禹洲集團控股有限公司
YUZHOU GROUP HOLDINGS COMPANY LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Equity Stock Code: 01628)
(Debt Security Stock Codes: 05830, 05798, 40043, 40159, 40079, 40112, 40343, 40517 and 05287)

UPDATE ON THE DEBT RESTRUCTURING AND BUSINESS DEVELOPMENT

This announcement is made by Yuzhou Group Holdings Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09, Rule 37.47, Rule 37.47A and Rule 37.47B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements (the "**Announcements**") of the Company dated 31 March 2022, 1 April 2022, 13 May 2022 and 31 May 2022. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

1. UPDATE ON THE DEBT RESTRUCTURING

The Company would like to provide an update to the market on the progress that has been made regarding the restructuring of its offshore debts and the indicative terms of the restructuring proposal that have been discussed to date.

Although the market conditions have remained challenging since the mainland of the People's Republic of China and Hong Kong Special Administrative Region emerged from the COVID-19 pandemic, the Company strives to maintain its business operations onshore and offshore to ensure completion and delivery of its property projects. As at the date of this announcement, 100% of the Group's real estate projects are progressing according to schedule with no default on the Group's onshore financial indebtedness. The Company believes that the successful implementation of its offshore debt restructuring would allow the Group to right size its balance sheet and restore its capital structure to a healthy and sustainable level such that the Group's business would be able to continue as a going concern and thrive moving forward.

(a) Restructuring Progress

The Company has been actively working with its financial advisors, Alvarez & Marsal Corporate Finance Limited, BOCI Asia Limited and Haitong International Securities Company Limited, and its legal advisors, Linklaters in search of a comprehensive solution to its current liquidity issue with a view to securing a sustainable and viable business for the Company in the long-term for the benefit of all stakeholders.

In this regard, the Company and its advisors have been communicating and constructively engaging with an ad hoc group ("**AHG**") of certain holders of US$-denominated offshore senior notes (the "**senior notes**") and its advisors, PJT Partners and Kirkland & Ellis, to facilitate the formulation of a consensual and holistic restructuring proposal in respect of the Company's offshore indebtedness under the senior notes and senior perpetual securities, and private placement notes (which are guaranteed by the Company, the "**guaranteed notes**") (collectively, "**Existing Notes**").

Over the past few months, the AHG and its advisors have worked closely with the Company and its advisors to conduct in-depth due diligence on the Company's financial and operational conditions. The parties have also made significant progress in formulating a restructuring proposal and narrowing the bid-ask gap on various economic terms.

(b) Preliminary Restructuring Proposal

Having considered the prevailing market conditions and the Company's business performance and projected cash flow, and following from detailed and constructive discussions with the AHG and its advisors since the start of the year, the Company has formulated a detailed restructuring proposal as attached hereto as Appendix I with several key elements as summarised below. For the avoidance of doubt, the Company is still in negotiations with the AHG and no definitive agreement on the terms of the restructuring has been entered into between the Company and the AHG.

(i) The Company seeks to address its aggregate offshore indebtedness under the Existing Notes by right sizing the Company's balance sheet in order to provide a sustainable capital structure for the Company post-restructuring.

(ii) The restructuring is contemplated to involve giving the holders of the Existing Notes (collectively, the "**Scheme Creditors**") three (3) options to convert their Existing Notes into different new US$-denominated notes ("**New Notes**") and/or newly issued ordinary shares of the Company to cater to the different preferences and needs of the Scheme Creditors:

(A) Option 1: New Notes with a short-term maturity ("STN")

Scheme Creditors who elect for Option 1 would be entitled to receive STN. STN is a senior note that would be repaid ahead of the other New Notes with (i) an upfront day-1 principal repayment; (ii) principal amortisation during the tenure of three years; and (iii) full cash interest payments (i.e. without a payment-in-kind option) during its tenure. In addition, the repayment of the STN may be accelerated under a robust cash sweep mechanism, which involves the application of a majority percentage of net proceeds (if any) from the disposal of certain investment properties held by the Group and the dividend distributions from certain wholly foreign owned entities held by the Company's subsidiaries towards the repurchase or repayment of principal and interest under the STN ("**Cash Sweep**"). The STN would also have a first ranking security over the credit enhancement package (as described below) in exchange for the waiver of certain outstanding amounts under the Existing Notes that would be exchanged for the STN. Further, the Company's controlling shareholders propose to provide a pledge over certain shares in the Company held by them (directly or indirectly) exclusively in favour of the STN holders;

(B) Option 2: New Notes with medium-term maturities ("MTNs"), new shares to be issued by the Company and LTN (as defined below)

Scheme Creditors who elect for Option 2 would be entitled to receive (i) four different tranches of MTNs with varying maturities ranging from four to seven years; (ii) newly issued ordinary shares of the Company; and (iii) LTN.

