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SHANDONG SANXING GROUP COMPANY LTD.

山東三星集團有限公司

SECOND AMENDMENT TO THE TERMS OF THE RESTRUCTURING SUPPORT AGREEMENT AND INSTRUCTION FEE DEADLINE WITH RESPECT TO THE 7.99% SENIOR NOTES DUE 2021 (THE “NOTES”)

Reference is made to the announcements of the Company dated December 2, 2020, December 17, 2020, December 23, 2020, December 31, 2020 and January 11, 2021 (the “Announcements”) in relation to the Scheme with respect to the Notes as described therein.

Restructuring Support Agreement

All capitalized terms used herein but not otherwise defined, have the meaning assigned to them in the restructuring support agreement dated December 2, 2020 (as amended and supplemented from time to time, the “RSA”).

Instruction Fee Deadline Extension

Pursuant to clause 9.3(b) of the RSA, the Issuer hereby notifies you of an Instruction Fee Deadline Extension. The Instruction Fee Deadline has been extended to 4:00 p.m. London time on February 19, 2021.

Amendments in Favor of the Holders

The Issuer has made substantial improvements to the terms of the proposed Restructuring (including the terms of the New Notes) pursuant to clause 9.2 of the RSA, which permits the Issuer to waive or modify the terms of the RSA in any manner that is not materially adverse to the interest of the Consenting Creditors. The Issuer hereby notifies each holder of amendments to the RSA and the Term Sheet, including amendments to the terms of the New Notes, and encourages each holder who has not acceded to the RSA to carefully review the amended terms and, if they are acceptable, to submit a duly executed Accession Deed to the RSA prior to the extended Instruction Fee Deadline.

For convenience, we attach to this announcement, a comparison reflecting the changes to the Term Sheet contained in Schedule 4 to the RSA.

More Information

The above is a summary only of the principal terms of the RSA made available to noteholders, and should be read in conjunction with, and is qualified in its entirety by references to the RSA, as amended and restated.

For a copy of the RSA as amended and restated on February 8, 2021, please visit the transaction website (<https://sites.dfkingltd.com/sanxing>).

By order of the Board
Shandong Sanxing Group Company Ltd.
Wang Mingfeng
Director

Hong Kong, February 8, 2021

As at the date of this announcement, the directors of the Company are Mr. Wang Mingfeng, Mr. Wang Mingxing and Mr. Wang Mingliang.

KNIGHT CASTLE INVESTMENTS LIMITED

Restructuring Term Sheet

(Subject to Contract)

This draft term sheet is not intended to be a comprehensive list of all relevant terms and conditions of the Restructuring or any other transaction in relation to the Existing Notes (as defined below). This draft term sheet is not binding and the transactions contemplated by this draft term sheet are subject to, amongst other things, the execution of definitive documentation by the parties. All capitalized terms and expressions not otherwise defined herein shall have the meaning assigned to them in the Restructuring Support Agreement, which is also referred to as the "RSA".

General Information	
Issuer of Existing Notes	Knight Castle Investments Limited 爵堡投资有限公司, incorporated in <u>the</u> British Virgin Islands with limited liability
Parent Guarantor	Shandong Sanxing Group Company Ltd. 山东三星集团有限公司, incorporated with limited liability in the People's Republic of China
Scheme Creditors, (and each, a Scheme Creditor)	The<u>Those</u> persons holding thea beneficial interests<u>interest</u> as principal in the following instrument as at the Record Time (as defined below) for the Scheme(s)<u>BVI Scheme</u>: The New York law-governed 7.99% senior notes due 23 January 2021 (the "Existing Notes") issued by the Issuer and guaranteed by the Parent Guarantor. As at the date of this term sheet, the aggregate principal amount of the Existing Notes outstanding is US\$200,000,000. "Record Time" is the time designated by the Issuer for the determination of the outstanding principal amount of the Existing Notes held by<u>claims of</u> Scheme Creditors for the purposes of voting at each of the Scheme meeting(s)<u>Meeting</u>.

