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**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)*

**(Stock Code: 1238)**

**POSSIBLE TRANSACTIONS IN CONNECTION WITH THE  
HOLISTIC SOLUTION INVOLVING, AMONG OTHERS,  
(1) ISSUE OF MANDATORY CONVERTIBLE BONDS  
UNDER SPECIFIC MANDATE; AND  
(2) VERY SUBSTANTIAL DISPOSAL IN RELATION  
TO THE TRANSFER**

## **RSA**

References are made to the Announcements and the Disposal Circular in relation to, among others, the Holistic Solution, the Scheme and the RSA.

On 10 October 2025, the Company entered into the RSA with the AHG members. As at the date of this announcement, the Participating Creditors holding approximately 85.48% of the aggregate outstanding principal amount of the In-Scope Debt have acceded to the RSA. By such accession, the Participating Creditors have undertaken to take all such actions as are necessary to, among other things, vote in favour of each Scheme in respect of the aggregate outstanding principal amount of all the In-Scope Debt held by them at the Record Time at the Scheme Meeting(s).

The Restructuring Effective Date shall occur on the date on which all outstanding In-Scope Debt will be cancelled and relevant guarantees and securities granted in connection with the In-Scope Debt will be released in accordance with the terms of the Scheme and the Scheme Consideration will be distributed to the Scheme Creditors, with all conditions precedent having been either satisfied or waived (as applicable). The Restructuring Effective Date shall be no later than 30 September 2026 or such later date as may be agreed in writing between the Company and the Majority Scheme Creditors, and shall occur as soon as reasonably practicable and within ten Business Days of the conditions precedent being satisfied or waived.

At the convening hearing held on 17 March 2026, the Court has directed:

- (1) the Company be at liberty to convene meetings for each class of the Scheme Creditors for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement to be made between the Company and the Scheme Creditors; and
- (2) the substantive hearing of the petition at which the Court will determine whether or not to sanction the Scheme be held at 11 a.m. (Hong Kong time) on 17 June 2026 at the High Court of Hong Kong.

The Scheme Meeting was duly convened and held on 12 May 2026. The Scheme was approved by the requisite majority of the Scheme Creditors. The Company will now proceed to seek the approval and sanction of the Court in respect of the Scheme. The petition seeking sanction of the Scheme will be heard at 11 a.m. (Hong Kong time) on 17 June 2026 at the Court.

## **ISSUE OF MANDATORY CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

Subject to the occurrence of and on the Restructuring Effective Date, the Company will issue the Mandatory Convertible Bonds in the aggregate principal amount of up to US\$1,200,000,000, which are convertible into an aggregate of up to 4,074,782,608 Conversion Shares based on the Conversion Price at HK\$2.3 per Share and the fixed exchange rate of US\$1 = HK\$7.81.

The Conversion Shares will be allotted and issued under the Specific Mandate to be sought from the Shareholders at the EGM.

## **THE TRANSFER**

Subject to the occurrence of the Restructuring Effective Date, Powerlong CM Shares currently held by the Company will be exchanged for any portion or all of such Scheme Creditor's claims at such Scheme Creditor's election, as may be adjusted in accordance with the Scheme Creditors' selection, at an exchange price of HK\$15 per share, provided that if there are any share splits, share consolidation, dividends, distributions and/or new equity issuance in respect of Powerlong CM between the date of the RSA and the Restructuring Effective Date, the Company shall consult with and agree with the Majority Scheme Creditors on the appropriate adjustments in respect of such exchange price.

The Company will reserve the Exchange Shares, being 208,299,600 existing Powerlong CM Shares, for the exchange contemplated by Option 2 of the Scheme Consideration.

Other than the Transfer, as part of the Restructuring, the Company has also conditionally agreed to dispose of the Disposal Shares, being 160,725,000 Powerlong CM Shares, pursuant to the Share Purchase Agreement at a consideration of HK\$360,827,625, in order to fund the maximum amount of the Option 1 Cash, being US\$40,000,000.

Assuming that the Exchange Shares will be transferred to the Scheme Creditors, there is no other change in the Company's interest in Powerlong CM Shares and there is no change in the issued share capital of Powerlong CM, following completion of the Disposal and the Transfer, the Company's interest in Powerlong CM Shares will be reduced to approximately 5.6%.

Upon completion of the Disposal and the Transfer, Powerlong CM will cease to be a subsidiary of the Group, and cease to be consolidated into the Group's financial statements.

## **LISTING RULES IMPLICATIONS**

### **Issue of Mandatory Convertible Bonds under Specific Mandate**

The Conversion Shares will be issued under the Specific Mandate to be sought from the Shareholders at the EGM. The Issue of Mandatory Convertible Bonds and the transactions contemplated thereunder are subject to the passing of necessary resolution by the Shareholders at the EGM. The issue of the Conversion Shares upon conversion of the Mandatory Convertible Bonds is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Conversion Shares.

### **The Transfer**

As the highest of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transfer, when aggregated with the Disposal, is more than 75%, the Transfer constitutes a very substantial disposal for the Company which is subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve by way of poll, (i) the Issue of Mandatory Convertible Bonds (including the grant of the Specific Mandate for the issue of the Conversion Shares upon conversion of the Mandatory Convertible Bonds); (ii) the Transfer, and the respective transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the Scheme Creditors is independent of the Company and not connected persons of the Company. No Shareholder will be required to abstain from voting at the EGM. The Company does not expect that any additional creditors to be included in the Scheme (if any) would be a connected person of the Company.

A circular containing, among others, (i) further details of the Issue of Mandatory Convertible Bonds, including the issue of the Conversion Shares upon conversion of the Mandatory Convertible Bonds under the Specific Mandate; (ii) further details of the Transfer; (iii) the financial information of Powerlong CM and the remaining Group as required by Chapters 4 and 14 of the Listing Rules, (iv) other information as required under the Listing Rules; and (v) a notice convening the EGM, together with the related proxy form, will be made available on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.powerlong.com](http://www.powerlong.com)) and despatched to the Shareholders (if necessary) on or around 28 May 2026.

**Completion of the transactions set out in this announcement is subject to the fulfilment or waiver of the conditions precedent as set out in this announcement. The transactions set out in this announcement may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## RSA

References are made to the Announcements and the Disposal Circular in relation to, among others, the Holistic Solution, the Scheme and the RSA.

On 10 October 2025, the Company entered into the RSA with the AHG members. As at the date of this announcement, the Participating Creditors holding approximately 85.48% of the aggregate outstanding principal amount of the In-Scope Debt have acceded to the RSA. By such accession, the Participating Creditors have undertaken to take all such actions as are necessary to, among other things, vote in favour of each Scheme in respect of the aggregate outstanding principal amount of all the In-Scope Debt held by them at the Record Time at the Scheme Meeting(s).

The Restructuring is conditional upon, inter alia, the following conditions being satisfied, or waived in accordance with the RSA, prior to or on the Restructuring Effective Date:

- (a) the obtaining of all relevant authorisations, approvals (regulatory or otherwise) or other consents as are necessary for the Restructuring to take effect;
- (b) the obtaining of the relevant court sanction order(s) in respect of the Scheme and the Scheme becoming effective in accordance with its terms;
- (c) the settlement in full of the Consent Fee on or prior to the Restructuring Effective Date;
- (d) the settlement in full of such portion of professional fees associated with the Restructuring that the Company is obligated to pay on or prior to the Restructuring Effective Date (including such portion of legal fees and expenses of the legal advisers to the AHG);
- (e) each Major Restructuring Document being in an agreed form;
- (f) compliance by the Company with the terms of the RSA Term Sheet in all material aspects;
- (g) the establishment of the Designated Account for the purposes of the Cash Sweep;
- (h) the maintenance of listing of the Powerlong CM Shares and the Shares on the Stock Exchange;
- (i) the Company announcing the expected Restructuring Effective Date; and
- (j) the satisfaction of each of the other conditions precedent contained in the Scheme Documents.

The Restructuring Effective Date shall occur on the date on which all outstanding In-Scope Debt will be cancelled and relevant guarantees and securities granted in connection with the In-Scope Debt will be released in accordance with the terms of the Scheme and the Scheme Consideration will be distributed to the Scheme Creditors, with all conditions precedent having been either satisfied or waived (as applicable). The Restructuring Effective Date shall be no later than 30 September 2026 or such later date as may be agreed in writing between the Company and the Majority Scheme Creditors, and shall occur as soon as reasonably practicable and within ten Business Days of the conditions precedent being satisfied or waived.

