

This notice does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer, management, as well as financial statements. The Company does not intend to make any public offering of securities in the United States.



POWERLONG

宝龙

POWERLONG REAL ESTATE HOLDINGS LIMITED

寶龍地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

NOTICE TO HOLDERS IN RELATION TO
THE EXCHANGE OFFER,
THE CONSENT SOLICITATION
AND
THE CONCURRENT CONSENT SOLICITATION

Reference is made to the notices dated June 21, 2023 and June 26, 2023 (the “**Notices**”) in relation to Powerlong Real Estate Holdings Limited (the “**Company**”)’s Exchange Offer relating to the Exchange Notes issued by the Company, the Consent Solicitation relating to the Consent Notes issued by the Company and the Concurrent Consent Solicitation relating to the Concurrent Consent Notes issued by the Company, the Exchange Offer Memorandum dated June 21, 2023 (as amended by a supplemental exchange offer memorandum dated June 26, 2023) relating to the Exchange Offer, the Consent Solicitation Statement dated June 21, 2023 (as amended by a supplemental consent solicitation statement dated June 26, 2023) relating to the Consent Solicitation and the Concurrent Consent Solicitation Statement dated June 21, 2023 (as amended by a supplemental concurrent consent solicitation statement dated June 26, 2023) relating to the Concurrent Consent Solicitation. Capitalized terms used but not defined herein shall have the same meanings given to them in the Notice, the Exchange Offer Memorandum, the Consent Solicitation Statement and the Concurrent Consent Solicitation Statement, as the case may be.

SUPPLEMENTAL SUPPORT AGREEMENT

The Company hereby notifies that, upon consultation with holders of its Exchange Notes, Consent Notes and the Concurrent Consent Notes subject to the Exchange Offer, the Consent Solicitation and the Concurrent Consent Solicitation, it wishes to modify the Support Agreement in favor of Consenting Creditors (as defined in the Support Agreement) under the Exchange Offer, the Consent Solicitation and the Concurrent Consent Solicitation in relation to (i) certain costs arrangements, (ii) termination events, (iii) Longstop Date extension, (iv) clarification changes to the amendment provision permitting amendments to the Support Agreement without Majority Consenting Creditor consent if such amendments do not adversely affect the interest of any Consenting Creditor or if such amendments are made to cure any ambiguity, defect, omission or inconsistency in the Support Agreement, and (v) determining whether Consenting Creditors of the requisite amount of outstanding Exchange Notes, Consent Notes or Concurrent Consent Notes have given any request, demand, authorization, direction, notice, objection, consent or waiver under the Support Agreement.

For details of the modifications, Eligible Holders of the Exchange Notes and Holders of the Consent Notes and Concurrent Consent Notes should refer to the Supplemental Support Agreement appended in Schedule I hereto which has been made available on the Exchange Website and the Consent Website, respectively. Except as set forth in the Supplemental Support Agreement, all other terms and conditions of the Exchange Offer, the Concurrent Consent Solicitation and the Second Concurrent Consent Solicitation remain unchanged.

(A) Eligible Holders who have validly tendered their Exchange Notes under the Exchange Offer, (B) Holders of the Consent Notes who have validly delivered their Consents under the Consent Solicitation, and (C) Holders of the Concurrent Consent Notes who have validly delivered their Consents under the Concurrent Consent Solicitation, in each case, who are deemed to have also accepted and executed the Support Agreement, as of the date of this notice, may revoke their instructions by submitting a revocation instruction to Euroclear or Clearstream, via their custodian if applicable, at or prior to 4:00 p.m., London time on July 4, 2023 (“**Revocation Deadline**”). If no revocation instruction is received from such Eligible Holders or Holders, as applicable, via Euroclear or Clearstream on or prior to the Revocation Deadline, their instructions will remain valid and irrevocable after the Revocation Deadline.

This notice shall constitute a supplement to the Exchange Offer Memorandum, the Consent Solicitation Statement and the Concurrent Consent Solicitation Statement.

FURTHER DETAILS

The Supplemental Support Agreement, this notice and all documents related to the Exchange Offer, the Concurrent Consent Solicitation and the Consent Solicitation can be found on the Consent Website: <https://projects.morrowsodali.com/powerlongconsent>. The Exchange Offer Memorandum, this notice and all documents related to the Exchange Offer can be found on the Exchange Website: <https://projects.morrowsodali.com/powerlongexchange>.