It is contemplated that the interest payable under the MTNs may be paid in cash or in kind during the initial three-year period subsequent to the restructuring effective date, in order to provide the Group with sufficient breathing space to restore its operations and liquidity profile, following which it is contemplated that all interest payments thereafter shall be paid in cash. Nevertheless, if the STN is redeemed and/or repaid in full prior to its maturity date, payments to MTNs would be accelerated with (i) immediate commencement of cash interest payment for the first tranche of MTNs; and (ii) access to the proceeds from the Cash Sweep. The MTNs would also have a second ranking security over certain aspects of the credit enhancement package and Scheme Creditors will also receive newly issued ordinary shares of the Company in exchange for the waiver of certain outstanding amounts under the Existing Notes that would be exchanged for the MTNs. Lastly, Scheme Creditors who elect for Option 2 would also receive LTN in exchange for the accrued interest under the Existing Notes (every 2 dollars of accrued interest shall be converted into 1 dollar of LTN) that have been exchanged for the MTNs; or

(C) Option 3: New Notes with long-term maturity ("LTN")

Scheme Creditors who elect for Option 3 would be entitled to receive LTN which bears zero interest but with no haircut to the outstanding principal amount under the Existing Notes that would be exchanged for the LTN. Option 3 would be the default option for Scheme Creditors who do not validly submit relevant documents to indicate their preferred option for the New Notes.

(iii) Scheme Creditors who are holders of the existing senior perpetual securities and/or guaranteed notes would also be entitled to elect between the above three (3) options for the New Notes. If the Scheme Creditors who hold the existing senior perpetual securities and/or guaranteed notes elect for Option 1 and/or Option 2, the conversion ratio for the outstanding principal amounts under the senior perpetual securities and/or guaranteed notes into the STN and/or MTNs respectively would be adjusted by a further multiplier of 3.25 to 1 to reflect the difference in returns in a liquidation scenario under the senior perpetual securities and guaranteed notes as compared to the senior notes. However, it should be noted that such Scheme Creditors who elect for Option 1 and/or Option 2 would be receiving, among other things, structurally senior instruments with an improved credit enhancement package and access to the proceeds from the Cash Sweep.

(iv) The credit enhancement package is contemplated to include the following:

(A) For holders of STN and MTNs, pledge over shares in 16 wholly foreign owned entities ("WFOE") held by the Company's subsidiaries

STN and MTNs would be secured by a credit enhancement package which includes a first ranking security and second ranking security, respectively, over the shares of the 16 WFOE project companies. It is estimated that these project companies would generate a total leveraged free cashflow attributable to the Company in the range of US$300 million to US$360 million.

(B) For holders of STN only, pledge over certain shares held by the Company's controlling shareholders (directly or indirectly) in the Company

STN would be further secured by a share pledge over 10% of the Company's controlling shareholders' shareholding in the Company post-restructuring as additional credit enhancement, which would exclusively be for the benefit of the holders of the STN.

(v) The Cash Sweep would be funded by (among others) 70% of the net proceeds from the disposal of 33 investment properties and 70% of the distributions and/or realisations by the shareholders of 5 WFOE project companies held by the Company's subsidiaries. It is estimated that the sale of these assets would generate total leveraged free cashflow attributable to the Company of approximately US$1.9 billion, which will be made available to the holders of STN and MTNs.

(vi) The Company, the Company's Subsidiary Guarantor Pledgors (as defined under the indentures of the senior notes), the Company's controlling shareholders, the respective trustee of the STN, MTNs and LTN, the intercreditor agent and any other relevant parties (as the case may be) would enter into an intercreditor agreement, pursuant to which (i) the LTN would be contractually subordinated to the STN and MTNs; and (ii) the MTNs would in turn be further contractually subordinated to the STN.

