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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)

BUSINESS UPDATE

This voluntary announcement is made by Central China Real Estate Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) to inform shareholders and potential investors of the Company with an update on the latest business development of the Group.

Reference is made to the annual report of the Company for the year ended 31 December 2025 (the “**2025 Annual Report**”). Unless otherwise specified, capitalized terms used herein shall have the same meaning as defined in the 2025 Annual Report.

The Company's auditors expressed a disclaimer of opinion on the Company's financial statements for the year ended 31 December 2025 relating to going concern (the "**Disclaimer of Opinion**"), and the Company disclosed on pages 167 to 171 of the 2025 Annual Report about its plans and measures to resolve the going concern issue. The Company would like to provide the following business update in relation to the Company's actions in implementing such plans and measures to resolve the Disclaimer of Opinion:

- (i) *Offshore debt*: in respect of the Holistic Solution to the offshore debts, relevant business, financial, asset and legal due diligence, as well as the first draft of the liquidation analysis report has been completed, and the Company is currently formulating a preliminary restructuring plan. The Company submitted the core framework of the restructuring terms to the creditors' financial advisers. The Company and the creditors have also completed the first draft of the due diligence report, and the Company intends to negotiate with the creditors on the redemption of USD denominated debt once relevant confidentiality agreements are signed.
- (ii) *Renewal or extension of borrowings and additional financing obtained*: the Company has further negotiated with existing lenders on the renewal or extension of the Group's borrowings, as well as actively sought other available financing channels, such as relief loans. As of 30 June 2026, the Company has reached agreement with existing lenders on the extension of approximately RMB925 million of the Group's borrowings, and remains active in negotiating for renewal or extension in respect of borrowings falling due.

- (iii) *Measures to accelerate the pre-sales and sales of its properties*: the Company has focused on enhancing management effectiveness and reshaping the capability of its marketing organisation. First, the Company has advanced the optimisation of its organisational structure, strengthening the empowerment of frontline operations by headquarters and deploying management personnel to the project frontline to deeply engage in all phases of sales and delivery. Secondly, the Company has established a differentiated management and control mechanism, applying classified management and dynamic appraisal in light of the market position of each city company and the attributes of individual projects, and channelling premium resources towards regions with higher potential. Thirdly, the Company has intensified its marketing and destocking efforts by actively connecting with supportive policies promulgated by Henan Province and various municipalities, such as home purchase subsidies and housing provident fund withdrawals; integrating offline intermediary channels with online new media technologies to build a precision customer acquisition matrix; reinforcing customer confidence through measures such as quasi-ready-property sales and the opening of on-site demonstration areas; and expanding customer acquisition channels through homeowner communities and the existing-owner-referral mechanism so as to effectively reduce customer acquisition costs. However, due to factors such as weak homebuyer expectations and insufficient market confidence, the overall pace of sales has remained relatively slow.
- (iv) *Monitoring property development projects*: the Company continues to closely monitor the construction process of its property development projects by different levels and categories, to ensure that the relevant properties sold under pre-sale arrangements are completed and delivered to customers on time, thereby enabling the Group to release the restricted pre-sale proceeds, while maintaining stricter cost control measures.
- (v) *No commitment on significant capital expenditures and land acquisitions*: to ensure that no significant capital expenditures and land acquisitions will be made before necessary funding is secured, the Company continues to give priority to utilizing existing land reserves and cooperation with strategic investors for joint project development, and will suspend or defer significant capital expenditures and land acquisitions commitments.

- (vi) *Control administrative costs and capital expenditures*: in order to control administrative costs and contain unnecessary capital expenditures, the Company has, among others, continued to optimise the Group's organisational structure and strictly control labour and other administrative expenses, such as travel and meeting costs.
- (vii) *Settlement of outstanding litigations of the Group*: the Group has adhered to principles of a proactive yet prudent approach, strictly complied with applicable laws and regulations, and adopted a case-by-case litigation approach to appropriately address litigation and debt matters. The Group has actively communicated and negotiated with relevant parties, made full use of prevailing policy conditions, and employed various measures to resolve debt issues and discharge its own obligations. The Group has also conducted a comprehensive review of its external receivables, proactively initiated recovery proceedings in respect of valuable claims, safeguarded the Group's legitimate rights and interests, minimised the impact of litigation on the Group's business operations to the greatest extent possible, and maintained the Group's ability to continue as a going concern.

Shareholders and prospective investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 30 June 2026

As at the date of this announcement, the Board comprises seven Directors, of which Mr. Wu Po Sum and Ms. Yang Feifei are executive Directors, Mr. Xu Huizhan and Mr. Zhang Hui are non-executive Directors, Mr. Cheung Shek Lun, Mr. Xin Luo Lin and Dr. Sun Yuyang are independent non-executive Directors.

* *For identification purposes only*