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POWERLONG

宝龙

POWERLONG REAL ESTATE HOLDINGS LIMITED

寶龍地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1238)

INSIDE INFORMATION

SIGNIFICANT PROGRESS ON THE HOLISTIC SOLUTION

(1) ENTRY INTO THE RESTRUCTURING SUPPORT AGREEMENT AND (2) INVITATION TO ACCEDE

This announcement is made by the Powerlong Real Estate Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 29 November 2023 and 21 December 2023 (the “**Announcements**”).

The Company would like to update its shareholders and potential investors on the significant progress made regarding the Holistic Solution.

SIGNIFICANT PROGRESS ON THE HOLISTIC SOLUTION

Over the past few months, the Company and its professional advisors have engaged in constructive dialogue with various stakeholders of the Company in achieving the Holistic Solution. Such efforts have culminated in the Term Sheet being signed on 21 December 2023. The implementation of the Holistic Solution will respect creditors’ existing rights and treat all creditors fairly, secure a long-term sustainable capital structure to further stabilize operations of the Group, and protect the rights and interest of all of its stakeholders.

As disclosed in the Announcements, the Company intends to implement the Holistic Solution by way of scheme(s) of arrangement in Hong Kong and/or other applicable jurisdiction(s) at the election of the Company to compromise the In-Scope Debt. Under the Scheme, the Mandatory Convertible Bonds, the New Notes and the New Loan will be issued to the scheme creditors based on the selection mechanism. Details of the transactions under the Scheme are set out in the section headed “Transaction Highlights of the Framework of the Holistic Solution” in the announcement of the Company dated 21 December 2023.

The Company is pleased to announce that on 23 February 2024, the Company entered into the RSA with Initial Participating Creditors, including all members of the AHG and certain lenders of the Existing Loans, who, as at the date of this announcement, are the holders of approximately 30.3% of the aggregate outstanding principal amount of the In-Scope Debt.

Broad-based support is required to facilitate successful implementation of the Holistic Solution, and the Company sincerely asks all holders of the In-Scope Debt who have not signed the RSA to accede to the RSA as soon as possible.

The RSA

The RSA, including the RSA Term Sheet (a copy of which is appended to this announcement, with sensitive annexes and schedules removed, and sensitive information redacted), is a legally binding agreement which supersedes the Term Sheet. The major economic terms of the RSA Term Sheet are substantially the same as the Term Sheet, except that certain additional credit enhancements have been offered to the Mandatory Convertible Bonds, New Notes and New Loan.

Under the terms of the RSA, among other things:

- (a) the Company undertakes to, among other things:
 - (i) perform all actions as are reasonably necessary in order to support, facilitate, implement or otherwise give effect to the Restructuring (provided that such action is consistent in all material respects with the RSA Term Sheet) as soon as reasonably practicable;
 - (ii) implement the Restructuring and the Scheme(s) in the manner envisaged by, and materially on the terms and conditions set out in, the RSA and the RSA Term Sheet; and
 - (iii) perform all actions as are reasonably necessary to procure that, on or before the Longstop Date: (i) the Scheme Effective Date occurs; and (ii) the Restructuring Effective Date occurs as soon as practicable following the occurrence of the Hong Kong Scheme Effective Date or any other Scheme Effective Date (whichever is later); and

- (b) each Participating Creditor undertakes to, among other things:
- (i) use all commercially reasonable endeavours to support, facilitate, implement, confirm that it fully supports the Restructuring or otherwise give effect to the Restructuring, provided that a Participating Creditor shall not be required to take any positive action which is not explicitly required under the terms of the RSA (including the RSA Term Sheet), unless such action is: (i) necessary for the purposes of the Restructuring; (ii) consistent in all material respects with the terms set out in the RSA (including the RSA Term Sheet); and (iii) the Company bears all reasonable costs of the Participating Creditor incurred in taking such actions;
 - (ii) vote in favour of each Scheme in respect of the aggregate outstanding principal amount of all Participating Debt in which it holds a beneficial and/or legal interest (as applicable) as principal at the Record Time at each Scheme Meeting; and
 - (iii) not object to any Scheme (or any application made by the Company in respect of any Scheme) or otherwise commence, join, support or assist any proceedings to oppose or alter any Restructuring Document filed by the Company in connection with the confirmation of the Restructuring, provided that the Restructuring, the Scheme(s) and the Restructuring Documents are consistent in all material respects with the terms of the RSA Term Sheet and the Major Restructuring Documents are in Agreed Form (as defined in the RSA).

Consent Fee

Each Participating Creditor who validly holds Early Eligible Participating Debt as of the Early Consent Fee Deadline (being 5:00 p.m. Hong Kong time on 24 March 2024) and still holds such Early Eligible Participating Debt at the Record Time will, subject to the terms of the RSA, receive an Early Consent Fee in respect of such Early Eligible Participating Debt.

Each Participating Creditor who validly holds Base Eligible Participating Debt as of the Base Consent Fee Deadline (being 5:00 p.m. Hong Kong time on 26 April 2024) and still holds such Base Eligible Participating Debt at the Record Time will, subject to the terms of the RSA, receive a Base Consent Fee in respect of such Base Eligible Participating Debt.

The Consent Fee shall be payable on or prior to the Restructuring Effective Date, provided that the Participating Creditor, among other things:

- (a) holds or has acquired its Eligible Participating Debt in compliance with the relevant provisions of the RSA;
- (b) votes the entire aggregate amount of its Eligible Participating Debt held by it at the Record Time in favour of each Scheme at each Scheme Meeting (whether in person or by proxy). A Participating Creditor that does not vote (whether by abstaining, voting against or not turning up) the entire aggregate amount of the Eligible Participating Debt then held by it in favour of each Scheme at each Scheme Meeting (whether in person or by proxy) will not be entitled to any Consent Fee; and

- (c) has not exercised its rights to terminate the RSA nor breached any of the relevant terms and conditions of the RSA in any material respect.

Invitation to accede to the RSA

The Company sincerely asks all holders of the In-Scope Debt who have not signed the RSA to review the RSA as soon as possible and to accede to the RSA as an Additional Participating Creditor by delivering to the Information Agent a validly completed and executed Accession Letter and Participating Debt Notice via the Transaction Website (<https://deals.is.kroll.com/powerlong>) as well as submitting a valid Electronic Consent Instruction to the relevant Clearing System (as applicable) in respect of all of its In-Scope Debt prior to the Consent Fee Deadline.

Information Agent

The Company has appointed Kroll Issuer Services Limited as the Information Agent who will be responsible for collecting, via the Transaction Website, Accession Letters, Participating Debt Notice and/or Transfer Notices (as applicable) from Participating Creditors and answering any questions regarding the process. The RSA will be made available on the Transaction Website, operated by the Information Agent for the purpose of the RSA.

The Information Agent can be contacted using the details below:

Kroll Issuer Services Limited

Transaction Website: <https://deals.is.kroll.com/powerlong>

Email: powerlong@is.kroll.com

Tel: +852 2281 0114

Address: c/o Level 3, Three Pacific Place, 1 Queen's Road East, Wan Chai, Hong Kong

Attention: Mu-yen Lo/Kevin Wong

IMPLEMENTATION AND NEXT STEPS

The Holistic Solution is expected to be implemented through the Scheme(s). 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. The Company will commence the process of implementing the Holistic Solution on terms set forth in the RSA as soon as possible.

REQUESTS FOR INFORMATION

Further information on the Holistic Solution can be found on the Transaction Website (<https://deals.is.kroll.com/powerlong>). Requests for information can be directed to the Company's financial advisor:

Haitong International Securities Company Limited

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

Telephone: +852 2848 4333

Email: project.powerlong@htisec.com

Projected Cash Flow

The aggregate cash generated from sales of investment properties during the period from the fourth quarter of 2023 to the end of 2032 is projected to be approximately RMB4,906 million. The cumulative attributable net cash flow that is projected to be available to service offshore level debt is approximately RMB14,033 million.

