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HAIMEN ZHONGNAN INVESTMENT DEVELOPMENT (INTERNATIONAL) CO., LTD.
(the “**Issuer**”)

(incorporated with limited liability in the British Virgin Islands)



JIANGSU ZHONGNAN CONSTRUCTION GROUP CO., LTD.
(the “**Parent Guarantor**”)

(江蘇中南建設集團股份有限公司)

(incorporated with limited liability in the People’s Republic of China and listed on the Shenzhen Stock Exchange under stock code 000961)

RESULTS ANNOUNCEMENT

Offer to Exchange at least a Minimum Acceptance Amount of the Following Debt Securities (collectively, the “Old Notes”)

Description of Debt Securities	ISIN/Common Code	Outstanding Amount	Minimum Acceptance Amount	Exchange Consideration per US\$1,000 of applicable Old Notes tendered and accepted for exchange	Stock Code
10.875% Guaranteed Senior Notes due 2022 (the “ 2019 Notes ”)	XS2008677341/ 200867734	US\$72,850,000	US\$65,565,000	Upfront Principal Payment in cash, the Incentive Cash Consideration, US\$950 in aggregate principal amount of the New Notes and Accrued Interest in cash.	4585
12.00% Guaranteed Senior Notes due 2022 (the “ 2021 Notes ”)	XS2349744594/ 234974459	US\$150,000,000	US\$135,000,000	Upfront principal payment in cash, the Incentive Cash Consideration, US\$950 in aggregate principal amount of the New Notes and Accrued Interest in cash.	40714

Solicitation of Consents to Amend the Indenture Governing the Following Debt Securities

Description of Debt Securities	ISIN/Common Code	Outstanding Amount	Consent Fee (per US\$1,000 principal amount)	Stock Code
11.50% Guaranteed Senior Notes due 2024 (the “ 2024 Notes ”)	XS2288886216/ 228888621	US\$250,000,000	US\$2.50 for Holders of 2024 Notes who validly deliver a consent to the 2024 Notes Amendments prior to the Consent Expiration Deadline.	40638

Reference is made to the announcement of the Issuer and the Parent Guarantor dated May 24, 2022 (the “**Announcement**”) in relation to the Exchange Offers and the Consent Solicitation. Capitalized terms used in this announcement shall have the same meaning ascribed to them in the Announcement and the exchange offer and consent solicitation memorandum dated May 24, 2022 (the “**exchange offer and consent solicitation memorandum**”).

RESULTS OF THE EXCHANGE OFFERS AND CONSENT SOLICITATION

Results of the Exchange Offers

The Exchange Offers expired at 4:00 p.m., Hong Kong time, on June 2, 2022. We hereby inform Eligible Holders that, as of the Exchange Expiration Deadline, the results of the Exchange Offers are set forth as below:

Description of Debt Securities	ISIN/Common Code	Outstanding Amount	Aggregate principal amount validly tendered for exchange prior to the Exchange Expiration Deadline	Percentage of the outstanding amount
10.875% Guaranteed Senior Notes due 2022	XS2008677341/ 200867734	US\$72,850,000	US\$54,760,000	75.17%
12.00% Guaranteed Senior Notes due 2022	XS2349744594/ 234974459	US\$150,000,000	US\$110,516,000	73.68%

Although the Minimum Acceptance Amount in respect of each series of the Old Notes has not been satisfied as of the Exchange Expiration Deadline, we have made a decision to waive this condition to the Exchange Offers.

Subject to satisfaction of the other terms and conditions of the Exchange Offers, we will accept such Old Notes for exchange in full with no pro rata scaling. With respect to the Old Notes tendered for exchange, subject to the fulfillment or waiver of the conditions precedent to the Exchange Offers and taking into account the Exchange Consideration under the Exchange Offers, we expect to issue US\$157,012,200 in aggregate principal amount of the New Notes. The New Notes will mature on June 5, 2023, unless earlier redeemed pursuant to the terms thereof. The New Notes will bear interest at 12.00% per annum, payable in arrears on December 6, 2022 and June 5, 2023.

