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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: 05798, 40043, 40159, 40079, 40112, 40343, 40517 and 05287)

INSIDE INFORMATION
SIGNIFICANT PROGRESS OF HOLISTIC SOLUTION FOR
OFFSHORE DEBTS AND ENTRY INTO RESTRUCTURING
SUPPORT AGREEMENT AND INVITATION TO ACCEDE

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 of the Company dated 31 March 2022, 1 April 2022, 13 May 2022, 31 May 2022, 6 August 2023 and 22 December 2023 (together, the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meaning as ascribed thereto in the RSA (as defined below).

1. OVERVIEW

The Company would like to provide an update to the market on the significant progress that has been made regarding the restructuring of the Existing Notes. Following the Company's announcements on 6 August 2023 and 22 December 2023, the Company and members of the Ad Hoc Group, together with their respective advisors, have continued their constructive dialogue to work towards the formulation of a consensual and holistic restructuring proposal in respect of the Company's offshore indebtedness under the Existing Notes (the "**Proposed Restructuring**").

Further to these discussions, the Company is hereby announcing the terms of a Proposed Restructuring, which is substantially in line with the preliminary restructuring proposal set out in the Company's announcement on 6 August 2023, together with the restructuring support agreement ("**RSA**") which the Company intends to enter into with holders of the Existing Notes to support the implementation of the Proposed Restructuring.

Further details as to the Proposed Restructuring and the RSA are set out in the sections below. The terms of the Proposed Restructuring are set out in the section headed "Term Sheet" in Schedule 7 to the RSA (the "**Term Sheet**"). The Term Sheet is attached hereto as Appendix 1 and the RSA (with the appropriate redactions) is available for download at <https://projects.morrowsodali.com/Yuzhou> ("**Transaction Website**").

2. STRONG SUPPORT FOR THE PROPOSED RESTRUCTURING FROM HOLDERS REPRESENTING A SIGNIFICANT AMOUNT OF THE EXISTING PUBLIC NOTES

The Company is pleased to note that it has received strong support from the Ad Hoc Group for the Proposed Restructuring. As at the date of this announcement, the Ad Hoc Group, which collectively represent approximately 30% of the aggregate outstanding principal amount of the Existing Public Notes (beneficially held, as principal) have duly executed or will be acceding to the RSA. In this regard, the Company intends to implement the Proposed Restructuring through the Scheme (as defined below), which requires the approval by the holders of the Existing Notes who represent a majority in number and 75% in value of those holders that are present and voting at each of the Scheme Meetings convened in respect of the Scheme. The Proposed Restructuring, when completed, will provide the Company and its subsidiaries with a more sustainable capital structure to deliver long-term value for all of their stakeholders.

The Company therefore is very encouraged by the strong support it has received to date from the Ad Hoc Group as this is a major milestone towards the implementation of a consensual arrangement to address the offshore indebtedness of the Company in a holistic manner. The Company would like to express its deepest gratitude to its financial advisors, Alvarez & Marsal Corporate Finance Limited, BOCI Asia Limited, Haitong International Securities Company Limited and legal advisor, Linklaters, as well as the Ad Hoc Group and their advisors for their continual support.

In the interests of all parties involved in the Existing Notes, the Company will be grateful if the remaining holders of the Existing Notes consider the terms of the RSA and accede to the same as soon as possible.

Holders of the Existing Notes may accede to the RSA by delivering to the Information Agent via the Accession Portal a validly completed and executed Accession Letter including the amount of holdings together with its Evidence of Beneficial Holding. The Information Agent is also available to answer any queries as regards this process (see contact details listed at the bottom of this announcement).

The Company will continue to work with the Ad Hoc Group and their advisors on the detailed arrangements for the implementation of the Proposed Restructuring and actively engage with the other creditors to progress the Proposed Restructuring.

3. RSA AND THE PROPOSED RESTRUCTURING

The RSA forms the basis for the implementation of the Proposed Restructuring. The Proposed Restructuring is expected to be principally implemented through a scheme of arrangement (or parallel schemes of arrangement) proposed to be effected in the Cayman Islands and/or Hong Kong (collectively, the “**Scheme**”) and to the extent that the Company and its advisors deem that it is necessary or advisable, 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.

A scheme of arrangement is a statutory mechanism which allows the relevant court to sanction a “compromise or arrangement” which has been voted upon by the relevant classes of creditors and approved by the required majorities; it is not an insolvency procedure. The Company expects to commence the process of implementing the Proposed Restructuring on the terms set forth in the RSA as soon as possible.

Key terms of the Proposed Restructuring

As announced in the Company's announcement on 6 August 2023, the Proposed Restructuring will involve, among others, the cancellation of the Existing Notes in return for each Scheme Creditor receiving an entitlement to elect between one or a combination of the following three options of scheme consideration:

- (a) Option 1: New Notes with a short-term maturity and cash payment;
- (b) Option 2: New Notes with medium-term maturities, new shares to be issued by the Company and New Notes with long-term maturity ("LTN"); and
- (c) Option 3: LTN,

(together, the "**Scheme Consideration**").

In addition, the Company shall raise a maximum sum of US\$14,400,000 by way of a rights issue to be implemented on or prior to the Restructuring Effective Date, as part of the Proposed Restructuring ("**Rights Issue**"). The proceeds arising from the Rights Issue shall be applied towards payment of the fees in connection with the Restructuring and the Group's working capital needs. In support of the Proposed Restructuring, Mr. Lam Lung On and Ms. Kwok Ying Lan (collectively, the "**Sponsors**") have agreed to subscribe for the Rights Issue for an aggregate amount of not less than US\$8,500,000.

Further details in respect of key terms of the Proposed Restructuring are set out in the Term Sheet.

Consummation of the Proposed Restructuring, including the issuance of the Scheme Consideration and the implementation of the Rights Issue are subject to regulatory approvals and/or the requisite approval by the Company's shareholders (as applicable).

The Company will issue further announcement(s) to provide further updates in respect of the Proposed Restructuring, including the Scheme and Rights Issue, as and when appropriate.

The RSA

Under the terms of the RSA, among other things:

- (a) the Company and the Obligors (as defined in the RSA) undertake to (among others):
 - (i) implement or otherwise give effect to the Proposed Restructuring, including the Scheme in the manner envisaged by, and on materially the terms and conditions set out in, the RSA and the Term Sheet;

- (ii) make all securities and other filings and announcements and publish all documents and make all submissions required in connection with the matters contemplated by the RSA and the Term Sheet as and when necessary to comply with all applicable laws;
 - (iii) use all reasonable endeavours to ensure that the Scheme Launch occurs on or before the date which is 4.5 months from the date of the RSA, or such later date as the Company deems appropriate provided always that the Company must first obtain the prior written agreement of the Majority Initial Consenting Creditors to such later date;
 - (iv) except as expressly contemplated under the RSA and the Term Sheet, continue to operate its business as commercially reasonable in the ordinary course and use commercially reasonable endeavours to preserve assets, business and operations of the Group pending completion of the Proposed Restructuring;
 - (v) use all reasonable endeavours to obtain any necessary regulatory or statutory approvals required to permit or facilitate the Proposed Restructuring in the manner envisaged by, and on the terms and conditions set out in, the RSA and the Term Sheet; and
 - (vi) use all reasonable endeavours to obtain all corporate approvals necessary to implement the Proposed Restructuring in the manner envisaged by, and on the terms and conditions set out in, the RSA and the Term Sheet; and
- (b) each Consenting Creditor undertakes to (among others):
- (i) take all such actions and other steps as are necessary or desirable to vote (or cause the relevant person to vote to the extent it is legally entitled to cause that person to vote) and exercise any powers or rights available to it (including in any Scheme Meeting(s) applicable to it or in any process requiring voting or approval) in each case irrevocably and unconditionally in favour of (x) the Scheme or (y) any parallel or similar process or arrangement in any relevant jurisdiction that the Company and its advisors deem is necessary or advisable for the purpose of implementing all or any part of the Proposed Restructuring;

- (ii) (w) not take, commence or continue any Enforcement Action, (x) not direct or encourage any other person to take any Enforcement Action, (y) not vote or allow any proxy appointed by it to vote in favour of any Enforcement Action, and (z) vote or instruct any proxy appointed by it to vote against any Enforcement Action proposed to be taken, in each case where such Enforcement Action would delay the Scheme Effective Date, interfere with the implementation of the Restructuring and/or the Scheme or the transactions contemplated thereby, provided that the Restructuring, the Scheme and/or any of the Restructuring Documents are consistent in all material respects with the terms as set out in the RSA and the Term Sheet;
- (iii) not challenge or object to or support any challenge or objection to any term of the Scheme or any other restructuring process which the Company proposes in order to implement the Proposed Restructuring, provided that the Proposed Restructuring, the Scheme and/or any of the Restructuring Documents are consistent in all material respects with the terms as set out in the RSA and the Term Sheet;
- (iv) not take any actions (or solicit or encourage any person to take any actions) inconsistent with, or that would, or that are intended to or would be likely to, delay, impede, frustrate or prevent the approval, confirmation or implementation of, the Proposed Restructuring or any of the Restructuring Documents or which would or may have the effect of preventing any of the conditions of the Proposed Restructuring or the Scheme from being fulfilled, provided that the Proposed Restructuring and the Restructuring Documents are consistent in all material respects with the terms as set out in the RSA and the Term Sheet; and
- (v) not formulate, encourage, procure or otherwise support any alternative proposal or alternate offer for the implementation of the Proposed Restructuring or otherwise engage in any such discussions which would delay or impede any approval for or confirmation of the Proposed Restructuring or otherwise delay, impede, frustrate or prevent the implementation of the Proposed Restructuring or the consummation of any transaction contemplated thereby, provided that the Proposed Restructuring is consistent in all material respects with the terms as set out in the RSA and the Term Sheet.

