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LOGAN

龙光集团

Logan Group Company Limited

龍光集團有限公司

(Incorporated in the Cayman Islands with limited liability)

**(Stock Code: 3380 and Debt Stock Codes: 40754, 40642,
40527, 40508, 40411, 40385, 40114, 5732)**

UPDATE ON SIGNIFICANT PROGRESS OF THE OFFSHORE DEBT RESTRUCTURING AND BUSINESS DEVELOPMENT AND RESUMPTION OF TRADING

This announcement is made by Logan Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09, Rule 37.47, Rule 37.47A and Rule 37.47B of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

1. UPDATE ON THE OFFSHORE DEBT RESTRUCTURING

(A) Introduction

The Company would like to provide an update on the progress of its offshore debt restructuring (the “**Offshore Restructuring**”).

Notwithstanding the economic structural adjustment and the downward pressure on the overall sales in the property sector on the Mainland, the Group has made significant effort to maintain stable operations, ensure the delivery of units to home buyers, and preserve its resources, including both onshore and offshore assets and cash, for the purpose of restructuring. The Company and its advisors have been vigorously pushing forward with the Offshore Restructuring, while striving to treat all classes of creditors fairly and protect the interests of all stakeholders. Throughout this process, the creditors

of each offshore debt class and their advisors have maintained close communication with the Company and its advisors, Kroll (Hong Kong) Limited and Haitong International Securities Company Limited, as financial advisors, and Sidley Austin, as legal advisor. In-depth due diligence has been performed on the Company's financial and operating conditions.

The Company has formulated a practical proposal for the Offshore Restructuring that aims to be fair and reasonable to the offshore creditors. The proposal takes into consideration cash flow projections and diverse interests and original legal rights of creditors across different classes. Apart from relieving the debt burden, the proposal aims to restore the capital structure, promote a healthy cycle of production and operational activities within the Company, unlocking the potential value of its assets and ensure the future long-term business development of the Company, thereby safeguarding the interests of all stakeholders of the Company.

(B) Significance Progress on the Offshore Restructuring

For the Offshore Restructuring, as of 30 June 2023, the principal amount of the offshore debts to be restructured amounted to US\$6,649 million (excluding the accrued interest) together with the loan extended to the Company by its controlling shareholder in an aggregate amount of approximately US\$1,346 million (the “**Shareholder Loan**”).

As part of the Offshore Restructuring, the Company seeks to restructure:

- (i) the outstanding principal amount of the US\$ denominated offshore senior notes (the particulars of which are set out below) (the “**Existing Notes**”) in an aggregate amount of approximately US\$3,369 million (the “**Principal Amount**”); and
- (ii) all accrued and unpaid interest (except for any default interest or other special interest or fees) on the Principal Amount up to the effective date of the restructuring (the “**Accrued Interest**”).

Significant progress has been made with an ad hoc group (the “**AHG**”) of certain holders of the US\$ denominated offshore senior notes and the AHG advisors (PJT Partners (HK) Limited as Financial Advisor to the AHG, and Freshfields Bruckhaus Deringer as Legal Advisor to the AHG) which culminated with an agreement (in principle and subject to contract) on the terms of the restructuring of the Existing Notes (the “**Terms**”).

On 12 January 2024, a creditor support agreement (the “**CSA**”), to which the Terms are appended, was signed by, among others, the Company and the AHG.

The CSA

The CSA forms the basis for the implementation of the restructuring of the Existing Notes. Under the terms of the CSA, among other things:

- (a) the Company undertakes, among other things, to:
 - (i) use reasonable endeavours to implement the restructuring and any schemes in the manner envisaged by, and materially on the terms and conditions set out in, the CSA and the Terms; and
 - (ii) use reasonable endeavours to procure that the effective dates of any schemes occur and the restructuring is fully implemented on or before the Longstop Date (as defined in the CSA).
- (b) each consenting creditor in the CSA undertakes, among other things, to:
 - (i) use commercially reasonable efforts to take all actions within its control to procure the immediate withdrawal of the winding-up petitions currently against the Company in the Cayman Islands, and Yuen Ming (Hong Kong) Investments Company Limited and Kam Wang (Hong Kong) Investments Company Limited in Hong Kong;
 - (ii) vote in favour of any schemes in respect of the aggregate outstanding principal amount of all indebtedness 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 indebtedness in which it holds a beneficial interest as principal;
 - (iii) refrain from taking any Enforcement Action (as defined in the CSA), whether directly or indirectly, which would delay the effective dates of any schemes and/or interfere with the implementation of the restructuring and/or any schemes or the consummation of the transactions contemplated thereby;
 - (iv) not object to any schemes or any application to any relevant court in respect thereof or otherwise commence any proceedings to oppose or alter any transaction document filed by the Company in connection with the confirmation of the restructuring, except to the extent that such transaction document is materially inconsistent with the Terms; and
 - (v) use commercially reasonable efforts, requested by the Company to provide support and assistance to the Company to prevent the occurrence of any insolvency proceeding of the Company and its subsidiary guarantors including, without limitation, filing any evidence in support of the Company's opposition to a creditor seeking to commence such insolvency.

The Terms, with sensitive information redacted, are set out in the Appendix to this announcement.

The Four Options under the Terms

The restructuring of the Existing Notes includes four options that are offered to the holders of the Existing Notes (the “**Creditors**”). These options have been designed to accommodate the different preferences and needs of the Creditors and the other creditors in the Offshore Restructuring. The principal terms of the four options are summarized below.

(a) Option 1 — Cash offer

US\$15 in cash will be exchanged for every US\$100 Principal Amount of Existing Notes with the Accrued Interest waived, provided that the Principal Amount exchanged under this option together with the other debts exchanged under this option in the Offshore Restructuring shall not exceed US\$1,267 million (that is, the cash to be exchanged under this option shall not exceed US\$190 million).

(b) Option 2 — Priority notes and mandatory convertible bonds

For every US\$100 of the Principal Amount of Existing Notes, a combination of (i) mandatory convertible bonds (the “**Option 2 MCB**”) in principal amount equal to US\$60, and (ii) priority notes (the “**Priority Notes**”) in principal amount equal to US\$40 may be exchanged by Creditors under this option.

The Principal Amount of Existing Notes with the Accrued Interest waived exchanged for Option 2 MCB together with the other debts exchanged under this option in the Offshore Restructuring shall be fixed at US\$1,200 million. The Option 2 MCB will have a term of one year. It can be convertible into ordinary shares of the Company (“**Share(s)**”) at a conversion price of HK\$6.00 per Share at the option of the holder at the original issue date of the Option 2 MCB, and will be converted at a conversion price of HK\$4.25 per Share at the first anniversary of the issue date on a mandatory basis.

Mandatory convertible bonds (the “**AI MCB**”) will be issued in the aggregate amount equal to the Accrued Interest up to 31 December 2023 corresponding to the Principal Amount of Existing Notes converted into the Priority Notes under Option 2. The AI MCB will have a term of one year and will be converted into Shares at a conversion price of HK\$9 per Share. Holder of the AI MCB will have the option to convert any amount of the AI MCB held on the original issue date, and the AI MCB will be converted into Shares at the first anniversary of the issue date on a mandatory basis. Any

other Accrued Interest corresponding to the Principal Amount of Existing Notes converted into the Priority Notes and the Accrued Interest corresponding to the Principal Amount of Existing Notes converted into the Option 2 MCB will be waived.

The Principal Amount of Existing Notes converted into the Priority Notes and Option 2 MCB together with the other debts exchanged (including US\$200 million of Shareholder Loan) under this option in the Offshore Restructuring shall be US\$2,000 million. The Priority Notes will have a term of six years, with the repayment of the principal commencing from the third year. Interest payment in cash will be paid at a rate of 1.25% for the first two years and 3.75% from the third year to the sixth year.

The Company has the right to defer the amortization and interest payments from the third year to the fourth year. In such a case, the amortization and the interest for the third year and the fourth year will be consolidated and paid in the fourth year.

The primary source of repayment for the Priority Notes will be a portion of the net proceeds generated from the offshore projects.

(c) Option 3 — Mandatory convertible bonds

Every US\$100 of the Principal Amount of Existing Notes will be converted into mandatory convertible bonds (the “**Option 3 MCB**”) with the Accrued Interest waived.

The Principal Amount of Existing Notes with the Accrued Interest waived converted under this option together with the other debts (including US\$200 million of Shareholder Loan) converted under this option in the Offshore Restructuring shall not exceed US\$800 million.

The Option 3 MCB will have a term of one year. It can be converted into Shares at a conversion price of HK\$4.25 per Share at the option of the holder on the original issue date of the Option 3 MCB, and will be converted at a conversion price of HK\$3 per Share at the first anniversary of the issue date on a mandatory basis.