As at the date of this announcement, save for the conditions precedent as set out in above paragraphs (f) and (h) which had been satisfied (but subject to ongoing satisfaction prior to or on the Restructuring Effective Date), none of the other conditions had been satisfied or waived (as applicable).

At the convening hearing held on 17 March 2026, the Court has directed:

- (1) the Company be at liberty to convene meetings for each class of the Scheme Creditors for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement to be made between the Company and the Scheme Creditors; and
- (2) the substantive hearing of the petition at which the Court will determine whether or not to sanction the Scheme be held at 11 a.m. (Hong Kong time) on 17 June 2026 at the High Court of Hong Kong.

The Scheme Meeting was duly convened and held on 12 May 2026. The Scheme was approved by the requisite majority of the Scheme Creditors. The Company will now proceed to seek the approval and sanction of the Court in respect of the Scheme. The petition seeking sanction of the Scheme will be heard at 11 a.m. (Hong Kong time) on 17 June 2026 at the Court.

### **Options for the Scheme Creditors under the Scheme**

As set out in the Announcements, the Company proposed to implement the Holistic Solution through the Scheme(s) to compromise the In-Scope Debt through the Scheme(s). The Scheme involves, as part of the Scheme Consideration and in exchange for the discharge and release of the relevant In-Scope Debt claims by the Scheme Creditors at the Scheme Creditors' election by the following ways:

- (i) Option 1 – the Option 1 Cash:

Cash payment equal to 12% of the claims apportioned to this option, subject to a maximum cap of US\$40 million;

- (ii) Option 2 – the Exchange Shares:

Details set out under the heading “THE TRANSFER” below;

- (iii) Option 3 – the Mandatory Convertible Bonds:

Details set out under the heading “ISSUE OF MANDATORY CONVERTIBLE BONDS UNDER SPECIFIC MANDATE” below;

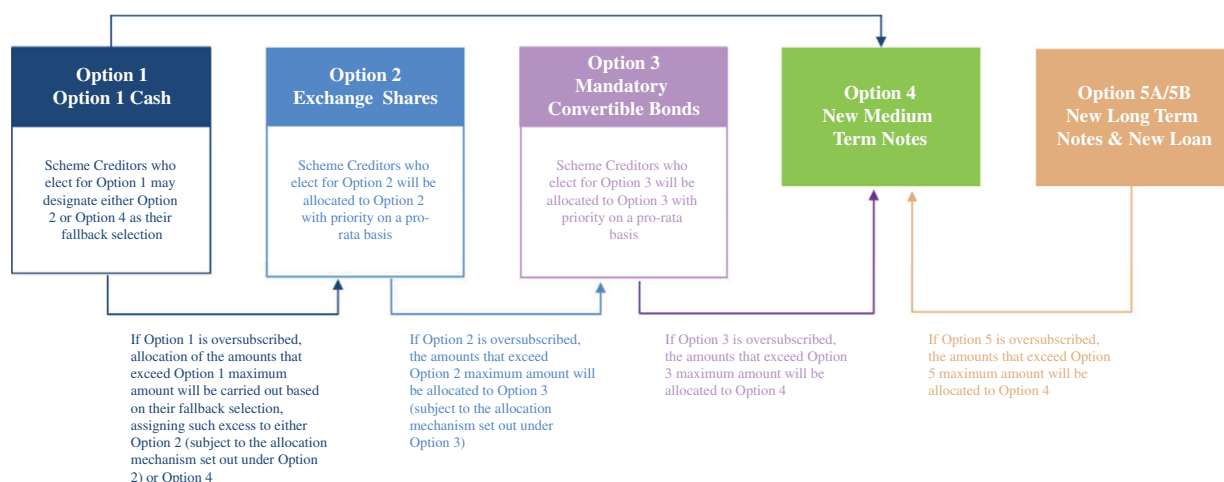
- (iv) Option 4 – the New Medium Term Notes:

A principal amount of the New Medium Term Notes to be issued equal to 50% of the Scheme Creditors' claims apportioned to Option 4, a tenor of 5.5 years and interest of 2.0% p.a. (payment-in-kind for the first 3 years and in cash thereafter). Option 4 is the default option with no cap; and

- (v) Option 5 – the New Long Term Notes and the New Loan:

The maximum aggregate amount for Option 5 is US\$500,000,000. New Long Term Notes or New Loan (8-year tenor) will be issued to Scheme Creditors. They have a tenor of 8 years and interest of 1.5% p.a. (partially payment in kind settlement for the first 5 years).

Selection by Scheme Creditors is subject to the following reallocation mechanism in case any of Options 1, 2, 3 or 5 is oversubscribed:



This announcement sets out further details on (1) the key terms of the Mandatory Convertible Bonds; and (2) the Transfer in connection with the Restructuring, both of which will be subject to Shareholders' approval under the Listing Rules.

#### ISSUE OF MANDATORY CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

Subject to the occurrence of and on the Restructuring Effective Date, the Company will issue the Mandatory Convertible Bonds in the aggregate principal amount of up to US\$1,200,000,000, which are convertible into an aggregate of up to 4,074,782,608 Conversion Shares based on the Conversion Price at HK\$2.3 per Share and the fixed exchange rate of US\$1 = HK\$7.81.

The principal terms of the Mandatory Convertible Bonds are set out below:

<b>Issuer</b>	:	The Company
<b>Original Issue Date</b>	:	The Restructuring Effective Date (the “ <b>Original Issue Date</b> ”)
<b>Original principal amount:</b>		Up to US\$1,200,000,000
<b>Maturity date</b>	:	18 months after the Original Issue Date, subject to any optional conversion.
<b>Interest</b>	:	Nil
<b>Mandatory conversion</b>	:	The Mandatory Convertible Bonds remaining outstanding as of the date falling 20 business days prior to the maturity date shall be automatically and mandatorily converted into the Conversion Shares in accordance with the terms of the Mandatory Convertible Bonds.

If any Mandatory Conversion Suspension Event has occurred and is continuing, all mandatory conversions shall be suspended, and the mandatory conversion of the Mandatory Convertible Bonds into the Conversion Shares shall be deferred until the date on which the Company gives notice to the trustee that such Mandatory Conversion Suspension Event ceases to be continuing in accordance with the terms and conditions of the Trust Deed.

**Voluntary conversion** : At any time (A) during the period commencing on the Original Issue Date (inclusive) and ending on the date falling seven (7) business days after the Original Issue Date (inclusive), (B) during the period commencing on the date that is three (3) months after the Original Issue Date (or, if that date is not a business day, the business day immediately before that date) and ending on the date falling seven (7) business days after that commencement date, and thereafter (C) during each period commencing on the date falling three (3) months after the commencement date of the prior period (or, if that date is not a business day, the business day immediately before that date) and ending on the date falling seven (7) business days after that commencement date, and (D) finally, during the seven (7) business day period ending on the date falling twenty (20) business days prior to the maturity date, holders of the Mandatory Convertible Bonds may convert any Mandatory Convertible Bond held by such holder into Shares by delivering a conversion notice in accordance with terms of the Mandatory Convertible Bonds.

**Conversion price** : Initially at HK\$2.3 per Share, provided that, to the extent there are any events occurring between the date of the RSA and the date of the Restructuring Effective Date which would have triggered adjustments to the Conversion Price had they occurred after the Restructuring Effective Date, the Company shall consult with and agree with the Majority Scheme Creditors on the appropriate adjustments to the Conversion Price.

The Conversion Price of HK\$2.3 per Share represents:

- (a) a premium of approximately 654.10% over the closing price of HK\$0.305 per Share as quoted on the Stock Exchange on 9 October 2025, being the last trading day prior to the signing of the RSA on 10 October 2025;
- (b) a premium of approximately 895.67% over the closing price of HK\$0.231 per Share as quoted on the Stock Exchange on the date of this announcement; and

- (c) a premium of approximately 879.56% over the average closing price of HK\$0.2348 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately preceding the date of this announcement.

The Conversion Price was determined after arm's length negotiations between the Company and the AHG after taking into account, among other things, the Share price performance and the assessment of acceptability of the Scheme Creditors towards the terms of the Restructuring with a view to achieving a sustainable capital structure. The Conversion Price is at a premium to the closing price of HK\$0.305 per Share as quoted on the Stock Exchange on 9 October 2025, being the last trading day prior to the signing of the RSA on 10 October 2025, is value accretive for existing Shareholders and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

**Adjustment events** : Subject to the terms of the Mandatory Convertible Bonds, the Conversion Price shall be subject to adjustment in the following events:

- (i) *Consolidation, Subdivision, Redesignation or Reclassification*: If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision, redesignation or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

Where:

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

(ii) *Capitalisation of Profits or Reserves:*

- (1) If and whenever the Company shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account) including Shares paid up out of distributable profits or reserves and/or share premium account (except for any scrip dividend) and which would not have constituted a capital distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

Where:

- A is the aggregate nominal amount of the issued Shares immediately before such issue;  
and  
B is the aggregate nominal amount of the issued Shares immediately after such issue.

