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**DaFa Properties Group Limited**

**大发地产集团有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6111)**

## **INSIDE INFORMATION**

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

This announcement is made by DaFa Properties Group Limited (the “**Company**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## INTRODUCTION

The Company and its advisors have in the past few months engaged in constructive dialogues with various stakeholders of the Company on the proposed restructuring of the offshore debts of the Company.

These discussions have culminated with an agreement (in principle and subject to restructuring support agreement (“**RSA**”)) (the “**Term Sheet**”) on the terms of the restructuring of the Existing Notes and certain other offshore indebtedness of the Group (the “**Additional Debt Instruments**”, and together with the Existing Notes, the “**Existing Debt Instruments**”) in a manner designed to allow the Company to comprehensively enhance its capital structure, enable the Group to better manage its operations and deliver long term value for all its stakeholders (the “**Proposed Restructuring**”).

## PRINCIPAL TERMS

The principal terms of the Proposed Restructuring are set out in the Term Sheet (with sensitive information redacted (if any)) in the Appendix to this announcement.

The Proposed Restructuring is expected to be implemented by way of schemes of arrangement in Hong Kong and/or the Cayman Islands, and/or other applicable jurisdictions (the “**Schemes**”).

Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as defined under the Term sheet and RSA.

Under the Proposed Restructuring, the Company seeks to restructure:

- (1) the outstanding principal amount of the Existing Debt Instruments held by the Scheme Creditors (as defined below) at the Scheme Record Time (together in aggregate, the “**Scheme Creditors’ Principal Amount**”, and with respect to each Scheme Creditor, the “**Scheme Creditor Principal Amount**”); and
- (2) all accrued and unpaid interest (the “**Accrued Interest**”, together with the Scheme Creditors’ Principal Amount, the “**Scheme Creditors’ Claims**”) at the original interest rate on the Existing Debt Instruments up to (but excluding) the Restructuring Effective Date.

The restructuring of the Existing Debt Instruments includes three options that are offered to the holders of the Existing Debt Instruments (the “**Scheme Creditors**”). These options have been designed to accommodate the different preferences and needs of the Scheme Creditors. The principal terms of the three options are summarized below:

### OPTION 1 – CASH OFFER

US\$5 in cash in exchange for every US\$100 Scheme Creditors’ Principal Amount, provided that the total principal amount of all existing debts exchanged under Option 1 shall not exceed US\$100,000,000 (subject to upward adjustment by the Company at its discretion).

## OPTION 2 – SHORT-TERM NOTES

Short Term Instrument in the form of short-term notes (the “**Short-Term Notes**”), in a principal amount equal to any portion or all of such Scheme Creditors’ Principal Amount at such Scheme Creditor’s election (as may be adjusted in accordance with the Scheme Creditors’ selection of any or a combination of the Options by any Scheme Creditor as at the Record Time (“**Option 2 Partial Principal**”), plus all accrued and unpaid interest at 2% p.a. on Option 2 Partial Principal up to (but excluding) the 30th June 2024.

The Short-Term Notes will be issued by the Company with a tenor of 5 years and will bear interest from and including the Issue Date at the rate of 2.5% per annum for each year of the first 2 years (of which 0.5% is payable in cash and the balance of the interest shall be paid in kind), and at the rate of 3.5% per annum for each year from the 3rd to the 5th year (all payable in cash), all payable semi-annually in arrears.

## OPTION 3 – LONG-TERM NOTES

Long Term Instrument in the form of long-term notes (the “**Long-Term Notes**”), in a principal amount equal to any portion or all of such Scheme Creditors’ Claim with the Accrued Interest waived at such Scheme Creditor’s election (as may be adjusted in accordance with the Scheme Creditors’ selection of any or a combination of the Options by any Scheme Creditor as at the Record Time.

The tenor of the Long-Term Notes will be 7 years from the Issue Date and will bear interests for the period commencing from and including the Issue Date and ending on the end of the 7th anniversary after its issuance, at the rate of 2% per annum, among which the interests for each of the first 4 years shall be paid either in cash or in kind at the absolute option by the Company, and those for each of the remaining 3 years shall be paid in cash only, all the interests shall be payable semi-annually in arrears.

