



THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD 284 OF 2023 ( )

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2023 REVISION)

AND IN THE MATTER OF CHINA AOYUAN GROUP LIMITED

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PETITION

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To: The Grand Court of the Cayman Islands

This humble petition (the *Petition*) of China Aoyuan Group Limited, whose registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands (the *Company*) shows that:

**INTRODUCTION**

- 1 The Company was incorporated in the Cayman Islands under the Companies Act (2023 Revision) (the *Companies Act*) on 6 March 2007 as an exempted company with limited liability (registration number 183222).
- 2 The Company's registered office is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- 3 The Company intends to promulgate a scheme of arrangement (the *China Aoyuan Cayman Scheme*) between it and a single class of certain of its creditors (the *Scheme Creditors*) pursuant to section 86 of the Companies Act. The object of the Petition is to seek the sanction of this Honourable Court of the China Aoyuan Cayman Scheme between the Company and its Scheme Creditors pursuant to section 86 of the

Companies Act. A copy of the China Aoyuan Cayman Scheme will be exhibited to a supplemental affirmation made by a director or an authorised representative of the Company, which will be filed with this Honourable Court.

- 4 A scheme of arrangement in effectively identical terms as the China Aoyuan Cayman Scheme will also be filed with the High Court of the Hong Kong Special Administrative Region (the **China Aoyuan Hong Kong Scheme**, and together with the China Aoyuan Cayman Scheme, the **China Aoyuan Schemes**), and implementation of the China Aoyuan Cayman Scheme will be linked to and inter-conditional upon court approval of the China Aoyuan Hong Kong Scheme.
- 5 The China Aoyuan Schemes are part of the Company's efforts to implement a restructuring of the material indebtedness (the **Restructuring**) of the Company and its subsidiaries (the **China Aoyuan Group**). The Restructuring will also involve two inter-conditional and parallel schemes of arrangement in respect of Add Hero Holdings Limited (**Add Hero**), a subsidiary of the Company, (i) in the British Virgin Islands (**BVI**) (the **Add Hero BVI Scheme**) and (ii) in Hong Kong (the **Add Hero Hong Kong Scheme** and together with the Add Hero BVI Scheme, the **Add Hero Schemes**).

#### THE COMPANY

- 6 The Company was incorporated in the Cayman Islands under the name China Aoyuan Property Group Ltd. and subsequently changed its name to China Aoyuan Property Group Limited by way of special resolution dated 17 April 2007. It further changed its name to China Aoyuan Group Limited by way of special resolution dated 13 November 2018.
- 7 The Company is registered as a non-Hong Kong company in Hong Kong with registration number F0015202. The shares of the Company have been listed on the main board of the Stock Exchange of Hong Kong (**HKEX**) since 9 October 2007, with Stock Code 3883. Trading in the Company's shares was suspended on 1 April 2022 and remains suspended as at the date of this Petition.

#### BUSINESS OF THE GROUP

- 8 The Company is the holding company of the China Aoyuan Group. The China Aoyuan Group comprises the Company and its directly or indirectly owned subsidiaries, located across various jurisdictions including the BVI, Australia, Canada, Hong Kong and the People's Republic of China (**PRC**).

- 9 Add Hero is the direct wholly-owned subsidiary of the Company. Save for the China Aoyuan Group's equity interest in Healthy Life Group Company Limited (a company incorporated in the Cayman Islands whose shares are listed on the Main Board of HKEX) (**Healthy Life**), Add Hero is the intermediate holding company of the China Aoyuan Group that holds substantially all of the China Aoyuan Group's onshore and offshore subsidiaries.
- 10 The China Aoyuan Group is a property developer in China and has been developing residential projects for over two decades. The business focus of the China Aoyuan Group is the development and sale of residential properties and commercial properties. The China Aoyuan Group's projects comprise various types of developments, including residential apartments, commercial apartments, low-density residentials, retail shops and others.
- 11 The China Aoyuan Group focuses on the Guangdong-Hong Kong-Macao Greater Bay Area, and the four major regions including Southern China, core regions of Central and Western China, Eastern China, and the Bohai Economic Rim. The China Aoyuan Group has established an extensive urban redevelopment layout and is a key player of urban redevelopment in the Greater Bay Area. The China Aoyuan Group also has property development and investment projects in Canada and Hong Kong, and holds a 24.68% stake in Healthy Life, which is a property management services and commercial operational services provider in the PRC.

