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SUNac 融創中國
SUNAC CHINA HOLDINGS LIMITED
融創中國控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01918)

**SIGNIFICANT PROGRESS OF
OFFSHORE DEBT RESTRUCTURING
(1) ENTRY INTO RSA WITH AHG; AND
(2) INVITING OTHER CREDITORS TO ACCEDE TO RSA**

References are made to the announcements issued by the Company on the Stock Exchange dated 12 May 2022, 4 July 2022, 8 September 2022, 15 September 2022 and 9 December 2022 concerning, among other things, the status of certain offshore debts of the Company.

I. UPDATE ON THE OFFSHORE DEBT RESTRUCTURING

The Group would like to provide an update to the market on the significant progress made regarding the restructuring of its offshore debt.

1. Significant Progress of the Restructuring

Over the past few months, the Company and members of the AHG, together with their respective advisors, have been engaged in constructive dialogue towards a consensual restructuring of the Company's offshore indebtedness.

The Company is pleased to announce that on 28 March 2023, it reached agreement with the AHG representing over 30% of the aggregate outstanding principal amount of the Existing Debt on the terms of the Restructuring, which are memorialized in the RSA. The contemplated Restructuring is intended to (i) provide the Company with a long-term, sustainable capital structure; (ii) allow adequate financial flexibility and sufficient runway to stabilize the business; and (iii) protect the rights and interests, and maximize value, for all stakeholders.

Broad-based support is required to facilitate a successful Restructuring, and the Company sincerely asks all holders of the Existing Debt who have not signed the RSA to accede to the RSA as soon as possible.

2. Key Features of the Restructuring

The Restructuring (a) provides the relevant creditors with various options based on their specific objectives and constraints, including equitizing all or a portion of their debt claims to benefit from enhanced short-term liquidity and potential upside, or reinstating their debt claims to get paid over a longer period of time and benefit from certain cash sweep; and (b) contains various deleveraging elements (as detailed below) that are intended to help the Company to achieve a sustainable capital structure, enhance its net asset value and reduce its net-gearing ratio.

Convertible Bonds

Scheme Creditors, in aggregate, will exchange US\$1.0 billion of their Existing Debt claims into US\$ 1.0 billion nine-year convertible bonds (“**CBs**”, details of which are set out in the Term Sheet). The CBs are convertible into ordinary shares of the Company at a conversion price of HK\$20 per share during the first 12 months after the Restructuring Effective Date, following which the CBs shall no longer have any conversion rights and will be redeemed in accordance with the terms of the CBs at its maturity date. Each Scheme Creditor will receive a pro-rata share of the CBs based on its holdings of the Existing Debt claims.

Mandatory Convertible Bonds

Scheme Creditors may voluntarily elect to exchange their Existing Debt claims into zero-coupon, five-year mandatory convertible bonds of the Company (the “**MCB**”, details of which are set out in the Term Sheet), subject to an aggregate cap of US\$1.75 billion (which may be increased by the Company). The MCB will rank pari passu with the New Notes (as defined below). The holders of the MCB may deliver conversion notices to convert their MCB into ordinary shares of the Company at a conversion price of HK\$10 per share on the Restructuring Effective Date or 6 months after the Restructuring Effective Date (as applicable), subject to an aggregate cap of 25% of total MCB. In other circumstances, the MCB holders may deliver conversion notices to convert the remaining MCB into ordinary shares of the Company at a conversion price equal to the volume-weighted average price for the 90 trading days immediately preceding the first date of the period during

which holders can deliver the conversion notices, subject to a minimum conversion price of HK\$4.58 per share. Any outstanding MCB at maturity will be mandatorily converted into ordinary shares of the Company in full. Members of the AHG are supportive of the MCB and some have indicated (on a non-binding basis) that they intend to subscribe for a certain amount of the MCB.

The Controlling Shareholder is fully committed to the Restructuring and the Company's deleveraging plan. Accordingly, the Controlling Shareholder has agreed to equitize its US\$450 million shareholder loan on terms that are no more favourable than the terms of the proposed MCB. Reference is made to the Company's announcement dated 14 November 2021 in relation to the provision of the shareholder loan by the Controlling Shareholder.

Sunac Services Shares

Scheme Creditors may voluntarily elect to exchange their Existing Debt claims into existing Sunac Services Shares, at an exchange price equal to 2.5 times the volume-weighted average price of the Sunac Services Shares for the 60 trading days immediately preceding the Record Time, subject to a minimum exchange price of HK\$17 per Sunac Services Share. The voluntary election is subject to an aggregate cap of 449,356,068 existing Sunac Services Shares held by Sunac Services Investment, representing approximately 14.7% of the total issued Sunac Services Shares as at the date of this announcement.

New Notes

Scheme Creditors will exchange their Existing Debt claims into up to eight series of new US\$ denominated senior notes (the "**New Notes**", details of which are set out in the Term Sheet) in an aggregate principal amount that equals the total Existing Debt claims of the Scheme Creditors minus the aggregate principal amount of the CBs, the aggregate principal amount of the MCB (if any) and the amount of Existing Debt claims exchanged into existing Sunac Services Shares (if any). The New Notes will mature between two and up to nine years from the earlier of Restructuring Effective Date or 30 September 2023 and benefit from the cash sweep from a comprehensive asset package. The Company shall have the option to extend the maturity of the first two tranches of New Notes (with original maturity of two and three years) for one additional year. If maturity extension is elected, the interest rate of the extended tranche(s) of New Notes shall increase by 1.0% during the extension period. Such New Notes will bear cash interest at the rates ranging from 5.0% to 6.5% per annum. The Company may elect to make all or part of the interest payment in kind in the first two years at interest rates that are 1.0% higher than the cash interest rates per annum.

Detailed terms of the Restructuring are set out in the Term Sheet, which is attached hereto as the Appendix to this announcement.

3. The RSA

Under the RSA, among other things:

- (a) the Company undertakes to use reasonable endeavours to procure that the Scheme Effective Date occurs and the Restructuring is fully implemented on or before the Longstop Date;
- (b) each Consenting Creditor (on behalf of itself or, where such Consenting Creditor is an investment manager, on behalf of funds or accounts managed or advised by it) undertakes to take all such actions as are necessary to:
 - (i) vote in favour of the Scheme in respect of the aggregate outstanding principal amount of all Existing Debt in which it, or a fund managed or advised by it, holds a beneficial interest as principal at the Record Time at the Scheme Meeting;
 - (ii) not take, commence or continue any enforcement action that may interfere with the implementation of the Restructuring and/or the Scheme, or the consummation of the Restructuring contemplated thereby (unless such enforcement action is approved by the Company in accordance with the terms of the RSA); and
 - (iii) support any actions taken by the Company and any subsidiary guarantors under the Existing Debt to obtain recognition or protection of the Restructuring in any relevant court of any competent jurisdiction and take all other commercially reasonable actions requested by the Company to implement or protect the Restructuring.

The RSA will terminate automatically and immediately on the earliest to occur of any of the following:

- (a) the Scheme not being finally approved by the requisite majorities of Scheme Creditors at the Scheme Meeting;
- (b) the court not granting a sanction order at the sanction hearing and the Company has exhausted all avenues of appeal;
- (c) the Restructuring Effective Date occurs; and
- (d) the Longstop Date.

The RSA may also be terminated under other circumstances set out in the RSA.

The Consent Fee

A Consenting Creditor who validly holds Eligible Restricted Debt as of the Consent Fee Deadline (being 5:00 p.m. Hong Kong time on 20 April 2023) and still holds all or part of such Eligible Restricted Debt at the Record Time will, subject to the terms of the RSA, receive a cash Consent Fee in an amount equal to 0.1% of the aggregate principal amount of the Eligible Restricted Debt held by such Consenting Creditor as of the Consent Fee Deadline.

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

- (a) holds or has acquired its Eligible Restricted Debt in compliance with the relevant provisions of the RSA;
- (b) votes the aggregate amount of the Existing Debt held by it at the Record Time in favour of the Scheme at the Scheme Meeting (whether in person or by proxy); and
- (c) has not exercised its rights to terminate the RSA and has not breached any of the relevant terms and conditions of the RSA in any material respect.

Inviting Other Creditors to Accede to RSA

The Company sincerely asks all holders of the Existing Debt who have not signed the RSA to review the RSA as soon as possible and to accede to the RSA as an Additional Consenting Creditor by delivering to the Information Agent a validly completed and executed Accession Letter and a valid Evidence of Holding via the Accession Portal (<https://portal.morrowsodali.com/sunac>) in respect of all of its Existing Debt prior to the Consent Fee Deadline.

The Company has appointed Morrow Sodali Limited as the Information Agent who will be responsible for collecting, via the Accession Portal and Transfer Portal, Accession Letters, valid Evidence of Holding and/or Transfer Notices (as applicable) from Scheme Creditors and answering any questions regarding the process. The RSA will be made available on the website, operated by the Information Agent for the purpose of the RSA (the “**Scheme Website**”).

The Information Agent can be contacted using the below details:

Morrow Sodali Limited

Scheme Website: <https://projects.morrowsodali.com/Sunac>

Accession Portal: <https://portal.morrowsodali.com/sunac>

Transfer Portal: <https://portal.morrowsodali.com/sunacTRANSFER>

Email: sunac@investor.morrowsodali.com

Tel: +44 20 4513 6933; +852 2319 4130

Address:

UK: 103 Wigmore Street, W1U 1QS, London, UK

Hong Kong: 2/F, The Hive, 33-35 Hillier St, Sheung Wan, Hong Kong

Attention: Debt Services Team

II. IMPLEMENTATION AND NEXT STEPS

1. Implementation of the Restructuring

The Restructuring is expected to be implemented through one or more Schemes. A scheme of arrangement is a statutory mechanism which allows the relevant court to sanction a “compromise or arrangement” which has been voted upon by the relevant classes of creditors and approved by the required majorities. It is not an insolvency procedure. The Company expects to commence the process of implementing the Restructuring on terms set forth in the RSA as soon as possible.

2. Request for Information

Any requests for information can be directed to the Information Agent using the details above, or to the Company’s/AHG’s financial and legal advisors:

Houlihan Lokey (China) Limited, *as Restructuring Financial Advisor to the Company*

Suites 506-508, One International Finance Centre

1 Harbour View Street, Central, Hong Kong

Email: sunac@HL.com

Sidley Austin, *as Restructuring Legal Advisor to the Company*

39/F, Two International Finance Centre

No. 8 Finance Street, Central, Hong Kong

Email: sidleyprojectcz@sidley.com

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

Linklaters, as *Restructuring Legal Advisor to the AHG*
11th Floor, Alexandra House
18 Chater Rd, Central, Hong Kong
Email: dlprojectsunac@linklaters.com

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

III. CONTINUED SUSPENSION OF TRADING

References are made to the announcements of the Company dated 28 March 2022 and 1 April 2022. At the request of the Company, the trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2022. Trading in the shares of the Company will remain suspended until further notice.