(vii) Offering general consent fees and early bird fees for Scheme Creditors who provide their support to the restructuring proposal.

(c) Support from the Controlling Shareholders

Prior to the Company's default on its Existing Notes, the Company's controlling shareholders had contributed an aggregate of approximately US$146 million ("**Contributions**") in the following ways to support the Company's funding needs given that refinancing in the capital market at that time was very challenging:

(i) The Company's controlling shareholders beneficially hold senior notes issued by the Company in the aggregate outstanding principal amount of approximately US$56 million which were subscribed and/or bought at close to par value.

(ii) In 2021, the Company's controlling shareholders pledged their personal assets as security for certain notes guaranteed by the Company with an aggregate outstanding principal amount of US$90 million in exchange for a maturity extension in respect of such notes. The entire proceeds of such guaranteed notes were transferred by the issuer to the Company for general working capital purposes.

To support the Company's proposed restructuring, the Company's controlling shareholders intend to (i) apply the Contributions in support of the restructuring, including but not limited to, fully equitising the senior notes held by them, procuring the subordination of any ricochet claims or contribution claims by the Company's controlling shareholders and/or the payables due from the Company to the issuer of the abovementioned guaranteed notes and/or other means which are favourable to the Scheme Creditors; and (ii) provide a pledge over certain shares in the Company held by them (directly or indirectly) exclusively in favour of the holders of the STN.

(d) Potential Implementation Structure

The Company intends that if the restructuring were to proceed, whether on the basis of the above restructuring proposal or some other proposal, it would implement the restructuring of the Existing Notes by way of a scheme of arrangement in the Cayman Islands, and to the extent that the Company and its advisors deem that it is necessary or advisable in consultation with the AHG and its advisors, through parallel schemes of arrangement in other relevant jurisdiction)(s) and/or recognition proceedings in other appropriate jurisdiction(s) for the purposes of obtaining cross-border recognition and relief. The Company may make arrangements with certain other offshore creditors and its onshore creditors on a bilateral basis.

(e) Key outstanding issues between the Company and the AHG, and next Steps

As at the date of this announcement, the Company is still in negotiations with the AHG on the aforementioned restructuring proposal. The AHG, which comprises of holders holding approximately 29% in outstanding principal amount of the senior notes, has reviewed the Company's preliminary restructuring proposal in detail. For the avoidance of doubt, the AHG is not in agreement with the latest terms set out in the Appendix I of this announcement. The AHG and its advisors have raised a number of disagreements over certain key economic terms with the Company and have put forward a counter proposal. The key terms of such counter proposal include, and are not limited to, (i) all accrued and unpaid interest in respect of the senior notes since the Company's default in May 2022 shall be treated in the same manner as the senior notes' outstanding principal in the restructuring; (ii) in respect of the STN: (A) less write-off on the principal of the Existing Notes which Scheme Creditors elect to be converted into STN with certain pre-agreed day-1 paydown by the Company, (B) increase in overall coupon payable (with payment-in-kind interest) and semi-annual amortisation beginning immediately post restructuring effective date, and (C) increase in the percentage of the distributions and/or realisations of the designated WFOE project companies to be applied towards the Cash Sweep with the proceeds thereof to be used to fund a redemption of the STN at par plus accrued interest; and (iii) in respect of the MTNs: (A) lower the debt-to-equity valuation under the MTNs such that the holders of the MTNs will receive the majority of the Company's enlarged share capital post-restructuring, (B) increase the size of the first two tranches of the MTNs and decrease the size of the third tranche of the MTNs, and (C) increase the coupon for each tranche of the MTNs.

Notwithstanding the above, the Company expects to continue the proactive and constructive engagement and maintain a positive momentum with the AHG with a view to resolving the above outstanding issues and finalising the terms of the restructuring proposal as soon as practicable. Meanwhile, the Company intends to engage in discussions with other creditors (including holders of the senior perpetual securities and guaranteed notes) in parallel to ensure support from the creditors and to obtain feedback from those creditors on the Company's restructuring proposal. In this regard, the Company will continue to provide material updates on the restructuring process to all stakeholders as appropriate.

