

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “**HKSE**”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company or the Parent Guarantor (each as defined below). This announcement is not, and does not form any part of, an offer to buy or sell or the solicitation of an offer to buy or sell any securities in the United States or any other jurisdiction. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, and may not be offered, sold or otherwise transferred within the United States absent registration or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the Parent Guarantor and its management, as well as financial statements. No public offer of securities is to be made by the Company or the Parent Guarantor of the Existing Notes in the United States. The Company and the Parent Guarantor do not intend to register any part of any offering referred to herein in the United States.

HAIMEN ZHONGNAN INVESTMENT DEVELOPMENT (INTERNATIONAL) CO., LTD.
(the “Company”)

(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)

SIGNIFICANT PROGRESS OF RESTRUCTURING OF OFFSHORE INDEBTEDNESS

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

EXECUTION OF TERM SHEET

Over the past few months, the Company, the Parent Guarantor and their professional advisers have engaged in constructive dialogue with certain holders of U.S. dollar denominated senior notes issued by the Company (the “**Existing Notes**”) with respect to a restructuring of indebtedness under its Existing Notes (the “**Restructuring**”). The Restructuring is expected to be principally implemented through a scheme of arrangement (the “**Proposed Scheme**”) pursuant to, and in compliance with, section 179A of the BVI Business Companies Act 2004, and/or pursuant to and in compliance with the applicable laws in such jurisdiction(s) the Company and the Parent Guarantor elect at their discretion.

Progress has been made with certain holders of the Existing Notes. The Company is pleased to announce that the Company and the Parent Guarantor have entered into term sheets containing the principal terms of the Restructuring (the “**Term Sheet**”) with certain holders of the Existing Notes (together, the “**Initial Supporting Creditors**”), representing approximately 37% of the aggregate outstanding principal amount of the Existing Notes as of June 23, 2023.

The execution of the Term Sheet by the Company, the Parent Guarantor and the Initial Supporting Creditors marks a significant and positive milestone in the progress towards the Restructuring, demonstrating substantial progress has been made towards achieving the Restructuring. The Term Sheet also provides that the Company and the Parent Guarantor will work together with the Initial Supporting Creditors to agree further detailed terms in respect of the Restructuring in a restructuring support agreement, which shall supersede the Term Sheet.

The agreed form of the Term Sheet (with sensitive information redacted) is appended to this announcement.

PRINCIPAL TERMS OF THE RESTRUCTURING UNDER THE TERM SHEET

Under the Restructuring, the consideration for creditors of the Company and/or the Parent Guarantor under the indentures governing the Existing Notes at the Record Time (as defined in the Term Sheet) (the “**Scheme Creditors**”) is proposed to be:

- (a) a cash redemption fund equal to 1% of the Entitlement Principal Amount (as defined in the Term Sheet) of such Scheme Creditor (the “**Cash Redemption**”); and
- (b) new notes (to be divided by a ratio of 3:7 into Tranche 1 and Tranche 2 (each as described in the Term Sheet; collectively, the “**New Notes**”) in an aggregate principal amount equal to the sum of (i) 99.0% of the Entitlement Principal Amount of such Scheme Creditor (being 100% of his/her/its Entitlement Principal Amount less the Cash Redemption allocated to such Scheme Creditor) and (ii) accrued and unpaid interest on the Entitlement Principal Amount of such Scheme Creditor up to but excluding the Restructuring Effective Date ((i) and (ii) collectively, the “**New Notes Issuance Amount**”, and together with the Cash Redemption, the “**Restructuring Consideration**”).

For the avoidance of doubt, interest on the Entitlement Principal Amount with respect to a series of Existing Notes shall be accrued and computed on the basis as set forth in the relevant indenture governing such Existing Notes, *provided* that, in the case that the relevant Existing Notes have matured, the unpaid interest of such Existing Notes will continue to accrue up to but excluding the Restructuring Effective Date.

The New Notes shall comprise two tranches (each, a “**Tranche**”) as follows:

- (a) *Tranche 1*: in an aggregate original principal amount equal to 30% of the New Notes Issuance Amount;
- (b) *Tranche 2*: in an aggregate original principal amount equal to 70% of the New Notes Issuance Amount.

Tranche 1 of the New Notes and Tranche 2 of the New Notes, unless redeemed in accordance with the relevant terms, will mature 3 and 4 years respectively from the Restructuring Effective Date (the “**Original Issue Date**”). The New Notes will have mandatory redemption provisions requiring the Company to redeem 5% of the aggregate principal amount of Notes of the relevant tranche as at the Original Issue Date on the date falling on 18 months, 24 months and 30 months from the Original Issue Date, in the case of Tranche 1, and on the date falling on 30 months, 36 months and 42 months from the Original Issue Date, in the case of Tranche 2, each as further described in the Term Sheet. The New Notes will benefit from a cash sweep relating to certain disposal of assets.

