

CHINA REAL ESTATE GRP LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200609901H)

PROPOSED ACQUISITION OF THE REMAINING 28% ISSUED EQUITY INTEREST OF 中房联合大运河文化旅游集团有限公司 (formerly known as 湖州苕溪渔隐文化产业有限公司)

Unless otherwise defined, all capitalized terms have the same meanings ascribed to them in the Company's announcements dated 7 October 2019, 7 January 2020 and 8 April 2020.

The Board of Directors (the "**Board**") of China Real Estate Grp Ltd (the "**Company**", together with its subsidiaries, the "**Group**") refers to the announcements dated 7 October 2019, 7 January 2020 and 8 April 2020 (the "**Announcements**").

As mentioned in the announcement dated 8 April 2020, the S&P Agreement has terminated and ceased to have any force and effect as of 7 April 2020 as certain of the Conditions Precedent (as specified in Appendix A of the Company's announcement dated 7 October 2019) have not been fulfilled or waived in accordance with the terms of the S&P Agreement.

The Board wishes to announce that the Company has received a Writ of Summons from No. 4 Intermediate People's Court of Beijing, the People's Republic of China, whereby the Vendor has made an application to the court seeking the following:

- i) to compel the Company to complete the Proposed Acquisition and pay to the Vendor the Consideration of RMB9,800,000 (approximately S\$1,970,000 at an exchange rate of RMB1 = S\$0.201) immediately;
- ii) to pay to the Vendor the late payment penalty of RMB1,930,600 (approximately S\$388,000 at an exchange rate of RMB1 = S\$0.201); and
- iii) to pay the Vendor's cost of action on an indemnity basis.

The Company is currently seeking legal advice from its legal counsel, Shanghai Hiways Law Firm (上海市海华永泰律师事务所) on the above matter with a view to proceed on a course of action that is in the best interest of the Company. Pursuant to legal advice received from its legal counsel, the Board is of the view that the Vendor's claim is without basis as, inter alia, the S&P Agreement has terminated and has ceased to have any force and effect as of 7 April 2020 and the Vendor has in a letter dated 30 April 2020 acknowledged the termination of the Proposed Acquisition.

The Company will update Shareholders when there are further development on the said matter.

BY ORDER OF THE BOARD

Dato' Dr. Choo Yeow Ming
Chairman and Chief Executive Officer

21 September 2020

This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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