IV. DEFINITIONS

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

“Accession Letter”	a deed pursuant to which a person becomes a party to the RSA as an Additional Consenting Creditor, in the form set out in the RSA
“Additional Consenting Creditor”	a person holding a beneficial interest as principal in the Existing Debt who has agreed to be bound by the terms of the RSA by delivering to the Information Agent a validly completed and executed Accession Letter and a valid Evidence of Holding via the Accession Portal in respect of all of its Existing Debt
“AHG”	an ad-hoc group of offshore creditors of the Company who are Consenting Creditors
“Board”	board of directors of the Company

“Company”	Sunac China Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 01918)
“Consent Fee”	with respect to each Consenting Creditor, subject to and in accordance with the terms of the RSA, an amount equal to 0.1% of the aggregate principal amount of Eligible Restricted Debt held by such Consenting Creditor as of the Consent Fee Deadline
“Consent Fee Deadline”	5:00 p.m. (Hong Kong time) on 20 April 2023
“Consenting Creditor”	a person, on behalf of itself or, where such Consenting Creditor is an investment manager, on behalf of funds or accounts managed or advised by it, holding a beneficial interest as principal in the Existing Debt who has agreed to be bound by the terms of the RSA as a Consenting Creditor in accordance with the terms of the RSA, including the initial Consenting Creditors to the RSA and the Additional Consenting Creditors
“Controlling Shareholder”	Sunac International Investment Holdings Ltd, a company incorporated in the British Virgin Islands, which is the controlling shareholder of the Company and is controlled by family trusts of Mr. Sun Hongbin, the chairman of the Board and an executive director of the Company
“Eligible Restricted Debt”	Restricted Debt which was made subject to the RSA by a Consenting Creditor on or prior to the Consent Fee Deadline
“Evidence of Holding”	Evidence of holding can, subject to the Information Agent’s confirmation, include a custody statement, screenshot of holdings, or scanned copy of a portfolio report dated no more than 3 months prior to the date of the Accession Letter and that includes the following information: (i) ISIN/security description; (ii) name of beneficial owner of the relevant Existing Debt; and (iii) amount of position held

“Existing Debt”	the Company’s existing senior notes and other offshore instruments or debts in the principal amount of approximately US\$9,048 million (excluding secured offshore debts which the Company intends to deal with on a bilateral basis) plus any outstanding accrued and default interest and fees and charges payable thereunder
“Group”	the Company and its subsidiaries
“Information Agent”	Morrow Sodali Limited, or any other person appointed by the Company to act as information agent in connection with the Scheme and the RSA
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	31 December 2023 or such later date and time as the Company may elect to extend to with the relevant prior written consent of the requisite majorities of AHG or creditors
“Record Time”	the time designated by the Company for the determination of claims of Scheme Creditors for the purposes of voting at the Scheme Meeting
“Restricted Debt”	with respect to a Consenting Creditor at any time, the aggregate outstanding principal amount of Existing Debt set out in a notice in the form set out in the RSA then most recently delivered by that Consenting Creditor, as modified from time to time by any transfer notices (as applicable) delivered by Consenting Creditors to the Information Agent, subject to evidence satisfactory to the Information Agent having been provided in accordance with the terms of the RSA
“Restructuring”	a consensual restructuring of the offshore indebtedness of the Company, to be conducted materially in the manner envisaged by, and materially on the terms set out in, the Term Sheet

“Restructuring Effective Date”	the day on which all outstanding Existing Debt will be cancelled and all guarantees and share charges (if any) in connection with the Existing Debt will be released and the restructuring consideration will be distributed to the Scheme Creditors, with the conditions precedent to the Restructuring Effective Date having been either satisfied or waived (as the case may be)
“RSA”	the restructuring support agreement dated 28 March 2023 entered into by, among others, the Company and the AHG
“Scheme”	the scheme(s) of arrangement proposed to be effected between the Company and the Scheme Creditors for the purpose of implementing the Restructuring, as contemplated under the Term Sheet and the RSA
“Scheme Creditors”	creditors of the Company whose claims against the Company and any subsidiary guarantors under the Existing Debt are (or will be) the subject of the Scheme
“Scheme Effective Date”	the date on which the sanction order is filed with the registrar of companies in the relevant jurisdiction of the Scheme at which time the Scheme shall become effective in accordance with its terms
“Scheme Meeting”	the meeting or meetings of the creditors of the Company whose claims against the Company are (or will be) the subject of the Scheme to vote on that Scheme convened pursuant to an order of the court (and any adjournment of such meeting)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunac Services”	Sunac Services Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 01516)

“Sunac Services Investment”	Sunac Services Investment Limited, a company incorporated in the British Virgin Islands with limited liability, which directly holds approximately 50.38% of the Sunac Services Shares as at the date of this announcement. The Company holds 100% of the issued share capital of Sunac Services Investment
“Sunac Services Shares”	ordinary shares of Sunac Services
“Term Sheet”	the term sheet attached at the Appendix to this announcement
“Transfer Notice”	a notice pursuant to which a transferee of the Existing Debt becomes a Consenting Creditor, in the form set out in the RSA
“US\$”	United States dollar, the lawful currency of the United States of America

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

By order of the Board
Sunac China Holdings Limited
SUN Hongbin
Chairman

Hong Kong, 28 March 2023

As at the date of this announcement, the executive directors of the Company are Mr. SUN Hongbin, Mr. WANG Mengde, Mr. JING Hong, Mr. TIAN Qiang, Mr. HUANG Shuping, Mr. SUN Kevin Zheyi, Mr. CHI Xun and Mr. SHANG Yu; and the independent non-executive directors of the Company are Mr. POON Chiu Kwok, Mr. ZHU Jia, Mr. MA Lishan and Mr. YUAN Zhigang.

APPENDIX
TERM SHEET

Sunac China Holdings Limited

Restructuring Term Sheet (Subject to Contract)

Capitalised terms used but not otherwise defined in this term sheet shall have the meaning given to each such term in a Restructuring Support Agreement (the “**RSA**”) to which this term sheet is appended. This term sheet outlines the principal terms and conditions of the proposed Restructuring (as defined in the RSA). It 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 Debt.

General Information	
Issuer	Sunac China Holdings Limited (1918.HK) (the “ Company ”)
Scheme Creditors, (and each, a Scheme Creditor)	<p>The persons who hold beneficial interests as principal in, or who are the lenders under, the following instruments as at the Record Time (as defined below) for the Scheme(s):</p> <ul style="list-style-type: none">(a) the New York law-governed 7.25% senior notes due 14 June 2022 (the “June 2022 Notes”) issued by the Company and guaranteed by Sunac Real Estate Investment Holdings Ltd, Qiwei Real Estate Investment Holdings Ltd., Ying Zi Real Estate Investment Holdings Ltd, Jujin Real Estate Investment Holdings Ltd, Jujin Property Investment Holdings Limited, Ding Sheng Real Estate Investment Holdings Ltd, Ding Sheng Property Investment Holdings Limited, Zhuo Yue Real Estate Investment Holdings Limited and Zhuo Yue Property Investments Holdings Limited (卓越資產投資控股有限公司). (the “Subsidiary Guarantors”) and secured over the shares in the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the June 2022 Notes outstanding is US\$600,000,000;(b) the New York law-governed 7.95% senior notes due 8 August 2022 (the “August 2022 Notes”) issued by the Company and guaranteed by the Subsidiary Guarantors and secured over the shares in the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the August 2022 Notes outstanding is US\$600,000,000;(c) the New York law-governed 8.35% senior notes due 19 April 2023 (the “April 2023 Notes”) issued by the Company and guaranteed by the Subsidiary Guarantors and secured over the shares in the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the April 2023 Notes outstanding is US\$643,000,000;(d) the New York law-governed 6.50% senior notes due 9 July 2023 (the “July 2023 Notes”) issued by the Company and guaranteed by the Subsidiary Guarantors and secured over the shares in the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the July 2023 Notes outstanding is US\$600,000,000;

	<p>(e) the New York law-governed 7.95% senior notes due 11 October 2023 (the “October 2023 Notes”) issued by the Company and guaranteed by the Subsidiary Guarantors and secured over the shares in the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the October 2023 Notes outstanding is US\$741,600,000;</p> <p>(f) the New York law-governed 7.50% senior notes due 1 February 2024 (the “February 2024 Notes”) issued by the Company and guaranteed by the Subsidiary Guarantors and secured over the shares in the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the February 2024 Notes outstanding is US\$616,400,000;</p> <p>(g) the New York law-governed 5.95% senior notes due 26 April 2024 (the “April 2024 Notes”) issued by the Company and guaranteed by the Subsidiary Guarantors and secured over the shares in the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the April 2024 Notes outstanding is US\$942,000,000;</p> <p>(h) the New York law-governed 6.65% senior notes due 3 August 2024 (the “August 2024 Notes”) issued by the Company and guaranteed by the Subsidiary Guarantors and secured over the shares in the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the August 2024 Notes outstanding is US\$620,000,000;</p> <p>(i) the New York law-governed 6.80% senior notes due 20 October 2024 (the “October 2024 Notes”) issued by the Company and guaranteed by the Subsidiary Guarantors and secured over the shares in the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the October 2024 Notes outstanding is US\$400,000,000;</p> <p>(j) the New York law-governed 6.50% senior notes due 10 January 2025 (the “January 2025 Notes”) issued by the Company and guaranteed by the Subsidiary Guarantors and secured over the shares in the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the January 2025 Notes outstanding is US\$740,900,000;</p> <p>(k) the New York law-governed 7.00% senior notes due 9 July 2025 (the “July 2025 Notes”) issued by the Company and guaranteed by the Subsidiary Guarantors and secured over the shares in the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the July 2025 Notes outstanding is US\$600,000,000;</p> <p>(l) the New York law-governed 6.50% senior notes due 26 January 2026 (the “2026 Notes”, together with the June 2022 Notes, the August 2022 Notes, the April 2023 Notes, the July 2023 Notes, the October 2023 Notes, the February 2024 Notes, the April 2024 Notes, the August 2024 Notes, the October 2024 Notes, the January 2025 Notes and the July 2025 Notes, the “Existing</p>
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	<p>Notes) issued by the Company and guaranteed by the Subsidiary Guarantors and secured over the shares in the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the 2026 Notes outstanding is US\$600,000,000;</p> <p>(m) the New York law-governed 6.00% senior notes due 6 July 2022 (the "Private 2022 Notes") issued by the Company and guaranteed by the Subsidiary Guarantors and secured over the shares in the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the Private 2022 Notes outstanding is US\$225,000,000;</p> <p>(n) the Hong Kong law-governed 7.75% facility due 15 July 2022 (the "Private Debt A") borrowed by the Company and guaranteed by the Subsidiary Guarantors and secured over the shares in the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the Private Debt A outstanding is US\$300,000,000;</p> <p>(o) the Hong Kong law-governed floating rate facility due 28 August 2022 (the "Private Debt B") borrowed by the Company and guaranteed by the Subsidiary Guarantors and secured over the shares in the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the Private Debt B outstanding is US\$170,500,000;</p> <p>(p) the Hong Kong law-governed floating rate facility due 30 June 2024 (the "Private Debt C") borrowed by the Company and guaranteed by the Subsidiary Guarantors and secured over the shares in the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the Private Debt C outstanding is approximately US\$205,000,000 (consisting of facility A with a principal amount of US\$175,000,000 and facility B with a principal amount of HK\$235,500,000);</p> <p>(q) the English law-governed swap instrument due 18 March 2022 entered into by the Company (the "Private Debt D"). As at the date of the RSA, the aggregate principal amount of the Private Debt D outstanding is US\$28,030,000;</p> <p>(r) the English law-governed swap instrument due 7 June 2022 entered into by the Company (the "Private Debt E"). As at the date of the RSA, the aggregate principal amount of the Private Debt E outstanding is US\$768,647;</p> <p>(s) the Hong Kong law-governed 5.00% facility due 9 June 2022 (the "Private Debt F") borrowed by the Company. As at the date of the RSA, the aggregate principal amount of the Private Debt F outstanding is US\$80,000,000;</p> <p>(t) the Hong Kong law-governed 7.00% facility due 2 July 2022 (the "Private Debt G") borrowed by the Company. As at the date of the RSA, the aggregate principal amount of the Private Debt G outstanding is US\$70,000,000;</p>
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	<p>(u) the Hong Kong law-governed 7.00% facility due 8 April 2023 (the “Private Debt H”) borrowed by the Company. As at the date of the RSA, the aggregate principal amount of the Private Debt H outstanding is US\$110,000,000; and</p> <p>(v) the Hong Kong law-governed 6.60% facility due 8 June 2023 (the “Private Debt I” and, together with the Private 2022 Notes, the Private Debt A, the Private Debt B, the Private Debt C, the Private Debt D, the Private Debt E, the Private Debt F, the Private Debt G and the Private Debt H, the “Existing Private Debt”; the Existing Notes together with the Existing Private Debt, the “Existing Debt”) borrowed by the Company. As at the date of the RSA, the aggregate principal amount of the Private Debt I outstanding is US\$155,000,000,</p> <p>provided that the Company may, at its election, (i) exclude any of the Existing Private Debt from the Scheme(s), or (ii) include any additional debt in the Scheme(s), provided that in each case it obtains the prior written consent of the Majority Ad Hoc Group (such consent not to be unreasonably withheld) and, to the extent that the excluded debt is held by a member of the Ad Hoc Group, consent shall also be required from that member of the Ad Hoc Group.</p> <p>“Record Time” shall be the time designated by the Company for the determination of the Scheme Creditors’ Claims (as defined below) for the purposes of voting at each of the Scheme Meeting(s) (as defined below).</p>
Restructuring of the Existing Debt	
Scheme Creditors’ Claims	<p>The sum of:</p> <p>(a) the outstanding principal amount of the Existing Debt held by the Scheme Creditors at the Record Time; and</p> <p>(b) all accrued and unpaid interest and default interest on, and any fees and charges payable under, such Existing Debt up to (but excluding) the earlier of the Restructuring Effective Date and 30 September 2023,</p> <p>(together in aggregate, the “Scheme Creditors’ Claims”, and with respect to each Scheme Creditor, the “Scheme Creditor Claim”).</p> <p>Assuming a Restructuring Effective Date (as defined below) of 30 September 2023, the Scheme Creditors’ Claims will total c. US\$10,237 million. If the Restructuring Effective Date occurs, interest on the Existing Debt shall stop accruing from the earlier of the Restructuring Effective Date and 30 September 2023.</p> <p>On and from the Restructuring Effective Date, the Scheme Creditors shall agree to a full release (subject to carve-outs for fraud, dishonesty, wilful default and wilful misconduct) of all claims and related claims against the Company, all of the subsidiaries of the Company (including the Subsidiary Guarantors), the Company’s shareholders and each of these parties’ respective officers, directors, advisers and representatives under the Existing Debt in exchange for (A) the Restructuring</p>