Under the terms of the RSA, among other things:

- (a) the Company undertakes to:
  - (i) perform all actions as are reasonably necessary in order to support, facilitate, implement or otherwise give effect to the Proposed Restructuring (provided that such action is consistent in all material respects with the Term Sheet as soon as reasonably practicable;
  - (ii) implement the Proposed Restructuring and the Schemes in the manner envisaged by, and materially on the terms and conditions set out in, the RSA and the Term Sheet;
  - (iii) perform all actions as are reasonably necessary to procure that the effective dates of the Schemes occur and that the Proposed Restructuring is fully implemented on or before the Longstop Date (as defined in the RSA); and

(b) each Participating Creditor undertakes to:

- (i) use all commercially reasonable endeavours in order to support, facilitate, implement or otherwise give effect to the Proposed Restructuring (provided that such action is consistent with the terms as set out in the Term Sheet);
- (ii) vote in favour of the Schemes in respect of the aggregate outstanding principal amount of all Participating Debt in which it holds a beneficial interest as principal at the Record Time by delivering, within any applicable time periods, any proxies, instructions, directions or consents in respect of all Participating Debt in which it holds a beneficial interest as principal; and
- (iii) not to object to the Schemes or any application to the relevant court in respect thereof or otherwise commence any proceedings to oppose or alter any Restructuring Document filed by the Company in connection with the confirmation of the Proposed Restructuring, except to the extent that such Restructuring Document is materially inconsistent with the terms as set out in the Term Sheet.

## **THE INFORMATION AGENT**

D.F. King Ltd. as the Information Agent will be responsible for receipt and processing of Accession Letters, Participating Debt Notices and Transfer Notices, distribution of Accession Codes and overseeing evidence of holdings of the Participating Creditors in respect of the Existing Debt Instruments and answering any questions regarding the process. The RSA (including the Term Sheet) will be available on the Transaction Website, operated by the Information Agent for the purpose of the RSA.

The Information Agent can be contacted using the below details:

Transaction Website: <https://clients.dfkingltd.com/Dafa/>  
Email: [dafa@dfkingltd.com](mailto:dafa@dfkingltd.com)  
Attention: Debt Team

## **REQUEST FOR INFORMATION**

Any requests for information on the Proposed Restructuring can be directed to the Company's financial advisor:

### **Guotai Junan International**

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

Email: [dcm.dafalm@gtjas.com.hk](mailto:dcm.dafalm@gtjas.com.hk)

## **GENERAL**

The Company will make further announcement(s) as and when appropriate in accordance with the requirements of the Listing Rules, the SFO and/or other applicable laws and regulations.

## CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 April 2023 and will remain suspended pending fulfillment of the resumption guidance and additional resumption guidance received on 19 June 2023 and 1 August 2023, respectively, and any supplement or modification thereto.

**The Proposed Restructuring is subject to acceptance by the Scheme Creditors and may or may not proceed in its original form. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company. When in doubt, shareholders and other investors are advised to seek professional advice from their own professional or financial advisors.**

Further announcement(s) will be made by the Company to inform shareholders and other investors of the Company of any material development on the Proposed Restructuring as and when appropriate.

On behalf of the Board  
**DaFa Properties Group Limited**  
**Gao Shan**  
*Chairman*

Hong Kong, 27 September 2024

*As at the date of this announcement, the Board comprises Mr. Gao Shan as the executive Director.*

# **APPENDIX**

## **TERM SHEET OF RESTRUCTURING SUPPORT AGREEMENT**

### **DAFA PROPERTIES GROUP LIMITED**

#### **Restructuring Term Sheet**

#### **Subject to Contract**

This term sheet (the “**Term Sheet**”) sets forth certain material terms and conditions in connection with the proposed restructuring (the “**Proposed Restructuring**”) of the Existing Notes (as defined below) and Additional Existing Indebtedness (as defined below) of DAFA PROPERTIES GROUP LIMITED. The Proposed Restructuring shall be implemented through the schemes of arrangement in Cayman and/or Hong Kong to effect such a process in order to implement the Proposed Restructuring, which will need to be approved by the requisite majority of the relevant Scheme Creditors (as defined below) of the relevant Existing Debt Instruments (as defined below), and sanctioned by the relevant Court, and, to the extent necessary or advisable, recognized pursuant to any proceedings in other appropriate jurisdiction(s) for the purposes of obtaining cross-border recognition and relief.

This Term Sheet is governed by and construed in accordance with the laws of Hong Kong, and is not intended to be a comprehensive list of all relevant terms and conditions of the Proposed Restructuring or any other transaction. The courts of Hong Kong shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Term Sheet.