FOR FURTHER INFORMATION PLEASE CONTACT:

Morrow Sodali Limited

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Hong Kong
Telephone: +852 2319 4130

Email: powerlong@investor.morrowsodali.com
Consent Website: <https://projects.morrowsodali.com/powerlongconsent>
Exchange Website: <https://projects.morrowsodali.com/powerlongexchange>

Dated as of June 29, 2023

By order of the Board

Powerlong Real Estate Holdings Limited

Schedule I

Supplemental Support Agreement

DATED JUNE 29, 2023

POWERLONG REAL ESTATE HOLDINGS LIMITED

as Company

AND

THE ENTITIES LISTED IN SCHEDULE 1 HERETO

as Subsidiary Guarantors and JV Subsidiary Guarantors

AND

CERTAIN NOTEHOLDERS

as Consenting Creditors

SUPPLEMENTAL SUPPORT AGREEMENT

TO SUPPORT AGREEMENT DATED JUNE 21, 2023

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THIS SUPPLEMENTAL SUPPORT AGREEMENT (this “**Supplemental Support Agreement**”) is dated June 29, 2023 and made between **THE PARTIES**:

- (1) **Powerlong Real Estate Holdings Limited**, a company incorporated with limited liability under the laws of the Cayman Islands, and registered as a non-Hong Kong company under part 16 of the Companies Ordinance with registration number F0016217 (the “**Company**”);
- (2) The entities listed on Schedule 1 hereto collectively as **Subsidiary Guarantors** and **JV Subsidiary Guarantors**; and
- (3) Certain **holders** of the Notes as **Consenting Creditors**.

THE BACKGROUND:

- (A) The Notes are issued by the Company and guaranteed by Subsidiary Guarantors and JV Subsidiary Guarantors.
- (B) Each Consenting Creditor is a creditor of the Company by virtue of holding a beneficial interest as principal in one or more series of the Notes.
- (C) The Company is a property developer in China. In the context of the continued volatility in the property sector in China, the Company is conducting concurrently the Exchange Offer, the Consent Solicitation A and the Consent Solicitation B to enhance its overall financial condition, extend its debt maturity profile, strengthen its balance sheet and improve its cash flow management.
- (D) The Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors have executed a support agreement dated June 21, 2023 (the “**Support Agreement**”) and each Consenting Creditor is entering into the Support Agreement to enable the Transaction to achieve its intended purpose and to support the Company in its efforts to stabilise the position of the Company and defend against any potential Enforcement Action and/or Insolvency Event.
- (E) Upon consultation with certain holders of the Notes, the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors wish to make certain amendments to the Support Agreement.
- (F) Each Consenting Creditor wishes to enter into this Supplemental Support Agreement to give effect to the amendments proposed by the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors.

THE OPERATIVE PROVISIONS:

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

- 1.1 In this Supplemental Support Agreement, each word, phrase or expression shall (unless otherwise defined herein or the context otherwise requires) bear the meaning attributed to it in the Support Agreement.
- 1.2 Save as otherwise expressly provided, the principles of interpretation set out in Part B of Schedule 1 of the Support Agreement shall be applied in construing the provisions of this Supplemental Support Agreement.

2 AMENDMENTS TO THE SUPPORT AGREEMENT

- 2.1 Clause 2.1(b) of the Support Agreement shall be amended as follows (with additions shown in double-underline and deletions shown in ~~strike through~~):

“at the cost of the Company, provide support and assistance to the Obligors to prevent the occurrence of an Insolvency Proceeding in respect of each Obligor or any of its Subsidiaries, including, without limitation, supporting any application, filing and/or submission to the courts of any jurisdiction in connection with the same, including (but not limited to) filing any evidence in support of any Obligor’s opposition to a creditor seeking to commence any adverse action.”

