

香港交易及結算所有限公司及香港聯合交易所有限公司對本公告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本公告全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。



**KWG GROUP HOLDINGS LIMITED**

**合景泰富集團控股有限公司**

(於開曼群島註冊成立的有限公司)

(股份代號：1813及債務股份代號：40683及40117)

### 境外債務重組的重大進展

- (1) 與初始參與債權人訂立重組支持協議；及
- (2) 邀請其他債權人加入重組支持協議

本公告由合景泰富集團控股有限公司（「本公司」，連同其附屬公司統稱「本集團」）根據《香港聯合交易所有限公司證券上市規則》第13.09(2)條及香港法例第571章《證券及期貨條例》第XIVA部之內幕消息條文而作出。

茲提述本公司日期為2023年5月14日、2023年5月15日、2023年7月6日、2023年12月7日、2024年3月8日、2024年6月12日、2024年9月16日、2025年2月12日、2025年3月7日、2025年8月13日、2025年10月22日、2025年12月3日、2025年12月8日及2026年2月23日的公告（「該等公告」）。除文義另有所指外，本公告所用的專有詞彙與該等公告或本公告隨附的條款書（「條款書」，敏感信息已遮蓋）中所界定的具有相同涵義。

## I. 境外債務重組最新進展

本集團欣然向市場提供關於其境外債務重組（「重組」）重大進展的最新信息。

### 1. 重組的重大進展及訂立重組支持協議

在過去幾個月中，本公司及票據持有人小組（「票據持有人小組」）之成員連同彼等各自的顧問，就重組達成共識進行了建設性的對話。

本公司欣然宣布，於2026年6月15日，本公司與若干初始參與債權人（「**初始參與債權人**」）訂立了重組支持協議（「**重組支持協議**」）。該等初始參與債權人包括票據持有人小組成員，彼等持有佔將納入重組的範圍內債務（「**範圍內債務**」，列於條款書中）總額未償還本金總額26.1%以上。重組支持協議闡明了重組的條款。擬進行的重組旨在：(i)為本公司提供長期道路以穩定業務；(ii)實現可持續的資本結構並提升其資產淨值；及(iii)保護所有利益相關者的權益並實現價值最大化。

廣泛的支持是推動重組成功的必要條件，本公司敦促所有尚未簽署重組支持協議的範圍內債務持有人盡快加入重組支持協議。

這是本公司實施重組進程中的重要里程碑，本公司謹向票據持有人小組及其顧問在公司推進該過程中給予的持續支持與積極參與表示衷心感謝。

## 2. 重組的實施

本公司擬通過在香港及／或開曼群島的計劃安排以及在本公司及其顧問認為必要的範圍內，通過為實施本公司與多數票據持有人小組成員商定的重組而啟動的任何其他公司行動、法律程序或其他程序或步驟來實施重組。

計劃安排是一種法定機制，允許相關法院批准經相關債權人組別投票表決並獲得所需多數批准的妥協或安排。它並非破產清算程序，本公司預期將盡快按照重組支持協議所列條款啟動實施重組的進程。

## 3. 重組方案之核心條款

### **範圍內債務**

重組方案涵蓋本公司境外債務，本金總額約為48.33億美元，其中包括39.56億美元的優先票據、3.80億美元的銀團銀行貸款，以及由本公司借入或擔保的其他貸款融資項下的4.97億美元負債（統稱「**範圍內債務**」）。

## 重組對價

重組方案預期，範圍內債務的持有人／貸款人（統稱「計劃債權人」）將有兩(2)種經濟選項（各稱為一個「選項」，統稱「該等選項」），可將其範圍內債務轉換為以下各項（受限於特定的調整及重新分配機制）：

- (i) **選項1**：選擇及／或被分配至方案1的計劃債權人所持有的範圍內債務，每100美元本金中，將有29.0美元轉換為新票據（「**ALC票據**」），該票據享有香港鴨脷洲物業開發項目（「**鴨脷洲項目**」）的經濟收益；20.0美元將轉換為具有與選項2相同條款的強制可轉換債券（「**MCB**」）；其餘本金額將全部予以註銷。可分配至方案1的範圍內債務最高本金總額為13.8億美元；及
- (ii) **選項2**：選擇及／或被分配至方案2的計劃債權人所持有的範圍內債務本金的100.0%將轉換為**MCB**。**MCB**持有人可自願按每股1.55港元的轉換價將其**MCB**轉換為本公司新發行的股份。所有未償還的**MCB**將於到期日（即重組生效日期後滿2年的日期，或本公司與多數票據持有人小組成員可能協定的其他期限）自動轉換為本公司新發行股份（「**強制轉換**」），惟受限於導致強制轉換暫停的特定暫停事件。

計劃債權人收取重組對價須符合下文所述的股東結構穩定性安排。

## **ALC票據**

**ALC票據**將由一家孤立性特殊目的公司（「**票據SPV**」）發行。**ALC票據**的初始期限為自重組生效日起計6年，若在各自的到期日，未償還的**ALC票據**本金總額超過5,000萬美元，則可自動延長至自重組生效日起計最多8年（「**最終到期日**」）。

在以下較早者發生後，所有未償還的**ALC票據**將立即全部轉換為**票據SPV**的100%股份：(a)**ALC票據**的未償還本金額等於或低於5,000萬美元；及(b)**最終到期日**。此外，**ALC票據**持有人將受益於特定的增信措施，以及由中

國境內若干大型物業開發項目的若干中間境外控股公司提供的有限擔保。

於重組生效之日或之前，本公司與票據SPV應訂立項目管理協議，允許本公司在可用於贖回ALC票據的部分資金獲釋放的同時，收取特定的項目管理費（「**項目管理費**」），但在任何情況下，均須在(a)支付票據SPV的營運及行政開支，以及(b)全額贖回所有ALC優先票據（定義見下文）之後方可進行。在ALC票據項下發生持續的違約事件時，項目管理費在受償順序上將劣後於ALC票據。

關於ALC票據的詳情，請參閱條款書中所列的ALC票據條款。

### **ALC優先票據**

ALC優先票據將分兩組發行，第一組（「**ALC優先票據第1組**」）將用於支付以票據形式支付的早期同意費、基本同意費及特票據持有人小組作費，發行本金總額等於該等費用的總和；第二組（「**ALC優先票據第2組**」，連同ALC優先票據第1組統稱「**ALC優先票據**」）將發行予本公司，並須分別受制於與各ALC優先票據第1組持有人、ALC票據持有人簽署的債權人間協議，以及與本公司約定的項目管理費。ALC優先票據將受益於特定的增信措施。

在受償順序上，ALC優先票據第1組優先於ALC優先票據第2組。在發生持續的違約事件時，ALC優先票據第2組在受償順序上將劣後於ALC票據。ALC優先票據的期限為自重組生效日起計6年。

關於ALC優先票據的詳情，請參閱條款書中所列的ALC優先票據條款。

### **供股**

作為重組的一部分，本公司將進行供股，以籌集不超過1,715萬美元的資金總額，並於重組生效日期前實施（「**供股**」）。供股所得款項應流向支付與重組相關的重組費用。

### **主席及／或其家族成員的認購承諾**

主席及／或其家族成員將承諾，直接或通過其聯屬公司間接認購不少於1,000萬美元的供股股份。

### **股東結構穩定性安排**

為維持穩定的股東結構，重組條款將要求計劃債權人指示，就計劃債權人應得的每100美元MCB本金額(在方案1及方案2下)，該等MCB中的27.0美元將直接發行予本公司主席(「**主席**」)或其指定人士(「**指定人士**」)，而非發行予原本根據上文「重組對價」一節之規定有權收取該等MCB的計劃債權人。

主席及／或其指定人士不得出售或以其他方式處置如此發行的任何MCB或由MCB轉換的股份，直至以下較早者發生後的下一個交易日為止：(1)在第一個連續30個交易日期間內，本公司股份交易價格在其中10個交易日超過每股2.12港元；及(2)自重組生效日起滿42個月。

### **管理層激勵計劃**

本公司應採納一項新的股份獎勵計劃，據此向本集團經選定的管理層、董事及／或員工授予新股份，為被選定人員提供最高佔本公司總股本3%的股份(按全面攤薄及全面轉換基準計算)。

## **4. 重組支持協議**

重組支持協議構成了實施重組的基礎。

根據重組支持協議，各初始參與債權人及於重組支持協議日期後加入的任何額外參與債權人(「**額外參與債權人**」，連同初始參與債權人統稱「**參與債權人**」，各稱為一名「**參與債權人**」)確認，其應利用其在範圍內債務中的權益及(如適用)合法權益，根據重組支持協議所載條款及條件，批准並全力支持重組及計劃安排。

有關條款包括(其中包括)每位參與債權人承諾，除非按照重組支持協議的相關規定進行，否則不得出售、轉讓、更新、轉包參與或以其他方式轉讓或處置(無論直接或間接)其持有的任何範圍內債務項下的全部或任何部分

合法或權益、權利、利益或義務，或實施任何具有類似或同等經濟效果的交易(統稱「轉讓」)。

根據重組支持協議的條款及條件，本公司承諾(其中包括)：

- (i) 根據重組支持協議支付或促使支付同意費；
- (ii) 採取一切必要行動，以促使計劃生效日期落實，並在計劃生效日期後，在最切實可行情況下盡快且無論如何於最後截止日期前全面實施重組；
- (iii) 盡合理努力獲得允許或便利重組所需的任何必要監管或法定批准(包括但不限於香港聯交所、新加坡交易所或任何結算系統可能要求的任何批准)；
- (iv) 獲得實施重組所需的、與重組支持協議及條款書實質相符且在其規定的條款及條件下的所有必要公司批准；
- (v) 盡合理努力從本集團任何成員公司的其他股東(如有)或其聯屬公司(如適用)獲得任何合宜或必要的同意、批准、豁免或其他安排，以允許該成員公司根據條款書提供擔保、對資產(包括但不限於另一成員公司的股份、股權或股本)授予擔保物權，或訂入屬於擔保、抵押或其他相關增信或支持安排一部分的任何安排；
- (vi) 採取一切必要或合宜的行動，以支持、促進、實施或以其他方式落實重組(前提是該等行動在所有重大方面與條款書保持一致)，並在合理切實可行情況下盡快落實；
- (vii) 使參與債權人及時合理知悉重組的狀態及進展，包括獲得與重組相關可能需要的任何必要或合宜的授權、同意及／或批准的進展(包括在票據持有人小組顧問提出合理要求後，通過信息代理或本公司顧問提供)；及

- (viii) 及時向參與債權人宣布或以其他方式通知：(i) 任何其已知悉或合理預期將對重組的實施或完成及／或該等實施及完成的時間表構成重大阻礙或產生重大不利影響的事件、事項、情況或進展，包括(但不限於)任何政府機構或具有管轄權的法院作出或發出限制或以其他方式阻止實施重組或股份退市或暫停買賣的任何命令或指示；(ii) 其在重組支持協議項下作出的任何陳述或聲明被證明在任何重大方面是不正確或有誤導性的；及(iii) 其違反了其在重組支持協議項下給予的任何承諾。