- (2) In the case of an issue of Shares by way of a scrip dividend where the aggregate value of such Shares issued by way of scrip dividend as determined by reference to the current market price per Share on the date of announcement of the terms of such scrip dividend exceeds the amount of the relevant cash dividend or the relevant part thereof and which would not have constituted a capital distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A+B}{A+C}$$

Where:

- A is the aggregate nominal amount of the issued Shares immediately before such issue;
- B is the aggregate nominal amount of Shares issued by way of such scrip dividend multiplied by a fraction of which (a) the numerator is the amount of the whole, or the relevant part, of the relevant cash dividend for which Shareholders have elected to receive as Shares issued by way of scrip dividend and (b) the denominator is the aggregate value of such Shares issued by way of scrip dividend as determined by reference to the current market price per Share on the date of such announcement; and
- C is the aggregate nominal amount of Shares issued by way of such scrip dividend.

- (iii) *Capital Distributions*: If and whenever the Company shall pay or make any capital distribution to the Shareholders (except to the extent that the Conversion Price falls to be adjusted under paragraph (ii) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such capital distribution by the following fraction:

$$\frac{A-B}{A}$$

Where:

A is the current market price per Share on the date on which the capital distribution is first publicly announced; and

B is the fair market value per Share.

- (iv) *Rights Issues of Shares or Options over Shares*: If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than 85% of the current market price per Share on the date of the first public announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A+B}{A+C}$$

Where:

A is the aggregate number of Shares in issue immediately before such announcement;

B is the number of Shares which the aggregate consideration receivable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such current market price per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

(v) *Rights Issues of Other Securities:* If and whenever the Company shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A-B}{A}$$

Where:

A is the current market price per Share on the date on which such issue or grant is publicly announced; and

B is the fair market value per Share on the date of such announcement of the portion of the rights attributable to one Share.

(vi) *Issues at less than Current Market Price:* If and whenever the Company shall issue (otherwise than as mentioned in paragraph (iv) above) any Shares (other than Shares issued on the exercise of conversion rights, upon mandatory conversion or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or shall issue or grant (otherwise than as mentioned in paragraph (iv) above) any options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, in each case at a price per Share which is less than 85% of the current market price on the date of the first public announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A+B}{C}$$

Where:

- A is the aggregate number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares;
- B is the number of Shares which the aggregate consideration receivable for the issue of the maximum number of Shares to be issued or the exercise of such options, warrants or other rights would purchase at such current market price per Share; and
- C is the aggregate number of Shares in issue immediately after the issue of such additional Shares.

(vii) *Other Issues at less than Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this paragraph, if and whenever the Company or any of its subsidiaries (otherwise than as mentioned in paragraphs (iv), (v) or (vi) above) or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity, shall issue any securities (other than the Mandatory Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than 85% of the current market price on the date of the first public announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A+B}{A+C}$$

Where:

- A is the aggregate number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such current market price per Share on the date of such announcement; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate on the issue date of such securities.

(viii) *Modification of Rights of Conversion etc.:* If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in paragraph (vii) above (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is reduced and is less than 85% of the current market price on the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A+B}{A+C}$$

Where:

- A is the aggregate number of Shares in issue immediately before such modification;
- B is the maximum number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such current market price per Share on the date of such announcement or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an independent financial advisor considers appropriate (if at all) for any previous adjustment under this paragraph or paragraph (vii) above.

- (ix) *Other Offers to Shareholders:* If and whenever the Company or any of its subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under paragraphs (iv), (v), (vi) or (vii) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue, sale or distribution by the following fraction:

$$\frac{A-B}{A}$$

Where:

- A is the current market price per Share on the date on which such issue, sale or distribution is publicly announced; and
- B is the fair market value of the portion of the rights attributable to one Share.
- (x) *Other Events:* If the Company determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in the terms of the Mandatory Convertible Bonds, the Company shall, at its own expense, consult an independent financial advisor to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination by the independent financial advisor such adjustment (if any) shall be made and shall take effect in accordance with such determination. Notwithstanding the foregoing, the per Share value of any such modification shall not exceed the per Share value of the dilution in the Shareholders' interest in the Company's equity caused by such events or circumstances.

In the adjustment event provisions of the terms of the Mandatory Convertible Bonds, where the events or circumstances giving rise to any adjustment pursuant to any of the above adjustments under the terms of the Mandatory Convertible Bonds have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of the terms of the Mandatory Convertible Bonds as may be advised by the independent financial advisor to be in its opinion appropriate to give the intended result.

**Maximum number of Conversion Shares to be issued** : Assuming the maximum principal amount of the Mandatory Convertible Bonds is converted in full at the Conversion Price of HK\$2.3 per Share, an aggregate of up to 4,074,782,608 Conversion Shares will be issued based on the fixed exchange rate of US\$1 = HK\$7.81, which represent:

- (a) approximately 98.42% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 49.60% of the issued share capital of the Company as enlarged by the issue of such Conversion Shares.

The Conversion Shares, upon full conversion and based on the par value of HK\$0.01 per Share, have an aggregate nominal value of up to HK\$40,747,826.08.

**Guarantee** : The Mandatory Convertible Bonds shall be guaranteed by the Subsidiary Guarantors which are wholly-owned subsidiaries of the Company.

**Collaterals** : The Mandatory Convertible Bonds shall be secured by the following collaterals on a pari passu basis:

- (a) first ranking security over all Powerlong CM Shares (but excluding any Exchange Shares and Disposal Shares) held by or attributable to the Company as of the Restructuring Effective Date;
- (b) first ranking security over the Designated Account;

- (c) first ranking security over 100% of the shares in Starlong (HK) 2 Limited; and
- (d) first ranking security over 100% of the shares in Starlong (HK) 5 Limited.

At any time after the Mandatory Convertible Bonds have become due and payable in accordance with the Trust Deed, the trustee shall, upon request in writing by the holders of not less than 25% in principal amount of the Mandatory Convertible Bonds then outstanding or upon the direction by an extraordinary resolution of the holders of the Mandatory Convertible Bonds, take such proceedings against the Company, the Subsidiary Guarantors and/or the chargors as it may think fit to enforce the collaterals in accordance with the terms of the relevant intercreditor agreement and security documents but, in each case, it will not be bound to do so unless the trustee shall have been indemnified, prefunded and/or secured to its satisfaction.

The Designated Account will be set up for the purpose of the Cash Sweep. As the assets under the Cash Sweep accounted for an insignificant portion of the carrying value of the total assets of the Group as at 31 December 2025, the enforcement of the underlying security over these assets will not have a material adverse effect on the Group's operations and financial positions.

Starlong (HK) 2 Limited is a company incorporated in Hong Kong and is principally engaged in investment holdings. Starlong (HK) 2 Limited holds 100% of a PRC project company which is principally engaged in the development of a commercial complex in Luoyang city, Henan, the PRC.

Starlong (HK) 5 Limited is a company incorporated in Hong Kong and is principally engaged in investment holdings. Starlong (HK) 5 Limited holds 100% of a PRC project company which is principally engaged in the development of a commercial complex in Yancheng city, Jiangsu, the PRC.

The financial information of Starlong (HK) 2 Limited and Starlong (HK) 5 Limited only accounted for an insignificant part of the Group, in case if they are enforced by creditors, the financial and operational impact on the Group is insignificant. For illustration purposes only, the total assets of Starlong (HK) 2 Limited and Starlong (HK) 5 Limited in aggregate accounted for less than 0.16% of that of the Group as at 31 December 2025.

In the event of any enforcement of the collaterals, the Company's balance sheet and operational income from such properties will be affected. It is expected that in such event, the Company will recognise a reduction in liabilities, and the differences between the collaterals' book value and actual value while enforcing such collaterals will be recognised as the profit or loss arising from the Restructuring, subject to the annual audit by the Company's auditors. The financial impact is also subject to the market situation and variable factors.

The collaterals will be provided by the Company for the benefit of the holders of the Mandatory Convertible Bonds, who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, are Independent Third Parties. In the event of enforcement of the collaterals, the Company will comply with the relevant Listing Rules.

