



COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES  
DIVISION  
COMPANIES DIVISION

CAUSE NO: FSD OF 2022 (IKJ)

IN THE MATTER OF THE COMPANIES ACT (2022 REVISION)

AND IN THE MATTER OF LOGAN GROUP COMPANY LIMITED (FORMERLY LOGAN PROPERTY HOLDINGS  
COMPANY LIMITED)

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WINDING-UP PETITION

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TO: THE GRAND COURT

The humble petition of Citicorp International Limited, of 50<sup>th</sup> Floor, Champion Tower, Three Garden Road, Central, Hong Kong (the *Petitioner*), shows that:

1. The Petitioner presents this petition for the winding up of Logan Group Company Limited (formerly known as Logan Property Holdings Company Limited) (the *Company*) pursuant to section 92(d) of the Companies Act (as amended) (the *Companies Act*) and the appointment of Alexander William Lawson of Alvarez & Marsal Cayman Islands Limited, Flagship Building, PO Box 2507, 2nd Floor, 142 Seafarers Way, George Town, Grand Cayman, Cayman Islands KY1-1104, and Edward Simon Middleton and Wing Sze Tiffany Wong, both of Alvarez & Marsal Asia Limited, Room 405-7, 4/F, St. George's Building, 2 Ice House Street, Central, Hong Kong, as joint official liquidators of the Company.
2. The Company is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Act. It was incorporated on 14 May 2010 with registration number 240718. The registered office of the Company is c/o Conyers Trust Company (Cayman) Limited, P. O. Box 2681, Cricket Square, Hutchins Drive, George Town, Grand Cayman, Cayman Islands.
3. On 22 May 2020, the Company changed its name from "Logan Property Holdings Company Limited" to "Logan Group Company Limited".
4. The Petitioner is a trustee of certain notes issued by the Company and seeks the winding up of the Company on the basis that the Company is unable to pay its debts.
- I. **The Company**
5. The Company is the holding company of a corporate group (the *Group*). The Group is principally engaged in property development, property investment, construction and decoration and primary land development,

extensively focusing on the residential property market in the Guangdong-Hong Kong SAR-Macau Greater Bay Area in the People's Republic of China.

6. The shares in the Company are listed on the Main Board of Hong Kong Stock Exchange (**HKEX**), with Stock Code 03380.

## II. The Indenture

7. Pursuant to an indenture dated 14 January 2020, entered into between the Company, various entities defined therein as the **Subsidiary Guarantors**, and the Petitioner as trustee (**Trustee**), the Company issued 5.75% senior notes due 2025 in an aggregate principal amount of US\$300,000,000 (the **Indenture**, and the notes issued thereunder, the **Notes**).
8. Unless otherwise stated, the capitalised terms used in this Petition have the same meaning as defined in, and references to sections are to sections of, the Indenture.
9. Pursuant to the terms of the Indenture:
  - a. Section 2.04(b) (*Form, Denomination and Date of Notes; Payments*) provides that the Notes shall bear interest at the rate of 5.75% per annum from the date of issuance thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for. Interest on the Notes shall be calculated on the basis of a 360-day year comprised of twelve 30-day months<sup>1</sup>;
  - b. Section 4.01(a) (*Payment of Notes*) provides that the Company shall pay the principal of, any premium on (if any) and interest, and Additional Amounts, if any, on the Notes on the dates and in the manner provided in the Notes and the Indenture;
  - c. Events of Default under the Indenture include:
    - i. default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise (Section 6.01(a));
    - ii. default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days (Section 6.01(b)); and
    - iii. where there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US\$30.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, (i) an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and/or (ii) the failure to make a principal payment when due (Section 6.01(e));

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<sup>1</sup> See also Clause 1 of the Notes