重組支持協議將在發生以下任何事件時自動且立即終止(以最早發生者為準)：

- (i) 法院作出最終且不可上訴的裁決，拒絕本公司召開計劃會議的申請，且在最後截止日期前重組無合理前景得以實施；
- (ii) 相關法院作出最終且不可上訴的裁決，拒絕本公司召開就除計劃安排外的任何經批准重組程序而舉行的債權人會議的申請，且在最後截止日期前重組無合理前景得以實施；
- (iii) 計劃安排未能在計劃會議上獲得計劃債權人所需的法定多數批准(前提是計劃會議可合理延期或合理休會至稍後日期以獲得所需批准)，且在最後截止日期前重組無合理前景得以實施；
- (iv) (如適用) 任何經批准的重組程序未能在相關債權人會議上獲得債權人所需的法定多數批准(前提是任何該等債權人會議可合理延期或休會至稍後日期以獲得所需批准)，且在最後截止日期前重組無合理前景得以實施；
- (v) 法院在批准聆訊中未頒布批准令，且在最後截止日期前重組無合理前景得以實施(包括但不限於本公司已用盡所有上訴途徑)；

- (vi) (如適用) 相關法院在就任何經批准重組程序舉行的相關批准聆訊中，作出最終且不可上訴的裁決，拒絕頒布批准令，且在最後截止日期前重組無合理前景得以實施；
- (vii) 法院作出最終且不可上訴的命令，對本公司進行清盤；
- (viii) 重組生效日期；及
- (ix) 最後截止日期。

重組支持協議亦可在重組支持協議規定的其他情況下終止。

### **同意費**

根據重組支持協議，設有兩級費用：(1) 早鳥同意費：形式為ALC優先票據第1組，本金總額等於合資格受限債務(定義見重組支持協議)本金總額的0.2%，發放予在早期同意費截止時間(即2026年7月13日下午5時正(香港時間)，或根據重組支持協議條款可能修訂的較後日期及時間)之前已經簽署或有效加入重組支持協議的參與債權人；或(2) 基本同意費：形式為ALC優先票據第1組，本金總額等於合資格受限債務本金總額的0.1%，發放予在早期同意費截止時間之後但在基本同意費截止時間(即2026年7月27日下午5時正(香港時間)，或根據重組支持協議條款可能修訂的較後日期及時間)之前有效加入重組支持協議的參與債權人。為免生疑問，參與債權人可獲得早鳥同意費或基本同意費，但不能同時獲得兩者。

早鳥同意費及基本同意費的條款在重組支持協議中列明，並受其項下的條款及條件約束。

### **邀請其他債權人加入重組支持協議**

本公司敦促所有尚未簽署重組支持協議的範圍內債務持有人盡快審閱重組支持協議，並在相關同意費截止時間之前，通過加入門戶網站(<https://deals.is.kroll.com/kwg-accession>)向信息代理交付有效填寫並簽署的加入函件(定義見重組支持協議)，以作為額外參與債權人加入重組支持協議。

本公司已委任Kroll Issuer Services Limited(「Kroll」)作為信息代理，負責通過加入門戶網站收集計劃債權人的加入函件及/或有效持倉證明(如適用)，並解答有關流程的任何疑問。重組支持協議(包括條款書)可在計劃安

排網站(<https://deals.is.kroll.com/kwg>)上查閱。計劃安排網站將提供關於如何向信息代理提交加入函件的進一步信息。

## II. 索取進一步信息

計劃債權人如欲索取有關重組的進一步信息，可聯絡本公司的財務顧問、票據持有人小組的財務顧問或信息代理：

### 本公司的重組財務顧問：

Alvarez & Marsal Corporate Finance Limited

地址：香港中環雪廠街2號聖佐治大廈14樓

電郵：ProjectReborn@alvarezandmarsal.com

### 票據持有人小組的重組財務顧問：

PJT Partners (HK) Limited

地址：香港中環金融街8號國際金融中心二期3609-3611室

電郵：ProjectAwaking@pjtpartners.com

### 信息代理：

Kroll Issuer Services Limited

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## III. 一般事項

本公司證券持有人及本公司潛在投資者於買賣本公司證券時務請審慎行事。本公司將於適當時候作出進一步公告，以知會股東及本公司其他投資者關於重組的任何重大進展。

承董事會命  
合景泰富集團控股有限公司  
主席  
孔健岷

香港，2026年6月15日

於本公告日期，董事會由七名董事組成，其中孔健岷先生(主席)、孔健濤先生(行政總裁)、孔健楠先生及蔡風佳先生為執行董事；而譚振輝先生、羅耀榮先生及黃敏明女士為獨立非執行董事。

## APPENDIX A

### **KWG Group Holdings Limited** **(合景泰富集團控股有限公司)**

#### **Restructuring Term Sheet** **(Subject to Contract)**

*This term sheet (this “**Term Sheet**”) sets forth certain material terms and conditions in connection with the Restructuring (as defined in the RSA) by KWG Group Holdings Limited (合景泰富集團控股有限公司) (the “**Company**”). The transactions contemplated by this Term Sheet are subject to, among other things, the execution of definitive documentation by the relevant parties.*

*It is intended that this Term Sheet will be appended to a restructuring support agreement (the “**RSA**”) containing, among others, support undertakings from certain Scheme Creditors (as defined in the RSA) to support the Restructuring. Capitalised terms used but not defined in this Term Sheet shall have the same meanings ascribed to them in the RSA.*

*This Term Sheet does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States or any other jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made only 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 in the United States.*

*This Term Sheet is not a prospectus for the purposes of Regulation (EU) 2017/1129, including as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020.*

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

## GENERAL

<b>Company</b>	KWG Group Holdings Limited (合景泰富集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, with its ordinary shares of par value of HK\$0.1 each (the “ <b>Shares</b> ”) listed on The Stock Exchange of Hong Kong Limited (the “ <b>HKSE</b> ”) with stock code 1813.
<b>Group</b>	<p>The Company and its Subsidiaries.</p> <p>“<b>Subsidiary</b>” means, with respect to any person, any corporation, association or other business entity which is “controlled” and consolidated by such person in accordance with GAAP.</p> <p>“<b>control</b>” (including, with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract or otherwise.</p> <p>“<b>GAAP</b>” means generally accepted accounting principles in Hong Kong as in effect from time to time.</p>
<b>Subsidiary Guarantors</b>	the Subsidiary Guarantors under the In-Scope Debt (as defined below).
<b>Implementation Method</b>	The Company plans to implement the Restructuring through a scheme of arrangement in Hong Kong and to the extent that the Company and its advisers deem that it is necessary or advisable, through any other corporate action, legal proceedings or other procedure or step commenced for the primary purpose of implementing the Restructuring as agreed between the Company and the Majority Ad Hoc Group (each acting reasonably) (“ <b>Approved Restructuring Process</b> ”).

The Restructuring is expected to involve a full release and discharge of the following persons in connection with: (1) the In-Scope Debt; (2) actions taken, and omissions or circumstances occurring, on or prior to the RED with respect to the In-Scope Debt; and/or (3) the negotiation, preparation, execution, sanction and/or implementation of the Restructuring, each, save in the case of wilful misconduct, gross negligence, wilful default or fraud:

- (a) the obligors in respect of the In-Scope Debt (subject to any exclusions agreed between the Company and the Majority Ad Hoc Group;
- (b) the administrative parties in respect of the In-Scope Debt;
- (c) the directors/managers/officers (or equivalent) of the Obligors, *provided* that the releases shall not apply to any claim or liability against any of these parties for breach of director's duties, or malfeasance arising from or relating to actions which are not in connection with the negotiation, preparation, execution, sanction or implementation of the Restructuring ; and
- (d) the Ad Hoc Group and its advisers,

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 Scheme (the “**Scheme Documents**”) and/or any Approved Restructuring Process.

For the avoidance of doubt, the releases and discharges under this clause shall not extend to any liability of any adviser arising under a duty of care to its client and shall not prejudice any rights of any Scheme Creditor arising under the Scheme or any Restructuring Document (including as a consequence of non-compliance with the terms of the Scheme or the Restructuring Documents) on and after the Scheme Effective Date.

**Scheme Creditors (and each, a Scheme Creditor)** The persons holding beneficial interests (or, with respect to the Existing Syndicated Loan, legal and beneficial interests) as principal in the following instruments as at the Record Time:

- (1) the New York law-governed 7.875% senior notes due 2023 (ISIN: XS1954740285, Common Code: 195474028) (the “**Existing September 2023 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the Existing September 2023 Notes outstanding is US\$63,531,000;
- (2) the New York law-governed 6.00% senior notes due 2024 (ISIN: XS2530437172, Common Code: 253043717) (the “**Existing January 2024 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the Existing January 2024 Notes outstanding is US\$794,925,800;
- (3) the New York law-governed 7.40% senior notes due 2024 (ISIN: XS2034561584, Common Code: 203456158) (the “**Existing March 2024 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the Existing March 2024 Notes outstanding is US\$458,000,000;
- (4) the New York law-governed 7.875% senior notes due 2024 (ISIN: XS2530437339, Common Code: 253043733) (the “**Existing August 2024 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the Existing August 2024 Notes outstanding is US\$636,469,000;
- (5) the New York law-governed 5.875% senior notes due 2024 (ISIN: XS 1716631301, Common Code: 171663130) (the “**Existing November 2024 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the Existing November 2024 Notes outstanding is US\$625,000,000;

- (6) the New York law-governed 5.95% senior notes due 2025 (ISIN: XS2214229887, Common Code: 221422988) (the “**Existing August 2025 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the Existing August 2025 Notes outstanding is US\$300,000,000;
- (7) the New York law-governed 6.30% senior notes due 2026 (ISIN: XS2257830716, Common Code: 225783071) (the “**Existing February 2026 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the Existing February 2026 Notes outstanding is US\$400,000,000;
- (8) the New York law-governed 6.00% senior notes due 2026 (ISIN: XS2343325622, Common Code: 234332562) (the “**Existing August 2026 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the Existing August 2026 Notes outstanding is US\$378,000,000;
- (9) the New York law-governed 5.95% senior notes due 2025 (ISIN: XS 2100654586, Common Code: 210065458) (the “**Existing January 2027 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the Existing January 2027 Notes outstanding is US\$300,000,000;
- (10) the Hong Kong law-governed facility due 2024 (the “**Existing Syndicated Loan**”) borrowed by the Company and guaranteed by the Subsidiary Guarantors. As at the date of the RSA, the principal amount of the Existing Syndicated Loan outstanding is approximately US\$380,000,000;
- (11) the Hong Kong law-governed facility due 2023 (the “**Private Debt A**”) borrowed by Crystal Source Investments Limited and guaranteed by the Company and the Subsidiary Guarantors. As at the date of the RSA, the principal amount of the Private Debt A outstanding is approximately US\$130,000,000;