2. UPDATE ON THE BUSINESS DEVELOPMENT

Set out below is an update on the latest development of the Group.

(a) Overview of the Company

As of 31 December 2022:

(a) the Group has 172 property development projects in 38 cities in the People's Republic of China; and

(b) the Group holds 41 investment properties with 38 of them based onshore. These investment properties provide rental incomes to the Group and comprise primarily shopping centers and office buildings. 32 of them are completed while 9 are still under development.

(b) Debt Overview

As of 31 December 2022, in relation to offshore debts, the Group had total interest-bearing liabilities (excluding accrued interest) of approximately US$6.8 billion, which comprise of approximately US$5.5 billion in outstanding principal amount of senior notes, US$300 million in outstanding principal amount of senior perpetual securities, approximately US$700 million in outstanding principal amount of notes which are guaranteed by the Company, and approximately US$300 million of other secured and unsecured bank debts.

In addition, the Company has provided undertakings to purchase the onshore corporate bonds in the outstanding principal amount of RMB4.85 billion that were issued by the Company's wholly owned subsidiary, Xiamen Yuzhou Grand Future Real Estate Development Co., Ltd. ("**Onshore Issuer**"), in the event that, among others, the Onshore Issuer defaults on its payment obligations in respect of these bonds.

In relation to its onshore debts, as of 31 December 2022, the Group had total interest-bearing liabilities of approximately RMB12.31 billion in outstanding principal amount, which comprise of approximately RMB7.46 billion of bank and other borrowings and RMB4.85 billion of corporate bonds. As of 31 December 2022, the Group's onshore debts accounted for approximately 20% of the Group's total indebtedness. As at the date of this announcement, the Group has not defaulted on its onshore financial indebtedness.

(c) Projected Cash Flow

The total cumulative unlevered cash flow generated from the Group's existing property development projects, including projects developed by the Group and its joint ventures and associates, during the period of 2023 to 2032 is estimated to be between approximately RMB40 billion and RMB50 billion.

The cumulative net cash generated from the above property development projects and after repayment of onshore debts during the period of 2023 to 2032 is estimated to be between approximately RMB15 billion and RMB20 billion.

Since January 2022, the Group has disposed of certain investments and properties to alleviate its liquidity pressures and reallocate its financial resources to its existing projects (the "**Disposed Assets**"). In addition, the Group may consider gradually disposing part of the investment properties over the course of five years from 2023 to 2027, subject to market conditions and asset operation circumstances. The estimated total net disposal proceeds attributable to the Company from the disposal of investment properties and the remaining proceeds from the Disposed Assets (after encumbered debt repayment and transaction cost) are estimated to be in the range of approximately RMB11 billion to RMB17 billion, which is based on reasonable commercial assumptions and may vary depending on market conditions.

The cumulative total cash available to service offshore debts (including the US$ public notes, perpetual securities and guaranteed notes) is estimated to be between approximately RMB27 billion (US$3.8 billion) and RMB32 billion (US$4.6 billion), which indicates the Company's need to right size its balance sheet in order to achieve a sustainable capital structure. Of the total cash available to service offshore debts, the amount expected to be available before 2026 is estimated to be in the range of 15% to 19% (on the assumptions that (i) certain investment properties can be disposed of as planned, and (ii) the market conditions permit the disposal of such investment properties at or above the required floor price in accordance with the terms of the Company's restructuring proposal).

During the first few years post-restructuring, the Company would prioritise the construction and delivery of the existing projects and repayment of existing debts. When an opportunity arises and financial resources become available in the longer term, the Company would consider undertaking new projects to generate value for creditors with long term maturity and shareholders.

The above information regarding the Group's projected cash flow is based solely on a preliminary assessment by the management of the Company with reference to the information currently available to it and based on a series of assumptions. Any variation of such assumptions may materially and adversely affect the cash flow projections. Such projections also do not constitute any forecast or estimate of the Group's profit of any relevant period which are determined and affected by other factors. Holders of securities and potential investors of the Company are advised to treat this information with caution as the actual cash flows of the Group at the relevant time may be different from what is disclosed in this announcement. Any information relating to the profit of the Group will be announced by the Company in accordance with the applicable requirements under the Listing Rules.