- d. Section 6.02 (*Acceleration*) provides that if an Event of Default (other than an Event of Default specified in clause (g) or (h) of Section 6.01) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable;
- e. Section 6.03 (*Other Remedies*) provides that if an Event of Default occurs and is continuing, the Petitioner, in its capacity as Trustee, may pursue, in its own name or as trustee of an express trust, any available remedy by proceedings at law or in equity to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or the Indenture. The Petitioner may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding;
- f. Section 6.09 (*Collection Suit By Trustee*) provides that if an Event of Default in payment specified in Section 6.01(a) or Section 6.01(b) occurs and is continuing, the Petitioner, in its capacity as Trustee, may recover judgment in its own name and as trustee of an express trust for the whole amount remaining unpaid, together with interest on overdue principal or premium and, to the extent lawful, overdue installments of interest, in each case at the rate specified in the Notes, and such further amount as is sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amounts due the Trustee thereunder; and
- g. Section 11.07(a) (*Governing Law, Consent to Jurisdiction; Waiver of Immunities*) provides that each of the Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees and the Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

### III. Events of Default under the Indenture

#### Event of Default – Cross-default

- 10. Pursuant to a US\$200,000,000 facility agreement dated 10 March 2020 (the **POL Facility Agreement**) between Perfect Odyssey Limited (**POL**) as borrower, the Company as guarantor, China Industrial Securities International Brokerage Limited as arranger and Citicorp International Limited as agent (the **POL Agent**), POL was due to repay the Loan (as defined in the POL Facility Agreement) in full, together with accrued interest, on 11 March 2022.
- 11. As POL failed to repay such amounts on the due date (i.e. 11 March 2022), the POL Agent issued a notice of demand under guarantee (the **POL Demand**) on 14 March 2022. The POL Demand demanded immediate repayment of the same amounts from the Company as guarantor.
- 12. Based on public information, the Company failed to satisfy the POL Demand, constituting an Event of Default under the Indenture, which is continuing.

13. On 12 August 2022, a notice (the **BO Notice of Acceleration**) was issued by certain beneficial owners (the **Beneficial Owners**) of more than 25% in aggregate principal amount of the Notes currently outstanding to the Company and the Petitioner. The BO Notice of Acceleration: (i) declared the principal of, premium if any, and accrued and unpaid interest on the Notes to be immediately due and payable; and (ii) demanded payment of all amounts owed to the Beneficial Owners under the Notes by 5:00 pm Hong Kong time on 12 August 2022.
14. As neither the Company nor any of the Subsidiary Guarantors paid the amounts demanded under the BO Notice of Acceleration by 12 August 2022, the Beneficial Owners issued a notice of demand (the **BO Demand Letter**) on 15 August 2022 against Yuen Ming (Hong Kong) Investments Company Limited and Kam Wang (Hong Kong) Investments Company Limited (as Subsidiary Guarantors under the Indenture). The BO Demand Letter demanded payment of the amounts due under the BO Notice of Acceleration by 5:00 pm Hong Kong time on 15 August 2022.
15. Despite the Beneficial Owners' repeated demands (in the BO Notice of Acceleration and the BO Demand Letter), the Petitioner understands that to date none of the Company or any Subsidiary Guarantor has paid (in whole or in part) the amounts demanded under the BO Notice of Acceleration.

Event of Default – Non-payment

16. The Company failed to make the interest payment due on 14 July 2022.
17. By a notice dated 7 September 2022 (the **Trustee Notice of Acceleration**, together with the BO Notice of Acceleration, the **Notices of Acceleration**), the Petitioner notified the Company and the Subsidiary Guarantors that an event of default under section 6.01(b) of the Indenture had occurred and was continuing as at the date of the Trustee Notice of Acceleration by reason of non-payment of interest due on 14 July 2022 which continued for a period of more than 30 consecutive days. Pursuant to section 6.02 of the Indenture, the Petitioner declared the principal of, premium, if any, and accrued and unpaid interest on the Notes (collectively, the **Outstanding Amounts**)<sup>2</sup> to be immediately due and payable, and demanded immediate payment of the Outstanding Amounts under the Notes.
18. As neither the Company nor any of the Subsidiary Guarantors paid the Outstanding Amounts pursuant to the Trustee Notice of Acceleration by 7 September 2022, by a letter of demand of even date issued against the Company and the Subsidiary Guarantors (the **Trustee Demand Letter**, together with the BO Demand Letter, the **Demand Letters**), the Petitioner declared the non-payment of the Outstanding Amounts an event of default which had occurred and was continuing under section 6.01(a) of the Indenture. In the Demand Letter, the Petitioner demanded payment of the Outstanding Amounts by 5:00 pm Hong Kong Time on 9 September 2022.