Interest on the outstanding principal amount of the New Notes shall be paid in kind for the first year after the Original Issue Date and in cash for the remaining years. Interest is payable semi-annually in arrears on the outstanding principal amount of the New Notes at 6.0% p.a. (if interest with respect to such interest payment period is to be paid in cash) or 7.0% p.a. (if interest with respect to such interest payment is to be paid in kind). Payment in kind interest on a Tranche of the New Notes shall be paid through the issue of additional New Notes of the same Tranche by the Company in a principal amount and currency equal to such interest amount (in increments of US\$1) under the relevant indenture governing such Tranche of the New Notes.

The Parent Guarantor will irrevocably and unconditionally guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other obligations under the New Notes and the amounts payable under, the New Notes.

Please refer to Section C of the Term Sheet for key terms of the New Notes.

CONTACT INFORMATION

Requests for information on the Proposed Scheme can be directed to the financial adviser of the Company and the Parent Guarantor:

Guotai Junan International

Address: 27/F, Low Block, Grand Millennium Plaza, 181 Queen’s Road Central, Hong Kong

Email: dcm.phoenix@gtjas.com.hk

NOTICE

The Company and the Parent Guarantor wish to emphasize that the transactions contemplated by the Term Sheet and

the terms of the Restructuring (including, but not limited to, the principal terms as summarized above) are subject to, amongst other things, final agreement between the Company, the Parent Guarantor, the Initial Supporting Creditors and/or other additional creditors, the execution of legally binding definitive documentation by the parties thereto and sanction by the courts of any relevant jurisdiction, and no such legally binding definitive documentation has been entered into by the Company and the Parent Guarantor as at the date of this announcement. Therefore, the Restructuring may or may not proceed. Further announcement(s) will be made by the Company and the Parent Guarantor to inform noteholders and other investors of the Company and/or the Parent Guarantor of any material development as and when appropriate.

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.

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

June 23, 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.

Haimen Zhongnan Investment Development (International) Co., Ltd.

Term Sheet

(Strictly Confidential and Subject to Contract)

This term sheet dated _____ 2023 (“**Term Sheet**”) represents an agreement between Haimen Zhongnan Investment Development (International) Co., Ltd. (the “**Issuer**”), Jiangsu Zhongnan Construction Group Co., Ltd. (江苏中南建设集团股份有限公司) (the “**Parent Guarantor**”) and the Initial Supporting Creditors (as defined below and listed in Schedule 1 hereto) (together with the Issuer and the Parent Guarantor, the “**Parties**”) with respect to the principal terms and conditions of the Restructuring (as defined below).

The execution of this Term Sheet by the Parties marks a significant and positive milestone in the progress towards the Restructuring, demonstrating the substantial progress the Parties have made towards achieving the Restructuring.

This Term Sheet forms the basis of the agreement in respect of the Restructuring between the Parties and the Parties accordingly agree and undertake to work together in good faith and use their commercially reasonable endeavours to agree further detailed terms in a restructuring support agreement (the “**Restructuring Support Agreement**”), which shall supersede this Term Sheet. It is intended that the Restructuring shall be facilitated by way of the Restructuring Support Agreement, and subsequent further agreements and scheme documentation as necessary to effect the Restructuring. The transactions contemplated by this Term Sheet and the terms of the Restructuring are subject to, amongst other things, final agreement between the parties, the execution of legally binding definitive documentation by the parties thereto and sanction by the courts of any relevant jurisdictions. The Parties acknowledge and agree that this Term Sheet records certain key agreed commercial provisions only, and that no other terms and conditions should be implied. For the avoidance of doubt, this Term Sheet is subject to contract and is not legally binding, except for the provisions as set out in Section E (*General*).

Nothing in this Term Sheet shall constitute an offer or undertaking by the Issuer and/or the Parent Guarantor to any party or recipient of the Term Sheet or by any such party or recipient to the Issuer, the Parent Guarantor or any other party or recipient of the Term Sheet, an amendment of any term of the Existing Notes or a waiver of any right of any party thereunder.

This Term Sheet does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States or any other jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the Parent Guarantor and its management, as well as financial statements. No public offer of securities is to be made by the Issuer or the Parent Guarantor of the Existing Notes in the United States. This Term Sheet is not a prospectus for the purposes of Regulation (EU) 2017/ 1129, including as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020.

This Term Sheet and any non-contractual obligations arising out of or in connection with it shall be governed by the laws of Hong Kong. The Hong Kong courts shall have exclusive jurisdiction in relation to any dispute or controversy arising out of this Term Sheet.