	<p>Consideration (as defined below) in accordance with the terms of the Restructuring Documents (as defined in the RSA); and (B) the Company and the Subsidiary Guarantors agreeing to fully release (subject to carve-outs for fraud, dishonesty, wilful default and wilful misconduct) all claims against the Scheme Creditors, the Ad Hoc Group and any of the Ad Hoc Group's respective officers, directors and representatives and the Ad Hoc Group's Advisors in relation to the Existing Debt.</p>
<p>Restructuring Consideration</p>	<p>The Restructuring Consideration for Scheme Creditors, in an aggregate amount equal to the Scheme Creditors' Claims, will consist of part(s) or all of:</p> <ul style="list-style-type: none"> (a) Convertible Bonds in an aggregate principal amount of US\$1.0 billion, which shall be allocated to all Scheme Creditors on a pro rata basis; (b) Mandatory Convertible Bonds at the election of Scheme Creditors, subject to a cap of US\$1.75 billion, provided that the Company may in its sole discretion increase such cap to the extent that the aggregate amount of Mandatory Convertible Bonds elected by the Scheme Creditors exceeds such cap. If the principal amount of Mandatory Convertible Bonds elected for exchange by Scheme Creditors exceeds US\$1.75 billion (or such other amount as may be increased by the Company at its discretion), the Mandatory Convertible Bonds will be allocated to the electing Scheme Creditors pro rata to the Scheme Creditors' Claims elected for exchange; (c) ordinary shares of Sunac Services Holdings Limited listed on the SEHK ("1516 Shares") currently held by Sunac Services Investment Limited ("Sunac Services Holdco"), at the election of the Scheme Creditors, subject to a cap of 449,356,068 1516 Shares (the "Capped 1516 Shares") representing approximately 14.7% of the total issued 1516 Shares as of the date of the RSA, which shall be exchanged for Existing Debt and transferred to Scheme Creditors at an exchange price equal to the higher of (i) 2.5 times the VWAP of 1516 Shares for the 60 trading days immediately preceding the Record Time and (ii) HK\$17 per 1516 Share, provided that if the number of 1516 Shares elected for exchange by the Scheme Creditors exceeds the Capped 1516 Shares, the Capped 1516 Shares will be allocated to the electing Scheme Creditors pro rata to the Scheme Creditors' Claims elected for exchange; and (d) New Notes in an aggregate principal amount that equals Scheme Creditors' Claims minus (A) the aggregate principal amount of Convertible Bonds; (B) the aggregate principal amount of Mandatory Convertible Bonds (if any) and (C) the amount of Existing Debt to be exchanged into 1516 Shares (if any), which shall comprise the following tranches <u>in sequence</u>: <ul style="list-style-type: none"> (i) Tranche A in an aggregate principal amount of US\$500 million;

	<ul style="list-style-type: none"> (ii) Tranche B in an aggregate principal amount of US\$500 million; (iii) Tranche C in an aggregate principal amount of US\$1,000 million; (iv) Tranche D in an aggregate principal amount of US\$1,500 million; (v) Tranche E in an aggregate principal amount of US\$1,500 million; (vi) Tranche F in an aggregate principal amount of US\$1,000 million; (vii) Tranche G in an aggregate principal amount (x) equal to the remaining Restructuring Consideration, if such remaining Restructuring Consideration is not more than US\$1,000 million, or (y) US\$1,000 million, if the remaining Restructuring Consideration is more than US\$1,000 million; and (viii) Tranche H (if any) in an aggregate principal amount in US\$ equal to any remaining Restructuring Consideration. <p>"VWAP" means volume-weighted average price, a measurement that shows the average price of a security, adjusted for its volume.</p>
<p>Ranking of Restructuring Consideration</p>	<p>The ranking of the Restructuring Consideration shall be as follows:</p> <ul style="list-style-type: none"> (a) The New Notes, the Mandatory Convertible Bonds and the Convertible Bonds benefit from the same Subsidiary Guarantees and charges over the shares held by the Company or a Subsidiary Guarantor in the Subsidiary Guarantors; and (b) The Shareholder Loan and/or any mandatory convertible bonds issued in respect of the Shareholder Loan shall be subordinated in rights of payment to the New Notes, the Mandatory Convertible Bonds and the Convertible Bonds.
<p>Conditions Precedent to Restructuring Effective Date</p>	<p>"Restructuring Effective Date" or "RED" means the day on which all outstanding Existing Debt will be cancelled and all guarantees and share charges (if any) in connection with the Existing Debt will be released and the Restructuring Consideration will be distributed to the Scheme Creditors, with the conditions precedent to the Restructuring Effective Date ("Pre-RED Conditions") having been either (A) satisfied; or (B) waived by the Majority Ad Hoc Group or Majority Consenting Creditors, as the case may be, including:</p> <ul style="list-style-type: none"> (a) the obtaining of all relevant approvals or consents, e.g. including without limitation the occurrence of the Scheme Effective Date(s), relevant listing/quotation approvals-in-principle or conditional approvals for the New Notes on the Singapore Stock Exchange or the SEHK or another stock exchange with international standing, necessary approvals for the issuance and conversion of Convertible Bonds and Mandatory

	<p>Convertible Bonds, including listing approval or conditional approval for the shares to be issued upon conversion of the Convertible Bonds and the Mandatory Convertible Bonds (it being acknowledged that certain listing approvals may be conditional upon a resumption in trading in the Company's listed Shares), unconditional approval from the shareholders of the Company as required for the issuance of new shares as contemplated with respect to the Mandatory Convertible Bonds and Convertible Bonds and any board approvals of the Company required to consummate the Restructuring;</p> <p>(b) the settlement in full of all Creditor Fees and Expenses and Company Fees and Expenses (each as defined in the RSA) and any other professional fees in relation to the Existing Debt payable on or prior to the RED, under contracts or other arrangements entered into by the Company with financial or legal advisers or other professional parties for their services rendered in relation to the proposed Restructuring;</p> <p>(c) each Restructuring Document being in Agreed Form (each as defined in the RSA);</p> <p>(d) the appointment of the Offshore Creditors' Director (as defined below), provided that the nomination of the Offshore Creditors' Director shall be made and submitted by the Ad Hoc Group to the Company not less than 30 days prior to the RED and such person shall satisfy the Offshore Creditors' Director Qualification Requirement (as defined below);</p> <p>(e) the designation of one or more offshore bank account(s) (as agreed between the Company and the Ad Hoc Group) for the purposes of the Specified Asset Cash Sweep, the Other Specified Asset Cash Sweep and the Relevant 1516 Shares Cash Sweep;</p> <p>(f) the satisfaction of each of the specific conditions precedent contained in each of the Restructuring Documents (as defined in the RSA);</p> <p>(g) conditional approval for the resumption of trading in the Company's listed Shares to occur following RED unless unconditional approval is obtained or trading in the Company's listed Shares has been resumed prior to RED; and</p> <p>(h) the Company announcing the date set for the Restructuring Effective Date.</p> <p>The Restructuring Effective Date shall occur within 5 business days of the Pre-RED Conditions being satisfied or waived, and in any event on or prior to the Longstop Date.</p>
<p>Condition subsequent</p>	<p>Unless waived by the Majority Ad Hoc Group or the Majority Consenting Creditors as a result of Condition Precedent (g) above having been satisfied on or prior to RED, no more than 5 Business Days post RED, the Company's listed Shares will have resumed trading on the SEHK.</p>

	This condition shall not be applicable if trading in the Company's listed Shares has already been resumed before RED.
AHG Work Fee	AHG Work Fee to be paid to the Ad Hoc Group in accordance with the terms set out in the AHG Work Fee Letter.
Consent Fee	<p>Consent Fee(s) are to be paid in accordance with the terms of the RSA, in an amount equal to 0.1% of the principal amount of Eligible Restricted Debt, i.e. Restricted Debt which was made subject to the RSA by the Consent Fee Deadline.</p> <p>The Consent Fee Deadline may be extended in accordance with the terms of the RSA.</p>
Treatment of the Existing Debt	Save as otherwise provided for in this term sheet, on the Restructuring Effective Date, all outstanding Existing Debt will be exchanged in full for Restructuring Consideration and following such exchange, the Existing Debt shall be cancelled and all guarantees and share charges (if any) in connection with the Existing Debt will be released provided that the Convertible Bonds, the Mandatory Convertible Bonds (if applicable) and the New Notes shall be issued and become effective in accordance with their terms (as described below).
<p>Terms of the New Notes</p> <p><i>Capitalised terms not defined below will be defined in the New Notes Indentures, which shall follow the meanings given to them in the indenture governing the October 2024 Notes, it being understood and agreed that the terms of the New Notes Indentures other than those expressly specified below are subject to negotiation and may differ from those in the Existing Notes Indentures.</i></p>	
Issuer	Sunac China Holdings Limited (1918.HK)
Original Issue Date	The RED
Interest Commencement Date	The RED or 30 September 2023, whichever is earlier
Original Issue Amount	<p>The original principal amount of each tranche shall be:</p> <p>Tranche A: US\$500 million. Tranche B: US\$500 million. Tranche C: US\$1,000 million. Tranche D: US\$1,500 million. Tranche E: US\$1,500 million. Tranche F: US\$1,000 million.</p> <p>Tranche G: (i) equal to the amount of the remaining Restructuring Consideration (i.e., the total Restructuring Consideration minus the aggregate principal amount of the Convertible Bonds, the aggregate principal amount of Mandatory Convertible Bonds, the amount of Existing Debt exchanged into 1516 Shares and Tranches A to F of the New Notes), if such remaining Restructuring Consideration is not more</p>