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<sup>2</sup> As at the date of the Demand Letter, the Outstanding Amounts comprised the principal of US\$300,000,000 and interest of US\$11,116,666.67

19. Despite the Petitioner's repeated demands (in the Trustee Notice of Acceleration and the Trustee Demand Letter), to date, none of the Company or any Subsidiary Guarantor paid (in whole or in part) the Outstanding Amounts.
20. Accordingly, on 9 September 2022, the Petitioner, through its Cayman counsel, Harney Westwood & Riegels, served a statutory demand (**Statutory Demand**) on the Company at its registered office in respect of the Outstanding Amounts.
21. To date, the Company has failed, refused and/or neglected to pay, or to secure or compound to the reasonable satisfaction of the Petitioner, the Outstanding Amounts or any part thereof.
22. Holders representing at least 25% in aggregate principal amount of the Notes have directed the Petitioner to present this Petition on the basis that the Company is unable to pay its debts pursuant to section 93(a) and/or section 93(c) and should be wound up pursuant to section 92(d) of the Companies Act.

#### IV. The Company's financial position

23. The Company is unable to pay its debts and is cash flow insolvent.
24. First, as described above, to date, the Company has failed, refused and/or neglected to pay and/or satisfy the Outstanding Amounts or any part thereof.
25. Second, the Company acknowledges and/or admits its inability to pay debts as they fall due in recent announcements:
  - a. the Group's unaudited interim results for the six months ended 30 June 2022 (the **HY22 Unaudited Results**) announced on the HKEX on 31 August 2022 state that:
    - i. the Group failed to pay interest on the 5 Senior Notes and the principal amount on the 7.5% USD Senior Notes due 2022 (together with the Senior Notes, the **Unpaid Notes**);
    - ii. the non-payment of principal or interest on the Unpaid Notes (as the case may be) may lead to demand for acceleration of repayment;
    - iii. the Group has senior notes with an aggregate principal amount of RMB24,378,350,000 and cash and bank balances of RMB14,352,272,000 for the period ended 30 June 2022. The directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations upon agreement of the Holistic Liability Management Solution as and when they fall due in the foreseeable future, based on the cash flow projections of the Group and after taking into consideration the Group's senior notes; and
    - iv. the extract of the Company's Independent Auditor's Report for the same period states that the outstanding principal of the Unpaid Notes amounted to approximately USD1.9 billion (equivalent to RMB12.87 billion) and the aggregate unpaid interest amounted to approximately

USD53.1 million (equivalent to RMB359.5 million) as at 23 August 2022. In view of this fact, and the matters at paragraphs 25.a.i to 25.a.iii above, the Company's Independent Auditor concluded that "[t]his condition indicates the existence of a **material uncertainty which may cause significant doubt on the Group's ability to continue as a going concern**" (emphasis added);

- b. the Company announced that it would suspend payment of the Notes and other indebtedness. On 7 August 2022, the Company announced, on HKEX's website, that as a result of liquidity pressures attributed to certain adjustments in the Chinese property development sector, the Company would deploy a "holistic management of the Company's offshore debts" to enable the Group to fulfil its financial commitments (the **Holistic Liability Management Solution**);
- c. The 7 August 2022 announcement states that, to this end, the Company appointed Haitong International Securities Company Limited (**Haitong**) as its financial advisor to assess its capital structure and explore options for the Holistic Liability Management Solution. To facilitate the latter, and with a view to treating all the creditors fairly, the Company stated that it would suspend the payment of interest due on the following five offshore USD denominated senior notes (the **5 Senior Notes**), including the Notes:

	Notes	ISIN	Common Code	Debt Stock Code
(i)	the 4.7% senior notes due 2026 issued on 6 July 2021	XS2342970402	234297040	40754 (listed on the HKEX)
(ii)	the 4.25% senior notes due 2025 issued on 12 April 2021	XS2309743578	230974357	40642 (listed on the HKEX)
(iii)	the 4.5% senior notes due 2028 issued on 13 January 2021	XS2281303896	228130389	40527 (listed on the HKEX)
(iv)	the 5.75% senior notes due 2025 issued on 14 January 2020 (i.e., the Notes)	XS2099677747	209967774	40114 (listed on the HKEX)
(v)	the 6.5% senior notes due 2023 issued on 16 July 2019	XS2027337786	202733778	Listed on the Singapore Exchange Securities Trading Limited

- d. on 23 August 2022, the Company announced on the HKEX that it "expects that it will not pay the principal amount due on 25 August 2022 under the 7.5% USD denominated senior notes due 2022 listed on the Singapore Exchange Securities Trading Limited" (**7.5% USD Senior Notes due 2022**). This is in

addition to the suspension of payment of interest on the 5 Senior Notes. The Company recognised that the non-payment for the aforementioned notes may lead to creditors of the Company seeking accelerated repayment.

