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CHINA PROPERTIES GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1838)

USD226,000,000 15.0% SENIOR NOTES DUE 2021 BY CHEERGAIN GROUP LIMITED

INSIDE INFORMATION — UPDATE AND CONTINUED SUSPENSION IN TRADING

This announcement is made by China Properties Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.19 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

USD226,000,000 15.0% SENIOR NOTES DUE 2021

References are made to the announcements of the Company dated 11 October 2018 and 15 October 2018 in relation to the issuance of USD226,000,000 15% senior notes due 2021 (the “**2021 Notes**”) by Cheergain Group Limited (the “**Issuer**”), a wholly owned subsidiary of the Company (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The 2021 Notes have matured on 15 October 2021 (the “**Maturity Date**”) and will be delisted from The International Stock Market on the Maturity Date. No payment was made by the Issuer on the Maturity Date and such non-payment constitutes an event of default under the Indenture constituting the 2021 Notes. The total amount due under the 2021 Notes comprises the outstanding principal of USD225,600,000 and interest accrued thereon (the “**Outstanding Amount**”).

The Company has been proactively communicating with the holders of the 2021 Notes (the “**Noteholders**”) and will continue to engage in active dialogue with the Noteholders with a view to keep the Noteholders informed of the actions taken and to be taken by the Company in arranging for settlement of the Outstanding Amount.

In spite of the challenging operating environment, the Company has maintained a low gearing ratio and holds assets of substantial value. The current liquidity issue is caused by a timing mismatch as the Company is not able to fund the Outstanding Amount due until it has completed the sale or refinancing of certain of its assets. The Company remains committed to considering, exploring and working on all possible options with the sole objective of arranging for sufficient funds to settle the Outstanding Amount as soon as possible, including but not limited to, refinancing and/or disposal of certain real estates located in Shanghai and Chongqing, the People’s Republic of China. The Company will use its best endeavour to complete such refinancing/disposal within a reasonable timeframe.

The controlling shareholder of the Company has provided support to the Company in the past and has informed the Company that he will continue to provide support to the Company to resolve its current liquidity crunch and meet its financial obligations in full.

The Company will make further announcement(s) on the material development and progress on the above matter as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in shares of the Company was suspended from 9:00 a.m. on 1 April 2021 and will remain suspended until further notice.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
CHINA PROPERTIES GROUP LIMITED
Dr. Wang Shih Chang, George
Chairman

Hong Kong, 15 October 2021

As at the date of this announcement, the Board of the Company comprises Dr. Wang Shih Chang, George, Mr. Wong Sai Chung and Mr. Xu Li Chang as executive directors, Mr. Kwan Kai Cheong as non-executive director and Mr. Warren Talbot Beckwith, Mr. Luk Koon Hoo and Dr. Garry Alides Willinge as independent non-executive directors.