- (12) the Hong Kong law-governed facility due 2023 (the “**Private Debt B**”) borrowed by Crystal Source Investments Limited and guaranteed by the Company and the Subsidiary Guarantors. As at the date of the RSA, the principal amount of the Private Debt B outstanding is approximately US\$20,000,000;
- (13) the Hong Kong law-governed facility due 2023 (the “**Private Debt C**”) borrowed by Acute Sino Holdings Limited and guaranteed by the Company. As at the date of the RSA, the principal amount of the Private Debt C outstanding is approximately US\$11,705,141;
- (14) the [REDACTED] (the “**Private Debt D**”) borrowed by certain borrowers and guaranteed by, among others, the Company. As at the date of the RSA, the principal amount of the Private Debt D outstanding is approximately [REDACTED];
- (15) the New York law-governed senior notes due 2023 (the “**Private Debt E**”) issued by Le Ming International (Hong Kong) Investments Limited and guaranteed by the Company (ISIN: XS2470058202, Common Code: 247005820). As at the date of the RSA, the principal amount of the Private Debt E outstanding is approximately US\$14,500,000;
- (16) the Hong Kong law-governed facility due 2023 (the “**Private Debt F**”) borrowed by Wanye Teng Real Estate Co., Ltd. and Wanye Teng Industrial Co., Ltd. and guaranteed by, among others, the Company. As at the date of the RSA, the principal amount of the Private Debt F outstanding is approximately US\$26,500,000;
- (17) the Hong Kong law-governed facility due 2023 (the “**Private Debt G**”) borrowed by Joy Beauty Limited and guaranteed by, among others, the Company. As at the date of the RSA, the principal amount of the Private Debt G outstanding is approximately US\$17,600,000;

- (18) the Hong Kong law-governed private secured notes due 2023 (the “**Private Debt H**”) issued by Flying Colours Ventures Limited and guaranteed by, among others, the Company. As at the date of the RSA, the principal amount of the Private Debt H outstanding is approximately US\$69,040,000;
- (19) the Hong Kong law-governed facility due 2023 (the “**Private Debt I**”) borrowed by Century Fair Holdings Limited and guaranteed by, among others, the Company. As at the date of the RSA, the principal amount of the Private Debt I outstanding is approximately US\$69,040,000;
- (20) the [REDACTED] (the “**Private Debt J**”) borrowed by certain borrower and guaranteed by, among others, the Company. As at the date of the RSA, the principal amount of the Private Debt J outstanding is approximately [REDACTED]; and
- (21) the [REDACTED] (the “**Private Debt K**”) borrowed by certain borrower and guaranteed by, among others, the Company. As at the date of the RSA, the principal amount of the Private Debt K outstanding is approximately [REDACTED],
- (collectively, the “**In-Scope Debt**”).

Notwithstanding the foregoing, the Company may (i) include any additional financial indebtedness in or (ii) exclude any financial indebtedness from, the In-Scope Debt, in each case, as agreed by the Majority Ad Hoc Group.

“**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 Scheme Meeting.

## RESTRUCTURING OF THE IN-SCOPE DEBT

### **Restructuring Effective Date ("RED")**

The day on which all conditions precedent to the Restructuring have been satisfied or waived (as the case may be) in accordance with the terms of the Scheme, including the obtaining of all relevant approvals or consents.

### **Scheme Creditors' Claims**

For the purpose of voting on the Scheme, the value of each Scheme Creditor's claim shall be the sum of:

- (1) the outstanding principal amount of the In-Scope Debt held by such Scheme Creditor at the 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 (including any default interest and other fees and charges) under the In-Scope Debt held by such Scheme Creditor up to (but excluding) the Record Time (the "**Scheme Creditor Accrued Interest Amount**"),

(together in aggregate, the "**Scheme Creditors' Claims**", and with respect to each Scheme Creditor, the "**Scheme Creditor Claim**").

For the purpose of distribution of the Restructuring Consideration, the value of each "**Scheme Creditor's Entitlement**" (with the aggregate amount of Scheme Creditors' Entitlement of all Scheme Creditors, being the "**Scheme Creditors' Entitlements**") shall be its Scheme Creditor Principal Amount at the Record Time. For the avoidance of doubt, the value of each Scheme Creditor's Entitlement shall not include its Scheme Creditor Accrued Interest Amount.

Any and all accrued and unpaid interest (including any default interest and other fees and charges) under the In-Scope Debt held by each Scheme Creditor up to RED, shall be irrevocably waived, forgiven and cancelled on RED.

**Restructuring  
Consideration**

The Restructuring Consideration for each Scheme Creditor will consist of one or a combination of the options below (each an “**Option**” and collectively, the “**Options**”), in accordance with the Scheme Creditors’ election:

- (1) **Option 1** — Each Scheme Creditor who elects and/or is allocated Option 1 shall be entitled to the following:
  - (a) Ap Lei Chau Project exchangeable notes (the “**ALC Notes**”) in a principal amount equal to 29.0% of its Scheme Creditor Principal Amount so elected by and/or allocated to such Scheme Creditor; and
  - (b) mandatory convertible bonds that are convertible into new Shares of the Company (the “**MCBs**”) in a principal amount equal to 20.0% of its Scheme Creditor Principal Amount so elected by and/or allocated to such Scheme Creditor, subject to further adjustments pursuant to the Shareholding Structure Stability Arrangement (as defined below);

(collectively, the “**Option 1 Entitlement**”),

*provided* that the total Scheme Creditors’ Principal Amount elected for exchange under this Option 1 is subject to a maximum acceptance amount of US\$1,380 million (the “**Option 1 Maximum Acceptance Amount**”).

*Option 1 Reallocation Mechanism*

To the extent that the total Scheme Creditors’ Principal Amount elected for exchange under this Option 1 (the “**Option 1 Election Amount**”) exceeds the Option 1 Maximum Acceptance Amount, each Scheme Creditor who elected this Option 1 will receive the Restructuring Consideration for its Option 1 Entitlement on a *pro rata basis* up to the Option 1 Maximum Acceptance Amount (the “**Option 1 Allocation Amount**”), with its excess Option 1 Election Amount automatically reallocated to Option 2 below for exchange (the “**Option 1 Reallocation Amount**”).

- (2) **Option 2** — Each Scheme Creditor who elects Option 2 or elects Option 1 but has its Option 1 Reallocation Amount reallocated to Option 2 shall be entitled to MCBs in a principal amount equal to 100% of its Scheme Creditor Principal Amount so elected by such Scheme Creditor under Option 2 or the Option 1 Reallocation Amount of such Scheme Creditor (as the case may be) (the “**Option 2 Entitlement**”), subject to further adjustments pursuant to the Shareholding Structure Stability Arrangement (as defined below).

A Scheme Creditor who does not make any election before the relevant deadline or where such amount elected only represents a portion of its aggregate Scheme Creditor Principal Amount will have its unelected Scheme Creditor Principal Amount allocated to Option 2.

The Scheme Creditors’ receipt of the Restructuring Consideration shall be subject to the arrangement described in the section entitled “Shareholding Structure Stability Arrangement” below (the “**Shareholding Structure Stability Arrangement**”).

**Exchange Rate**

For the purpose of calculation of Scheme Creditors’ Claims and the Restructuring Consideration, US\$1 shall be translated at a fixed rate of 7.8 Hong Kong dollars and 7.1 Chinese Yuan, respectively.

**Treatment of In-Scope Debt**

On the RED, outstanding In-Scope Debt will be exchanged for the Restructuring Consideration, in accordance with the terms of and to the extent provided for under the Scheme. Following such exchange, all In-Scope Debt shall be amended, compromised, cancelled and/or released (in whole or in part), and some or all (as applicable) of the guarantees, security and other credit support (if any) in connection with the In-Scope Debt will be released and extinguished, in accordance with the terms of the Scheme.

**Early Consent Fee** In respect of a Participating Creditor that has validly acceded to the RSA by the Early Consent Fee Deadline, subject to the Participating Creditor complying with all relevant provisions of the RSA, an early consent fee (the “**Early Consent Fee**”) shall be paid to the relevant Participating Creditor on RED in the form of ALC Senior Notes Tranche 1, at a principal amount equal to 0.20% of the aggregate principal amount of Eligible Restricted Debt held by such Participating Creditor as of the Record Time.

**Base Consent Fee** In respect of a Participating Creditor that has validly acceded to the RSA by the Base Consent Fee Deadline, subject to the Participating Creditor complying with all relevant provisions of the RSA, a base consent fee (the “**Base Consent Fee**”) shall be paid to the relevant Participating Creditor on RED in the form of ALC Senior Notes Tranche 1, at a principal amount equal to 0.10% of the aggregate principal amount of Eligible Restricted Debt held by such Participating Creditor as of the Record Time.

For the avoidance of doubt, Participating Creditors will receive either the Early Consent Fee or Base Consent Fee only. Participating Creditors who have received the Early Consent Fee will not be eligible to receive the Base Consent Fee.

**AHG Work Fee** A work fee shall be paid to the Ad Hoc Group in accordance with the terms set out in a fee letter to be entered into between the Ad Hoc Group and the Company (“**AHG Work Fee Letter**”).

**Conditions Precedent to the RED** The following conditions must be satisfied or waived (in accordance with the terms of the Scheme) prior to or on the RED:

- (1) the delivery by the relevant members of the Group of all corporate authorisations in respect of the Restructuring and their entry into the Restructuring Documents to which they are a party;

- (2) the obtaining of all relevant governmental, regulatory or shareholder approvals or other corporate or third-party contractual consents as are necessary for the Restructuring to take effect, including without limitation:
  - (a) the exchange approval in principle from the SGX-ST or another exchange to be agreed with the Majority Ad Hoc Group for the listing of the ALC Senior Notes, the ALC Notes and the MCBs, and permission to deal in any new shares issued pursuant to conversion of the MCBs;
  - (b) in relation to the issuance of the ALC Notes and the ALC Senior Notes, (i) the issuance of valid ISIN codes by an accredited numbering agency, and (ii) all necessary approvals, acceptances and/or confirmations from the Clearing Systems (as defined in the RSA) to enable the ALC Notes and the ALC Senior Notes to be cleared and settled through the Clearing Systems and traded on the RED;
  - (c) in relation to the issuance of the ALC Notes, the ALC Senior Notes and the MCBs, registration with the National Development and Reform Commission of the PRC (the “NDRC”) or such other status or arrangements as may be agreed between the Company and the Majority Ad Hoc Group;
- (3) the obtaining of the relevant court sanction order(s) in respect of the Scheme and the Scheme becoming effective in accordance with its terms;
- (4) the Major Restructuring Documents are in Agreed Form;
- (5) the settlement of the AHG Work Fee in accordance with the terms set out in the AHG Work Fee Letter (save for the ALC Senior Notes, which will be issued on RED);
- (6) the completion of the Rights Issue (as defined below);
- (7) the appointment of the Note Nominee to the board of directors of the JV Co;
- (8) the issuance and publication of a public announcement on the website of the Hong Kong Stock Exchange by the Company specifying the designated date for the RED;

- (9) the settlement in full of all professional fees and expenses (including those of the Ad Hoc Group’s advisers) that the Company agreed in writing (and in accordance with the terms of the relevant fee letters) to pay on or prior to the RED for implementation of the Restructuring;
- (10) the satisfaction of each (or waiver, if any) of the other conditions precedent contained in each of the Restructuring Documents;
- (11) in the case of the Company having elected to establish a management incentive plan, the Company obtaining the approval of its shareholders for such management incentive plan; and
- (12) the deposit of signed and undated definitive documentation for effecting the ALC Transfer (as defined below) in a third-party independent escrow (with the terms of such escrow to be agreed with the Majority Ad Hoc Group on or prior to the RED as Major Restructuring Document(s)); and
- (13) the delivery of the ALC Governance Enforcement Documents to the Note SPV.