PRINCIPAL TERMS OF THE RESTURCTURING

A. General Information		
1.	Issuer	Haimen Zhongnan Investment Development (International) Co., Ltd., a company incorporated under the laws of the British Virgin Islands
2.	Parent Guarantor	Jiangsu Zhongnan Construction Group Co., Ltd. (江苏中南建设集团股份有限公司), a company incorporated under the laws of the People's Republic of China
3.	Implementation Method	The Issuer intends to implement a restructuring of indebtedness under its Existing Notes (as defined below) (the " Restructuring "). The Restructuring is expected to be principally implemented through a scheme of arrangement between the Issuer and the Scheme Creditors (as defined below) pursuant to, and in compliance with, section 179A of the BVI Business Companies Act 2004, and/or pursuant to and in compliance with the applicable laws in such jurisdiction(s) the Issuer and the Parent Guarantor elect at their discretion (the " Scheme "). An application for recognition of the Scheme may be made in the United States under Chapter 15 of Title 11 of the United States Code, and in any other jurisdiction insofar as necessary, at the sole discretion of the Issuer and/or the Parent Guarantor.
4.	Existing Notes	<p>The debts and claims arising out of the following instruments are intended to be included in the Restructuring:</p> <ol style="list-style-type: none"> 1 the New York law-governed 10.875% guaranteed senior notes due 2022 (ISIN: XS2008677341, common code: 200867734, the "June 2019 Notes") and guaranteed by the Parent Guarantor.; 2 the New York law-governed 11.50% guaranteed senior notes due 2024 (ISIN: XS2288886216, common code: 228888621, the "April 2021 Notes") and guaranteed by the Parent Guarantor; 3 the New York law-governed 12.00% guaranteed senior notes due 2022 (ISIN: XS2349744594, common code: 234974459, the "June 2021 Notes") and guaranteed by the Parent Guarantor; and 4 the New York law-governed 12.00% guaranteed senior notes due 2023 (ISIN: XS2484448787, common code: 248444878, the "June 2022 Notes", together with the June 2019 Notes, the April 2021 Notes, the June 2021 Notes, the "Existing Notes") and guaranteed by the Parent Guarantor.

B. Terms of the Restructuring		
1.	Scheme Creditors	<p>The creditors of the Issuer and/or the Parent Guarantor under the indentures governing the Existing Notes at the Record Time (each, a "Scheme Creditor").</p> <p>"Record Time" means the date (and time) designated by the Issuer, for the determination of the Scheme Creditor's claim for the purposes of voting at the Scheme Meeting (as defined below), such date to be a date after the filing of the Scheme</p>

		<p>with the BVI Court and/or such competent court(s) of the relevant jurisdiction(s) (the “Court”) but prior to the Scheme Meeting.</p> <p>“Scheme Meeting” means the relevant meeting(s) of the creditors of the Issuer and/or the Parent Guarantor who will be affected by the Scheme to vote on that Scheme convened pursuant to an order of the Court (and any adjournment of such meeting).</p>
2.	Scheme Creditors’ Claims	<p>Any claim against or in respect of any liability of the Issuer and/or the Parent Guarantor to a Scheme Creditor arising, directly or indirectly, in relation to, or arising out of or in connection with the Existing Notes (together in aggregate, the “Scheme Creditors’ Claims”).</p> <p>On the Restructuring Effective Date and upon payment of the Cash Redemption (as defined below) and issuance of the New Notes (as defined below), the Scheme Creditors will release all claims against the Issuer, the Parent Guarantor, any and all of the subsidiaries of the Parent Guarantor, and the shareholders, officers, directors, advisors and representatives, or office-holders, of each of the foregoing under the Existing Notes in consideration for the Restructuring Consideration (as defined below) pursuant to the terms of the Restructuring Support Agreement, the documents to be entered into in connection with the New Notes (as defined below) and all documents, agreements and instruments necessary or desirable to support, facilitate, implement or consummate or otherwise give effect to all or any part of the Restructuring (together, the “Restructuring Documents”).</p>
3.	Restructuring Consideration	<p>The restructuring consideration for each Scheme Creditor will consist of:</p> <p>(a) a cash redemption fund equal to 1% of the Entitlement Principal Amount (as defined below) of such Scheme Creditor (the “Cash Redemption”); and</p> <p>(b) new notes (to be divided by a ratio of 3:7 into Tranche 1 and Tranche 2 (each as described in Section C (<i>Terms of the New Notes</i>) below; collectively, the “New Notes”), in an aggregate principal amount equal to the sum of (i) 99.0% of the Entitlement Principal Amount of such Scheme Creditor (being 100% of his/her/its Entitlement Principal Amount less the Cash Redemption allocated to such Scheme Creditor) and (ii) accrued and unpaid interest on the Entitlement Principal Amount of such Scheme Creditor up to but excluding the Restructuring Effective Date ((i) and (ii) collectively, the “New Notes Issuance Amount”, and together with the Cash Redemption, the “Restructuring Consideration”).</p> <p>“Entitlement Principal Amount” of a Scheme Creditor means 100% of the outstanding principal amount of the Existing Notes beneficially owned by such Scheme Creditor at the Record Time (which, for the avoidance of doubt, include but not limited to such Existing Notes in respect of which repurchase rights have been exercised).</p> <p>For the avoidance of doubt, interest on the Entitlement Principal Amount with respect to a series of Existing Notes shall be accrued and computed on the basis as set forth in the</p>