- 2.2 The first paragraph of Clause 2.2 of the Support Agreement shall be amended as follows (with additions shown in double-underline and deletions shown in ~~striketrough~~):

“In the event any Enforcement Action and/or Insolvency Event is commenced against the Company or any member of the Group, each Consenting Creditor irrevocably undertakes in favour of the Company and other members of the Group that it will (at the cost of the Company):”

- 2.3 Clause 2.2(b) of the Support Agreement shall be amended as follows (with additions shown in double-underline and deletions shown in ~~striketrough~~):

“if required, engage and instruct legal representatives and counsel (at the costs of the Consenting Creditor) to give notice of intention to appear, participate in or appear in any hearing of the Insolvency Proceedings to support the position, argument and/or relief sought by the Company or other members of the Group;”

- 2.4 Clause 5.1 of the Support Agreement shall be amended as follows (with additions shown in double-underline and deletions shown in ~~striketrough~~):

“This Agreement and the rights and obligations created pursuant to this Agreement will terminate automatically and immediately ~~on the Longstop Date~~ (i) upon the occurrence of any Event of Default (as defined in the indentures governing the July 2023 Notes, January 2024 Notes, May 2021 Notes, August 2020 Notes, October 2020 Notes and December 2025 New Notes (as defined in the Exchange Offer Memorandum), as amended pursuant to the Exchange Offer, the Consent Solicitation A and the Consent Solicitation B, as applicable) under any of the July 2023 Notes, January 2024 Notes, May 2021 Notes, August 2020 Notes, October 2020 Notes and December 2025 New Notes (as defined in the Exchange Offer Memorandum) after the Closing, or (ii) on the Longstop Date, whichever is earlier.”

- 2.5 The following definitions shall be added or amended in Part A of Schedule 1 of the Support Agreement as follows (with additions shown in double-underline and deletions shown in ~~striketrough~~):

““**Business Day**” means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the City of New York or in London or in Hong Kong (or in any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.”

““**Clearing Systems**” means Clearstream Banking S.A. and Euroclear Bank SA/NV.”

““**July 2023 Notes**” means the 4.0% Senior Notes due 2023 issued by the Company and guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors, as amended pursuant to Consent Solicitation A.”

““**January 2024 Notes**” means the 7.125% Senior Notes due 2024 issued by the Company and guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors, as amended pursuant to Consent Solicitation A.”

““**Longstop Date**” means ~~[•], 202[•]~~ December 31, 2023 or such later date and time as the Company may elect to extend, *provided that* (i) such later date and time shall be no later than

July 14, 2024, (ii) each such extension shall not be for more than three months, and (iii) such extension shall cease to be effective if Consenting Creditors beneficially owning at least 25% in aggregate principal amount of any series of the outstanding July 2023 Notes, January 2024 Notes, May 2021 Notes, August 2020 Notes, October 2020 Notes and December 2025 New Notes notify the Company in writing (including by way of email, which shall be deemed received by the Company when sent) of their objection no later than 5 Business Days after the Company notifies Consenting Creditors of such extension via Clearing Systems.”

- 2.6 Clause 6.1 of the Support Agreement shall be amended as follows (with additions shown in double-underline and deletions shown in ~~strike through~~):

“The terms of this Agreement (including any terms of any schedule hereto) may be amended or waived in writing by the Majority Consenting Creditors and the Company and such amendment or waiver shall be binding on all Parties, ~~provided that~~ the definition of “Longstop Date” may only be amended in writing by the Company and Consenting Creditors beneficially owning at least 75% in aggregate principal amount of each series of the outstanding July 2023 Notes, January 2024 Notes, May 2021 Notes, August 2020 Notes, October 2020 Notes and December 2025 New Notes.”

- 2.7 A new Clause 6.2 shall be added to the Support Agreement as follows (with additions shown in double-underline):

“6.2 The Company may amend, waive or modify the terms of this Agreement (including any terms of any schedule hereto, at its sole discretion (but without any obligation to do so) and without the consent of any Consenting Creditors, so long as such amendment, waiver or modification:

- (a) does not adversely affect the interest of any Consenting Creditor; and
- (b) is intended to cure any ambiguity, defect, omission or inconsistency in this Agreement.”

- 2.8 A new Clause 11 shall be added to Part B (Interpretations) of Schedule 1 (Definitions and Interpretations) of the Support Agreement as follows (with additions shown in double-underline):

“11. For the purpose of determining whether Consenting Creditors of the requisite amount of outstanding Notes have given any request, demand, authorization, direction, notice, objection, consent or waiver under this Agreement, with respect to any Consenting Creditor, the principal amount of any series of Notes shown on the proof of holdings provided by such Consenting Creditor and the evidence that the such Consenting Creditor has or is deemed to have, entered into or acceded to this Agreement, in each case, that is reasonably satisfactory to the Company, shall be conclusive. The Company shall, at the request of such Consenting Creditor, provide to such Consenting Creditor the aggregate principal amount of (a) any series of the Notes and/or (b) the Notes, as the case may be, outstanding at or about the time of request.”

