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Sunshine 100 China Holdings Ltd

陽光100中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2608)

ISSUE OF US\$120 MILLION 12.0% SENIOR NOTES DUE 2023

On January 29, 2021, the Company, the Subsidiary Guarantors and the Initial Purchaser entered into the Purchase Agreement in relation to the issue of US\$120 million 12.0% senior notes due 2023.

The estimated gross proceeds of the Notes Issue, after deducting issue discounts in connection with the offering, amounted to approximately US\$119.9 million. The Company currently intends to use the proceeds of the offering to refinance its existing indebtedness. The Company may adjust the foregoing plans in response to changing market conditions, and, thus, reallocate the use of proceeds in the future.

The Notes will be listed and quoted on the SGX-ST with effect from 9.00 a.m., February 4, 2021. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries and associated companies or the Notes.

The Board hereby announces that the Notes Issue has been completed on February 3, 2021.

On January 29, 2021, the Company, the Subsidiary Guarantors and the Initial Purchaser entered into the Purchase Agreement in relation to the Notes Issue.

THE PURCHASE AGREEMENT

Date: January 29, 2021

Parties:

- (a) the Company;
- (b) the Subsidiary Guarantors; and
- (c) the Initial Purchaser.

Haitong International is the sole global coordinator, sole lead manager and sole bookrunner in connection with the Notes Issue. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Haitong International is an independent third party and not a connected person of the Company and its connected persons.

The Notes have not been, and will not be, registered under the Securities Act. The Notes will only be offered outside the United States in compliance with Regulation S under the Securities Act. None of the Notes will be offered to the public in Hong Kong, the United States or any other jurisdiction or be placed to any connected person of the Company.

The Board hereby announces that the Notes Issue has been completed on February 3, 2021.

Principal terms of the Notes

The following is a summary of certain provisions of the Notes and the Indenture. This summary is not complete and is qualified in its entirety by reference to provisions of the documents relating to the Notes.

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| Issuer: | the Company |
| Notes issued: | The Company issued the Notes in the aggregate principal amount of US\$120 million, which will mature on October 3, 2023, unless earlier redeemed pursuant to the terms thereof |
| Offering price: | 99.927% of the principal amount of the Notes and accrued interest, if any |
| Settlement date: | February 3, 2021 |
| Interest rate: | 12.0% per annum, payable semi-annually in arrears on April 3 and October 3 of each year, commencing October 3, 2021 |
| Subsidiary Guarantees: | guarantees are provided by the Subsidiary Guarantors pursuant to the Indenture |

Ranking of the Notes

The Notes are:

- general obligations of the Company;
- senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;
- at least *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law);
- guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations;
- effectively subordinated to the secured obligations (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor; and

- effectively subordinated to all existing and future obligations of certain subsidiaries of the Company that are not guaranteeing the Notes.

Covenants

The Notes, the Indenture and the Subsidiary Guarantees will limit the Company's ability and the ability of its restricted subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on its capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue or sell capital stock of restricted subsidiaries;
- (e) guarantee indebtedness of the Company and certain of its subsidiaries;
- (f) sell assets;
- (g) create liens;
- (h) enter into sale and leaseback transactions;
- (i) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with shareholders or affiliates;
- (k) effect a consolidation or merger; and
- (l) engage in any business other than permitted businesses.

Events of Default

The events of defaults under the Notes consist of the following:

- (1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (2) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days;

- (3) default in the performance or breach of certain covenants or the failure by the Company to make or consummate an offer to purchase in the manner described under the Indenture;
- (4) the Company or any restricted subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the holders of 25% or more in aggregate principal amount of the Notes then outstanding or by the Trustee at the direction of such holders;
- (5) there occurs with respect to any indebtedness of the Company or any restricted subsidiary having an outstanding principal amount of US\$10 million (or the dollar equivalent thereof) or more in the aggregate for all such indebtedness of all such Persons, whether such indebtedness now exists or shall hereafter be created, (a) an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its Stated Maturity and/or (b) a failure to make a principal payment when due;
- (6) one or more final judgments or orders for the payment of money are rendered against the Company or any restricted subsidiary and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons to exceed US\$10 million (or the dollar equivalent thereof) (in excess of amounts which the Company's insurance carriers agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (7) an involuntary case or other proceeding is commenced against the Company or any restricted subsidiary with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any restricted subsidiary or for any substantial part of the property and assets of the Company or any restricted subsidiary and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or any restricted subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;

- (8) the Company or any restricted subsidiary (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any restricted subsidiary or for all or substantially all of the property and assets of the Company or any restricted subsidiary or (c) effects any general assignment for the benefit of creditors; or
- (9) any Subsidiary Guarantor or JV Subsidiary Guarantors denies or disaffirms its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

If an event of default (other than an event of default specified in clause (7) or (8) above) occurs and is continuing under the Indenture, the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company and to the Trustee, may, and the Trustee at the request of such holders will, subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an event of default specified in clause (7) or (8) above occurs with respect to the Company or any restricted subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder.

