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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)

PROPOSED ISSUE OF SENIOR NOTES

The Company proposes to conduct an international offering of United States dollar denominated senior notes to persons outside the United States in reliance on Regulation S under the U.S. Securities Act.

* For identification purposes only

Completion of the Proposed Notes Issue is subject to, among others, market conditions and investors' interests. The Notes are proposed to be guaranteed by the Subsidiary Guarantors. Bank of America Merrill Lynch, BNP PARIBAS, DBS, Haitong International, Morgan Stanley and UBS are the joint bookrunners and the joint lead managers for the Proposed Notes Issue.

The Company intends to use the net proceeds, after deducting commission and other expenses, to refinance the existing medium to long term indebtedness. The Company may adjust the Proposed Notes Issue in response to the changing market condition, and thus reallocate the use of net proceeds.

Application will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement. Approval in-principle from, admission to the Official List of, and the listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors or any other subsidiary or associated company of the Company, the Notes or the Subsidiary Guarantees.

MiFID II professionals/ECPs-only/No PRIIPs KID – Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail investors in EEA.

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

THE PROPOSED NOTES ISSUE

Introduction

The Company proposes to conduct an international offering of United States dollar denominated senior notes to persons outside the United States in reliance on Regulation S under the U.S. Securities Act.

Completion of the Proposed Notes Issue is subject to, among others, market conditions and investors' interests. The Notes are proposed to be guaranteed by the Subsidiary Guarantors. Bank of America Merrill Lynch, BNP PARIBAS, DBS, Haitong International, Morgan Stanley and UBS are the joint bookrunners and the joint lead managers for the Proposed Notes Issue. As at the date of this announcement, the principal amount, the interest rates, the payment dates and certain other terms and conditions of the Proposed Notes Issue are yet to be finalised. Upon finalising the terms of the Notes, it is expected that the Company, the Subsidiary Guarantors, the Subsidiary Guarantor Pledgors, Bank of America Merrill Lynch, BNP PARIBAS, DBS, Haitong International, Morgan Stanley and UBS will enter into the Purchase Agreement and other ancillary agreements in relation to the Proposed Notes Issue.

The Notes and the Subsidiary Guarantees have not been, and will not be, registered under the Securities Act. The Notes will only be offered or sold in offshore transactions in accordance with Regulation S under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. None of the Notes will be offered to the public in Hong Kong.

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Information of the Group and Reasons for the Proposed Notes Issue

The Group is one of the leading Henan-based property developers which focuses on developing high-quality residential properties. Known for its outstanding product quality, strong brand and experienced management team, the Company ranked 41st in the “2017 Top 500 Chinese Property Developers” in the “2018 Assessment Report on Top 500 Chinese Property Developers” published on 21 March 2018 and topped the list of “Top 10 Chinese Property Developers in Regional Operations” for ten consecutive years. According to the “Evaluation and Research Report on the Listed Real Estate Companies in the PRC in 2018” published on 25 May 2018, the Company ranked 26th on the “2018 Best 30 China Real Estate Listed Companies with Strongest Comprehensive Strengths” and ranked 4th among the listed property companies in China in terms of operations performance. The Company was listed on the “2018 Fortune China 500 List” released by the Fortune magazine on 10 July 2018, the only property developer in Henan province on the list.

The Company intends to use the net proceeds, after deducting commission and other expenses, to refinance the existing medium to long term indebtedness. The Company may adjust its plans in response to changing market conditions, and thus reallocate the use of the proceeds. The Board believes that the Proposed Notes Issue represents a timely opportunity for the Company to further extend the profile of the Group and improve its ability to access the international debt capital markets to support the growth of the Group in future.

Listing

Application will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement. Approval in-principle from, admission to the Official List of, and the listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors or any other subsidiary or associated company of the Company, the Notes or the Subsidiary Guarantees.

GENERAL

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

DEFINITIONS

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

“Bank of America Merrill Lynch”	Merrill Lynch (Asia Pacific) Limited, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issues;
“BNP PARIBAS”	BNP Paribas, a public limited company (société anonyme) incorporated in France and the liability of its members is limited, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issues;
“Board”	the board of Directors;
“Company”	Central China Real Estate Limited (建業地產股份有限公司*), an exempted company incorporated under the laws of the Cayman Islands with limited liability, whose Shares are listed on the main board of the Stock Exchange;
“DBS”	DBS Bank Ltd., one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issues;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;

“Haitong International”	Haitong International Securities Company Limited, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue;
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Morgan Stanley”	Morgan Stanley & Co. International plc, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue;
“Notes”	the US\$ denominated guaranteed senior notes proposed to be issued by the Company;
“PRC”	the People’s Republic of China;
“Proposed Notes Issue”	the proposed issue of the Notes by the Company;
“Purchase Agreement”	the agreement to be entered into among the Company, the Subsidiary Guarantors, the Subsidiary Guarantor Pledgors, Bank of America Merrill Lynch, BNP PARIBAS, DBS, Haitong International, Morgan Stanley and UBS;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.10 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary Guarantor Pledgors”	certain subsidiaries of the Company organised outside the PRC that provide pledges over the shares of the Subsidiary Guarantors held by these subsidiaries;

“Subsidiary Guarantors”	certain subsidiaries of the Company organised outside the PRC which guarantee the Notes;
“UBS”	UBS AG Hong Kong Branch, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issues;
“US\$”	United States dollar, the lawful currency of the United States of America;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended; and
“%”	per cent.

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

Hong Kong, 31 October 2019

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