The above information regarding the Group's projected cash flow contains forward-looking estimates that is based solely on a preliminary assessment by the management of the Company with reference to the information currently available to it and based on a series of assumptions, for example, the above estimated net proceeds from disposal of investment properties is projected subject to market conditions and the period necessary for the relevant properties to fully materialise its value. Any variation of such assumptions may materially and adversely affect the cash flow projections, and such cash flow projections involve important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, the Company's financial results may differ from those expressed in such forward-looking statements. Such projections also do not constitute any forecast or estimate of the Group's profit of any relevant period which are determined and affected by other factors. In light of the risks and uncertainties, shareholders of the Company and other investors are advised to treat this information with caution and not place undue reliance on such forward-looking statements as the actual cash flows of the Group at the relevant time may be different from what is disclosed in this announcement. Any information relating to the profit of the Group will be announced by the Company in accordance with the applicable requirements under the Listing Rules.

Holders of securities and potential investors of the Company are advised to read the interim report of the Company for the six months ended 30 June 2023 which was published on 26 September 2023.

Shareholders and investors of the Company are advised to exercise caution when dealing in the securities of the Company. If in doubt, shareholders and investors should seek professional advice from a professional or financial advisor.

DEFINITIONS

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

“Accession Letter”	a letter pursuant to which a person becomes a party to the RSA as an Additional Participating Creditor, in the form set out in the RSA
“Additional Participating Creditor”	a person holding a beneficial and/or legal interest (as applicable) as principal in the In-Scope Debt who has agreed to be bound by the terms of the RSA as a Participating Creditor in accordance with the RSA
“AHG”	an ad hoc group of holders of the In-Scope Debt as constituted from time to time and notified to the Company who are advised by the AHG advisors
“Base Consent Fee”	with respect to each Participating Creditor, subject to and in accordance with the terms of the RSA, an amount in cash equal to 0.15% of the aggregate principal amount of the Base Eligible Participating Debt held by such Participating Creditor as of the Record Time (subject to all valid procedures being followed by such Participating Creditor in accordance with the terms of the RSA)
“Base Eligible Participating Debt”	a Participating Debt which was made subject to the RSA by a Participating Creditor after the Early Consent Fee Deadline but on or prior to the Base Consent Fee Deadline
“Clearing System”	Clearstream Banking S.A. or Euroclear Bank S.A./N.V.
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of the Hong Kong) as amended from time to time
“Company”	Powerlong Real Estate Holdings Limited, a company incorporated with limited liability under the laws of the Cayman Islands, the shares of which are listed on The Stock Exchange of Hong Kong Limited (stock code: 1238)
“Consent Fee”	with respect to each Participating Creditor the Early Consent Fee or the Base Consent Fee (as applicable)

“Consent Fee Deadline”	the Early Consent Fee Deadline or the Base Consent Fee Deadline, as appropriate
“Early Consent Fee”	with respect to each Participating Creditor, subject to and in accordance with the RSA, an amount in cash equal to 0.3% of the aggregate principal amount of the Early Eligible Participating Debt held by such Participating Creditor as of the Record Time (subject to all valid procedures being followed by such Participating Creditor in accordance with the terms of the RSA)
“Early Eligible Participating Debt”	a Participating Debt which was made subject to the RSA by a Participating Creditor on or prior to the Early Consent Fee Deadline
“Electronic Consent Instruction”	an authenticated SWIFT message or instructions delivered in accordance with the processes in place at the relevant Clearing System, in each case, to authorise the delivery of a consent to accede to the RSA
“Eligible Participating Debt”	an Early Eligible Participating Debt or a Base Eligible Participating Debt (as appropriate)
“Existing Loans”	certain loan facilities to which the Company is an obligor
“Existing Notes”	the senior notes issued or guaranteed by the Company
“Group”	the Company and its subsidiaries
“Holistic Solution”	holistic management solution for the Company’s offshore indebtedness
“Hong Kong Scheme”	the scheme of arrangement proposed by the Company to be effected pursuant to sections 670, 673 and 674 of the Companies Ordinance, for the purpose of implementing the Restructuring as contemplated under the RSA and the RSA Term Sheet
“Hong Kong Scheme Effective Date”	the date on which the sanction order is filed with the registrar of companies in the Hong Kong pursuant to section 673 of the Companies Ordinance at which time the Hong Kong Scheme shall become effective in accordance with its terms
“In-Scope Debt”	the Existing Notes and the Existing Loans

“Information Agent”	Kroll Issuer Services Limited, or any other person appointed by the Company to act as information agent in connection with the Scheme and the RSA
“Initial Participating Creditors”	the Scheme Creditors parties signing the RSA as at the date of this announcement, which include the members of the AHG and certain other lenders of the Existing Loans
“Longstop Date”	30 September 2024 or such later date as may be agreed between the Company and the Majority AHG in writing
“Major Restructuring Documents”	has the meaning given to it in the RSA Term Sheet
“Majority AHG”	the member(s) of the AHG holding more than 50% of the aggregate outstanding principal amount of the In-Scope Debt held by all members of the AHG at the relevant time
“Participating Creditor”	the Initial Participating Creditors to the RSA as at the date of this announcement or Additional Participating Creditors, but excludes any Participating Creditors that have exercised its right to terminate the RSA in accordance with its terms
“Participating Debt”	at any time, with respect to a Participating Creditor, the aggregate principal amount of the In-Scope Debt set out in the relevant Participating Debt Notice then most recently delivered by that Participating Creditor, as modified from time to time by any Transfer Notices (as applicable) delivered by the Participating Creditors to the Information Agent in accordance with the terms of the RSA
“Participating Debt Notice”	a notice setting out the details of the Participating Debt substantially in the form set out in the RSA
“Record Time”	the time designated, and publicly announced, by the Company for the determination of claims of Scheme Creditors for the purposes of voting at each Scheme Meeting
“Restructuring”	means the restructuring of the In-Scope Debt, to be conducted materially in the manner envisaged by, and materially on the terms set out in, the RSA Term Sheet and to be implemented by way of the Restructuring Documents
“Restructuring Documents”	all documents, agreements and instruments necessary to implement the Restructuring in accordance with the RSA and the RSA Term Sheet

“Restructuring Effective Date”	the day on which all outstanding In-Scope Debt will be cancelled and all guarantees and securities granted in connection with the In-Scope Debt will be released and the applicable restructuring consideration will be distributed to the Scheme Creditors, with all conditions precedent as set out in the RSA Terms Sheet having been either satisfied or waived (as applicable)
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“RSA”	the restructuring support agreement dated 23 February 2024 entered into by, among others, the Company and members of the AHG
“RSA Term Sheet”	the restructuring term sheet as set out in Schedule 6 to the RSA, a copy of which is appended to this announcement (with sensitive annexes and schedules removed, and sensitive information redacted)
“Scheme(s)”	the: (i) the Hong Kong Scheme; and/or (ii) a scheme of arrangement, or similar process in such other jurisdiction as may be needed to implement the Restructuring, as determined at the Company’s discretion to be necessary, after having consulted with the AHG and/or the AHG’s advisor in good faith
“Scheme Creditors”	creditors of the Company whose claims are (or will be) the subject of the Scheme
“Scheme Effective Date”	in respect of a Scheme, the date on which that Scheme becomes effective in accordance with its terms (including, with respect of the Hong Kong Scheme, the Hong Kong Scheme Effective Date)
“Scheme Meeting”	in respect of a Scheme, a meeting of Scheme Creditors convened pursuant to a convening order to vote on any Scheme (and any adjournment of such meeting)
“Term Sheet”	the restructuring term sheet (in principle and subject to contract) dated 21 December 2023 entered into by the Company and members of the AHG

“Transaction Website” the website maintained by the Information Agent at <https://deals.is.kroll.com/powerlong>

“Transfer Notice” a notice pursuant to which a transferee of the In-Scope Debt becomes a Participating Creditor, substantially in the form set out in the RSA

By order of the Board
Powerlong Real Estate Holdings Limited
HOI Kin Hong
Chairman

Hong Kong, 23 February 2024

As of the date of this announcement, the executive directors of the Company are Mr. Hoi Kin Hong, Mr. Hoi Wa Fong, Mr. Xiao Qing Ping, Ms. Shih Sze Ni Cecilia and Mr. Zhang Hong Feng; the non-executive director of the Company is Ms. Hoi Wa Fan; and the independent non-executive directors of the Company are Dr. Ngai Wai Fung, Dr. Mei Jian Ping and Dr. Ding Zu Yu.