The RSA will terminate automatically and immediately on the earliest to occur of any of the following:

- (a) the Court, rejecting, in a final and unappealable decision, the Company's application to convene the Scheme Meetings;

- (b) the Scheme not being finally approved by the requisite statutory majorities of Scheme Creditors at each of the Scheme Meetings (provided that any Scheme Meeting may be reasonably postponed or adjourned to a subsequent date in order to obtain the requisite approval) and there being no reasonable prospect of the Restructuring being effected or the occurrence of the Restructuring Effective Date prior to the Longstop Date;
- (c) the Court not granting the Scheme Sanction Order at the Scheme Sanction Hearing and there being no reasonable prospect of the Restructuring being effected prior to the Longstop Date;
- (d) the Restructuring Effective Date;
- (e) 11.59 p.m. Hong Kong time on the Longstop Date; and
- (f) the Court ordering, in a final and unappealable decision, to wind-up the Company.

The RSA may also be terminated under other circumstances set out in the RSA.

Pursuant to and subject to the terms of the RSA, the Company shall pay or procure the payment of the following RSA Fees:

- (a) the Early-Bird RSA Fee to each Early Eligible Creditor, in an amount equal to 0.2% of the aggregate principal amount (and for the avoidance of doubt excluding any accrued but unpaid interest under the relevant Existing Notes) of its Early Eligible Restricted Notes Debt held at the Record Date, i.e. Restricted Notes Debt which were made subject to the RSA on or prior to the Early-Bird RSA Fee Deadline (i.e. 5.00 p.m. Hong Kong time on 7 March 2024 or such later date and time as may be amended in accordance with the terms of the RSA); and
- (b) the General RSA Fee to each General Eligible Creditor, in an amount equal to 0.1% of the aggregate principal amount (and for the avoidance of doubt excluding any accrued but unpaid interest under the relevant Existing Notes) of its General Eligible Restricted Notes Debt held at the Record Date, i.e. Restricted Notes Debt which were made subject to the RSA after the Early-Bird RSA Fee Deadline but on or prior to the General RSA Fee Deadline (i.e. 5.00 p.m. Hong Kong time on 21 March 2024 or such later date and time as may be amended in accordance with the terms of the RSA).

In order to be considered an Early Eligible Creditor and hence be eligible to receive the Early-Bird RSA Fee, a person must be a Consenting Creditor as at the Restructuring Effective Date and must:

- (a) hold Early Eligible Restricted Notes Debt at the Record Date, and that such Early Eligible Restricted Notes Debt comprises: (i) Early Eligible Restricted Notes Debt held by such person as at the Early-Bird RSA Fee Deadline; and/or (ii) Early Eligible Restricted Notes Debt which were acquired under a Transfer (or, if applicable, a series of Transfers) in accordance with Clause 10 (*Additional undertakings by the Consenting Creditors: transfer and related*) of the RSA;
- (b) have voted the entire aggregate amount of the Existing Notes Debt held by it at the Record Date in favour of the Scheme at the relevant Scheme Meetings (whether in person or proxy);
- (c) have not exercised its rights to terminate the RSA as at the Restructuring Effective Date; and
- (d) not be in breach of its obligations under the RSA as at the Restructuring Effective Date.

In order to be considered a General Eligible Creditor and hence be eligible to receive the General RSA Fee, a person must be a Consenting Creditor as at the Restructuring Effective Date and must:

- (a) hold General Eligible Restricted Notes Debt at the Record Date, and that such General Eligible Restricted Notes Debt comprises: (i) General Eligible Restricted Notes Debt held by such person as at the General RSA Fee Deadline; and/or (ii) General Eligible Restricted Notes Debt which were acquired under a Transfer (or, if applicable, a series of Transfers) carried out in accordance with Clause 10 (*Additional undertakings by the Consenting Creditors: transfer and related*) of the RSA;
- (b) have voted the entire aggregate amount of the Existing Notes Debt held by it at the Record Date in favour of the Scheme at the relevant Scheme Meetings (whether in person or proxy);
- (c) have not exercised its rights to terminate the RSA as at the Restructuring Effective Date; and
- (d) not be in breach of its obligations under the RSA as at the Restructuring Effective Date.

4. CONTACT DETAILS

The Information Agent

Morrow Sodali Limited (“**Morrow Sodali**”) will be responsible for receipt and processing of accession letters and transfer notices, distribution of Accession Codes and overseeing evidence of holdings of the Consenting Creditors in respect of the Notes. The RSA (including the Term Sheet) will be available for access on the transaction document posting website of <https://projects.morrowsodali.com/Yuzhou> from 8 February 2024. Morrow Sodali can be contacted using the below details:

Transaction Website: <https://projects.morrowsodali.com/Yuzhou>

Accession Portal: <https://portal.morrowsodali.com/yuzhouRSA>

Transfer Portal: <https://portal.morrowsodali.com/yuzhouTRANSFER>

Tel: +852 2319 4130 (Hong Kong) or +44 20 4513 6933 (London)

Email: yuzhou@investor.morrowsodali.com

Request for information

Any requests for information on the Proposed Restructuring can be directed to the Company’s financial and legal advisors or the Ad Hoc Group’s legal advisor:

Financial Advisors to the Company

Alvarez & Marsal Corporate Finance Limited

Address: Room 405-7, 4/F, St. George’s Building, 2 Ice House Street, Central, Hong Kong

Tel: +852 3102 2600

Email: ProjectYuzhou@alvarezandmarsal.com

BOCI Asia Limited

Address: 26/F Bank of China Tower, 1 Garden Road, Hong Kong

Tel: +852 3988 6302

Email: Project.Reborn@bocigroup.com

Haitong International Securities Company Limited

Address: 28/F One International Finance Centre, No. 1 Harbour View Street, Central, Hong Kong

Tel: +852 2840 1680

Email: project.reborn@htisec.com

Legal Advisor to the Company

Linklaters

Address: 11/F, Alexandra House, Chater Road, Hong Kong

Tel: +852 2842 4888

Email: dlyuzhou@linklaters.com

Financial Advisor to the Ad Hoc Group

PJT Partners (HK) Limited

Address: Suite 3609-11, Two International Finance Centre. No. 8 Finance Street

Tel: +852 3427 6100

Email: projectfisher@pjtpartners.com

Legal Advisor to the Ad Hoc Group

Kirkland & Ellis

Address: 26th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong

Tel: +852 3761 9127

Email: fisher@kirkland.com

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, 8 February 2024

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
TERM SHEET**

Yuzhou Group Holdings Company Limited

Non-Binding Term Sheet

(Subject to Contract)

8 February 2024

This draft term sheet ("**Term Sheet**") outlines the principal terms and conditions of the restructuring of the Existing Notes (as defined below) of Yuzhou Group Holdings Company Limited (the "**Company**", and such restructuring being the "**Restructuring**"). This Term Sheet is not intended to be a comprehensive list of all relevant terms and conditions of the Restructuring or any other transaction in relation to the Company's offshore liabilities. Other than the terms set out in Part D (*Binding provisions*) below, this Term Sheet is not legally binding and nothing in this Term Sheet shall amend any term of the Existing Notes or constitute a waiver of any right of any party thereunder. The transactions contemplated by this Term Sheet are subject to, amongst other things, the execution of definitive documentation by the parties thereto (the "**Restructuring Documents**").

It is intended that this Term Sheet will be appended to a restructuring support agreement (the "**RSA**") containing support undertakings from certain holders of the Existing Notes for the Restructuring. The RSA shall be governed by the laws of Hong Kong and subject to the exclusive jurisdiction of the Hong Kong courts.

This Term Sheet does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such 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 Company and its management, as well as financial statements. No public offer of securities is to be made by the Existing Notes Obligors (as defined below) 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.

A. Overview of Restructuring		
1.	Implementation	The Restructuring shall be principally implemented through a scheme of arrangement (or parallel schemes of arrangement) proposed to be effected in the Cayman Islands and/or Hong Kong (collectively, the " Scheme ") and to the extent that the Company and its advisors deem that it is necessary or advisable, 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.
2.	Liabilities to be restructured	The Company's offshore liabilities in respect of: (i) the Existing Public Notes (as defined below); and (ii) the Additional Existing Debt Instruments (as defined below) (collectively, the " Existing Notes ").

A. Overview of Restructuring		
3.	Existing Public Notes	<p>The "Existing Public Notes" comprise the following New York law governed instruments which were issued by the Company and guaranteed by the Subsidiary Guarantors (as defined in the indentures in connection with the same):</p> <ul style="list-style-type: none"> (a) USD350,000,000 6.00% Senior Notes due 2022 issued pursuant to an indenture dated 25 January 2017 and partially exchanged into the Public Exchange Notes, with outstanding principal amount of USD11,944,000 as of the date of this Term Sheet; (b) USD500,000,000 8.625% Senior Notes due 2022 issued pursuant to an indenture dated 23 January 2019 and partially exchanged into the Public Exchange Notes, with outstanding principal amount of USD14,441,000 as of the date of this Term Sheet; (c) USD500,000,000 8.5% Senior Notes due 2023 issued pursuant to an indenture dated 4 February 2019, with outstanding principal amount of USD500,000,000 as of the date of this Term Sheet; (d) USD500,000,000 8.5% Senior Notes due 2024 issued pursuant to an indenture dated 26 February 2019, with outstanding principal amount of USD500,000,000 as of the date of this Term Sheet; (e) USD650,000,000 6.00% Senior Notes due 2023 issued pursuant to indentures dated 25 October 2016 and 10 July 2019, with outstanding principal amount of USD650,000,000 as of the date of this Term Sheet; (f) USD500,000,000 8.375% Senior Notes due 2024 issued pursuant to an indenture dated 30 October 2019, with outstanding principal amount of USD497,000,000 as of the date of this Term Sheet; (g) USD500,000,000 8.3% Senior Notes Due 2025 issued pursuant to an indenture dated 27 November 2019, with outstanding principal amount of USD486,000,000 as of the date of this Term Sheet; (h) USD645,000,000 7.375% Senior Notes due 2026 issued pursuant to an indenture dated 13 January 2020, with outstanding principal amount of USD636,500,000 as of the date of this Term Sheet; (i) USD400,000,000 7.7% Senior Notes due 2025 issued pursuant to an indenture dated 20 February 2020, with outstanding principal amount of USD400,000,000 as of the date of this Term Sheet; (j) USD300,000,000 7.85% Green Senior Notes due 2026 issued pursuant to an indenture dated 12 August 2020, with outstanding principal amount of USD295,000,000 as of the date of this Term Sheet; (k) USD562,000,000 6.35% Green Senior Notes due 2027 issued pursuant to an indenture dated 13 January 2021, with outstanding