Restructuring of the Existing Notes	
<u>Issuer to cancel certain Existing Notes</u>	<u>Prior to the Record Time, the Issuer will cancel or procure the cancellation of any Existing Notes that it or any other member of the Group has a direct or beneficial interest in or which it or any other member of the Group has redeemed, converted, acquired or purchased.</u>
Restructuring Consideration	The Restructuring Consideration for the participating Scheme Creditors will be paid <u>or (as applicable) allocated</u> on the Restructuring Effective Date (or as soon as practicable thereafter), and will consist of: (a) a cash redemption of 15% of the outstanding principal amount of the Existing Notes held by each Scheme Creditor as of the Record Time (collectively, the "Cash Redemption"); (b) new notes in an aggregate principal amount of<u>equal to</u> 85% of the outstanding principal amount of the Existing Notes held by each Scheme Creditor as of the Record Time (collectively, the "New Notes"); and (c) accrued and unpaid interest <u>on the Existing Notes</u> up to but excluding the Restructuring Effective Date, in cash. "Restructuring Effective Date" means the day on which all conditions to the effectiveness of the Restructuring have been satisfied or waived (as the case may be), including the obtaining of all relevant approvals or consents (e.g. including

	without limitation delivery of respective court orders in respect of the Scheme(s), and relevant listing/quotation approvals for the New Notes on the Singapore Stock Exchange), and the settlement of all professional fees associated with the Restructuring). <u>Each tranche of the Restructuring Consideration will be allocated between Scheme Creditors pro rata to their holdings in the Existing Notes at the Record Time.</u> <u>Under the terms of the BVI Scheme, Scheme Creditors will agree to a full release of all claims and related claims against (among others) the Issuer, the Parent Guarantor, any and all of the subsidiaries of the Parent Guarantor, and the shareholders, and the officers, directors, advisors and representatives, or office-holders, of each of the foregoing under in relation to the Existing Notes in exchange for the Restructuring Consideration (subject to carve-outs for fraud, dishonesty, willful default and willful misconduct).</u> <u>“Restructuring Effective Date” means the day on which all conditions to the effectiveness of the Restructuring have been satisfied or waived (as the case may be), including the obtaining of all relevant approvals or consents (e.g. including without limitation delivery of the sanction order in respect of the BVI Scheme to the BVI companies registry, and relevant listing/quotation approvals for the New Notes on the Singapore Stock Exchange.</u> <u>On the Restructuring Effective Date, all amounts due on such date will be paid or settled including, without limitation, the Instruction Fee and all reasonably incurred professional fees associated with the Restructuring, which, if the Minimum Committee Accession has occurred by the Instruction Fee Deadline, includes the reasonably incurred fees of Hogan Lovells, FTI consulting (Hong Kong) Limited and Moorlander Consulting Limited in their capacity as advisors to certain Scheme Creditors, provided that these fees are agreed in a fee letter and are in an aggregate amount not exceeding US\$ 1 million.</u>
Instruction Fee	Subject to the terms of and conditions set out in the RSA, a fee of 2% will be paid on Existing Notes restricted in the RSA (such Scheme Creditor must enter into pursuant to the RSA (as a result of a Scheme Creditor entering into the RSA (and thereby becoming a “Consenting Creditor”)) on or before 4:00pm London time on January 22, 2021, unless extended <u>19 February 2021 or such later date as is determined</u> in accordance with the terms of the RSA (the “Instruction Fee Deadline”) (<u>with</u> such Existing Notes <u>being</u>, “Eligible Restricted Notes”). Notwithstanding the above, the <u>The</u> Instruction Fee is paid in cash on the Restructuring Effective Date (or as soon as practicable thereafter) to the: (a) Consenting Creditor who held the Eligible Restricted Notes at the Instruction Fee Deadline and who still holds them at Scheme Record Time (provided no valid or invalid transfer of such Existing Notes); or (b) Consenting Creditor holding the Eligible Restricted Notes at the Scheme Record Time as a result of valid transfer/s of such Eligible Restricted Notes. If there is a purported transfer that does not adhere strictly to the terms of the RSA, including the transfer provisions, then the transfer is invalid and both the transferor and transferee lose the Instruction Fee entitlement on the Eligible Restricted Notes subject to the purported invalid transfer, and the aggregate amount of Instruction Fee payable is reduced accordingly. The Information Agent’s determination will be final and may not be disputed. In any event, the Instruction Fee is only payable to such Consenting Creditor, if: (a) It votes in favour of the Scheme Meeting; (b) It votes all its Existing Notes then held in favour of the Scheme Meeting; and (c) It has not exercised its rights to terminate or breached any provision of the RSA.