3. LISTED DEBT SECURITIES

Debt securities issued by the Company that remain listed on The Stock Exchange of Hong Kong Limited includes:

Notes	ISIN/Common Code	Stock Code
US$650 million 6% Senior Notes Due 2023	XS1508493498/150849349	05830
US$500 million 8.5% Senior Notes Due 2024	XS1954963580/195496358	05798
US$500 million 8.375% Senior Notes Due 2024	XS2073593274/207359327	40043
US$400 million 7.7% Senior Notes Due 2025	XS2121187962/212118796	40159
US$500 million 8.3% Senior Notes Due 2025	XS2085045503/208504550	40079
US$645 million 7.375% Senior Notes Due 2026	XS2100653778/210065377	40112
US$300 million 7.85% Green Senior Notes Due 2026	XS2215399317/221539931	40343
US$562 million 6.35% Green Senior Notes Due 2027	XS2277549155/227754915	40517
US$300 million 5.375% Senior Perpetual Securities	XS1692346395/169234639	05287

Shareholders and other investors of the Company are advised not to rely solely on the information contained in this announcement and should exercise caution when dealing in the securities of the Company. When in doubt, the shareholders and other investors of the Company are advised to seek professional advice from their own professional or financial advisors.

By Order of the Board
Yuzhou Group Holdings Company Limited
Kwok Ying Lan
Chairman

Hong Kong, 6 August 2023

As at the date of this announcement, the executive directors of the Company are Ms. Kwok Ying Lan (Chairman) and Mr. Lin Conghui, the non-executive directors of the Company are Mr. Lam Lung On (J.P.) and Mr. Song Jiajun, and the independent non-executive directors of the Company are Mr. Lam Kwong Siu, Mr. Wee Henny Soon Chiang and Mr. Yu Shangyou.

Appendix I – The Company's Restructuring Proposal

Overview

- The Company's proposed scheme of arrangement will involve two (2) classes: (i) Scheme Creditors who hold senior notes ("**Class 1**"); and (ii) Scheme Creditors who hold senior perpetual securities and/or guaranteed notes ("**Class 2**").
- Scheme Creditors (both Class 1 and Class 2) will be given three (3) options to convert their Existing Notes into New Notes subject to different conversion ratios:
  - ➢ Option 1 (with cap): Short-term notes ("**STN**");
  - ➢ Option 2 (without cap): Medium-term notes ("**MTNs**") + Long-term notes ("**LTN**") + new ordinary shares in the Company; and
  - ➢ Option 3 (default option and without cap): LTN.
- STN and MTNs will be secured against a credit enhancement package which entails a first ranking security and second ranking security, respectively, over the shares of 16 wholly foreign-owned enterprise ("**WFOE**") project companies ("**Collateral Package**"). It is estimated that these project companies will generate a total leveraged free cashflow attributable to the Company in the range of US$300 million to US$360 million.
- STN will be further secured against a share pledge over 10% of the Company's controlling shareholders' shareholding in the Company post-restructuring as additional credit enhancement, which will exclusively be for the benefit of holders of the STN.
- STN and MTNs will also have first priority and second priority, respectively, over the distributions from a cash sweep mechanism. Under the cash sweep mechanism, 70% of net proceeds from the disposal of 33 investment properties and 70% of the distributions and/or realizations by the shareholders of 5 WFOE project companies held by the Company's subsidiaries will be made available to the Scheme Creditors who elect for STN and MTNs. It is estimated that the underlying assets will generate total leveraged free cashflow attributable to the Company of approximately US$1.9 billion.
- Any oversubscription under Option 1 will be reallocated to Option 2. The Company reserves the right to increase the cap of the STN under Option 1.
- For Class 2 Scheme Creditors who elect for Option 1 and/or Option 2, the conversion ratios will be adjusted by a further multiplier of 3.25 to 1 to reflect the difference in returns in a liquidation scenario under the senior perpetual securities and guaranteed notes as compared to the senior notes, and the cost of structural elevation from a junior debt to a senior debt.