(d) Option 4 — Ordinary notes and mandatory convertible bonds

Every US\$100 of the Principal Amount of Existing Notes will be converted into US\$100 of long-term notes (the “**Long Term Notes I**”).

The Long Term Notes I will have a term of nine years, with the principal being amortized starting from the sixth year. The Long Term Notes I will bear interest at a rate of 3.75% from the first year to the fourth year, and a rate of 4% from the fifth year to the ninth year. For the first and second

years, all interest will be paid in kind. In the third year, 3.25% may be paid in kind at the election of the Company with the remaining portion in cash. In the fourth year, 2.25% may be paid in kind at the election of the Company with the remaining portion in cash, and interest will be fully paid in cash from the fifth year.

The Company has the right to defer the amortization and interest payments from the third year to the fourth year. In such a case, the amortization and the interest for the third year and the fourth year will be consolidated and paid in the fourth year.

The AI MCB will also be issued in the aggregate amount equal to the Accrued Interest up to 31 December 2023 corresponding to the Principal Amount of Existing Notes converted into the Long Term Notes I under Option 4. Any other Accrued Interest corresponding to the Principal Amount of Existing Notes converted into Long Term Notes I will be waived.

CSA Fee

A consenting creditor who validly holds Eligible Restricted Notes (as defined in the CSA) as of 5:00 p.m. Hong Kong time on 28 March 2024 (the “**CSA Fee Deadline**”) and still holds such Eligible Restricted Notes at the record time will, subject to the terms of the CSA (including, but not limited to Clauses 6 (*CSA Fee*) and 9 (*Accession, Transfer and Purchase, and Aggregate Position Disclosure by the Information Agent*)), receive a cash CSA fee (the “**CSA Fee**”) in an amount equal to 0.2% of the aggregate principal amount of the Eligible Restricted Notes held by each Consenting Creditor as of the CSA Fee Deadline.

The CSA Fee shall be payable on the effective date of the restructuring provided the consenting creditor, among other things:

- (a) holds or has acquired its Eligible Restricted Notes in compliance with Clauses 6.3 (*Consent Fee*) and 9 (*Accession, Transfer and Purchase, and Aggregate Position Disclosure by the Information Agent*) of the CSA;
- (b) votes the entire aggregate amount of its Eligible Restricted Notes held by it at the record time in favour of any scheme in each scheme meeting (whether in person or by proxy); and
- (c) has not exercised its rights to terminate the CSA and has not breached any of the terms and conditions set out in Clauses 3 (*Creditor Support*), 4 (*Undertakings*) or 9 (*Accession, Transfer and Purchase, and Aggregate Position Disclosure by the Information Agent*) of the CSA in any material respect.

Holders of Existing Notes who have not signed the CSA are invited to accede to the CSA by contacting the information agent (the “**Information Agent**”) for the Offshore Restructuring.

Kroll Issuer Services Limited as the Information Agent will be responsible for receipt and processing of the accession letters, the restricting notes notices and the transfer notices, and overseeing evidence of holdings of the consenting creditors in respect of the existing debt instruments.

The Information Agent can be contacted using the below details:

Kroll Issuer Services Limited
Scheme Website: <https://deals.is.kroll.com/logan>
Email: logan@is.kroll.com

Request of information

Any requests for information on the restructuring of the Existing Notes can be directed to the Company’s advisors:

Kroll (Hong Kong) Limited
Level 3, Three Pacific Place,
1 Queen’s Road East, Hong Kong
Email: dl.project.longxiang@kroll.com

Haitong International Securities Company Limited
28/F One International Finance Centre,
No. 1 Harbour View Street, Central, Hong Kong
Email: project.logan@htisec.com

or to the AHG’s advisors:

PJT Partners (HK) Limited, as Restructuring Financial Advisor to the AHG
Suite 3609–11, Two International Finance Centre
No. 8 Finance Street
Central, Hong Kong
Email: ProjectLupine@pjtpartners.com

Freshfields Bruckhaus Deringer, as Restructuring Legal Advisor to the AHG
55th Floor, One Island East, Taikoo Place
Quarry Bay, Hong Kong
Email: ProjectLupine@freshfields.com

(C) Support from the Controlling Shareholder

Since the listing of the Company, the Controlling Shareholder has been supporting the development of the Group. He has provided to the Company shareholder loan in an aggregate amount of approximately US\$1,346 million to support the Group's sustainable business development.

To support the other creditors of the Company and the Offshore Restructuring, the Controlling Shareholder undertakes, with the utmost sincerity, to allocate:

- (i) US\$200 million of the Shareholder Loan in exchange for the Option 2 MCB and the Priority Notes, and US\$200 million of the Shareholder Loan into the Option 3 MCB, to enable the Company to deleverage; and
- (ii) the balance of the Shareholder Loan in exchange for long-term notes (the "**Long Term Notes II**") with maturity dates on the 9th year and the 10th year after the issue date and interest at a rate of 2% per annum, all of which will be paid in kind.

(D) Next Step and Implementation Structure

The Company will engage with the other creditors under the Offshore Restructuring (including the other holders of the Existing Notes) on the Terms, and seek to secure their support of the Terms for the Offshore Restructuring.

The Company intends to proceed with the Offshore Restructuring by way of scheme of arrangement in Hong Kong and/or bilateral agreement, subject to the approval of the relevant stakeholders and/or the court.

With respect to the restructuring of the Existing Notes, it will be implemented by way of scheme of arrangement in Hong Kong, and to the extent that the Company and its advisors deem that it is necessary or advisable in consultation with the AHG and its advisors, through parallel schemes of arrangement in other relevant jurisdiction(s) and/or recognition proceedings in other appropriate jurisdiction(s) for the purposes of obtaining cross-border recognition and relief, subject to the approval of the relevant stakeholders and/or the court.

2. UPDATE ON THE BUSINESS DEVELOPMENT

An update on the latest development of the Group is set out below.

(A) Overview of the Company

As of 31 December 2022,

- (a) the Group had 188 property development projects in 35 cities in the PRC. Over 85% of the property value is concentrated in Tier 1 and Tier 2 cities, especially in the Guangdong-Hong Kong-Macao Greater Bay Area and the core cities in the Yangtze River Delta; and
- (b) the Group also had 25 projects consisting of 51 investment properties. These investment properties generate rental income for the Group and primarily include shopping centers, office buildings, and hotels. 40 of them are already completed while 11 are currently under development.

(B) Offshore Debt Overview

As of 30 June 2023, the Group's aggregate offshore debts to be restructured was approximately US\$6,649 million (excluding the accrued interest), and the Shareholder Loan was approximately US\$1,346 million, and the outstanding principal amount of the 7.00% perpetual securities issued by the Company was US\$350 million.

(C) Projected Cash Flow for Offshore Debt Repayment

The cumulative onshore revenue from the sales of property development and urban renewal projects developed by the Group and its joint ventures, attributable to the Group on a pro rata basis, as well as disposal of development projects, is projected to range from approximately US\$65 billion to US\$75 billion during the Offshore Restructuring period.

The estimated cumulative total cash available for the repayment of offshore debts by the Company during the Offshore Restructuring period is estimated to range from approximately US\$4 billion to US\$4.7 billion. This suggests that the Company will need to adjust its balance sheet to a reasonable level in order to achieve a sustainable capital structure. The Company seeks to address its offshore indebtedness by deleveraging its consolidated balance sheet with a target of approximately US\$2.6 billion to US\$3 billion.

The above estimate of cash flow is derived from a combination of market research, benchmark analysis, and historical performance of property markets in the Pearl River Delta and/or the Guangdong-Hong Kong-Macao Greater Bay Area. This analysis includes factors such as saleable area and land bank, unit

prices, development costs, sales amortization periods, inventory levels, development costs, and operating expenses, as well as taxes and policies related to pre-sales proceeds.

The information provided regarding the Group's projected cash flow is based on a preliminary assessment conducted by the management of the Company. The assessment relies on the information currently available to them and is subject to a set of assumptions. Any changes to these assumptions could have a material and adverse impact on the projected cash flows. These projections should not be considered as forecasts or estimates of the Group's profit for any given period, as other factors can influence profitability.

Holders of securities issued by the Company and potential investors are advised to exercise caution when interpreting this information, as the actual cash flows of the Group may differ from what is disclosed in this announcement.

