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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)

(1) COMPLETION OF THE EXCHANGE OFFERS RELATING TO THE (i) 10.875% GUARANTEED SENIOR NOTES DUE 2022 (ISIN: XS2008677341; COMMON CODE: 200867734; STOCK CODE: 4585) AND (ii) 12.00% GUARANTEED SENIOR NOTES DUE 2022 (ISIN: XS2349744594; COMMON CODE: 234974459; STOCK CODE: 40714) (COLLECTIVELY, THE “OLD NOTES”) AND THE ISSUE OF THE NEW NOTES

(2) COMPLETION OF THE CONSENT SOLICITATION RELATING TO THE 11.50% GUARANTEED SENIOR NOTES DUE 2024 (ISIN: XS2288886216; COMMON CODE: 228888621; STOCK CODE: 40638)

(3) INSIDE INFORMATION

(4) SUSPENSION OF TRADING OF THE 2019 NOTES

AND

(5) DELISTING OF THE OLD NOTES AND LISTING OF THE NEW NOTES

Reference is made to the announcements of the Issuer and the Parent Guarantor dated May 24, 2022 and June 3, 2022 (the “**Announcements**”) 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 Announcements and the exchange offer and consent solicitation memorandum dated May 24, 2022 (the “**exchange offer and consent solicitation memorandum**”).

COMPLETION OF THE EXCHANGE OFFERS AND THE ISSUE OF THE NEW NOTES

We are pleased to announce that on June 6, 2022, all conditions precedent to the Exchange Offers have been fulfilled (or waived) and the Exchange Offers have been completed.

Pursuant to the terms and conditions of the Exchange Offers, a total of US\$165,276,000 principal amount of Old Notes were validly tendered for exchange and accepted by us. Upon cancellation of these Old Notes, the remaining outstanding principal amount of the 2019 Notes and the 2021 Notes will be US\$18,090,000 and US\$39,484,000 respectively. In exchange of the validly tendered and accepted Old Notes, we have issued US\$157,012,200 principal amount of the New Notes pursuant to the Exchange Offers.

The New Notes (ISIN: XS2484448787, Common Code: 248444878) will mature on June 5, 2023, and will bear interest at the rate of 12.00% per annum from and including June 6, 2022, payable in arrears on December 6, 2022 and June 5, 2023.

COMPLETION OF THE CONSENT SOLICITATION

We are pleased to announce that we have received the 2024 Notes Requisite Consents necessary to effect the 2024 Notes Amendments to the 2024 Notes Indenture.

On June 6, 2022, we made payment of 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 had been validly delivered in relation to the Consent Solicitation. As of the same date, the 2024 Notes Supplemental Indenture giving effect to the 2024 Notes Amendments to the 2024 Notes Indenture, among the Issuer, the Parent Guarantor and Citicorp International Limited as trustee, has been executed and became effective and binding on all Holders of the 2024 Notes.

REMAINING OLD NOTES

We intend to maintain active dialogue with Eligible Holders of the remaining Old Notes who collectively hold an aggregate principal amount of US\$57,574,000 (together, the “**Remaining Old Notes**”). Despite the completion of the Exchange Offers, we sincerely urge all 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 9/F, Block A, Lianqiang International Plaza, No.1068, Tianshan West Road, Changning District, Shanghai, the People’s Republic of China or zhongnanconstruction@zhongnangroup.cn as soon as practicable in order to come to mutually agreeable arrangements for such exchange. In addition, we are diligently working with the clearing systems and other professional parties to explore relaunching exchange offers for the Remaining Old Notes on substantially the same terms as the Exchange Offers as soon as practicable so that Eligible Holders of the Remaining Old Notes who were not able to participate in the Exchange Offers will be able to participate in an exchange. We will provide further updates of the relaunch (if any) as soon as practicable. In the meantime, we will continue to communicate actively with our creditors to address our liquidity issues consensually and amicably within a reasonable timeframe.

INSIDE INFORMATION

Pursuant to the terms of each series of the Old Notes, all outstanding principal amount of the relevant Old Notes, together with the accrued and unpaid interest thereon are due and payable on the maturity date of (i) in respect of the 2021 Notes, June 8, 2022, and (ii) in respect of the 2019 Notes, June 18, 2022. As of the date of this announcement, having carefully considered our liquidity position in light of the deteriorating real property market and tightening of the onshore supervision of financing activities and cash balances, we do not expect to be in a position to make timely repayments of principal and interest in accordance with the terms of the Remaining Old Notes upon their maturities. There is a 30-day grace period for non-payment of interest whereas there is no grace period for non-payment of principal. If there is any such non-payment, it will constitute an event of default under each series of the Remaining Old Notes. A non-payment of principal of the remaining 2021 Notes will also trigger a cross-default under the 2019 Notes. However, any non-payment in connection with the Remaining Old Notes will not trigger a cross-default in respect of any of the 2024 Notes or the New Notes.

The board of directors of the Parent Guarantor is of the view that the aforesaid circumstances do not have any potential material impact on our business operations.

SUSPENSION OF TRADING OF THE 2019 NOTES

Given that a non-payment of principal of the remaining 2021 Notes is expected to occur and such non-payment may trigger a cross-default under the 2019 Notes, we have made an application to the HKSE for a suspension of trading of the 2019 Notes on the HKSE with effect from 9:00 a.m. on June 8, 2022 until further notice. For the avoidance of doubt, such suspension does not affect over-the-counter trading in the 2019 Notes.

DELISTING OF THE OLD NOTES AND LISTING OF THE NEW NOTES

Notice is also given that as the 2021 Notes will mature on June 8, 2022 and the 2019 Notes will mature on June 18, 2022, the 2021 Notes and the 2019 Notes will be delisted from the HKSE upon their maturity, respectively. After withdrawal of listing on the HKSE, noteholders requiring further information in relation to the Old Notes may contact us at 9/F, Block A, Lianqiang International Plaza, No.1068, Tianshan West Road, Changning District, Shanghai, the People's Republic of China or zhongnanconstruction@zhongnangroup.cn.

The New Notes were listed on the SGX-ST on June 7, 2022.

Hong Kong, June 7, 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.