## THE FINANCIAL POSITION OF THE COMPANY AND THE GROUP

### Assets

- 12 As at 30 June 2023, the Company's non-current assets amounted to approximately RMB735,947 (US\$101,850<sup>1</sup>) and the Company's current assets amounted to approximately RMB11,736,643,689 (US\$1,624,269,104), which primarily consisted of the following:
- (a) **Property, plant and equipment** – the Company owns certain office equipment valued at RMB735,947 (US\$101,850);
  - (b) **Cash and cash equivalents** – RMB9,851,620 (US\$1,363,395);
  - (c) **Trade and other receivables** – RMB 1,414,480 (US\$195,754);
  - (d) **Intercompany receivables** – amounts owing to the Company from other subsidiaries in the China Aoyuan Group amounted to RMB11,725,377,589 (US\$1,622,709,955); and

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<sup>1</sup> Conversion rate to US\$ is RMB 1 = US\$ 0.138393.

- (e) **Investment in subsidiaries** – the Company’s equity interest in its direct subsidiaries is valued at RMB0 (US\$0) because the security granted by the Company over the shares of Add Hero (the intermediate holding company of the China Aoyuan Group that holds substantially all of the China Aoyuan Group’s onshore and offshore subsidiaries) has become enforceable and because the China Aoyuan Group has ceased to be the controlling shareholder of Aoyuan Healthy Life Group Company Limited (**Aoyuan Healthy**) following the disposal of 29.9% of the issued capital of Aoyuan Healthy on 17 July 2023.
- 13 As at 30 June 2023, the China Aoyuan Group’s non-current assets on a consolidated basis amounted to approximately RMB24,866.6 million (US\$3,441.4 million) and the China Aoyuan Group’s current assets on a consolidated basis amounted to approximately RMB196,954.3 million (US\$27,257.1 million).
- 14 As at 30 June 2023, the China Aoyuan Group’s key assets primarily relate to the following:
- (a) **Properties for sale** - properties for sale of approximately RMB137,601.6 million (US\$19,043.1 million) (as compared with approximately RMB142,718.0 million (US\$19,751.2 million) as at 31 December 2022), which mainly comprised completed properties and properties under development.
- (b) **Trade and other receivables** - trade and other receivables of approximately RMB30,642.6 million (US\$4,240.7 million) (as compared with approximately RMB33,237.2 million (US\$4,599.8 million)) as at 31 December 2022, which mainly comprised other receivables, including the receivables from disposal of equity interests, payments on behalf of customers, temporary payments made for potential property projects, deposit paid to an independent third party for a short-term borrowing, receivable from refund of the deposit for land auction and other temporary payments.
- (c) **Investment properties** - investment properties of approximately RMB12,509.3 million (US\$1,731.2 million) (as compared with approximately RMB12,623.1 million (US\$1,746.9 million) as at 31 December 2022).
- (d) **Amounts due from joint ventures** - amounts due from joint ventures of approximately RMB11,752.6 million (US\$1,626.5 million) (as compared with approximately RMB9,826.7 million (US\$1,359.9 million) as at 31 December 2022).

- (e) **Bank balances and cash** - cash and bank deposits of approximately RMB3,374 million (US\$466.9 million) (as compared with approximately RMB5,110 million (US\$707.2 million) as at 31 December 2022).

