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

(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)

11.50% GUARANTEED SENIOR NOTES DUE 2024
(the “Notes”, Stock Code: 40638)

ANNOUNCEMENT

UPDATE ON THE NOTES AND APPOINTMENT OF ADVISERS

A combination of factors including macroeconomic environment, regulation on the real estate industry and COVID-19 pandemic and controlling measures have caused unexpected liquidity issues of the Parent Guarantor and its subsidiaries and materially and adversely impact the Parent Guarantor’s and the Company’s ability to serve the Notes. Interest due under the Notes on October 7, 2022 has not been paid prior to the expiration of the 30-day grace period. Such nonpayment will constitute an event of default under the Notes. As of the date of this announcement, neither the Company nor the Parent Guarantor has received any notice of acceleration in relation to the Notes.

The Company and the Parent Guarantor will continue to actively engage with creditors to address their liquidity issues consensually and amicably. As part of their effort to address those issues, the Company and the Parent Guarantor have appointed Guotai Junan International as financial adviser and King & Wood Mallesons as legal advisers to assist them in exploring options available to them in relation to their offshore indebtedness. The Company and the Parent Guarantor encourage holders of their offshore debt securities to contact Guotai Junan International for further information:

Guotai Junan International

Address: 27/F, Low Block, Grand Millennium Plaza, 181 Queen’s Road Central, Hong Kong

Email: dcm.phoenix@gtjas.com.hk

A petition for the appointment of joint liquidators over the Company has been filed with the Eastern Caribbean Supreme Court in the High Court of Justice of the British Virgin Islands pursuant to the Insolvency Act 2003 (the “Petition”) in connection with US\$7 million in principal amount of 12.00% guaranteed senior notes due 2022 issued by the Company and guaranteed by the Parent Guarantor and the accrued and unpaid interest thereon. The hearing date for the Petition has been set on December 5, 2022. The Company and the Parent Guarantor will vigorously oppose the Petition. The filing of the Petition does not represent the successful winding up of the Company, and as of the date of this announcement, no winding up order has been granted.

SUSPENSION OF TRADING OF THE NOTES

Given the above, at the request of the Company, trading of the Notes on the HKSE will be suspended with effect from 1:00 p.m. on November 7, 2022 until further notice.

Investors are advised to exercise caution when dealing in the securities of the Company and the Parent Guarantor.

November 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.