Treatment of the Existing Notes	Save as otherwise provided for in this term sheet, on the Restructuring Effective Date, all outstanding Existing Notes will be cancelled and all guarantees in connection with the Existing Notes will be released.
Terms of the New Notes <i>The following summary is provided solely for your convenience. This summary is not intended to be complete and it is subject to important limitations and exceptions. For a more detailed description <u>A draft of terms of the New Notes, the Parent Guarantee and the Personal Guarantee, see is set out in Annex A (“Description of the New Notes” set out in Annex A).</u> The information contained in “Description of the New Notes” set forth in this summary shall prevail to the extent of any inconsistency with the information set forth in this summary contained in “Description of the New Notes”. Terms used in this summary and not otherwise defined shall have the meanings given to them in “Description of the New Notes.”</i> <i><u>For purposes of the following summary, the term “Issuer” shall mean the issuer of the New Notes.</u> The “Description of the New Notes” set out in Annex A is shown as a comparison against the terms and conditions of the Existing Notes (with additions shown in double underline and deletions shown in strikethrough).</i>	
Issuer of New Notes	Blissful Future Global Limited, a newly set up <u>incorporated</u> BVI company that is directly <u>and</u> wholly-owned by Sanxin <u>San Xin</u> Holdings Limited
Original Issue Date	The Restructuring Effective Date (or as soon as practicable thereafter)
Principal Amount	The original principal amount of the New Notes shall be an amount equal to 85% of the aggregate outstanding principal amount of the Existing Notes as of the Record Time.
Maturity	On the second anniversary of the Original Issue Date <u>The earlier of 30 June 2023 and the date falling two years from the Restructuring Effective Date. On maturity, any outstanding principal amount under the New Notes shall be repaid, together with any accrued but unpaid cash interest and all other amounts (if any) outstanding under the New Indenture.</u>
Interest	Cash interest of 9.75% p.a. on the outstanding principal amount of the New Notes, <u>which is (i) in the event that the Original Issue Date is prior to 30 June 2021, payable semi-annually in arrears, or (ii) in the event that the Original Issue Date is on or after 30 June 2021, payable in arrears on 30 December 2021, 30 June 2022, 30 December 2022 and 30 June 2023.</u> <u>Default interest of 2% p.a. above the cash interest rate will accrue on and from the occurrence of an Event of Default (if it is continuing and unless subsequently cured within the relevant grace period (if applicable)) in respect of overdue principal amount of and interest on the New Notes. For the avoidance of doubt, the events of default provision under the indenture to the New Notes (the “New Indenture”) will be substantially the same as those in the Existing Notes, amended as necessary to reflect this term sheet.</u>
Ranking of the New Notes	The New Notes will be: • general obligations of the Issuer; • senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the New Notes; • at least <i>pari passu</i> in right of payment with all other unsecured, unsubordinated obligations of the Issuer (subject to any priority rights of such unsecured, unsubordinated obligations pursuant to applicable law); • guaranteed by the Parent Guarantor and the Subsidiary Guarantors, if any, on a senior basis, subject to the limitations described under “Description of the New Notes – The Parent Guarantee” and “Description of the New Notes – The Subsidiary Guarantees”; • effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries; and