	<p>than US\$1,000 million, or (ii) US\$1,000 million, if such remaining Restructuring Consideration is more than US\$1,000 million.</p> <p>Tranche H (if any): equal to the amount of the remaining Restructuring Consideration in US\$ (i.e., the total Restructuring Consideration minus the aggregate principal amount of the Convertible Bonds, the aggregate principal amount of Mandatory Convertible Bonds, the amount of Existing Debt exchanged into 1516 Shares and Tranches A to G of the New Notes).</p>
Maturity	<p>Tranche A: 2 years from the Interest Commencement Date, provided that the Company shall have the option to extend the maturity of Tranche A for one additional year.</p> <p>Tranche B: 3 years from the Interest Commencement Date, provided that the Company shall have the option to extend the maturity of Tranche B for one additional year.</p> <p>Tranche C: 4 years from the Interest Commencement Date.</p> <p>Tranche D: 5 years from the Interest Commencement Date.</p> <p>Tranche E: 6 years from the Interest Commencement Date.</p> <p>Tranche F: 7 years from the Interest Commencement Date.</p> <p>Tranche G: 8 years from the Interest Commencement Date.</p> <p>Tranche H: 9 years from the Interest Commencement Date.</p>
Interest	<p>Tranche A: 5.00% per annum. In the event the Company elects to extend the maturity of Tranche A, Tranche A will bear interest at a rate of 6.00% from (but excluding) the original maturity date of Tranche A.</p> <p>Tranche B: 5.25% per annum. In the event the Company elects to extend the maturity of Tranche B, Tranche B will bear interest at a rate of 6.25% from (but excluding) the original maturity date of Tranche B.</p> <p>Tranche C: 5.50% per annum.</p> <p>Tranche D: 5.75% per annum.</p> <p>Tranche E: 6.00% per annum.</p> <p>Tranche F: 6.25% per annum.</p> <p>Tranche G: 6.50% per annum.</p> <p>Tranche H: 6.50% per annum.</p> <p>Interest on New Notes is payable in cash semi-annually in arrears on the outstanding principal amount of New Notes, subject to the election of PIK Interest by the Company.</p>
PIK Interest	<p>The New Notes will bear interest, accruing on the Interest Accrual Base, from and including the Interest Commencement Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semi-annually, entirely in cash, in arrears, at the rates set forth immediately above (such interest, “Cash Interest”), unless</p> <p>(a) with respect to any accrued and unpaid interest during the first twelve-month period after the Interest Commencement</p>

	<p>Date, the Company elects by giving notice in writing to the Notes Trustee and the Agents not less than 5 Business Days prior to the relevant interest payment date to pay all or a portion of such interest in paid-in-kind interest (such interest, “PIK Interest”) instead of Cash Interest. If the Company so elects, such PIK Interest shall accrue on the Interest Accrual Base at a rate that is 1 percentage point higher than the original interest rate per annum from the Interest Commencement Date, or from the most recent interest payment date to which Cash Interest or PIK Interest has been paid or duly provided for, payable on such interest payment date by increasing the principal amount of the New Notes by the amount of such PIK Interest accrued for such interest period; and</p> <p>(b) with respect to any accrued and unpaid interest during the second twelve-month period after the Interest Commencement Date, the Company elects by giving notice in writing to the Notes Trustee and the Agents not less than 5 Business Days prior to the relevant interest payment date to pay a portion of such interest in PIK Interest instead of Cash Interest, provided that for such period, the Company shall pay Cash Interest at a rate of at least 2% per annum on the Interest Accrual Base with the remaining portion of accrued and unpaid interest paid in PIK Interest. If the Company so elects, such PIK Interest shall accrue on the Interest Accrual Base at a rate that is 1 percentage point higher than the original interest rate per annum from the Interest Commencement Date, or from the most recent interest payment date to which Cash Interest or PIK Interest has been paid or duly provided for, less the percentage points paid in Cash Interest, payable on such interest payment date by increasing the principal amount of the New Notes by the amount of such PIK Interest accrued for such interest period.</p> <p>After 24 months from the Interest Commencement Date, the Company shall pay accrued interest on the New Notes in cash only.</p> <p>“Accreted Value” with respect to any outstanding New Note (including any additional New Note) means, as of any date, an amount equal to the sum of (i) the initial nominal principal amount of such New Note issued on the issue date of such New Note and (ii) PIK Interest paid or due and payable through such date less for the avoidance of doubt (iii) any amounts of New Notes partly redeemed or repurchased in accordance with the terms and conditions of the New Notes.</p> <p>“Interest Accrual Base” means the Accreted Value on the applicable calculation date.</p>
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Collateral Agent	An administrative party to be agreed between the Company and Ad Hoc Group prior to RED who shall be party to the relevant Restructuring Documents.
Notes Trustee	An administrative party to be agreed between the Company and Ad Hoc Group prior to RED who shall be party to relevant Restructuring Documents.
Subsidiary Guarantees	The same Subsidiary Guarantors as those guaranteeing the Existing Notes (" Subsidiary Guarantees ").
Collateral	Charges over the shares held by the Company or a Subsidiary Guarantor in the Subsidiary Guarantors, subject to the terms of a new intercreditor agreement (" ICA "), to be shared among different tranches of the New Notes, the Mandatory Convertible Bonds, the Convertible Bonds and any other Permitted Pari Passu Secured Indebtedness (as defined in the New Notes Indentures).
Specified Asset Cash Sweep	<p><i>Specified Asset Sale:</i></p> <p>(a) Upon consummation of any Specified Asset Sale, the Company shall, subject to satisfaction of certain conditions precedent, remit no less than 50% of the Net Proceeds from such Specified Asset Sale (the "Allocation Amount") to a designated offshore account (the "Allocation Account").</p> <p><i>Cash Sweep:</i></p> <p>(a) In the event that the accumulated and unapplied Allocation Amount in the Allocation Account exceeds US\$50 million, the Company shall apply, or procure the application of, the Allocation Amount in the Allocation Account as follows:</p> <p>(i) within the Allocation Period, apply the Allocation Amount in either or both of the following ways:</p> <p>a. make one or more public offers to holders of one or more tranches of the then outstanding New Notes and/or Mandatory Convertible Bonds, to purchase the New Notes and/or the Mandatory Convertible Bonds, at a purchase price below par; and/or</p> <p>b. (A) take irrevocable steps to pay the principal of, and/or premium, if any, on the New Notes and/or the Mandatory Convertible Bonds, in each case that has become due or will become due in the next 6 months, (B) pay or set aside (within the Allocation Account) a portion of the Allocation Amount for the next payment of Cash Interest under the New Notes, or (C) pay (x) the Creditor Fees and Expenses and (y) the Company Fees and Expenses; and</p> <p>(ii) to the extent that after the application described in (i) above, the accumulated and unapplied Allocation Amount in the Allocation Account exceeds US\$10 million, serve a notice within 15 Business Days after the</p>

	<p>end of the Allocation Period to redeem the then outstanding New Notes and/or Mandatory Convertible Bonds at par plus any accrued and unpaid Cash Interest on such redeemed New Notes up to but excluding the relevant redemption date, provided that to the extent the Company elects to redeem the New Notes with a portion or all of the remaining Allocation Amount in this (ii), such portion of the remaining Allocation Amount shall always first be allocated to the tranche of New Notes that has the earliest maturity date among all New Notes then outstanding,</p> <p>provided that, in the event that the accumulated and unapplied Allocation Amount in the Allocation Account has not exceeded US\$50 million, the Company may, at its sole discretion, apply, or procure the application of, the Allocation Amount in the Allocation Account in the manner described in (i) and (ii) above; and in the event after the application described in (i) above, the accumulated and unapplied Allocation Amount in the Allocation Account does not exceed US\$10 million, the Company may, at its sole discretion, apply, or procure the application of, the Allocation Amount in the Allocation Account in the manner described in (ii) above;</p> <p>provided further that, the Company may not apply the Allocation Amount to pay the principal amount of, redeem or repurchase the Mandatory Convertible Bonds in the manner described in (i) and (ii) above to the extent any Tranche A or Tranche B of the New Notes remain outstanding, except where such payment, redemption or repurchase is made using the proceeds or funds from a Strategic Investor (the above, the “Specified Asset Cash Sweep”).</p> <p>(b) The New Notes and/or the Mandatory Convertible Bonds (to the extent permitted under the Mandatory Convertible Bonds) so repurchased or redeemed by the Company in accordance with the aforementioned shall be delivered to the relevant trustee for cancellation as soon as practicable.</p> <p>(c) In the event there shall accrue any Allocation Amount after the date of the RSA and before the RED, the Company shall only apply such Allocation Amount in the manner described in (a)(i)b(C) above on or before the RED, or reserve such Allocation Amount for allocation and application on or as soon as practicable after the RED pursuant to this cash sweep undertaking, except that the requirement to transfer the Allocation Amount to the Allocation Account shall only apply from the RED. For any Specified Asset Sale prior to the RED, the Company shall provide the AHG Advisors with information relating to the buyer, the amount and nature of the consideration, the dates on which all components of the consideration will be received and the relevant details of the relevant designated</p>
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	<p>onshore account before the consummation of such Specified Asset Sale.</p> <p>“Allocation Period” means a 45-Business-Day period after the date on which the accumulated and unapplied Allocation Amount in the Allocation Account exceeds US\$50 million.</p> <p>“Board” means the board of directors of the Company.</p> <p>“Business Day” means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in Hong Kong, Singapore, the PRC, London or New York are authorised or required by law or governmental regulation to close.</p> <p>“Fair Market Value” means: (i) where the Asset Disposal is of the Relevant 1516 Shares, the closing price of the 1516 Shares as quoted on the daily quotation sheet of SEHK on the trading day preceding the proposed Permitted Sale; (ii) where the Asset Disposal is of listed shares (other than the 1516 Shares), the closing price of such shares as quoted on the daily quotation sheet of SEHK or other stock exchange on the trading day preceding the proposed Asset Disposal; and (iii) where the Asset Disposal is of unlisted shares or other assets not covered in (i) and (ii) above, the price after a sales process has been conducted and determined on an arm’s length basis or reasonable commercial terms, as applicable, for such Asset Disposal.</p> <p>“Independent Third Party” means a party who/which is (i) not a connected person (within the meaning of the Listing Rules) of the Company at the Company level or (ii) a Strategic Investor.</p> <p>“Net Proceeds” means with respect to any Specified Asset Sale, the cash proceeds of such Specified Asset Sale attributable to the Group (on a look-through basis and taking into account any adjustment for minority interests with mechanic and threshold to be agreed between the Company and the Ad Hoc Group in the long-form documentation), net of certain fees, taxes, charges and amounts under certain indebtedness, liabilities or other obligations.</p> <p>“Specified Asset Sale” means, on or after the date of the RSA,</p> <ol style="list-style-type: none"> (1) any sale, transfer or disposal of a Specified Asset by the relevant member of the Group; and/or (2) any sale or transfer by any member of the Group of any shares in any company that directly or indirectly holds a Specified Asset, subject to certain exceptions to be agreed in the long-form documentation (as agreed between the Company and the Ad Hoc Group), <p>in each case of (1) and (2), other than any such sale or transfer to the Company or to another Subsidiary in which the Company has a direct or indirect equity interest in a percentage not less than the equity interest it owns in the Subsidiary that directly makes such sale, transfer or disposal.</p> <p>“Specified Assets” has the meaning given to it in Annex I hereto, excluding any such asset that is sold or transferred on or after the date of the RSA in accordance with a Specified Asset Sale, provided that if</p>
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	<p>the Company receives any non-cash consideration from a Specified Asset Sale, such non-cash consideration will form part of Specified Assets.</p> <p>“Strategic Investor” means any person not being a connected person of the Company at the Company level before entering into any agreement in respect of equity investment in the Company in respect of whom (i) the Board (at a meeting that all the Board members have the opportunity to attend) has made a determination (and recorded such determination in corporate authorisations that shall be shared with the Offshore Creditors’ Director at its reasonable request) in good faith that such person is likely to develop a material strategic relationship with the Company, including without limitation an acquisition of another entity or assets, in connection with and related to the Company’s present or future business, and its affiliates; and (ii) (A) the Company or its shareholder(s) and such person have entered into a binding agreement in respect of the equity investment or (B) such person has made a general or partial takeover offer.</p> <p>“unencumbered” in this term sheet means not subject to any security interest securing financial indebtedness.</p>
<p>Other Specified Asset Cash Sweep</p>	<p>(a) The Company may negotiate, agree and enter into any Other Specified Asset Sale for Fair Market Value with (i) an Independent Third Party on arm’s length terms and (ii) in the case of Wanda Shares only, with a member of the Group on reasonable commercial terms. The Company shall not enter into any Other Specified Asset Sale with any other party that is neither an Independent Third Party nor or a member of the Group. Notwithstanding anything to the contrary herein, the Company may sell any of the Other Specified Assets on market when such Other Specified Assets have become listed securities provided that any Other Net Proceeds from such sale are applied in accordance with this cash sweep.</p> <p>(b) Upon consummation of any Other Specified Asset Sale, the Company shall (or shall procure that the relevant member of Group shall), as soon as practicable after the later of (x) the date of consummation of such Other Specified Asset Sale, and (y) the date on which the Company (or the relevant member of the Group) receives the Other Net Proceeds from such Other Specified Asset Sale, remit 90% of the Other Net Proceeds from such Other Specified Asset Sale(s) (such portion of the Other Net Proceeds, the “Other Allocation Amount”) to a designated offshore account (the “Other Allocation Account”), subject to the satisfaction of the CPs to the Other Specified Asset Cash Sweep.</p> <p>(c) In the event that the accumulated and unapplied Other Allocation Amount in the Other Allocation Account exceeds US\$50 million, the Company shall apply, or procure the application of, the Other Allocation Amount in the Other Allocation Account as follows:</p>