APPENDIX

RSA Term Sheet

Restructuring Term Sheet

(Subject to Contract)

This term sheet (the “**Term Sheet**”), contains certain material terms and conditions in connection with the Proposed Restructuring (as defined below) of the In-Scope Debt (as set out in Schedule II). The transactions contemplated by this Term Sheet are subject to, amongst other things, the completion of confirmatory due diligence by the Ad Hoc Group and the execution of definitive documentation by the Parties.

This Term Sheet supersedes and replaces the term sheet dated 21 December 2023 and entered into between the Company and the Ad Hoc Group. It is intended that this Term Sheet will be appended to a restructuring support agreement (the “**RSA**”) containing, among others, support undertakings from certain Scheme Creditors to support the Proposed Restructuring. Capitalized terms used but not defined in this Term Sheet shall have the same meanings ascribed to them in the RSA.

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

This Term Sheet is governed by and construed in accordance with Hong Kong law. The courts of Hong Kong shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Term Sheet.

General Information	
Company	Powerlong Real Estate Holdings Limited, a company incorporated with limited liability under the laws of the Cayman Islands
Group	The Company and its subsidiaries
Proposed Restructuring	<p>The Company plans to implement the Proposed Restructuring through one or more scheme(s) of arrangement (“Scheme”) in Hong Kong and/or other applicable jurisdiction(s) at the election of the Company.</p> <p>The Proposed Restructuring is expected to involve a compromise of all claims relating to the In-Scope Debt against (among others) the Company, the Subsidiary Guarantors (as defined under the documents governing the relevant In-Scope Debt), the Subsidiary Guarantor Pledgors (as defined under the documents governing the relevant In-Scope Debt) and (subject to terms and conditions to be agreed with the Majority Ad Hoc Group acting in good faith and subject to carve-outs for fraud, dishonesty and wilful misconduct) their respective subsidiaries, shareholders, officers, directors, advisers, representatives and office-holders under or in connection with the In-Scope Debt, in exchange for (A) the Restructuring Consideration (as defined below) in accordance with the terms of the composite documents to be circulated by the Company to the Scheme Creditors in relation to the Scheme (the “Scheme Documents”) and (B) the Company and the Subsidiary Guarantors agreeing to fully release, subject to certain exceptions to be agreed, all claims against the Scheme Creditors and any of the Scheme Creditors’ respective officers, directors, representatives and advisors under and in connection with the In-Scope Debts.</p> <p>“Majority Ad Hoc Group” means the member(s) of the Ad Hoc Group holding more than 50% of the aggregate outstanding principal amount of the In-Scope Debts held by the Ad Hoc Group at the relevant time.</p>
Scheme Creditors	<p>The persons holding beneficial interest as principal (or, with respect to the Existing Loans, legal and beneficial interest) in the In-Scope Debt (as set out in Schedule II of this Term Sheet) as at the Record Time (each, a “Scheme Creditor”).</p> <p>“Record Time” shall be the time designated by the Company for the determination of the claims of the Scheme Creditors for the purpose of voting at the meetings of the creditors of the Company whose claims against the Company are (or will be) the subject of the Scheme to vote on the Scheme convened pursuant to orders of the court (and any adjournment of such meeting).</p>

Restructuring of the In-Scope Debt	
Scheme Creditors' Claims	<p>The sum of:</p> <ul style="list-style-type: none"> (a) the outstanding principal amount of the In-Scope Debt held by the Scheme Creditors at the Record Time; and (b) all accrued and unpaid interest (except for any default interest or other special interests or fees) on such In-Scope Debt up to (but excluding) the earlier of (i) 30 June 2024 and (ii) the RED, <p>(together in aggregate, the “Scheme Creditors' Claims”).</p> <p>On and from the RED, Scheme Creditors will (subject to terms and conditions to be agreed with the Majority Ad Hoc Group acting in good faith and subject to carve-outs for fraud, dishonesty and wilful misconduct) release all claims against (among others) the Company, the Subsidiary Guarantors, the Subsidiary Guarantor Pledgors and their respective subsidiaries, shareholders, officers, directors, advisers, representatives and office holders under or in connection with the In-Scope Debt in exchange for the Restructuring Consideration in accordance with the terms of the Scheme Documents.</p>
Restructuring Consideration	<p>The Restructuring Consideration for each Scheme Creditor, in an aggregate amount equal to such Scheme Creditor's Claims, will consist of one or a combination of the following options (each, an “Option” and, collectively, the “Options”), in accordance with the Scheme Creditor's Selection:</p> <ul style="list-style-type: none"> (1) Option 1: a fixed combination of the cash and securities (“Option 1 Cash and Securities”) as follows, in an aggregate amount equal to any portion or all of such Scheme Creditor's Claims at such Scheme Creditor's election (“Option 1 Entitlement”):

	<ul style="list-style-type: none"> • 4.5% of 11/60 of Option 1 Entitlement in cash and 95.5% of 11/60 of Option 1 Entitlement in ordinary shares of Powerlong Commercial Management Holdings Limited listed on The Stock Exchange of Hong Kong Limited (“SEHK”) currently held by the Company (“9909 Shares”), which 9909 Shares shall be exchanged for the relevant Scheme Creditor’s Claims and transferred to such Scheme Creditor at an exchange price of HK\$12 per share (provided that if there are any share splits, share consolidation, dividends, distributions and/or new equity issuance in respect of Powerlong Commercial Management Holdings Limited between the date of the RSA and the RED, the Company shall consult with and agree with the Majority Ad Hoc Group on the appropriate adjustments in respect of such exchange price). Such 9909 Shares so exchanged shall be restricted from sales and be initially deposited into an escrow account, which sales restriction shall be removed on 25% of such 9909 Shares per year over four years. Upon removal of sales restriction, relevant 9909 Shares shall be released from such escrow account, plus • 4.5% of 49/60 of Option 1 Entitlement in cash and 95.5% of 49/60 of Option 1 Entitlement in mandatory convertible bonds (the “Mandatory Convertible Bonds”); <p>(2) Option 2: New Medium Term Notes in a principal amount equal to any portion or all of such Scheme Creditor’s Claims at such Scheme Creditor’s election (as may be adjusted in accordance with the Scheme Creditors’ Selection, the “Option 2 Entitlement”);</p> <p>(3) Option 3: New Long Term Notes (together with the New Medium Term Notes, the “New Notes”) in a principal amount equal to any portion or all of such Scheme Creditor’s Claims at such Scheme Creditor’s election (the “Option 3 Entitlement”); and/or</p> <p>(4) Option 4: New Loan in a principal amount equal to any portion or all of such Scheme Creditor’s Claims at such Scheme Creditor’s election (the “Option 4 Entitlement”).</p>
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“**Scheme Creditors’ Selection**” refers to the selection of any or a combination of the Options by any Scheme Creditor as at the Record Time as part of the Restructuring Consideration, in accordance with the following:

- (1) (a) the aggregate principal amount of Mandatory Convertible Bonds and cash allocated to all Scheme Creditors constituting the Option 1 Cash and Securities (the “**Aggregate Option 1 Allocation**”) shall not exceed US\$715,675,166 (the “**Option 1 Maximum Amount**”); and the amount of Option 1 Cash and Securities that each Scheme Creditor will receive on the RED shall be (i) the Option 1 Entitlement of such Scheme Creditor or (ii) if the aggregate principal amount of Mandatory Convertible Bonds and cash allocated to all Scheme Creditors constituting the Option 1 Cash and Securities as elected by all Scheme Creditors (the “**Aggregate Option 1 Entitlement**”) exceeds Option 1 Maximum Amount, the Option 1 Maximum Amount times a quotient of the Option 1 Entitlement of such Scheme Creditor and the Aggregate Option 1 Entitlement;
- (b) the aggregate principal amount of New Long Term Notes allocated to all Scheme Creditors (the “**Aggregate Option 3 Allocation**”) shall not exceed US\$238,558,389 (the “**Option 3 Maximum Amount**”); and the amount of New Long Term Notes that each Scheme Creditor will receive on the RED shall be (i) the Option 3 Entitlement of such Scheme Creditor or (ii) if the New Long Term Notes as elected by all Scheme Creditors (the “**Aggregate Option 3 Entitlement**”) exceeds Option 3 Maximum Amount, the Option 3 Maximum Amount times a quotient of the Option 3 Entitlement of such Scheme Creditor and the Aggregate Option 3 Entitlement;
- (c) the aggregate principal amount of the New Loan allocated to all Scheme Creditors (the “**Aggregate Option 4 Allocation**”) shall not exceed US\$588,000,000 (the “**Option 4 Maximum Amount**”); and the amount of New Loan that each Scheme Creditor will receive on the RED shall be (i) the Option 4 Entitlement of such Scheme Creditor or (ii) if the Aggregate Option 4 Entitlement exceeds Option 4 Maximum Amount, the Option 4 Maximum Amount times a quotient of the Option 4 Entitlement of such Scheme Creditor and the Aggregate Option 4 Entitlement;