A. Overview of Restructuring	
	<p>principal amount of USD557,000,000 as of the date of this Term Sheet;</p> <p>(l) USD100,000,000 12.0% Senior Notes due 2023 issued pursuant to an indenture dated 8 July 2021 and supplemented by supplemental indentures dated 21 January 2022, 30 June 2022 and 29 September 2022, with outstanding principal amount of USD100,000,000 as of the date of this Term Sheet;</p> <p>(m) USD200,000,000 9.95% Green Senior Notes due 2023 issued pursuant to an indenture dated 8 September 2021, with outstanding principal amount of USD179,000,000 as of the date of this Term Sheet;</p> <p>(n) USD120,000,000 8.50% Green Senior Notes due 2022 issued pursuant to an indenture dated 23 September 2021, with outstanding principal amount of USD115,000,000 as of the date of this Term Sheet; and</p> <p>(o) USD527,899,800 7.8125% Senior Notes due 2023 issued pursuant to an indenture dated 20 January 2022 ("Public Exchange Notes"), with outstanding principal amount of USD527,899,800 as of the date of this Term Sheet.</p>
4.	<p>Additional Existing Debt Instruments</p> <p>The "Additional Existing Debt Instruments" comprise the following offshore financial indebtedness incurred by the Company as an issuer and/or a guarantor:</p> <p>(a) USD300,000,000 Senior Perpetual Securities (the "Perpetual Securities") issued pursuant to an indenture dated 29 September 2017, with outstanding principal amount of USD300,000,000 as of the date of this Term Sheet;</p> <p>(b) USD267,000,000 6.0% Notes due 2022 issued pursuant to a trust deed dated 17 March 2021, and partially exchanged into the Private Exchange Notes (as defined below), with outstanding principal amount of USD229,000,000 as of the date of this Term Sheet;</p> <p>(c) USD250,000,000 8.5% Notes due 2022 issued pursuant to a trust deed dated 22 June 2021, with outstanding principal amount of USD250,000,000 as of the date of this Term Sheet;</p> <p>(d) USD150,000,000 10.5% Notes due 2022 issued pursuant to a trust deed dated 7 September 2021, with outstanding principal amount of USD150,000,000 as of the date of this Term Sheet;</p> <p>(e) USD38,000,000 6.0% Notes due 2023 issued pursuant to a trust deed dated 25 April 2022 ("Private Exchange Notes") with outstanding principal amount of USD38,000,000 as of the date of this Term Sheet;</p> <p>(f) to the extent that the Company (in its sole discretion) considers necessary or desirable, USD100,000,000 6.0% Notes due 2021 issued pursuant to an instrument dated 29 September 2020, with</p>

A.	Overview of Restructuring	
		<p>outstanding principal amount of USD90,000,000 as of the date of this Term Sheet; and</p> <p>(g) (subject to the Company obtaining the prior written consent of the Majority Initial Consenting Creditors (as defined in the RSA)) any other offshore financial indebtedness incurred by the Company as an issuer and/or a guarantor that the Company considers necessary or desirable to include in the Restructuring.</p>
5.	<p>Description of Restructuring</p>	<p>The Restructuring will involve the following steps which shall take effect on the restructuring effective date ("RED"):</p> <p>(a) cancellation of the Existing Notes and the full release and discharge of the following parties under the Existing Notes, amongst others, in connection with actions taken, omissions or circumstances occurring on or prior to the RED with respect to the Existing Notes and the negotiation, preparation, execution, sanction and/or implementation of the Restructuring (save in the case of wilful misconduct, gross negligence or fraud), including:</p> <ul style="list-style-type: none"> (i) the Company, all the Subsidiary Guarantors (as defined in the indentures of the Existing Public Notes) under the Existing Public Notes, and the Company and obligors under the Additional Existing Debt Instruments (collectively, the "Existing Notes Obligors"); (ii) the administrative parties in respect of the Existing Notes; (iii) the directors / managers / officers (or equivalent) of the Existing Notes Obligors (provided that the releases shall not apply to any claim or liability against any of these parties for breach of director's duties or malfeasance arising from or relating to actions which are not in connection with the negotiation, preparation, execution, sanction or implementation of the Restructuring); (iv) the Existing Notes Obligors' advisors; (v) the Ad Hoc Group (as defined below); (vi) the Ad Hoc Group's advisors (including without limitation PJT Partners and Kirkland & Ellis); and <p>(b) the issuance by the Company of new notes and new ordinary shares (where relevant) on the terms set out in Part B (<i>New Notes</i>) below.</p> <p>The RED shall occur upon the satisfaction of all conditions precedent in relation thereto (as detailed in Part C (<i>Other terms</i>) row 8 (<i>Conditions precedent/steps to be taken on RED</i>) below), including (without limitation), (i) the Grand Court of the Cayman Islands and/or, as the Company deems necessary, the High Court of Hong Kong granting the order(s) sanctioning the Scheme; and (ii) to the extent an application</p>

A. Overview of Restructuring	
	for recognition and assistance in relation to the Scheme under Chapter 15 of the U.S. Bankruptcy Code or in any other jurisdiction is made (if any) and/or any application is made for a parallel scheme of arrangement, the Company obtaining or abandoning the relevant court order and/or parallel scheme sanction. The scheme documents shall include a mechanism for extending the time limit (i.e. the Longstop Date (as defined in the RSA)) for the RED to occur.
6.	<p>Scheme Creditors</p> <p>Beneficial holders of the Existing Notes, who will vote in two classes (Class A and Class B) in respect of the Scheme.</p> <p>The scheme creditors will comprise Class A Scheme Creditors (as defined below) and Class B Scheme Creditors (as defined below) (collectively, the "Scheme Creditors").</p>
7.	<p>Class A Scheme Creditors</p> <p>Scheme Creditors who are beneficial holders of the Existing Public Notes ("Class A Scheme Creditors").</p>
8.	<p>Class B Scheme Creditors</p> <p>Scheme Creditors who are beneficial holders of the relevant Additional Existing Debt Instruments ("Class B Scheme Creditors").</p>
9.	<p>Scheme Creditors' Claims</p> <p>The aggregate of the following, being the "Scheme Creditors' Claims":</p> <ul style="list-style-type: none"> (a) the outstanding principal amount of the Existing Public Notes as at the Record Date ("Existing Public Notes Principal Claims"); (b) the outstanding principal amount of the relevant Additional Existing Debt Instruments as at the Record Date ("Additional Existing Debt Instruments Principal Claims" and collectively with the Existing Public Notes Principal Claims, the "Existing Notes Principal Claims"); and (c) all accrued and unpaid interest and/or distributions in respect of the outstanding principal under the relevant Existing Notes up to but excluding the Reference Date (the "Accrued Interest Claims"). <p>For the avoidance of doubt, (i) all the Accrued Interest Claims in respect of the relevant Existing Notes held by Scheme Creditors who elect and are allocated the STN and/or the LTN under Option 1 and/or Option 3 (each as defined below) up to but excluding the Reference Date; and (ii) 50% of the Accrued Interest Claims in respect of the relevant Existing Notes held by Scheme Creditors who elect and/or otherwise have been allocated Scheme Consideration under Option 2 (as defined below) up to but excluding the Reference Date, shall be waived on RED. In addition, any and all accrued and unpaid default interest and/or distributions arising solely in connection with or as a result of any outstanding interest and/or distribution under the relevant Existing Notes, if any, shall not be included as part of the Scheme Creditors' Claims and shall be waived on RED. Interest shall only accrue on the New Notes from the Reference Date in accordance with Section B (<i>New Notes</i>) below.</p>

A. Overview of Restructuring	
	<p>"Record Date" means the date designated by the Company for the determination of the outstanding principal amount of the Existing Notes held by the Scheme Creditors for the purposes of voting at the proposed scheme meeting(s).</p> <p>"Reference Date" means 30 June 2024.</p>

B. New Notes	
<i>(i) General</i>	
1.	Issuer / Company Yuzhou Group Holdings Company Limited.
2.	Original Issue Date RED.
3.	<p>Scheme Consideration</p> <p>The scheme consideration shall include either one or a combination of the following options (the "Scheme Consideration") in accordance with each Scheme Creditor's election and subject to the Election Requirements:</p> <p>(a) <u>Option 1</u>: Scheme Creditors electing to receive Option 1 shall receive their pro-rata proportion of (i) STN up to the STN Face Value Cap (as defined below); and (ii) Cash Payment (as defined below);</p> <p>(b) <u>Option 2</u>: Scheme Creditors electing to receive Option 2 or who are automatically re-assigned to Option 2 (as a result of an oversubscription of the STN) shall receive:</p> <p>(i) the MTN (as defined and divided into tranches as referenced below);</p> <p>(ii) the New Equity (as defined below); and</p> <p>(iii) the LTN (as defined below) in respect of 50% of their Accrued Interest Claims (the remaining 50% being waived on RED); and</p> <p>(c) <u>Option 3</u>: Scheme Creditors electing to receive Option 3 or who are automatically assigned to Option 3 by default if they do not make any election shall receive the LTN.</p> <p>To the extent that the Scheme Creditors' election for Option 1 results in the STN Face Value exceeding the Class A STN Face Value Cap and the Class B STN Face Value Cap respectively, the unconverted portion of the Existing Notes Principal Claims and the Accrued Interest Claims in relation thereto will be automatically reassigned to Option 2.</p> <p>"Election Requirements" means, with respect to the election made by any Scheme Creditor, such election which will not result in any tranche of New Notes to be received by such Scheme Creditor having a principal amount that is less than USD1,000.</p>
4.	New Notes All Scheme Creditors shall receive new notes (the " New Notes ") with their respective coupons, tranches, guarantee and security packages

