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CHINA SCE GROUP HOLDINGS LIMITED

中駿集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1966)

(Debt Stock Codes: 5948, 40444, 40590, 40628)

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

Description of Debt Securities	ISIN/Common Code	Debt Stock Code	Outstanding Principal Amount
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.