**Redemption events**

: (a) Maturity

Unless previously redeemed, converted or purchased and cancelled as provided herein, each Mandatory Convertible Bond will be converted into Shares at the Conversion Price on the maturity date by way of mandatory conversion, provided that no Mandatory Conversion Suspension Event has occurred and is continuing as at the maturity date.

(b) Optional redemption

Subject to the terms of the Mandatory Convertible Bonds, on giving not less than 15 business days' notice to the holders of the Mandatory Convertible Bonds, the trustee and the principal agent (which notice shall be irrevocable), the Company may redeem all or any part of the Mandatory Convertible Bonds on the date specified in the notice at 100% of the principal amount of the Mandatory Convertible Bonds to be redeemed as at such date, at any time.

(c) Redemption for taxation reason

Subject to the terms of the Mandatory Convertible Bonds, at any time the Company may, having given not less than 15 business days' notice to the holders of the Mandatory Convertible Bonds, the trustee and the principal agent (which notice shall be irrevocable) redeem all but not some only of the Mandatory Convertible Bonds at their principal amount as at such date if (i) the Company (or if the guarantees were called, any Subsidiary Guarantor) has or will become obliged to pay additional taxation amounts as a result of any change in, or amendment to, the laws or regulations of the relevant jurisdictions, and (ii) such obligation cannot be avoided by the Company (or the relevant Subsidiary Guarantor) taking reasonable measures available to it.

**Ranking** : The Conversion Shares, when allotted and issued to a holder, shall rank pari passu in all respects with the Shares in issue on the date on which such holder is registered as such in the Company's register of members.

**Voting rights** : The holder(s) of the Mandatory Convertible Bonds shall not have any right to attend or vote in any general meeting of the Company.

**Transfer restrictions** : The Mandatory Convertible Bonds will be transferable in accordance with the Trust Deed, subject to applicable restrictions under the Securities Act and Regulation S. However, the Mandatory Convertible Bonds will not be registered under the Securities Act or any securities law of any state or other jurisdiction of the United States, and may not be offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Mandatory Convertible Bonds will be offered and sold only (i) in offshore transactions outside the United States in reliance on Regulation S or (ii) pursuant to another exemption.

**Listing** : Application will be made for the listing and quotation of the Mandatory Convertible Bonds on the SGX-ST or another recognised stock exchange.

Application will be made by the Company to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Conversion Shares.

The Mandatory Convertible Bonds will become due and payable upon (i) their stated maturity to the extent they are not converted into Shares including where the Mandatory Conversion Suspension Event is continuing or conversion cannot be effected in accordance with the terms of the Mandatory Convertible Bonds or applicable law, (ii) the occurrence of an event of default (as described below) followed by acceleration by the trustee or requisite bondholders, or (iii) any applicable redemption date including where the Mandatory Convertible Bonds are redeemed pursuant to any optional redemption, tax redemption or other redemption provisions therein. Events of default under the terms of the Mandatory Convertible Bonds include, among others, non-payment, breach of covenants, cross-default or cross-acceleration of other indebtedness, insolvency or liquidation events and enforcement proceedings. In each such case, the Company is required to make payment in accordance with the Trust Deed.

### **Specific Mandate**

The Conversion Shares will be allotted and issued under the Specific Mandate to be sought from the Shareholders at the EGM. In the event that the Issue of Mandatory Convertible Bonds is not completed within 12 months after the date of approval of the resolution for the grant of the Specific Mandate at the EGM, the Company will take necessary actions to comply with the applicable Listing Rules, including but not limited to seeking a new specific mandate from the Shareholders where appropriate.

The Issue of Mandatory Convertible Bonds and the transactions contemplated thereunder are subject to the passing of necessary resolution by the Shareholders at the EGM.

### **THE TRANSFER**

Subject to the occurrence of the Restructuring Effective Date, Powerlong CM Shares currently held by the Company will be exchanged for any portion or all of such Scheme Creditor's claims at such Scheme Creditor's election, as may be adjusted in accordance with the Scheme Creditors' selection, at an exchange price of HK\$15 per share, provided that if there are any share splits, share consolidation, dividends, distributions and/or new equity issuance in respect of Powerlong CM between the date of the RSA and the Restructuring Effective Date, the Company shall consult with and agree with the Majority Scheme Creditors on the appropriate adjustments in respect of such exchange price. There is no specific adjustment formula provided under the RSA. The consideration of the Transfer is the relevant Scheme Creditor's claims (in whole or in part, at that creditor's election) in exchange for Powerlong CM Shares held by the Company.

The Company will reserve the Exchange Shares, being 208,299,600 existing Powerlong CM Shares, for the exchange contemplated by Option 2 of the Scheme Consideration. As at the date of this announcement, the Exchange Shares represent 32.4% of the Powerlong CM Shares in issue. The maximum amount of Option 2 of the Scheme Consideration shall be the value of the Exchange Shares at the Exchange Price of HK\$15 per Powerlong CM Share. Based on the fixed exchange rate of US\$1 = HK\$7.81, the maximum consideration of the Transfer is approximately US\$400,063,252.

Other than the Transfer, as part of the Restructuring, the Company has also conditionally agreed to dispose of the Disposal Shares, being 160,725,000 Powerlong CM Shares, pursuant to the Share Purchase Agreement at a consideration of HK\$360,827,625, in order to fund the maximum amount of the Option 1 Cash, being US\$40,000,000.

The Share Purchase Agreement was approved by the independent Shareholders at the extraordinary general meeting of the Company convened and held on 18 March 2026. Upon completion of the Disposal, Powerlong CM will remain a non-wholly owned subsidiary of the Company and its financial results, assets and liabilities will continue to be consolidated with the results of the Company. As at the date of this announcement, Prime Capital Investment Limited has settled 20% of the consideration under the Disposal in April 2026. Based on the current plan, the remaining consideration is expected to be paid by the end of June 2026, and completion of the Disposal is expected to take place by the end of June 2026. Details of the Share Purchase Agreement and the transactions contemplated thereunder are set out in the Disposal Circular.

Assuming that the Exchange Shares will be transferred to the Scheme Creditors, there is no other change in the Company's interest in Powerlong CM Shares and there is no change in the issued share capital of Powerlong CM, following completion of the Disposal and the Transfer, the Company's interest in Powerlong CM Shares will be reduced to approximately 5.6%.

### **Basis for determining the Exchange Price**

The Exchange Price of HK\$15 per Powerlong CM Share was determined after arms' length negotiations between the Company and the AHG after taking into account, among other things, the share price performance of Powerlong CM and the assessment of acceptability of the Scheme Creditors towards the terms of the Restructuring with a view to achieving a sustainable capital structure.

Powerlong CM Shares traded mainly between HK\$2.10 and HK\$2.40 prior to the entering into the RSA, making the HK\$15 per Share equivalent to roughly a six-fold premium over then prevailing market prices. The determination of the Exchange Price was not based on short term trading levels of Powerlong CM Shares, but took into account the stable operations and financial performance of Powerlong CM as compared with the distressed Company, and with reference to the terms determined in the previous restructuring of the Company as announced on 23 February 2024.

The Company's restructuring is not expected to adversely impact Powerlong CM's business. As a recurring income property management business, Powerlong CM's cash flow stability supports a valuation methodology using higher forward multiples and control premiums. Following completion of the Disposal and the Transfer, Prime Capital Investment Limited will become the largest shareholder of Powerlong CM, holding a 25% stake under the Disposal Shares, and thus the Company will no longer be a substantial shareholder of Powerlong CM. Powerlong CM is expected to face reduced pressure from the Company's debt issues and be at low risk of significant equity enforcement, thereby maintaining a relatively sustainable capital structure.

The Company considers that the Exchange Price of HK\$15 per Powerlong CM Share, which is significantly above the prevailing market trading price, will not adversely affect Shareholders' interests.

## Financial information of Powerlong CM

The following financial information is extracted from the 2024 annual report and the 2025 annual report of Powerlong CM:

	For the year ended 31 December		
	2023 (audited) <i>RMB'000</i>	2024 (audited) <i>RMB'000</i>	2025 (audited) <i>RMB'000</i>
<b>Revenue</b>	2,635,746	2,617,305	2,607,608
<b>Profit before tax</b>	611,688	330,940	325,227
<b>Profit after tax</b>	452,391	224,385	231,975
			<b>As at</b>
			<b>31 December 2025</b>
			(audited)
			<i>RMB'000</i>
<b>Net assets value</b>			3,453,117

## Financial and operational effects of the Transfer

Upon completion of the Disposal and the Transfer, Powerlong CM will cease to be a subsidiary of the Group, and cease to be consolidated into the Group's financial statements.