	<p>(2) To the extent that the Aggregate Option 1 Entitlement, the Aggregate Option 3 Entitlement and the Aggregate Option 4 Entitlement exceed the Option 1 Maximum Amount, the Option 3 Maximum Amount and the Option 4 Maximum Amount, respectively, any such excess amount with respect to each relevant Scheme Creditor shall be added to the Option 2 Entitlement of such Scheme Creditor, which shall increase the Option 2 Entitlement for such Scheme Creditor correspondingly;</p> <p>(3) any Scheme Creditor that fails to submit its selection of the Options by the stipulated deadline shall be deemed to have selected Option 2 and be allocated the New Medium Term Notes in principal amount equal to its Scheme Creditors' Claim; and</p> <p>(4) any fractional entitlement of the New Debt Securities or the 9909 Shares that is remaining after the adjustments set forth in (1) through (4) above will be forfeited.</p>
Exchange Rate	<p>For the purpose of determining the Scheme Creditors' Claim and number of 9909 Shares to be converted under Option 1: US\$1 = HK\$7.81</p>

<p>Restructuring Effective Date (the “RED”)</p>	<p>The date on which all outstanding In-Scope Debt will be cancelled and all guarantees and securities granted in connection with the In-Scope Debt will be released and the Restructuring Consideration will be distributed to the Scheme Creditors, with all Conditions Precedent having been either satisfied or waived (as applicable).</p> <p>The RED shall be no later than 30 September 2024 or such later date (the “Longstop Date”) as may be agreed in writing between the Company on the one hand, and the Majority Ad Hoc Group on the other hand, and shall occur as soon as reasonably practicable and within ten (10) Business Days of the Conditions Precedent being satisfied or waived.</p>
<p>Early Consent Fee</p>	<p>The Early Consent Fee shall be paid in accordance with the terms of the RSA.</p> <p>The Early Consent Fee shall comprise an amount in cash equal to 0.3% of the aggregate principal amount of the Early Eligible Participating Debt (as defined in the RSA) held by the Participating Creditor (as defined in the RSA) as at the Early Consent Fee Deadline (as defined in the RSA).</p> <p>The Company may extend the Early Consent Fee Deadline at its own discretion, <i>provided</i> that the Company shall promptly notify all Parties of the extension of the Early Consent Fee Deadline.</p>
<p>Base Consent Fee</p>	<p>The Base Consent Fee shall be paid in accordance with the terms of the RSA.</p> <p>The Base Consent Fee shall comprise an amount in cash equal to 0.15% of the aggregate principal amount of the Base Eligible Participating Debt (as defined in the RSA) held by the Participating Creditor as at the Base Consent Fee Deadline (as defined in the RSA).</p> <p>The Company may extend the Base Consent Fee Deadline at its own discretion, <i>provided</i> that the Company shall promptly notify all Parties of the extension of the Base Consent Fee Deadline.</p>

<p>Conditions Precedent</p>	<p>The following conditions must be satisfied or waived in accordance with the RSA prior to or on the RED:</p> <ul style="list-style-type: none"> (a) the obtaining of all relevant regulatory approvals or other consents as are necessary for the Proposed Restructuring to take effect; (b) the obtaining of the relevant court sanction order(s) in respect of the Scheme and the Scheme becoming effective in accordance with its terms; (c) the settlement in full of the Base Consent Fee and Early Consent Fee on or prior to the RED; (d) the settlement in full of all professional fees associated with the Proposed Restructuring that the Company is obligated to pay (including all legal fees and expenses of the legal advisers to the Ad Hoc Group); (e) each Major Restructuring Document being in Agreed Form; (f) compliance by the Company with the terms of this Term Sheet in all material aspects; (g) the establishment of the Designated Account for the purposes of the Cash Sweep; (h) the maintenance of listing of the 9909 Shares and 1238 Shares on The Stock Exchange of Hong Kong Limited; (i) <i>[Redacted]</i>; (j) the Company announcing the expected RED; and (k) the satisfaction of each of the other conditions precedent contained in the Scheme Documents. <p>“Agreed Form” means in the form agreed in writing between the Company and the Majority Ad Hoc Group, each acting reasonably.</p>
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	<p>“Major Restructuring Documents” means the Scheme Documents (including the scheme of arrangement, account holder letter form(s), creditor proxy forms, and any solicitation packet), the indentures, facility agreement, intercreditor agreement, account control agreements, custodian agreements, security documents and Monitoring Agent engagement terms in relation to the New Notes, the Mandatory Convertible Notes, the New Loan, and any definitive document for the exchange of 9909 Shares that are part of the Option 1 Entitlement.</p>
<p>Terms of the New Notes <i>Capitalised terms not defined below will be defined in the indentures governing the New Notes (the “New Notes Indentures”), which shall substantially follow the meanings given to them in the indenture governing the December 2025 Notes (as defined below).</i></p>	
Issuer	The Company
Original Issue Date	The RED
Original Principal Amount	<p><u>New Medium Term Notes:</u> The original principal amount shall be equal to the Scheme Creditors’ Claims, minus: (i) the Aggregate Option 1 Allocation, (ii) the Aggregate Option 3 Allocation, and (iii) the Aggregate Option 4 Allocation.</p> <p><u>New Long Term Notes:</u> The original principal amount shall be the Aggregate Option 3 Allocation.</p>
Tenor	<p>New Medium Term Notes: 5 years from the RED; and</p> <p>New Long Term Notes: 7.5 years from the RED.</p>
Interest	<p>Interest on the New Notes shall start accruing on the RED and be payable semi-annually in arrears on the Interest Accrual Base, at the following rates:</p> <p><u>New Medium Term Notes:</u></p> <ul style="list-style-type: none"> • 2.75% per annum from the Original Issue Date to (but excluding) the date that is one year and a half after the Original Issue Date; • 3.00% per annum from the date that is one and a half years after the Original Issue Date to (but excluding) the date that is three years after the Original Issue Date;

	<ul style="list-style-type: none"> • 3.25% per annum from the date that is three years after the Original Issue Date to (but excluding) the date that is four years after the Original Issue Date; and • 3.50% per annum thereafter. <p>only 1% of the interest for the first three years shall be payable in cash (such cash interest, “Cash Interest”), and the balance of the interest shall be paid in kind (such paid-in-kind interest, “PIK Interest”). Interest payable after the date that is three years after the Original Issue Date shall be paid entirely in cash. Notwithstanding anything to the contrary in the foregoing, the Company may, at its sole discretion, elect to defer payment of the Cash Interest due on the date that is three years after the Original Issue Date and/or on the date that is three and a half years after the Original Issue Date to the date that is four years after the Original Issue Date.</p>
	<p><u>New Long Term Notes:</u></p> <ul style="list-style-type: none"> • 2.00% per annum from the Original Issue Date to (but excluding) the date that is four years after the Original Issue Date; • 2.50% per annum from the date that is four years after the Original Issue Date to (but excluding) the date that is six years after the Original Issue Date; and • 2.75% per annum thereafter. <p>Interest shall be paid in PIK Interest only for the first four years after the Original Issue Date and thereafter entirely in Cash Interest.</p> <p>“Accreted Value” with respect to any outstanding New Note (including any additional New Note) means, as of any date, an amount equal to the sum of (i) the initial nominal principal amount of such New Note issued on the issue date of such New Notes and (ii) PIK Interest paid or due and payable through such date, less (iii) any amount of New Notes redeemed or repurchased in accordance with the terms of the New Notes.</p> <p>“Interest Accrual Base” means the Accreted Value on the applicable calculation date.</p>

