

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 all of some of your holding(s) of Notes (as defined below), you should immediately forward this document to the purchaser(s) or transferee(s) or the stockbroker, bank or other agent through whom each sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

#### NOTICE TO HOLDERS

#### CHINA SCE GROUP HOLDINGS LIMITED (the “Company”)

- (i) US\$500,000,000 7.375% Senior Notes due 2024 (ISIN: XS1974405893)  
(the “April 2024 Notes”)
- (ii) US\$450,000,000 5.95% Senior Notes due 2024 (ISIN: XS2316077572)  
(the “September 2024 Notes”)
- (iii) US\$500,000,000 7.0% Senior Notes due 2025 (ISIN: XS2227351900)  
(the “May 2025 Notes”)
- (iv) US\$350,000,000 6.0% Senior Notes due 2026 (ISIN: XS2286966093)

(the “February 2026 Notes” and, together with the April 2024 Notes, the September 2024 Notes and the May 2025 Notes, the “Notes”)

November 16, 2023

Reference is made to:

- i. the indenture dated as of April 9, 2019 (the “**April 2024 Indenture**”) made between, amongst others, the Company and DB Trustees (Hong Kong) Limited as trustee for holders of the April 2024 Notes (the “**April 2024 Trustee**”);
- ii. the indenture dated as of March 29, 2021 (the “**September 2024 Indenture**”) made between, amongst others, the Company and DB Trustees (Hong Kong) Limited as trustee for the holders of the September 2024 Notes (the “**September 2024 Trustee**”);
- iii. the indenture dated as of November 2, 2020 (the “**May 2025 Indenture**”) made between, amongst others, the Company and DB Trustees (Hong Kong) Limited as trustee for the holders of the May 2025 Notes (the “**May 2025 Trustee**”); and
- iv. the indenture dated as of February 4, 2021 (the “**February 2026 Indenture**” and, together with the April 2024 Indenture, the September 2024 Indenture and the May 2025 Indenture, the “**Indentures**” and each an “**Indenture**”) made between, amongst others, the Company and DB Trustees (Hong Kong) Limited as trustee for the holders of the February 2026 Notes (the “**February 2026 Trustee**”)

and, together with the April 2024 Trustee, the September 2024 Trustee and the May 2025 Trustee, the “**Trustees**” and each a “**Trustee**”).

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

### **Notice of Cross-Default resulting from Company’s non-payment of Principal and Interest on a Syndicated Loan**

In an announcement to The Stock Exchange of Hong Kong Limited dated October 4, 2023, attached to this notice as Appendix 1, the Company announced that it had not made payment on an instalment of principal and interest amounting to approximately US\$61 million which had fallen due under its syndicated loan agreement entered into on March 22, 2021 (the “**Syndicated Loan Non-Payment Event**”).

Pursuant to Section 6.01(e) (*Events of Default*) of each Indenture, an Event of Default occurs where “*there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US\$20.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, (a) an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and/or (b) the failure to make a payment of principal when due and payable*”. Each Trustee understands that the amount due and payable by the Company as a result of the Syndicated Loan Non-Payment Event exceeds US\$20.0 million, and accordingly, an Event of Default has occurred under Section 6.01(e) (*Events of Default*) of each Indenture and each such Event of Default is continuing as at the date of this notice (the “**Cross-Defaults**”).

### **Notice of further Events of Default in relation to the April 2024 Notes, the September 2024 Notes and the May 2025 Notes**

Further, Deutsche Bank AG, Hong Kong Branch, as paying agent of the Notes, has not received, as of the date hereof, the full payment of interest which was due and payable on October 9, 2023 in relation to the April 2024 Notes, September 29, 2023 in relation to the September 2024 Notes and November 2, 2023 in relation to the May 2025 Notes . Such amounts are due from the Issuer pursuant to Section 4.01(a) (*Payment of Notes*) of the applicable Indenture.

Pursuant to Section 6.01(b) (*Events of Default*) of the applicable Indenture, an Event of Default occurs where the Company defaults in the “*payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days*”. Accordingly, an Event of Default has occurred by virtue of the Company’s failure to pay the interest due on the April 2024 Notes and on the September 2024 Notes, which failures have continued for a period of 30 consecutive days at the date of this letter (the “**Non-Payment Defaults**”).

### **Acceleration**

Pursuant to Section 6.02 (*Events of Default*) of the applicable Indenture, “*If an Event of Default (other than an Event of Default specified in clause (g) or (h) of Section 6.01) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable*”.

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 Cross-Defaults and the Non-Payment Defaults.

## Direction from Holders

As more fully set forth in Section 6.05 (*Control by Majority*) of each Indenture, and subject to the conditions set forth in Article 7 (*The Agents*) of each Indenture, Holders of at least a majority in aggregate principal amount of outstanding Notes may direct the time, method, and place of conducting any proceeding for any remedy available to each Trustee or exercising any trust or power conferred on each Trustee; provided, however, that each Trustee will not be required to expend its own funds in following such direction if it does not believe that reimbursement or satisfactory indemnification is assured to it.

The Holders are requested to contact the relevant Trustee in accordance with the procedures set out below and provide their proposed instructions as to what actions (if any) such Holders request the relevant Trustee to take in relation to the Cross-Defaults and/or the applicable Trustee in respect of the Non-Payment Defaults, and provide indemnification and/or security and/or pre-funding to the relevant Trustee's satisfaction.

## Verification of Holdings

The Trustees hereby invite the Holders (each, a "**Holder**", together, the "**Holders**") to make themselves known to the relevant Trustee and to verify their holdings of the Notes to the relevant Trustee as set out below.