B.	New Notes	
		<p>and maturity dates as set out below. As a general principle, unless otherwise indicated in this Term Sheet or subsequently agreed between the Company and the Ad Hoc Group, the New Notes issued to the Scheme Creditors shall be based on the existing indentures in respect of the Existing Public Notes.</p> <p>Subject to the Election Requirements, all Scheme Creditors shall have the option to elect their relevant series of New Notes in the form of either or a combination of Option 1, Option 2 or Option 3. A Scheme Creditor who fails to elect its preferred option before the relevant deadlines shall be allocated Option 3 by default.</p> <p>The MTN shall comprise four tranches as described below.</p> <p>If a clearing system participant represents more than one holder or a holder wishes to receive part of its Scheme Consideration in one series of New Notes and other part(s) in other series of New Notes, it may elect to do so subject to the Election Requirements.</p> <p>Accordingly, the New Notes shall comprise the following series of notes:</p> <ul style="list-style-type: none"> (a) short-term notes ("STN"); (b) medium-term notes ("MTN"), which shall comprise four tranches, namely the MTN Tranche A, the MTN Tranche B, the MTN Tranche C and the MTN Tranche D; and (c) long-term notes ("LTN").
(ii)	Option 1 / STN	
5.	Description and Allocation	<p>Scheme Creditors who elect Option 1 as Scheme Consideration in exchange for their Scheme Creditors' Claims shall receive, in respect of their Scheme Creditors' Claims so elected:</p> <ul style="list-style-type: none"> (a) in the case of Class A Scheme Creditors, STN with the following face value to be issued on RED: a face value equal to (i) 30% of their relevant Existing Public Notes Principal Claims; <i>less</i> (ii) their pro-rata proportion of the Cash Payment to be paid on RED (in aggregate, the "Class A STN Face Value"); and (b) in the case of Class B Scheme Creditors, STN with the following face value to be issued on RED: a face value equal to (i) 10% of their relevant Additional Existing Debt Instruments Principal Claims; <i>less</i> (ii) their pro-rata proportion of the Cash Payment to be paid on RED (in aggregate, the "Class B STN Face Value", together with the Class A STN Face Value, the "STN Face Value").

B.	New Notes
	<p>The Class A STN Face Value shall be capped at USD356,500,000 (the "Class A STN Face Value Cap").</p> <p>The Class B STN Face Value shall be capped at USD18,760,000 (the "Class B STN Face Value Cap", and collectively with the Class A STN Face Value Cap, the "STN Face Value Cap").</p> <p>To the extent that (i) the Class A Scheme Creditors' election for Option 1 results in the Class A STN Face Value exceeding the Class A STN Face Value Cap; and/or (ii) the Class B Scheme Creditors' election for Option 1 results in the Class B STN Face Value exceeding the Class B STN Face Value Cap, all such Class A Scheme Creditors and/or Class B Scheme Creditors (as applicable) who have elected to receive Option 1 as Scheme Consideration shall have their unallocated Existing Notes Principal Claims and the corresponding Accrued Interest Claims automatically re-assigned to Option 2.</p> <p>The following will be automatically re-assigned to Option 2:</p> <p>(a) in the case of Class A Scheme Creditors, an aggregate amount equal to: (i) the amount of the Existing Public Notes Principal Claims which proportionately reflects the difference between the Class A STN Face Value and the Class A STN Face Value Cap ("Class A Option 1 Excess Amount (Principal)"); <i>plus</i> (ii) the Accrued Interest Claims in respect of such Class A Option 1 Excess Amount (Principal) ("Class A Option 1 Excess Amount (Interest)") (collectively, the "Class A Option 1 Excess Amount"); and/or</p> <p>(b) in the case of Class B Scheme Creditors, an aggregate amount equal to: (i) the amount of the Additional Existing Debt Instruments Principal Claims which proportionately reflects the difference between the Class B STN Face Value and the Class B STN Face Value Cap ("Class B Option 1 Excess Amount (Principal)"); <i>plus</i> (ii) the Accrued Interest Claims in respect of such Class B Option 1 Excess Amount (Principal) ("Class B Option 1 Excess Amount (Interest)") (collectively, the "Class B Option 1 Excess Amount", and collectively with the Class A Option 1 Excess Amount, the "Option 1 Excess Amount").</p> <p>Notwithstanding anything in this Term Sheet, the Company reserves the right to increase the STN Face Value Cap and/or the overall face value of the STN in its sole discretion at any time within 60 days after the Record Date, provided that if the Company increases the STN Face Value Cap, the Class A STN Face Value Cap and the Class B STN Face Value Cap will be increased proportionately.</p>

B. New Notes											
	All the Accrued Interest Claims in respect of the Existing Notes Principal Claims converted to STN shall be waived on RED.										
6.	<p>Maturity and mandatory redemption</p> <p>Maturity date: 30 June 2027.</p> <p>On each of the following dates (each a "Mandatory Redemption Date"), in respect of each STN that remains outstanding (which, for the avoidance of doubt, shall not include any STN that has been repurchased and cancelled before such date), the Company shall redeem (such redemption, a "Mandatory Redemption") at least the Minimum Principal Amount (as defined below) of such STN at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, up to (but not including) the relevant Mandatory Redemption Date:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="background-color: #cccccc;">Mandatory Redemption Date</th> <th style="background-color: #cccccc;">Required principal amount (on cumulative basis)</th> </tr> </thead> <tbody> <tr> <td>30 December 2025</td> <td>5.33% of the original issue amount of such STN</td> </tr> <tr> <td>30 June 2026</td> <td>10.66% of the original issue amount of such STN</td> </tr> <tr> <td>30 December 2026</td> <td>15.99% of the original issue amount of such STN</td> </tr> <tr> <td>30 June 2027</td> <td>The remaining outstanding principal amount of such STN</td> </tr> </tbody> </table> <p>"Minimum Principal Amount" means the greater of (a) zero; and (b) an amount equivalent to (i) the required principal amount set forth in the above table on the relevant Mandatory Redemption Date minus (ii) in respect of such STN only, the aggregate principal amount redeemed from the original issue date up to but excluding the relevant Mandatory Redemption Date pursuant to the terms of the indenture ("Permitted Redemption") provided that such Permitted Redemption was on a pro rata basis in respect of all STN then outstanding at the time when such Permitted Redemption took place (including any redemptions pursuant to an STN Cash Sweep Redemption (as defined in row 10 (<i>Cash Sweep</i>) of Section B (<i>New Notes</i>))).</p> <p>For the avoidance of doubt, the indenture governing the STN shall not include any optional redemption provision in respect of all STN outstanding with a redemption price lower than 100% of the principal amount plus accrued and unpaid interest.</p>	Mandatory Redemption Date	Required principal amount (on cumulative basis)	30 December 2025	5.33% of the original issue amount of such STN	30 June 2026	10.66% of the original issue amount of such STN	30 December 2026	15.99% of the original issue amount of such STN	30 June 2027	The remaining outstanding principal amount of such STN
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30 June 2027	The remaining outstanding principal amount of such STN										
7.	<p>Coupon</p> <p>6.0% per annum, paid semi-annually in arrears and in cash. The first interest payment date shall be the date falling six months after the Reference Date (the "First Interest Payment Date").</p>										

B. New Notes	
	<p>In the event the First Interest Payment Date (and any subsequent interest payment date(s), as the case may be) falls on a date before the RED, the interest payable on the First Interest Payment Date (and such subsequent interest payment date(s)) shall be paid into the Allocation Account (as defined below) on or before the First Interest Payment Date (or such subsequent interest payment date(s), as applicable) and such monies shall be disbursed (directly or indirectly) in full in favour of the beneficial holders of the STN on the RED.</p>
8.	<p>Guarantee and Security</p> <p>The guarantee and security package for the STN shall include:</p> <ul style="list-style-type: none"> (a) corporate guarantees from the 42 Subsidiary Guarantors under the Existing Public Notes; (b) security over all the issued shares of the 42 Subsidiary Guarantors under the Existing Public Notes (together with paragraph (a) above, the "Common Security Package"), to be shared with Scheme Creditors who elect or have been automatically allocated Option 2 as Scheme Consideration, Scheme Creditors who elect for or have been automatically allocated Option 3 as Scheme Consideration by default and the finance parties under the facility agreement originally dated 23 February 2021 between, among others, the Company and China CITIC Bank International Limited as agent (as amended and restated from time to time), on a pari passu basis; (c) first ranking security over the equity interest of each project company listed in Schedule 1 (<i>Credit Enhancement Package</i>) hereto held by the Company or any of its offshore subsidiaries (the "Credit Enhancement Package"); (d) first ranking security over such number of shares representing in aggregate 10% of the issued ordinary shares of the Company to be held directly or indirectly by Mr. Lam Lung On and Ms. Kwok Ying Lan (collectively, the "Sponsors") immediately after RED; and (e) first ranking security over the Allocation Account (as defined below) ("Allocation Account Security"). <p>For the avoidance of doubt, (i) the terms of the STN shall include customary Limitation on Liens provisions pursuant to which the issuer and restricted subsidiaries will undertake not to incur, assume or permit to exist any lien on any collateral, subject to customary exceptions; and (ii) the security documentation relevant to the Allocation Account Security will include restrictions on withdrawals, which will be subject to customary exceptions, including withdrawals for application in accordance with the Cash Sweep (as defined below).</p>
9.	<p>Cash payment</p> <p>On the RED, the Company shall (or shall procure its subsidiary to) make the following payments (collectively, the "Cash Payment"): </p>

B.	New Notes
	<p>(a) USD23,500,000 in cash to be paid to the Class A Scheme Creditors who elect and are allocated STN, on a pro rata basis; and</p> <p>(b) USD1,240,000 in cash to be paid to Class B Scheme Creditors who elect and are allocated STN, on a pro rata basis, <u>provided that</u>, in the event that (i) the STN is undersubscribed (i.e. the STN Face Value Cap is not met or exceeded), the quantum of the Cash Payment payable to Class A Scheme Creditors and/or Class B Scheme Creditors in aggregate respectively shall be proportionately reduced; or (ii) the Company increases the STN Face Value Cap in accordance with row 5 (<i>Description and Allocation</i>) of this Section B (<i>New Notes</i>), the Company shall likewise increase the quantum of the Cash Payment proportionately.</p> <p>For the avoidance of doubt, the combined value of the STN Face Value and the Cash Payment received by any Scheme Creditor who is allocated the STN should not, in any instance, exceed:</p> <p>(a) in the case of Class A Scheme Creditors, 30% of their Existing Public Notes Principal Claims allocated to the STN; and</p> <p>(b) in the case of Class B Scheme Creditors, 10% of their Additional Existing Debt Instruments Principal Claims allocated to the STN.</p>
10.	<p>Cash Sweep</p> <p><u>Specified Asset Sale:</u></p> <p>(a) Upon consummation of any Specified Asset Sale (as defined below), the Company shall, subject to satisfaction of certain conditions precedent which shall include but are not limited to conditions in connection with local laws and regulations with respect to remittance of monies to outside of the PRC into the Allocation Account (as defined below) ("Remittance Conditions"), remit 70% of the:</p> <p>(i) Net Cash Proceeds; and</p> <p>(ii) in the event any non-cash proceeds are received from such Specified Asset Sale, the cash-equivalent of such non-cash proceeds (after any brokerage commissions, fees, expenses and tax relating to such Specified Asset Sale),</p> <p>(together, the "Specified Asset Sale Allocation Amount"),</p> <p>to a designated account outside of the PRC which shall be opened within 120 days from the date of the RSA (the "Allocation Account").</p> <p>(b) The Company shall undertake to carry out (or procure the applicable Group member(s) to carry out) all steps and actions necessary or desirable which are within the control of the Company and the applicable Group member(s) for the remittance of monies to outside of the PRC mentioned above, namely:</p>