3. THE EXISTING NOTES

The particulars of the Existing Notes are set out below:

	ISIN/Common Code	Debt Stock Code
7.5% senior notes due August 25, 2022	XS1954961295/195496129	Note ⁽¹⁾
5.25% senior notes due February 23, 2023	XS1618597535/161859753	Note ⁽¹⁾
6.5% senior notes due July 16, 2023	XS2027337786/202733778	Note ⁽¹⁾
6.90% senior notes due June 9, 2024	XS2050914832/205091483	5732
4.15% senior notes due August 5, 2024	XS2373662555/237366255	Note ⁽²⁾
4.25% senior notes due September 17, 2024	XS2231563805/223156380	40385
5.75% senior notes due January 14, 2025	XS2099677747/209967774	40114
4.25% senior notes due July 12, 2025	XS2309743578/230974357	40642
5.25% senior notes due October 19, 2025	XS2206313541/220631354	40411
4.7% senior notes due July 6, 2026	XS2342970402/234297040	40754
4.85% senior notes due December 14, 2026	XS2272214458/227221445	40508
4.50% senior notes due January 13, 2028	XS2281303896/228130389	40527

Notes:

(1) The relevant senior notes are listed on the Singapore Exchange Securities Trading Limited.

(2) The relevant senior notes are not listed.

4. RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was halted at 9:00 a.m. on 12 January 2024. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 15 January 2024.

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

By Order of the Board
Logan Group Company Limited
Kei Hoi Pang
Chairman

Hong Kong, 12 January 2024

As at the date of this announcement, the executive directors of the Company are Mr. Kei Hoi Pang, Mr. Lai Zhuobin, Ms. Huang Xiangling, Mr. Chen Yong and Mr. Zhou Ji; and the independent non-executive directors of the Company are Mr. Zhang Huaqiao, Ms. Liu Ka Ying, Rebecca, Mr. Cai Suisheng and Dr. Liu Yongping.

APPENDIX THE TERMS

TERM SHEET

Restructuring Term Sheet (Senior Notes)

(Subject to Contract)

This draft term sheet (“**this Term Sheet**”) outlines the principal terms and conditions for the restructuring of the Existing Notes (as defined below) (the “**Transaction**”). This Term Sheet is not intended to be a comprehensive list of all relevant terms and conditions of the Transaction or any other transaction in relation to the Existing Notes. This Term Sheet is not binding and nothing in this Term Sheet shall amend any term of the Existing Notes. The transactions contemplated by this Term Sheet are subject to, amongst other things, the execution of definitive documentation by the parties (the “**Transaction Documents**”). All capitalised terms and expressions not otherwise defined herein shall have the meaning assigned to them in the Creditor Support Agreement, which is also referred to as the “**CSA**”.

General Information	
The Company	Logan Group Company Limited (3380.HK)
The Group	The Company and its subsidiaries
Implementation Method	Expected to be implemented through scheme of arrangement under Hong Kong law and/or Cayman law (the “ Scheme ”) with recognition of the Scheme under Chapter 15 of Title 11 of the United States Code (“ Chapter 15 ”) at election of the Company
The Existing Notes	All of the following notes issued by the Company (the “ Existing Notes ”) and unconditionally and irrevocably guaranteed (the “ Existing Guarantees ”) by certain subsidiaries of the Company: <ol style="list-style-type: none">(1) The 7.5% senior notes due August 25, 2022 (ISIN: XS1954961295, Common Code: 195496129)(the “Existing August 2022 Notes”);(2) The 5.25% senior notes due February 23, 2023 (ISIN: XS1618597535, Common Code: 161859753)(the “Existing February 2023 Notes”);(3) The 6.5% senior notes due July 16, 2023 (ISIN: XS2027337786, Common Code: 202733778)(the “Existing July 2023 Notes”);(4) The 6.90% senior notes due June 9, 2024 (ISIN: XS2050914832, Common Code: 205091483)(the “Existing June 2024 Notes”);(5) The 4.15% senior notes due August 5, 2024 (ISIN: XS2373662555, Common Code: 237366255)(the “Existing August 2024 Notes”);(6) The 4.25% senior notes due September 17, 2024 (ISIN: XS2231563805, Common Code: 223156380)(the “Existing September 2024 Notes”);

	<p>(7) The 5.75% senior notes due January 14, 2025 (ISIN: XS2099677747, Common Code: 209967774)(the “Existing January 2025 Notes”);</p> <p>(8) The 4.25% senior notes due July 12, 2025 (ISIN: XS2309743578, Common Code: 230974357)(the “Existing July 2025 Notes”);</p> <p>(9) The 5.25% senior notes due October 19, 2025 (ISIN: XS2206313541, Common Code: 220631354)(the “Existing October 2025 Notes”);</p> <p>(10) The 4.7% senior notes due July 6, 2026 (ISIN: XS2342970402, Common Code: 234297040)(the “Existing July 2026 Notes”);</p> <p>(11) The 4.85% senior notes due December 14, 2026 (ISIN: XS2272214458, Common Code: 227221445)(the “Existing December 2026 Notes”); and</p> <p>(12) The 4.50% senior notes due January 13, 2028 (ISIN: XS2281303896, Common Code: 228130389)(the “Existing January 2028 Notes”).</p>
<p>Scheme Creditors, (and each, a Scheme Creditor)</p>	<p>The persons holding beneficial interests as principal in any of the Existing Notes as at the Record Time.</p> <p>“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 Scheme to vote on the Scheme convened pursuant to orders of the court(s) (and any adjournment of such meetings).</p>
<p>Restructuring of the Existing Notes</p>	
<p>Scheme Creditors’ Claims</p>	<p>The sum of:</p> <p>(1) the outstanding principal amount of the Existing Notes held by the Scheme Creditors at the Record Time (the “Existing Principal Amount”); and</p> <p>(2) all accrued and unpaid interest (except for any default interest or other special interests or fees) on such Existing Notes up to (but excluding) the Transaction Effective Date (as defined below)(the “Accrued Interest”),</p> <p>(together in aggregate, the “Scheme Creditors’ Claims”).</p> <p>On and from the Transaction Effective Date, the Scheme Creditors will release all claims against (among others) the Company, the Subsidiary Guarantors (as defined in the respective indentures governing each series of the Existing Notes) and their respective subsidiaries, shareholders, officers, directors, advisors, representatives and office-holders under or in connection with the Existing Notes, the Existing Guarantees and the documents governing the Existing Notes in exchange for the Transaction Consideration in accordance with the terms of the Transaction Documents.</p>

<p>Transaction Consideration</p>	<p>The transaction consideration (the “Transaction Consideration”) for the Scheme Creditors will consist of (with adjustments in relation to rounding and/or fractional amounts to be set out in long form documents):</p> <p>(1) one or a combination of the following options, in accordance with the Selection Mechanism (as defined below) as chosen by each Scheme Creditor:</p> <p>(i) Option 1: US\$15 in cash in exchange for every US\$100 Existing Principal Amount, <i>provided</i> that the total principal amount of all existing debts exchanged under this option in the Offshore Restructuring (as defined below) shall not exceed US\$1,267 million (subject to upward adjustment by the Company at its discretion);</p> <p>(ii) Option 2: for every US\$100 Existing Principal Amount, a combination of the following:</p> <p>a. mandatory convertible bonds (the “Option 2 MCB”) in principal amount equal to US\$60, <i>provided</i> that the total principal amount of all existing debts (including the Shareholder Loan (as defined below)) converted under this option in the Offshore Restructuring shall be fixed at US\$1,200 million; and</p> <p>b. priority notes (the “Priority Notes”) in principal amount equal to US\$40, <i>provided</i> that the total principal amount of all existing debts (including the Shareholder Loan) exchanged for Priority Notes and other Offshore Restructured Debts (as defined below) designated as “priority” by the Company in the Offshore Restructuring (collectively, the “Priority Instruments”) shall be fixed at US\$800 million,</p> <p>subject to allocation mechanism and adjustment to be set out in the long form documentation;</p> <p>(iii) Option 3: mandatory convertible bonds (the “Option 3 MCB”) in an aggregate principal amount equal to the Existing Principal Amount allocated to this option, <i>provided</i> that the total principal amount of all existing debts (including the Shareholder Loan) converted under this option in the Offshore Restructuring shall not exceed US\$800 million (subject to upward adjustment by the Company at its discretion); or</p> <p>(iv) Option 4 (together with Options 1, 2 and 3, each a “Selection Option”): new notes (the “Long Term Notes I”, together with the Priority Note, the “New Notes”) in an aggregate principal amount equal to the Existing Principal</p>
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	<p>Amount minus the sum of the aggregated principal amount of all Existing Notes exchanged or converted under Options 1, 2 and 3 above (the “Aggregate Long Term Notes I Amount”); and</p> <p>(2) mandatory convertible bonds (the “AI MCB”) in an aggregate amount equal to the Accrued Interest up to (and including) December 31, 2023 corresponding to (i) the Existing Notes exchanged for Priority Notes under Option 2 and (ii) the Existing Notes exchanged or converted under Option 4 (collectively, the “Eligible Accrued Interest”). For the avoidance of doubt, all other Accrued Interest (including Accrued Interest corresponding to the Existing Notes exchanged or converted under Options 1, 2 (with respect to the Option 2 MCB) and 3, and Accrued Interest after December 31, 2023) will be waived or cancelled.</p>
<p>Additional New Debts</p>	<p>In connection with the Offshore Restructuring, the Company may issue additional debt instruments that are to be consolidated and form a single series with the relevant tranche of the New Notes, and/or incur loans with key economic terms substantially similar to the Priority Notes and/or the Long Term Notes I, to compromise existing debt other than the Existing Notes.</p>
<p>Offshore Restructured Debts</p>	<p>New debts issued or incurred and existing debts extended by the Company in connection with the current offshore debt restructuring of the Company (the “Offshore Restructuring”), which shall include, without limitation, the New Notes, the Additional New Debts and the Long Term Notes II (as defined below), but shall exclude the Option 2 MCB, the Option 3 MCB, the AI MCB and any additional debt instruments issued in connection with the Offshore Restructuring that may be consolidated and form a single series with the Option 2 MCB, the Option 3 MCB or the AI MCB (collectively, the “Offshore Restructured Debts”).</p> <p>The Offshore Restructuring is expected to include the restructuring of certain other existing liabilities of the Company (the “Other Existing Debts”) as set out in Schedule 5, which, together with the Existing Notes (but excluding the Shareholder Loan), will have an aggregate principal amount up to US\$6,649 million. Creditors of certain Other Existing Debts (including the ELS, the Shenwan Debts, the L2 Debts and certain Bank Loans, each as defined in Schedule 5) will be offered options substantially similar to the Selection Options and may share credit enhancements, negative pledges and corporate guarantees with the Scheme Creditors. Creditors of the C Debts, the L5 Debts and certain secured Bank Loans (each as defined in Schedule 5) may receive credit enhancements different from the Scheme Creditors. The Offshore Restructuring with respect to different creditor groups may be implemented through scheme of arrangement, consent solicitation and/or bilateral negotiation.</p>

