on overseas payment has continued to increase. Despite the best efforts taken, the Group may continuously experience constraints on its funds and lack necessary funds to fulfill its current and future obligations. As such, the Company has not been able to make the payment of interest on 7.75% Senior Notes due 2024 (ISIN: XS2262030369/Common Code: 226203036) prior to the end of the grace period on 23 June 2023.

After careful consideration, the Company will suspend payments to all offshore creditors to ensure fair treatment among all offshore creditors. Such non-payment may lead to the Group's creditors demanding acceleration of repayment of their debts and/or take actions pursuant to the respective terms of the relevant financing arrangements. As of the date of this announcement, the Group has not received any notice regarding acceleration of offshore repayment. In light of the challenges that the Group is facing, the Group has concluded that it should immediately explore a holistic solution to the current situation to secure the future development of the Group for the interests of all of its stakeholders.

ENSURING DELIVERIES AND NORMAL OPERATIONS

At this stage, the Group will work relentlessly to ensure delivery of completed properties pursuant to pre-sale arrangements entered into by the Group and the continuation of its business operations. The Group will concentrate all resources to ensure delivery of current projects, to accelerate the sale of properties under development and completed properties and to stabilize its business operations to protect the interests of the home buyers, the Group's partners and all stakeholders. In addition, the Group is implementing stringent cost saving and efficiency increasing measures and reducing its non-core and unessential operations and expenses, so long as such measures do not affect the Group's delivery efforts and normal operations.

As of the date of this announcement, the business operations of the Group remain normal.

ENGAGEMENT OF ADVISORS

The Group expects to engage intermediary institutions and aims to promote a holistic solution of its offshore debts and offers a fair and equitable treatment to all its offshore creditors. Meanwhile, the Group will continuously communicate with offshore debt creditors to provide the holistic solution and to ease the current liquidity issue.

SUMMARY

The Company reiterates its determination to achieve a holistic solution that will ensure the long-term development of the Group, safeguard the interests of all stakeholders and ensure fair treatment of all offshore creditors. At the same time, the Group will unremittingly ensure delivery of completed properties pursuant to pre-sale arrangements entered into by the Group and the continuation of its business operations. The Company looks forward to communicating and cooperating with offshore creditors, and encourages offshore creditors to give patience, understanding and support, and to work together with the Company to establish a holistic solution to overcome predicament of the industry.

The Company will closely monitor the development of the aforesaid issues, constantly assess the potential impact of these events on the business development and financial condition of the Group, and make further announcement in due course in respect of any material update.

Shareholders and other investors of the Company should consider the relevant risks and exercise caution when dealing in the securities of the Company and, if in doubt, seek professional advice from their professional or financial advisers.

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

Hong Kong, 23 June 2023

As of the date of this announcement, the Board comprises seven Directors, of which Mr. Wu Po Sum is executive Director, Ms. Wu Wallis (alias Li Hua), Mr. Deng Gaoqiang and Mr. Shi Song 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*