	effectively subordinated to all existing and future secured obligations of the Issuer, the Parent Guarantor and the Subsidiary Guarantors, if any, to the extent of the value of the collateral assets securing such obligations (<u>except with respect to the assets securing the New Notes as explicitly provided herein</u>).
Parent Guarantee	Shandong Sanxing Group Company Ltd. 山东三星集团有限公司 will guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the New Notes.
Personal Guarantees	The Parent Guarantor will cause each <u>Each</u> of Mr. Wang Mingfeng, Mr. Wang Mingxing and Mr. Wang Mingliang (collectively, the “Personal Guarantors”), who collectively and directly owned 84.38% of the equity interest of the Parent Guarantor as of October 31, December 2020, to will execute and deliver to the Trustee a deed of guarantee <u>that is, subject to local law advice, to be</u> governed by Hong Kong law and construed in accordance with the laws of the People’s Republic of China, dated as of the Original Issue Date, in favor <u>favour</u> of the Trustee (<u>for the benefit of the Holders of the New Notes</u>) to jointly and severally guarantee the obligations of the Issuer and the Parent Guarantor under the New Notes. The Parent Guarantor shall use reasonable efforts <u>best endeavours</u> to obtain, or to procure the Personal Guarantors to obtain, the Regulatory Approvals to the extent <u>all regulatory approvals</u> required under applicable laws <u>in relation to the Personal Guarantees, the scope of which shall be determined prior to the Original Issue Date, and, if applicable, detailed and prescribed in the New Indenture.</u>
Subsidiary Guarantees	Each of the Subsidiary Guarantors, if any, will guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the New Notes. There will be no initial Subsidiary Guarantors on the Original Issue Date. None of the existing or future Exempted Subsidiaries or Listed and HoldCo Subsidiaries (as defined under the Description of the New Notes) will provide a Subsidiary Guarantee at any time in the future. The Parent Guarantor will cause each of its future Restricted Subsidiaries (other than the Exempted Subsidiaries and the Listed and HoldCo Subsidiaries), as soon as practicable and in any event within 30 days after it becomes a Restricted Subsidiary, and each Restricted Subsidiary that ceases to be an Exempted Subsidiary, as soon as practicable and in any event within 30 days after it ceases to be an Exempted Subsidiary, and each Listed and HoldCo Subsidiary that ceases to be a Listed and HoldCo Subsidiary, as soon as practicable and in any event within 30 days after it ceases to be a Listed and HoldCo Subsidiary, as the case may be, to execute and deliver to the Trustee a supplemental indenture to the <u>New</u> Indenture pursuant to which such entity that becomes a Restricted Subsidiary or ceases to be an Exempted Subsidiary or ceases to be a Listed and HoldCo Subsidiary, as the case may be, will Guarantee the payment of the New Notes. Notwithstanding the above, the Parent Guarantor may elect to have (1) any Subsidiary Guarantor, (2) any future Restricted Subsidiary, at the time such entity becomes a Restricted Subsidiary, (3) any Exempted Subsidiary, at the time such entity ceases to be an Exempted Subsidiary or (4) any Listed and HoldCo Subsidiary, at the time such entity ceases to be a Listed and HoldCo Subsidiary not provide a Subsidiary Guarantee (Restricted Subsidiaries <u>any such entity that are</u> is so elected not to provide a Subsidiary Guarantee, the “Designated Non-Guarantor Subsidiaries”); provided that at the time such entity ceases to be a Subsidiary Guarantor, or becomes a Restricted Subsidiary or ceases to be an Exempted Subsidiary or a Listed and HoldCo Subsidiary, as the case may be, after giving effect to the Consolidated Assets of such entity, the Consolidated Assets of all Designated Non-Guarantor Subsidiaries do not account for more than 15.0% of the Total Assets of the Parent Guarantor.

