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SHANDONG SANXING GROUP COMPANY LTD.

山東三星集團有限公司

OFFER TO EXCHANGE AT LEAST A MINIMUM ACCEPTANCE AMOUNT OF THE OUTSTANDING 7.99% SENIOR NOTES DUE 2021 (THE “NOTES”) – TERMINATION OF THE EXCHANGE OFFER AND AMENDMENT TO THE TERMS OF THE RESTRUCTURING SUPPORT AGREEMENT AND INSTRUCTION FEE

Reference is made to the announcements of the Company dated December 2, 2020, December 17, 2020, December 23, 2020 and December 31, 2020 (the “**Announcements**”) in relation to the Exchange Offer and the Scheme. Capitalized terms used in this announcement shall have the same meaning ascribed to them in the Announcements.

Termination of the Exchange Offer

The Company hereby announces that the Exchange Offer was terminated at 4:00 p.m., London Time, on January 11, 2021.

Restructuring Support Agreement

Amendments, Waivers and Instruction Fee Deadline Extension

All capitalized terms used herein but not otherwise defined, have the meaning assigned to them in the restructuring support agreement dated December 2, 2020 (the “**RSA**”).

Pursuant to clause 9.3(b) of the RSA, the Issuer hereby notifies you of an Instruction Fee Deadline Extension. The Instruction Fee Deadline has been extended to 4:00 p.m. London time on January 22, 2021.

Pursuant to clause 9.2, which permits the Issuer to waive or modify the terms of the RSA in any manner that is not materially adverse to the interest of the Consenting Creditors, and following the termination of the Exchange Offer, the Issuer waives any provisions of the RSA that require a Consenting Creditor to also participate in the Exchange Offer. Consequently, any noteholder including, for the avoidance of doubt, U.S. noteholders, may accede to the RSA as a Consenting Creditor.

Those Consenting Creditors who have previously executed an Accession Deed will remain bound by the terms of the RSA, as amended and restated, and need not re-submit an Accession Deed or take any further action at this stage.

Increase of Instruction Fee

Pursuant to clause 9.2 of the RSA, the Issuer has also increased the Instruction Fee amount payable to eligible Consenting Creditors from 1% to 2% of the aggregate principal amount of an Eligible Restricted Note as of the Instruction Fee Deadline, as amended and extended from time to time. For the avoidance of doubt, the Instruction Fee increase shall apply to all Eligible Restricted Notes, including those made subject to the RSA prior to the date of this announcement.

Effect of the Scheme

As a general reminder, if the Company proceeds with the scheme of arrangement under section 179A of the BVI Business Companies Act 2004, and the BVI Scheme is (a) approved by the requisite majority of creditors, (b) sanctioned by the BVI Court, and (c) the BVI Sanction Order is filed with the BVI Registrar of Corporate Affairs, the BVI Scheme will, as a matter of BVI law, bind all Scheme Creditors, including those creditors who voted in favour of the BVI Scheme, those creditors who voted against it, and those creditors who did not vote at all.

More Information

The above is a summary only of the principal terms of the RSA made available to noteholders, and should be read in conjunction with, and is qualified in its entirety by references to the RSA, as amended and restated.

For a copy of the amended and restated RSA, please visit the transaction website (<https://sites.dfkingltd.com/sanxing>).

By order of the Board
Shandong Sanxing Group Company Ltd.
Wang Mingfeng
Director

Hong Kong, January 11, 2021

As at the date of this announcement, the directors of the Company are Mr. Wang Mingfeng, Mr. Wang Mingxing and Mr. Wang Mingliang.