Mandatory Redemption	The Company shall mandatorily redeem the New Notes in accordance with the schedule below:		
	New Medium Term Notes:		
	Mandatory Redemption Date	Principal Amount to be Redeemed	Redemption Price
	The date falling 6 months after the Original Issue Date	11% of principal amount issued on the Original Issue Date	1/11 of 100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
	The date falling 12 months after the Original Issue Date	11% of the principal amount issued on the Original Issue Date	1/11 of 100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
	The date falling 18 months after the Original Issue Date	11% of the principal amount issued on the Original Issue Date	1/11 of 100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
	The date falling 24 months after the Original Issue Date	11% of the principal amount issued on the Original Issue Date	1/11 of 100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
	The date falling 30 months after the Original Issue Date	12% of the principal amount issued on the Original Issue Date	1/6 of 100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
The date falling 36 months after the Original Issue Date	5% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date	

The date falling 42 months after the Original Issue Date	5% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
The date falling 48 months after the Original Issue Date	7.5% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
The date falling 54 months after the Original Issue Date	7.5% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date

New Long Term Notes:

Mandatory Redemption Date	Principal Amount to be Redeemed	Redemption Price
The date falling 6 months after the Original Issue Date	0.25% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
The date falling 12 months after the Original Issue Date	0.25% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date

	The date falling 18 months after the Original Issue Date	0.25% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
	The date falling 24 months after the Original Issue Date	0.25% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
	The date falling 30 months after the Original Issue Date	0.25% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
	The date falling 36 months after the Original Issue Date	0.25% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
	The date falling 42 months after the Original Issue Date	1% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
	The date falling 48 months after the Original Issue Date	1% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date

	The date falling 54 months after the Original Issue Date	1% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
	The date falling 60 months after the Original Issue Date	1% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
	The date falling 66 months after the Original Issue Date	10% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
	The date falling 72 months after the Original Issue Date	10% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
	The date falling 78 months after the Original Issue Date	15% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
	The date falling 84 months after the Original Issue Date	15% of the principal amount issued on the Original Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date

	<p>Notwithstanding the foregoing, should the outstanding principal amount of any relevant series of New Notes be less than the applicable principal amount to be redeemed on the relevant Mandatory Redemption Date, the Company shall not be obligated to redeem any New Note of such series on such Mandatory Redemption Date.</p> <p>Any remaining outstanding principal amount of the New Notes shall be repaid on maturity.</p>
Subsidiary Guarantees	Guarantees by the Subsidiary Guarantors (as defined in the indenture governing the December 2025 Notes) that are wholly owned by the Company.
Collateral	<p>The New Notes, the Mandatory Convertible Bonds, the New Loan and any Permitted Pari Passu Secured Indebtedness shall be secured by the following collateral (the “Collateral”) on a <i>pari passu</i> basis:</p> <ul style="list-style-type: none"> • first ranking security over all 9909 Shares (but, for the avoidance of doubt, excluding any 9909 Shares which constitute and form part of the Restructuring Consideration exchanged for Option 1 Entitlement) (the “Relevant 9909 Shares”) held by or attributable to the Company as of the RED; • first ranking security over the Designated Account (as defined below); • first ranking security over 100% of the shares in Starlong (HK) 2 Limited; and • first ranking security over 100% of the shares in Starlong (HK) 5 Limited.
Cash Sweep	The Company shall, subject to compliance with applicable laws, rules, regulations, policies or measures and the receipt of all relevant regulatory, judicial and/or governmental approvals, remit, or procure the remittance of the Net Consideration to an offshore bank account (the “ Designated Account ”) which shall be subject to an offshore account control agreement, with conditions and other details to be agreed between the Company and the Majority Ad Hoc Group.

Whenever the accumulated but unused Net Consideration in the Designated Account (the “**Allocation Amount**”) exceeds US\$30 million, the Company shall use the Allocation Amount in accordance with the following:

- (1) within 45 Business Days after the Allocation Amount first exceeds US\$30 million (the “**Allocation Period**”) the Company may, at its discretion:
 - (a) pay or reserve (by notifying the Trustee, the Collateral Agent, and the Monitoring Agent) any principal and/or interest that is or will be due and payable in the following six months under the terms of the New Notes and the New Loan; and/or
 - (b) if (x) the Allocation Amount after deducting the amount of payment made or to be made in accordance with paragraph (a) immediately above (the “**Residual Allocation Amount**”) is no more than US\$50.0 million or (y) where no payment is made or to be made pursuant to paragraph (a), the Allocation Amount is no more than US\$80.0 million, apply the Residual Allocation Amount or the Allocation Amount, as the case may be, to prepay the New Loan in accordance with its terms and/or repurchase one or more series of the New Notes through open market purchases, *provided however*, in the case of any open market repurchases, (x) such open market repurchases shall be bank or broker-facilitated; and (y) for as long as any New Medium Term Note remains outstanding, the Company shall use such Residual Allocation Amount or Allocation Amount, as the case may be, for repurchase of the New Medium Term Notes first; and/or

(c) if (x) the Residual Allocation Amount exceeds US\$50.0 million or (y) where no payment is made or to be made pursuant to paragraph (a), the Allocation Amount is no more than US\$80.0 million, apply the Residual Allocation Amount or the Allocation Amount, as the case may be, to prepay the New Loan in accordance with its terms and/or repurchase one or more series of the New Notes through tender offers or other offers or purchases that are made to all holders of the relevant series of the New Notes (subject to customary exclusions for compliance with the securities laws of relevant jurisdictions), *provided however*, in the case of any tender offers or other offers or purchases with respect to the New Notes, for as long as any New Medium Term Note remains outstanding, the Company shall use such Residual Allocation Amount or the Allocation Amount, as the case may be, for repurchase of the New Medium Term Notes first; and

(2) after the Allocation Amount has been used in accordance with paragraph (1) above, to the extent that any remaining Allocation Amount exceeds US\$5 million, the Company shall apply 80% of such remaining amount to redeem one or more series of the New Notes at 100% of their principal amount plus any accrued and unpaid interest to the redemption date, and the remaining 20% to repay the New Loan in accordance with its terms, *provided, however*, in the case of any redemption of the New Notes, for as long as any New Medium Term Note remains outstanding, the Company shall use such remaining amount for redemption of the New Medium Term Notes first.

“Investment Property” means any property that is owned and held by the Company or any Restricted Subsidiary primarily for long-term rental yields or for capital appreciation or both, or any commercial property owned by the Company or any Restricted Subsidiary from which the Company or any Restricted Subsidiary derives or expects to derive operating income.

“Specified Asset Disposal” means any sale, transfer or disposal of one or more asset listed in Schedule III (the **“Specified Assets”**) by the Company or the relevant Subsidiary on or after the Original Issue Date, including by way of issuance, sale, transfer or disposal of Capital Stock of the relevant Subsidiary the principal asset of which is such Specified Asset, whether it is held directly or indirectly by such Subsidiary.

“Net Consideration” means the Net Proceeds that is attributable to and actually received by the Company, directly or indirectly through its Restricted Subsidiaries.

“Net Proceeds” means:

- (1) with respect to any Specified Asset Disposal, the cash proceeds of such Specified Asset Disposal, net of:
 - (a) actual brokerage commissions, land and construction related cost, project design and development cost, operational cost and other necessary expenses (including fees and expenses of professional parties) related to such Specified Asset Disposal;
 - (b) provisions, made reasonably and in good faith, for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Specified Asset Disposal without regard to the consolidated results of operations of the Company and its Restricted Subsidiaries, taken as a whole;
 - (c) any amount required or requested by PRC government bodies and/or under such applicable PRC law, rules, regulations, policies or measures to be deposited in a designated account or used for other purposes, which is not freely transferrable or disposable by the Company;
 - (d) indebtedness or any other liability or obligation outstanding at the time of such Specified Asset Disposal that is (x) secured by a lien on the property or assets directly or indirectly sold under such Specified Asset Disposal, (y) is properly and reasonably incurred to fund the development expenses, project management expenses, and/or administrative expenses of the relevant Specified Asset, or (z) required to be paid as a result of such Specified Asset Disposal; and
 - (e) appropriate amounts to be provided by the Company or any Restricted Subsidiary as a reserve, made reasonably and in good faith, against any liabilities associated with such Specified Asset Disposal (subject to limitations to be agreed between the Company and the Majority Ad Hoc Group), including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters, liabilities under any indemnification obligations, land cost, project design cost and other operational cost associated with such Specified Asset Disposal; and

(2) with respect to any rental or other operating income received in cash derived from any Specified Asset which constitutes Investment Property, net of:

- (a) actual brokerage commissions, operational cost and other necessary expenses (including fees and expenses of professional parties) related to such Specified Asset;
- (b) any amount required to be paid in connection with any operating loan incurred in connection with such Specified Asset;
- (c) any amount required or requested by PRC government bodies and/or under such applicable PRC law, rules, regulations, policies or measures to be deposited in a designated account or used for other purposes, which is not freely transferrable or disposable by the Company; and
- (d) appropriate amounts to be provided by the Company or any Restricted Subsidiary as a reserve, made reasonably and in good faith, against any liabilities associated with such Specified Asset (subject to limitations to be agreed between the Company and the Majority Ad Hoc Group), including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters, liabilities under any indemnification obligations and other operational cost associated with such Specified Asset.