	If, at any time, the Consolidated Assets of all Designated Non-Guarantor Subsidiaries (as defined under the Description of the New Notes) exceeds 15.0%, the Parent Guarantor must cause one or more Non-Guarantor Subsidiaries to execute and deliver to the Trustee a supplemental indenture to the New Indenture pursuant to which such Non-Guarantor Subsidiaries will guarantee the payment of the New Notes such that the 15.0% limitation is complied with, provided that, such supplemental indenture shall be executed and delivered as soon as practicable and in any event within 30 days from the date of the most recent fiscal half-year for which the consolidated financial statements of the Parent Guarantor (which the Parent Guarantor shall use its reasonable-best effortsendeavours to compile on a timely basis and which may be internal consolidated financial statements) become available. A Subsidiary Guarantee may be released or replaced in certain other circumstances. See “Description of the New Notes – The Subsidiary Guarantees – Release of the Subsidiary Guarantees.”
Ranking of the Parent Guarantee	The Parent Guarantee will be: • a general obligation of the Parent Guarantor; • senior in right of payment to any existing and future obligations of the Parent Guarantor expressly subordinated in right of payment to the Parent Guarantee; • at least <i>pari passu</i> with all other unsecured, unsubordinated obligations of the Parent Guarantor (subject to any priority rights of such unsecured, unsubordinated obligations pursuant to applicable law); • effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries; and • effectively subordinated to all existing and future secured obligations of the Parent Guarantor, to the extent of the value of the assets securing such obligations (except with respect to the assets securing the New Notes as explicitly provided herein).
Ranking of the Subsidiary Guarantees	If any is provided, the Subsidiary Guarantee of each Subsidiary Guarantor will be: • a general obligation of such Subsidiary Guarantor; • senior in right of payment to any existing and future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee; • at least <i>pari passu</i> with all other unsecured, unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law); • effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries; and • effectively subordinated to all secured obligations of such Subsidiary Guarantor to the extent of the value of the collateralassets securing such obligations.
Security to be Granted	The New notes will be secured by Liens over all of the Capital Stock of the Issuer (the “Issuer Lien”) on and from the Original Issue Date. The Issuer Lien will be granted in favour of a collateral agent acting on behalf of the Trustee and the Holders of the New Notes (the “Collateral Agent”). The Parent Guarantor will cause the issuer of the Existing Notes (the “Existing Issuer”) to assign its rights, title and interest in, to and under the Intercompany Loan to the Issuer, and the Issuer will grant Liens over its rights, title and interest in, to and under the Intercompany Loan, in favour of the Collateral Agent on and from the Original Issue Date, in order to secure the New Notes (the “Intercompany Loan Lien”), in the form of which is to be appended as a schedule to the New Indenture.