**Rights Issue &  
Controlling  
Shareholders’  
Contribution**

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, raise an aggregate maximum amount of US\$17.15 million by way of a rights issue at a price agreed between the Company and the Majority Ad Hoc Group (the “**Rights Issue**”).

Mr. KONG Jianmin (the “**Chairman**”) and/or his family member(s) will undertake to subscribe for, directly or indirectly through their affiliates, not less than US\$10 million of the Rights Issue which may be contributed by way of cash and/or shareholder loans (*provided* that (1) such shareholder loans (a) shall be unsecured, interest-free and subordinated to the In-Scope Debts and (b) shall effectively be converted fully into Shares on or prior to the RED through the Rights Issue and (2) the agreement evidencing such shareholder loans (“**Shareholder Loan Agreement**”) shall be in Agreed Form with the Majority Ad Hoc Group as a Major Restructuring Document) (such amount being, “**Controlling Shareholder’s Contribution**”).

The Company shall apply:

- (a) the full cash amount of the Controlling Shareholder's Contribution towards payment of fees and expenses incurred by the Company directly in connection with the Restructuring; and
- (b) an amount equal to fifty per cent (50%) of (a) the aggregate Net Rights Issue Proceeds *less* (b) the Controlling Shareholder's Contribution, towards payment of the Additional AHG Work Fee (as defined in the AHG Work Fee Letter).

**"Net Rights Issue Proceeds"** means the aggregate proceeds arising from the Rights Issue, net of fees and expenses incurred by the Company directly in connection with the Rights Issue (without double counting).

**Management  
Incentive Plan**

The Company may elect to propose a management incentive plan where up to a maximum of 3% of the total number of Shares of the Company (calculated on a fully diluted basis immediately following the issuance of such Shares calculated assuming that the Rights Issue has been completed and all the then outstanding MCBs have been fully converted into Shares of the Company) may be issued and distributed to its management, directors and/or employees.

## TERMS OF THE ALC NOTES

*Capitalised terms used but not defined below will be defined in the indenture governing the ALC Notes (the “ALC Notes Indenture”).*

**Issuer** An orphan special purpose vehicle to be established and incorporated in an offshore jurisdiction as agreed between the Company and the Majority Ad Hoc Group (the “**Note SPV**”).

The costs and expenses associated with the establishment and maintenance of the Note SPV (including any administrative and operating expenses) incurred by the Note SPV up to the RED shall be borne by the Company.

**Original Issue Date** The RED

**Original Issue Amount** 29.0% of the Scheme Creditors’ Principal Amount elected and allocated under Option 1 (subject to the Option 1 Reallocation Mechanism).

The original issue amount of ALC Notes will be US\$400,200,000. Any undersubscribed amount of the ALC Notes will be issued to the Company.

**Tenor** 6 years from the RED (the “**Original Maturity Date**”), save that:

- (1) if, on the Original Maturity Date, the then-outstanding principal amount of the ALC Notes is in excess of US\$50,000,000, the maturity of the ALC Notes will be automatically extended by 1 year from the Original Maturity Date (i.e. 7 years from the RED) (the “**Extended Maturity Date**”); and
- (2) if, on the Extended Maturity Date, the then-outstanding principal amount of the ALC Notes remains in excess of US\$50,000,000, the maturity of the ALC Notes will be automatically extended by 1 year from the Extended Maturity Date (i.e. 8 years from the RED) (the “**Final Maturity Date**”).

**Interest** Nil

**Conversion Event** All outstanding principal amount of the ALC Notes will be mandatorily converted into new shares of the Note SPV (“**Note SPV Shares**”) upon the earlier of:

(a) the outstanding principal amount of the ALC Notes being equal to or less than US\$50,000,000; and

(b) the Final Maturity Date;

(the “**Conversion Event**”).

**Conversion Rate** 1 new Note SPV Share for every US\$1 of outstanding principal of the ALC Notes or such other conversion rate that would provide that the holders of the then-outstanding ALC Notes collectively hold 100% of the shares in the Note SPV immediately following the Conversion Event.

**Structure** The Company shall, on an all reasonable endeavour basis, and by the RED, obtain the cooperation and/or necessary written consent and approvals of its JV partner of the JV Co (as defined below) and procure the JV Co and Unicorn Bay (Hong Kong) Investment Limited (the “**ALC Project Company**”) to obtain the necessary approvals or consents from the lenders under the ALC Senior Facility to effect the Target Structure (including granting of all ALC Security and upfront approvals or consents from its JV partner of the JV Co for any subsequent issuance of new shares of the Note SPV to the holders of the ALC Notes upon the Conversion Event) (the date on which the Target Structure is effected, the “**Transfer Completion Date**”), or in the event the Transfer Completion Date has not occurred on or prior to the RED, the structure set out in the Interim Measures.

***Target Structure***

In the event that the Target Structure is adopted, the Company shall:

- (1) transfer all of the shares (the “**ALC Shares**”) held by it in Unicorn Bay Limited (the “**JV Co**”) (being 50% of the shares in the JV Co as at the date of the RSA) to the Note SPV;

- (2) transfer all rights, benefits and proceeds deriving from all shareholder loans and advances made by the Company as creditor to (i) the JV Co and (ii) the ALC Project Company as debtors which exist as of the RED (the “**Shareholder Loans**”) to the Note SPV;

((1) and (2) collectively, the “**ALC Transfer**”);

- (3) obtain upfront approvals or consents from its JV partner of the JV Co for any subsequent issuance of new shares of the Note SPV to the holders of the ALC Notes upon the Conversion Event; and
- (4) sign a deed of undertaking in favour of the Note SPV, the ALC Note Trustee and the ALC Senior Note Trustee (the “**Company ALC Deed of Undertaking**”) in which the Company shall, among other things, undertake to comply with sub-paragraphs (1) to (3) above and the ALC Governance Undertakings (as defined below).

An illustration of the Target Structure is set out in Annex A.

#### ***Interim Measures***

If the Transfer Completion Date has not occurred on or prior to the RED:

- (1) signed and undated definitive documentation for effecting the ALC Transfer (“**ALC Transfer Documents**”) shall be deposited in a third-party independent escrow (terms of which to be agreed with Majority Ad Hoc Group on or prior to RED as Major Restructuring Document(s), such escrow document(s) being the “**ALC Transfer Escrow Documents**”);
- (2) the Company shall provide an irrevocable instruction (the “**Irrevocable Instruction**”) to the JV Co to deposit all cash distribution and repayment of Shareholder Loans from the JV Co that is attributable to the Company into a designated account of the Note SPV designated by the Note SPV (the “**Collection Account**”) and to distribute all in-kind distribution or repayment of Shareholder Loans from the JV Co that is attributable to the Company to the Note SPV, *provided* that the Irrevocable Instruction shall cease to have any effect upon the Transfer Completion Date.

- (3) the Company ALC Deed of Undertaking shall include, among others, the following undertakings:
- (a) the Company shall use all reasonable endeavours to obtain the cooperation and/or necessary written consent and approvals of its JV partner of the JV Co and procure the JV Co and the ALC Project Company to obtain the necessary approvals or consents from the lenders under the ALC Senior Facility to effect the Target Structure (including granting of all ALC Security);
  - (b) the Company shall use its best endeavours to procure that the JV Co complies with all terms under the Irrevocable Instruction (for so long as it is in effect);
  - (c) to the extent that the Company, any member of the Group, the controlling shareholder of the Company and/or any of their respective Affiliates, directly or indirectly receive any distributions (in cash or non-cash form) from the Ap Lei Chau Project (the “**ALC Project**”) that should have been (or otherwise be required to be) deposited into the Collection Account in accordance with the Irrevocable Instruction or (after the Irrevocable Instruction ceases to be effective) the terms of the ALC Notes (collectively, “**Misdirected Distributions**”), the Company shall, and shall procure such members of the Group and/or their Affiliates (other than controlling shareholders and their Affiliates that are not members of the Group) and (on a best endeavours basis) such controlling shareholder and/or its Affiliates that are not members of the Group (as the case may be), to:
    - (i) promptly (and in any event within three (3) Business Day of becoming aware of the same) notify the Security Trustee in writing of the receipt of any Misdirected Distributions, specifying the amount, form, source, and date of receipt;
    - (ii) promptly (and in any event within three (3) Business Days of receipt) turn over and pay all Misdirected Funds received in cash to the Collection Account;

- (iii) in respect of any Misdirected Funds received in non-cash form, promptly (and in any event within five (5) Business Days of receipt) transfer, assign, or deliver such non-cash assets directly to or as directed by the Security Trustee, free and clear of any encumbrances (except for those existing when received or arising by operations of laws);
- (iv) hold all Misdirected Distributions on trust for the benefit of the holders of the ALC Notes and ALC Senior Notes; and shall not commingle such Misdirected Distributions with any other funds and/or assets or apply, set off, or otherwise deal with such Misdirected Distributions for any other purpose;
- (v) the Company shall not, prior to the Transfer Completion Date, amend, vary or modify (or permit any such amendment, variation or modification of) the shareholders' agreement dated 22 March 2017 between, among others, the Company and the JV Co (as amended from time to time, the "**JV Co SHA**") and/or the memorandum and articles of association of the JV Co or the equivalent charter documents of any ALC Group Company, in each case, except (i) with the prior written consent of the Note SPV or (ii) for purposes of effecting the Target Structure or otherwise as required under the Restructuring Documents; and
- (vi) the Company (in its capacity as shareholder of the JV Co) shall not, prior to the Transfer Completion Date, take, or instruct or permit its nominee directors to take, any action that is reasonably likely to have a material adverse effect on the interests of the Note SPV or the holders of the ALC Notes or the ALC Senior Notes as a whole.

An illustration of the Interim Measures is set out in Annex B.

The existing and future intercompany receivables and/or payables between the Company and the Note SPV (other than the Project Management Fee described in the section titled “**Project Management Fee**” below) will be waived and cancelled entirely.

**Security/Credit  
Enhancements**

Subject to the terms of the ALC Notes,

- (1) Prior to the Transfer Completion Date,
  - (a) the ALC Notes shall benefit from the following credit enhancements:
    - (i) a first ranking security to be granted by the Note SPV over the Collection Account;
    - (ii) a security assignment in respect of all of the Note SPV’s rights, title, interest and benefits under the Company ALC Deed of Undertaking in relation to the Company’s economic interest and management rights in the ALC Project Company (the “**Company ALC DOU Assignment**”);

- (iii) a security assignment in respect of all of the Company's rights, title, interest and benefits under the Project Management Agreement (including the Company's entitlement to receive Project Management Fee) (the "**PMA Assignment**", together with the Company ALC DOU Assignment, the "**Security Assignments**")), provided that the rights under the Project Management Agreement shall not be sold, transferred or assigned to any third party (including by way of exercise of any power of sale or otherwise) to the extent such sale, transfer or assignment would prejudice any of the Company's rights under the Project Management Agreement (subject to the suspension of payment set out under clause (4) in the section entitled "Project Management Fee") in relation to any Project Management Fee and other payments, distributions, fees and benefits (the "**PMA Payments**") that are otherwise payable to, accrue to, or arise for the benefit of, the Company whether before, upon or after the occurrence of an event of default including but not limited to after the relevant event of default has ceased to be continuing (including without limitation any future PMA Payments that have not yet been paid, accrued or would arise after the relevant event of default has ceased to be continuing). For the avoidance of doubt, subject to the Company's rights in respect of any Distribution Shortfall set out under the section entitled "Application of Funds in Collection Account", during the continuance of an event of default under the ALC Notes, the Security Agent shall be entitled to receive, collect, recover and apply any PMA Payment paid to the Company or any of its related party under or in respect of the Project Management Agreement during the continuation of such event of default); and
- (iv) negative pledge and non-disposal undertakings in respect of the Shareholder Loans and the ALC Shares to be provided by the Company in the Company ALC Deed of Undertaking.