“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, London, the PRC, Hong Kong and/or Macau (or in any other place in which payments on the New Notes are to be made) are authorized by law or governmental regulation to close.

<p>Relevant 9909 Shares Cash Sweep</p>	<p>All Relevant 9909 Shares shall be deposited with a custodian (which may be the Collateral Agent) (the “Custodian”), with control and monitoring mechanism to be agreed with the Majority Ad Hoc Group.</p> <p>Asset sale restrictions and the cash sweep mechanism relating to the Relevant 9909 Shares shall be agreed with the Majority Ad Hoc Group in long-form documentation.</p>
<p>Monitoring</p>	<p>The Company will engage a whitelisted agent approved by the Majority Ad Hoc Group (the “Monitoring Agent”) to monitor and confirm receipt of certain information relating to all obligations in connection with any Specified Asset Disposal, the cash sweep in relation to the Relevant 9909 Shares and the Designated Account as specified in the sections entitled “Cash Sweep” and “Relevant 9909 Shares Cash Sweep”, and the Monitoring Agent shall notify the Trustee in the event that the Company fails to provide relevant information or documents to the Monitoring Agent in accordance with the terms of the New Notes.</p>
<p>Negative Pledge</p>	<p>The Company undertakes that, for as long as any of the New Notes, the Mandatory Convertible Bonds, the New Loan and any Permitted Pari Passu Secured Indebtedness remains outstanding, it shall not, and shall procure its Restricted Subsidiaries not to, create or permit to subsist any security interest (other than security interest existing as of the date on which the RSA becomes effective, as expressly disclosed or permitted under the terms of the New Notes Indenture) over the Specified Assets (to the extent that such Specified Assets are held by the Company or a Restricted Subsidiary of the Company), unless (i) such security interest is created in good faith in connection with the construction or operation of such asset, <i>provided</i> that any proceeds from financing facilitated by such security interest shall be solely applied towards the construction or operation of such asset; (ii) the New Notes, the Mandatory Convertible Bonds, the New Loan and any Permitted Pari Passu Secured Indebtedness are equally and ratably secured by such security, or (iii) such security interest arises from laws, rules or regulations, government policies or implementation or other governmental measures or by operation of law.</p>
<p>Optional Redemption and Optional Repurchase</p>	<p>Provisions for optional redemption and optional repurchase, including the applicable payment priorities, shall be agreed with the Majority Ad Hoc Group in long-form documentation</p>

Amendments with Consent of Holders	Similar to the December 2025 Notes, except that, with respect to the New Long Term Notes, any modification, amendment or waiver requiring consent of Holders holding no less than 75% of the aggregate principal amount of the outstanding notes in the December 2025 Notes shall be amended to require consent of Holders of no less than 66% of the aggregate principal amount of the outstanding New Long Term Notes.
Event of Default	The events of default provision under the New Notes is to be agreed with the Majority Ad Hoc Group in the long form documentation.
Trustee, Collateral Agent and Custodian	One or more administrative parties to be agreed between the Majority Ad Hoc Group and the Company.
Transfer Restrictions	The New Notes and the Subsidiary Guarantees will not be registered under the U.S. Securities Act of 1933, as amended (the “ Securities Act ”) or any securities law of any state or other jurisdiction of the United States, and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act (“ Regulation S ”)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
Form, Denomination and Registration	The New Notes will be issued only in fully registered form and will be initially represented by one or more global certificates. The minimum denomination will be US\$1 and integral multiples of US\$1 in excess thereof.
Listing	Application will be made by the Company for the listing and quotation of the New Notes on The Singapore Exchange Securities Trading Limited or another internationally recognized exchange.
Governing Law and Jurisdiction	<p>The New Notes, the Subsidiary Guarantees and the indentures governing the New Notes will be governed by and will be construed in accordance with the laws of the State of New York.</p> <p>U.S. federal and New York state courts located in the Borough of Manhattan, The City of New York are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the New Notes, the Subsidiary Guarantees and the New Notes Indentures.</p> <p>The security documents will be governed by the laws of the jurisdictions where the relevant collateral is held or located.</p>

Terms of the Mandatory Convertible Bonds																
Issuer	The Company															
Original Issue Date	The RED															
Original Principal Amount	The aggregate original principal amount of the Mandatory Convertible Bonds shall be 95.5% of 49/60 of the Aggregate Option 1 Allocation.															
Interest	Nil															
Mandatory Conversion	<p>The Mandatory Convertible Bonds shall be mandatorily converted into shares of the Company (“1238 Shares”) by instalments in accordance with the following schedule, <i>provided that</i>, to the extent there are any events occurring between the date of the RSA and the date of the RED which would have triggered adjustments to the Conversion Price had they occurred after the RED, the Company shall consult with and agree with the Majority Ad Hoc Group on the appropriate adjustments to the Conversion Price specified below:</p> <table border="1"> <thead> <tr> <th>Mandatory Conversion Date</th> <th>Principal Amount to be Converted</th> <th>Conversion Price</th> </tr> </thead> <tbody> <tr> <td>The date falling 1 year after the Original Issue Date</td> <td>25% of the principal amount issued on the Original Issue Date</td> <td>HK\$3.35</td> </tr> <tr> <td>The date falling 2 years after the Original Issue Date</td> <td>25% of the principal amount issued on the Original Issue Date</td> <td>HK\$3.35</td> </tr> <tr> <td>The date falling 3 years after the Original Issue Date</td> <td>25% of the principal amount issued on the Original Issue Date</td> <td>HK\$3.35</td> </tr> <tr> <td>The date falling 4 years after the Original Issue Date</td> <td>The remainder of the Mandatory Convertible Bonds</td> <td>HK\$3.35</td> </tr> </tbody> </table>	Mandatory Conversion Date	Principal Amount to be Converted	Conversion Price	The date falling 1 year after the Original Issue Date	25% of the principal amount issued on the Original Issue Date	HK\$3.35	The date falling 2 years after the Original Issue Date	25% of the principal amount issued on the Original Issue Date	HK\$3.35	The date falling 3 years after the Original Issue Date	25% of the principal amount issued on the Original Issue Date	HK\$3.35	The date falling 4 years after the Original Issue Date	The remainder of the Mandatory Convertible Bonds	HK\$3.35
Mandatory Conversion Date	Principal Amount to be Converted	Conversion Price														
The date falling 1 year after the Original Issue Date	25% of the principal amount issued on the Original Issue Date	HK\$3.35														
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The date falling 3 years after the Original Issue Date	25% of the principal amount issued on the Original Issue Date	HK\$3.35														
The date falling 4 years after the Original Issue Date	The remainder of the Mandatory Convertible Bonds	HK\$3.35														
Guarantees	Same as the New Notes															
Collateral	Same as the New Notes															
Adjustments to Conversion Price	The Conversion Price may be adjusted in certain circumstances including, without limitation, stock split, consolidation, dividend distributions and new equity issuance at less than certain issue price below market price.															

Optional Redemption	The Company may at its option redeem the Mandatory Convertible Bonds at any time, in whole or in part, at a redemption price equal to 100% of the principal amount of the Mandatory Convertible Bonds.
Covenants and Undertakings	Fundamental covenants and undertakings typical for mandatory convertible bonds (including, without limitation, covenants relating to the maintenance of listing status of 1238 Shares and 9909 Shares and to ensure that the 1238 Shares and 9909 Shares shall not be suspended from trading for more than 60 consecutive trading days).
Fixed Exchange Rate	On any conversion into 1238 Shares, US\$1 in principal amount of Mandatory Convertible Bonds shall be translated at a fixed rate of 7.81 Hong Kong dollars.
Form, Denomination and Registration	<p>The Mandatory Convertible Bonds will be issued only in fully registered form and will be initially represented by one or more global notes.</p> <p>The minimum denomination will be US\$1 and integral multiples of US\$1 in excess thereof.</p>
Trustee, Collateral Agent and Custodian	One or more administrative parties to be agreed between the Majority Ad Hoc Group and the Company.
Transfer Restrictions	The Mandatory Convertible Bonds 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 Mandatory Convertible Bonds will be offered and sold only (i) in offshore transactions outside the U.S. in reliance on Regulation S or (ii) pursuant to another exemption.