	No member of the Group shall enter into any agreement with any creditors holding ELS, the Shenwan Debts, the L2 Debts and Bank Loans that are pari passu with the Existing Notes and Other Existing Debts within the same Scheme as the Existing Notes that provides for terms more favourable than the terms set forth in this term sheet (each, an “ MFN Term ”), with scope and adjustment mechanism to be agreed.
Exchange Rate	US\$1 = HK\$7.8
Selection Mechanism	The mechanism for selecting the Selection Options (the “ Selection Mechanism ”) to be agreed between the Ad Hoc Group and the Company.
Transaction Effective Date	<p>The day on which all conditions precedent to the Transaction Effective Date have been satisfied or waived (as the case may be), including:</p> <ol style="list-style-type: none"> (1) the obtaining of all necessary approvals, pre-approvals or consents, as applicable (e.g., including without limitation delivery of respective court orders in respect of the Scheme and Chapter 15 if applicable (and in the case of Chapter 15 unless waived by the Company), approval in-principle for the listing and quotation of the New Notes, the Option 2 MCB, the Option 3 MCB and the AI MCB on the relevant exchange, approval for the issuance and listing of the new shares, etc.); (2) the settlement in full of all outstanding CSA Fee, the [REDACTED], professional fees with respect to the Existing Notes associated with the Transaction that the Company is obligated to pay; (3) each Transaction Document with respect to the restructuring of the Existing Notes being in Agreed Form; (4) satisfaction of all conditions precedent (except inter-conditional condition precedents and condition precedents requiring the occurrence of the Transaction Effective Date) in respect of the restructuring of certain Other Existing Debts to be agreed; (5) Appointment of the Monitoring Accountant (as defined below); (6) the Company announcing the date set for the Transaction Effective Date; and <p>the satisfaction of each of the specific conditions precedent contained in each of the Transaction Documents.</p>
CSA Fee	<p>The CSA Fee is to be paid in accordance with the terms of the CSA.</p> <p>Subject to the CSA, the CSA Fee shall comprise, for each consenting Scheme Creditor acceding to the CSA, an amount equal to 0.2% of the aggregate principal amount of the Existing Notes held by such consenting Scheme Creditor as of the CSA Fee Deadline.</p>
[REDACTED]	[REDACTED]

Treatment of the Existing Notes	On the Transaction Effective Date, the Existing Notes shall be cancelled upon the issuance of the New Notes.
Treatment of Shareholder Loan	<p>The controlling shareholder of the Company undertakes to:</p> <ol style="list-style-type: none"> 1. allocate US\$200 million of his shareholder loan (which has an aggregate amount of approximately HK\$10,567 million) (the “Shareholder Loan”) to Option 2 of the Selection Option in exchange for Option 2 MCB and Priority Notes in accordance with such Selection Option; and 2. allocate US\$200 million of the Shareholder Loan to Option 3 of the Selection Option in exchange for Option 3 MCB in accordance with such Selection Option, <p><i>provided that</i>, in case either Option 2 or 3 of the Selection Option is oversubscribed, unallocated portion of the Shareholder Loan shall be adjusted in accordance with the Selection Mechanism, <i>provided further</i> that no unallocated portion of the Shareholder Loan shall be allocated to Option 1 of the Selection Option.</p> <p>The remaining Shareholder Loan shall be exchanged for new notes (the “Long Term Notes II”) with the same principal amount. The Long Term Notes II shall have the following terms:</p> <ul style="list-style-type: none"> • Tenor: 9-10 years • Interest: 2% per annum, all of which shall be paid in kind • In the event of the winding-up of the Company (or any of its material subsidiary) and/or further default after the Transaction Effective Date, the Long Term Notes II shall rank pari passu with the Long Term Notes I. <p>The controlling shareholder of the Company undertakes not to receive any prepayment of the Long Term Notes II or modify the material terms of the Long Term Notes II until the New Notes and Other Restructuring Debts have been fully repaid (except that such provision shall cease to apply and have any effect upon the occurrence of an event of default under any of the Offshore Restructured Debts), with other undertakings to be agreed in the long form documentation.</p>
Terms of the New Notes	
<i>Terms not defined herein have the meanings set forth in the indentures governing the New Notes (the “New Notes Indentures”), which shall largely follow the meanings given to them in the indenture governing the Existing July 2026 Notes, unless otherwise noted below or to the extent the context otherwise requires, it being understood and agreed that the terms of the New Notes Indentures other than those expressly specified below are subject to negotiation and may differ from those in the indentures governing the Existing Notes.</i>	
Issuer	The Company
Original Issue Date	The Transaction Effective Date

Trustee	The trustee of the New Notes shall be an institution that is agreed by the Company and the Majority Ad Hoc Group (acting reasonably).
Principal Amount	<p>The New Notes shall comprise two tranches as follows (with adjustments in relation to rounding and/or fractional amounts to be set out in long form documents):</p> <ol style="list-style-type: none"> (1) Priority Notes: The original principal amount shall be determined by the Selection Mechanism but shall not exceed US\$800 million. (2) Long Term Notes I: The original principal amount shall equal to the Aggregate Long Term Notes I Amount; <p>For the avoidance of doubt, the principal amount of the New Notes indicated in this Term Sheet, unless otherwise specified, refers only to such New Notes to be issued to the Scheme Creditors as part of the Transaction Consideration.</p>
Maturity	<p>Priority Notes: 6 years from the Original Issue Date, <i>provided that</i></p> <ol style="list-style-type: none"> (1) 4.125% of the aggregate outstanding principal amount as of the Original Issue Date (or US\$33 million in principal amount of the Priority Notes, subject to adjustment to be agreed in the long form documentation) shall be mandatorily redeemed in cash at par plus accrued but unpaid cash interest on such notes to be redeemed by the Company on the date falling 3 years after the Original Issue Date, <i>provided further</i> that the Company shall have the option to defer such mandatory redemption for one year (which, for the avoidance of doubt, shall not be included in the mandatory redemption amount set forth in clause (2) below); (2) 25.0% of the aggregate outstanding principal amount as of the Original Issue Date (or US\$200 million in principal amount of the Priority Notes, subject to adjustment to be agreed in the long form documentation) shall be mandatorily redeemed in cash at par plus accrued but unpaid cash interest on such notes to be redeemed by the Company on the date falling 4 years after the Original Issue Date; and (3) 35.0% of the aggregate outstanding principal amount as of the Original Issue Date (or US\$280 million in principal amount of the Priority Notes, subject to adjustment to be agreed in the long form documentation) shall be mandatorily redeemed in cash at par plus accrued but unpaid cash interest on such notes to be redeemed by the Company on the date falling 5 years after the Original Issue Date. <p>Long Term Notes I: 9 years from the Original Issue Date, <i>provided that</i></p> <ol style="list-style-type: none"> (1) 4.0% of the aggregate outstanding principal amount as of the Original Issue Date shall be mandatorily redeemed by the Company in cash at par plus accrued but unpaid cash interest on such notes to