- (2) On and after the Transfer Completion Date, the ALC Notes shall benefit from (i) a first ranking security over (a) the ALC Shares, (b) the Shareholder Loans and (c) the Collection Account to be granted by the Note SPV; and (ii) the Security Assignments (collectively, the “**ALC Security**”).

**Limited Guarantee  
from [REDACTED]  
Offshore Holdco**

[REDACTED] (the “**ALC Notes Guarantors**”) shall provide limited joint and several guarantee (the “**Limited Guarantee**”) for the benefit of the holders of the ALC Notes in an amount equal to the lower of (1) the outstanding principal amount of the ALC Notes on the Limited Guarantee Trigger Date less US\$50 million and (2) US\$15 million (the “**Limited Guarantee Amount**”), which shall be effective on the RED and shall be automatically terminated and released upon the deposit of the Limited Guarantee Escrow Amount into the escrow account described below (the “**Limited Guarantee Termination**”).

In the event that the outstanding principal amount of the ALC Notes exceeds US\$50 million on the Limited Guarantee Trigger Date, the Limited Guarantee Amount shall become payable by the ALC Notes Guarantors upon demand by the Trustee on or after the Limited Guarantee Trigger Date, *provided* that there shall be a standstill period of three (3) months after the Limited Guarantee Trigger Date, during which the Trustee shall not make any demand or take any enforcement actions against the ALC Notes Guarantors (subject to certain carve-outs for insolvency events or material defaults to be agreed with the Majority Ad Hoc Group).

The Company and the ALC Notes Guarantors shall have an option to deposit an amount equal to US\$15 million (the “**Limited Guarantee Escrow Amount**”) into an escrow account (“**Limited Guarantee Escrow Account**”) managed by Global Loan Agency Services (“GLAS”) or the trustee of the ALC Note (if such trustee is not GLAS), which shall automatically be applied by such escrow agent towards repayment of the outstanding principal amount of the ALC Notes upon the event that the outstanding principal amount of the ALC Notes exceeds US\$50 million on the Limited Guarantee Trigger Date, in an amount up to the Limited Guarantee Amount. Any Limited Guarantee Escrow Amount not required to be applied pursuant to the immediately preceding sentence above shall be released from the Limited Guarantee Escrow Account and remitted back to, at the election of the Company, the respective ALC Notes Guarantors or any person designated by the Company as soon as reasonably practicable after the Limited Guarantee Trigger Date. All escrow documentation relating to the Limited Guarantee Escrow Account (the “**Limited Guarantee Escrow Documents**”) shall be in Agreed Form with the Majority Ad Hoc Group as Major Restructuring Document(s).

Each of the Company and the ALC Notes Guarantors (for so long as the Limited Guarantee is in effect) shall undertake to procure that, at all times during which the outstanding principal amount of the ALC Notes exceeds US\$50 million, the Company and the ALC Notes Guarantors shall not, directly or indirectly through its subsidiaries:

- (1) sell, transfer or dispose of any [REDACTED] Assets (each a “**[REDACTED] Asset Sale**”), unless (a) such [REDACTED] Asset Sale is conducted on arm’s length basis and no less than fair market value (subject to certain exceptions to be agreed with the Majority Ad Hoc Group in the Restructuring Documents) and (b) all of the proceeds received by the Group from such [REDACTED] Asset Sale (net of transaction fees and expenses incurred directly in connection with such [REDACTED] Asset Sale, without double counting, the “**[REDACTED] Asset Sale Expenses**”), up to the amount of the Limited Guarantee Escrow Amount, shall consist of cash and is (x) applied towards prepayment of the ALC Notes or (y) deposited into the Limited Guarantee Escrow Account, until the Limited Guarantee is fully released pursuant to the above;

(2) (i) permit any ALC Notes Guarantor or (ii) permit ██████████ the project companies owning the ██████████ Projects to incur, assume or guarantee any indebtedness other than those outstanding as of the date of the RSA and indebtedness incurred for the development, construction or operations of ██████████ Projects, *provided* that with respect to (ii), the Company and the ALC Notes Guarantors shall only be obligated to use commercially reasonable endeavours (which include exercising any and all shareholder powers and voting rights and directing any of its nominee directors or officers accordingly); and

(3) (i) permit any lien, security or other encumbrance on any shares of the ALC Notes Guarantors or (ii) permit ██████████ the project companies owning the ██████████ Projects to grant any lien, security or other encumbrance on any ██████████ Assets, other than those existing as of the date of the RSA and those in respect of the indebtedness incurred for the development, construction or operations of ██████████ Projects, *provided* that with respect to (ii), the Company and the ALC Notes Guarantors shall only be obligated to use commercially reasonable endeavours (which include exercising any and all shareholder powers and voting rights and directing any of its nominee directors or officers accordingly),

((1) to (3) the above are, collectively, the “██████████ Undertakings”).

The Company and each ALC Notes Guarantor shall deliver to the Trustee, within 60 calendar days after the end of each fiscal year, an officer certificate (the “**██████████ Officer’s Certificate**”) confirming compliance with the **██████████ Undertakings** (or, if applicable, specifying any breach thereof) and certifying the following information: (1) a schedule detailing the Company’s direct or indirect interest in the **██████████ Assets** as at the end of such year; (2) details of any **██████████ Asset Sale** completed during such year, including consideration received, a breakdown of the **██████████ Asset Sale Expenses** and application of the net proceeds; and (3) details of any indebtedness incurred by the **██████████ Assets**, or any lien over any **██████████ Assets**. The form of such **██████████ Officer’s Certificate** shall be in Agreed Form with the Majority Ad Hoc Group as Major Restructuring Document(s).

“**██████████ Assets**” means all direct or indirect right, title and interest of (a) the Company in the equity interest of the ALC Notes Guarantors; and (b) the ALC Notes Guarantors in the equity interest of the project companies owning the **██████████ Projects**.

“**██████████ Projects**” means the property development projects located in **██████████**  
**██████████**  
**██████████**.

“**Limited Guarantee Trigger Date**” means the earliest to occur of:

- (a) the Final Maturity Date; and
- (b) the occurrence of an event of default under the ALC Notes.

**Covenants**

The ALC Notes shall contain the following covenants with exceptions and carve-outs to be agreed with the Majority Ad Hoc Group:

- (1) *Limitation on indebtedness:* The Note SPV shall not incur any indebtedness (including refinancing indebtedness) other than the ALC Notes and the ALC Senior Notes. For the avoidance of doubt, the capacity to incur indebtedness under the ALC Notes and the ALC Senior Notes shall be permanently reduced by the amount of any principal repayments made thereunder, and any amounts so repaid or prepaid may not be re-borrowed, re-drawn or otherwise re-incurred.
- (2) *Limitation on liens:* The Note SPV shall not grant additional liens, security or other form of encumbrance, other than the granting of additional liens or security securing the ALC Notes and/or the ALC Senior Notes Tranche 1;
- (3) *No reinvestment basket:* All cash at the Note SPV level shall be used to repay the ALC Notes and ALC Senior Notes only (except for any cash payments from the Collection Account (1) contemplated or permitted under the terms of the ALC Notes or ALC Senior Notes (including without limitation the Project Management Fee, as described in the section entitled “**Project Management Fee**” below); and (2) administrative and operating expense properly incurred by the Note SPV in respect of the orphan SPV structures or in connection with the Note SPV’s business activities permitted under the terms of the ALC Notes and the ALC Senior Notes.
- (4) *Information undertakings:* The Company shall, to the extent available to it, deliver to the Note SPV, promptly after the JV Co delivers the same to the facility agent of a senior project level facility in respect of the ALC Project made available to the ALC Project Company (as amended, supplemented, refinanced or restructured from time to time, the “**ALC Senior Facility**”), (i) the Monthly Sales Report (as defined in the ALC Senior Facility Agreement); (ii) the audited financial statements of the JV Co for each financial year; (iii) the unaudited financial statements of the ALC Project Company for each financial year; and (iv) the financial statements of the JV Co and the ALC Project Company for each financial half-year, *provided* that the Company shall be released and discharged from obligations under this sub-clause (4) starting from the Transfer Completion Date;

- (5) *Limitation on the Note SPV's business:* The Note SPV shall not engage in any business other than acquiring and holding the collateral, issuing ALC Senior Notes and ALC Notes, entering into documents pursuant to this Term Sheet and exercising its rights and performing its obligations under those documents;
- (6) *Limitation on the composition of the board of the Note SPV:* the Note SPV's sole director on the RED shall be a director nominated by the Majority Ad Hoc Group on or prior to the RED and any subsequent removal or replacement mechanism of director shall be directed by the trustee of the ALC Notes;
- (7) *Limitation on merger:* The Note SPV shall not consolidate or merge with any other person or convey or transfer its properties or assets substantially in their entirety to any person; and
- (8) *Limitation on changes to structure:* The Note SPV shall not have any subsidiaries (other than as contemplated under the ALC Notes Documents and/or the ALC Senior Notes Documents).

**Project Management  
Fee**

On or prior to RED, the Company shall enter into a project management agreement with the Note SPV that is in an Agreed Form with the Majority Ad Hoc Group as a Major Restructuring Document (“**Project Management Agreement**”), which shall contain the following:

- (1) on and following the full redemption, repayment and/or repurchase of the ALC Senior Notes (the “**ALC Senior Notes Redemption Date**”) and prior to the occurrence of any Conversion Event, in respect of any part of the first US\$237 million of cash distribution derived from the free cash flow of the ALC Project on and following the ALC Senior Notes Redemption Date and deposited into the Collection Account (such US\$237 million of cash distribution being, “**First Tranche ALC FCF**”):
  - (i) the Company shall receive a management fee in an amount equal to 26.6% of any First Tranche ALC FCF deposited into the Collection Account (any such amount, a “**First Tranche Management Fee**” and collectively, the “**First Tranche Management Fee**”), which shall be paid to the Company from the Collection Account concurrently with the remaining 73.4% of such First Tranche ALC FCF from the Collection Account being made available for payment to any agent or trustee of the ALC Notes for the redemption of the ALC Notes, which shall be made within three (3) Business Days following the date on which such First Tranche ALC FCF is deposited into the Collection Account. The First Tranche Management Fee is subject to a total cap of US\$63 million (the “**First Tranche Management Fee Cap**”); and

- (ii) subject always to the First Tranche Management Fee Cap, the First Tranche Management Fee paid to the Company shall not exceed US\$21 million for any rolling 12 months, *provided* that (a) any shortfall below US\$21 million shall be reserved for payment of Project Management Fee and carried over and be added to increase the 12-month cap for the subsequent periods; (b) the entire First Tranche Management Fee up to the First Tranche Management Fee Cap shall be fully paid to the Company no later than the occurrence of the Conversion Event, *provided* that the amount of cash distribution derived from the free cash flow of the ALC Project on and following the ALC Senior Notes Redemption Date and deposited into the Collection Account prior to the Conversion Event is at least US\$237 million; and
- (2) following the occurrence of the Conversion Event, in respect of any cash distribution in excess of the First Tranche ALC FCF that is derived from the free cash flow of the ALC Project and deposited in the Collection Account following the occurrence of the Conversion Event (such excess cash distribution being, the “**Second Tranche ALC FCF**”), the Company shall receive an additional management fee equal to 10.0% of any Second Tranche ALC FCF (without any cap) (any such amount, a “**Second Tranche Management Fee**” and collectively, the “**Second Tranche Management Fee**” and together with the First Tranche Management Fee, the “**Project Management Fee**”).
- (3) On and following the Transfer Completion Date, if any amount of the First Tranche ALC FCF or the Second Tranche ALC FCF is not deposited into the Collection Account but otherwise paid by the JV Co to the Note SPV, the Note SPV shall promptly deposit such amount into the Collection Account and in any event no later than three (3) Business Days after receipt of such payment.
- (4) Notwithstanding the foregoing paragraphs, no Project Management Fee shall be paid (but will continue to accrue) to the Company during the period where the Project Management Fee Suspension Event has occurred and is continuing.