26. Third, in the Company's announcement on 19 August 2022, the Company stated that it expected to record a net loss ranging from approximately US\$72.46 million (RMB500 million) to US\$115.94 million (RMB800 million) for the six months ended 30 June 2022, principally due to: (i) the decline in delivery and decrease in income during the year as the COVID-19 pandemic caused delays in the construction progress; (ii) the period-on-period decline in sales due to the continuing downturn of the real estate industry; and (iii) the decrease in gross profit margin caused by the recognition of some projects with lower gross profit.
27. Fourth, based on public information the Petitioner understands that the Company as guarantor has failed, refused and/or neglected to pay and/or satisfy the amounts or any part thereof due under the POL Demand.
28. Fifth, the Company has failed to make repayments of other indebtedness despite the expiration of their respective grace periods. A Debtwire report published on 4 April 2022 states, *inter alia*, as follows:

*"After a series of rating actions starting from early February, [the Company] has since 4 March already been hit by multiple acceleration notices from holders of offshore private debt as a result of the rating-downgrade prepayment triggered respective clauses, as reported. Given that the payments remain unfulfilled despite the expiration of the respective grace periods, holders of the accelerated notes are entitled to call a default, said the first creditor source, the source with knowledge, and a fourth creditor sources."*

**V. Demand on the Subsidiary Guarantee**

29. Section 10.01 (*The Subsidiary Guarantees and JV Subsidiary Guarantees*) of the Indenture states that each of the Subsidiary Guarantors, jointly and severally, guarantees as principal obligor to each Holder of a Note authenticated by the Trustee or the Authenticating Agent and to the Trustee and its successors and assigns the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under the Notes and the Indenture.
30. The Notes are held in the form of Global Notes and as stated in section 2.04(f) of the Indenture, the Global Notes shall in all respects be entitled to the same benefits under the Indenture as Certificated Notes authenticated and delivered thereunder.
31. By the Trustee Demand Letter on the Subsidiary Guarantees issued to each of the Subsidiary Guarantors, the Trustee demanded payment of the Outstanding Amounts from the Subsidiary Guarantors by 5:00pm Hong Kong Time on 9 September 2022 pursuant to section 10.01 of the Indenture.
32. As payment was not made by 9 September 2022, the Petitioner, through its Hong Kong counsel, Mayer Brown, served two statutory demands demanding payment of the Outstanding Amounts on (i) Yuen Ming Investments Company Limited (*Yuen Ming*) and (ii) Kam Wang (Hong Kong) Investments Company Limited (*Kam Wang*) (collectively, the *HK Guarantors*), the statutory demands, the *HK Statutory Demands* and

together with the Statutory Demand, the **Statutory Demands**). The HK Guarantors are two out of 13 Subsidiary Guarantors, and the HK Statutory Demands were served at the HK Guarantors' respective registered offices on 9 September 2022.

33. As at the date of this Petition, the HK Guarantors have not paid or secured or compounded, to the reasonable satisfaction of the Petitioner, the Outstanding Amounts or any part thereof at all.
34. To date, the Outstanding Amounts remain due and owing to the Petitioner.

**VI. The Company should be wound up**

35. As at the date of this Petition, none of the Notices of Acceleration, the Demand Letters and the Statutory Demands have been satisfied. Accordingly, the Company remains liable under the Indenture and the Notes and (as at the date of the Statutory Demand) in the total sum of US\$313,847,917 (the **Debt**) comprised of:
  - (a) US\$300,000,000.00, being the aggregate principal amount owed under the Notes; and
  - (b) US\$13,847,917, being the accrued interest on the aggregate principal amount of the Notes outstanding up to and including the date of this petition at a rate of 5.75% per annum (on the basis of a 360 day year).
36. To date, the Company has failed, neglected and/or refused to pay the Debt or any part thereof.
37. In view of the circumstances as aforementioned, the Company is unable to pay its debts pursuant to section 93(a) and/or section 93(c) of the Companies Act and should be wound up pursuant to section 92(d) of the Companies Act.