This Term Sheet is a summary only and does not purport to be a comprehensive or exhaustive statement of the requirements of the parties or information relating to the Proposed Restructuring. For the avoidance of doubt, this Term Sheet is indicative only, does not constitute an offer or agreement to complete the Proposed Restructuring and is not legally binding. This Term Sheet remains subject to (among other things) contract and nothing herein shall amend any term of the Existing Debt Instruments or constitute a waiver of any right of any party thereunder. Should the discussions between the parties result in a decision to proceed with the Proposed Restructuring, the parties shall do so only pursuant to the terms of definitive agreements to be negotiated, executed and delivered in form and substance satisfactory to each party.

This Term Sheet will be appended to a restructuring support agreement (the “**RSA**”), which will be binding on Participating Creditors who choose to accede to its terms. The RSA requires, inter alia, that Participating Creditors give undertakings to support the Proposed Restructuring. Capitalised terms used herein and 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 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.

## General Information

**Company** Dafa Properties Group Limited

**Group** The Company and its Subsidiaries.

“**Subsidiary**” means, with respect to any person, any corporation, association or other business entity of which more than 50% of the voting power of the outstanding voting stock is owned, directly or indirectly, by such person and one or more other Subsidiaries of such person. “Subsidiaries” shall be construed accordingly.

**Existing Notes** All of the following, issued by the Company and unconditionally and irrevocably guaranteed by the subsidiary guarantors (collectively, the “**Existing Notes**”):

- US\$138,384,000 12.5% Senior Notes due June 30, 2022 (the “**Existing 12.5% Senior Notes 2022**”) issued by the Company and guaranteed by DaFa Blooms Limited and YinYi Holdings (Hong Kong) Limited (垠壹香港有限公司) as the subsidiary guarantors (ISIN: XS2430926712, Common Code: 243092671). As of the date of this Term Sheet, the aggregate principal amount of the Existing 12.5% Senior Notes 2022 outstanding is USD138,384,000.
- US\$100,000,000 13.50% Senior Notes due April 28, 2023 (the “**Existing 13.50% Senior Notes 2023**”) issued by the Company and guaranteed by DaFa Blooms Limited and YinYi Holdings (Hong Kong) Limited (垠壹香港有限公司) as the subsidiary guarantors (ISIN: XS2400512146, Common Code: 240051214). As of the date of this Term Sheet, the aggregate principal amount of the Existing 13.50% Senior Notes 2023 outstanding is USD100,000,000.
- US\$360,000,000 12.375% Senior Notes due July 30, 2022 (the “**Existing 12.375% Senior Notes 2022**”) issued by the Company and guaranteed by DaFa Blooms Limited and YinYi Holdings (Hong Kong) Limited (垠壹香港有限公司) as the subsidiary guarantors (ISIN: XS2182881388, Common Code: 218288138). As of the date of this Term Sheet, the aggregate principal amount of the Existing 12.375% Senior Notes 2022 outstanding is USD360,000,000.
- US\$280,000,000 9.95% Senior Notes due January 18, 2022 (the “**Existing 9.95% Senior Notes 2022**”) issued by the Company and guaranteed by DaFa Blooms Limited and YinYi Holdings (Hong Kong) Limited (垠壹香港有限公司) as the subsidiary guarantors (ISIN: XS2286017640, Common Code: 228601764). As of the date of this Term Sheet, the aggregate principal amount of the Existing 9.95% Senior Notes 2022 outstanding is USD40,360,000.



**Additional Existing Indebtedness** The Company may elect in its sole discretion that certain other offshore financial indebtedness of the Company or any subsidiary of the Company (the “**Additional Existing Debt Instruments**”, and together with the Existing Notes, the “**Existing Debt Instruments**”) is also subject to the Proposed Restructuring.

**Scheme Creditors (and each, a Scheme Creditor)** The persons holding beneficial interests (or, with respect to Additional Existing Debt Instruments, legal and beneficial interests) as principal in any of the Existing Debt Instruments as at the Record Time.

“**Record Time**” means the time designated by the Company for the determination of the claims of the Scheme Creditors for the purposes of voting at the meetings of the creditors of the Company whose claims against the Company are (or will be) the subject of the Schemes to vote on the Schemes convened pursuant to orders of the court(s) (and any adjournment of such meetings).

**Term Sheet Governing Law** This Term Sheet will be governed by, and construed in accordance with the laws of Hong Kong.

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.