	<p>(i) within the Other Allocation Period, apply the Other Allocation Amount in either or both of the following ways:</p> <ul style="list-style-type: none"> a. make one or more public offers to holders of one or more tranches of the then outstanding New Notes and/or Mandatory Convertible Bonds, to purchase the New Notes and/or the Mandatory Convertible Bonds, at a purchase price below par; and/or b. (A) take irrevocable steps to pay the principal of, and/or premium, if any, on the New Notes and/or the Mandatory Convertible Bonds, in each case that has become due or will become due in the next 6 months, (B) pay or set aside a portion of the Other Allocation Amount for the next payment of Cash Interest under the New Notes, or (C) pay (x) the Creditor Fees and Expenses and (y) the Company Fees and Expenses; and <p>(ii) to the extent that after the application described in (i) above, the accumulated and unapplied Other Allocation Amount in the Other Allocation Account exceeds US\$10 million, serve a notice within 15 Business Days after the end of the Other Allocation Period to redeem the then outstanding New Notes and/or Mandatory Convertible Bonds at par plus any accrued and unpaid Cash Interest on such redeemed New Notes up to but excluding the relevant redemption date, provided that to the extent the Company elects to redeem the New Notes with a portion or all of the remaining Other Allocation Amount in this (ii), such portion of the remaining Other Allocation Amount shall always first be allocated to the tranche of New Notes that has the earliest maturity date among all New Notes then outstanding,</p> <p>provided that, in the event the accumulated and unapplied Other Allocation Amount in the Other Allocation Account has not exceeded US\$50 million, the Company may, at its sole discretion, apply, or procure the application of, the Other Allocation Amount in the Other Allocation Account in the manner described in (i) and (ii) above; and in the event after the application described in (i) above, the accumulated and unapplied Other Allocation Amount in the Other Allocation Account does not exceed US\$10 million, the Company may, at its sole discretion, apply, or procure the application of, the Other Allocation Amount in the Other Allocation Account in the manner described in (ii) above;</p> <p>provided further that, the Company may not apply the Other Allocation Amount to pay the principal amount of, redeem or repurchase the Mandatory Convertible Bonds in the manner described in (i) and (ii) above to the extent any Tranche A or Tranche B of the New Notes remain outstanding, except where</p>
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such payment, redemption or repurchase is made using the proceeds or funds from a Strategic Investor (the above, the **“Other Specified Asset Cash Sweep”**).

- (d) The New Notes and/or the Mandatory Convertible Bonds (to the extent permitted under the Mandatory Convertible Bonds) so repurchased or redeemed by the Company in accordance with the aforementioned shall be delivered to the relevant trustee for cancellation as soon as practicable.
- (e) In the event there shall accrue any Other Allocation Amount after the date of the RSA and before the RED, the Company shall only apply such Other Allocation Amount in the manner described in (c)(i)b(C) above on or before the RED, or reserve such Other Allocation Amount for allocation and application on or as soon as practicable after the RED pursuant to this cash sweep undertaking, except that the requirement to transfer the Other Allocation Amount to the Other Allocation Account shall only apply from the RED.

“CPs to the Other Specified Asset Cash Sweep” means (A) the Company and the relevant Subsidiaries are in receipt of all relevant regulatory, judicial and/or governmental approvals; (B) all relevant regulatory, judicial or government restrictions on the Company and any relevant Subsidiary have been lifted; (C) all orders, requirements and requests from regulatory, judicial or government authorities have been satisfied and (D) no notice, order, judgment, action or proceeding of any court, arbitrator, governmental authority, statutory or regulatory body has been served, issued or made which makes it unlawful as a matter of PRC law or regulation for any remittance by the Company or relevant member of the Group of Other Net Proceeds to the Other Allocation Account.

“Fair Market Value” means: (i) where the Asset Disposal is of the Relevant 1516 Shares, the closing price of the 1516 Shares as quoted on the daily quotation sheet of SEHK on the trading day preceding the proposed Permitted Sale; (ii) where the Asset Disposal is of listed shares (other than the 1516 Shares), the closing price of such shares as quoted on the daily quotation sheet of SEHK or other stock exchange on the trading day preceding the proposed Asset Disposal; and (iii) where the Asset Disposal is of unlisted shares or other assets not covered in (i) and (ii) above, the price after a sales process has been conducted and determined on an arm’s length basis or reasonable commercial terms, as applicable, for such Asset Disposal.

“Other Allocation Period” means a 45-Business-Day period after the date on which the accumulated and unapplied Other Allocation Amount in the Other Allocation Account exceeds US\$50 million.

“Other Net Proceeds” means with respect to any Other Specified Asset Sale, the cash proceeds of such Other Specified Asset Sale attributable to the Group, (on a look-through basis and taking into account any adjustment for minority interests with mechanic and threshold to be agreed between the Company and the Ad Hoc Group in the long-form documentation) net of:

	<ol style="list-style-type: none"> (1) actual brokerage commissions and other costs, fees and expenses (including without limitation fees and expenses of professional parties) related to or in connection with such Other Specified Asset Sale and the application of the proceeds of such Other Specified Asset Sale; (2) provisions for all taxes and other regulatory fees or charges in connection with such Other Specified Asset Sale that are actually paid or to the extent that the Company reasonably expects (where applicable, based on advice from its professional advisers) such taxes, fees or charges to be payable in connection with an Other Specified Asset Sale; (3) any amount required or requested by PRC government bodies and/or under such applicable PRC law, rules, regulations, policies or measures to be deposited in a designated account or used for other purposes, which is not freely transferrable or disposable by the Company, and amounts under any new financing incurred after the date of the RSA as requested by PRC government bodies and/or under such applicable PRC law, rules, regulations, policies or measures, that (in each case) are required or necessary to be paid as a result of or in connection with such Other Specified Asset Sale or the remittance of cash in accordance with this cash sweep undertaking; (4) any reasonable amounts to be provided by the Company or any Subsidiary as a reserve against any liabilities including, without limitation, employment benefit liabilities, amounts due to contractors and/or suppliers, liabilities related to environmental matters, and liabilities under any indemnification obligations directly associated with such Other Specified Asset Sale or otherwise directly associated with such Other Specified Asset, to the extent that such liabilities are not borne by or otherwise transferred to the buyer of such Other Specified Asset; (5) amounts under indebtedness or any other liability or obligation outstanding as of the date of the RSA that (x) is secured by a lien on the property or assets directly or indirectly sold under such Other Specified Asset Sale; or (y) is incurred or guaranteed by a Subsidiary that directly or indirectly owns the relevant Other Specified Asset which is required to be paid as a result of or in connection with such sale or the remittance of cash in accordance with this cash sweep undertaking, in each case including any refinancing, replacement, substitute and/or exchange thereof (in a principal amount up to the sum of the total principal amount of, and any unpaid accrued interest on, the indebtedness refinanced, replaced, substituted or exchanged) and related refinancing costs; and (6) amounts under indebtedness incurred after the date of the RSA, provided that 90% of the net proceeds from such indebtedness attributable to the Specified Asset on a look-through basis (to be determined pursuant to a mechanism agreed in the long-form
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	<p>documentation) is applied in accordance with this cash sweep. For the avoidance of doubt, any new financing incurred as described in clause (3) above and any refinancing, replacement, substitute and/or exchange described in clause (5) above (in a principal amount up to the sum of the total principal amount of, and any unpaid accrued interest on, the indebtedness refinanced, replaced, substituted or exchanged) shall not be subject to this clause (6).</p> <p>“Other Specified Asset Sale” means, on or after the date of the RSA,</p> <ol style="list-style-type: none"> (1) any sale, transfer or disposal of an Other Specified Asset by the relevant member of the Group; and/or (2) any sale or transfer by any member of the Group of shares in a company that directly or indirectly holds an Other Specified Asset, subject to certain exceptions to be agreed in the long-form documentation (as agreed between the Company and the Ad Hoc Group), <p>in each case of (1) and (2), other than any sale or transfer of Wanda Shares to the Company or to another Subsidiary in which the Company has a direct or indirect equity interest in a percentage not less than the equity interest it owns in the Subsidiary that directly makes such sale, transfer or disposal.</p> <p>“Other Specified Assets” means Wanda Shares, Ziroom Shares, Wuhan Project and Dalian Project (each as defined in Annex II hereto), excluding any such asset that has been sold or transferred in accordance with an Other Specified Asset Sale.</p>
<p>Relevant 1516 Shares Cash Sweep</p>	<p><i>Custodian Arrangement</i></p> <ol style="list-style-type: none"> (a) All Relevant 1516 Shares shall be held in an offshore custodian account in the name of Sunac Services Holdco (the “Custodian Account”) opened with a custodian agent (identity to be agreed between the Company and the Ad Hoc Group prior to the RED) (the “Custodian”) under an agreement (the “Custodian Agreement”) and, together with the Custodian Account, the “Custodian Arrangement”) between Sunac Services Holdco, the Custodian, the Company, a monitoring agent (identity to be agreed between the Company and the Ad Hoc Group) (the “SS Monitoring Agent”) and (subject to agreement between the Company and the Ad Hoc Group) the Notes Trustee. (b) All costs reasonably incurred relating to the Custodian Arrangement will be borne by the Company. (c) The Company may negotiate, agree and enter into any disposal of Relevant 1516 Shares with an Independent Third Party, on an arm’s length basis, for not less than 80% of Fair Market Value. The Company shall not enter into any disposal of Relevant 1516 Shares with any party that is not an Independent Third Party (subject to the permissions applicable to a Permitted Sale, below). Notwithstanding anything to the contrary herein, the Company may sell any of the Relevant 1516 Shares on market