		relevant indenture governing such Existing Notes, <i>provided</i> that, in the case that the relevant Existing Notes have matured, the unpaid interest of such Existing Notes will continue to accrue up to and excluding the Restructuring Effective Date.
4.	Conditions Precedents	<p>Each of the following (together, the “Conditions Precedent”) are to be satisfied on or before, or conditions precedent to, the Restructuring Effective Date:</p> <ul style="list-style-type: none"> (a) the obtaining of all relevant approvals, pre-approvals or consents, as applicable (including but not limited to the delivery of respective court orders of the Scheme and Chapter 15 if applicable (and in the case of Chapter 15 unless waived by the Issuer), approval-in-principle for the listing and quotation of the New Notes on the SGX-ST or another internationally recognised stock exchange and any relevant regulatory approval in the PRC); (b) the settlement of all professional fees associated with the Restructuring that the Issuer has agreed to pay; (c) payment of the RSA Fee (if any) to the eligible holders of the Existing Notes in accordance with the terms of the Restructuring Support Agreement (in the amounts set out below); (d) the Issuer announcing the date set for the Restructuring Effective Date; and (e) the satisfaction of each of the conditions precedent contained in each of the Restructuring Documents.
5.	Restructuring Effective Date	<p>“Restructuring Effective Date” means the date and time at which the Restructuring Documents become unconditionally effective in accordance with their respective terms and the Restructuring has been implemented in full including:</p> <ul style="list-style-type: none"> (a) the payment of the Cash Redemption has been made in full by the Issuer (failing which the Parent Guarantor); (b) the New Notes have been issued by the Issuer and the Parent Guarantees in connection with the New Notes have been issued by the Parent Guarantor in accordance with the terms of the Restructuring Documents; and (c) the Existing Notes have been cancelled and the Parent Guarantees in connection with the Existing Notes have been terminated and released.
6.	RSA Fee	Nil (0), unless otherwise determined by the Issuer and the Parent Guarantor at their sole discretion.
7.	Treatment of the Existing Notes	On the Restructuring Effective Date, all outstanding Existing Notes shall be cancelled conditional on the payment in full of the Cash Redemption and the issuance of the New Notes in accordance with their terms (as set out below).

C.	Terms of the New Notes <i>Capitalised terms not defined below will be defined in the indentures governing the New Notes, which shall substantially follow the meanings given to them in the indentures governing the Existing Notes.</i>	
1.	Issuer	Haimen Zhongnan Investment Development (International) Co., Ltd.
2.	Parent Guarantor	Jiangsu Zhongnan Construction Group Co., Ltd. (江苏中南建设集团股份有限公司)
3.	Principal of New Notes	<p>The New Notes shall comprise two tranches (each, a “Tranche”) as follows:</p> <p>(a) <i>Tranche 1</i>: in an aggregate original principal amount equal to 30% to the New Notes Issuance Amount;</p> <p>(b) <i>Tranche 2</i>: in an aggregate original principal amount equal to 70% to the New Notes Issuance Amount.</p>
4.	Original Issue Date	Restructuring Effective Date
5.	Maturity	<p><i>Tranche 1</i>: 3 years from the Original Issue Date; and</p> <p><i>Tranche 2</i>: 4 years from the Original Issue Date.</p> <p>With respect to each tranche of the New Notes, any outstanding principal amount under such New Notes shall be repaid upon maturity, together with any accrued but unpaid cash interest.</p>
6.	Interest	<p>Interest on the outstanding principal amount of the New Notes shall be paid in kind for the first year after the Original Issue Date and in cash for the remaining years.</p> <p>Interest is payable semi-annually in arrears on the outstanding principal amount of the New Notes at 6.0% p.a. (if interest with respect to such interest payment period is to be paid in cash) or 7.0% p.a. (if interest with respect to such interest payment is to be paid in kind).</p> <p>Payment in kind interest (“PIK Interest”) on a Tranche of the New Notes shall be paid through the issue of additional New Notes of the same Tranche (the “PIK Interest Notes”) by the Issuer in a principal amount and currency equal to such interest amount (in increments of US\$1) under the relevant indenture governing such Tranche of the New Notes.</p>
7.	Parent Guarantee	The Parent Guarantor will irrevocably and unconditionally guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other obligations