	<p>be redeemed on the date falling 6 years after the Original Issue Date;</p> <p>(2) 27.0% of the aggregate outstanding principal amount as of the Original Issue Date shall be mandatorily redeemed by the Company in cash at par plus accrued but unpaid cash interest on such notes to be redeemed on the date falling 7 years after the Original Issue Date; and</p> <p>(3) 27.0% of the aggregate outstanding principal amount as of the Original Issue Date shall be mandatorily redeemed by the Company in cash at par plus accrued but unpaid cash interest on such notes to be redeemed on the date falling 8 years after the Original Issue Date.</p> <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 date of mandatory redemption, the amount of New Note to be mandatorily redeemed shall be adjusted accordingly.</p> <p>With respect to each tranche of the New Notes, any outstanding principal amount under such New Notes shall be repaid on maturity, together with any accrued but unpaid cash interest.</p>
<p>Interest</p>	<p>With respect to the Priority Notes, interest is payable semi-annually in arrears on the outstanding principal amount of such notes and shall be paid in the following manner:</p> <p>(1) <i>For the first two years after the Original Issue Date:</i> interest shall be 1.25% per annum and shall be paid in cash; and</p> <p>(2) <i>Starting from the beginning of the third year after the Original Issue Date:</i> interest shall be 3.75% per annum and shall be paid in cash, <i>provided</i> that the Company shall have the option to defer the payment of cash interest accrued in the third and fourth years after the Original Issue Date to the end of the fourth year after the Original Issue Date.</p> <p>With respect to the Long Term Notes I, interest is payable annually in arrears on the outstanding principal amount of such notes and shall be paid in the following manner:</p> <p>(1) <i>For the first two years after the Original Issue Date:</i> interest shall be 3.75% per annum, all of which may be paid in kind at the election of the Company;</p> <p>(2) <i>Starting from the beginning of the third year after the Original Issue Date until the end of the third year after the Original Issue Date:</i> interest shall be 3.75% per annum, of which up to 3.25% per annum may be paid in kind, at the election of the Company, and the remaining portion of the interest shall be paid in cash, <i>provided</i> that the Company shall have the option to defer the payment of cash</p>

(3) Negative
Pledge

The Company undertakes that, as long as any of the New Notes, the other Offshore Restructured Debts and the Long Term Notes II are outstanding, with respect to any Offshore Assets Guarantor that has provided the Offshore Assets Guarantee, it shall not and shall procure its Subsidiaries not to create or permit to subsist any security interests over the shares or assets of such Offshore Assets Guarantor (to the extent that such shares are held by the Company or a Restricted Subsidiary of the Company) or security interests over intercompany loan relating to the [REDACTED] Project (in each case, subject to qualifications and carveouts to be agreed), unless (i) such security interests are created pursuant to the Offshore Restructuring or any refinancing thereof (including without limitation the refinancing of the New Notes, the other Offshore Restructured Debts or the Long Term Notes II), (ii) the New Notes, the other Offshore Restructured Debts or the Long Term Notes II are equally and ratably secured by such security, or (iii) such security interests arise from laws, rules or regulations, government policies or implementation or other governmental measures or by operation of law, *provided that* security interests over the shares of the holding company of the [REDACTED] Project or its assets and security interests over intercompany loan relating to the [REDACTED] Project may be created in favor of the lenders extending financing (not included in Offshore Restructured Debt or Other Existing Debt) or any refinancing thereof to the [REDACTED] Project (the “[REDACTED] Lenders”).

(4) Offshore
Cash Sweep

For every six months, the management of the project companies (or relevant holding companies) holding the respective Offshore Specified Assets shall, based on their reasonable judgment, conduct a cash sweep analysis (the “**Offshore Analysis**”) for each of the respective projects and, after taking into account of the relevant debt and other obligations and liabilities and reserving capital expenditures, working capital and litigation contingencies required for the next twelve months, calculate the surplus funds (the “**Offshore Projects Surplus**”) from such project. The Company shall reserve a portion of the aggregate Offshore Projects Surplus to cover the debt and other obligations and liabilities (other than the Priority Instruments), working capital and litigation contingencies required for the Group’s offshore operations for the next twelve months based on the Company’s management’s reasonable determination (subject to a cap and monitoring mechanism to be agreed between the Ad Hoc Group and the Company)(the “**Offshore Group Expenses**”) and, among the remaining Offshore Projects Surplus (the “**Offshore Group Surplus**”), allocate [REDACTED] of the Offshore Group Surplus attributable to the [REDACTED] Project to be paid to [REDACTED] Lenders, and remit [REDACTED] of the Offshore Group Surplus attributable to the [REDACTED] Project into a designated account pledged as security for the Priority Instruments (the “**PI [REDACTED] Account**”) and any remaining Offshore Group Surplus into a designated account (the “**Offshore Surplus Designated Account**”), subject to compliance with applicable laws and regulations.

	<p>The Offshore Surplus Designated Account shall be pledged as security for the New Notes, the other Offshore Restructured Debts and the Long Term Notes II, on a pari passu basis (subject to the terms of a new intercreditor agreement and the arrangement set out in the section titled “Repurchase of the Offshore Restructured Debts”).</p> <p>The PI [REDACTED] Account will be pledged as security to the Priority Instruments and, upon an event of default having occurred and been continuing as set forth in the Priority Notes Instruments and notice from 25% (by principal amount) of the holders of the Priority Instruments, cash in the PI [REDACTED] Account will be applied to redeem the Priority Instruments at par plus accrued and unpaid cash interest.</p> <p>For the avoidance of doubt, in calculating the Offshore Group Surplus attributable to a particular project, the Offshore Group Expenses shall be apportioned to Offshore Projects Surplus of each Offshore Specified Asset on a pro rata basis with reference to the amount of the Offshore Projects Surplus attributable to such Offshore Specified Asset.</p>
<p>Onshore Specified Assets</p> <p>(1) Corporate Guarantee</p>	<p>The Company will procure that the offshore holding companies on the Original Issue Date (with respect to certain holding companies of the [REDACTED] Project and the [REDACTED] Projects, after they become wholly owned by the Company) (the “Onshore Assets Guarantors”) for the following projects (the “Onshore Specified Assets”):</p> <ol style="list-style-type: none"> (1) the [REDACTED] ([REDACTED] 项目); (2) the [REDACTED] Project ([REDACTED] 项目); (3) the [REDACTED] Project ([REDACTED] 项目); (4) the [REDACTED] Project ([REDACTED] 项目); and (5) the [REDACTED] Projects (consisting of [REDACTED] [REDACTED]). <p>to provide guarantees (the “Onshore Assets Guarantees”) to the New Notes, the Additional New Debts and the Long Term Notes II after obtaining the requisite consents under the relevant debt agreements (as applicable), subject to obtaining necessary consents under the other debt agreements of the Group, <i>provided</i> that the proceeds from the Onshore Assets Guarantees associated with the [REDACTED] [REDACTED] (the “3 Designated WFOEs”) shall be used to meet the payment obligations of the Priority Instruments first, until Priority Instruments in the principal amount of US\$300 million have been repaid, repurchased and/or redeemed using funds other than those from the PI [REDACTED] Account.</p> <p>A description of each project is set out in Schedule 2 to this Term Sheet.</p> <p>Creditors (or the representatives or the trustees thereof) of the New Notes, the Additional New Debts and the Long Term Notes II will enter into an intercreditor agreement that reflects the distributions and entitlements set forth in this “Onshore Specified Assets – (1) Corporate Guarantee” section</p>

<p>(2) Security</p>	<p>in relation to the Onshore Assets Guarantees and “Onshore Cash Sweep” below in relation to the 3 Designated WFOEs.</p> <p>To the extent such shares are held by the Group, the Company will procure to pledge:</p> <ol style="list-style-type: none"> (1) all the shares of [REDACTED]; (2) all the shares of [REDACTED]; (3) all the shares of [REDACTED]; (4) all the shares of [REDACTED]; (5) any intercompany loans related to the 3 Designated WFOEs (with scope to be agreed and pending due diligence and legal analysis). <p>as security for the Priority Instruments, on a pari passu basis, after obtaining the requisite consents under the relevant debt agreements (as applicable). Such charges shall be released upon the cumulative repayment, repurchase and/or redemption of Priority Instruments in aggregate principal amount of US\$300 million using funds other than those from the PI [REDACTED] Account, <i>provided</i> that at the time of such release no events of default under the Priority Instruments are continuing.</p> <p>To the extent such shares are held by the Group, the Company will procure to pledge:</p> <ol style="list-style-type: none"> (1) [REDACTED]; (2) [REDACTED]; (3) [REDACTED]; (4) [REDACTED]; (5) [REDACTED] <p>as security for the New Notes, the Additional New Debts and the Long Term Notes II, on a pari passu basis, after obtaining the requisite consents under the relevant debt agreements (as applicable), subject to obtaining necessary consents under the other debt agreements of the Group.</p>
<p>(3) Negative Pledge</p>	<p>The Company undertakes that, as long as any of the New Notes, the Additional New Debts and the Long Term Notes II are outstanding, with respect to any Onshore Assets Guarantor that has provided the Onshore Assets Guarantee, it shall not and shall procure its Subsidiaries not to create or permit to subsist any security interests over the shares of such Onshore Assets Guarantor (to the extent that such shares are held by the Company or a Restricted Subsidiary of the Company), the assets of such Onshore Assets Guarantor and the assets of the 3 Designated WFOEs)(in each case, subject to qualifications and carveouts to be agreed), unless (i) such security interests are created pursuant to the Offshore Restructuring or any</p>