#### Liabilities

- 15 As at 30 June 2023, the Company owed approximately US\$6,787,109,569 in principal amount of financial indebtedness to third party financial creditors and noteholders, which consisted of:

Description of financial indebtedness	Outstanding principal amount as at 30 June 2023 (US\$)
<b>ICA Debt</b>	
Existing Public Notes	3,438,000,000
Existing Syndicated Facilities	596,583,220
<b><u>Total ICA Debt</u></b>	<b><u>4,034,583,220</u></b>
<b>Non-ICA Debt</b>	
Existing Private Notes	650,000,000
Existing Onshore Facilities	413,772,058
Other loan facilities	1,151,564,224
<b><u>Total Non-ICA Debt</u></b>	<b><u>2,215,336,282</u></b>
<b>Other financial indebtedness</b>	
Offshore project financing	270,835,684
Onshore Bank and Other Borrowings	266,354,383
<b><u>Total other financial indebtedness</u></b>	<b><u>537,190,067</u></b>
<b>Total financial indebtedness owing to financial creditors and noteholders</b>	<b>6,787,109,569</b>

- 16 In addition, as at 30 June 2023, the Company also owed approximately US\$677,774,946 to trade creditors and other members of the China Aoyuan Group, which consisted of:

Description of other indebtedness	Outstanding amount as at 30 June 2023 (US\$)

Trade and other payables	627,543,565
Intercompany payables	50,231,381
<b><u>Total other indebtedness</u></b>	<b>677,774,946</b>

- 17 Further details of the Company's financial indebtedness is set out in paragraphs 32 to 44.
- 18 As at 30 June 2023, the China Aoyuan Group's non-current liabilities on a consolidated basis amounted to approximately RMB 8,883 million (US\$1,229 million) and the China Aoyuan Group's current liabilities on a consolidated basis amounted to approximately RMB 233,470 million (US\$32,311 million).
- 19 The Company is proposing to restructure the liabilities of the Company and its subsidiaries which are incorporated outside of the PRC (the **China Aoyuan Offshore Group**) in respect of the ICA Debt and the Non-ICA Debt (collectively known as the **Existing Debt**) by way of the China Aoyuan Schemes and the Add Hero Schemes.

#### BACKGROUND TO THE RESTRUCTURING

- 20 The China Aoyuan Group, like many companies in the PRC real estate sector, has been negatively affected by the recent events affecting the PRC real estate sector in various respects.
- 21 Since the second half of 2021, the PRC real estate sector and the capital markets that have funded growth and development of the sector have experienced an inflection point. Tightening of financing policies and reduced bank lending for real estate development has resulted in reduced access by PRC property developers to onshore capital.
- 22 In addition, the continued economic downturn in the PRC, reduced bank lending for mortgage finance for buyers, as well as buyers' concerns about future incomes and property price movements and the ability of property developers to complete projects have resulted in reduced property sales for both the industry and the China Aoyuan Group. The China Aoyuan Group's other businesses have also been similarly adversely affected owing to the overall downturn of the upstream real estate industry. Adverse reaction to these onshore events by offshore capital markets has limited the China Aoyuan Group's funding sources to address upcoming maturities on its outstanding indebtedness.