B.	New Notes
	<p>(i) to take all actions necessary to transfer the relevant proceeds to a member of the Group that satisfies the statutory and/or regulatory conditions to: (A) submit the remittance application and perform all other steps required under sub-paragraph (ii) below; and (B) remit such proceeds to an onshore bank;</p> <p>(ii) to promptly submit the remittance application (including all other supporting documents required in relation thereto) to an onshore bank for transfer to an offshore bank and, if requested or required by the onshore bank, use best endeavors to obtain all applicable regulatory approvals (if any) for transfer of the relevant proceeds to an offshore bank; and</p> <p>(iii) once the offshore bank receives the funds, promptly transfer the funds to the Allocation Account,</p> <p>(such steps and actions collectively, the "Relevant Remittance Steps").</p> <p>Any failure by the Company to comply with the above undertakings shall constitute a default under the New Notes.</p> <p>(c) The Group shall only agree to and enter into any sale, transfer or disposal of any of the Specified Assets listed in Schedule 2 (<i>Specified Assets</i>) hereto <u>provided</u> that the sale of such Specified Asset is in accordance with the Agreed Protocol (as defined below).</p> <p><u>WFOE Project Companies Proceeds:</u></p> <p>(a) The Company shall, subject to satisfaction of the Remittance Conditions, remit 70% of the WFOE Project Companies Proceeds in respect of the WFOE Project Companies listed under Schedule 3 (<i>WFOE Project Companies</i>) (the "WFOE Project Companies Proceeds Allocation Amount") to the Allocation Account.</p> <p>(b) The Company shall undertake to carry out (or procure the applicable Group member(s) to carry out) the Relevant Remittance Steps. Any failure by the Company to comply with the foregoing undertaking shall constitute a default under the New Notes.</p> <p>(c) The Group shall only agree and enter into any sale, transfer or disposal of any of the WFOE Project Companies provided that the sale of such WFOE Project Company is in accordance with the Agreed Protocol.</p> <p><u>Cash Sweep:</u></p>

B.	New Notes
	<p>The Company (i) may, at any time (at its discretion); and (ii) shall, within the Allocation Period (as defined below), whenever the Aggregate Allocation Amount (as defined below) exceeds USD50,000,000, apply, or procure the application of, the Aggregate Allocation Amount in the manner set out below (the "Cash Sweep") (and for the avoidance of doubt, withdrawals from the Allocation Account by the Company will be permitted to facilitate such application):</p> <p>(a) firstly, for so long as the STN remains outstanding, the Aggregate Allocation Amount shall be applied by the Company in its sole discretion in any, or a combination, of the following ways:</p> <ul style="list-style-type: none"> (i) repayment of any amount(s) which are due and payable under the STN at such time on a pro-rata basis; (ii) in the event there are no amounts that are then due and payable under the STN, towards redemption of the STN at par plus accrued and unpaid interest, from all existing holders on a pro rata basis (the "STN Cash Sweep Redemption"); and/or (iii) strictly between RED and the date falling 12 months before the maturity of the STN only, and provided always that all amounts which would become due in respect of any upcoming Mandatory Redemption and/or interest under the STN within the next six months have either been (A) reserved for in the Allocation Account; and/or (B) redeemed in accordance with paragraph (ii) above, towards making one or more public offers to holders of the then outstanding STN to repurchase the STN, including at a purchase price below par via a Modified Dutch Auction Tender Offer, and the purchased notes shall be delivered to the relevant trustee for cancellation as soon as practicable. For the avoidance of doubt: (i) the Company shall not repurchase any outstanding STN via repurchases not publicly offered to other holders; and (ii) all results of any public offers to holders of the STN shall be made public through an announcement of the HKEX. <p>(b) secondly, and only after all outstanding amounts under the STN have been repaid and/or redeemed in full, the Aggregate Allocation Amount shall be applied by the Company in its sole discretion in any, or a combination, of the following ways:</p> <ul style="list-style-type: none"> (i) repayment of any amount(s) which are due and payable under the MTN at such time on a pro-rata basis; (ii) in the event there are no amounts that are then due and payable under the MTN, towards redemption of the MTN (proportionately across each outstanding tranche) from all holders of the MTN on a pro rata basis, at par plus accrued and unpaid interest; and/or (iii) towards making one or more public offers to holders of the MTN (proportionately across each outstanding tranche of the MTNs) to repurchase the relevant tranche of MTN, including

B.	New Notes
	<p>at a purchase price below par via a Modified Dutch Auction Tender Offer, and the repurchased notes shall be delivered to the relevant trustee for cancellation as soon as practicable. For the avoidance of doubt, (i) the Company shall not repurchase any outstanding tranche of MTN via repurchases not publicly offered to other holders; and (ii) all results of any public offers to holders of the MTN shall be made public through an announcement on the HKEX.</p> <p>For the purposes of this section:</p> <p>"Aggregate Allocation Amount" means the aggregate of (i) the Specified Asset Sale Allocation Amount; <i>plus</i> (ii) the WFOE Project Companies Proceeds Allocation Amount, which is in the Allocation Account and is accumulated and remains unapplied from time to time.</p> <p>"Agreed Protocol" means:</p> <p>(a) for any sale which occurs within 18 months following the Reference Date, the Company and the Ad Hoc Group Advisors shall agree to a set of pre-determined valuations in respect of the Specified Assets and WFOE Project Companies. The Company shall not sell any such asset at a price which is lower than the pre-determined valuations unless no objection is received from beneficial holder(s) of the STN or any outstanding tranche of MTN representing more than 25% of the aggregate principal amount of the then outstanding STN or the relevant tranche of MTN (as applicable) within 10 Business Days of the Company notifying the relevant trustees under the New Notes of the proposed sale;</p> <p>(b) for any sale which occurs after 18 months following the Reference Date, the valuation of the relevant asset which is subject to the sale shall be conducted in such manner that is not prohibited by the Listing Rules and in accordance with the Company's existing procedures. Notwithstanding the above, in the event the sale price of an asset is anticipated to be more than USD25 million, the Company shall procure a valuation or use a valuation that is obtained within three months prior to the execution of the relevant sale and purchase agreement or other agreement to such effect, and shall not sell such asset at a price less than 90% of the valuation unless no objection is received from beneficial holder(s) of the STN or any outstanding tranche of MTN representing more than 25% of the aggregate principal amount of the then outstanding STN or the relevant tranche of MTN (as applicable) within 10 Business Days of the Company notifying the relevant trustees under the New Notes of the proposed sale; and</p> <p>(c) in respect of paragraphs (a) and (b) above, the valuations shall be based on a valuation report prepared by a Valuer certifying</p>

B.	New Notes
	<p>the fair market value of the Specified Assets and/or WFOE Project Companies.</p> <p>"Allocation Period" means a 45-Business Day period after the date on which the Aggregate Allocation Amount exceeds USD50 million.</p> <p>"Business Day" means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city of New York, in London, in Hong Kong, in the People's Republic of China or in the Cayman Islands are authorised or required, by law or government regulation, to close.</p> <p>"Group" means the Company and/or its subsidiaries (including step-down subsidiaries).</p> <p>"Modified Dutch Auction Tender Offer" means a modified Dutch auction tender offer which shall be offered to all beneficial holders of the STN or the relevant outstanding tranche of MTN (as the case may be) other than to the beneficial holders in any jurisdiction where the inclusion of such holders would require the Company or any subsidiary to comply with any requirements under the securities laws of such jurisdiction that are, in the Company's sole discretion, unduly onerous, provided that all tender offers shall be made available to holders that are "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act of 1933 (the "Securities Act") and "institutional accredited investors" as defined in Rule 501(A)(1), (2), (3) or (7) under the Securities Act, in each case, without any restrictions.</p> <p>"Net Cash Proceeds" shall have the same meaning as stated in the indentures of the Existing Public Notes.</p> <p>"Specified Asset Sale" means, from the date of the RSA:</p> <ul style="list-style-type: none"> (a) any sale, transfer or disposal of a Specified Asset by the relevant member of the Group; and/or (b) any sale or transfer by any member of the Group of any shares in any company that directly or indirectly owns a Specified Asset, subject to certain exceptions to be agreed in the Restructuring Documents (as agreed between the Company and the Ad Hoc Group), <p>in each case of paragraphs (a) and (b) above, other than any such sale, transfer or disposal to the Company or to another member of the Group in which the Company has a direct or indirect equity interest in a percentage of not less than the equity interest the Company directly or indirectly owns in the member of the Group that directly makes such sale, transfer or disposal.</p> <p>"Specified Assets" means the Group's assets as listed in Schedule 2 (<i>Specified Assets</i>) hereto.</p> <p>"WFOE Project Companies" means the wholly foreign-owned enterprise project companies within the Group as listed in Schedule 3 (<i>WFOE Project Companies</i>) hereto, and "WFOE Project Company" means each of such companies.</p>