		under the New Notes and the amounts payable under, the New Notes.
8.	Mandatory Redemption	<p>Unless previously redeemed prior to the relevant redemption dates, Tranche 1 of the New Notes shall be redeemed as follows:</p> <ul style="list-style-type: none"> (a) 5% of the Redemption Reference Amount (as defined below) on the date falling 18 months after the Original Issue Date; (b) 5% of the Redemption Reference Amount on the date falling 24 months after the Original Issue Date; (c) 5% of the Redemption Reference Amount on the date falling 30 months after the Original Issue Date; and (d) the remaining outstanding principal amount to be repaid in full on maturity date. <p>Unless previously redeemed prior to the relevant redemption dates, Tranche 2 of the New Notes shall be redeemed as follows:</p> <ul style="list-style-type: none"> (a) 5% of the Redemption Reference Amount on the date falling 30 months after the Original Issue Date; (b) 5% of the Redemption Reference Amount on the date falling 36 months after the Original Issue Date; (c) 5% of the Redemption Reference Amount on the date falling 42 months after the Original Issue Date; and (d) the remaining outstanding principal amount to be repaid in full on maturity date. <p>Each redemption under this mandatory redemption provision shall be made at a redemption price equal to 100% of the principal amount of the New Notes redeemed plus accrued and unpaid interest on the New Notes redeemed up to but excluding the relevant redemption date.</p> <p>“Redemption Reference Amount” in relation to a Tranche means the aggregate principal amount of such Tranche at the Original Issue Date.</p>
9.	Cash Sweep	<p>So long as the aggregate Net Consideration (as defined below) of all Specified Asset Sales (as defined below) consummated is in excess of RMB500 million, the Parent Guarantor shall, subject to the satisfaction of CPs to the Specified Asset Cash Sweep (as defined below) (which the Parent Guarantor shall use its best endeavours to cause them to be satisfied), within the Allocation Period (as defined below), remit, or procure the remittance (the “Allocation”) of 50% of the excess of the Net Consideration (in an aggregate basis) over RMB500 million derived from such Specified Asset</p>

	<p>Sale(s) (the “Allocation Amount”) to an offshore bank account subject to a customary offshore account control agreement. For the avoidance of doubt, such obligation to make an Allocation shall continue once the aggregate Net Consideration of all Specified Asset Sales exceeds RMB500 million until the consummation of all Specified Asset Sales.</p> <p>For so long as the total accumulated but unused Allocation Amount exceeds US\$50.0 million, such accumulated but unused Allocation Amount shall then be used for the repayment of principal and interest, redemption and/or repurchase of the New Notes in any manner (together with the Allocation, the “Cash Sweep”), <i>provided</i> that 30% of the Allocation Amount shall be applied towards Tranche 1 of the New Notes, and 70% shall be applied towards Tranche 2 of the New Notes.</p> <p>“Allocation Period”, with respect to any Specified Asset Sale, means the three-month period commencing from and including the later of (x) the date of consummation of such Specified Asset Sale and (y) the date when the aggregate Net Consideration of all Specified Asset Sales consummated as of such date has exceeded RMB500 million.</p> <p>“CPs to the Specified Asset Cash Sweep” means (A) the Parent Guarantor and the relevant Subsidiaries are in receipt of all relevant regulatory, judicial and/ or governmental approvals necessary for the Cash Sweep to be effected; (B) all relevant regulatory, judicial or government restrictions on the Parent Guarantor and any relevant Subsidiary preventing them from effecting the Cash Sweep have been lifted; (C) all orders, requirements and requests from regulatory, judicial or government authorities which satisfaction is necessary for the Cash Sweep to be effected have been satisfied and (D) no notice, order, judgment, action or proceeding of any court, arbitrator, governmental authority, statutory or regulatory body has been served, issued or made which restricts remittance by the Parent Guarantor or relevant subsidiary of the Parent Guarantor of any Net Consideration offshore to conduct the Cash Sweep.</p> <p>“Specified Asset Sale” means any sale, transfer or disposal of one or more Specified Assets by the Parent Guarantor or the relevant Subsidiary on or after the Original Issue Date, including by way of issuance, sale, transfer or disposal of Capital Stock of any Subsidiary the principal asset of which is such Specified Asset, whether it is held directly or indirectly by such Subsidiary.</p> <p>“Specified Assets” means the available portion (after deducting the pre-sold but not yet delivered portion) of land under the projects listed in Schedule 2 hereto, as well as any buildings and work-in-progress construction of such available portion, each as of the Original Issue Date, <i>provided that</i> if the Parent Guarantor receives any non-cash consideration from a Specified Asset Sale, such non-cash consideration will also form part of Specified Assets, <i>provided further that</i> the Parent Guarantor may include additional assets to form part of such Specified Assets in the long-form documentation or, with the</p>
--	--