**VII. Nomination of Joint Official Liquidators**

38. The Petitioner nominates Alex Lawson of Alvarez & Marsal Cayman Islands Limited, Flagship Building, PO Box 2507, 2nd Floor, 70 Harbour Drive, George Town, Grand Cayman, Cayman Islands KY1-1104, and Edward Simon Middleton and Wing Sze Tiffany Wong, both of Alvarez & Marsal Asia Limited, Room 405-7, 4/F, St. George's Building, 2 Ice House Street, Central, Hong Kong as Joint Official Liquidators of the Company.

**YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:**


- (1) The Company be wound up in accordance with section 92(d) of the Companies Act;
- (2) Alex Lawson of Alvarez & Marsal Cayman Islands Limited, Flagship Building, PO Box 2507, 2nd Floor, 70 Harbour Drive, George Town, Grand Cayman, Cayman Islands KY1-1104, and Edward Simon Middleton and Wing Sze Tiffany Wong both of Alvarez & Marsal Asia Limited, Room 405-7, 4/F, St. George's Building, 2 Ice House Street, Central, Hong Kong be appointed as Joint Official Liquidators of the Company (the **JOLs**);
- (3) The JOLs shall not be required to give security for their appointment;

- (4) The JOLs have the power to act jointly and severally in their capacity as joint liquidators of the Company;
- (5) The JOLs be authorised to take any such action as may be necessary or desirable to obtain recognition of the JOLs and/or their appointment in any other relevant jurisdiction and to make applications to the courts of such jurisdictions for that purpose;
- (6) In addition to the powers set out at Part II of the Third Schedule to the Companies Act, the JOLs be authorised to exercise all of the powers set out in paragraphs 1, 2, 4, 5, 6, 7, 8, 10 and 11 of Part 1 of the Third Schedule to the Companies Act and section 110(2) thereof without further sanction or intervention of the Court;
- (7) The JOLs be authorised to do any act or thing considered by them to be necessary or desirable in connection with the liquidation of the Company and the winding up of its affairs in the Cayman Islands or elsewhere;
- (8) The JOLs be at liberty to appoint such counsel, attorneys, professional advisors, whether in the Cayman Islands or elsewhere, as they may consider necessary to advise and assist them in the performance of their duties and to remunerate them out of the assets of the Company in accordance with CWR Order 25;
- (9) No disposition of the Company's property by or with the authority of the JOLs in carrying out their duties and functions and exercise of their powers under this Order shall be voided by virtue of section 99 of the Companies Act;
- (10) Subject to section 109(2) of the Companies Act and the Insolvency Practitioners' Regulations 2018 (as amended), the JOLs be authorised to render and pay invoices out of the assets of the Company for their own remuneration;
- (11) The JOLs be at liberty to meet all disbursements reasonably incurred in connection with the performance of their duties and, for the avoidance of doubt, all such payments shall be made as and when they fall due out of the assets of the Company as an expense of the liquidation;
- (12) The Petitioner's costs shall be paid out of the assets of the Company as a priority expense of the liquidation, such costs to be taxed if not agreed with the JOLs;
- (13) The JOLs be at liberty to apply generally; and

(14) Such further and other relief be granted as the Court deems appropriate.

AND your Petitioner will ever pray etc.,

DATED this 4<sup>th</sup> day of November 2022



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**HARNEY WESTWOOD & RIEGELS**

**Attorneys-at-Law for and on behalf of the Petitioner**

NOTE: This petition is intended to be served on the Company at its registered office.

THIS **PETITION** is presented by Harney Westwood & Riegels, Attorneys-at-Law for the Petitioner, whose address for service is 3<sup>rd</sup> Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman KY1-1002, Cayman Islands.

**NOTICE OF HEARING**

**TAKE NOTICE THAT** the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman, Cayman Islands on *29 Nov 22* at 10.00am.

Any correspondence or communication with the Court relating to the hearing of this petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106, Cayman Islands; telephone 345 949 4296.