B.	New Notes	
		<p>"WFOE Project Companies Proceeds" means, from the date of the RSA, cash and/or the monetary value of any non-cash proceeds received by the Company or any other member of the Group arising from:</p> <ul style="list-style-type: none"> (a) any sale, transfer or disposal of any WFOE Project Company by the relevant member of the Group, on a look-through basis and taking into account any adjustment for minority interests with mechanics and threshold to be agreed between the Company and the Ad Hoc Group in the Restructuring Documents and net of certain fees, taxes, charges and amounts under certain indebtedness, liabilities or other obligations; (b) any sale or transfer by any member of the Group of any shares in any company that directly or indirectly owns a WFOE Project Company, subject to certain exceptions to be agreed in the Restructuring Documents (as agreed between the Company and the Ad Hoc Group), on a look-through basis and taking into account any adjustment for minority interests with mechanics and threshold(s) to be agreed between the Company and the Ad Hoc Group in the Restructuring Documents and net of certain fees, taxes, charges and amounts under certain indebtedness, liabilities or other obligations; (c) any dividends on the ordinary shares of any WFOE Project Company paid by such relevant WFOE Project Company; and/or (d) any repayment of intercompany loans and/or shareholder loans owed by any WFOE Project Company, <p>in each case of paragraphs (a) and (b) above, other than any such sale, transfer or disposal to the Company or to another member of the Group in which the Company has a direct or indirect equity interest in a percentage of not less than the equity interest the Company directly or indirectly owns in the member of the Group that directly makes such sale, transfer or disposal.</p> <p>"Valuer" means any of the following internationally recognized appraisers, including such firm's affiliates and successors:</p> <ul style="list-style-type: none"> (a) JLL; (b) CBRE; (c) Savills; (d) Cushman & Wakefield; (e) Colliers; or (f) such other firm as may be agreed between the Company and the Majority Initial Consenting Creditors (as defined in the RSA) in writing.
11.	Default on payment	<p>In the event:</p> <ul style="list-style-type: none"> (a) an event of default and/or default occurs strictly as a result of non-payment of principal or interest in relation to the STN, and

B. New Notes	
	<p>such default is not otherwise cured by the Company within 30 calendar days from the date of such occurrence;</p> <p>(b) a case or other proceeding is commenced by or against the Company under any applicable bankruptcy, insolvency or other similar law (subject to any carve out to be agreed in the Restructuring Documents, if required);</p> <p>(c) the STN has been accelerated by the relevant trustee following the occurrence of any event of default and/or default,</p> <p>the outstanding principal amount of the STN shall be automatically increased on the Step-Up Date by 33.3% of the outstanding principal amount of the STN at that time (the "Step-Up STN Principal").</p> <p>The Step-Up STN Principal shall: (a) be allocated pro-rata amongst the beneficial holders of the STN on the Step-Up Date; and (b) benefit from the same guarantee and security package as the STN as detailed in row 8 (<i>Guarantee and Security</i>) of this Section B(ii) (<i>Option 1/STN</i>) above.</p> <p>For the purposes of this row 11, "Step-Up Date" means: (A) in case of a default or event of default pursuant to paragraph (a) above, the date following the expiry of the 30-day cure period; (B) in case of a default or event of default pursuant to paragraph (b) above, the date of institution of such case or proceedings; and (C) in case of paragraph (c) above, the date of declaration of acceleration.</p>
(iii) Option 2 / MTN	
12.	<p>Description and Allocation</p> <p>Scheme Creditors who (i) elect Option 2 as Scheme Consideration in exchange for their Scheme Creditors' Claims; or (ii) elected to receive Option 1 as Scheme Consideration but had a portion of their Existing Notes Principal Claims and Accrued Interest Claims automatically re-assigned as part of the Option 1 Excess Amount (if any) (collectively, "Option 2 Creditors"), shall receive, in respect of their Scheme Creditors' Claims so elected:</p> <p>(a) MTN with a face value equal to:</p> <p style="padding-left: 20px;">(i) in the case of Class A Scheme Creditors, 72% of: (A) their relevant Existing Public Notes Principal Claims, and/or (B) their respective pro-rata portion of the Class A Option 1 Excess Amount (Principal) (in aggregate, the "Class A MTN Face Value"); and</p> <p style="padding-left: 20px;">(ii) in the case of Class B Scheme Creditors, 36% of (A) their relevant Additional Existing Debt Instruments Principal Claims, and/or (B) their respective pro-rata portion of the Class B Option 1 Excess Amount (Principal) (in aggregate, the "Class B MTN Face Value");</p> <p>(b) New Equity (as defined below) with an aggregate value which:</p>

B.	New Notes
	<p>(i) in the case of Class A Scheme Creditors, equals to 28% of: (A) their relevant Existing Public Notes Principal Claims, and/or (B) their respective pro-rata portion of the Class A Option 1 Excess Amount (Principal); and</p> <p>(ii) in the case of Class B Scheme Creditors, equals to 64% of: (A) their relevant Additional Existing Debt Instruments Principal Claims, and/or (B) their respective pro-rata portion of the Class B Option 1 Excess Amount (Principal); and</p> <p>(c) LTN with a face value equal to 50% of their Accrued Interest Claims as part of the relevant Scheme Creditors' Claims and/or Class A Option 1 Excess Amount (Interest) or Class B Option 1 Excess Amount (Interest) (as applicable, and in respect of the Class A Option 1 Excess Amount (Interest) and Class B Option 1 Excess Amount (Interest), the remaining 50% shall be waived on the RED).</p> <p>The aggregate face value of the MTN ("MTN Face Value") for the Restructuring shall be the sum of the Class A MTN Face Value and the Class B MTN Face Value. The MTN shall comprise four tranches as follows:</p> <p>(a) <u>MTN Tranche A</u>: the MTN Tranche A shall have a face value that is capped at USD378,000,000 (the "MTN Tranche A Cap");</p> <p>(b) <u>MTN Tranche B</u>: the MTN Tranche B shall have a face value that is capped at USD655,000,000 (the "MTN Tranche B Cap");</p> <p>(c) <u>MTN Tranche C</u>: the MTN Tranche C shall have a face value that is capped at USD870,000,000 (the "MTN Tranche C Cap"); and</p> <p>(d) <u>MTN Tranche D</u>: the MTN Tranche D shall have a face value that is the MTN Face Value less the aggregate of (i) the MTN Tranche A Cap, (ii) the MTN Tranche B Cap, and (iii) the MTN Tranche C Cap. For the avoidance of doubt, the face value of the MTN Tranche D will not be capped.</p> <p>Ordinary shares in the Company representing approximately 36.6% to 40.1% of the aggregate issued ordinary shares of the Company immediately after RED (subject to the outcome of the Rights Issue (as defined below)) shall be issued by the Company to Scheme Creditors as part of the Scheme Consideration under Option 2 ("New Equity"). Such issuance shall be completed on or prior to RED, the distribution of which shall occur on RED.</p> <p>Scheme Creditors who will receive MTN as part of their Scheme Consideration in exchange for their Existing Notes shall be allocated a certain percentage each of the MTN Tranche A, the MTN Tranche B, the MTN Tranche C and the MTN Tranche D, and the relevant percentage of each tranche will be calculated based on the percentage that the face value of such tranche represents of the MTN Face Value.</p>

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	<p>In the event a Scheme Creditor is allocated one or more tranches of MTN with a principal amount which is less than USD1,000 for such tranche(s) and to the extent such allocation does not relate to MTN Tranche D, that Scheme Creditor shall be allocated and receive MTN Tranche D instead in the corresponding principal amount.</p>
13.	<p>Maturity</p> <p>(a) <u>MTN Tranche A</u>: maturity date of four years after the Reference Date;</p> <p>(b) <u>MTN Tranche B</u>: maturity date of five years after the Reference Date;</p> <p>(c) <u>MTN Tranche C</u>: maturity date of six years after the Reference Date; and</p> <p>(d) <u>MTN Tranche D</u>: maturity date of seven years after the Reference Date.</p> <p>The MTN shall be redeemed at 100% of their then outstanding principal amount together with accrued but unpaid interest (including PIK Interest) up to but excluding the relevant maturity date.</p>
14.	<p>Coupon</p> <p>Paid at the following rates, semi-annually in arrears with the first interest payment date being the date falling six months after the Reference Date:</p> <p>(a) <u>MTN Tranche A</u>: 4.0% per annum;</p> <p>(b) <u>MTN Tranche B</u>: 4.5% per annum;</p> <p>(c) <u>MTN Tranche C</u>: 5.0% per annum; and</p> <p>(d) <u>MTN Tranche D</u>: 5.5% per annum.</p> <p>Notwithstanding the above, the Company may elect at any time up to and including the third anniversary following the Reference Date, to pay the whole or any part of the coupon in cash or in kind ("PIK Interest"), <u>provided</u> that, on each interest payment date, the proportion of interest paid in cash (if any) shall be the same under each tranche of MTN, to be paid pro rata to the holders thereof, <u>provided further</u> that in the event all outstanding amounts under the STN have been repaid and/or redeemed in full and such event occurs on a date (such date, being the "STN Repayment Date") prior to the third anniversary following the Reference Date, the Company shall pay any and all coupon(s) under the MTN Tranche A that become due following the STN Repayment Date in cash only. For the avoidance of doubt, all coupon payments in respect of the MTN after the third anniversary following the Reference Date shall be in cash only.</p> <p>In the event the first interest payment date in respect of the MTN (and any subsequent interest payment date(s), as the case may be) falls on a date before the RED, the Company shall be deemed to have elected</p>