Upon completion of the Transfer, pursuant to the transfer of the Exchange Shares by the Company to the Scheme Creditors at the Exchange Price of HK\$15 per Powerlong CM Share, and based on the net assets of Powerlong CM as at 31 December 2025, the Group is expected to record a decrease in assets of approximately RMB5,528 million, a decrease in liabilities of approximately RMB5,177 million and a reduction in non-controlling interests of approximately RMB2,054 million. Consequently, a gain of approximately RMB1,703 million will be recognised in the statement of profit or loss arising from the Restructuring, all of which are subject to the annual audit by the Company's auditors.

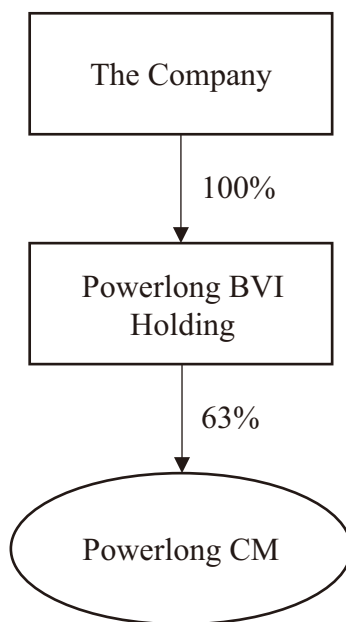
The Disposal and the Transfer are not expected to have any material impact on the Group's operations. The Group (excluding the Powerlong CM Group) and the Powerlong CM Group have been managed independently by separate management teams. Upon completion of the Disposal and the Transfer, all existing business arrangements and agreements between the Group and the Powerlong CM Group will continue in full force and effect in accordance with their respective terms. Accordingly, the Directors do not expect the Disposal and the Transfer to affect the operations of Powerlong CM or the continuity of the existing business relationship between the Group and the Powerlong CM Group. The Directors are of the view that the Disposal and the Transfer will not have any material adverse effect on the Group's day to day operations.

On the basis that the Exchange Price of HK\$15 per Powerlong CM Share is significantly above the prevailing market trading price, and that the Transfer, as part of the Restructuring, will effectively reduce the Company's liabilities and optimise its asset structure, the Board considers that the Transfer is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

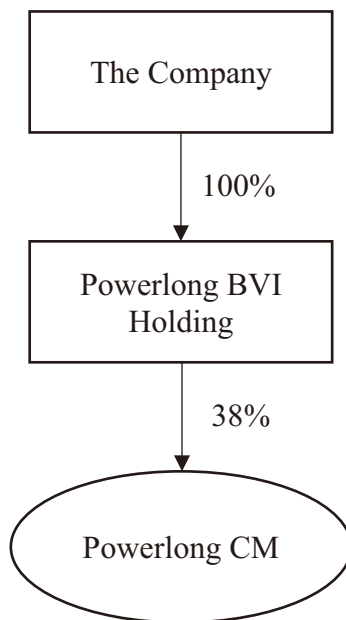
### Shareholding structure of Powerlong CM

The simplified shareholding structure of Powerlong CM immediately before and after completion of the Disposal and the Transfer is set out below.

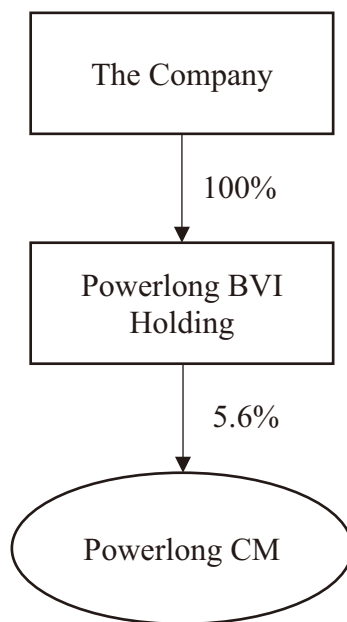
**(i) Immediately before the Disposal and the Transfer (as at the date of this announcement)**



**(ii) Immediately upon completion of the Disposal but before completion of the Transfer**



**(iii) Immediately upon completion of the Disposal and the Transfer**



**INFORMATION ON THE PARTIES**

**Information on Powerlong CM**

Powerlong CM is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 9909). Powerlong CM and its subsidiaries are a leading service provider principally engaged in commercial operational services and residential property management services in the PRC.

**Information on Powerlong BVI Holding**

Powerlong BVI Holding is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, it is wholly-owned by the Company.

**Information on the Company**

The Company is a real estate enterprise listed on the Stock Exchange, specialising in the development and operation of high-quality, large-scale, multi-functional commercial and residential complexes. The Group's commercial projects cover the series of "Powerlong One Mall", "Powerlong City", "Powerlong Plaza" and "Powerlong Land", while its residential projects cover various formats including middle and high class commodity housings and villas, complemented by high-standard office buildings, hotel and apartment projects with comprehensive service support. With its diversified and multi-dimensional business scope, the Group has been improving the retail supporting facilities and thereby enhancing the quality of local cities. The Group is also engaged in the hotel operation business in the PRC.

## **Information on Prime Capital Investment Limited**

Prime Capital Investment Limited is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, Mr. Hoi Chin Ho Kalson (son of Mr. Hoi Wa Fong and grandson of Mr. Hoi Kin Hong, both of whom are executive Directors) ultimately holds 51% and Ms. Hoi Wa Lam (cousin of Mr. Hoi Wa Fong and Ms. Hoi Wa Fan, a non-executive Director) ultimately holds 49% of the issued shares of Prime Capital Investment Limited.

## **REASONS FOR AND BENEFITS OF THE POSSIBLE ISSUE OF MANDATORY CONVERTIBLE BONDS AND THE TRANSFER IN CONNECTION WITH THE RESTRUCTURING**

Since the fourth quarter of 2020, Chinese property developers and the capital markets that have funded the growth and development of the sector have experienced an inflection point. Reduced bank lending for real estate development has resulted in reduced access by property developers to onshore capital. In addition, reduced bank lending of mortgage finance for buyers, as well as concerns of buyers about the ability of property developers to complete and deliver projects, has resulted in reduced property sales. Adverse reaction to these onshore events by offshore capital markets has also limited sources of funding for property developers to address upcoming maturities.

Due to various challenges from the macroeconomy, the real estate industry, the credit environment and multiple waves of the COVID-19 pandemic, the Group faced unprecedented challenges and operational pressures during the years 2021, 2022 and 2023. Despite unremitting efforts and taking proactive measures to ensure stable cash flow, the Group has experienced a precipitous decline in sales since the first quarter of 2022. Although a series of supportive policies have been put forward by regulators starting the second half of 2022 and during the course of 2023, recovery of developers already in financial distress has been slow and limited so far. With the market demand remaining weak, the exact timing of recovery is still uncertain. Against the backdrop of the adverse market conditions, the Group anticipates that the market condition in the real estate sector will remain under pressure in 2026.

Based on the Company's annual report for the year ended 31 December 2025 which contains the audited consolidated annual results of the Group for the year ended 31 December 2025, the Group's total borrowings were approximately RMB55,055 million as at 31 December 2025. The Group's borrowings comprised bank and other borrowings of approximately RMB31,095 million, corporate bonds of approximately RMB6,340 million, commercial mortgage backed securities of approximately RMB2,112 million, assets-backed securities of approximately RMB207 million and senior notes of approximately RMB15,301 million. Out of the total borrowings, approximately RMB34,223 million was repayable within one year, while approximately RMB20,832 million was repayable after one year. Further details of the indebtedness situation of the Group as at 31 December 2025, are set out in the annual report of the Company for the year ended 31 December 2025 and published on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.powerlong.com](http://www.powerlong.com)) on 27 April 2026.

The Restructuring aims to, among others, extend the maturity profile, lower the interest rates and decrease the cash portion of the interest payment expenses in short term, thus provide the Company with more time to recover from the current liquidity pressure.

### **Indebtedness and the Holistic Solution**

The Company has been working diligently with its professional advisors to progress on the Holistic Solution in order to formulate a viable restructuring plan aimed at addressing its liquidity constraints, securing the sustainable operations of the Group and protecting the interests of all stakeholders. Since the lapse of the former restructuring plan in February 2025, the Company continued its efforts for a further holistic restructuring of its offshore indebtedness through scheme of arrangement in Hong Kong. After extended negotiations, and having considered the interests of all stakeholders of the Group, the Company and the AHG entered into the RSA, and the Company announced the proposed terms of the Restructuring to offshore creditors, on 10 October 2025. The proposed Restructuring is intended to respect creditors' existing rights and treat all creditors fairly, secure a long-term sustainable capital structure to further stabilise operations of the Group, and protect the rights and interest of all of its stakeholders.