	<p>refinancing thereof (including without limitation the refinancing of the New Notes, the Additional New Debts or the Long Term Notes II), (ii) the New Notes, the Additional New Debts and the Long Term Notes II are equally and ratably secured by such security, or (iii) such security interests arise from laws, rules or regulations, government policies or implementation or other governmental measures or by operation of law.</p>
(4) Project Onshore Cash Sweep	<p>For every six months, the management of each of the project companies (or relevant holding companies) holding the Onshore Specified Assets shall, based on their reasonable judgment, conduct a cash sweep analysis (the “First Onshore Analysis”) for each of the respective projects and, after taking into account of the relevant debt and other obligations and liabilities and reserving capital expenditures, working capital and litigation contingencies required for the next twelve months, to determine the amount of surplus funds (the “New Notes Onshore Projects Surplus”). If the Offshore Project Surplus is insufficient to meet the Offshore Group Expenses, the Company may reserve a portion of the New Notes Onshore Projects Surplus (other than amounts from, the 3 Designated WFOEs) to cover the shortfall and remit the remaining New Notes Onshore Projects Surplus (“Onshore Group Surplus”) offshore into a designated account (the “Onshore Surplus Designated Account”), on a reasonably best-endeavors basis, subject to compliance with applicable laws, rules, regulations, policies or measures and the receipt of all relevant regulatory, judicial and/or governmental approvals as well as requisite creditors’/business partners’ consents (as applicable).</p> <p>Notwithstanding the foregoing, Onshore Group Surplus attributable to the 3 Designated WFOEs shall be transferred to a designated account (the “3 Designated WFOEs Account”) on a reasonably best-endeavors basis, subject to compliance with applicable laws, rules, regulations, policies or measures and the receipt of all relevant regulatory, judicial and/or governmental approvals as well as requisite creditors’ consents (as applicable), for the payment or repurchase of the Priority Instruments, until the cumulative repayment, repurchase and/or redemption of Priority Instruments in aggregate principal amount of US\$300 million using funds other than those from the PI [REDACTED] Account, <i>provided</i> that at such time no events of default under the Priority Instruments are continuing.</p> <p>The Onshore Surplus Designated Account shall be pledged as security for the New Notes, the Additional New Debts and the Long Term Notes II, on a pari passu basis (subject to the terms of a new intercreditor agreement and the arrangement set out in the section titled “Repurchase of the Offshore Restructured Debts”).</p> <p>The 3 Designated WFOEs Account will be pledged as security to the Priority Instruments and, upon an event of default having occurred and been continuing as set forth in the Priority Notes Instruments and notice from 25% (by principal amount) of the holders of the Priority Instruments, cash</p>

	<p>in the 3 Designated WFOEs Account will be applied to redeem the Priority Instruments at par plus accrued and unpaid cash interest.</p>
<p>Other Onshore Specified Assets</p> <p>(1) Other Onshore Specified Assets</p>	<p>For certain classes of Offshore Restructured Debts other than the New Notes, the Company expects to enter into cash sweep provisions substantially similar to the cash sweep provision for the Onshore Specified Assets, such that the surplus proceeds from the following project assets (the “Other Onshore Specified Assets”) will be applied to purchase, acquire, redeem or repay the respective classes of Offshore Restructured Debts:</p> <p>(1) the [REDACTED] Project ([REDACTED] 项目); and</p> <p>(2) the [REDACTED] Project ([REDACTED] 项目).</p> <p>A description of each project is set out in Schedule 3 to this Term Sheet.</p>
<p>(2) Other Onshore Cash Sweep (together with the Project Onshore Cash Sweep, the “Onshore Cash Sweep”)</p>	<p>For every six months, the management of each of the project companies (or relevant holding companies) holding the Other Onshore Specified Assets shall, based on their reasonable judgment, conduct a cash sweep analysis (the “Second Onshore Analysis”) for each of the respective projects and, after taking into account of the relevant debt and other obligations and liabilities and reserving capital expenditures, working capital and litigation contingencies required for the next twelve months, remit any surplus funds (the “Other Onshore Projects Surplus”) offshore into separate accounts for the repayment of the respective class of Offshore Restructured Debts corresponding to such Other Onshore Specified Asset, on a reasonably best-endeavors basis, subject to compliance with applicable laws, rules, regulations, policies or measures and the receipt of all relevant regulatory, judicial and/or governmental approvals as well as requisite creditors’/business partners’ consents (as applicable).</p> <p>Once a class of Offshore Restructured Debts corresponding to an Other Onshore Specified Asset has been paid in full, the Company shall transfer the balance of, and remit offshore any future Other Onshore Projects Surplus from such Other Onshore Specified Asset into the Offshore Surplus Designated Account, on a reasonably best-endeavors basis, subject to compliance with applicable laws, rules, regulations, policies or measures and the receipt of all relevant regulatory, judicial and/or governmental approvals as well as requisite creditors’/business partners’ consents (as applicable).</p>
<p>Investment Property Sale</p>	<p>The Company shall, as soon as practicable after the Original Issue Date, but no later than the second anniversary of the Original Issue Date, on a best effort basis, solicit bids from potential buyers for the sale of the investment properties set out in Schedule 4 to this Term Sheet (each an “Investment Property”). The Company shall, subject to the receipt of all relevant regulatory, judicial and/or governmental approvals as well as requisite creditors’/business partners’ consents (as applicable), be obliged to accept any bid (i) whose proposed purchase price equals to or exceeds 75% of the valuation (as set out in the valuation report dated March 21, 2023) of the</p>

relevant Investment Property and (ii) whose expected Net Proceeds exceeds zero. All bids for the Investment Properties shall be shared with the Monitoring Accountant.

All Net Proceeds from the sales of Investment Properties shall be applied:

1. firstly, to purchase, redeem or repay the Group's debts in the PRC (which shall include corporate bond and other debts to be agreed);
2. secondly, to be remitted offshore into the Onshore Surplus Designated Account,

on a reasonably best-endeavors basis, subject to compliance with applicable laws, rules, regulations, policies or measures and the receipt of all relevant regulatory, judicial and/or governmental approvals as well as requisite creditors'/business partners' consents (as applicable) (the "**IP Waterfall**").

The Company's obligations under this section (including the obligations to sell the Investment Properties and to apply the Net Proceeds according to the IP Waterfall) shall terminate once the aggregate amount of Net Proceeds applied according to the IP Waterfall equals to or exceeds US\$1,000 million.

"**Net Proceeds**" means with respect to any sale of Investment Property (each an "**Investment Property Sale**"), the cash proceeds of such Investment Property Sale attributable to the Company, net of:

- (1) actual brokerage commissions and other costs, fees and expenses (including without limitation fees and expenses of professional parties) related to, in connection with or as a result of such Investment Property Sale and the application of the proceeds of such Investment Property Sale;
- (2) provisions for all taxes and other regulatory fees or charges (whether or not such taxes, regulatory fees or charges will actually be paid or are payable) in connection with such Investment Property Sale without regard to the consolidated results of operations of the Group, 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) amounts under indebtedness or any other liability or obligation outstanding at the time of such Investment Property Sale that (x) is secured by a lien on the property or assets directly or indirectly sold under such Investment Property Sale, or (y) is incurred or guaranteed by a Subsidiary that directly or indirectly owns, or incurred in connection with, the relevant Investment Property, and is required or necessary to be paid as a result of or in connection with such sale or the performance of this cash sweep undertaking, in each case including refinancing costs;