	<u>The Parent Guarantor shall take all requisite steps under applicable laws in connection with the granting and perfection (if relevant) of the Issuer Lien and the Intercompany Loan Lien; and following such Liens becoming enforceable, facilitate the realization of the assets which are, or are intended to be, the subject of such Liens.</u> <u>“Intercompany Loan” means the intercompany loan between the Parent Guarantor, as borrower, and the Existing Issuer, as lender, pursuant to which the Existing Issuer on-lent all or substantially all of the proceeds from the issuance of the Existing Notes to the Parent Guarantor.</u>
Optional Redemption	At any time during the tenor of the New Notes, and with not less than 30 calendar days nor more than 60 <u>calendar</u> days’ notice, the Issuer has the right to redeem the New Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the New Notes redeemed plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date.
Withholding Taxes; Additional Amounts	All payments of principal of, and premium (if any) and interest on the New Notes or under the Parent Guarantee or <u>the</u> <u>Subsidiary Guarantees or the Personal Guarantees</u> , if any, will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any Relevant Jurisdiction, unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Issuer, the Parent Guarantor, a Surviving Person or the applicable Subsidiary Guarantor <u>or the applicable Personal Guarantor</u> , as the case may be, will pay such Additional Amounts (subject to certain exceptions) as will result in receipt by the Holder of each New Note of such amounts as would have been received by such Holder had no such withholding or deduction been required. See “Description of the New Notes – Additional Amounts.”
Repurchase of Notes Upon a Change of Control Triggering Event	Not later than 30 days following a Change of Control Triggering Event, the Issuer or the Parent Guarantor will make an Offer to Purchase <u>offer to purchase</u> all outstanding Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the <u>applicable redemption date</u>. <u>An Offer to Purchase Payment Date following a Change of Control Triggering Event shall be completed within 30 days of the date of such Offer to Purchase.</u> See “Description of the New Notes – Repurchase of Notes Upon a Change of Control Triggering Event.”
Repurchase of Notes Upon a SAFE Noncompliance Event	Upon completion of registration of the Parent Guarantee with the Zouping Centre Sub-branch of Shandong Branch of the SAFE (國家外匯管理局山東省分局鄒平市中心支局), the Parent Guarantor will be required to deliver to the Trustee an Officers’ Certificate in a form set forth in the <u>New</u> Indenture attaching a copy of the relevant certificate of registration (if any) from the Zouping Centre Sub-branch of Shandong Branch of the SAFE and certifying that such copy is true and correct. If the registration is not completed on or prior to the 90th PRC Business Day after the Original Issue Date, the Issuer and the Parent Guarantor will be required under the <u>New</u> Indenture to make an Offer to Purchase all of the New Notes with respect to which the SAFE Noncompliance Event has occurred at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the Offer to Purchase Payment Date. See “Description of the New Notes – Repurchase of Notes Upon a SAFE Noncompliance Event.”
Redemption for	Subject to certain exceptions and as more fully described herein, the New Notes may be redeemed, at the option of the Issuer or an Issuer Surviving Person, in whole but

Taxation Reason	not in part, upon giving not less than 30 days' nor more than 60 days' notice to the Holders and the Trustee (which notice shall be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Issuer or the Issuer Surviving Person, as the case may be, for redemption, if the Issuer, the Parent Guarantor, a Surviving Person or a Subsidiary Guarantor would become obliged to pay certain additional amounts as a result of certain changes in specified tax laws. See "Description of the New Notes – Redemption for Taxation Reasons."
<u>Replacement of Trustee</u>	<u>If an Event of Default has occurred and is continuing, Holders of at least 25% in aggregate principal amount of the New Notes then outstanding will be entitled to replace the Trustee and appoint a new Trustee by providing 60 days' prior written notice to (and without consent from) the Issuer and the Trustee, provided that such Holders may not replace the Trustee or appoint a new Trustee if Holders of at least 50% in aggregate principal amount of the New Notes object to it.</u>
Amendments with Consent of Holders	Amendment provisions <u>in respect of the New Notes</u> will be similar to those in the Existing Notes, except that the amendments, <u>modifications or waivers</u> that require consent of each Holder affected thereby in the Existing Notes would only require the consent of the Holders of not less than 75 <u>85</u> % in <u>aggregate</u> principal amount of the then outstanding New Notes.
<u>Negative Pledge and Mandatory Redemption from any lien on Sanxing Machinery</u>	The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or permit to exist any Lien on the shares of Shandong Sanxing Machinery Manufacture Co., Ltd. ("Sanxing Machinery"), except for certain Liens <u>to be</u> permitted under the <u>New</u> Indenture of the New Notes, unless (i) the New Notes are secured equally or ratably with (or prior to) the liability secured by such Lien, or (ii) net cash proceeds of the liability secured by such lien is incurred in exchange for or the net cash proceeds of which ("Sanxing Machinery Lien Proceeds") are used to tender or redeem the New Notes to the extent required in the following two paragraphs. The <u>Issuer or the</u> Parent Guarantor must make an offer to purchase ("Sanxing Machinery Lien Offer") the New Notes using 35% of such Sanxing Machinery Lien Proceeds received (a "Sanxing Machinery Lien Offer Amount") at a purchase price and subject to conditions to be determined by the <u>Issuer or the</u> Parent Guarantor in its sole discretion <u>provided that the Sanxing Machinery Lien Offer must be made to all Holders and be completed within 30 days after commencement.</u> The remaining<u>Any</u> portion of such the Sanxing Machinery Lien Offer Amount after the abovementioned<u>that remains after completion of the Sanxing Machinery Lien Offer to Purchase</u> must be used by the <u>Issuer or the</u> Parent Guarantor <u>within 30 days of completion of the Sanxing Machinery Lien Offer</u> to redeem the then outstanding a<u>principal amount of</u> New Notes <u>equal to such amount</u> at a redemption price equal to 100% of the principal amount of the New Notes <u>so redeemed</u> plus accrued and unpaid interest: <u>up to (but excluding) the date of redemption.</u> <u>"Sanxing Machinery Lien Offer Amount" means (i) in the event that the Sanxing Machinery Lien Offer is made on or prior to the 2022 Mandatory Redemption Date (as defined below), 35% of the Sanxing Machinery Lien Proceeds received by the Parent Guarantor or a Restricted Subsidiary, or (ii) in the event that the Sanxing Machinery Lien Offer is made after the 2022 Mandatory Redemption Date, the excess (if any) of (A) 35% of the Sanxing Machinery Lien Proceeds received by the Parent Guarantor or a Restricted Subsidiary, over (B) 10% of the principal amount of the New Notes outstanding on the Original Issue Date.</u> <u>"Sanxing Machinery Mandatory Redemption Amount" means (i) in the event that the notice of the Sanxing Machinery Lien Mandatory Redemption is given on or prior to the 2022 Mandatory Redemption Date, the remaining portion of Sanxing Machinery Lien Offer Amount after the completion of the Sanxing Machinery Lien</u>