		<p>consent of such Initial Supporting Creditors holding a majority of the aggregate outstanding principal amount of the Existing Notes held by all Initial Supporting Creditors, exclude assets from such Specified Assets.</p> <p>“Net Consideration” means the Net Proceeds that are attributable to the Parent Guarantor.</p> <p>“Net Proceeds” means with respect to any Specified Asset Sale, the cash proceeds of such Specified Asset Sale, net of:</p> <ol style="list-style-type: none"> (1) actual brokerage commissions and other costs, fees and expenses (including without limitation fees and expenses of professional parties) related to, in connection with or as a result of such Specified Asset Sale and the application of the proceeds of such Specified Asset Sale; (2) provisions for all taxes and other regulatory fees or charges (whether or not such taxes, regulatory fees or charges will actually be paid or are payable) in connection with such Specified Asset Sale without regard to the consolidated results of operations of the Parent Guarantor and its Restricted Subsidiaries, taken as a whole; (3) any amount required or requested by PRC government bodies and/ or under such applicable PRC law, rules, regulations, policies or measures to be deposited in a designated account or used for other purposes, which is not freely transferrable or disposable by the Parent Guarantor, <i>provided</i> that such amount shall form part of the Net Proceeds when such amount becomes disposable at the discretion of the Parent Guarantor or the relevant Subsidiary, pursuant to applicable PRC law, rules, regulations, policies or measures; (4) amounts under indebtedness or any other liability or obligation outstanding at the time of such Specified Asset Sale that (x) is secured by a lien on the property or assets directly or indirectly sold under such Specified Asset Sale, or (y) is required or necessary to be paid as a result of or in connection with such sale or the performance of this cash sweep undertaking; and (5) appropriate amounts to be provided by the Parent Guarantor or any Subsidiary as a reserve against any liabilities associated with, or incurred by a Subsidiary that directly or indirectly owns, such Specified Asset, which liabilities arose as a result of the relevant Subsidiary’s ownership, development or sale of the Specified Assets, including, without limitation, employment benefit liabilities, amounts due to suppliers or service providers, development and operating costs, liabilities related to environmental matters, and liabilities under any indemnification obligations arising as a result of such Specified Asset Sale.
--	--	--

10.	Call Option / Early Redemption Price	<p>At any time prior to the maturity of the New Notes, the Issuer may partially or fully redeem the New Notes at a redemption price equal to 100% of the principal amount of the New Notes redeemed plus accrued and unpaid interest up to but excluding the relevant redemption date of the New Notes redeemed, <i>provided</i> that if the New Notes are redeemed or repurchased on or prior to the 12-month anniversary of the Original Issue Date, the Issuer shall pay in cash the accrued and unpaid interest (including the PIK Interest) on the New Notes being redeemed or repurchased from (and including) the last payment date of the PIK Interest (or the Original Issue Date, if none) to (but excluding) such redemption or repurchase date.</p> <p>Any redemption of the New Notes as described above, will be counted towards the various mandatory redemption obligations in respect of the relevant series of the New Notes as described in this Term Sheet.</p>
11.	Repurchase of the New Notes Upon a Change of Control	<p>Not later than 30 days following the occurrence of a Change of Control (as defined below), the Issuer or the Parent Guarantor will make an offer to purchase all outstanding New Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the relevant payment date.</p> <p>A “Change of Control” means the occurrence of one or more of the following events:</p> <ol style="list-style-type: none"> (1) the merger, amalgamation or consolidation of the Parent Guarantor with or into another Person (other than one or more Permitted Holders (as defined below)) or the merger or amalgamation of another Person (other than one or more Permitted Holders) with or into the Parent Guarantor, or the sale of all or substantially all the assets of the Parent Guarantor to another Person (other than one or more Permitted Holders); (2) the Permitted Holders are collectively the beneficial owners of less than 30% of the total voting power of the Voting Stock of the Parent Guarantor; (3) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of total voting power of the Voting Stock of the Parent Guarantor greater than such total voting power held beneficially by the Permitted Holders; or (4) the adoption of a plan relating to the liquidation or dissolution of the Parent Guarantor. <p>“Permitted Holders” means any or all of the following:</p> <ol style="list-style-type: none"> (1) Mr. Chen Jinshi, Ms. Chen Yuhan and Ms. Lu Yaxing;