“**Project Management Fee Suspension Event**” means the occurrence of any events of default under the ALC Notes.

**Application of Funds  
in Collection  
Account**

Amounts standing to the credit of the Collection Account shall be applied in the following order (the “**Collection Account Waterfall**”):

- (1) *first*, to pay for administrative and operating expense properly incurred by the Note SPV following the RED in respect of the orphan SPV structures or in connection with the Note SPV’s business activities permitted under the terms of the ALC Notes and the ALC Senior Notes (“**Note SPV Expenses**”);
- (2) *second*, to redeem the ALC Senior Notes Tranche 1 at par on a pro rata basis;
- (3) *third*, to redeem the ALC Senior Notes Tranche 2 at par on a pro rata basis;
- (4) *fourth*, to redeem the ALC Notes and to pay for the Project Management Fee in the following manner:
  - (i) prior to the full payment of the First Tranche ALC FCF up to the First Tranche Management Fee Cap, each amount standing to the credit of the Collection Account shall be applied as follows:
    - (a) 73.4% of such amount (or during the continuation of a Project Management Fee Suspension Event, 100% of such amount but subject to carry-forward of any shortfall as described in the Project Management Fee section) shall be applied towards mandatory redemption of the ALC Notes at par on a pro rata basis; and

- (b) 26.6% of such amount shall be applied towards the payment of any First Tranche Management Fee then due and payable to the Company (if any), *provided that* (A) the aggregate First Tranche Management Fee paid shall not exceed the First Tranche Management Fee Cap of US\$63 million and (B) the First Tranche Management Fee paid in any rolling 12-month period shall not exceed US\$21 million (subject to carry-forward of any shortfall as described in the Project Management Fee section);
- (ii) on and following the full payment of the First Tranche ALC FCF up to the First Tranche Management Fee Cap, each amount standing to the credit of the Collection Account shall be applied as follows:
  - (a) 90.0% of such amount (or during the continuation of a Project Management Fee Suspension Event, 100% of such amount) shall be applied towards mandatory redemption of the ALC Notes at par on a pro rata basis; and
  - (b) 10.0% of such amount shall be applied towards the payment of any Second Tranche Management Fee due and payable to the Company (if any).

*provided that* if, during the continuation of a Project Management Fee Suspension Event or a Subordination Trigger Event, any amount that should have been applied towards (x) the redemption of the ALC Senior Notes Tranche 2 or (y) the payment of Project Management Fee is not applied in accordance with the order set out above (any such amount not so applied, a “**Distribution Shortfall**”):

- (i) any Distribution Shortfall in respect of the ALC Senior Notes Tranche 2 shall be paid immediately upon each of the following having occurred (A) the Subordination Trigger Event ceases to be continuing, (B) all then unpaid Note SPV Expenses have been fully paid and (C) the ALC Senior Notes Tranche 1 have been fully redeemed; and

- (ii) any Distribution Shortfall in respect of the Project Management Fee shall be paid in such manner and order as agreed between the Company and the Majority Ad Hoc Group and set out in the Major Restructuring Documents.

The Note SPV shall, within 60 calendar days after the end of each quarter, provide the following information to the Company: (i) the total amount being deposited into the Collection Account during such quarter, (ii) the starting and ending balance of the Collection Account during such quarter and (iii) the application of amount from the Collection Account pursuant to the order above during such quarter.

**Corporate Governance** The Company (before the Transfer Completion Date) and the Note SPV (on and after the Transfer Completion Date) shall each take all necessary actions to procure the appointment of a qualified candidate nominated by the Majority Ad Hoc Group (the “**Note Nominee**”) to the board of directors of the JV Co on or prior to the RED.

So long as the ALC Senior Notes Tranche 1 and the ALC Notes remain outstanding, the Company (before the Transfer Completion Date) and the Note SPV (after the Transfer Completion Date) shall each take all necessary actions to procure that the Note Nominee remain as director of the JV Co following its appointment. The Note Nominee may be removed and replaced with the instruction of the Instructing Group (as defined below).

The Company shall procure that the director nominated by the Company to the board of directors of the JV Co (the “**Company Nominee**”) shall vote as directed (in compliance with his/her fiduciary duties) by the Note Nominee, *provided* that with respect to any matter that is set out in Annex C (such matters being the “**Company Reserved Matters**”), neither the Note Nominee nor the Company Nominee may vote in favour of any Company Reserved Matters unless there is a mutual agreement between the Note Nominee and the Company Nominee to vote in favour, *provided* further that, upon the occurrence of an event of default under the ALC Notes or the ALC Senior Notes Tranche 1 which is continuing, the Note Nominee and (on and after the Transfer Completion Date) the Note SPV may vote in favour of any Company Reserved Matter which is presented for the board of directors’ or shareholders’ approval, as the case may be, in each case, without the Company Nominee’s consent.

The above undertakings by the Company (collectively, the “**ALC Governance Undertakings**”) shall be included in the Company ALC Deed of Undertaking.

On or prior to the RED, the Company Nominee shall deliver to the Note SPV signed but undated letter(s) of resignation from each of his/her positions as director of the JV Co and each of its subsidiaries (each, a “**Director Resignation Letter**” and collectively, the “**Director Resignation Letters**”).

On or prior to the RED, the Company shall deliver to the Note SPV signed but undated written notices of appointment (with the name of replacement director(s) left blanked) to appoint replacement director(s) nominated by the Instructing Group at the JV Co and each of its subsidiaries (each, a “**Director Appointment Notice**” and collectively, the “**Director Appointment Notices**”).

The Company and the Company Nominee shall each grant to the Note SPV an irrevocable power of attorney (the “**POAs**”), which shall become effective upon the occurrence of an event of default under the ALC Notes or the ALC Senior Notes Tranche 1, in favour of the Note SPV to: (i) date and release the Director Resignation Letters and/or Director Appointment Notices (as applicable); (ii) exercise all of the Company’s rights under the JV Co SHA and the memorandum and articles of association of the JV Co or the equivalent shareholders agreement or charter documents of any of the JV Co’s subsidiaries (including to appoint, remove and/or replace any director appointed by the Company at the JV Co or any of its subsidiaries) (collectively, the “**Shareholder Rights**”); and (iii) take any and all actions necessary to effect the removal, replacement or appointment of directors at the JV Co and each of its subsidiaries on behalf of the Company and the Company Nominee, in each case, which shall be exercisable for so long as an event of default under the ALC Notes or the ALC Senior Notes Tranche 1 has occurred and is continuing, *provided* that, the Note SPV shall not exercise any of the Company’s Shareholders Rights in respect of the ALC Project Company, including any right to remove or replace any of the Company’s nominee directors at the ALC Project Company, without giving the Company 20 days prior notice (which may be by email). For the avoidance of doubt, once the event of default ceases to be continuing, the POAs shall cease to continue to be effective.

The Director Resignation Letters, the Director Appointment Notices and the POAs shall collectively form part of the “**ALC Governance Enforcement Documents**” to be delivered to the Note SPV as a condition precedent to the RED.

On and after the Transfer Completion Date, and so long as no event of default under the ALC Notes or the ALC Senior Notes Tranche 1 has occurred and is continuing, the Note SPV shall take all necessary actions to procure that the Company Nominee and any other director nominated by the Company shall be and remain a director of the JV Co and each of its subsidiaries and the Company Nominee and such other director nominated by the Company shall not be removed or replaced without the Company’s instruction and consent.

**“Instructing Group”** means the holders of at least 25% of the outstanding principal amount of (i) prior to the full repayment of the ALC Senior Notes Tranche 1, the ALC Senior Notes Tranche 1, and (ii) on and after the full repayment of the ALC Senior Notes Tranche 1, the ALC Notes (in each case, for the avoidance of doubt, excluding the ALC Senior Notes Tranche 2, which shall not form part of the denominator for any Instructing Group calculation). In the event of conflicting instructions from holders within a single tranche, instructions from holders of more than 50% of the outstanding principal amount of such tranche shall prevail.

**ALC Note Trustee** One or more administrative parties selected by the Company from a whitelist to be agreed between the Company and the Majority Ad Hoc Group.

**Security Trustee** One or more administrative parties selected by the Company from a whitelist to be agreed between the Company and the Majority Ad Hoc Group.

**Amendments with Consent of the Holders** The amendment provision under the ALC Notes is to be agreed between the Company and the Majority Ad Hoc Group in the long-form documentation, but any amendments, modifications or waivers relating to key economic terms in respect of the ALC Notes shall only be made or take effect if approved by holders of at least 75% of the outstanding principal amount of the ALC Notes, *provided* that the Project Management Agreement and the Company ALC Deed of Undertaking cannot be amended, modified or waived without the Company’s consent in writing.