- 23 The confluence of the above factors has: (i) resulted in a significant deterioration of the China Aoyuan Group's financial position, with the China Aoyuan Group's total revenue decreasing from approximately RMB32,510 million (US\$4,499 million) for the six-month period ended 30 June 2021 to approximately RMB10,941 million (US\$1,514 million) for the six-month period ended 30 June 2023; and (ii) affected the China Aoyuan Group's ability to sustain its existing capital structure.
- 24 Prior to the recent difficulties severely affecting the PRC real estate sector, the China Aoyuan Group has been consistently robust in its operating fundamentals and liquidity position and it has met its debt servicing obligations as they became due. In light of the present market conditions, and following a comprehensive consideration of the strategic options available to the China Aoyuan Group, the China Aoyuan Group believes that formulating a comprehensive restructuring with the holders of the ICA Debt and Non-ICA Debt would be the best option for all stakeholders of the China Aoyuan Group (including the Scheme Creditors). In this regard, the Company has taken proactive steps to formulate and implement such a restructuring.
- 25 The Company appointed Linklaters as global legal advisers and KPMG as financial adviser, in or around November 2021 and August 2022, respectively, with a view to facilitating the implementation of the comprehensive restructuring and 'right-sizing' of its offshore indebtedness. In addition, the Company appointed Harneys as its Cayman Islands and BVI legal advisers in relation to the China Aoyuan Schemes, Add Hero Schemes and the Restructuring generally.
- 26 Together with its financial adviser and legal advisers, the Company and Add Hero carried out extensive negotiations and discussions with certain significant beneficial holders of the ICA Debt and Non-ICA Debt, including an ad hoc group (comprising of certain Scheme Creditors who represent approximately 28.10% of the outstanding principal amount of the Existing Public Notes as at the date of this Petition) (**AHG**) and a coordinating committee of certain lenders under the Existing Syndicated Facilities (**CoCom**).
- 27 These discussions were guided by the China Aoyuan Group's ongoing objective of implementing a holistic financial restructuring that would provide the China Aoyuan Group with a sustainable capital structure to deliver long term value for all of its stakeholders.
- 28 Further to such discussions, on 10 July 2023, the Company entered into a restructuring support agreement (the **Restructuring Support Agreement**) with the AHG. The Restructuring Support Agreement appended the term sheets (**Term Sheets**) setting out the key terms of the

Restructuring. Subsequently, certain Scheme Creditors (including certain members of the CoCom) have acceded to the Restructuring Support Agreement.

- 29 As of the date of this Petition, more than 1,100 holders of the ICA Debt and Non-ICA Debt representing approximately 55.69% of the aggregate outstanding principal amount of the Existing Debt have executed or acceded to the Restructuring Support Agreement. Scheme Creditors who have executed or acceded to the Restructuring Support Agreement are required, under its terms and subject to certain rights for such Scheme Creditors to terminate their participation in the Restructuring Support Agreement, to take all commercially reasonable actions within their power which they are reasonably requested by the Company to take to support the Restructuring and vote in favour of the China Aoyuan Schemes and the Add Hero Schemes. Scheme Creditors of the remaining outstanding Existing Debt are still encouraged to accede to the Restructuring Support Agreement, which will remain open for accession until the **Record Date** (to be defined in the China Aoyuan Schemes). However, for the avoidance of doubt, such Scheme Creditors would not be eligible to receive any RSA Fees (as defined in paragraph 51 below) if such Scheme Creditors do not accede to the Restructuring Support Agreement by 5.00 p.m. Hong Kong time on 31 July 2023 (or such later date and time as the Company may elect in its sole discretion) (**RSA Fee Deadline**).
- 30 The Restructuring seeks to fully compromise and discharge the obligations of the China Aoyuan Offshore Group, arising, directly or indirectly, in relation to, or arising out of or in connection with, the Existing Debt. Specifically, the Existing Debt will be compromised on the following terms:
- (a) pursuant to the Add Hero Schemes, the obligations of Add Hero and its subsidiaries incorporated outside the PRC in respect of the ICA Debt (being the Existing Public Notes and the Existing Syndicated Facilities) and the USD100m Noble Prestige Facility will be compromised; and
  - (b) pursuant to the China Aoyuan Schemes, the obligations of the Company and members of the China Aoyuan Offshore Group in respect of the ICA Debt and Non-ICA Debt will be compromised pursuant to the China Aoyuan Schemes, to the extent their obligations were not compromised pursuant to the Add Hero Schemes.
- 31 The Company considers that there are strong commercial justifications for only compromising and discharging the obligations of the China Aoyuan Offshore Group as part of the Restructuring.