### **Proposed Restructuring of the Existing Debt Instruments**

**Proposed Restructuring** The Proposed Restructuring is expected to involve a compromise of all claims against (among others) the Company, the subsidiary guarantors and their respective subsidiaries, shareholders, officers, directors, advisors, representatives and office-holders under or in connection with the Existing Debt Instruments, the Existing Guarantees, the indentures governing the Existing Notes (the “**Existing Notes Indentures**”) and the finance documents governing the Additional Existing Debt Instruments in exchange for 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 Schemes (which will include (among other things) an explanatory statement and the terms of the Schemes (the “**Scheme Documents**”)).

The Company plans to implement the Proposed Restructuring through court sanctioned scheme(s) of arrangement, or parallel schemes of arrangement in Hong Kong, the Cayman Islands and/or other applicable jurisdictions (the “**Schemes**”). The Schemes will be governed by the law of, and subject to the exclusive jurisdiction of the court of, the applicable jurisdiction of the court that will sanction the same.



## **Scheme Creditors’ Claims**

The sum of:

- (a) the outstanding principal amount of the Existing Notes held by the Scheme Creditors at the Record Time;
- (b) the outstanding principal amount of the Additional Existing Debt Instruments held by the Scheme Creditors at the Record Time; and

(together in aggregate, the “**Scheme Creditors’ Principal Amount**”, and with respect to each Scheme Creditor, the “**Scheme Creditor Principal Amount**”);

- (c) all accrued and unpaid interest (except for any default interest or other special interests or fees) on such Existing Debt Instruments up to (but excluding) the Restructuring Effective Date (the “**Accrued Interest**”)

(together in aggregate, the “**Scheme Creditors’ Claims**”, and with respect to each Scheme Creditor, the “**Scheme Creditor Claim**”).

On and from the Restructuring Effective Date, Scheme Creditors will release all claims against (among others) the Company, the subsidiary guarantors and their respective subsidiaries, shareholders, officers, directors, advisors, representatives and office-holders under or in connection with the Existing Debt Instruments, the Existing Guarantees, the Existing Notes Indentures and the finance documents governing the Additional Existing Debt Instruments in exchange for the Restructuring Consideration in accordance with the terms of the Scheme Documents.

## **Restructuring Consideration**

The Restructuring Consideration for each Scheme Creditor will consist of, with respect to any of the options, one or, with respect to Option 1 through 3 below, a combination of one or more of such options (each of Option 1 through 3 below, an “**Option**” and, collectively, the “**Options**”) in accordance with the following:

- (1) **Option 1:** US\$5 in cash in exchange for every US\$100 Scheme Creditors’ Principal Amount, provided that the total principal amount of all existing debts exchanged under Option 1 shall not exceed US\$100,000,000 (“**Capped Amount**”) (subject to upward adjustment by the Company at its discretion).

If the total principal amount of all existing debts elected by Scheme Creditors for Option 1 exceeds the Capped Amount, 1) the cash shall be allocated to Scheme Creditors who elected Option 1 on a pro-rata basis, and 2) 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.

- (2) **Option 2:** Short Term Instrument in the form of short-term notes (the “**Short-Term Notes**”), in a principal amount equal to any portion or all of such Scheme Creditors’ Principal Amount at such Scheme Creditor’s election (as may be adjusted in accordance with the Scheme Creditors’ selection of any or a combination of the Options by any Scheme Creditor as at the Record Time (“**Option 2 Partial Principal**”), plus all accrued and unpaid interest at 2% p.a. on Option 2 Partial Principal up to (but excluding) the 30th June 2024 (“**Option 2 Entitlement**”).
- (3) **Option 3:** Long Term Instrument in the form of long-term notes (the “**Long-Term Notes**”), in a principal amount equal to any portion or all of such Scheme Creditors’ Claim with the Accrued Interest waived at such Scheme Creditor’s election (as may be adjusted in accordance with the Scheme Creditors’ selection of any or a combination of the Options by any Scheme Creditor as at the Record Time. (“**Option 3 Entitlement**”).

**Conditions  
Precedent**

Each of the following are to be steps on, or conditions precedent to, the Restructuring Effective Date:

- (a) the delivery by the relevant members of the Group of corporate authorisations in respect of the Proposed Restructuring and their entry into the Scheme Documents to which they are a party;
- (b) the obtaining of all relevant regulatory approvals or other consents (including, without limitation, delivery of relevant court orders in respect of the Schemes, approval in principle for the listing and quotation of the Short-Term Notes and Long-Term Notes on a stock exchange of international standing, any board approvals of the Company required to consummate the Schemes under the Proposed Restructuring);
- (c) the settlement in full of all professional parties’ fees and fees and expenses associated with the Proposed Restructuring;
- (d) compliance by the Company with the terms of this Term Sheet in all material aspects; and the satisfaction of each of the other conditions precedent contained in the Scheme Documents.