Other terms and conditions of the Exchange Offers remain the same as announced in the Announcement. Eligible Holders should note that the issuance of the New Notes under the Exchange Offers remains subject to the fulfillment or waiver of the conditions precedent to the Exchange Offers.

Results of the Consent Solicitation

The Consent Solicitation expired at 4:00 p.m., Hong Kong time, on June 2, 2022. We hereby inform Holders of 2024 Notes that, as of the Consent Expiration Deadline, the 2024 Notes Requisite Consents in respect of the 2024 Notes had been obtained.

PROPOSED SETTLEMENT

Proposed Settlement of the Exchange Offers

On June 6, 2022 (the “**Settlement Date**”), we will deliver US\$157,012,200 in aggregate principal amount of the New Notes and US\$19,216,074 in cash in full satisfaction of the Exchange Consideration to Eligible Holders whose Old Notes have been validly tendered and accepted for exchange. The Old Notes validly tendered and accepted for exchange in the Exchange Offers will be cancelled on the Settlement Date. Following the Settlement Date, US\$18,090,000 in aggregate principal amount of the 2019 Notes and US\$39,484,000 in aggregate principal amount of the 2021 Notes will remain outstanding.

Approval in-principle has been received from the SGX-ST for the listing of and quotation for the New Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and the quotation of the New Notes on, the SGX-ST are not to be taken as an indication of the merits of the Exchange Offers, the Issuer, the Parent Guarantor or any of their respective subsidiaries or associated companies, the New Notes or the Parent Guarantee. The New Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

Proposed Settlement of the Consent Solicitation

Subject to satisfaction of the other terms and conditions of the Consent Solicitation, we plan to execute the 2024 Notes Supplemental Indenture with the 2024 Notes Trustee on or about the Settlement Date to give effect to the 2024 Notes Amendments.

On the Settlement Date, we will deliver US\$575,772.50 in cash in full satisfaction of the Consent Fee to Holders of 2024 Notes of record as of the Record Date whose consents have been validly delivered.

REMAINING OLD NOTES

We have successfully achieved a satisfactory result under the Exchange Offers and the Consent Solicitation to enable us to effectively extend the maturity profile of our offshore indebtedness due this year and avoid certain events of default under the 2024 Notes and the New Notes in respect of any non-payment of the Old Notes.

We would like to reiterate to Eligible Holders of the remaining Old Notes that the liquidity issues faced by property developers, including us, in the Chinese real estate sector continues to be severe. The purpose of the Exchange Offers is to manage the maturity size and extend the maturity profile of our existing senior notes, avoid payment default and replace the Old Notes with the New Notes. We believe that conducting the Exchange Offers is in the best interest of all our stakeholders and represents the best offer we can make to the Eligible Holders of the Old Notes under their impending maturities.

Given the current circumstances, we do not expect ourselves to be in a position to make timely repayments in accordance with the terms of the remaining Old Notes upon their maturities. There are Eligible Holders of Old Notes who have communicated to us their willingness to participate in the Exchange Offers but were not able to submit their tender instructions in time due to practicable difficulties arising from the tight timetable. Therefore, with respect to the Old Notes that remain outstanding after consummation of the Exchange Offers, we will continue to communicate with such Eligible Holders who may not have been able to tender their Old Notes prior to the Exchange Expiration Deadline. Despite the expiration of the Exchange Offers, we urge Eligible Holders of the remaining Old Notes to exchange the remaining Old Notes for the New Notes under substantially the same terms as those of the Exchange Offers. We encourage such Eligible Holders to contact us at as soon as practicable in order to come to mutually agreeable arrangements for such exchange.

INFORMATION

All documents and materials related to the Exchange Offers and the Consent Solicitation are made available, subject to eligibility, on the Exchange and Consent Website: <https://sites.dfkingltd.com/zhongnan>.

