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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. BNP PARIBAS, BofA Securities, China CITIC Bank International, Deutsche Bank, Guotai Junan International, Haitong International, Morgan Stanley and Standard Chartered Bank 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 offshore indebtedness which will become due within one year. The Company may adjust the Proposed Notes Issue in response to the changing market conditions, 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 the Notes are not available to retail investors in EEA and UK.

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. BNP PARIBAS, BofA Securities, China CITIC Bank International, Deutsche Bank, Guotai Junan International, Haitong International, Morgan Stanley and Standard Chartered Bank 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, BNP PARIBAS, BofA Securities, China CITIC Bank International, Deutsche Bank, Guotai Junan International, Haitong International, Morgan Stanley and Standard Chartered Bank 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.

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 the Notes are not available to retail investors in EEA and UK.

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 40th in the “2019 Top 500 Chinese Property Developers” in the “2019 Assessment Report on Top 500 Chinese Property Developers” published on 20 March 2019 and topped the list of “Top 10 Chinese Property Developers in Regional Operations” for eleven consecutive years. According to the “Evaluation and Research Report on the Listed Real Estate Companies in the PRC in 2019” published on 23 May 2019, the Company ranked 32nd on the “2019 Best 100 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 awarded “the Most Socially Responsible Hong Kong Listed Company” (港 股 上 市 公 司 最 具 社 會 責 任 獎) in the “Gelonghui 1st Greater China Best Listed Companies Awarding Ceremony” (格 隆 匯 • 首 屆 大 中 華 區 最 佳 上 市 公 司) held on 31 May. Meanwhile, “2019 Top 100 China Real Estate Brand Value” (2019中國房地產企業品牌價值TOP100) was issued on 27 June, in which the Company ranked 30th.

The Company intends to use the net proceeds, after deducting commission and other expenses, to refinance the existing medium to long term offshore indebtedness which will become due within one year. The Company may adjust its plans in response to the changing market conditions, and thus reallocate the use of net 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:

“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 Issue;
“BofA Securities”	Merrill Lynch (Asia Pacific) Limited, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue;
“Board”	the board of Directors;
“China CITIC Bank International”	China CITIC Bank International Limited, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue;
“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;
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue;

“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue;
“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, BNP PARIBAS, BofA Securities, China CITIC Bank International, Deutsche Bank, Guotai Junan International, Haitong International, Morgan Stanley and Standard Chartered Bank;

“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;
“Standard Chartered Bank”	Standard Chartered Bank, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue;
“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;
“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, 17 November 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.