<p>Amendments with Consent of the Holders</p>	<p>To be agreed with the Majority Ad Hoc Group in the long form documentation, but any amendments or waivers relating to money terms conversion or security amendments in respect of the Mandatory Convertible Bonds shall only be made or take effect if:</p> <p>(a) approved by at least 66% by value of the votes cast at a validly convened meeting of holders of the Mandatory Convertible Bonds, which is attended by two or more holders representing no less than 66²/₃% of the outstanding principal amount of the Mandatory Convertible Bonds at the time or (if such meeting is adjourned for lack of quorum) at the adjourned meeting, which is attended by two or more holders representing no less than 50% of the outstanding principal amount of the Mandatory Convertible Bonds at the time; or</p> <p>(b) approved, by way of a written resolution or electronic consents, signed or otherwise approved by holders of the Mandatory Convertible Bonds representing no less than 75% of the outstanding principal amount of the Mandatory Convertible Bonds.</p>
<p>Event of Default</p>	<p>Customary events of default to be agreed with the Majority Ad Hoc Group in the long form documentation.</p>
<p>Listing</p>	<p>Application will be made for the listing and quotation of the Mandatory Convertible Bonds on the SGX or another internationally recognized stock exchange.</p>
<p>Governing Law and Jurisdiction</p>	<p>The Mandatory Convertible Bonds and trust deed governing the Mandatory Convertible Bonds (the “MCB Trust Deed”) will be governed by and will be construed in accordance with the laws of Hong Kong.</p> <p>Hong Kong courts are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Mandatory Convertible Bonds and the MCB Trust Deed.</p> <p>The security documents will be governed by the laws of the jurisdictions where the relevant collateral is held or located.</p>

Terms of the New Loan																													
Borrower	The Company																												
Drawdown Date	The RED																												
Original Principal Amount	The original principal amount of the New Loan shall be the Aggregate Option 4 Allocation.																												
Repayment	<p>The Company shall repay the New Loan in instalments (each a “Repayment Instalment”) on each Repayment Date (as defined below) as set out in the table below:</p> <table border="1"> <thead> <tr> <th>Repayment Date</th> <th>Repayment Instalment</th> </tr> </thead> <tbody> <tr> <td>The date falling 6 months after the Original Issue Date</td> <td>0.75% of the principal amount issued on the RED</td> </tr> <tr> <td>The date falling 12 months after the Original Issue Date</td> <td>0.75% of the principal amount issued on the RED</td> </tr> <tr> <td>The date falling 18 months after the Original Issue Date</td> <td>0.75% of the principal amount issued on the RED</td> </tr> <tr> <td>The date falling 24 months after the Original Issue Date</td> <td>0.75% of the principal amount issued on the RED</td> </tr> <tr> <td>The date falling 30 months after the Original Issue Date</td> <td>1.0% of the principal amount issued on the RED</td> </tr> <tr> <td>The date falling 36 months after the Original Issue Date</td> <td>1.0% of the principal amount issued on the RED</td> </tr> <tr> <td>The date falling 42 months after the Original Issue Date</td> <td>5.0% of the principal amount issued on the RED</td> </tr> <tr> <td>The date falling 48 months after the Original Issue Date</td> <td>5.0% of the principal amount issued on the RED</td> </tr> <tr> <td>The date falling 54 months after the Original Issue Date</td> <td>7.5% of the principal amount issued on the RED</td> </tr> <tr> <td>The date falling 60 months after the Original Issue Date</td> <td>7.5% of the principal amount issued on the RED</td> </tr> <tr> <td>The date falling 66 months after the Original Issue Date</td> <td>10.0% of the principal amount issued on the RED</td> </tr> <tr> <td>The date falling 72 months after the Original Issue Date</td> <td>10.0% of the principal amount issued on the RED</td> </tr> <tr> <td>The date falling 78 months after the Original Issue Date</td> <td>15.0% of the principal amount issued on the RED</td> </tr> </tbody> </table>	Repayment Date	Repayment Instalment	The date falling 6 months after the Original Issue Date	0.75% of the principal amount issued on the RED	The date falling 12 months after the Original Issue Date	0.75% of the principal amount issued on the RED	The date falling 18 months after the Original Issue Date	0.75% of the principal amount issued on the RED	The date falling 24 months after the Original Issue Date	0.75% of the principal amount issued on the RED	The date falling 30 months after the Original Issue Date	1.0% of the principal amount issued on the RED	The date falling 36 months after the Original Issue Date	1.0% of the principal amount issued on the RED	The date falling 42 months after the Original Issue Date	5.0% of the principal amount issued on the RED	The date falling 48 months after the Original Issue Date	5.0% of the principal amount issued on the RED	The date falling 54 months after the Original Issue Date	7.5% of the principal amount issued on the RED	The date falling 60 months after the Original Issue Date	7.5% of the principal amount issued on the RED	The date falling 66 months after the Original Issue Date	10.0% of the principal amount issued on the RED	The date falling 72 months after the Original Issue Date	10.0% of the principal amount issued on the RED	The date falling 78 months after the Original Issue Date	15.0% of the principal amount issued on the RED
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	<table border="1" data-bbox="577 172 1430 348"> <tr> <td data-bbox="577 172 1002 257">The date falling 84 months after the Original Issue Date</td> <td data-bbox="1002 172 1430 257">15.0% of the principal amount issued on the RED</td> </tr> <tr> <td data-bbox="577 257 1002 342">The date falling 90 months after the Original Issue Date</td> <td data-bbox="1002 257 1430 342">The remainder of the New Loan</td> </tr> </table> <p data-bbox="577 389 1430 570">Notwithstanding the foregoing, should the outstanding principal amount of the New Loan be less than the applicable principal amount to be redeemed on the relevant Repayment Date, the Company shall not be obligated to repay any New Loan on such Repayment Date.</p>	The date falling 84 months after the Original Issue Date	15.0% of the principal amount issued on the RED	The date falling 90 months after the Original Issue Date	The remainder of the New Loan
The date falling 84 months after the Original Issue Date	15.0% of the principal amount issued on the RED				
The date falling 90 months after the Original Issue Date	The remainder of the New Loan				
Interest	<p data-bbox="577 608 1430 715">Interest on the New Loan shall start accruing on the RED and be payable semi-annually in arrears on the Interest Accrual Base, at the following rates:</p> <ul data-bbox="577 753 1430 1240" style="list-style-type: none"> <li data-bbox="577 753 1430 859">• 2.00% per annum from the Original Issue Date to (but excluding) the date that is three years after the Original Issue Date; <li data-bbox="577 906 1430 1012">• 2.25% per annum from the date that is three years after the Original Issue Date to (but excluding) the date that is four years and a half after the Original Issue Date; <li data-bbox="577 1059 1430 1166">• 2.50% per annum from the date that is four years and a half after the Original Issue Date to (but excluding) the date that is six years after the Original Issue Date; and <li data-bbox="577 1204 1430 1240">• 2.75% per annum thereafter. <p data-bbox="577 1283 1430 1427">only 0.5% of the interest for the first three years shall be payable in cash, and the balance of the interest shall be paid in kind. Interest payable after the date that is three years after the Original Issue Date shall be paid entirely in cash.</p> <p data-bbox="577 1470 1430 1687">“Accreted Value” with respect to the New Loan means, as of any date, an amount equal to the sum of (i) the initial nominal principal amount of the New Loan on the Drawdown Date and (ii) paid-in-kind interest paid or due and payable through such date, less (iii) any amount of New Loan repaid in accordance with the terms of the New Loan.</p> <p data-bbox="577 1730 1430 1802">“Interest Accrual Base” means the Accreted Value on the applicable calculation date.</p>				