3 REPRESENTATIONS AND WARRANTIES

Each Party makes each of the representations and warranties in Clause 4 (Representations and Warranties) of the Support Agreement on the date of this Supplemental Support Agreement (by reference to the facts and circumstances then existing).

4 COUNTERPARTS

This Supplemental Support Agreement may be executed in any number of counterparts, each of which is an original and which together have the same effect as if each Party had signed the same document.

5 ENTIRE AGREEMENT

This Supplemental Support Agreement is an amendment supplemental to the Support Agreement and the Support Agreement and this Supplemental Support Agreement will henceforth be read together. Except as amended hereby, the Support Agreement is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Support Agreement shall form a part of the Support Agreement for all purposes.

6 GOVERNING LAW AND JURISDICTION

- 6.1** This Supplemental Support Agreement and any disputes or claims arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) are governed by and shall be construed in accordance with laws of Hong Kong.
- 6.2** The courts of laws of Hong Kong shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Supplemental Support Agreement (including a dispute regarding the existence, validity or termination of this Supplemental Support Agreement).

This Supplemental Support Agreement was duly entered into on the date stated on the first page hereof.

SCHEDULE 1

Subsidiary Guarantors and JV Subsidiary Guarantors

Subsidiary Guarantors

1. China Alliance Worldwide Limited 中聯環球有限公司
2. Ever Famous (Hong Kong) Limited 譽恒(香港)有限公司
3. Powerlong (BVI) I Limited 宝龙(維京)I 有限公司
4. Powerlong (BVI) II Limited 宝龙(維京)II 有限公司
5. Powerlong (BVI) Culture Group Holdings Limited 寶龍(維京)文化集團控股有限公司
6. Powerlong (BVI) IV Limited 宝龙(維京)IV 有限公司
7. Powerlong (BVI) Asset Management Holdings Limited 寶龍(維京)資產管理控股有限公司
8. Powerlong (Hong Kong) 1 Limited 寶龍(香港)1 有限公司
9. Powerlong (Hong Kong) 2 Limited 寶龍(香港)2 有限公司
10. Powerlong Art Culture Group Holdings Limited 寶龍文化集團控股有限公司
11. Powerlong Land Development Limited 寶龍置地發展有限公司
12. Powerlong Real Estate (BVI) Holdings Limited 宝龙地产(維京)控股有限公司
13. Powerlong Real Estate (Hong Kong) Holdings Limited 寶龍地產(香港)控股有限公司
14. Smart Line Development Limited 駿通發展有限公司
15. Next Success Estates Limited
16. Powerlong Source Limited
17. Everland Development Limited 恆地發展有限公司
18. Fame State (Hong Kong) Limited 榮邦(香港)有限公司
19. Powerlong Asset Management Limited 寶龍資產管理有限公司
20. Powerlong (BVI) Hotel Group Holdings Limited 寶龍(維京)酒店集團控股有限公司
21. Welly Dragon (Hong Kong) Limited 龍麗(香港)有限公司
22. Allied Creation (Hong Kong) Limited 匯建(香港)有限公司
23. Powerlong (Hong Kong) Hotel Group Holdings Limited 寶龍(香港)酒店集團控股有限公司

JV Subsidiary Guarantors

1. Baohui Real Estate (Hong Kong) Holdings Limited 寶匯地產(香港)控股有限公司
2. Powerlong Golden Wheel Coral Company Limited 寶龍金輪珊瑚有限公司
3. Powerlong Golden Wheel International Famous Limited 寶龍金輪國際創譽有限公司
4. Powerlong Xingchuang (Hong Kong) Limited 寶龍星創(香港)有限公司

SIGNATURE PAGES

Powerlong Real Estate Holdings Limited

.....

Name:

Title:

[Subsidiary Guarantors and JV Subsidiary Guarantors]

.....

Name:

Title:

[Consenting Creditors]

[Signature Page to Supplemental Support Agreement]