B. New Notes	
	for PIK Interest in respect of all such payments that fall due before the RED.
15.	<p>Guarantee and Security</p> <p>The guarantee and security package for the MTN shall include:</p> <ul style="list-style-type: none"> (a) corporate guarantees from the 42 Subsidiary Guarantors under the Existing Public Notes; (b) the Common Security Package, to be shared with the holders of the STN, the holders of the LTN and the finance parties under the facility agreement originally dated 23 February 2021 between, among others, the Company and China CITIC Bank International Limited as agent (as amended and restated from time to time), on a pari passu basis; (c) whilst the STN is outstanding, to share security in respect of the Credit Enhancement Package with the STN (solely on the basis that the requisite intercreditor arrangement(s) will provide that the MTN will rank behind the STN), and when no STN is outstanding, first ranking security, over the Credit Enhancement Package; and (d) whilst the STN is outstanding, to share security in respect of the Allocation Account with the STN (solely on the basis that the requisite intercreditor arrangement(s) will provide that the MTN will rank behind the STN), and when no STN is outstanding, first ranking security, over the Allocation Account.
16.	<p>New Equity</p> <p><u>Issue of New Equity</u>: Option 2 Creditors shall receive newly issued ordinary shares in the Company as stated at row 12 (<i>Description and Allocation</i>) above of this Section B (<i>New Notes</i>) (collectively, the "Option 2 Noteholder Shares") representing approximately 36.6% to 40.1% of the aggregate issued ordinary shares of the Company immediately after RED subject to the outcome of the Rights Issue (as defined below), and such issuance shall be completed on or prior to RED. Following the Rights Issue and the issuance of the Option 2 Noteholder Shares, the Sponsors shall collectively hold no more than 40% to 41% of the aggregated issued ordinary shares of the Company.</p> <p>The Option 2 Noteholder Shares shall be distributed on a pro rata basis to the Option 2 Creditors. This shall be calculated on the basis of (i) for Scheme Creditors who originally elect Option 2, all of their relevant Existing Notes Principal Claims and (ii) for Scheme Creditors who originally elect Option 1, only with respect to the portion of their Existing Notes Principal Claims which were re-assigned as part of the Option 1 Excess Amount.</p> <p>The Option 2 Noteholder Shares shall be distributed to the Option 2 Creditors directly through the Company's share registrar in scrip form or such other method(s) to be agreed between the Company and the Ad Hoc Group in the Restructuring Documents.</p>

B. New Notes	
	<p><u>Dividends</u>: The Company shall not pay dividends in cash on any of its equity (including the New Equity): (a) until the full repayment and/or redemption of the STN; and (b) for as long as any event of default has occurred and is continuing under the New Notes. Thereafter, cash dividends on the ordinary shares in the Company will be payable (i) in accordance with the applicable law and/or with the approval of the shareholders of the Company, and (ii) subject to the terms of the New Notes.</p> <p><u>Ranking</u>: All ordinary shares in the Company shall rank pari passu.</p> <p><u>Voting rights</u>: Each ordinary share in the Company will have one vote.</p> <p><u>Regulatory requirements</u>: The issuance of the Option 2 Noteholder Shares will be subject to, amongst other things, the applicable requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange", and such rules being the "Listing Rules") and the Stock Exchange's approvals for the listing of and permission to deal in the Option 2 Noteholder Shares.</p> <p><u>Transfer Restrictions</u>: The Option 2 Noteholder Shares will not be registered under 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 ("Regulation S")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Option 2 Noteholder Shares will be offered and sold: (i) in the United States, only to "qualified institutional buyers" as defined in Rule 144A under the Securities Act and "institutional accredited investors" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act, or pursuant to another exemption from registration under the Securities Act; and (ii) outside the United States, in offshore transactions in reliance on Regulation S.</p> <p><u>Sponsors</u>: The Sponsors shall not have any material interest in the Restructuring (other than in their capacity as shareholders of the Company) and shall not have any direct and indirect holdings of the Existing Notes.</p>
17.	<p>Cash Sweep</p> <p>See row 10 (<i>Cash Sweep</i>) above of this Section B (<i>New Notes</i>), to the extent applicable and relevant to the MTN.</p>
(iv)	<p>Option 3 / LTN</p>

B. New Notes		
18.	Description and Allocation	<p>Scheme Creditors who:</p> <p>(a) (i) elect Option 3 as Scheme Consideration in exchange for their Scheme Creditors' Claims; or (ii) fail to elect for their preferred option as Scheme Consideration before the relevant deadline before the RED, shall receive LTN with a face value equal to their relevant Existing Notes Principal Claims; and</p> <p>(b) (i) elect Option 2 as Scheme Consideration in exchange for their Scheme Creditors' Claims; or (ii) elected to receive Option 1 as Scheme Consideration but had a portion of their Scheme Creditors' Claims be automatically re-assigned as part of the Option 1 Excess Amount (if any), shall receive LTN in accordance with row 12 (<i>Description and Allocation</i>) above of this Section B (<i>New Notes</i>).</p> <p>For the avoidance of doubt, there is no difference in the conversion ratio for Class A Scheme Creditors and Class B Scheme Creditors in respect of the conversion of their Scheme Creditors' Claims to LTN.</p>
19.	Maturity	<p>Maturity date: 10 years after the Reference Date.</p> <p>The LTN shall be redeemed at 100% of their then outstanding principal amount on the maturity date together with accrued but unpaid interest (including PIK Interest) up to but excluding the relevant maturity date.</p>
20.	Coupon	<p>1.0% per annum, paid semi-annually in arrears with the first interest payment date being the date falling six months after the Reference Date.</p> <p>Notwithstanding the above, the Company may elect at any time during the tenor of the LTN to pay the whole or any part of the coupon in cash or PIK Interest, and any cash payments are to be paid pro-rata to the holders thereof.</p> <p>In the event the first interest payment date in respect of the LTN (and any subsequent interest payment date(s), as the case may be) falls on a date before the RED, the Company shall be deemed to have elected for PIK Interest in respect of all such payments that fall due before the RED.</p>
21.	Guarantee and Security	<p>Scheme Creditors who have elected for or have been automatically allocated LTN by default, shall have their LTN be guaranteed and secured by:</p> <p>(a) the corporate guarantees from the 42 Subsidiary Guarantors under the Existing Public Notes; and</p> <p>(b) the Common Security Package, to be shared with Scheme Creditors who elect Option 1 as Scheme Consideration, Scheme Creditors who elect or have been automatically allocated Option</p>

B. New Notes		
		2 as Scheme Consideration and the finance parties under the facility agreement originally dated 23 February 2021 between, among others, the Company and China CITIC Bank International Limited as agent (as amended and restated from time to time), on a pari passu basis.
22.	Cross-default provision under LTN only	Any default and/or event of default arising under and in connection with the STN and MTN shall be excluded from the cross-default provisions under the indenture for the LTN.
(v) Terms applicable to all New Notes		
23.	Covenants	Unless otherwise specified or alluded to in this Term Sheet, covenants of the New Notes are to be substantially the same as those set out in the indentures of the Existing Public Notes, but to be tightened and amended as reasonably necessary as the context otherwise requires, and to be agreed in the Restructuring Documents between the Company and the Ad Hoc Group to give effect to the Restructuring, including, but not limited to, standard anti-layering and/or debt incurrence covenants, as well as such exceptions and/or carve-outs in respect of the asset sale covenants, limitation on liens covenants to facilitate the Specified Asset Sale and the disposal of the Group's interest in the WFOE Project Companies and creation of liens as contemplated in respect of the Cash Sweep, and Credit Enhancement Package, and the threshold to trigger change of control being lowered to less than 20% holding by the Sponsors.
24.	Events of default	Unless otherwise specified or alluded to in this Term Sheet, the events of default of the New Notes are to be substantially the same as those set out in the indentures of the Existing Public Notes, amended as reasonably necessary as the context otherwise requires and to be agreed in the Restructuring Documents between the Company and the Ad Hoc Group to give effect to the Restructuring, including appropriate carve-outs to the cross-default and cross-acceleration provisions for any existing defaults under indebtedness both offshore and onshore in the People's Republic of China (" PRC ") that is not being compromised in the Scheme.
25.	New trustee and/or collateral agent	The trustee and/or collateral agent for the New Notes shall be selected from one of the institutions listed below: (a) Madison Pacific; (b) Serica; (c) GLAS; or (d) such other service provider as may be agreed between the Company and the Majority Initial Consenting Creditors (as defined in the RSA) in writing.
26.	Restricted Subsidiaries	Same as under the Existing Public Notes.

B. New Notes		
27.	Amendments and waivers	<p>Where any amendment, modification or waiver under the Existing Public Notes previously required the consent of each affected holder, under the New Notes, any such amendment, modification or waiver shall henceforth only require the consent of the holders of not less than:</p> <p>(a) in respect of the STN, 85% in aggregate principal amount of the then outstanding STN;</p> <p>(b) in respect of each tranche of the MTN, 75% in aggregate principal amount of the then outstanding relevant tranche of MTN; and</p> <p>(c) in respect of the LTN, 65% in aggregate principal amount of the then outstanding LTN.</p> <p>Save as set out above, all other amendments, modifications or waivers under the New Notes shall only require consent of holders of not less than a majority in aggregate principal amount under the relevant outstanding STN, tranche of MTN or the LTN (as the case may be).</p>
28.	Governing Law and Jurisdiction	The New Notes shall have indentures that are governed by the laws of the State of New York, and the security documents shall be governed by the relevant local law.
29.	Transfer Restrictions	The New Notes will not be registered under 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) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Notes will be offered and sold: (i) in the United States, only to "qualified institutional buyers" as defined in Rule 144A under the Securities Act and "institutional accredited investors" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act, or pursuant to another exemption from registration under the Securities Act; and (ii) outside the United States in offshore transactions in reliance on Regulation S.
30.	Form and Registration	The New Notes will be issued only in registered form and expected to be initially represented by a Regulation S Global Note, a Rule 144A Global Note and an IAI Global Note. The minimum denomination of the New Notes will be US\$1,000 and integral multiples of US\$1 in excess thereof.
31.	Listing	Applications will be made for the listing and quotation of each series of the New Notes on the Singapore Exchange and an approval in-principle shall be obtained on or prior to the RED. The Company shall use commercially reasonable endeavours to obtain such listing as soon as practicable after the RED and to maintain such listing (or obtain and maintain a listing on another internationally recognized stock exchange) as long as any series of the New Notes remain outstanding.