**Restructuring Effective Date** The Restructuring Effective Date, shall occur as soon as reasonably practicable and within five Business Days of the Conditions Precedent being satisfied or waived, including the obtaining of all relevant approvals or consents, unless extended in accordance with the terms of the Scheme Documents.

**Principal Terms of the Short-Term Notes**

Terms not defined herein have the meanings set forth in the indentures governing the Short-Term Notes (the “**Short-Term Notes Indentures**”), which shall largely follow the meanings given to them in the Existing Notes Indentures, it being understood and agreed that the terms of the Short-Term Notes Indentures other than those expressly specified below are subject to negotiation and may differ from those in the Existing Notes Indentures.

**Company** DAFA PROPERTIES GROUP LIMITED

**Issue Date** The Restructuring Effective Date

**Guarantor** DaFa Blooms Limited and YinYi Holdings (Hong Kong) Limited (垠壹香港有限公司)

**Principal Amount** The original principal amount of Short-Term Notes shall be an amount equal to the entirety of Option 2 Entitlement.

**Tenor/Maturity Date** 5 years from the Restructuring Effective Date

**Interest** The Short-Term Notes will bear interest from and including the Issue Date at the rate of 2.5% per annum for each year of the first 2 years (of which 0.5% is payable in cash and the balance of the interest shall be paid in kind), and at the rate of 3.5% per annum for each year from the 3rd to the 5th year (all payable in cash), all payable semi-annually in arrears.

**Mandatory Redemption on Specified Dates** The Short-term Notes shall be repayable in the amounts and on the redemption dates set forth in the redemption schedule below (each, a “**Mandatory Redemption Date**”).

<b>Mandatory Redemption Date</b>	<b>Principal amount issued on the Issue Date to be redeemed</b>	<b>Redemption Pirce</b>
The dates falling 18 months after the RED	11% of the Principal Amount issued on the Issue Date	1/11 of 100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date

<b>Mandatory Redemption Date</b>	<b>Principal amount issued on the Issue Date to be redeemed</b>	<b>Redemption Price</b>
The dates falling 24 months after the RED	11 % of the Principal Amount issued on the Issue Date	1/11 of 100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
The dates falling 30 months after the RED	11% of the Principal Amount issued on the Issue Date	1/11 of 100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
The dates falling 36 months after the RED	11% of the Principal Amount issued on the Issue Date	1/11 of 100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
The dates falling 42 months after the RED	5% of the Principal Amount issued on the Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
The dates falling 48 months after the RED	5% of the Principal Amount issued on the Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
The dates falling 54 months after the RED	5% of the Principal Amount issued on the Issue Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date
The dates falling 60 months after the RED	Any remaining outstanding Principal Amount on the Issue Date shall be repaid at the Maturity Date	100% principal amount redeemed, plus any accrued and unpaid interest thereon to (but excluding) the redemption date

**Amendments and Waiver of Short-Term Notes Indenture** Certain major terms of the Short-Term Notes Indenture may be modified, amended or waived with the consent of each holder of not less than 75% in aggregate principal amount of the outstanding Short-Term Notes.

**Limitation on Use of Proceeds from Disposal of Specified Asset and 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, procure that within 90 calendar days after the occurrence of a disposal of a Specified Asset, and the aggregate amount of the relevant Net Cash Proceeds (Specified Asset) exceeds RMB300 million or its dollar equivalent, remit, or procure the remittance of an amount equal to 70% of the relevant Net Cash Proceeds (Specified Asset) (“**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 by the Company.

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

- (a) payment of the interest due on a *pro rate* basis according to the Principal Amounts of the Short-Term Notes, and/or
- (b) repayment, prepayment or repurchase of the Short-Term Notes on a *pro rate* basis according to their respective Principal Amounts.