	Offer, or (ii) in the event that the notice of the Sanxing Machinery Lien Mandatory Redemption is given after the 2022 Mandatory Redemption Date, the excess (if any) of (A) the remaining portion of Sanxing Machinery Lien Offer Amount after the completion of the Sanxing Machinery Lien Offer, over (B) 10% of the principal amount of the New Notes on the Original Issue Date.
<u>Mandatory Redemptions</u>	On the date which is three months after the Original Issue Date, the Issuer shall redeem 5.88% of the principal amount of the New Notes then outstanding, at a redemption price equal to 100% of the principal amount of the New Notes so redeemed plus accrued and unpaid interest up to (but excluding) the date of redemption. On 31 March 2022 (the “2022 Mandatory Redemption Date”), the Issuer shall redeem the New Notes in a principal amount (the “2022 Mandatory Redemption”) equal to the excess (if any) of (i) 10% of the principal amount of the New Notes outstanding on the Original Issue Date, over (ii) the aggregate principal amount of (A) the New Notes purchased or redeemed pursuant to the Sanxing Machinery Lien Offer and the Sanxing Machinery Lien Mandatory Redemption on or prior to the 2022 Mandatory Redemption Date and (B) the New Notes to be purchased or redeemed pursuant to the Sanxing Machinery Lien Offer and the Sanxing Machinery Lien Mandatory Redemption if notice of such offer or redemption has been given on or before the 2022 Mandatory Redemption Date, at a redemption price equal to 100% of the principal amount of the New Notes so redeemed plus accrued and unpaid interest, <i>provided</i> that if the aggregate amount in (ii) above equals to or is higher than the amount in (i) above, the Issuer shall not be required to make a redemption under this clause.
<u>Redemption for Corn Oil Business Subsidiary Listing Event</u>	No later than 30 days following a Corn Oil Business Subsidiary Listing Event, the Issuer or the Parent Guarantor shall be required to offer to purchase (a “Stage One Corn Oil Business Offer to Purchase”) US\$50,000,000 in outstanding principal amount of the New Notes (“Corn Oil Business Initial Offer Amount”), at a purchase price and subject to conditions to be determined by the Issuer or the Parent Guarantor in its sole discretion. Any such Stage One Corn Oil Business Offer to Purchase must be made to all Holders and completed within 30 days of commencement. Any remaining portion of such Corn Oil Business Initial Offer Amount after the Stage One Corn Oil Business Offer to Purchase shall be used by the Issuer or the Parent Guarantor to redeem an equivalent amount of the then outstanding New Notes at a redemption price equal to 100% of the principal amount of the New Notes so redeemed plus accrued and unpaid interest up to (but excluding) the date of redemption, within 30 days after the date of completion of the Stage One Corn Oil Business Offer to Purchase. No later than 120 days following a Corn Oil Business Subsidiary Listing Event, the Issuer or the Parent Guarantor shall be required to make an Offer to Purchase (“Stage Two Corn Oil Business Offer to Purchase”) New Notes in an aggregate principal amount of US\$30,000,000 (“Corn Oil Business Subsidiary Listing Event Subsequent Offer Amount”), at a purchase price and subject to conditions to be determined by the Issuer or the Parent Guarantor in its sole discretion. Any such Stage Two Corn Oil Business Offer to Purchase must be made to all Holders and completed within 30 days of commencement. Any remaining portion of such Corn Oil Business Subsidiary Listing Event Subsequent Offer Amount after the Stage Two Corn Oil Business Offer to Purchase shall be used by the Issuer or the Parent Guarantor to redeem an equivalent amount of the then outstanding New Notes at a redemption price equal to 100% of the principal amount of the New Notes so redeemed plus accrued and unpaid interest up to (but