The Holistic Solution will be implemented through the Scheme, the effect of which is that once the Scheme becomes effective, all the In-Scope Debt claims of the Scheme Creditors will be discharged and extinguished and the Scheme Creditors will not be allowed to make any claim against the Company in respect of their In-Scope Debt.

The purpose of the Issue of Mandatory Convertible Bonds and the Transfer is for the implementation of the Scheme, which offers Scheme Creditors incentives in the form of Scheme Consideration in exchange for extending the maturity profiles of the Group's debts, thereby reducing the overall debt pressure of the Group and enabling the Group to better manage its business operations. The Issue of Mandatory Convertible Bonds will also increase the capital base through the issue of new Shares and help the Company achieve a sustainable capital structure when the Mandatory Convertible Bonds are converted into the Conversion Shares. No proceeds will be received by the Group from the Issue of the Mandatory Convertible Bonds and the Transfer. The Scheme will alleviate the current debt pressure of the Group, provide the Group with additional time to meet its repayment obligations and improve liquidity of the Group.

In light of the above, having considered the benefits of implementing the Holistic Solution and the terms of the debt restructuring proposed by the Company in 2024, the Directors consider that the terms and conditions of the Issue of Mandatory Convertible Bonds and the Transfer are fair and reasonable based on the current market conditions and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

### **EQUITY FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not carried out any equity fund raising activities in the past 12 months immediately before the date of this announcement.

## EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company: (a) as at the date of this announcement; and (b) immediately upon full conversion of the Mandatory Convertible Bonds for a total principal amount of up to US\$1,200,000,000 at the Conversion Price of HK\$2.3 per Share, assuming that there is no other change in the issued share capital of the Company and no adjustment to the Conversion Price from the date of this announcement up to the date of the full conversion of the Mandatory Convertible Bonds and based on the fixed exchange rate of US\$1 = HK\$7.81.

	(a) As at the date of this announcement		(b) Immediately upon full conversion of the Mandatory Convertible Bonds at the Conversion Price of HK\$2.3 per Share based on the assumptions stated above	
	Number of Shares	Approx. %	Number of Shares	Approx. %
<i>Directors/Shareholders</i>				
Mr. Hoi Kin Hong (Note 2)	1,827,871,000	44.15	1,827,871,000	22.25
Mr. Hoi Wa Fong (Note 3)	598,071,400	14.44	598,071,400	7.28
Ms. Hoi Wa Fan (Note 4)	288,093,000	6.96	288,093,000	3.51
Wason Holdings Limited	249,523,000	6.03	249,523,000	3.04
Largest group of holders of the Mandatory Convertible Bonds	-	-	1,614,700,521	19.66
<i>Public Shareholders (Note 5)</i>				
Other holders of Mandatory Convertible Bonds	-	-	2,460,082,087	29.95
Other Shareholders	1,176,844,600	28.42	1,176,844,600	14.33
Total	<u>4,140,403,000</u>	<u>100</u>	<u>8,215,185,608</u>	<u>100</u>

### Notes:

- The shareholding percentages are rounded to two decimal places. As at the date of this announcement, the Company has no treasury shares.
- Mr. Hoi Kin Hong, being a Director, has interests in 1,827,871,000 Shares within the meaning of Part XV of the SFO, of which (i) 2,800,000 Shares are interests of spouse, and (ii) 1,825,071,000 Shares are held by Skylong Holdings Limited, which is wholly-owned by Skylong Family Limited, which is in turn 100% owned by TMF (Cayman) Ltd. in its capacity as the trustee of the Skylong Trust, a discretionary trust of which Mr. Hoi Kin Hong is the settlor.
- Mr. Hoi Wa Fong, being a Director, has interests in 598,071,400 Shares within the meaning of Part XV of the SFO, of which (i) 503,400 Shares are interests of spouse, and (ii) 597,568,000 Shares are held by Sky Infinity Holdings Limited, which is wholly-owned by Sky Infinity Family Limited, which is in turn 100% owned by TMF (Cayman) Ltd. in its capacity as the trustee of the Sky Infinity Trust, a discretionary trust of which Mr. Hoi Wa Fong is the settlor.
- Ms. Hoi Wa Fan, being a Director, has interests in 288,093,000 Shares within the meaning of Part XV of the SFO, of which (i) 61,470,000 Shares are beneficially held by Ms. Hoi Wa Fan, (ii) 209,444,000 Shares are beneficially held by Walong Holdings Limited and (iii) 17,179,000 Shares are beneficially held by Mantong (HK) Trading Co., Ltd. Walong Holdings Limited and Mantong (HK) Trading Co., Ltd are wholly and beneficially owned by Ms. Hoi Wa Fan.
- Public Shareholders as defined under Rule 8.24 of the Listing Rules.

As at the date of this announcement, based on the disclosure of interests filings on the Company that are publicly available on the Disclosure of Interests Online (DION) System, no Scheme Creditor has reported any notifiable interest in 5% or more of the Shares of the Company under Part XV of the SFO. Upon full conversion of the Mandatory Convertible Bonds, other than the largest group of holders of the Mandatory Convertible Bonds who will hold approximately 19.7% of the Shares, none of the other holders of the Mandatory Convertible Bonds will become a substantial shareholder of the Company. For illustration purposes only, assuming full conversion of the Mandatory Convertible Bonds, the Share held by public shareholders will be approximately 44.3% based on the shareholding structure of the Company as of the date of this announcement. Although there is no restriction on the exercise of the conversion rights to ensure that there is sufficient public float of the Company's shares and the Scheme Creditor is not required to make a general offer under the Takeovers Code upon the exercise of the same under the terms of the Mandatory Convertible Bonds, based on currently available information and barring unforeseen circumstances, the Company is of the view that conversion of the Mandatory Convertible Bonds will not result in the Company failing to meet the public float requirements under the Listing Rules and will not result in any Scheme Creditor who is a holder of the Mandatory Convertible Bonds becoming obliged to make a mandatory general offer for all the issued shares of the Company under the Takeovers Code upon the exercise of their conversion right under the Mandatory Convertible Bonds. In order to ensure the minimum public float is met upon conversion of the Mandatory Convertible Bonds, when the conversion period begins, the Company will monitor its public float on a continuous basis and use its best efforts to ensure the conversion of the Mandatory Convertible Bonds will not cause the public float of the Company to drop below the prescribed public float requirement.

#### **INFORMATION ON THE IN-SCOPE DEBT UNDER THE SCHEME**

The Scheme Creditors comprise the persons who hold beneficial interests as principal in, or who are the lenders under, the following In-Scope Debt as at the Record Time for the Scheme:

- (a) the New York law-governed 4.0% senior notes due July 2022 (ISIN: XS2368100033, Common Code: 236810003) (the “**July 2022 Notes**”) issued by the Company. As at the date of this announcement, the aggregate principal amount of the July 2022 Notes outstanding is US\$4,105,000;
- (b) the New York law-governed 7.125% senior notes due November 2022 (ISIN: XS2078556342, Common Code: 207855634) (the “**November 2022 Notes**”) issued by the Company. As at the date of this announcement, the aggregate principal amount of the November 2022 Notes outstanding is US\$20,652,000;
- (c) the New York law-governed 6.95% senior notes due July 2023 (ISIN: XS2030333384, Common Code: 203033338) (the “**July 2023 Notes**”) issued by the Company. As at the date of this announcement, the aggregate principal amount of the July 2023 Notes outstanding is US\$18,515,000;
- (d) the New York law-governed 4.0% senior notes due July 2024 (ISIN: XS2500700633, Common Code: 250070063) (the “**July 2024 Notes**”) issued by the Company. As at the date of this announcement, the aggregate principal amount of the July 2024 Notes outstanding is US\$186,959,700;

- (e) the New York law-governed 7.125% senior notes due January 2026 (ISIN: XS2500700716, Common Code: 250070071) (the “**January 2026 Notes**”) issued by the Company. As at the date of this announcement, the aggregate principal amount of the January 2026 Notes outstanding is US\$279,348,000;
- (f) the New York law-governed 6.95% senior notes due December 2025 (ISIN: XS2647488878, Common Code: 264748887) (the “**December 2025 Notes**”) issued by the Company. As at the date of this announcement, the aggregate principal amount of the December 2025 Notes outstanding is US\$401,485,000;
- (g) the New York law-governed 6.25% senior notes due August 2024 (ISIN: XS2213954766, Common Code: 221395476) (the “**August 2024 Notes**”) issued by the Company. As at the date of this announcement, the aggregate principal amount of the August 2024 Notes outstanding is US\$500,000,000;
- (h) the New York law-governed 5.95% senior notes due April 2025 (ISIN: XS2250030090, Common Code: 225003009) (the “**April 2025 Notes**”) issued by the Company. As at the date of this announcement, the aggregate principal amount of the April 2025 Notes outstanding is US\$535,000,000;
- (i) the New York law-governed 4.9% senior notes due May 2026 (ISIN: XS2341882913, Common Code: 234188291) (the “**May 2026 Notes**”) issued by the Company. As at the date of this announcement, the aggregate principal amount of the May 2026 Notes outstanding is US\$200,000,000;
- (j) the New York law-governed 6.5% senior notes due August 2024;
- (k) certain Hong Kong law-governed facilities of the Company; and
- (l) a Macau law-governed loan facility agreement dated 17 December 2019 entered into between Bank of China Limited Macao Branch as lender, Pengye Enterprise Management (Macau) Limited as borrower and the Company as guarantor (the “**BOC Loan**”).