“**Net Cash Proceeds (Specified Asset)**” with respect to any disposal of Specified Asset means the cash proceeds from such disposal of Specified Asset (including, for the avoidance of doubt, any cash received by the Company or any of its Subsidiaries from any sale, lease, license, transfer or disposal of any Specified Asset), net of:

- (1) 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 disposal of Specified Asset;
- (2) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such disposal of Specified Asset without regard to the consolidated results of operations of the Company and its Subsidiaries, taken as a whole;
- (3) any amount required or requested by PRC government bodies and/or under such applicable PRC law, rules, regulations, policies or measures to be deposited in a designated account or used for other purposes, which is not freely transferrable or disposable by the Company;

- (4) indebtedness or any other liability or obligation outstanding at the time of such disposal of Specified Asset that is (i) secured by a lien on the property or assets directly or indirectly sold under such disposal of Specified Asset, (ii) is properly and reasonably incurred to fund the development expenses, project management expenses, and/or administrative expenses of the relevant Specified Asset, or (iii) required to be paid as a result of such disposal of Specified Asset; and
- (5) appropriate amounts to be provided by the Company or any of its Subsidiaries as a reserve against any liabilities associated with such disposal of Specified Asset, 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 disposal of Specified Asset.

Specified Asset means the following projects (the “**Projects**”):

<b>No.</b>	<b>Name of Project</b>	<b>Location</b>	<b>Company’s effective holding</b>
1.	Puyue Binghuwang 璞悦滨湖望	Wuxi , Jiangsu	50%
2.	Xiyue Huayuan 熙悦花苑	Jiaxing , Zhejiang	36%
3.	Puyue Jiuwang 璞悦九望	Wuhu , Anhui	70%
4.	Puyue Jiuli 璞悦九里	Wuhu , Anhui	70%
5.	Yasong Lanting 雅颂蘭庭	Ningbo , Zhejiang	30%
6.	Hanlin Jiuqing 翰林九境	Wenzhou , Zhejiang	33%
7.	Tianzuan 天鑽	Lishui , Zhejiang	25%
8.	Jiangyuwan 江嶼灣	Mianyang , Sichuan	40%
9.	Taolixu 桃李序	Chongqing , Sichuan	50%

The available portion (after deducting with the pre-sold but not yet delivered portion) of the above Projects has a saleable gross floor area of approximately 707,000 square meters as of 31 August 2024.

<b>Transfer Restrictions</b>	The Short-Term Notes and the New Guarantees will not be registered under the U.S. Securities Act of 1933, as amended (the “ <b>Securities Act</b> ”) 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 (the “ <b>Regulation S</b> ”)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Short-Term Notes 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.
<b>Form, Denomination and Registration</b>	The Short-Term 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.
<b>Listing</b>	Application will be made by the Company for the listing and quotation of the Short-Term Notes on the SGX or another internationally recognized stock exchange.
<b>Governing Law</b>	New York Law

### **Principal Terms of the Long-Term Notes**

Terms not defined herein have the meanings set forth in the indentures governing the Long-Term Notes (the “**Long-Term Notes Indentures**”), which shall largely follow the meanings given to them in the Existing Notes Indentures, it being understood and agreed that the terms of the Long-Term Notes Indentures other than those expressly specified below are subject to negotiation and may differ from those in the Existing Notes Indentures.

<b>Company</b>	DAFA PROPERTIES GROUP LIMITED
<b>Issue Date</b>	The Restructuring Effective Date
<b>Guarantor</b>	DaFa Blooms Limited and YinYi Holdings (Hong Kong) Limited (垠壹香港有限公司)
<b>Principal Amount</b>	The original principal amount of the Long-Term Notes shall be an amount equal to the entirety of Option 3 Entitlement.
<b>Maturity/Principal Repayment</b>	The tenor of the Long-Term Notes will be 7 years from the Restructuring Effective Date, repayable on the maturity date of the Long-Term Notes.



<b>Interest</b>	The Long-Term Notes will bear interests for the period commencing from and including the Issue Date and ending on the end of the 7th anniversary after its issuance, at the rate of 2% per annum, among which the interests for each of the first 4 years shall be paid either in cash or in kind at the absolute option by the Company, and those for each of the remaining 3 years shall be paid in cash only, all the interests shall be payable semi-annually in arrears.
<b>Amendments and Waiver of the Long-Term Notes Indenture</b>	Certain major terms of the Long-Term Notes Indenture may be modified, amended or waived with the consent of holders of not less than 75% in aggregate principal amount of the outstanding Long-Term Notes.
<b>Transfer Restrictions</b>	The Long-Term Notes and the New Guarantees 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 Long-Term Notes 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.
<b>Form, Denomination and Registration</b>	The Long-Term 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.
<b>Listing</b>	Application will be made by the Company for the listing and quotation of the Long-Term Notes on the SGX or another internationally recognized stock exchange.
<b>Governing Law</b>	New York Law