Guarantees	Same as the New Notes, on a pari passu basis
Collateral	Same as the New Notes, on a pari passu basis
Cash Sweep	Same as the New Notes
Events of Default	Events of Default to substantially follow the New Notes.
Covenants	Covenants to substantially follow the New Notes.
Amendments with Consent of the Lenders	Any modification, amendment or waiver of the finance documents relating to such New Loan (including any reserved matter) shall require the consent of the Lenders whose commitments under such New Loan aggregate more than two thirds of the total commitments of all Lenders under such New Loan.
Governing Law and Jurisdiction	<p>The facility agreement for the New Loan (the “Facility Agreement”) will be governed by and will be construed in accordance with the laws of Hong Kong, save that the covenant package which follows that of the New Notes will be construed in accordance with New York law.</p> <p>Hong Kong courts are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the New Loans and the Facility Agreement.</p> <p>The security documents will be governed by the laws of the jurisdictions where the relevant collateral is held or located.</p>

Others	
Confidentiality	<p>Each Party shall treat (i) the identifying information (including the name, any notice details, any details of its authorised signatory or agent) of each Ad Hoc Group member and its respective Affiliates, (ii) the individual In-Scope Debt holdings (but excluding, for the avoidance of doubt, the aggregate In-Scope Debt holdings of the entire Ad Hoc Group) of each Ad Hoc Group member and its respective Affiliates, and (iii) any confidential information disclosed by any Ad Hoc Group member to any other Party ((i) to (iii) collectively, the “Identifying Information”) confidential, and shall not, except with the prior written consent of the relevant member of the Ad Hoc Group, disclose to any person (other than its Representatives) the Identifying Information. Notwithstanding the foregoing, a Party may disclose the Identifying Information, if and to the extent:</p> <p>(a) such disclosure is required by (and only to the extent necessary to ensure compliance with) law or by any stock exchange or any supervisory, regulatory, governmental or anti-trust body (including, for the avoidance of doubt, any Tax Authority) or any court or arbitral tribunal having applicable jurisdiction; or</p> <p>(b) it is disclosed on a strictly confidential basis to such Party’s Affiliates for the purpose of compliance with (and only to the extent necessary to ensure compliance with) applicable laws or regulations or listing rules of any relevant stock exchange,</p> <p>provided that, in each case, any disclosing Party shall ensure that all Identifying Information are (to the extent permitted by applicable laws, regulations and the listing rules of any relevant stock exchange) redacted before making such disclosure.</p> <p>Each Party undertakes that it shall (and shall procure that its affiliates shall) only disclose the Identifying Information to its Representatives where it is reasonably required for the purposes of exercising its rights or performing its obligations under this Term Sheet and only where the Representatives are informed of the confidential nature of the Identifying Information and subject to obligations similar to the provisions of this paragraph.</p> <p>“Representatives” and “Affiliates” have the meaning given to it in the confidentiality agreement(s) entered into between the Company and each member of the Ad Hoc Group.</p>
<i>[Redacted]</i>	<i>[Redacted]</i>

Schedule I
The Ad Hoc Group

[Redacted]

Schedule II In-Scope Debt

- (1) The New York law-governed 4.0% senior notes due July 2022 (ISIN: XS2368100033, Common Code: 236810003) (the “**July 2022 Notes**”) issued by the Company. As at the date of this Term Sheet, the aggregate principal amount of the July 2022 Notes outstanding is US\$4,105,000;
- (2) The New York law-governed 7.125% senior notes due November 2022 (ISIN: XS2078556342, Common Code: 207855634) (the “**November 2022 Notes**”) issued by the Company. As at the date of this Term Sheet, the aggregate principal amount of the November 2022 Notes outstanding is US\$20,652,000;
- (3) The New York law-governed 6.95% senior notes due July 2023 (ISIN: XS2030333384, Common Code: 203033338) (the “**July 2023 Notes**”) issued by the Company. As at the date of this Term Sheet, the aggregate principal amount of the July 2023 Notes outstanding is US\$18,515,000;
- (4) The New York law-governed 4.0% senior notes due July 2024 (ISIN: XS2500700633, Common Code: 250070063) (the “**July 2024 Notes**”) issued by the Company. As at the date of this Term Sheet, the aggregate principal amount of the July 2024 Notes outstanding is US\$183,220,506;
- (5) The New York law-governed 7.125% senior notes due January 2026 (ISIN: XS2500700716, Common Code: 250070071) (the “**January 2026 Notes**”) issued by the Company. As at the date of this Term Sheet, the aggregate principal amount of the January 2026 Notes outstanding is US\$266,210,950;
- (6) The New York law-governed 6.95% senior notes due December 2025 (ISIN: XS2647488878, Common Code: 264748887) (the “**December 2025 Notes**”) issued by the Company. As at the date of this Term Sheet, the aggregate principal amount of the December 2025 Notes outstanding is US\$389,440,450;
- (7) The New York law-governed 6.25% senior notes due August 2024 (ISIN: XS2213954766, Common Code: 221395476) (the “**August 2024 Notes**”) issued by the Company. As at the date of this Term Sheet, the aggregate principal amount of the August 2024 Notes outstanding is US\$500,000,000;
- (8) The New York law-governed 5.95% senior notes due April 2025 (ISIN: XS2250030090, Common Code: 225003009) (the “**April 2025 Notes**”) issued by the Company. As at the date of this Term Sheet, the aggregate principal amount of the April 2025 Notes outstanding is US\$535,000,000;
- (9) The New York law-governed 4.9% senior notes due May 2026 (ISIN: XS2341882913, Common Code: 234188291) (the “**May 2026 Notes**”, together with the July 2022 Notes, the November 2022 Notes, the July 2023 Notes, the July 2024 Notes, the January 2026 Notes, the December 2025 Notes, the August 2024 Notes and the April 2025 Notes, the “**Existing Notes**”) issued by the Company. As at the date of this Term Sheet, the aggregate principal amount of the May 2026 Notes outstanding is US\$200,000,000;

- (10) The New York law-governed 6.5% senior notes due August 2024 *[Redacted]*;
- (11) The Hong Kong law-governed facility agreement dated 8 July 2019, entered into by the Company in respect of a *[Redacted]* dual-currency dual tranche term facility (which may be subsequently increased in accordance with the terms set out therein) made by certain financial institutions as lenders and CMB Wing Lung Bank Limited as agent, as amended by an amendment agreement dated *[Redacted]* (the “**2019 Syndicated Loan**”). As at the date of this Term Sheet, the aggregate principal amount of the 2019 Syndicated Loan outstanding is *[Redacted]*;
- (12) The Hong Kong law-governed facility agreement dated 13 May 2020, entered into by the Company in respect of *[Redacted]* term loan facilities (which may be subsequently increased in accordance with the terms set out therein) made by certain financial institutions as lenders and Industrial and Commercial Bank of China (Macau) Limited as agent (the “**2020 Macau Syndicated Loan**”). As at the date of this Term Sheet, the aggregate principal amount of the 2020 Macau Syndicated Loan outstanding is *[Redacted]*;
- (13) The Hong Kong law-governed facility agreement dated 30 June 2020, entered into by the Company in respect of *[Redacted]* term loan facilities (which may be subsequently increased in accordance with the terms set out therein) made by certain financial institutions as lenders and The Hongkong and Shanghai Banking Corporation Limited as agent (the “**2020 HK Syndicated Loan**”). As at the date of this Term Sheet, the aggregate principal amount of the 2020 HK Syndicated Loan outstanding is *[Redacted]*;
- (14) The Hong Kong law-governed facility agreement dated 9 August 2021, entered into by the Company in respect of *[Redacted]* term loan facilities (which may be subsequently increased in accordance with the terms set out therein) made by certain financial institutions as lenders and The Hongkong and Shanghai Banking Corporation Limited as agent (the “**2021 Syndicated Loan A**”). As at the date of this Term Sheet, the aggregate principal amount of the 2021 Syndicated Loan A outstanding is *[Redacted]*; and
- (15) The Hong Kong law-governed facility agreement dated *[Redacted]* (the “**2021 Syndicated Loan B**,” together with the 2019 Syndicated Loan, the 2020 Macau Syndicated Loan, the 2020 HK Syndicated Loan and the 2021 Syndicated Loan A, the “**Existing Loans**”). As at the date of this Term Sheet, the aggregate principal amount of the 2021 Syndicated Loan B outstanding is *[Redacted]*.

**Schedule III
Specified Assets**

[Redacted]