The In-Scope Debt is defined by reference to the similarity of creditors’ rights. As the Scheme Creditors’ legal rights are substantially similar, the Company considers that a single class of In-Scope Debt is properly constituted. The Company currently has no intention to include any additional debt as In-Scope Debt in the Scheme. As at 31 December 2025, the aggregate principal amount of the In-Scope Debt amounted to approximately US\$2,865,160,421.

### **Other Debts outside the Scheme**

Upon completion of the Restructuring, the Company will achieve a reduction in its outstanding debt obligations and also shift the Company’s current liabilities to non-current liabilities. The Scheme will result in the Group having a more sustainable capital structure that will allow it to comply with its debt obligations and liabilities, and to trade on a going-concern basis and deliver long-term value for all of its stakeholders.

Excluding the In-Scope Debt within the Scheme, the Company still had debts amounted to approximately US\$878.9 million as at 31 December 2025, which shall be handled via bilateral negotiations. As of the date of this announcement, some of them with the aggregate principal amount of approximately US\$786.16 million had been restructured with extended maturities, to be serviced by the cash flow of underlying assets of the Group. The Company will continue to negotiate with the relevant creditors regarding the extension of repayment terms of the remaining out-of-scope debts.

## **LISTING RULES IMPLICATIONS**

### **Issue of Mandatory Convertible Bonds under Specific Mandate**

The Conversion Shares will be issued under the Specific Mandate to be sought from the Shareholders at the EGM. The Issue of Mandatory Convertible Bonds and the transactions contemplated thereunder are subject to the passing of necessary resolution by the Shareholders at the EGM. The issue of the Conversion Shares upon conversion of the Mandatory Convertible Bonds is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Conversion Shares.

### **The Transfer**

As the highest of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transfer, when aggregated with the Disposal, is more than 75%, the Transfer constitutes a very substantial disposal for the Company which is subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **GENERAL**

An EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve by way of poll, (i) the Issue of Mandatory Convertible Bonds (including the grant of the Specific Mandate for the issue of the Conversion Shares upon conversion of the Mandatory Convertible Bonds); (ii) the Transfer, and the respective transactions contemplated thereunder.

The Company reviewed the identity of the Scheme Creditors based on the report provided by the information agent appointed by the Company in relation to the Scheme and the RSA, together with the information provided by the relevant creditors, none of them is a connected person of the Company under the Listing Rules. The Company has also requested its connected persons to confirm that none of them hold the In-Scope Debts. Further, at the Scheme Meeting, the Company conducted further verification of the voting participants to ensure that none of them is a connected person of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the Scheme Creditors is independent of the Company and not connected persons of the Company. No Shareholder will be required to abstain from voting at the EGM. The Company does not expect that any additional creditors to be included in the Scheme (if any) would be a connected person of the Company. Notwithstanding the above, if there are any other offshore loans or any additional creditors participating in the Scheme, the Company will review the identity of the relevant creditors and obtain further confirmation from its connected persons as appropriate.

A circular containing, among others, (i) further details of the Issue of Mandatory Convertible Bonds, including the issue of the Conversion Shares upon conversion of the Mandatory Convertible Bonds under the Specific Mandate; (ii) further details of the Transfer; (iii) the financial information of Powerlong CM and the remaining Group as required by Chapters 4 and 14 of the Listing Rules, (iv) other information as required under the Listing Rules; and (v) a notice convening the EGM, together with the related proxy form, will be made available on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.powerlong.com](http://www.powerlong.com)) and despatched to the Shareholders (if necessary) on or around 28 May 2026.

**Completion of the transactions set out in this announcement is subject to the fulfilment or waiver of the conditions precedent as set out in this announcement. The transactions set out in this announcement may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## DEFINITIONS

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

“Additional Participating Creditor”	a person holding a beneficial and/or legal interest (as applicable) as principal in the In-Scope Debt who has agreed to be bound by the terms of the RSA as a Participating Creditor in accordance with the RSA
“AHG”	an ad hoc group of holders of the In-Scope Debt as constituted from time to time and notified to the Company who are advised by the AHG advisors
“Announcements”	collectively, the announcements of the Company dated 13 October 2025, 28 November 2025, 19 December 2025, 27 January 2026, 18 March 2026, 20 April 2026 and 12 May 2026
“Board”	the board of Directors
“Business Day”	any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the City of New York, London, the PRC, Hong Kong and/or Macau (or in any other place in which payments on the New Notes are to be made) are authorised by law or governmental regulation to close
“Cash Sweep”	the cash sweep relating to certain disposal of assets set out in the RSA Term Sheet
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time

“Company”	Powerlong Real Estate Holdings Limited (寶龍地產控股有限公司), a company incorporated with limited liability under the laws of the Cayman Islands, the shares of which are listed on the Stock Exchange (stock code: 1238)
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Consent Fee”	with respect to each Participating Creditor, subject to and in accordance with the terms of the RSA, an amount in cash equal to 0.15% of the aggregate principal amount of the Eligible Participating Debt held by such Participating Creditor as of the Record Time (subject to all valid procedures being followed by such Participating Creditor in accordance with the terms of the RSA)
“Consent Fee Deadline”	5:00 p.m. Hong Kong time on 19 December 2025
“Conversion Price”	the conversion price per Share (subject to adjustments) in respect of the Mandatory Convertible Bonds
“Conversion Share(s)”	the Shares to be issued upon conversion of the Mandatory Convertible Bonds
“Court”	the High Court of Hong Kong
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Disposal Shares contemplated under the Share Purchase Agreement
“Disposal Circular”	the circular of the Company dated 25 February 2026
“Disposal Shares”	the 160,725,000 Powerlong CM Shares subject to the Disposal, accounting for 25% of the outstanding Powerlong CM Shares
“Designated Account”	an offshore account which shall be subject to an offshore account control agreement, with conditions and other details to be agreed between the Company and the Majority Scheme Creditors
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve by way of poll, the Issue of Mandatory Convertible Bonds (including the grant of the Specific Mandate for the Issue of the Conversion Shares) and the Transfer
“Eligible Participating Debt”	a Participating Debt which was made subject to the RSA by a Participating Creditor on or prior to the Consent Fee Deadline
“Exchange Price”	the exchange price per Exchange Share

