

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.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referred to herein have not been and will not be registered under the U.S. Securities Act. No securities may be offered or sold in the United States absent registration except pursuant to an exemption from, or a transaction not subject to, the registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or the selling security holder. Such prospectus will contain detailed information about the company involved and its management and financial statements. The Company does not intend to make any public offering of securities in the United States.

The communication of this announcement and any other documents or materials relating to the issue of the Senior Notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "FSMA"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, the Senior Notes offered hereby are only available to, and any investment or investment activity to which this announcement relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this announcement or any of its contents.



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)

**ISSUANCE OF US\$300 MILLION
7.75% SENIOR NOTES DUE 2024**

On 17 November 2020, the Company, the Subsidiary Guarantors and the Subsidiary Guarantor Pledgors entered into the Purchase Agreement with BNP PARIBAS, BofA Securities, China CITIC Bank International, Deutsche Bank, Guotai Junan International, Haitong International, Morgan Stanley and Standard Chartered Bank in connection with the issuance of US\$300 million 7.75% senior notes due 2024.

The Notes will be offered outside the United States in reliance on Regulation S under the U.S. Securities Act. 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 the proceeds from the Notes Issue.

Approval-in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission of the Notes to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement. No listing of the Notes has been sought in Hong Kong. Almost all of the Notes will be bought by the Initial Purchasers and each Initial Purchaser may subsequently elect to sell its Notes at varying prices, different from the issue price as set forth in the offering memorandum in relation to the issuance of the Notes.

Reference is made to the previous announcement of the Company dated 17 November 2020 in relation to the Proposed Notes Issue. The Board is pleased to announce that on 17 November 2020, the Company, the Subsidiary Guarantors and the Subsidiary Guarantor Pledgors entered into the Purchase Agreement with BNP PARIBAS, BofA Securities, China CITIC Bank International, Deutsche Bank, Guotai Junan International, Haitong International, Morgan Stanley and Standard Chartered Bank in connection with the Proposed Notes Issue in the aggregate principal amount of US\$300 million. Almost all of the Notes will be bought by the Initial Purchasers and each Initial Purchaser may subsequently elect to sell its Notes at varying prices, different from the issue price as set forth in the offering memorandum in relation to the issuance of the Notes.

THE PURCHASE AGREEMENT

Date: 17 November 2020

Parties:

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors as the guarantors of the Company's obligations under the Notes;
- (c) the Subsidiary Guarantor Pledgors as the pledgors of the Collateral held by them; and
- (d) BNP PARIBAS, BofA Securities, China CITIC Bank International, Deutsche Bank, Guotai Junan International, Haitong International, Morgan Stanley and Standard Chartered Bank, as the initial purchasers (the "**Initial Purchasers**").

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 joint lead managers in respect of the offer and sale of the Notes. They are also the initial purchasers of the Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of BNP PARIBAS, BofA Securities, China CITIC Bank International, Deutsche Bank, Guotai Junan International, Haitong International, Morgan Stanley and Standard Chartered Bank is an independent third party and not a connected person of the Company and its connected persons (as defined under the Listing Rules).

The Notes will be offered outside the United States in reliance on Regulation S under the U.S. Securities Act. None of the Notes will be offered to the public in Hong Kong.

Principal terms of the Notes

The following is a summary of certain provisions of the Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture, the Notes, the guarantees provided by the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), and the Intercreditor Agreement.

Notes offered

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$300 million which will mature on 24 May 2024, unless earlier redeemed pursuant to the terms thereof.

Offering price

The offering price of the Notes will be 99.624% of the principal amount of the Notes.

Interest rate

The Notes will bear interest from and including 24 November 2020 at the rate of 7.75% per annum, payable semi-annually in arrears on 24 May and 24 November of each year, commencing on 24 May 2021.

Settlement date

24 November 2020 or such other date that shall be agreed between the Company and Initial Purchasers.

Ranking of the Notes

The Notes are (i) general obligations of the Company; (ii) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (iii) at least *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law); (iv) guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations under the Indenture; (v) effectively subordinated to the other secured obligations (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefore (other than the Collateral); and (vi) effectively subordinated to all existing and future obligations of the subsidiaries of the Non-Guarantor Subsidiaries.

After the extension of the security interests over the Collateral by the Company and the Subsidiary Guarantor Pledgors to secure the Notes and the Subsidiary Guarantees of the Subsidiary Guarantor Pledgors and subject to certain limitations, the Notes will (i) be entitled to a first priority lien on the Collateral pledged by the Company and the Subsidiary Guarantor Pledgors (subject to any permitted lien and *pari passu* sharing); (ii) rank effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the Collateral pledged by the Company securing the Notes (subject to any priority rights of such unsecured obligations pursuant to applicable law); and (iii) rank effectively senior in right of payment to unsecured obligations of the Subsidiary Guarantor Pledgors with respect to the value of the Collateral pledged by each Subsidiary Guarantor Pledgor securing the Notes (subject to priority rights of such unsecured obligations pursuant to applicable law).