	<p>provided that no Event of Default has occurred and is continuing and that any Net Share Proceeds from such sale are applied in accordance with this cash sweep.</p> <p>(d) The Custodian Agreement shall provide that Sunac Services Holdco may instruct the Custodian to deal freely with any Relevant 1516 Shares, and the Custodian shall act in accordance with such instructions, provided that the Company shall provide the Custodian and the SS Monitoring Agent with, by no later than 5 Business Days after completion of the sale of the Relevant 1516 Shares (“Permitted Sale”), confirmation that</p> <p>(i) the sale is an on-market transaction, together with the amount of consideration, date of such sale, date of receipt of all components of the consideration and the number of the Relevant 1516 Shares sold; or</p> <p>(ii) if the sale is an off-market transaction, confirmation that the sale satisfies the following conditions:</p> <p>a. the counterparty of such sale is either an Independent Third Party buyer or a Strategic Investor;</p> <p>b. such sale is on an arm’s length basis; and</p> <p>c. the consideration of such sale is not less than 80% of the Fair Market Value of the Relevant 1516 Shares; and</p> <p>stating the consideration, the date of such sale, the number of Relevant 1516 Shares sold and the identity of the buyer, (the “Confirmation”).</p> <p><i>Cash Sweep</i></p> <p>(a) Upon receipt of the Net Share Proceeds (as defined below), the Company shall transfer the Share Allocation Amount (as defined below) into an offshore designated account which shall be subject to an offshore account control agreement and subject to account security in favour of the Collateral Agent (the “Share Allocation Account”). In the event that the accumulated and unapplied Share Allocation Amount in the Share Allocation Account exceeds US\$50 million, the Company shall apply, or procure the application of the Share Allocation Amount as follows:</p> <p>(i) within the Share Proceeds Allocation Period, apply the Share Allocation Amount in either or both of the following ways:</p> <p>a. make one or more public offers to holders of one or more tranches of the then outstanding New Notes and/or the Mandatory Convertible Bonds, to purchase the New Notes and/or the Mandatory Convertible Bonds, at a purchase price below par; and/or</p>
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	<p>b. (A) take irrevocable steps to pay the principal of, and/or premium, if any, on the New Notes and/or the Mandatory Convertible Bonds, in each case that has become due or will become due in the next 6 months, (B) pay or set aside a portion of the Share Allocation Amount for the next payment of Cash Interest under the New Notes, or (C) pay (x) the Creditor Fees and Expenses and (y) the Company Fees and Expenses; and</p> <p>(ii) to the extent that after the application described in (i) above, the accumulated and unapplied Share Allocation Amount in the Share Allocation Account exceeds US\$10 million, serve a notice within 15 Business Days after the end of the Share Proceeds Allocation Period to redeem the then outstanding New Notes and/or Mandatory Convertible Bonds at par plus any accrued and unpaid Cash Interest on such redeemed New Notes up to but excluding the relevant redemption date, provided that to the extent the Company elects to redeem the New Notes with a portion or all of the remaining Share Allocation Amount in this (ii), such portion of the remaining Share Allocation Amount shall always first be allocated to the tranche of New Notes that has the earliest maturity date among all New Notes then outstanding,</p> <p>provided that, in the event the accumulated and unapplied Share Allocation Amount in the Share Allocation Account has not exceeded US\$50 million, the Company may, at its sole discretion, apply, or procure the application of, the Share Allocation Amount in the Share Allocation Account in the manner described in (i) and (ii) above; and in the event after the application described in (i) above, the accumulated and unapplied Share Allocation Amount in the Share Allocation Account does not exceed US\$10 million, the Company may, at its sole discretion, apply, or procure the application of, the Share Allocation Amount in the Share Allocation Account in the manner described in (ii) above;</p> <p>provided further that, the Company may not apply the Share Allocation Amount to pay the principal amount of, redeem or repurchase the Mandatory Convertible Bonds in the manner described in (i) and (ii) above to the extent any Tranche A or Tranche B of the New Notes remain outstanding, except where such payment, redemption or repurchase is made using the proceeds or funds from a Strategic Investor (the above, the “Relevant 1516 Shares Cash Sweep”).</p> <p>(b) The New Notes and/or the Mandatory Convertible Bonds (to the extent permitted under the Mandatory Convertible Bonds) so repurchased or redeemed by the Company in accordance with</p>
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	<p>the aforementioned shall be delivered to the relevant Notes Trustee for cancellation as soon as practicable.</p> <p>(c) In the event there shall accrue any Share Allocation Amount after the date of the RSA and before the RED, the Company shall only apply such Share Allocation Amount in the manner described in (a)(i)b(C) above on or before the RED, or reserve such Share Allocation Amount for allocation and application on or as soon as practicable after the RED pursuant to this cash sweep covenant, except that the requirement to transfer the Share Allocation Amount to the Share Allocation Account shall only apply from the RED.</p> <p>(d) If any Event of Default has occurred and is continuing, the security over the Share Allocation Account shall become enforceable by the Collateral Agent and the Collateral Agent has the power to apply any amounts in the Share Allocation Account for repayment of the New Notes and Mandatory Convertible Bonds, as the case may be, and neither the Company nor any other member of the Group nor any other person will be able to access any cash balances in the Share Allocation Account without the prior consent of the Collateral Agent.</p> <p>(e) The Company may defer the transfer of the Share Allocation Amount into the Share Allocation Account pursuant to the Deferral Mechanism provided that Sunac Services Holdco shall provide a limited guarantee for the amount of Net Share Proceeds or funds that the Company is obliged to transfer, but has elected to defer such transfer, to the Share Allocation Account (a “Deferred Amount”). Such guarantee shall be released once the Company has transferred such Deferred Amount to the Share Allocation Account.</p> <p>(f) The Company may transfer funds for the Deferred Amount to the Share Allocation Account from either the Company’s Net Share Proceeds or its own funds, and to the extent the Company transfers funds to the Share Allocation Account from its own funds, the Company shall be entitled to reserve for the Group’s own use an equal amount of subsequent Net Share Proceeds (A) without being required to deposit the corresponding amount of Net Share Proceeds in the Share Allocation Account and (B) before applying the Initial Contribution Ratio and the Additional Contribution Ratio (as applicable).</p> <p>(g) If the Company fails to transfer the Deferred Amount to the Share Allocation Account on or prior to the expiry of the Deferral Period under the Deferral Mechanism, the Offshore Creditors’ Director may order Sunac Services Holdco to dispose of such number of Relevant 1516 Shares that will generate an amount of Net Share Proceeds equal to the amount that should have been transferred to the Share Allocation Account but for the Deferral Mechanism having been exercised. Such Net Share Proceeds shall be transferred in full (without deduction) to the</p>
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	<p>Share Allocation Account. The Offshore Creditors' Director shall be provided with all necessary powers, authorisations and rights to unilaterally effect a disposal of the Relevant 1516 Shares in the long-form documentation. For the avoidance of doubt, to the extent that the required amount of Net Share Proceeds has been transferred to the Share Allocation Account at the order of the Offshore Creditors' Director, the Company's failure to transfer the Deferred Amount to the Share Allocation Account on or prior to the expiry of the Deferral Period shall not constitute a breach of this cash sweep undertaking.</p> <p>(h) The Company's entitlements to any Net Share Proceeds shall be suspended upon any failure of the Company to transfer the Deferred Amount to the Share Allocation Account on or prior to the expiry of the Deferral Period under the Deferral Mechanism until the Deferred Amount is transferred to the Share Allocation Account.</p> <p>(i) The Company may defer the retention of any Net Share Proceeds to which it is entitled for the Group's own use, in which case the Company shall be entitled to reserve for the Group's own use an equal amount of subsequent Net Share Proceeds (A) without being required to deposit the corresponding amount of Net Share Proceeds in the Share Allocation Account and (B) before applying the Initial Contribution Ratio and the Additional Contribution Ratio (as applicable).</p> <p>"Additional Net Share Proceeds" means any Net Share Proceeds to the extent that they exceed the First Threshold.</p> <p>"Company's Net Share Proceeds" means the Company's entitlement to the Net Share Proceeds having applied the Initial Contribution Ratio and the Additional Contribution Ratio (as applicable).</p> <p>"Deferral Mechanism" means the Company may choose to delay the transfer of the Share Allocation Amount to the Share Allocation Account from time to time for a period not greater than 183 days after making each such election (the "Deferral Period"), by written notice to the Collateral Agent and SS Monitoring Agent.</p> <p>"Fair Market Value" means: (i) where the Asset Disposal is of the Relevant 1516 Shares, the closing price of the 1516 Shares as quoted on the daily quotation sheet of SEHK on the trading day preceding the proposed Permitted Sale; (ii) where the Asset Disposal is of listed shares (other than the 1516 Shares), the closing price of such shares as quoted on the daily quotation sheet of SEHK or other stock exchange on the trading day preceding the proposed Asset Disposal; and (iii) where the Asset Disposal is of unlisted shares or other assets not covered in (i) and (ii) above, the price after a sales process has been conducted and determined on an arms' length basis or reasonable commercial terms, as applicable, for such Asset Disposal.</p> <p>"First Threshold" means an aggregate amount of US\$200,000,000.</p>
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	<p>“Net Share Proceeds” means with respect to any cash dividend or other distribution on the Relevant 1516 Shares or any Permitted Sale, the cash proceeds of such cash dividend or Permitted Sale, as the case may be, attributable to the Company, net of:</p> <ol style="list-style-type: none"> (1) actual brokerage commissions and other costs, fees and expenses (including without limitation fees and expenses of professional parties) related to or in connection with such sale and the application of the proceeds of such sale; (2) provisions for all taxes and other regulatory fees or charges in connection with such disposal that are actually paid or to the extent that the Company reasonably expects (where applicable, based on advice from its professional advisers) such taxes, fees or charges to be payable in connection with such disposal; and (3) any deduction at the sole discretion of the Company, provided that any such deduction shall be cumulative and shall not exceed US\$30 million in aggregate. <p>“Relevant 1516 Shares” means the 1516 Shares held by Sunac Services Holdco as at the date of the RSA less the 1516 Shares to be exchanged for the Existing Debt.</p> <p>“Share Allocation Amount” means the amount of Net Share Proceeds to be allocated for the Share Allocation Account before the Deferral Mechanism, such that:</p> <ol style="list-style-type: none"> (1) if the aggregate amount of Net Share Proceeds is less than or equal to the First Threshold, 50% of the Net Share Proceeds shall be transferred to the Share Allocation Account (“Initial Contribution Ratio”) provided that not more than 550,000,000 Relevant 1516 Shares (“First Threshold Cap”) are sold to fund those Net Share Proceeds; (2) if the aggregate amount of the Net Share Proceeds is greater than the First Threshold, 80% of the Additional Net Share Proceeds shall be transferred to the Share Allocation Account (the “Additional Contribution Ratio”); and (3) if the Company sells more Relevant 1516 Shares than the First Threshold Cap for less than or equal to the First Threshold, any Net Share Proceeds attributable to the number of Relevant 1516 Shares in excess of the First Threshold Cap shall be applied using the Additional Contribution Ratio. <p>“Share Proceeds Allocation Period” means a 45-Business-Day period after the date on which the accumulated and unapplied Net Share Proceeds in the Share Allocation Account exceed US\$50 million.</p>
<p>Applicability of the Cash Sweeps</p>	<p>Only the New Notes and the Mandatory Convertible Bonds benefit from the cash sweep undertakings and related security as described in the Specified Asset Cash Sweep, the Other Specified Asset Cash Sweep and Relevant 1516 Shares Cash Sweep.</p>

	The Convertible Bonds do not benefit from these cash sweep undertakings and security granted solely in relation to these cash sweep undertakings.
Other covenants	Customary covenants, which, in certain circumstances, will have been reasonably tightened compared to the existing contractual protections under the existing indentures and finance documents in respect of the Existing Debt, as to be agreed in the long-form documentation between the Company and the Ad Hoc Group.
Pre-RED Dividend payment	On or prior to 15 June 2023, the Company shall (a) use commercially reasonable efforts to open the Custodian Account and duly execute the Custodian Agreement on terms reasonably satisfactory to the Ad Hoc Group, in order to utilise the Share Allocation Amount from cash dividend paid in relation to the Relevant 1516 Shares (" Pre-RED Dividend "), failing which the Company shall (b) transfer the proceeds from the Pre-RED Dividend to another unencumbered offshore account of the Company or a Subsidiary and provide the AHG Advisors with monthly bank statements of such account. In each case of (a) and (b), the Company shall apply such Share Allocation Amount to pay Creditor Fees and Expenses and/or Company Fees and Expenses.
Optional Redemption	At any time prior to the maturity of the New Notes, and with not less than 15 Business Days' prior notice, the Company has the right to redeem the New Notes, in whole or in part, at par plus any accrued and unpaid Cash Interest on such redeemed New Notes up to but excluding the relevant redemption date.
Events of Default	Customary events of default will be negotiated in respect of the long form documentation.
Amendments with Consent of Holders	Amendment or waiver provisions will be similar to those in the Existing Notes, except that the amendments or waivers that require consent of each holder affected thereby in the Existing Notes would only require consent by 80% in principal amount of the relevant tranche of the New Notes. Similarly, Section 6.07 (<i>Rights of Holders to Receive Payment</i>) under the New Notes Indentures will be similar to the equivalent section under the indentures governing the Existing Notes except that the rights thereunder may be amended or waived by 80% in principal amount of the relevant tranche of the New Notes.
Governance	The Company agrees that the members of the Ad Hoc Group collectively, holding at least 25% of the principal amount of the Existing Debt, with approval of the Majority Ad Hoc Group as of the date of such nomination shall be entitled to nominate one non-executive director (who shall (i) satisfy all applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time, the " Listing Rules ") and applicable legal requirements for such directorship, (ii) possess Chinese language capabilities, and (iii) be experienced in the PRC real estate industry (collectively, the " Offshore Creditors '