	<p>(5) appropriate amounts to be provided by the Company or any Subsidiary as a reserve against any liabilities associated with, or incurred by a Subsidiary that directly or indirectly owns, such Investment Property, including, without limitation, employment benefit liabilities, amounts due to suppliers, liabilities related to environmental matters, and liabilities under any indemnification obligations, in each case, associated with such Investment Property Sale;</p> <p>(6) amounts under indebtedness or any other liability or obligation that was incurred by a Subsidiary through which the proceeds of Investment Property Sale is remitted offshore, provided that the Company will use commercially reasonable efforts to avoid going through such Subsidiaries which owe material indebtedness or other liabilities; and</p> <p>(7) amounts applied or to be applied pursuant to the Onshore Cash Sweep.</p>
<p>Repurchase of the Offshore Restructured Debts</p>	<p>With respect to the PI [REDACTED] Designated Account and the 3 WFOE Designated Account:</p> <p>(1) if the combined funds sitting in these two accounts exceeds US\$25 million; or</p> <p>(2) at any time at the Company’s discretion,</p> <p>the Company shall use such funds to, subject to compliance with applicable laws and regulations:</p> <p>(i) pay any principal and interest that is due and payable and any other amounts required to be paid in accordance with the terms of the Priority Instruments and reserve for the next 12 months principal and interest that will become due and payable and any other amounts that will become required in accordance with the terms of the Priority Instruments;</p> <p>(ii) purchase the Priority Instruments on the open market through a reverse Dutch auction tender offer or otherwise, at a purchase price below par; and/or</p> <p>(iii) redeem or repay the Priority Notes at par plus any accrued and unpaid cash interest up to but excluding the relevant redemption or repayment date.</p> <p>With respect to the Offshore Surplus Designated Account:</p> <p>(1) if the funds sitting in the Offshore Surplus Designated Account exceeds US\$25 million; or</p> <p>(2) at any time at the Company’s discretion,</p> <p>the Company shall use such funds to, subject to compliance with applicable laws and regulations:</p>

	<p>(i) purchase the Offshore Restructured Debts (excluding the Long Term Notes II) on the open market through a reverse Dutch auction tender offer or otherwise, at a purchase price below par; and/or</p> <p>(ii) redeem or repay the Offshore Restructured Debts (excluding the Long Term Notes II) at par plus any accrued and unpaid cash interest up to but excluding the relevant redemption or repayment date,</p> <p>in each case without affecting the ranking of the Long Term Notes II.</p> <p>With respect to the Onshore Surplus Designated Account:</p> <p>(1) if the funds sitting in the Onshore Surplus Designated Account exceeds US\$25 million; or</p> <p>(2) at any time at the Company’s discretion,</p> <p>the Company shall use such funds to, subject to compliance with applicable laws and regulations:</p> <p>(i) purchase the New Notes and the Additional New Debts on the open market through a reverse Dutch auction tender offer or otherwise, at a purchase price below par; and/or</p> <p>(ii) redeem or repay the New Notes and the Additional New Debts at par plus any accrued and unpaid cash interest up to but excluding the relevant redemption or repayment date.</p> <p>After the New Notes and the Additional New Debts have been paid in full, the Company shall transfer and remit the remaining fund in the Onshore Surplus Designated Account into the Offshore Surplus Designated Account, on a reasonably best-endeavors basis, subject to compliance with applicable laws, rules, regulations, policies or measures and the receipt of all relevant regulatory, judicial and/or governmental approvals as well as requisite creditors’/business partners’ consents (as applicable).</p>
<p>Accelerated Payment</p>	<p>In any given fiscal year, if:</p> <p>(1) the Company has fully paid all of the Group’s corporate bonds listed in the PRC;</p> <p>(2) the annual contracted sales attributable to the Company exceeds RMB100 billion; and</p> <p>(3) Annual Excess Cashflow exceeds zero,</p> <p>The Company shall, within three months after the publication of its audited annual report for such fiscal year, remit 10.0% of the Annual Excess Cashflow to the Offshore Surplus Designated Account, on a reasonably best-endeavors basis, subject to compliance with applicable laws, rules, regulations, policies or measures and the receipt of all relevant regulatory, judicial and/or governmental approvals as well as requisite creditors’/business partners’ consents (as applicable).</p>

	<p>“Annual Excess Cashflow” shall be calculated as the net cashflow from operating activities minus the sum of all cash outflow used in financing activities, each in accordance with the audited financial report of the relevant fiscal year.</p>
<p>Monitoring Accountant</p>	<p>The Company shall appoint a monitoring accountant (the “Monitoring Accountant”) from a whitelist (such whitelist shall be made in consultation with the Ad Hoc Group) who will, for every three months:</p> <ol style="list-style-type: none"> (1) deliver to the Trustee a quarterly report (the “Information Report”) on (i) the sales revenue from each of the Offshore Specified Assets, the Onshore Specified Assets and the Other Onshore Specified Assets; (ii) the progress of construction and sales of each of the Offshore Specified Assets, the Onshore Specified Assets and the Other Onshore Specified Assets; and (iii) the balance of the PI [REDACTED] Designated Account, the 3 WFOE Designated Account, the Offshore Surplus Designated Account and the Onshore Surplus Designated Account. (2) review and confirm the reasonableness of <ol style="list-style-type: none"> a. the Offshore Analysis for the project company of each of the Offshore Specified Assets, as well as the Company management’s determination of the Offshore Group Surplus; b. the First Onshore Analysis for each of the Onshore Specified Assets; and c. the Second Onshore Analysis for each of the Other Onshore Specified Assets; (3) review and check that the Investment Property Sale is conducted in accordance with the provisions under this Term Sheet; (4) review and check that payments made from the PI [REDACTED] Designated Account, the 3 WFOE Designated Account, the Offshore Surplus Designated Account and the Onshore Surplus Designated Account are in accordance with the provisions under this Term Sheet; and (5) Other reports or analysis (if any) to be set forth in the longform documentation.
<p>Optional Redemption</p>	<p>The Company may at its option redeem the New Notes at any time, in whole or in part, at a redemption price equal to 100% of the principal amount of the New Notes, plus any accrued and unpaid interest to (but excluding) the redemption date, provided that no Long Term Notes I shall be optionally redeemed until the Priority Instruments have been redeemed in full.</p>
<p>Events of Default</p>	<p>Customary events of default provision to be agreed between the Company and the Ad Hoc Group in the long form documentation.</p>
<p>Amendments with Consent of Holders</p>	<p>The amendment and waiver provision under the New Notes will be similar to those in the Existing July 2026 Notes, except that any modification,</p>

	amendment or waiver requiring the consent of each Holder affected thereby (as set out in Section 9.02 of the indenture governing the Existing July 2026 Notes) shall be amended to require the consent of the Holders of not less than (i) 75% with respect to the Priority Notes or (ii) 66.67% with respect to the Long Term Notes I, in aggregate principal amount of the relevant series of the outstanding New Notes, with relevant adjustments to be agreed and made in the long form documentation to reflect this term.
Transfer Restrictions	The New Notes, the Offshore Assets Guarantees and the Onshore Assets 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. The New 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.
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 notes.
Listing	Application will be made for the listing and quotation of the New Notes on the SGX or another internationally recognized stock exchange.
Governing Law	The New Notes, the Offshore Assets Guarantees, the Onshore Assets Guarantees and the New Notes Indentures will be governed by and construed in accordance with the laws of the State of New York.
Jurisdiction	U.S. federal and New York state courts located in the Borough of Manhattan, The City of New York, the Hong Kong courts and any other courts to be agreed in the long form documentation are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the New Notes, the Offshore Assets Guarantees, the Onshore Assets Guarantees and the New Notes Indentures.
Terms of the Option 2 MCB	
Issuer	The Company
Original Issue Date	The Transaction Effective Date
Trustee	The trustee of the Option 2 MCB shall be an institution that is agreed by the Company and the Majority Ad Hoc Group (acting reasonably).
Principal Amount	The aggregate original principal amount of the Option 2 MCB shall equal to the Existing Principal Amount allocated to Option 2, <i>provided</i> that the total principal amount of all existing debts and Shareholder Loan converted under Option 2 in the Offshore Restructuring shall not exceed US\$1,200 million.

	For the avoidance of doubt, the principal amount of the Option 2 MCB indicated in this Term Sheet refers only to such Option 2 MCB to be issued to the Scheme Creditors as part of the Transaction Consideration. Additional debt instruments that may be consolidated and form a single series with the Option 2 MCB may be issued in connection with the Offshore Restructuring.
Optional Conversion	Holders of the Option 2 MCB shall have the option to convert any amount of the Option 2 MCB they hold on the Original Issue Date.
Optional Conversion Price	HK\$6.00 per share of the Company (“Share”)
Mandatory Conversion	The Option 2 MCB shall be mandatorily converted into Shares on the first anniversary of the Original Issue Date.
Mandatory Conversion Price	HK\$4.25 per Share
Interest	Nil.
Form, Denomination and Registration	The Option 2 MCB will be issued only in fully registered form and will be initially represented by one or more global notes.
Events of Default	Customary events of default provision to be agreed between the Company and the Ad Hoc Group in the trust deed governing the Option 2 MCB (the “Option 2 MCB Trust Deed”).
Transfer Restrictions	The Option 2 MCB 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 Option 2 MCB 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.
Listing	Application will be made for the listing and quotation of the Option 2 MCB on the SGX or another internationally recognized stock exchange.
Governing Law	The Option 2 MCB Trust Deed will be governed by and will be construed in accordance with the laws of Hong Kong.
Jurisdiction	Hong Kong courts and any other courts to be agreed in the long form documentation are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Option 2 MCB and the Option 2 MCB Trust Deed.
Terms of the Option 3 MCB	
Issuer	The Company
Original Issue Date	The Transaction Effective Date