Security to be granted

The Company has agreed to extend, or cause each initial Subsidiary Guarantor Pledgors to extend, as the case may be, the Collateral to the holders of the Notes in order to secure the obligations of the Company under the Notes and the Indenture and of such initial Subsidiary Guarantor Pledgor under its Subsidiary Guarantee.

The Collateral will be shared on a *pari passu* basis by the holders of the Notes and the holders of other existing *pari passu* secured indebtedness. Accordingly, in the event of a default on the Notes or the other secured indebtedness and a foreclosure on the Collateral, any foreclosure proceeds would be shared by the holders of secured indebtedness in proportion to the outstanding amounts of each class of secured indebtedness.

Intercreditor Agreement

The Trustee will on the date when the Notes are issued accede to an Intercreditor Agreement. Upon the Trustee becoming a party to the Intercreditor Agreement, it will provide that the security interests created over the Collateral will be shared on a *pari passu* basis among (i) the holders of the Notes; (ii) the holders of existing *pari passu* secured indebtedness; and (iii) the holders of other *pari passu* secured indebtedness, if any, incurred after the date hereof.

Events of default

The events of default under the Notes include, among others:

- (i) default in the payment of principal;
- (ii) default in the payment of interest;
- (iii) default in the performance or breach of the provisions of certain covenants, the failure by the Company to make or consummate an offer to purchase, or the failure by the Company to create, or cause its Restricted Subsidiaries to create, a first priority lien on the collateral (subject to any permitted lien) in accordance with the provisions described in the Indenture;
- (iv) the Company or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (i), (ii) or (iii) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the holders of 25% or more in aggregate principal amount of the Notes;
- (v) there occurs with respect to any indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US\$7.5 million or more in the aggregate for all such indebtedness, (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 principal payment when due;
- (vi) one or more final judgments or orders exceeding US\$7.5 million for the payment of money are rendered against the Company or any of its Restricted Subsidiaries and are not paid or discharged;
- (vii) involuntary bankruptcy or insolvency proceedings against the Company or any Restricted Subsidiary with respect to it or its debts;
- (viii) voluntary bankruptcy or insolvency proceedings commenced by the Company or any Restricted Subsidiary or consent to such similar action or effect any general assignment for the benefit of creditors;

- (ix) any Subsidiary Guarantor or JV Subsidiary Guarantor denies or disaffirms in writing its obligations under its Subsidiary Guarantee, or JV Subsidiary Guarantee, or, except as permitted by the Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee is determined to be unenforceable or invalid or for any reason ceasing to be in full force and effect;
- (x) any default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the security provided in relation to the Notes, which adversely affects the enforceability, validity, perfection or priority of the applicable lien on the Collateral or which adversely affects the condition or value of such Collateral, taken as a whole, in any material respect; or
- (xi) the Company or any Subsidiary Guarantor Pledgor denies or disaffirms in writing its obligations under the security provided in relation to the Notes or, other than in accordance with the Indenture and the relevant security documents provided under the Notes, any such relevant security document ceases to be or is not in full force and effect or the trustee ceases to have a first priority lien on the Collateral (subject to any permitted liens).

If an event of default (other than an event of default specified in clause (vii) or (viii) above) 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 of the Notes), may, and the Trustee at the request of such holders of the Notes 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 on the Notes shall be immediately due and payable.

If an event of default specified in clause (vii) or (viii) above occurs with respect to the Company or any Restricted Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of the Notes.

Covenants

The Notes, the Indenture governing the Notes and the Subsidiary Guarantees will limit the Company's ability and the ability of its Restricted Subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on its capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue and sell capital stock of Restricted Subsidiaries;
- (e) guarantee indebtedness of Restricted Subsidiaries;
- (f) sell assets;
- (g) create liens;
- (h) enter into sale and leaseback transactions;
- (i) enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with shareholders or affiliates; and
- (k) effect a consolidation or merger.

Optional Redemption

At any time and from time to time on or after 24 November 2022, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount set forth below, plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve-month period beginning on 24 November of each year indicated below.

Year	Redemption Price
2022	103.875%
2023	101.938%

At any time and from time to time prior to 24 November 2022, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 107.75% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time prior to 24 November 2022, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

Proposed use of proceeds

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 its business needs and changing market conditions, and thus reallocate the use of the proceeds from the Notes Issue.