	<p>Director Qualification Requirement) (the “Offshore Creditors’ Director”) to the Board, provided that such members of the AHG collectively shall inform the Company of such nomination at least 30 calendar days prior to the RED.</p> <p>The Offshore Creditors’ Director shall enjoy all rights and powers available to him/ her as a director of the Company and be subject to the duties of the directors under common law, the Listing Rules, the Company’s constitutional documents and the laws of the Company’s incorporation.</p> <p>Mechanism (if any) for the replacement of the Offshore Creditors’ Director to be agreed between the Company and the Ad Hoc Group in the long form documentation subject to the Listing Rules and any other applicable corporate laws and regulations.</p>
Transfer Restrictions	<p>The New Notes and the Subsidiary Guarantees will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any securities law of any state or other jurisdiction of the United States, and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act (“Regulation S”)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Notes will be offered and sold only (i) in offshore transactions outside the U.S. in reliance on Regulation S or (ii) pursuant to another exemption.</p>
Form, Denomination and Registration	<p>Each tranche of the New Notes will be issued only in fully registered form and are expected to be initially represented by a Regulation S Global Note, a Rule 144A Global Note and an IAI Global Note.</p> <p>The minimum denomination of the New Notes will be US\$1,000 and integral multiples of US\$1 in excess thereof.</p>
Listing	<p>Application will be made for the listing and quotation of the New Notes offered hereby on the SGX-ST, the SEHK or another stock exchange with international standing.</p>
Governing Law	<p>The New Notes, the Subsidiary Guarantees and the New Notes Indentures will be governed by and will be construed in accordance with the laws of the State of New York.</p>
Jurisdiction	<p>U.S. federal and New York state courts located in the Borough of Manhattan, The City of New York are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the New Notes, the Subsidiary Guarantees and the New Notes Indentures.</p>
Terms of Convertible Bonds	
Company	Sunac China Holdings Limited (1918.HK)
Securities	Convertible Bonds convertible into, at the selection of Scheme Creditors, ordinary shares of the Company listed on the Stock Exchange of Hong Kong Limited (the “SEHK”) (the “Shares”)
Original Issue Date	The RED

Interest Commencement Date	The RED or 30 September 2023, whichever is earlier
Original Amount	Issue The original principal amount of Convertible Bonds shall be US\$1.0 billion.
Maturity	9 years from the Interest Commencement Date
Interest	<p>From, and including, the Interest Commencement Date to, but excluding, the third anniversary of the Interest Commencement Date, the Convertible Bonds will bear PIK Interest at 1% per annum.</p> <p>From, and including, the third anniversary of the Interest Commencement Date to, but excluding, the maturity date (unless early redeemed, repurchased or converted), the Convertible Bonds will bear (i) PIK Interest at 1% per annum, plus (ii) Cash Interest at 1% per annum, payable semi-annually in arrears.</p> <p>Any PIK Interest and Cash Interest shall accrue on the Interest Accrual Base from the Interest Commencement Date, or from the most recent interest payment date to which Cash Interest or PIK Interest has been paid or duly provided for, payable on such interest payment date by increasing the principal amount of the Convertible Bonds by the amount of such PIK Interest accrued for such interest period.</p> <p>“Accreted Value” with respect to any outstanding Convertible Bond (including any additional Convertible Bonds issued pursuant to the terms and conditions of the Convertible Bonds) means, as of any date, an amount equal to the sum of (i) the initial nominal principal amount of such Convertible Bond issued on the issue date of such Convertible Bond and (ii) the PIK Interest paid or due and payable through such date less for the avoidance of doubt (iii) any amounts of Convertible Bonds partly redeemed, repurchased or converted in accordance with the terms and conditions of the Convertible Bonds.</p> <p>“Interest Accrual Base” means the Accreted Value on the applicable calculation date.</p>
Redemption Events	Customary convertible bond redemption events to be negotiated and agreed in the long-form documentation.
Subsidiary Guarantees and Share Charges over Subsidiary Guarantors	Same as the New Notes and Mandatory Convertible Bonds
Cash Sweep	N/A
Conversion Period	Convertible during the first 12 months from the later of (a) the Original Issue Date, or (b) the date that the conditional listing approval from SEHK in respect of the Shares that may be converted into under the Convertible Bonds becomes unconditional and fully effective (the “CB Conversion Period”), provided that if the Shares are suspended from trading for 5 consecutive trading days or more during the CB Conversion Period or the Extension Period (defined below) (a “Suspension Period”), the CB

	<p>Conversion Period or the Extension Period (defined below) shall be so extended by the number of consecutive trading days equal to the Suspension Period (“Extension Period”).</p> <p>Any Convertible Bonds outstanding post the Conversion Period will not be able to be converted any further.</p>
Conversion Price	<p>HK\$20 per share, which may be adjusted in certain circumstances including stock split, consolidation, dividend and new equity issuance at less than certain issue price below market price, save that no adjustment shall be made for any equity issuance to a Strategic Investor unless the issue price is below HK\$4.58. Such adjustments shall apply on and from the date of the RSA.</p>
Condition Subsequent	<p>Due compliance with any post-issuance filing obligations required by the China Securities Regulatory Commission (“CSRC”), including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境内企业境外发行证券和上市管理试行办法) published by CSRC on 17 February 2023, coming into effective on 31 March 2023.</p>
Optional Redemption and Repurchase	<p>At any time during the tenor of the Convertible Bonds, and with not less than 15 Business Days’ prior notice, the Company has the right to redeem the Convertible Bonds, in whole or in part at par plus any accrued and unpaid Cash Interest on such redeemed Convertible Bonds up to but excluding the relevant redemption date.</p> <p>In addition to the above, the terms of the Convertible Bonds shall also provide for the ability of the Company to repurchase the outstanding Convertible Bonds, subject to the agreed restrictions in this term sheet and the ranking of the Restructuring Consideration.</p>
Form, Denomination and Registration	<p>The Convertible Bonds will be issued only in fully registered form and are expected to be initially represented by a Regulation S Global Certificate, a Rule 144A Global Certificate and an IAI Global Certificate.</p> <p>The minimum denomination of the Convertible Bonds will be US\$1,000 and integral multiples of US\$1 in excess thereof.</p>
Fixed Exchange Rate	<p>On any conversion into Shares, US\$1 in principal amount of Convertible Bonds shall be translated into Hong Kong dollars at a fixed rate to be agreed in the long-form documentation.</p>
Listing	<p>Application will be made for the listing and quotation of the Convertible Bonds offered hereby on the SGX-ST, the SEHK or another stock exchange with international standing.</p>
Governing Law	<p>The Convertible Bonds and the trust deed governing the Convertible Bonds (the “CB Trust Deed”) will be governed by and will be construed in accordance with the laws of Hong Kong.</p>
Jurisdiction	<p>Hong Kong courts are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Convertible Bonds and the CB Trust Deed.</p>
Terms of Mandatory Convertible Bonds	
Company	Sunac China Holdings Limited (1918.HK)
Securities	Mandatory Convertible Bonds convertible into the Shares

Original Issue Date	The RED
Interest Commencement Date	The RED or 30 September 2023, whichever is earlier
Original Issue Amount	The aggregate principal amount of Mandatory Convertible Bonds elected by Scheme Creditors, subject to a cap of US\$1.75 billion, provided that the Company may in its sole discretion increase such cap in the event that the aggregate amount of Mandatory Convertible Bonds selected by Scheme Creditors exceeds such cap.
Maturity/Principal Repayment	5 years from the Interest Commencement Date, with the outstanding principal amount of the Mandatory Convertible Bonds mandatorily converted into the Shares at maturity The Company shall not redeem or repurchase the Mandatory Convertible Bonds to the extent any Tranche A or Tranche B of the New Notes remains outstanding, except where such redemption or repurchase is made using the proceeds or funds from a Strategic Investor.
Redemption Events	Customary convertible bond redemption events to be negotiated and agreed in the long-form documentation.
Events of Default	Customary events of default to be negotiated and agreed in the long-form documentation.
Interest	Nil
Guarantees, Collateral and Cash Sweep	Same as the New Notes
Conversion Period	<p>Upfront Conversion:</p> <ul style="list-style-type: none"> - Within 10 Business Days from the later of (a) the Original Issue Date of the Mandatory Convertible Bonds, or (b) the date that the conditional listing approval from SEHK in respect of the Shares that may be converted into under the Mandatory Convertible Bonds becomes unconditional and fully effective, any holder of Mandatory Convertible Bonds may deliver conversion notices in respect of all or part of the Mandatory Convertible Bonds it holds into Shares (the “First Conversion”), provided that if the aggregate principal amount of Mandatory Convertible Bonds in respect of which conversion notices are delivered pursuant to the First Conversion exceeds 25% of the Original Issue Amount of Mandatory Convertible Bonds, only 25% of the Original Issue Amount of Mandatory Convertible Bonds will be converted pursuant to the First Conversion, which shall be allocated among holders as follows: <p style="padding-left: 40px;">With respect to each holder who has delivered a conversion notice pursuant to the First Conversion, the principal amount of Mandatory Convertible Bonds to be converted pursuant to the First Conversion shall be calculated as (x) the principal amount of Mandatory Convertible Bonds in respect of which such holder has</p>

	<p>delivered a conversion notice pursuant to the First Conversion; <i>divided by</i> (y) the aggregate principal amount of Mandatory Convertible Bonds elected to be converted in the First Conversion by all holders; <i>multiplied by</i> (z) 25% of the Original Issue Amount of Mandatory Convertible Bonds.</p> <ul style="list-style-type: none"> - In addition, if the principal amount of Mandatory Convertible Bonds converted pursuant to the First Conversion is less than 25% of the Original Issue Amount of Mandatory Convertible Bonds, any holder of Mandatory Convertible Bonds may deliver conversion notices in respect of all or part of the Mandatory Convertible Bonds it holds into Shares within 10 Business Days after the date which is 6 months after the Original Issue Date (the “Second Conversion” and, together with the First Conversion, the “Upfront Conversion”), provided that if the aggregate principal amount of Mandatory Convertible Bonds in respect of which conversion notices are delivered pursuant to the Upfront Conversion exceeds 25% of the Original Issue Amount of Mandatory Convertible Bonds, only such amount of Mandatory Convertible Bonds shall be converted pursuant to the Second Conversion that the aggregate principal amount of Mandatory Convertible Bonds converted pursuant to the Upfront Conversion shall equal 25% of the Original Issue Amount of Mandatory Convertible Bonds, and the principal amount of Mandatory Convertible Bonds to be converted pursuant to the Second Conversion shall be allocated among holders as follows: <ul style="list-style-type: none"> With respect to each holder who has delivered a conversion notice pursuant to the Second Conversion, the principal amount of Mandatory Convertible Bonds to be converted pursuant to the Second Conversion shall be calculated as (x) the principal amount of Mandatory Convertible Bonds in respect of which such holder has delivered a conversion notice pursuant to the Second Conversion; <i>divided by</i> (y) the aggregate principal amount of Mandatory Convertible Bonds elected to be converted pursuant to the Second Conversion by all holders; <i>multiplied by</i> (z) (25% of the Original Issue Amount of Mandatory Convertible Bonds <i>minus</i> the principal amount of Mandatory Convertible Bonds converted pursuant to the First Conversion). <p>The remaining principal amount of the Mandatory Convertible Bonds which remain unconverted after the Upfront Conversion is hereinafter referred to as the “Pro Forma MCB Principal Amount.”</p> <p>Ordinary Conversion:</p> <ul style="list-style-type: none"> - Within 10 Business Days after the date that is the second anniversary, the third anniversary and the fourth anniversary of the Original Issue Date, respectively, any holder of Mandatory Convertible Bonds may deliver conversion notices in respect of
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all or part of the Mandatory Convertible Bonds it holds into Shares (each such conversion, an “**Ordinary Conversion**”), provided that

- if, at the end of the conversion period in respect of the second anniversary, the sum of the Cumulative Conversion Amount (as defined below and for the avoidance of doubt not taking into account any conversion at the second anniversary) and the principal amount of Mandatory Convertible Bonds elected to be converted during the conversion period in respect of the second anniversary exceeds 40% of the Pro Forma MCB Principal Amount, only such principal amount of Mandatory Convertible Bonds shall be converted at the second anniversary that the Cumulative Conversion Amount (after taking into account the conversion at the second anniversary) shall equal 40% of the Pro Forma MCB Principal Amount, and the principal amount of Mandatory Convertible Bonds to be converted at the second anniversary shall be allocated among holders as follows:

With respect to each holder who has delivered a conversion notice pursuant to the Ordinary Conversion at the second anniversary, the principal amount of Mandatory Convertible Bonds to be converted pursuant to the Ordinary Conversion at the second anniversary shall be calculated as (x) the principal amount of Mandatory Convertible Bonds in respect of which such holder has delivered a conversion notice pursuant to the Ordinary Conversion at the second anniversary; *divided by* (y) the aggregate principal amount of Mandatory Convertible Bonds elected to be converted at the second anniversary by all holders; *multiplied by* (z) (40% of the Pro Forma MCB Principal Amount *minus* the Cumulative Conversion Amount (for the avoidance of doubt not taking into account any conversion at the second anniversary)).