		<p>(2) any Affiliate (other than an Affiliate as defined in clause (2) or (3) of the definition of Affiliate) of the Person specified in (1) of this definition;</p> <p>(3) the estate, trust and any immediate family member of the Persons listed in (1) of this definition or the legal representative of any of the foregoing; and</p> <p>(4) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are at least majority owned by one or more of the Persons specified in (1) and (2) of this definition.</p>
12.	Repurchase of the New Notes Upon a SAFE Noncompliance Event	<p>Upon completion by the Parent Guarantor of registration of the Parent Guarantee for the New Notes with SAFE, the Parent Guarantor will be required to deliver an Officer's Certificate in a form set forth in the indentures governing the New Notes attaching a copy of the relevant certificate of registration from SAFE and certifying that such copy is true and correct (such registration and delivery of an Officer's Certificate attaching the SAFE certificate referred to collectively as the "SAFE Completion Event"), <i>provided</i>, however, if after using its best endeavours, the Parent Guarantor is not able to complete such registration and such non-completion would not affect the legality and validity of the Parent Guarantee under applicable law, the Parent Guarantor shall be deemed not to be in breach of its obligations relating to the SAFE Completion Event.</p> <p>Upon the occurrence of a SAFE Noncompliance Event (as defined below), the Parent Guarantor will be required to make an offer to repurchase all of the New Notes at a price in cash equal to 100% of the principal amount of the New Notes issued for repurchase, plus accrued and unpaid interest on the principal amount of the New Notes being repurchased to but excluding the date of repurchase.</p> <p>"SAFE" means the State Administration of Foreign Exchange of the PRC or its local counterparts.</p> <p>"SAFE Noncompliance Event" means the non-occurrence of the SAFE Completion Event by 180 SAFE Business Days after the Original Issue Date.</p> <p>"SAFE Business Day" means a day other than a Saturday, Sunday or a day on which the SAFE is authorized or obligated by law or executive order to remain closed.</p>
13.	Redemption for Taxation Reasons	The indentures governing the New Notes will contain customary provisions for redemptions in the event of certain changes in withholding tax matters.
14.	Covenants	Covenants will be negotiated for the long-form documentation.

15.	Restricted Subsidiaries	On the Restructuring Effective Date, all of the subsidiaries of the Parent Guarantor will be Restricted Subsidiaries under the New Notes.
16.	Amendments and Waivers	Amendment provisions will be similar to those in the Existing Notes, except that the modifications, amendments or waivers that require consent of each holder affected thereby in a series of the Existing Notes, if applicable, would only require consent by 75% in principal amount of the relevant series of the New Notes.
17.	Events of Default	Events of Default will be negotiated for the long-form documentation.
18.	Transfer Restrictions	The New Notes and the Parent Guarantee will not be registered under the U.S. Securities Act of 1933, as amended (the " Securities Act ") or any securities law of any state or other jurisdiction of the United States, and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
19.	Form, Denomination and Registration	The New Notes will be issued only in fully registered form, without coupons, in denominations of US\$150,000 and integral multiples of US\$1 in excess thereof and will be initially represented by global notes registered in the name of a common depository (or its nominee) for Euroclear and Clearstream.
20.	Book-Entry Only	The New Notes will be initially issued in book-entry form through the facilities of Euroclear and Clearstream for the accounts of their participants.
21.	Governing Law and Jurisdiction	Same as under the indentures governing the Existing Notes (specifically, each of the indentures governing the New Notes shall be governed by the laws of the State of New York).
22.	New Notes Credit Rating at Issue	Unrated.
23.	Listing	Application will be made for the listing and quotation of the New Notes on the SGX-ST or another internationally recognised stock exchange and an approval in-principle shall be obtained on or prior to the Restructuring Effective Date. The Issuer shall use commercially reasonable endeavours to obtain such listing as soon as practicable after the Restructuring Effective Date and to maintain such listing (or obtain and maintain a listing on another internationally recognised stock exchange) as long as any New Notes remain outstanding.

D.	Creditors' Support	
1.	Initial Supporting Creditors	<p>Certain holders of the Existing Notes as listed in Schedule 1 who have agreed and signed this Term Sheet (each, an "Initial Supporting Creditor").</p> <p>Schedule 1 to this Term Sheet and the signature pages of the Initial Supporting Creditors shall be redacted and not be disclosed publicly (other than to the legal, financial or other advisors or such information or other agents or service providers for the purposes of the Restructuring of the Issuer, the Parent Guarantor and the subsidiaries of the Parent Guarantor (together, the "Group")) without the prior written consent of the relevant Initial Supporting Creditor <i>provided that</i> the Issuer and/or the Parent Guarantor may disclose this Term Sheet and its content to any court or regulatory or self-regulatory body in proceedings relating to the Issuer, the Parent Guarantor and any other member of the Group or where required by any applicable rule or law, including but not limited to, for the avoidance of doubt, any requirement to make full and frank disclosure as part of any court application made by, or on behalf of, the Issuer, the Parent Guarantor and any other member of the Group.</p>
2.	Support Undertakings	<p>Subject to the Limitations (as defined below), each Party intends to use reasonable endeavours to agree on the Restructuring Documents, which shall provide, among others, each Party shall use reasonable endeavours to:</p> <ul style="list-style-type: none"> (a) negotiate with each other Party in good faith, with the view to agreeing and finalizing the long form documentation in respect of the Restructuring in a timely manner and consistently with this Term Sheet in material respect; (b) assist, cooperate and take all steps as may be necessary or desirable to progress, implement or consummate the Restructuring in a timely manner and consistently with this Term Sheet in material respect; and (c) in the case of each Party (other than the Issuer and the Parent Guarantor), provide commercially reasonable assistance to the Issuer, the Parent Guarantor and any member of the Group in defending against any adverse action taken by another creditor which may delay, impede, or prevent the implementation or consummation of the Restructuring, including: (i) providing written confirmation to any other party that it supports the Restructuring; and (ii) preparing and filing any submission or appearing at any court proceeding which is reasonably requested by any member of the Group and is necessary or desirable to support, facilitate, implement, consummate, or otherwise give effect to the Restructuring. <p>For the avoidance of doubt, as noted at the beginning of this Term Sheet, this Term Sheet remains subject to contract, and does not purport in any way to waive, compromise or otherwise affect any rights or remedies of the Scheme Creditors under or in connection with their</p>