Term		Details
Option 1: STN	**Conversion Ratio**	• **Class 1:** 10:3 (10 dollars of principal shall be converted into 3 dollars of new note) • **Class 2:** 10:0.92 (10 dollars of principal shall be converted into 0.92 dollar of new note) • All accrued and unpaid interest will be waived, forgiven and cancelled
	Cap and Reallocation	• Maximum issuing principal of US$380 million • Company reserves the right to increase the cap • Oversubscribed claims to be reallocated to Option 2
	Tenor	• 3 years after restructuring effective date ("**RED**")
	Amortization	• Day-1 amortization on STN in the sum of US$20 million on RED • 5% semi-annual amortization commencing in the 2nd year after RED
	Coupon	• 6.0% p.a. payable semi-annually in arrears (i.e. cash coupon without payment-in-kind option ("**PIK**"))
	Cash Sweep	• 1st priority on 70% of net disposal proceeds from 33 investment properties • 1st priority on 70% distributions and/or realisations by shareholders of 5 WFOE companies • No investment properties shall be disposed of at below 85% of market value • Cash sweep proceeds to be used by the Company in its sole discretion for bond repurchase, repayment of principal due in the next 6 months or next interest payment
	Collateral	• Existing collateral package of the Company's senior notes (i.e. 42 subsidiaries guarantors and share pledge over the same) • 1st lien over Collateral Package • Share pledge over 10% of controlling shareholders' shareholding in the Company post-restructuring as share pledge

Term		Details
Option 2: MTNs + LTN + New Shares	**Conversion Ratio**	• **Class 1:** 10 dollars of principal shall be converted into (i) 7 dollars of new MTNs; and (ii) 3 dollars of new shares of the Company. • **Class 2:** 10 dollars of principal shall be converted into (i) 2.15 dollars of new MTNs; and (ii) 7.85 dollars of new shares of the Company. • **Accrued and unpaid interest:** ➢ LTN (see Option 3 for details): 2:1 (2 dollars of accrued and unpaid interest shall be converted into 1 dollar of LTN)
	Cap and Reallocation	• No cap
	Tranches and Tenor	• MTN Tranche I: US$378 million; Mature 4 Years after RED • MTN Tranche II: US$655 million; Mature 5 Years after RED • MTN Tranche III: US$870 million; Mature 6 Years after RED • MTN Tranche IV: Remaining; Mature 7 Years after RED
	Coupon	• MTN Tranche I: 4.0% p.a. payable semi-annually in arrears • MTN Tranche II: 4.5% p.a. payable semi-annually in arrears • MTN Tranche III: 5.0% p.a. payable semi-annually in arrears • MTN Tranche IV: 5.5% p.a. payable semi-annually in arrears • Cash or PIK interest, in whole or any part, in the first 3 years following RED. • MTN Tranche I shall pay full cash interest commencing on the date when STN is fully repaid/redeemed or on the end date of the PIK period, whichever is earlier.
	Collateral	• Existing collateral package of the Company's senior notes (i.e. 42 subsidiaries guarantors and share pledge over the same) • 2nd lien over Collateral Package

Term		Details
	Cash Sweep	• 2nd priority on 70% of net disposal proceeds from 33 investment properties • 2nd priority on 70% distribution and/or realisation by shareholders of 5 WFOE companies • No investment properties shall be disposed of at below 85% of market value • Cash sweep proceeds to be used by the Company in its sole discretion for bond repurchase, repayment of principal due in the next 6 months or next interest payment
	New Shares	• New shares of the Company to be issued at a conversion price of HK$3.76 per share
Option 3 (Default Option): LTN	**Conversion Ratio**	• 1:1 (1 dollar of principal is converted into 1 dollar of LTN) • All accrued and unpaid interest will be waived, forgiven and cancelled
	Tenor	• 10 years after RED
	Coupon	• Zero coupon
	Collateral	• **Class 1:** ➢ Existing collateral package of the Company's senior notes (i.e. 42 subsidiaries guarantors and share pledge over the same) • **Class 2:** ➢ No collateral
	Call Option	• Company has the right to redeem the LTN at a price of sliding scale, which is to increase over time
Consent fees		• Early bird consent fee: 0.2% of Existing Notes principal • Consent fee: 0.1% of Existing Notes principal
Amendments and Waivers		• Key economic terms amendment threshold sets at 80%
Covenants		• To be tightened reasonably
Board Representation		• AHG to nominate 1 board of director subject to Company's approval and conditions
Monitoring Agent		• Company to engage a 3rd party monitoring agent to monitor the disposal proceeds and cashflow of the WFOE companies