- if, at the end of the conversion period in respect of the third anniversary, the sum of the Cumulative Conversion Amount (for the avoidance of doubt not taking into account any conversion at the third anniversary) and the principal amount of Mandatory Convertible Bonds elected to be converted at the third anniversary exceeds 80% of the Pro Forma MCB Principal Amount, only such amount of Mandatory Convertible Bonds shall be converted at the third anniversary that the Cumulative Conversion Amount (after taking into account the conversion at the third anniversary) shall equal 80% of the Pro Forma MCB Principal Amount, and the principal

	<p>amount of Mandatory Convertible Bonds to be converted at the third anniversary shall be allocated among holders as follows:</p> <p>With respect to each holder who has delivered a conversion notice pursuant to the Ordinary Conversion at the third anniversary, the principal amount of Mandatory Convertible Bonds to be converted pursuant to the Ordinary Conversion at the third anniversary shall be calculated as (x) the principal amount of Mandatory Convertible Bonds in respect of which such holder has delivered a conversion notice pursuant to the Ordinary Conversion at the third anniversary; <i>divided by</i> (y) the aggregate principal amount of Mandatory Convertible Bonds elected to be converted at the third anniversary by all holders; <i>multiplied by</i> (z) (80% of the Pro Forma MCB Principal Amount <i>minus</i> the Cumulative Conversion Amount (for the avoidance of doubt not taking into account any conversion at the third anniversary)).</p> <ul style="list-style-type: none"> - All remaining outstanding Mandatory Convertible Bonds shall be converted into Shares at maturity (i.e. 5 years from the Interest Commencement Date). <p>Trigger Conversion:</p> <p>After the first anniversary of the Original Issue Date, any holder of Mandatory Convertible Bonds may deliver conversion notices in respect of all or part of the Mandatory Convertible Bonds it holds into Shares within 10 Business Days after the date when the 90-trading-day VWAP of the Shares first exceeds (each such conversion, a “Trigger Conversion” and each such date, a “Trigger Date”):</p> <ul style="list-style-type: none"> - HK\$12 per Share, provided that if the aggregate principal amount of Mandatory Convertible Bonds in respect of which conversion notices are delivered pursuant to such Trigger Conversion exceeds 40% of the Pro Forma MCB Principal Amount, only 40% of the Pro Forma MCB Principal Amount shall be converted pursuant to such Trigger Conversion, and the principal amount of Mandatory Convertible Bonds to be converted pursuant to such Trigger Conversion shall be allocated among holders as follows: <p>With respect to each holder who has delivered a conversion notice pursuant to this Trigger Conversion, the principal amount of Mandatory Convertible Bonds to be converted pursuant to such Trigger Conversion shall be calculated as (x) the principal amount of Mandatory Convertible Bonds in respect of which such holder has delivered a conversion notice pursuant to such Trigger Conversion; <i>divided by</i> (y) the aggregate principal amount of Mandatory Convertible Bonds elected to be</p>
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	<p>converted in such Trigger Conversion by all holders; <i>multiplied by</i> (z) 40% of the Pro Forma MCB Principal Amount.</p> <ul style="list-style-type: none"> - HK\$13 per Share, provided that if the sum of the Cumulative Trigger Conversion Amount (for the avoidance of doubt not taking into account any conversion at the HK\$13 trigger) and the aggregate principal amount of Mandatory Convertible Bonds in respect of which conversion notices are delivered pursuant to this Trigger Conversion exceeds 70% of the Pro Forma MCB Principal Amount, only such amount of Mandatory Convertible Bonds shall be converted pursuant to this Trigger Conversion that the Cumulative Trigger Convertible Amount (after taking into account this Trigger Conversion) shall equal 70% of the Pro Forma MCB Principal Amount, and the principal amount of Mandatory Convertible Bonds to be converted pursuant to such Trigger Conversion shall be allocated among holders as follows: <ul style="list-style-type: none"> With respect to each holder who has delivered a conversion notice pursuant to this Trigger Conversion, the principal amount of Mandatory Convertible Bonds to be converted pursuant to this Trigger Conversion shall be calculated as (x) the principal amount of Mandatory Convertible Bonds in respect of which such holder has delivered a conversion notice pursuant to this Trigger Conversion; <i>divided by</i> (y) the aggregate principal amount of Mandatory Convertible Bonds elected to be converted in this Trigger Conversion by all holders; <i>multiplied by</i> (z) (70% of the Pro Forma MCB Principal Amount <i>minus</i> the Cumulative Trigger Conversion Amount (for the avoidance of doubt not taking into account any conversion at the HK\$13 trigger)). - HK\$16 per Share. <p>For the avoidance of doubt, if the then outstanding principal amount of Mandatory Convertible Bonds is less than the applicable maximum principal amount of Mandatory Convertible Bonds that can be converted in a Trigger Conversion (where applicable), all the Mandatory Convertible Bonds in respect of which conversion notices are delivered pursuant to such Trigger Conversion shall be accepted for conversion.</p> <p>The Company shall make an announcement on SEHK informing holders of the Mandatory Convertible Bonds that they may elect to register in the next 10 Business Days for Ordinary Conversion or Trigger Conversion, as the case may be, on (i) the date that is the second anniversary, the third anniversary and the fourth anniversary of the Original Issue Date, and (ii) each Trigger Date, provided that failure to make such announcement shall not prejudice the rights of holders to convert.</p> <p>Extension of periods for Upfront Conversion, Ordinary Conversion and Trigger Conversion:</p> <p>If the Shares are suspended from trading for 5 consecutive trading days or more during the respective conversion periods for the Upfront Conversion, Ordinary Conversion and Trigger Conversion (respectively,</p>
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	<p>“MCB Conversion Period”) or the MCB Extension Period (defined below), the MCB Conversion Period or the MCB Extension Period (defined below) shall be so extended by the number of consecutive trading days during which the Shares are suspended from trading (“MCB Extension Period”).</p> <p>“Cumulative Conversion Amount” means the aggregate principal amount of Mandatory Convertible Bonds that have been converted into Shares as of the relevant date since the first anniversary of the Original Issue Date.</p> <p>“Cumulative Trigger Conversion Amount” means the aggregate principal amount of Mandatory Convertible Bonds that have been converted into Shares pursuant to Trigger Conversions as of the relevant date since the first anniversary of the Original Issue Date.</p>
Conversion Price	<p>The Conversion Price for the Upfront Conversion shall be HK\$10 per Share, subject to the adjustments as set forth below.</p> <p>The Conversion Price for any conversion other than the Upfront Conversion shall be the VWAP for the 90 trading days immediately preceding the date that is the first day of the period during which holders of Mandatory Convertible Bonds are permitted to deliver conversion notices for such conversion, subject to a minimum Conversion Price of HK\$4.58 per Share (the “Minimum Conversion Price”), each subject to the adjustments as set forth below.</p>
Adjustments to Conversion Price and Trigger Price	<p>The Conversion Price for the Upfront Conversion, the Minimum Conversion Price, each Trigger Price and each Conversion Price calculated off the 90-trading-day VWAP may be adjusted in certain circumstances including stock split, consolidation, dividend and new equity issuance at less than certain issue price below market price (any events giving rise to such adjustments, the “Adjustment Events”), save that no adjustment shall be made for any equity issuance to a Strategic Investor unless the issue price is below HK\$4.58, provided that where any Adjustment Event occurs during any 90 trading days for the purposes of calculating a 90-trading-day VWAP, the share prices in the relevant Adjustment Period shall be subject to adjustments for such Adjustment Events in the same manner as set forth above. Such adjustments shall apply on and from the date of the RSA.</p> <p>“Adjustment Period” means, with respect to any 90-trading-day VWAP calculation period, the period from and including the first date of such 90-trading-day VWAP calculation period and ending on the trading day immediately prior to the date on which the relevant Adjustment Event is first publicly announced.</p>
Optional Redemption and Repurchase	<p>The terms of the Mandatory Convertible Bonds should provide for the ability of the Company to redeem or repurchase the outstanding Mandatory Convertible Bonds, subject to the agreed restrictions in this term sheet and the ranking of the restructuring consideration.</p>
Condition Subsequent	<p>Due compliance with any post-issuance filing obligations required by CSRC, including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境内企业境外</p>

	发行证券和上市管理试行办法) published by CSRC on 17 February 2023, coming into effective on 31 March 2023.
Fixed Exchange Rate	On any conversion into Shares, US\$1 in principal amount of Mandatory Convertible Bonds shall be translated into Hong Kong dollars at a fixed rate to be agreed in the long-form documentation.
Form, Denomination and Registration	The Mandatory Convertible Bonds will be issued only in fully registered form and are expected to be initially represented by a Regulation S Global Certificate, a Rule 144A Global Certificate and an IAI Global Certificate. The minimum denomination of the Mandatory Convertible Bonds will be US\$1,000 and integral multiples of US\$1 in excess thereof.
Listing	Application will be made for the listing and quotation of the Mandatory Convertible Bonds offered hereby on the SGX-ST, the SEHK or another stock exchange with international standing.
Governing Law	The Mandatory Convertible Bonds and the trust deed governing the Mandatory Convertible Bonds (the “ MCB Trust Deed ”) will be governed by and will be construed in accordance with the laws of Hong Kong.
Jurisdiction	Hong Kong courts are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Mandatory Convertible Bonds and the MCB Trust Deed.
Shareholder Loan	
Conversion of Shareholder Loan	Within 60 days after the date of any conversion into Shares by holders of the Mandatory Convertible Bonds, such proportion of Shareholder Loan will be mandatorily converted, directly or indirectly, into Shares as the same or approximately the same as the proportion that the principal amount of Mandatory Convertible Bonds so converted bears to the total outstanding principal amount of the Mandatory Convertible Bonds, subject to the receipt of relevant regulatory and corporate approvals and the Compliance Exception. The conversion price applicable to the portion of Shareholder Loan to be so converted shall be equal to the Conversion Price applicable to the Mandatory Convertible Bonds so converted. “ Compliance Exception ” means any relevant limitations set forth in applicable rules and guidelines of the SFC and SEHK, including without limitation the rules on obtaining independent shareholders’ approval for the issue of new Shares and obtaining the listing approval and whitewash and general offer under the Code on Takeovers and Mergers and Share Buy-backs of the SFC. In case the relevant thresholds are reached under such rules, the Company may reduce the amount of the Shareholder Loan to be converted, in order to avoid triggering a general offer. “ Shareholder Loan ” means the US\$450 million loan made by Sunac International Investment Holdings Ltd to Star Honor (HK) Investment Limited, including any corresponding on-lending arrangements.
Repayment Arrangement	The Company shall not repay the Shareholder Loan before its maturity (whether through repayment, redemption, repurchase or otherwise) to the extent any Mandatory Convertible Bonds remains outstanding except that the Shareholder Loan can be tendered for acceptance in a general or partial takeover offer to purchase (a) made by a Strategic Investor and

	(b) on such terms that are no more favourable than the offer made to holders of Mandatory Convertible Bonds of the Company.
Form	Definitive form. Separate ISIN. No transfer permitted.

Annex I Specified Assets

[Redacted]

Annex II Other Specified Assets

[Redacted]