C. Other terms	
1.	<p>RSA Fees</p> <p>Subject to row 4 (<i>Rights Issue</i>) of this Section C (<i>Other terms</i>), RSA fees shall comprise (collectively, the "RSA Fees"): <ul style="list-style-type: none"> (a) an early bird fee payable to holders of the Existing Notes who sign the RSA within four weeks of it being made publicly available in the amount equal to 0.2% of the aggregate principal amount (and, for the avoidance of doubt, excluding any accrued but unpaid interest under the relevant Existing Notes) on the Record Date owed to the relevant holder in respect of the Existing Notes; and (b) a general consent fee payable to holders of the Existing Notes who sign the RSA after four weeks but within six weeks of it being made publicly available (the "General RSA Fee Deadline") in the amount equal to 0.1% of the aggregate principal amount (and, for the avoidance of doubt, excluding any accrued but unpaid interest under the relevant Existing Notes) on the Record Date owed to the relevant holder in respect of the Existing Notes. In the event and provided that the aggregate outstanding principal amount of the Existing Notes held by the Scheme Creditors (beneficially, as principal) who have entered into the RSA by the General RSA Fee Deadline is less than 75% of the aggregate outstanding principal amount of each of the (x) Existing Public Notes; and/or (y) Additional Existing Debt Instruments, the Company shall have the sole discretion to extend the General RSA Fee Deadline (whether pursuant to a single extension or multiple extensions) by a further two weeks each time. Once the aggregate outstanding principal amount of the Existing Notes held by the Scheme Creditors (beneficially, as principal) who have entered into the RSA is equal to or more than 75% of the aggregate outstanding principal amount of each of the (x) Existing Public Notes; and (y) the Additional Existing Debt Instruments, the General RSA Fee Deadline may only be extended by the Company with the prior written consent of the Majority Initial Consenting Creditors (as defined in the RSA). <p>All RSA Fees are to be paid on or prior to the RED in accordance with the terms of the RSA.</p> </p>
2.	<p>Ad Hoc Group Advisor Fees</p> <p>Fees of the legal and financial advisors of certain holders of the Existing Public Notes (the "Ad Hoc Group"), namely Kirkland & Ellis and PJT Partners (the "Ad Hoc Group Advisors"), are to be paid in accordance with the terms set out in the fee and/or engagement letters entered into with the Company.</p>
3.	<p>Ad Hoc Group Work Fee</p> <p>Work fee to be paid to the members of the Ad Hoc Group (the "Ad Hoc Group Work Fee") in accordance with the terms of the work fee letter to be entered into between the Company and the Ad Hoc Group on or around the date of the RSA (the "Work Fee Letter").</p>

C. Other terms	
4.	<p>Rights Issue</p> <p>The Company shall raise a maximum sum of USD14,400,000 by way of a rights issue (the "Rights Issue"). Subject to the Listing Rules, the Rights Issue shall be completed on or prior to the RED.</p> <p>The proceeds arising from the Rights Issue shall be applied towards payment of the fees in connection with the Restructuring and the Group's working capital needs, save that 50% of any proceeds attributable to subscriptions made by the Company's shareholders who are not the Sponsors shall be reserved as part of the Company's budget for payment of restructuring fees in accordance with the terms of the RSA.</p>
5.	<p>Sponsors' Contribution</p> <p>The Sponsors shall undertake the following steps in support of the Restructuring:</p> <p>(a) the Sponsors shall grant a first ranking security over such number of ordinary shares representing, in aggregate, 10% of the issued ordinary shares of the Company that are directly or indirectly held by both of the Sponsors immediately after the RED in respect of the STN; and</p> <p>(b) the Sponsors shall subscribe for the Rights Issue for not less than the sum of USD8,500,000.</p>
6.	<p>Governance</p> <p>The Company agrees that the members of the Ad Hoc Group, holding at least 25% of the principal amount of the Existing Public Notes, with the approval of the Majority Initial Consenting Creditors (as defined in the RSA) as of the date of such nomination, shall be entitled to nominate one non-executive director (who shall (a) satisfy all applicable requirements under the Listing Rules and any other legal requirements for such directorship; (b) possess Chinese language capabilities; and (c) be experienced in the PRC real estate industry) (the "AHG Director") to the Company's board of directors, <u>provided</u> that such members of the Ad Hoc Group shall inform the Company of such nomination at least 30 days prior to the RED.</p> <p>The AHG Director shall enjoy all rights and powers available to him/her as a director of the Company and be subject to the duties of the directors under common law, the Listing Rules, the Company's constitutional documents and the laws of the Company's place of incorporation.</p> <p>In addition, the indenture of the STN shall include a mechanism to provide the beneficial holders thereunder with post-RED nomination rights in respect of the AHG Director on terms to be agreed between the Company and the Ad Hoc Group.</p>
7.	<p>Monitoring Agent</p> <p>On or prior to RED, an Approved Independent Accounting Firm shall be appointed by the Company and at the Company's costs as monitoring agent ("Monitoring Agent"). The Monitoring Agent's</p>

C.	Other terms	
		<p>appointment shall automatically cease once the STN and MTN Tranche A have been fully repaid and/or redeemed.</p> <p>The role of the Monitoring Agent shall be limited to submitting quarterly reports to the relevant trustees under the New Notes, within seven days of the end of each calendar quarter, comprising the following information:</p> <ul style="list-style-type: none"> (a) a list of assets held under the project companies listed in Schedule 1 (<i>Credit Enhancement Package</i>) hereto which form part of the Credit Enhancement Package, and if such assets are sold, the price and use of proceeds of such sale(s); and (b) the contract sales and cash collection data for the 16 project companies listed in Schedule 1 (<i>Credit Enhancement Package</i>), and five WFOE Project Companies listed in Schedule 3 (<i>WFOE Project Companies</i>) hereto. <p>The Company shall comply with its obligations under the Listing Rules, Securities and Futures Ordinance (Cap 571 Laws of Hong Kong) and all other applicable laws and/or regulations to disclose inside information in its possession (which for the avoidance of doubt includes any information in the reports of the Monitoring Agent if and to the extent it constitutes inside information).</p> <p>"Approved Independent Accounting Firm" means any of the following firms, including such firm's affiliates and successors:</p> <ul style="list-style-type: none"> (a) KPMG; (b) PricewaterhouseCoopers; (c) Deloitte; (d) Kroll; (e) FTI Consulting; (f) Grant Thornton; (g) Teneo; (h) BDO; or (i) such other firm as may be agreed between the Company and the Majority Initial Consenting Creditors (as defined in the RSA) in writing.
8.	Conditions precedent / steps to be taken on RED	<p>Each of the following are to be steps on, or conditions precedent to, the RED:</p> <ul style="list-style-type: none"> (a) the establishment of the Allocation Account within 120 days following the signing of the RSA by the Initial Consenting Creditors and the Company; (b) the satisfaction of all (or waiver, if any, of) the conditions precedent to each Restructuring Document;

C.	Other terms
	<p>(c) the confirmation by the Company that it holds all relevant parties' signature pages to each Restructuring Document to order;</p> <p>(d) the satisfaction of all Scheme conditions and the occurrence of the Scheme effective date;</p> <p>(e) the obtaining of all relevant corporate authorisations, regulatory approvals and other applicable consents, including, without limitation:</p> <p>(i) the approval-in-principle for the listing of and permission to deal in the New Notes and New Equity;</p> <p>(ii) any requisite approvals required from the Stock Exchange and Securities and Futures Commission of Hong Kong and/or the Singapore Exchange Securities Trading Limited (as applicable); and</p> <p>(iii) all necessary consents, approvals or authorisations from any and all relevant governmental bodies for the Restructuring and the issuance of the New Notes and New Equity, including (without limitation):</p> <p>(A) in respect of the New Notes:</p> <p>(1) successful registration of the New Notes with the NDRC;</p> <p>(2) evidence of submission of application by or on behalf of the Company to the NDRC for the registration of the New Notes and the issuance by the NDRC of a written confirmation indicating that such application is unnecessary or not required under the applicable laws and/or regulations; or</p> <p>(3) such other status or arrangements as may be agreed with the Majority Initial Consenting Creditors (as defined in the RSA) each acting expeditiously, reasonably and in good faith;</p> <p>(B) in respect of the New Equity, delivery of a legal memorandum by the Company Legal Adviser in the PRC on a non-reliance basis to the Ad Hoc Group and trustee of the New Notes confirming that the Company satisfies all of the conditions for the issuance of the New Equity pursuant to 境內企業境外發行證券和上市管理試行辦法 (the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies) of the China Securities Regulatory Commission;</p> <p>(f) the Ad Hoc Group Advisors to confirm on behalf of the Ad Hoc Group that the Scheme Documents and the New Notes Documents (both as defined in the RSA) are in Agreed Form (as defined in the RSA);</p>

C.	Other terms	
		<p>(g) the appointment of the Monitoring Agent by the Company;</p> <p>(h) the appointment of the AHG Director onto the board of directors of the Company (provided that such nomination has been made by the Ad Hoc Group at least 30 days prior to the RED);</p> <p>(i) the completion of the Rights Issue;</p> <p>(j) the Sponsors shall subscribe for not less than the sum of USD8,500,000 in respect of the Rights Issue;</p> <p>(k) the Company having paid all the RSA Fees to the holders who are eligible to receive an RSA Fee (as applicable) in accordance with the terms of the RSA;</p> <p>(l) the Company having paid the Ad Hoc Group Work Fee to each member of the Ad Hoc Group in accordance with the terms of the Work Fee Letter;</p> <p>(m) the Company having published a public announcement on the website of the Stock Exchange specifying the date set for the RED; and</p> <p>(n) the settlement of all reasonable professional fees and expenses associated with the Restructuring (including fees of advisors with whom the Company has signed a fee letter or an engagement letter) which the Company has agreed to pay and which has been duly invoiced to the Company prior to the RED.</p> <p>For the avoidance of doubt, as part of the steps to be taken by the Company following the issuance of the New Equity on the RED, the Company shall arrange for the submission of the requisite notification by or on its behalf regarding the completion of the issuance of the New Equity with the China Securities Regulatory Commission, in each of the foregoing cases in form and substance satisfactory to the Ad Hoc Group, provided that for the avoidance of doubt, such step shall not be a condition precedent to the occurrence of RED.</p>

D.	Binding provisions	
1.	<p>Governing Law and Jurisdiction</p>	<p>This Term Sheet shall be governed by the laws of Hong Kong. The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Term Sheet.</p> <p>For the avoidance of doubt, the scheme(s) of arrangement will be governed by the laws of the Cayman Islands and/or Hong Kong respectively, and subject to the exclusive jurisdiction of the Grand Court of the Cayman Islands and/or the High Court of Hong Kong (as the case may be).</p>

SCHEDULE 1

Credit Enhancement Package

[Redacted]

SCHEDULE 2

Specified Assets

[Redacted]

SCHEDULE 3

WFOE Project Companies

[Redacted]