**Events of Default**

- (i) any breach by the Company of its obligations under the Company ALC Deed of Undertaking and such breach continues for a period of 15 consecutive days
- (ii) any failure by the Company Nominee to comply with the ALC Governance Undertakings and such breach continues for a period of 15 consecutive days
- (iii) any failure by the Company to maintain the escrow in accordance with the ALC Transfer Escrow Documents
- (iv) any involuntary liquidation of the JV Co or the ALC Project Company upon a final and effective winding-up order by a competent court

- (v) the appointment of a liquidator for a voluntary liquidation of the JV Co and the ALC Project Company
- (vi) in respect of the Company ALC Deed of Undertaking, Irrevocable Instruction, Security Assignment in respect of the Project Management Agreement, ALC Transfer Escrow Documents or the Limited Guarantee Escrow Documents, the Company denies or disaffirms its obligations thereunder, or such document being found invalid, unenforceable, or ceasing to be in full force and effect unless in accordance with the terms thereunder
- (vii) any ALC Notes Guarantor denies or disaffirms its obligations under the Limited Guarantee
- (viii) any breaches of ██████████ Undertakings, including failure to deliver the annual ██████████ Officer's Certificate within 60 calendar days after fiscal year-end and such breach continues for a period of 15 consecutive days, provided that any such breaches shall be deemed to be remedied and cease to be continuing upon the Company or any ALC Notes Guarantor depositing the Limited Guarantee Escrow Amount into the Limited Guarantee Escrow Account as provided under "Limited Guarantee from ██████████ Offshore Holdco"
- (ix) Failure by the ALC Notes Guarantors to pay the Limited Guarantee Amount upon demand after expiry of the standstill period
- (x) any involuntary liquidation of the ALC Notes Guarantors upon a final and effective winding-up order by a competent court, provided that such event shall cease to be continuing upon the Company or any ALC Notes Guarantor depositing the Limited Guarantee Escrow Amount into the Limited Guarantee Escrow Account as provided under "Limited Guarantee from ██████████ Offshore Holdco"
- (xi) the appointment of a liquidator for a voluntary liquidation of the ALC Notes Guarantors, provided that such event shall cease to be continuing upon the Company or any ALC Notes Guarantor depositing the Limited Guarantee Escrow Amount into the Limited Guarantee Escrow Account as provided under "Limited Guarantee from ██████████ Offshore Holdco"

<b>Transfer Restrictions</b>	The ALC Notes 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 (“ <b>Regulation S</b> ”)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
<b>Form, Denomination and Registration</b>	The ALC Notes will be issued only in fully registered form and will be initially represented by one or more global certificates (including Regulation S global certificate, Rule 144A global certificate and IAI global certificate, to the extent applicable). The minimum denomination of the ALC Notes will be US\$1 and integral multiples of US\$1 in excess thereof.
<b>Governing law</b>	The ALC Notes and the trust deed governing the ALC Notes will be governed by and will be construed in accordance with the laws of Hong Kong.

## TERMS OF THE ALC SENIOR NOTES

*Capitalised terms used but not defined below will be defined in the indenture governing the ALC Senior Notes (the “ALC Senior Notes Indenture”).*

<b>Issuer</b>	Note SPV
<b>Original Issue Date</b>	The RED
<b>Original Issue Amount</b>	The ALC Senior Notes will be issued in two tranches, the first tranche of which will be issued for payment of the Early Consent Fee, the Base Consent Fee and the AHG Work Fee payable in notes in an aggregate principal amount equal to the sum of these fees (the “ <b>ALC Senior Notes Tranche 1</b> ”) and the second tranche of which will be issued to the Company in a principal amount of US\$50 million (the “ <b>ALC Senior Notes Tranche 2</b> ”, and together with the ALC Senior Notes Tranche 1, the “ <b>ALC Senior Notes</b> ”).
<b>Ranking of ALC Senior Notes</b>	<p>(1) Subject to (2) below, the ALC Senior Notes Tranche 2 shall rank behind ALC Senior Notes Tranche 1 in right of payment and rank senior to the ALC Notes; and</p> <p>(2) During the period that the Subordination Trigger Event has occurred and is continuing, the ALC Senior Notes Tranche 2 shall rank behind the ALC Senior Notes Tranche 1 and the ALC Notes in right of payment, distribution and/or recovery.</p> <p>“<b>Subordination Trigger Event</b>” means the occurrence of an event of default under the ALC Notes or the ALC Senior Notes Tranche 1.</p>
<b>Tenor</b>	6 years from the RED.
<b>Interest</b>	Nil
<b>Structure</b>	Please refer to the section titled “Structure” in the Terms of the ALC Notes above.
<b>Security/Credit Enhancements</b>	<p>The ALC Senior Notes Tranche 1 shall share the same security/credit enhancement package as the ALC Notes on a <i>pari passu</i> basis.</p> <p>The ALC Senior Notes Tranche 2 shall share the same security/credit enhancement package as the ALC Notes on a <i>pari passu</i> basis, except for the PMA Assignment.</p>

Please refer to the section titled “Security/Credit Enhancement” in the Terms of the ALC Notes above.

**Mandatory  
Redemption of ALC  
Senior Notes  
Tranche 1**

[REDACTED]

In the event that the Company receives any cash proceeds from the ALC Senior Facility Refinancing contemplated as of the date of the RSA (such proceeds being, the “**Excess ALC Refinancing Proceeds**”):

- (1) if such Excess ALC Refinancing Proceeds are received prior to RED, the Company shall apply such amounts towards payment of the AHG Work Fees in cash on RED in accordance with the terms of the AHG Work Fee Letter, and the original issue amount of ALC Senior Notes Tranche 1 shall be reduced by an equivalent amount; and
- (2) if such Excess ALC Refinancing Proceeds are received on or after the RED, the Company shall promptly deposit such amounts into the Collection Account, and in any event within five (5) Business Days of receipt.

Any MCBs that are to be issued under Option 1 and Option 2 but remain unclaimed following the termination of the holding period trust pursuant to the Scheme shall be sold, and any net cash proceeds of the sale (after deducting all fees and expenses reasonably incurred directly in connection with the sale of such MCBs or (if first converted) Shares) shall be applied towards mandatory redemption of the ALC Senior Notes Tranche 1 at par on a pro rata basis, with details to be agreed with the Majority Ad Hoc Group and set out in the long-form documentation.

**Company's  
Undertaking as a  
Holder**

For so long as any ALC Senior Notes Tranche 1 or ALC Notes are outstanding, the Company, in its capacity as a holder of the ALC Senior Notes Tranche 2, undertakes (i) not to initiate or participate in any vote to amend, modify or waive the terms of the ALC Senior Notes Tranche 2, *provided* that the trust deed, note certificates and agency agreement in respect of the ALC Senior Notes Tranche 2 cannot be amended, modified or waived without the consent of holders holding certain amount of ALC Senior Notes Tranche 2 to be agreed between the Company and the Majority Ad Hoc Group in the Major Restructuring Documents, or the Project Management Agreement cannot be amended, modified or waived without the Company's explicit consent in writing; and (ii) not to instruct the trustee of the ALC Senior Notes Tranche 2 or the Security Trustee to take any enforcement action or file any winding-up petition against the Note SPV following the occurrence of an event of default under the ALC Senior Notes Tranche 2.

**Intercreditor  
Arrangement**

The ALC Senior Notes Tranche 2 shall be excluded from, and shall have no impact on, any voting, consent, direction or instruction in respect of any amendments, modifications, waivers, consents, enforcement actions or other exercises of remedies in respect of the ALC Senior Notes Tranche 1, the ALC Notes and/or any common collateral (including, without limitation, under any intercreditor agreement), and for such purposes the ALC Senior Notes Tranche 2 shall be disregarded and treated as not outstanding when calculating any requisite majority, threshold or quorum, *provided* that (i) the Project Management Agreement and the Company ALC Deed of Undertaking cannot be amended, modified or waived without the Company's explicit consent in writing; and (ii) the trust deed, note certificates and agency agreement in respect of the ALC Senior Notes Tranche 2 and any provision related to ranking and distribution waterfall in any intercreditor agreement cannot be amended, modified or waived without the consent of holders holding certain amount of ALC Senior Notes Tranche 2 to be agreed between the Company and the Majority Ad Hoc Group in the Major Restructuring Documents.

**Application of Funds  
in Collection  
Account**

Same as the ALC Notes. Please refer to the section titled "Application of Funds in Collection Account" in the Terms of the ALC Notes above.

**Covenants**

Same as the ALC Notes. Please refer to the section titled "Covenants" in the Terms of the ALC Notes above.

**Corporate Governance** Same as the ALC Notes. Please refer to the section titled “Corporate Governance” in the Terms of the ALC Notes above.

**ALC Senior Note Trustee** One or more administrative parties selected by the Company from a whitelist to be agreed between the Company and the Majority Ad Hoc Group.

**Security Trustee** Same as the ALC Notes.

**Amendments with Consent of the Holders** The amendment provision under the ALC Senior Notes is to be agreed between the Company and the Majority Ad Hoc Group in the long-form documentation, but any amendments, modifications or waivers relating to key economic terms in respect of each tranche of the ALC Senior Notes shall only be made or take effect if approved by holders of at least 75% of the outstanding principal amount of the relevant tranche of the ALC Senior Notes, *provided* that (i) the Project Management Agreement and the Company ALC Deed of Undertaking cannot be amended, modified or waived without the Company’s explicit consent in writing; and (ii) the trust deed, note certificates and agency agreement in respect of the ALC Senior Notes Tranche 2 cannot be amended, modified or waived without the consent of holders holding certain amount of ALC Senior Notes Tranche 2 to be agreed between the Company and the Majority Ad Hoc Group in the Major Restructuring Documents.

For the avoidance of doubt, no approval or consent from the holders of any other tranche of the ALC Senior Notes shall be required in respect of any amendment, modification or waiver relating solely to a particular tranche.

**Events of Default** With respect to ALC Senior Notes Tranche 1:

- (a) Non-payment of any amounts due under the ALC Senior Notes Tranche 1 on maturity date except for any non-payment resulting from the Note SPV fails to apply funds in the Collection Account for the repayment or redemption of the ALC Senior Notes Tranche 1 in accordance with the Collection Account Waterfall
- (b) Any breach by the Company of its obligations under the Company ALC Deed of Undertaking and such breach continues for a period of 15 consecutive days

- (c) Any failure by the Company Nominee to comply with the ALC Governance Undertakings and such breach continues for a period of 15 consecutive days
- (d) Any failure by the Company to maintain the escrow in accordance with the ALC Transfer Escrow Documents
- (e) Any involuntary liquidation of the JV Co or the ALC Project Company upon a final and effective winding-up order by a competent court
- (f) The appointment of a liquidator for a voluntary liquidation of the JV Co and the ALC Project Company
- (g) In respect of the Company ALC Deed of Undertaking, Irrevocable Instruction, Security Assignment in respect of the Project Management Agreement, ALC Transfer Escrow Documents or the Limited Guarantee Escrow Documents, the Company denies or disaffirms its obligations thereunder, or such document being found invalid, unenforceable, or ceasing to be in full force and effect unless in accordance with the terms thereunder
- (h) Failure by the Company to deposit Excess ALC Refinancing Proceeds into the Collection Account within 5 Business Days of receipt.

Events of Default under ALC Senior Notes Tranche 2 will be set out in the long form documentation.

**Transfer Restrictions**

The ALC Senior Notes will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or any securities law of any state or other jurisdiction of the United States, and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act (“**Regulation S**”)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

**Form, Denomination and Registration**

The ALC Senior Notes will be issued only in fully registered form and will be initially represented by one or more global certificates (including Regulation S global certificate, Rule 144A global certificate and IAI global certificate, to the extent applicable). The minimum denomination of the ALC Senior Notes will be US\$1 and integral multiples of US\$1 in excess thereof.

**Governing law**

The ALC Senior Notes and the trust deeds governing each of the ALC Senior Notes Tranche 1 and the ALC Senior Notes Tranche 2 (collectively, the “**ALC Senior Notes Trust Deeds**”) will be governed by and will be construed in accordance with the laws of Hong Kong.