		Restructuring Debt, as described in Reservation of Rights below.
4.	Limitations	<p>Nothing in this Term Sheet shall (each of the following, a “Limitation” and, together the “Limitations”):</p> <p>(a) require any Party (or any of their, and/or their respective managers’ or investment advisers’, respective affiliates or funds) to take any action which would breach any legal or regulatory requirement or any order or direction of any relevant court or governmental body, and which impediment cannot be avoided or removed by taking reasonable steps;</p> <p>(b) restrict, or attempt to restrict, any officer of any member of the Group from complying with any legal or fiduciary duty or obligation to commence insolvency proceedings in respect of that entity;</p> <p>(c) require the Issuer, the Parent Guarantor, any member of the Group, or any other Party (or any of their respective managers, investment advisers, affiliates or funds and/or any affiliates or funds of their respective managers or investment advisers) to make any payment or take any action that would result in it incurring any out-of-pocket expense or other financial obligation, or to incur any liability to any person other than as expressly set out in this Term Sheet;</p> <p>(d) require any Party (or any of their respective managers, investment advisers, affiliates or funds and/or any affiliates or funds of their respective managers or investment advisers) to make any additional equity or debt financing available to any member of the Group; or</p> <p>(e) (subject to the terms of the Restructuring Support Agreement, once executed) prevent or restrict any Initial Supporting Creditor from selling or transferring all or part of their Existing Notes.</p>

E.	General	Each Party agrees to be bound by the provisions in this Section.
1	Confidentiality	<p>This Term Sheet, its contents, the negotiation hereof and thereof and any further materials provided by the Issuer and/or the Parent Guarantor in relation thereto shall constitute Confidential Information under the confidentiality agreements entered into between the Issuer and/or the Parent Guarantor and the recipients, and the parties shall observe the terms of such confidentiality agreements.</p> <p>For the avoidance of doubt, neither the Issuer nor the Parent Guarantor shall, without the prior written consent of an Initial Supporting Creditor, disclose any information provided by such Initial Supporting Creditor in relation to the negotiation of this Term Sheet, except for such information as has been set forth and not redacted in this Term Sheet, to any other Initial</p>

		Supporting Creditor or Scheme Creditor, except as otherwise provided under Section D (<i>Initial Supporting Creditors</i>) above.
2.	Governing Law and Jurisdiction	This Term Sheet and any non-contractual obligations arising out of or in connection with it shall be governed by the laws of Hong Kong. The Hong Kong courts shall have exclusive jurisdiction in relation to any dispute or controversy arising out of this Term Sheet.
3.	Reservation of Rights	Except as otherwise stated herein, each of the Initial Supporting Creditors hereby expressly reserves all rights, claims and remedies under or in connection with the Existing Notes, indentures governing the Existing Notes and any other documents that such Initial Supporting Creditor may have entered into in relation therewith (together, the “ Existing Notes Documents ”). In particular, each of the Initial Supporting Creditors reserves all rights, claims and remedies against the Issuer and the Parent Guarantor arising under any of the applicable Existing Notes Documents, applicable law or otherwise in respect of the occurrence of any default or event of default (however defined in the applicable Existing Notes Documents).
4.	Amendment	Any provision of this Term Sheet may be amended, varied or waived in writing by (a) the Issuer, (b) the Parent Guarantor and (c) all Initial Supporting Creditors.
5.	Termination	This Term Sheet shall be terminated automatically the earlier of (x) when the Restructuring Support Agreement is signed and becomes effective; or (y) 120 calendar days after the date of this Term Sheet.

SCHEDULE 1 LIST OF INITIAL SUPPORTING CREDITORS

[REDACTED]

SCHEDULE 2 SPECIFIED ASSETS

[REDACTED]

[REDACTED]