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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)*

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

**UPDATE ON THE RESTRUCTURING
UPDATE ON PROCEEDINGS
AND
CONTINUED SUSPENSION OF TRADING OF THE NOTES**

References are made to the announcements of the Issuer and the Parent Guarantor dated November 7, 2022, February 17, 2023, May 18, 2023 and June 23, 2023 (together, the “Announcements”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

UPDATE ON THE RESTRUCTURING

In furtherance of the Restructuring, the Issuer is pleased to announce notable progress in its engagement with the ultimate purchasers of the Existing Notes. As of the date of this announcement, the Issuer and the Parent Guarantor have successfully executed Term Sheets with the ultimate purchasers of Existing Notes representing approximately 48.6% of the aggregate outstanding principal amount of the Existing Notes, an increase from 37% as of June 23, 2023, the date of the initial announcement of the Term Sheet. This achievement underscores the Issuer and the Parent Guarantor’s resolute determination in advancing the Restructuring.

UPDATE ON PROCEEDINGS

On July 20, 2023 (Hong Kong time), the sealed judgment of the BVI Court granting the Petition (the “Decision”) was received. The Decision is subject to an interim stay of execution that the Issuer had secured. The Issuer remains committed to pursuing the Restructuring and will apply for a formal stay of the Decision and appeal the Decision. If the formal stay application is successful, this would provide the conditions necessary for the Issuer to fully implement the Restructuring, which the Issuer is confident to be a better outcome to its creditors generally.

As at the date of this announcement, neither the Issuer nor the Parent Guarantor has received any notice of acceleration in relation to the Notes.

CONTINUED SUSPENSION OF TRADING OF THE NOTES

The trading of the Notes on the HKSE has been suspended with effect from 1:00 p.m. on November 7, 2022 and will remain suspended until further notice.

The Issuer will keep the public informed by making further announcements as and when appropriate. If investors have any query about the implications of the Decision and the continued suspension of trading of the Notes, they should obtain appropriate professional advice.

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

July 21, 2023

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.