	<u>excluding) the date of redemption, within 30 days after the date of completion of the Stage Two Corn Oil Business Offer to Purchase.</u> <u>Any failure to make or consummate a Stage One Corn Oil Business Offer to Purchase or Stage Two Corn Oil Business Offer to Purchase shall constitute an Event of Default under the New Indenture.</u> <u>“Corn Oil Business Subsidiary” means a Subsidiary of the Parent Guarantor whose primary business is or would be similar to the primary business of Changshouhua Food Company Limited or Zouping Sanxing Grease Industry Co., Ltd. as at the Original Issue Date.</u> <u>“Corn Oil Business Subsidiary Listing Event” means an initial public offering, and a listing or quotation, of the Capital Stock of a Corn Oil Business Subsidiary on any recognized stock exchange.</u>
Covenants	The <u>New Indenture</u> of the New Notes will limit the ability of the Parent Guarantor and its Restricted Subsidiaries to, among other things: • incur or guarantee additional indebtedness or issue disqualified or preferred stock; • declare dividends on its capital stock or purchase or redeem capital stock; • make investments or other specified restricted payments; • issue or sell capital stock of Restricted Subsidiaries; • guarantee indebtedness by Restricted Subsidiaries; • sell assets; • create liens; • enter into sale and leaseback transactions; • enter into agreements that restrict the Restricted Subsidiaries’ ability to pay dividends, transfer assets or make intercompany loans; • enter into transactions with shareholders or affiliates; and • effect a consolidation or merger; <u>on terms which are mutually agreeable to the Bondholder Committee Majority and the Issuer, but solely if the Minimum Committee Accession has occurred by the Instruction Fee Deadline.</u> These covenants are<u>will be</u> subject to a number of important qualifications and exceptions described in “Description of the New Notes – Certain Covenants.” <u>In particular, the covenant restricting the creation of liens shall be amended to permit the granting of the Issuer Lien and the Intercompany Loan Lien.</u>
Form, Denomination and Registration	The New Notes will be issued only in fully registered form, and will be initially represented by one global note.
Listing	Application will be made for the listing and quotation of the New Notes offered hereby on the Singapore Stock Exchange.
Governing Law	New York Law<u>The New Notes, the Parent Guarantee, the Subsidiary Guarantees and the New Indenture will be governed by and construed in accordance with the laws of the State of New York. In addition:</u> <u>(i) the Issuer Lien will be governed by and construed in accordance with the laws of the British Virgin Islands;</u> <u>(ii) the Personal Guarantees will, subject to local law advice, be governed by and construed in accordance with the laws of the People’s Republic of China; and</u> <u>(iii) the Intercompany Loan Lien will be governed by and construed in accordance with the laws of Hong Kong.</u>