Listing

Approval-in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission of the Notes to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement. No listing of the Notes has been sought in Hong Kong.

Rating

The Notes are expected to be rated “BB-” by Fitch Ratings Inc..

SUBSCRIPTION OF NOTES BY CONNECTED PERSON

Central China New Life Limited (“CCNL”), whose shares are listed on the main board of the Stock Exchange of Hong Kong Limited (stock code:9983), has subscribed US\$12.5 million of the Notes. The subscription price of the Notes payable by CCNL is 99.624% of the principal amount of the Notes and is the same as the price payable by the initial purchasers of the Notes. As at the date of this announcement, CCNL is indirectly owned as to more than 30% by Mr. Wu Po Sum. As Mr. Wu Po Sum is the chairman, an executive Director and a controlling shareholder of the Company, he is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, CCNL is an associate of Mr. Wu Po Sum and thus a connected person of the Company.

As the terms of the subscription are the same as the other Initial Purchasers of the Notes, the Directors (including the independent non-executive Directors) are of the view that the subscription of the Notes by CCNL are being made on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and its shareholders as a whole. As CCNL’s subscription of the Notes is under normal commercial terms and are not secured by the assets of the Group, the said subscription is an exempt connected transaction under Rule 14A.90 of the Listing Rules. Mr. Wu Po Sum and Mr. Wang Jun, an executive Director of the Company who is also the chairman of the board of directors and the chief executive officer of CCNL, have both abstained from voting on the resolutions at the Board meeting held to approve the Proposed Notes Issue to avoid any conflict of interests.

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;
“Board”	the board of Directors;
“BofA Securities”	Merrill Lynch (Asia Pacific) Limited, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issues;
“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;
“Collateral”	all collateral securing, or purported to be securing, directly or indirectly, the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee pursuant to the security documents, and shall initially consist of the capital stock of the initial Subsidiary Guarantors;
“Common Stock”	with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common stock or ordinary shares, whether or not outstanding at the date of the Indenture, and includes, without limitation, all series and classes of such common stock or ordinary shares;

“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 of Hong Kong Limited;
“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;
“Dollar Equivalent”	with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination;
“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 dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Indenture”	the indenture to govern the Notes;

“Intercreditor Agreement”	the agreement dated 20 October 2010, as amended and supplemented to the date hereof, entered into between and among the Company, the Subsidiary Guarantor Pledgors, each trustee for each series of the Existing Notes and the global security agent, to be acceded to by the Trustee on the Original Issue Date;
“JV Subsidiary Guarantees”	limited recourse guarantees given by the JV Subsidiary Guarantors on the Notes;
“JV Subsidiary Guarantors”	subsidiaries of the Company which in the future provides a JV Subsidiary Guarantee;
“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;
“Non-Guarantor Subsidiaries”	Restricted Subsidiaries that do not guarantee the Notes;
“Notes”	US\$300 million 7.75% senior notes due 2024 to be issued by the Company;
“Notes Issue”	the issue of the Notes by the Company;
“Original Issue Date”	the date on which the Notes are originally issued under the Indenture;
“PRC”	the People’s Republic of China;
“Proposed Notes Issue”	the proposed issue of the Notes by the Company;

“Purchase Agreement”	the agreement entered into among the Company, the Subsidiary Guarantors, the Subsidiary Guarantor Pledgors and BNP PARIBAS, BofA Securities, China CITIC Bank International, Deutsche Bank, Guotai Junan International, Haitong International, Morgan Stanley and Standard Chartered Bank, dated 17 November 2020, in relation to the offer and sale of the Notes;
“Restricted Subsidiary(ies)”	any subsidiary of the Company other than an Unrestricted Subsidiary;
“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;
“Subsidiary Guarantees”	guarantees to be provided by the Subsidiary Guarantors;
“Standard Chartered Bank”	Standard Chartered Bank, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue;
“Subsidiary Guarantor Pledgors”	certain non-PRC subsidiaries of the Company that provide pledges over the shares of the Subsidiary Guarantors held by the non-PRC subsidiaries;
“Subsidiary Guarantors”	certain non-PRC subsidiaries of the Company which guarantee the Notes;
“Trustee”	DB Trustees (Hong Kong) Limited;
“Unrestricted Subsidiary”	any subsidiary of the Company that at the time of determination shall be designated as an Unrestricted Subsidiary by the Board in the manner provided in the Indenture, and any subsidiary of an Unrestricted Subsidiary;
“US”	the United States of America;

“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, 18 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 nonexecutive Directors.

* *For identification purposes only*