GENERAL

THE NEW NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, THE OLD NOTES, THE 2024 NOTES OR THE NEW NOTES. NEITHER THIS ANNOUNCEMENT NOR ANYTHING HEREIN FORMS THE BASIS FOR ANY CONTRACT OR COMMITMENT WHATSOEVER. THIS ANNOUNCEMENT DOES NOT CONSTITUTE, AND MAY NOT BE USED IN CONNECTION WITH, ANY FORM OF OFFER OR SOLICITATION IN ANY PLACE WHERE SUCH OFFERS OR SOLICITATIONS ARE NOT PERMITTED BY LAW. THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR INTO, OR TO ANY PERSON RESIDENT AND/OR LOCATED IN, ANY JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION IS UNLAWFUL.

SHAREHOLDERS, ELIGIBLE HOLDERS OF THE OLD NOTES, HOLDERS OF THE 2024 NOTES AND POTENTIAL INVESTORS SHOULD NOTE THAT COMPLETION OF THE EXCHANGE OFFERS AND THE CONSENT SOLICITATION IS SUBJECT TO THE FULFILLMENT OR WAIVER OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFERS AND THE CONSENT SOLICITATION AS SET FORTH IN THE EXCHANGE OFFER AND CONSENT SOLICITATION MEMORANDUM AND SUMMARIZED IN THE ANNOUNCEMENT. NO ASSURANCE CAN BE GIVEN THAT THE EXCHANGE OFFERS AND THE CONSENT SOLICITATION WILL BE COMPLETED AND THE ISSUER AND THE PARENT GUARANTOR RESERVE THE RIGHT TO AMEND, WITHDRAW OR TERMINATE ANY OF THE EXCHANGE OFFERS AND THE CONSENT SOLICITATION WITH OR WITHOUT CONDITIONS.

THE ISSUER AND/OR THE PARENT GUARANTOR MAY, IN THEIR SOLE DISCRETION, AMEND OR WAIVE CERTAIN OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFERS AND/OR THE CONSENT SOLICITATION. AS ANY OF THE EXCHANGE OFFERS AND THE CONSENT SOLICITATION MAY OR MAY NOT PROCEED, SHAREHOLDERS, ELIGIBLE HOLDERS OF THE OLD NOTES, HOLDERS OF THE 2024 NOTES AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE ISSUER AND THE PARENT GUARANTOR OR THE OLD NOTES, THE NEW NOTES OR THE 2024 NOTES.

The Exchange Offers and the Consent Solicitation are not being made to (nor will the tender of Old Notes and delivery of consents be accepted from or on behalf of) holders in any jurisdiction where the making or acceptance of the Exchange Offers and the Consent Solicitation would not comply with the laws of such jurisdiction. If the Issuer or the Parent Guarantor becomes aware of any jurisdiction in which the making of the Exchange Offers and the Consent Solicitation, the tender of Old Notes or the delivery of consents would not be in compliance with applicable laws, the Issuer or the Parent Guarantor may or may not, in its sole discretion, make an effort to comply with any such law. If, after such effort, if any, the Issuer or the Parent Guarantor cannot comply with any such law, the Exchange Offers and the Consent Solicitation will not be made to (nor will tenders or consents be accepted from or on behalf of) any holder residing in such jurisdiction.

Hong Kong, June 3, 2022

As at the date of this announcement, the sole director of Haimen Zhongnan Investment Development (International) Co., Ltd. is Mr. Xin Qi and the directors of Jiangsu Zhongnan Construction Group Co., Ltd. are Mr. Chen Jinshi, Ms. Chen Yuhan, Mr. Xin Qi, Mr. Tang Xiaodong, Mr. Hu Hongwei, Mr. Cao Yongzhong and Mr. Shi Jinhua as directors, and Mr. Huang Feng, Mr. Cao Yitang, Mr. Shi Jun and Mr. Hou Qicai as independent directors.