Holders who wish to facilitate any communication with the Trustees must instruct Euroclear or Clearstream to send a SWIFT disclosing the following information:

1. ISIN for the Notes XS1974405893 / XS2316077572 / XS2227351900 / XS2286966093;
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 relevant Paying and Transfer Agent (as defined in the relevant Indenture) will then forward such details to the relevant Trustee. The relevant Trustee will require the Notes of any Holder that gives any direction to such Trustee to be blocked in the clearing systems if the Disclosure SWIFT does not do so.

Beneficial Holders may also facilitate any communication with any Trustee but they must first direct their custodian to arrange for Euroclear or Clearstream to send a Disclosure SWIFT to the relevant Paying and Transfer Agent (as defined in the relevant Indenture). Such 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 Trustees provides the information above for the information of Holders, 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 Trustees 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 on a regular basis. The Trustees express no opinion as to the action (if any) that Holders should take in relation to the matters set out above.**

**The Trustees makes no recommendations and gives no legal, investment, accounting, financial or tax advice herein or as to the Notes generally. Holders should take and rely on their own independent legal, financial or other professional advice, and may not rely on advice or information provided to**

any Trustee, statements included in notices issued by any Trustee relating to the Notes or otherwise or the views of any of the Trustees expressed herein or otherwise.

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

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

**ANNEX 1**

**ANNOUNCEMENT TO THE STOCK EXCHANGE DATED OCTOBER 4, 2023**

*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.*



## **INSIDE INFORMATION SUSPENSION OF TRADING IN OFFSHORE SENIOR NOTES**

This announcement is made by China SCE Group Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2), 13.19, 37.47A, 37.47B and 37.47E(a) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

### **BACKGROUND**

Since the second half of 2021, China’s real estate sector has faced unprecedented challenges. Affected by the deteriorating business environment and financing difficulties, many private real estate enterprises have faced tight liquidity conditions. The Group has implemented various measures to alleviate the liquidity pressure, including accelerating property sales, extending debt maturity and securing new sources of financing, pushing forward asset disposal and controlling expenses. At the same time, the Group has been endeavouring to meet its repayment obligations for all of its offshore debts. From 1 January 2022 to the date of this announcement, the Group has repaid total principal and interest of approximately US\$1.56 billion under its offshore debts.

### **HOLISTIC DEBT MANAGEMENT**

Entering the second quarter of 2023, the Group’s sales declined continuously, and its liquidity position became increasingly tight and the pressure to pay off its offshore debts continued to increase. Despite the Group’s best efforts, the Group’s liquid cash and bank deposits may not be sufficient to meet its current and future obligations. As at the date of this announcement, the Company has not made payment on an instalment of principal and interest amounting to approximately US\$61 million which has fallen due under its syndicated loan agreement entered into on 22 March 2021.

The loan non-payment has resulted in an event of default under the Company's Offshore USD Senior Notes (as defined below). The loan non-payment may result in demands for acceleration of repayment of debts and/or actions taken by the Group's creditors in accordance with the respective terms of the relevant financings. As at the date of this announcement, the Group has not received any acceleration demand notice for repayment of debts from offshore creditors. In view of the challenges currently faced by the Group, the Company is of the view that a holistic solution to the overall indebtedness should be explored immediately to ensure the long-term development of the Group and to protect the interests of all stakeholders of the Group.

## **ENSURING PROPERTY DELIVERY AND STABILISING BUSINESS OPERATION**

In the face of the sector's difficulties, the Group will focus its resources on ensuring the completion and delivery of pre-sold properties, and will make timely adjustments to its sales strategies to expedite the pre-sale and sale of properties, in order to stabilise its business operations and protect the interests of homebuyers, the Group's partners and all stakeholders.

As at the date of this announcement, the Group continues to maintain normal business operations.

## **ENGAGEMENT OF ADVISERS**

The Company will appoint external advisers as soon as possible to assist the Group in evaluating the current capital structure and liquidity and to explore feasible and holistic solutions to ensure the long-term development of the Group and to protect the interests of all stakeholders. The Company plans to actively communicate with offshore creditors to garner their support and understanding with a view to achieve an amicable resolution on the issues under its debts.

## **OFFSHORE USD SENIOR NOTES AND SUSPENSION**

<b>Description of Debt Securities</b>	<b>ISIN/Common Code</b>	<b>Debt Stock Code</b>	<b>Outstanding Principal Amount</b>
7.375% senior notes due April 2024	XS1974405893/197440589	5948	USD500,000,000
5.95% senior notes due September 2024	XS2316077572/231607757	40628	USD450,000,000
7% senior notes due May 2025	XS2227351900/222735190	40444	USD500,000,000
6% senior notes due February 2026	XS2286966093/228696609	40590	USD350,000,000

An application will be made with the Stock Exchange for the suspension of trading in each of the Company's offshore USD senior notes listed above (the "**Offshore USD Senior Notes**") with effect from 9:00 a.m. on 5 October 2023 until further notice.

## GENERAL

The Company will make further announcement(s) as and when appropriate in accordance with the requirements of the Listing Rules, the SFO and/or other applicable laws and regulations.

**Shareholders of the Company and investors are advised to exercise caution when dealing in the securities of the Company. If in doubt, shareholders and investors should seek professional advice from a professional or financial adviser.**

By order of the Board  
**China SCE Group Holdings Limited**  
**Wong Chiu Yeung**  
*Chairman*

Hong Kong, 4 October 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Wong Chiu Yeung, Mr. Chen Yuanlai, Mr. Cheng Hiu Lok, Mr. Huang Youquan and Mr. Wong Lun, and the independent non-executive directors of the Company are Mr. Ting Leung Huel Stephen, Mr. Dai Yiyi and Dr. Mao Zhenhua.*