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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 results of the Company for the year ended 31 December 2025 (the "**2025 Annual Results**"). Unless otherwise specified, capitalized terms used herein shall have the same meaning as defined in the 2025 Annual Results.

The Company's auditors expressed a disclaimer of opinion on the Company's financial statements for the year ended 31 December 2024 relating to going concern (the "**Disclaimer of Opinion**") in the annual report of the Company for the year ended 31 December 2024, and the Company disclosed on 9 to 11 of the 2025 Annual Results 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. In August 2025, 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 31 December 2025, the Company has reached agreement with existing lenders on the extension of approximately RMB3.024 billion 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 implemented a strategy balancing cost control with performance incentives, stimulating the vitality of frontline teams through the introduction of targeted sales incentives. Each city's subsidiaries are required to establish a sales performance reporting mechanism involving daily monitoring and weekly review, formulate differentiated and actionable implementation plans, and actively explore new avenues for performance growth. Specific measures include (i) integrating high-quality regional resources for collaborative marketing; (ii) making full use of new media platforms for targeted customer acquisition; (iii) enhancing on-site service quality to improve customer experience; and (iv) strengthening team management and professional skills training. However, due to factors such as customers being cautious and the slow recovery pace of the overall property market, the Group's contracted sales have continued to decline significantly.

(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 effectively 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, legal compliance, and case-by-case measures, in order to address litigation and debt matters appropriately. The Group actively communicated and negotiated with relevant parties, and employed various measures to reach debt resolution and perform its obligations. It has conducted a comprehensive review of creditor and debtor relationships as well as guarantee arrangements, formulated response plans in accordance with the law, resolutely safeguarded the Company's legitimate rights and interests, and minimized the impact of litigation on business operations to the greatest extent possible.

**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, 31 March 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*