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SHINSUN 祥生

Shinsun Holdings (Group) Co., Ltd.

祥生控股(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 02599)

US\$200,000,000 12% Senior Notes due 2023

(Stock Code: 40808)

INSIDE INFORMATION

This announcement is made by Shinsun Holdings (Group) Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09, 37.47A, 37.47B and 37.47E of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE 2023 SENIOR NOTES

References are made to the announcements of the Company dated 13 August 2021, 18 August 2021 and 19 August 2021 in relation to the 12% senior notes due 2023 in the principal amount of US\$200,000,000 issued by the Company (the “**Senior Notes**”). The Senior Notes are listed on the Stock Exchange (with ISIN: XS2369849745 and Common Code: 236984974).

The board (the “**Board**”) of directors of the Company hereby announces that the interest payment in the amount of US\$12,000,000 under the Senior Notes became due and payable on 18 February 2022. Under the terms of the Senior Notes, the Company has a grace period of 30 days to pay the interest. Affected by various unfavorable factors such as macro economy, real estate market environment and financial environment, and multiple rounds of epidemics, the Group’s liquidity has experienced periodic problems. The grace period has expired and the Company did not make the interest payment before the expiry.

RECENT UPDATES

The Company is in the process of assessing its liquidity position, overall business operation and operating environment, actively implementing effective liquidity resolution and keeps close watch on the situation. At the same time, the Company will also proactively engage in the dialogue with the bondholders with a view to finding and implementing various ways to address the current liquidity issue, in an effort to reach a consensual solution to best protect the interests of all stakeholders. Further announcement will be made by the Company in relation to the progress of any capital structure solutions or significant business updates.

The Company has appointed Sidley Austin as its legal adviser to advise on this matter.

Shareholders of the Company and other investors are reminded to consider the related risks and exercise caution when dealing in the securities of the Company.

By order of the Board
Shinsun Holdings (Group) Co., Ltd.
Chen Guoxiang
Chairman

Hong Kong, 21 March 2022

As of the date of this announcement, the Board comprises Mr. Chen Guoxiang, Mr. Chen Hongni, Mr. Han Bo and Mr. Zhao Leiyi as executive directors; and Mr. Ding Jiangang, Mr. Ma Hongman and Mr. Hung Yuk Miu as independent non-executive directors.