Redemption

The Company may, at any time prior to October 3, 2023, at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

The Company may, at any time and from time to time prior to October 3, 2023, at its option redeem up to 35% of the aggregate principal amount of the Notes with the proceeds from sales of certain kinds of the Company's capital stock at a redemption price of 112.0% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date, provided that at least 65% of the aggregate principal amount of the Notes originally issued remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related sale of the Company's capital stock and subject to certain conditions.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

Proposed use of proceeds

The estimated gross proceeds of the Notes Issue, after deducting issue discounts in connection with the offering, amounted to approximately US\$119.9 million. The Company currently intends to use the proceeds of the Notes to refinance its existing indebtedness. The Company may adjust the foregoing plans in response to changing market conditions, and, thus, reallocate the use of proceeds in the future.

Listing

The Notes will be listed and effect from 9.00 a.m., February 4, 2021. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries and associated companies or the Notes.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set forth below unless the context requires otherwise:

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| “Board” | the board of Directors |
| “Company” | Sunshine 100 China Holdings Ltd (陽光100中國控股有限公司), a company incorporated in the Cayman Islands with limited liability on September 20, 2007, the shares of which are listed on the main board of the Stock Exchange |
| “connected person” | has the meaning ascribed to it under the Listing Rules |
| “default” | any event that is, or after notice or passage of time or both would be, an event of default under the Indenture |
| “Directors” | the directors of the Company |
| “Haitong International” | Haitong International Securities Company Limited, sole global coordinator, sole lead manager and sole bookrunner in respect of the offer and sale of the Notes |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |

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| “Indenture” | the indenture entered into by the Company, the Subsidiary Guarantors and the Trustee of the Notes |
| “Initial Purchaser” | Haitong International |
| “JV Subsidiary Guarantees” | the limited-recourse guarantees provided by the JV Subsidiary Guarantors (if any) under certain circumstances and subject to certain conditions |
| “JV Subsidiary Guarantors” | subsidiaries of the Company that in the future provide JV Subsidiary Guarantees in respect of the Notes |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Notes” | the 12.0% senior notes due 2023 in the aggregate principal amount of US\$120 million issued by the Company |
| “Notes Issue” | the issue of the Notes by the Company |
| “Person” | any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof |
| “PRC” | the People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purposes of this announcement |
| “Purchase Agreement” | the agreement entered into among the Company, the Subsidiary Guarantors and the Initial Purchaser in relation to the Notes Issue |
| “Securities Act” | the United States Securities Act of 1933, as amended |

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| “Stated Maturity” | (1) with respect to any indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such indebtedness is due and payable as set forth in the documentation governing such indebtedness and (2) with respect to any scheduled installment of principal of or interest on any indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such indebtedness |
| “SGX-ST” | The Singapore Exchange Securities Trading Limited |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subsidiary Guarantees” | means any guarantee of the obligations of the Company under the Indenture and the Notes by any Subsidiary Guarantor |
| “Subsidiary Guarantors” | certain offshore subsidiaries of the Company that provide Subsidiary Guarantees in respect of the Notes |
| “Trustee” | The Bank of New York Mellon, London Branch |
| “U.S.” or “United States” | the United States of America, its territories and possessions and all areas subject to its jurisdiction |
| “US\$”, “USD” or “U.S. dollar” | United States dollar(s), the lawful currency of the United States |

By order of the Board
Sunshine 100 China Holdings Ltd
Yi Xiaodi
Chairman and Executive Director

Hong Kong, February 3, 2021

As at the date of this announcement, the executive directors of the Company are Mr. Yi Xiaodi and Mr. Fan Xiaochong, the non-executive directors of the Company are Ms. Fan Xiaohua and Mr. Wang Gongquan, and the independent non-executive directors of the Company are Mr. Gu Yunchang, Mr. Ng Fook Ai, Victor and Mr. Wang Bo.