Trustee	The trustee of the Option 3 MCB shall be an institution that is agreed by the Company and the Majority Ad Hoc Group (acting reasonably).
Principal Amount	<p>The aggregate original principal amount of the Option 3 MCB shall equal to the Existing Principal Amount allocated to Option 3, <i>provided</i> that the total principal amount of all existing debts (including the Shareholder Loan) converted under Option 3 in the Offshore Restructuring shall not exceed US\$800 million (subject to upward adjustment by the Company at its discretion).</p> <p>For the avoidance of doubt, the principal amount of the Option 3 MCB indicated in this Term Sheet refers only to such Option 3 MCB to be issued to the Scheme Creditors as part of the Transaction Consideration. Additional debt instruments that may be consolidated and form a single series with the Option 3 MCB may be issued in connection with the Offshore Restructuring.</p>
Optional Conversion	Holders of the Option 3 MCB shall have the option to convert any amount of the Option 3 MCB they hold on the Original Issue Date.
Optional Conversion Price	HK\$4.25 per Share
Mandatory Conversion	The Option 3 MCB shall be mandatorily converted into Shares on the first anniversary of the Original Issue Date.
Mandatory Conversion Price	HK\$3.00 per Share
Interest	Nil.
Form, Denomination and Registration	The Option 3 MCB will be issued only in fully registered form and will be initially represented by one or more global notes.
Events of Default	Customary events of default provision to be agreed between the Company and the Ad Hoc Group in the trust deed governing the Option 3 MCB (the “ Option 3 MCB Trust Deed ”).
Transfer Restrictions	The Option 3 MCB 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 Option 3 MCB 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.
Listing	Application will be made for the listing and quotation of the Option 3 MCB on the SGX or another internationally recognized stock exchange.
Governing Law	The Option 3 MCB Trust Deed will be governed by and will be construed in accordance with the laws of Hong Kong.

Jurisdiction	Hong Kong courts and any other courts to be agreed in the long form documentation are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Option 3 MCB and the Option 3 MCB Trust Deed.
Terms of the AI MCB	
Issuer	The Company
Original Issue Date	The Transaction Effective Date
Trustee	The trustee of the AI MCB shall be an institution that is agreed by the Company and the Majority Ad Hoc Group (acting reasonably).
Principal Amount	The aggregate original principal amount of the AI MCB shall equal to the amount of Eligible Accrued Interest (with adjustments in relation to rounding and/or fractional amounts to be set out in long form documents). For the avoidance of doubt, the principal amount of the AI MCB indicated in this Term Sheet refers only to such AI MCB to be issued to the Scheme Creditors as part of the Transaction Consideration. Additional debt instruments that may be consolidated and form a single series with the AI MCB may be issued in connection with the Offshore Restructuring.
Optional Conversion	Holder of the AI MCB shall have the option to convert any amount of the AI MCB they hold on the Original Issue Date.
Mandatory Conversion	The AI MCB shall be mandatorily converted into Shares on the first anniversary of the Original Issue Date.
Interest	Nil.
Conversion Price	HK\$9.0 per Share
Form, Denomination and Registration	The AI MCB will be issued only in fully registered form and will be initially represented by one or more global notes.
Events of Default	Customary events of default provision to be agreed between the Company and the Ad Hoc Group in the trust deed governing the AI MCB (the “AI MCB Trust Deed”).
Transfer Restrictions	The AI MCB 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 AI MCB 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.
Listing	Application will be made for the listing and quotation of the AI MCB on the SGX or another internationally recognized stock exchange.

Governing Law	The AI MCB Trust Deed will be governed by and will be construed in accordance with the laws of Hong Kong.
Jurisdiction	Hong Kong courts and any other courts to be agreed in the long form documentation are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the AI MCB and the AI MCB Trust Deed.

Schedule 1: Description of the Offshore Specified Assets

No.	Property Name	Name of Direct Holding Company(ies)	Location	Estimated Project GFA (sq.m. in thousands)
1	Ap Lei Chau Project	Unicorn Bay (Hong Kong) Investments Limited)	Hong Kong	62
2	Stirling Project	Florence Development Pte. Limited	Singapore	97
3	Florence Project	LN Development (Stirling) Pte. Limited	Singapore	111
4	Robinson Project	Global Soar Limited, First Top Trading Limited and Elite Line Limited	Hong Kong	1

Schedule 2: Description of the Onshore Specified Assets

No.	Property Name	Name of Direct Holding Company(ies)	Location	Estimated Project GFA (sq.m. in thousands)
1	██████████	██████████ ██████████ ██████████	██████ ██████	██
2	██████████	██████████ ██████████	██████████ ██████	████
3	██████████ ██████	██████████ ██████████ ██████████	██████ ██████	██
4	██████████	██████████ ██████████ ██████████	██████ ██████	████
5	██████████ ██████████ ██████████ ██████████	██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████	██████ ██████	██

Schedule 4: Description of the Investment Properties

No.	Property Name	Type
1	██████████	Hotel
2	██████████████	Commercial
3	██████████	Office
4	██████████████	Commercial
5	██████████████████	Commercial
6	██████████████	Commercial
7	██████████████████	Commercial
8	██████████	Commercial
9	██████████	Office
10	██████████████	Commercial
11	██████████	Office
12	██████████	Hotel
13	██████████	Commercial
14	██████████	Office
15	██████████████	Commercial
16	██████████	Carpark
17	██████████	Hotel
18	██████	Research
19	██████	Commercial
20	██████	Underground Commercial
21	██████	Underground Carpark

Schedule 5: List of Other Existing Debts

Bank Loans	<p>All of the following loans:</p> <ol style="list-style-type: none"> (1) Hong Kong law-governed loan facility pursuant to a facility agreement dated January 24, 2019 (as amended and supplemented on 30 March 2021 and 25 July 2022) between, among others, the Company as borrower and the facility agent; (2) Hong Kong law-governed loan facility pursuant to a facility letter dated March 19, 2021 between, among others, the Company as borrower and the lender; (3) Hong Kong law-governed loan facility pursuant to a facility agreement dated April 8, 2020 between, among others, the Company as borrower and the facility agent; (4) Hong Kong law-governed loan facility pursuant to a facility agreement dated April 9, 2021 between, among others, the Company as borrower and the facility agent; (5) Hong Kong law-governed revolving loan facilities pursuant to a facility letter dated December 9, 2019 between the Company as borrower and the lender; (6) Hong Kong law-governed loan facility pursuant to a facility letter dated March 23, 2020 between the Company as borrower and the lender; (7) Hong Kong law-governed revolving loan facility pursuant to a facility letter dated March 23, 2021 granted by the lender to the Company as borrower; and (8) Hong Kong law-governed loan facility pursuant to a facility letter dated November 25, 2021 granted by the lender to the Company as borrower.
C Debts	<p>All of the following obligations guaranteed by the Company, as amended, extended or supplanted from time to time:</p> <ol style="list-style-type: none"> (1) notes issued by an issuer under the secured notes programme established by a principal trust deed dated August 6, 2019, as amended and supplemented from time to time; (2) The deed of undertaking dated June 29, 2021 and executed by the Company and the relevant transaction documents as defined therein.
ELS	<p>The 6.95% cash settled equity-linked securities due August 4, 2026 (ISIN: XS2440273691, Common Code: 244027369) issued by the Company and unconditionally and irrevocably guaranteed by certain subsidiaries of the Company.</p>
L2 Debts	<p>All of the following obligations guaranteed by the Company:</p> <ol style="list-style-type: none"> (1) The facility agreement dated June 22, 2020 between, amongst others, the lender and the borrower; (2) The share undertaking agreement dated June 23, 2020 and entered into between, amongst others, the borrower and the share purchaser.
L5 Debts	<p>The facilities agreement dated June 28, 2021 between, amongst others, the borrower and the lender and guaranteed by the Company.</p>

Shenwan Debts	<p>All of the following credit facilities guaranteed by the Company:</p> <ol style="list-style-type: none"> (1) credit facility agreement dated June 10, 2021 entered into between (among others) the borrower and the facility agent; (2) credit facility agreement dated March 12, 2021 between (among others) the borrower and the facility agent; (3) credit facility agreement dated December 23, 2020 between (among others) the borrower and the facility agent; (4) credit facility agreement dated on May 27, 2020 between (among others) the borrower and the facility agent; (5) facility agreement dated March 10, 2020 between (among others) the borrower and the arranger; (6) term loan facility agreement dated June 2, 2020 (as amended on 16 July 2021) between (among others) the borrower and the facility agent; and (7) term loan facility agreement dated January 27, 2021 between the borrower and the lender.
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