## TERMS OF THE MANDATORY CONVERTIBLE BONDS

<b>Issuer</b>	The Company
<b>Original Issue Date</b>	The RED
<b>Securities</b>	The MCBs are convertible into Shares of the Company.
<b>Original Issue Amount</b>	<p>The aggregate principal amount of the following:</p> <ol style="list-style-type: none"><li>(1) an aggregate principal amount equal to 20.0% of the Scheme Creditors' Principal Amount elected and allocated to Option 1 (subject to the Option 1 Reallocation Mechanism); and</li><li>(2) an aggregate principal amount equal to 100% of the Scheme Creditors' Principal Amount elected and/or allocated to Option 2 (including those reallocated to Option 2 pursuant to the Option 1 Reallocation Mechanism).</li></ol>
<b>Tenor</b>	2 years from the RED or such other term as may be agreed between the Company and Majority Ad Hoc Group.
<b>Interest</b>	Nil
<b>MCBs Conversion Price</b>	The MCBs Conversion Price shall be HK\$1.55 per Share, subject to adjustments as set forth below.
<b>Adjustments to MCBs Conversion Price</b>	The MCBs Conversion Price may be adjusted in certain circumstances to be agreed between the Company and the Majority Ad Hoc Group and specified in the Restructuring Documents.
<b>Voluntary Conversion and Mandatory Conversion</b>	<p><b>Voluntary Conversion:</b></p> <p>The MCBs may be voluntarily converted by any holder of MCBs into Shares by delivering a conversion notice to convert all or part of the MCBs held by such holder.</p>

### **Mandatory Conversion:**

Any outstanding MCBs (where not voluntarily converted) shall be mandatorily converted into Shares on the maturity date of the MCBs, *provided* that none of the mandatory conversion suspension events (the “**Mandatory Conversion Suspension Events**”) has occurred and is continuing. Such Mandatory Conversion Suspension Events shall be agreed between the Company and the Majority Ad Hoc Group in the Major Restructuring Documents.

Mandatory Conversion shall resume when the Mandatory Conversion Suspension Events cease to exist or continue.

**Fixed Exchange Rate** On any conversion into the Shares, US\$1 in principal amount of the MCBs shall be translated at a fixed rate of 7.8 Hong Kong dollars.

**Events of Default** To be agreed between the Company and the Majority Ad Hoc Group and specified in the Restructuring Documents.

**Shareholding  
Structure Stability  
Arrangement** In order to maintain a stable shareholding structure, the terms of the Restructuring Documents shall require Scheme Creditors to direct that, for every US\$100 in principal amount of MCBs attributable to the Scheme Creditors (under both Option 1 and Option 2 Entitlements), US\$27 out of those MCBs will instead be issued to the Chairman or his designee(s) (the “**Designee(s)**”), rather than to the Scheme Creditors who would have otherwise been entitled to receive such MCBs under the provisions of the section entitled “Restructuring Consideration” above.

The Chairman and/or his Designee(s) shall not sell or otherwise dispose of any MCBs or Shares converted from the MCBs so issued, in each case, until the trading day immediately following the earlier of the occurrence of the following:

- (1) the first 30 trading day period during which the trading price of the Shares of the Company exceeds HK\$2.12 per share for 10 of the 30 trading days during such period; and
- (2) 42 months from the RED.

The Chairman shall execute a deed of undertaking in favour of the MCB Trustee in form and substance reasonably satisfactory to the Majority Ad Hoc Group to undertake to comply with the above restrictions on the disposal of the Chairman's MCBs and Shares converted from the MCBs (the "**Chairman's DOU**").

**Form, Denomination  
and Registration**

The MCBs will be issued only in fully registered form and will be initially represented by one or more global certificates (including Regulation S global certificate, Rule 144A global certificate and IAI global certificate, to the extent applicable).

The minimum denomination will be US\$1 and integral multiples of US\$1 in excess thereof.

**Transfer Restrictions**

The MCBs 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.

**Amendments with  
Consent of the  
Holders**

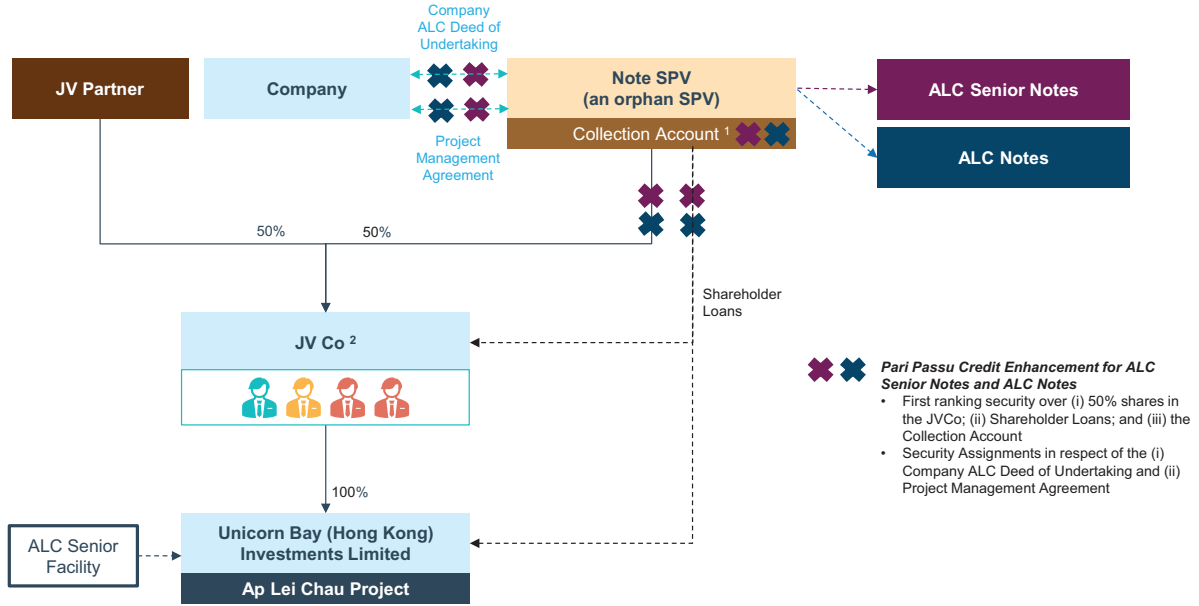
The amendment provision under the MCBs is to be agreed between the Company and the Majority Ad Hoc Group in the long-form documentation, but any amendments, modifications or waivers relating to key economic terms in respect of the MCBs shall only be made or take effect if:

- (1) approved by at least 67% by value of the votes cast at a validly convened meeting of holders of the MCBs which is attended by two or more holders representing no less than 75% of the outstanding principal amount of the MCBs at the time or (if such meeting is adjourned for lack of quorum) at any adjourned meeting, which is attended by two or more holders representing no less than 50% of the outstanding principal amount of the MCBs at the time; or
- (2) approved, by way of a written resolution or electronic consents, signed or otherwise approved by holders of the MCBs representing no less than 67% of the outstanding principal amount of the MCBs.

<b>CSRC Filing</b>	The Company will: (i) within three (3) Business Days from the RED, submit the post-issuance filing and (ii) comply with any other post-issuance obligations, in each case, as required by the China Securities Regulatory Commission (“CSRC”), including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) published by CSRC on 17 February 2023, coming into effective on 31 March 2023.
<b>MCB Trustee</b>	One or more administrative parties selected from a whitelist to be agreed between the Company and the Majority Ad Hoc Group in the long-form documentation.
<b>Governing Law</b>	The MCBs and the trust deed governing the MCBs will be governed by and will be construed in accordance with the laws of Hong Kong.

# Annex A

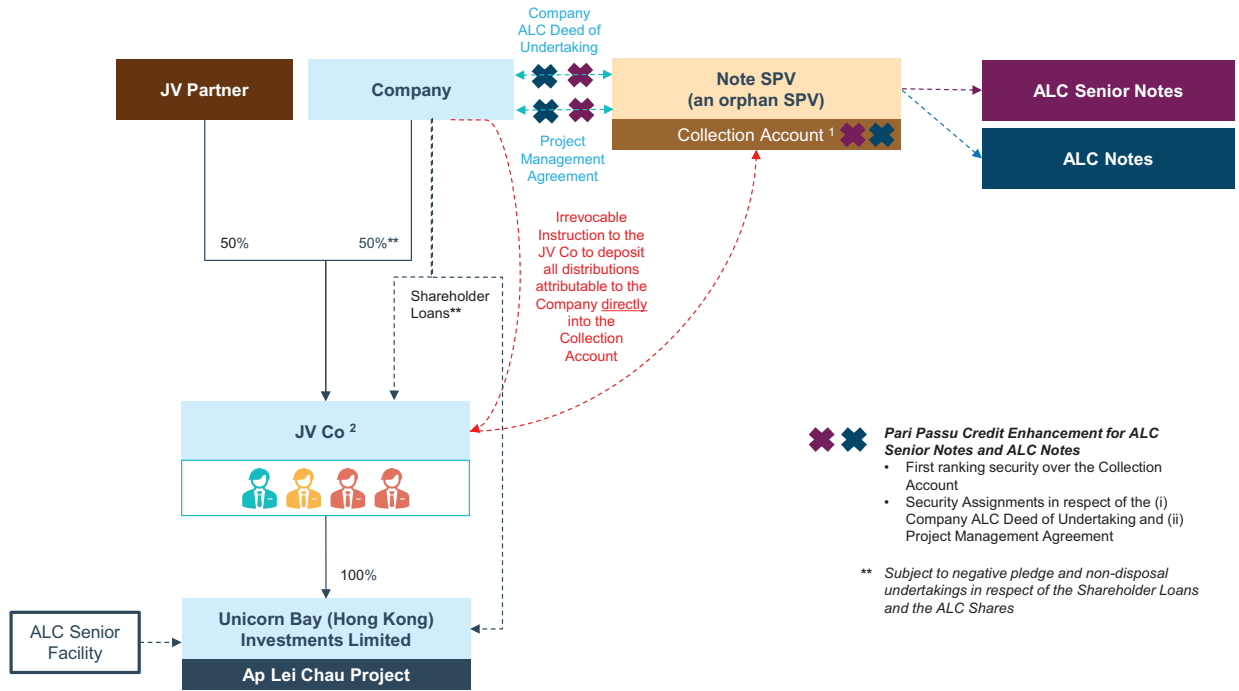
## Annex A Target Structure



<sup>1</sup> – See “Terms of the ALC Notes – Application of Funds in Collection Account” and “Terms of the ALC Senior Notes – Application of Funds in Collection Account” for a description of the payment waterfall for payments to be made from the Collection Account.  
<sup>2</sup> – JV Co’s board of directors currently consist of four directors. See “Terms of the ALC Notes – Corporate Governance” and “Terms of the ALC Senior Notes – Corporate Governance” in respect of certain director nomination and corporate governance matters.

# Annex B

## Annex B Interim Measures



1 – See "Terms of the ALC Notes – Application of Funds in Collection Account" and "Terms of the ALC Senior Notes – Application of Funds in Collection Account" for a description of the payment waterfall for payments to be made from the Collection Account.  
 2 – JV Co's board of directors currently consist of four directors. See "Terms of the ALC Notes – Corporate Governance" and "Terms of the ALC Senior Notes – Corporate Governance" in respect of certain director nomination and corporate governance matters.

Annex C

Company Reserved Matters

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