

**THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE BENEFICIAL OWNERS OF THE NOTES. IF APPLICABLE, ALL DEPOSITORYES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE THE RE-TRANSMITTAL TO BENEFICIAL OWNERS OF THE NOTES IN A TIMELY MANNER.**

**If you have recently sold or otherwise transferred your holding(s) of Notes (as defined below), you should immediately forward this Notice to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Notes, you should retain a copy of this Notice and consult the stockbroker, bank or other agent through whom the sale or transfer was effected as to the action you should take.**

**NOTICE TO HOLDERS**  
**DAFA PROPERTIES GROUP LIMITED**  
(the “Company”)  
**US\$360,000,000 12.375% Senior Notes due 2022**  
(the “Notes”)  
**unconditionally guaranteed by the Subsidiary Guarantors**  
**ISIN: XS2182881388 | COMMON CODE: 218288138**

**January 9, 2024**

We refer to the indenture dated 30 July 2020 (the “**Indenture**”), entered into among the Company, the Subsidiary Guarantors named therein and China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as trustee (the “**Trustee**”) for the holders of the Notes (the “**Holders**”) relating to the Notes.

Capitalised terms used without definition in this notice shall have the same meanings as given to them in the Indenture and/or the Trustee’s notice to Holders dated April 11, 2022.

**Notice of Actions taken by the Trustee pursuant to Instructions**

Following the occurrence of the Company’s failure to pay principal of, premium on (if any) and interest, and Additional Amounts, if any, on the Notes pursuant to section 6.01(a) (*Events of Default*) of the Indenture, the Trustee has been instructed and indemnified by a Holder with in excess of 25% of the aggregate principal amount of the Notes then outstanding (the “**Instructing Holder**”) to take certain enforcement actions in respect of the Notes (the “**Instructions**”) as described below.

In accordance with the Instructions, the Trustee delivered a demand letter (the “**Demand Letter**”) to the Company in its capacity as Issuer and DaFa Blooms Limited and YinYi Holdings (Hong Kong) Limited in their capacities as Subsidiary Guarantors on December 28, 2023 demanding immediate payment of all sums which are due but unpaid in respect of the Notes.

In accordance with the Instructions, the solicitors for the Trustee, Allen & Overy, for and on behalf of the Trustee, served a statutory demand (the “**Statutory Demand**”) on each of the Company in its capacity as Issuer and DaFa Blooms Limited and YinYi Holdings (Hong Kong) Limited in their capacities as Subsidiary Guarantors on December 29, 2023 in respect of all sums which are due but unpaid in respect of the Notes. Pursuant to Sections 177(1), 178(1)(a) and/or 327 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32), the Company and the Subsidiary Guarantors must deal with the Statutory Demand within 3 weeks, failing which a winding-up petition may be filed against each of them by the Trustee (upon receiving instructions and indemnification by any Holder(s) with in excess of

25% of the aggregate principal amount of the Notes then outstanding) in Hong Kong.

## **TRUSTEE'S CONTACT INFORMATION**

China Construction Bank (Asia) Corporation Limited  
(中國建設銀行(亞洲)股份有限公司)

3/F, CCB Tower  
3 Connaught Road Central  
Central, Hong Kong

Attention: Transaction Banking – Corporate Trust and Loan Agency  
Email: [cta\\_tm@asia.ccb.com](mailto:cta_tm@asia.ccb.com) / [cta\\_cs@asia.ccb.com](mailto:cta_cs@asia.ccb.com) / [Donna.Healy@asia.ccb.com](mailto:Donna.Healy@asia.ccb.com) /  
[Alicia.LS.Cai@asia.ccb.com](mailto:Alicia.LS.Cai@asia.ccb.com)

The Trustee will require proof of the beneficial ownership of the Notes before responding to any query in relation to this Notice or taking any action based on any such direction from the Holders.

## **TRUSTEE'S RIGHTS AND PROTECTIONS UNDER THE INDENTURE**

Section 7.02(d) of the Indenture provides, “The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders, unless such Holders have offered to the Trustee security and/or indemnity satisfactory to it against any costs, loss, liability or expenses that might be incurred by it in compliance with such request or direction.”.

Section 7.02(g) of the Indenture provides, “No provision of this Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of its rights or powers, unless it receives security and/or indemnity satisfactory to it against any loss, liability or expense.”.

## **NO FURTHER ACTION BY THE TRUSTEE**

Unless instructed to do so by the Holders (and subject to it being indemnified and/or secured to its satisfaction), the Trustee does not intend to take any further action in relation to the enforcement of the Notes (including, if applicable, the filing of any winding-up petitions).

**Note: This Notice is provided without prejudice to any and all of the Trustee's rights under the Notes and the Indenture. No failure or delay by the Trustee to take, initiate, give or make for any reason any step, action, proceedings, notice or demand either now or at any time hereafter will constitute a release, restriction, waiver, amendment, modification or alteration of any of the rights of the Trustee or the Holders in relation to the Notes and/or the Indenture, all of which rights are expressly and generally reserved and may be exercised by the Trustee at any time without prior notice to any person.**

**This Notice is given without prejudice to the rights of the Trustee under the Indenture and at law. The Trustee expressly reserves all of the rights, powers, claims and remedies available to it under the Indenture and applicable law. No delay or forbearance by the Trustee to exercise any right or remedy accruing upon the occurrence of a Default, an Event of Default or similar event under the terms of the Indenture, other documentation relating thereto or under applicable law, shall impair any such right or remedy or constitute a waiver thereof or an acquiescence therein.**

**The Trustee provides this Notice for the information of Holders, but makes no representation as to the accuracy or completeness of the information included herein and cannot accept any liability for any loss caused by any inaccuracy therein. The Trustee expresses no opinion as to the action (if any) that Holders should take in relation to the matters set out above. The Trustee makes no**

recommendations and gives no legal or investment advice herein or as to the Notes generally. Holders should take and rely on their own independent legal, financial or other professional advice, and may not rely on information provided to or by the Trustee, statements as to the legal position included in notices issued by the Trustee relating to the Notes or otherwise or the views of the Trustee expressed herein or otherwise.

The Trustee expressly reserves its rights under the Indenture and at law or otherwise, including without limitation, any right to recover in full its fees, costs and expenses (including, without limitation, fees and costs incurred or to be incurred by the Trustee in performing its duties, indemnities owing to or to become owing to the Trustee, compensation for the Trustee's time spent, and reimbursement for the fees and expenses of counsel and other agents it employs in performing its duties or to pursue remedies) and its rights, prior to exercising any rights or powers in connection with the Indenture and at the request and/or direction of any Holder, to receive security, pre-funding and/or indemnity satisfactory to it against all costs, expenses and liabilities that might be incurred by the Trustee in complying with such request and/or direction.

The ISIN and Common Code numbers appearing herein have been included solely for the convenience of the Holders. The Trustee assumes no responsibility for the selection or use of such number and makes no representation as to the correctness of the numbers listed above.

The Trustee may conclude that a specific response to particular inquiries from individual Holders is not consistent with equal and full dissemination of significant information to all Holders or parties in interest. In such event, the Trustee may decline to provide a response to a particular inquiry when presented in favor of sending a notice to all Holders setting forth such specific response.

For and on behalf of  
**CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED**  
as Trustee