“Exchange Shares”	a maximum of 32.4% (calculated based on the share capital of Powerlong CM as of the date of the RSA) of the outstanding Powerlong CM Shares (to the extent that such shares are held, whether directly or indirectly, by the Company) reserved by the Company (i.e. 208,299,600 Powerlong CM Shares), which shall be exchanged for any portion or all of such Scheme Creditors’ claims at the Scheme Creditors’ election
“Existing Loans”	certain loan facilities to which the Company is an obligor
“Existing Notes”	the senior notes issued or guaranteed by the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holistic Solution”	holistic management solution for the Company’s offshore indebtedness involving the Scheme
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Scheme”	the scheme of arrangement proposed by the Company to be effected pursuant to sections 670, 673 and 674 of the Companies Ordinance, for the purpose of implementing the Restructuring as contemplated under the RSA and the RSA Term Sheet
“In-Scope Debt”	the Existing Notes and the Existing Loan under the Scheme, the details of which are set out in Schedule I of the RSA Term Sheet
“Independent Third Party(ies)”	a person or entity who (and in respect of an entity, whose ultimate beneficial owner(s)) is independent of and not connected with the Company and its connected persons
“Initial Participating Creditors”	the Scheme Creditors signing the RSA as at the date of the RSA, which include the members of the AHG
“Issue of Mandatory Convertible Bonds”	the issue of the Mandatory Convertible Bonds subject to the occurrence of and on the Restructuring Effective Date
“Issue of New Loan”	the issue of the New Loan subject to the occurrence of and on the Restructuring Effective Date
“Issue of New Notes”	the issue of the New Notes subject to the occurrence of and on the Restructuring Effective Date
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Macau”	the Macau Special Administrative Region of the PRC
“Major Restructuring Document”	the Scheme Documents (including the scheme of arrangement, account holder letter form(s), creditor proxy forms, and any solicitation packet), the indentures, facility agreement, intercreditor agreement, account control agreements, custodian agreements, security documents and monitoring agent engagement terms in relation to the New Notes, the Mandatory Convertible Bonds, the New Loan, and any definitive document for the exchange of the Powerlong CM Shares that are part of the Option 2 entitlement
“Majority Scheme Creditors”	Scheme Creditors collectively holding at least 75% in value of the aggregate voting scheme claims held by all Scheme Creditors who are voting (either in person, by authorized representative or by proxy) at the relevant time (for the avoidance of doubt, excluding the existing common depositary, existing notes trustee and existing facility agent who are not allowed to vote, with respect to any of their own claims in their respective capacities under the existing debt documents)
“Mandatory Conversion Suspension Event”	among others, (i) until such default is discontinued or waived, any failure by the Company to make the principal payment when the same becomes due and payable, upon acceleration, redemption or otherwise in accordance with the terms under the Mandatory Convertible Bonds; or (ii) the Shares cease to be listed or admitted for trading, or are suspended for trade for more than 60 consecutive trading days on the Stock Exchange (or if applicable, such other recognised stock exchange which is the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in)
“Mandatory Convertible Bond(s)”	mandatory convertible bonds convertible into the Shares
“New Loan”	new loan allocated to the relevant Scheme Creditors at the Scheme Creditors’ election, the details of which are set out in the RSA Term Sheet
“New Long Term Notes”	new long term notes allocated to the relevant Scheme Creditors at the Scheme Creditors’ election, the details of which are set out in the RSA Term Sheet
“New Medium Term Notes”	new medium term notes allocated to the relevant Scheme Creditors at the Scheme Creditors’ election, in an aggregate principal amount equal to 50% of any portion or all of the Scheme Creditors’ claims at the Scheme Creditors’ election, the details of which are set out in the RSA Term Sheet

“New Notes”	the New Medium Term Notes and the New Long Term Notes
“Option 1 Cash”	Option 1 of the Scheme Consideration as set out in the RSA and the RSA Term Sheet, being cash in an aggregate amount equal to 12% of any portion or all of the Scheme Creditors’ claims at the Scheme Creditors’ election
“Option 2”	Option 2 of the Scheme Consideration as set out in the RSA and the RSA Term Sheet, being Powerlong CM Shares currently held by the Company which shall be exchanged for any portion or all of the Scheme Creditor’s claims at the Scheme Creditor’s election, as may be adjusted in accordance with the Scheme Creditors’ selection, at the Exchange Price of HK\$15 per share (provided that if there are any share splits, share consolidation, dividends, distributions and/or new equity issuance in respect of Powerlong CM between the date of the RSA and the Restructuring Effective Date, the Company shall consult with and agree with the Majority Scheme Creditors on the appropriate adjustments in respect of such exchange price)
“Participating Creditors”	the Initial Participating Creditors to the RSA as at the date of the RSA or Additional Participating Creditors, but excludes any Participating Creditors that have exercised their right to terminate the RSA in accordance with its terms
“Participating Debt”	at any time, with respect to a Participating Creditor, the aggregate principal amount of the In-Scope Debt set out in the relevant Participating Debt Notice then most recently delivered by that Participating Creditor, as modified from time to time by any increase/decrease notices (as applicable) delivered by the Participating Creditors to the information agent in accordance with the terms of the RSA
“Participating Debt Notice”	a notice substantially in the form set out in the RSA
“Powerlong BVI Holding”	Powerlong Real Estate (BVI) Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by the Company as at the date of this announcement
“Powerlong CM”	Powerlong Commercial Management Holdings Limited (寶龍商業管理控股有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability, whose shares are listed on the Stock Exchange (stock code: 9909)
“Powerlong CM Group”	Powerlong CM and its subsidiaries

“Powerlong CM Share(s)”	the ordinary shares in the issued share capital of Powerlong CM
“PRC”	the People’s Republic of China
“Record Time”	the time designated, and publicly announced, by the Company for the determination of claims of Scheme Creditors for the purposes of voting at each Scheme Meeting
“Regulation S”	Regulation S under the Securities Act
“Restructuring”	the restructuring of the In-Scope Debt, to be conducted materially in the manner envisaged by, and materially on the terms set out in, the RSA Term Sheet and to be implemented by way of the Restructuring Documents
“Restructuring Documents”	all documents, agreements and instruments necessary to implement the Restructuring in accordance with the RSA and the RSA Term Sheet
“Restructuring Effective Date”	the day on which all claims relating to the In-Scope Debt against (among others) the Company will be cancelled and relevant guarantees and securities granted in connection with the In-Scope Debt will be released and the applicable restructuring consideration will be distributed to the Scheme Creditors, with all conditions precedent as set out in the RSA Term Sheet having been either satisfied or waived (as applicable)
“RMB”	Renminbi, the lawful currency of the PRC
“RSA”	the restructuring support agreement dated 10 October 2025 entered into by, among others, the Company and members of the AHG
“RSA Longstop Date”	30 September 2026 or such later date as may be agreed between the Company and the Majority Scheme Creditors in writing
“RSA Term Sheet”	the restructuring term sheet as set out in Schedule 6 to the RSA, a copy of which was appended to the announcement of the Company dated 13 October 2025 (with sensitive information being removed or redacted)
“Scheme(s)”	(i) the Hong Kong Scheme; and/or (ii) a scheme of arrangement, or similar process in such other jurisdiction as may be needed to implement the Restructuring, as determined at the Company’s discretion to be necessary, after having consulted with the AHG and/or the AHG’s advisor in good faith

“Scheme Consideration”	the scheme consideration to be distributed to the Scheme Creditors on the Restructuring Effective Date, which consists of one or a combination of following options at the Scheme Creditor’s selection as set out in the RSA Term Sheet, including (i) Option 1 Cash; (ii) the Exchange Shares; (iii) the Mandatory Convertible Bonds; (iv) the New Medium Term Notes; (v) the New Long Term Notes; and (vi) the New Loan, in exchange for the discharge and release of the relevant In-Scope Debt claims of the Scheme Creditors against the Company
“Scheme Creditor(s)”	creditor(s) of the Company with respect to the In-Scope Debt
“Scheme Documents”	the composite documents to be circulated by the Company to the Scheme Creditors in relation to the Scheme
“Scheme Meeting(s)”	in respect of a Scheme, a meeting of Scheme Creditors convened pursuant to a convening order to vote on that Scheme (and any adjournment of such meeting)
“Securities Act”	the U.S. Securities Act of 1933, as amended from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary shares in the issued share capital of the Company
“Share Purchase Agreement”	the share purchase agreement dated 27 January 2026 entered into between Powerlong BVI Holding and Prime Capital Investment Limited in relation to the Disposal
“Shareholder(s)”	holders of the Shares
“Specific Mandate”	the specific mandate to be granted by the Shareholders at the EGM to issue the Mandatory Convertible Bonds and the Conversion Shares upon conversion of the Mandatory Convertible Bonds
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantors”	the same subsidiary guarantors of the In-Scope Debt and certain subsidiaries of the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Transfer”	the transfer of the Exchange Shares by the Company to the Scheme Creditors, which forms part of the Scheme Consideration pursuant to the RSA and is subject to the occurrence of and on the Restructuring Effective Date
“Trust Deed”	the trust deed governing the Mandatory Convertible Bonds
“United States”	The United States of America, its territories and possessions and all areas subject to its jurisdiction
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent.

By order of the Board  
**Powerlong Real Estate Holdings Limited**  
**Hoi Kin Hong**  
*Chairman*

Hong Kong, 14 May 2026

*As at the date of this announcement, the executive Directors are Mr. Hoi Kin Hong, Mr. Hoi Wa Fong, Mr. Xiao Qing Ping and Mr. Zhang Hong Feng; the non-executive Director is Ms. Hoi Wa Fan; and the independent non-executive Directors are Mr. Au Yeung Po Fung, Dr. Mei Jian Ping, Dr. Ding Zu Yu and Ms. Liu Xiao Lan.*