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Dangdai International Investments Ltd

當代國際投資有限公司

(incorporated in British Virgin Islands with limited liability)

(the “**Issuer**”)

9.25% Guaranteed Senior Notes due 2022 (ISIN: XS2408455553)
(Stock Code: 40923) (the “2022 Notes”)

INSIDE INFORMATION

This announcement is made by the Issuer pursuant to Rules 37.47, 37.47A, 37.47B and 37.47E(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the 2022 Notes with an outstanding principal amount of US\$200,000,000; (ii) the 10.5% Guaranteed Senior Notes due 2023 (ISIN: XS2078359432) (Stock Code: 40121) with an outstanding principal amount of US\$343,893,000 (the “**10.5% 2023 Notes**”); and (iii) the 9.0% Guaranteed Senior Notes due 2023 (ISIN: XS2453127172) (Stock Code: 40121) with an outstanding principal amount of US\$200,000,000 (the “**9.0% 2023 Notes**”, together with the 2022 Notes and the 10.5% 2023 Notes, the “**Notes**”), each as of the date of this announcement. Each of the Notes are guaranteed by Wuhan Dangdai Science & Technology Industries (Group) Company Limited, which is the ultimate parent company of the Issuer (the “**Company**” and together with its subsidiaries, the “**Group**”).

MISSED INTEREST PAYMENT

The interest on the 2022 Notes became due and payable on 16 May 2022. Under the indenture governing the 2022 Notes, the Issuer had a grace period of 30 days to pay the interest to avoid an event of default. The grace period has expired, and the Issuer did not make the payment before the expiry.

The non-payment above mentioned has caused an event of default under the 2022 Notes. As a result, holders of the outstanding 2022 Notes may demand immediate repayment of the principal and accrued interest. As at the date of this announcement, the outstanding principal amount of the 2022 Notes is US\$200,000,000. The Company has not received any notice regarding acceleration action by holders of the 2022 Notes as at the date of this announcement, and no event of default has occurred in respect of any of the 10.5% 2023 Notes and the 9.0% 2023 Notes as at the date of this announcement.

BACKGROUND

During the second half of 2021, there have been dramatic changes to the Chinese high yield sector, and the capital markets that have funded its growth and development have experienced an inflection point. Reduced bank lending and other forms of financing has resulted in reduced access by companies to onshore capital. Adverse reaction to the onshore events by offshore capital markets has limited our funding sources. In addition, the macro-economic environment and the ongoing COVID-19 pandemic and policies implemented to contain the spread of the disease have had a material adverse effect on real estate, culture and tourism sectors where the Group operates its business. As a result, the Group's ability to generate cash flow from operations to satisfy debt obligations has been significantly undermined.

The Company has been working diligently to assess its liquidity position, overall business operation and operating environment, actively implementing effective liquidity solutions, and keeping close watch on the situation. Notwithstanding the Company's efforts to meet its current and future obligations as they come due, the Company is likely to come under continued pressure to generate sufficient cash flows to meet its obligations. The Company intends to communicate actively with its creditors to address the Company's liquidity issues consensually and amicably and within a reasonable timeframe. In the meantime, the Company will continue to prioritize the stabilization of its operations with a view to preserve its cash generation.

The Company will keep holders of the Notes and other stakeholders updated by way of further announcements as and when appropriate.

Holders of the Notes and other potential investors are advised to exercise caution when dealing in the Notes.

By order of the Board
Dangdai International Investments Ltd
Li Songlin
Director

Hong Kong, 16 June 2022

As at the date of this announcement, the Directors of the Issuer are Mr. Zhou Hansheng and Mr. Li Songlin.

As at the date of this announcement, the Directors of the Company are Mr. Ai Luming, Mr. Zhou Hansheng, Mr. Zhang Xiaodong, Mr. Zhang Xiaodong, Mr. Wang Xuehai, Ms. Du Xiaoling, Mr. Chen Haichun.