- 32 First, the Company with its limited financial resources does not intend to address the financial liabilities of entities outside the China Aoyuan Group.
- 33 Second, the Company recognises that certain Scheme Creditors, in addition to their claims against the Company, also have separate structurally superior claims against members of the China Aoyuan Group that are incorporated in the PRC (**China Aoyuan Onshore Group**). It would not be possible for the Company to seek to include the compromise of those onshore claims as part of the Restructuring without risking significant impact on the onshore operations of the China Aoyuan Group. Any enforcement actions by the Scheme Creditors in respect of the claims against the China Aoyuan Onshore Group would be value-destructive for all stakeholders of the China Aoyuan Group and will be counter-productive to the Restructuring. Instead, the Company intends to address the claims against such members of the China Aoyuan Onshore Group through bilateral negotiations and/or restructuring processes in the PRC. The Company further intends to take into account the value of any Scheme Consideration Entitlement received by such Scheme Creditors pursuant to the China Aoyuan Schemes during any bilateral negotiations and/or restructuring processes in the PRC.
- 34 Third, the Company believes that, as part of the Restructuring, the successful implementation of the China Aoyuan Schemes and the Add Hero Schemes will reduce the short-term debt burden of the Company and the wider China Aoyuan Group, leaving them with a sustainable capital structure and a strengthened balance sheet that will allow the Company, Add Hero and the other entities within the China Aoyuan Group to comply with their post-restructuring obligations and liabilities and to trade on a going-concern basis.

#### DEBTS SUBJECT TO THE SCHEME

- 35 The China Aoyuan Cayman Scheme relates to the compromise of debts owed and/or guaranteed by the Company, which includes the ICA Debt and the Non-ICA Debt.

##### *ICA Debt*

- 36 The ICA Debt consists of
- (a) A series of public notes as provided in Part A (*Existing Public Notes*) to Appendix 1 (the **Existing Public Notes**); and
  - (b) A series of syndicated loans as provided in Part B (*Existing Syndicated Facilities*) to Appendix 1 (the **Existing Syndicated Facilities**).

- 37 Certain direct and indirect subsidiaries of the Company (including Add Hero) have granted guarantees in favour of the holders of the Existing Public Notes (the **Existing Public Notes Guarantors**) and the Existing Syndicated Facilities (the **Existing Syndicated Facilities Guarantors**) in respect of all of the obligations of the Company to pay the principal, premium (if any), and interest under the ICA Debt. Additionally, substantially all of the ICA Debt is secured by a first priority lien over the capital stock of all the Existing Public Notes Guarantors and Existing Syndicated Facilities Guarantors.
- 38 The Existing Public Notes are governed by New York law, while the Existing Syndicated Facilities are governed by Hong Kong law.
- 39 The aggregate outstanding principal amount of the ICA Debt was approximately US\$4,034,583,220 as at the date of this Petition.

*Non-ICA Debt*

- 40 The Non-ICA Debt are obligations owed by the Company under the following instruments:
- (a) A series of private notes as listed in Part C (*Existing Private Notes*) to Appendix 1 (the **Existing Private Notes**);
  - (b) A series of onshore facilities as listed in Part D (*Existing Onshore Facilities*) to Appendix 1 (the **Existing Onshore Facilities**); and
  - (c) A series of loan facilities as listed in Part E (*Other Loan Facilities*) to Appendix 1 (including a US\$100,000,000 term loan facilities agreement dated 31 December 2020, entered into between, among others, the Company as borrower, Add Hero as guarantor, Aoyuan Group Company Limited as PRC guarantor and Noble Prestige (Cayman) Limited as lender, as amended or supplemented from time to time (**USD100m Noble Prestige Facility**)).
- 41 The Non-ICA Debt is governed by the laws of Hong Kong, England & Wales or the PRC.
- 42 The Non-ICA Debt constitutes unsecured liabilities of the Company. However, certain debt instruments under the Non-ICA Debt have the benefit of guarantees or security provided by certain direct and indirect subsidiaries of the Company.
- 43 The aggregate outstanding principal amount of the Non-ICA Debt was approximately US\$2,215,336,282 as at the date of this Petition.

*Excluded Liabilities*

- 44 The claims of the Scheme Creditors (whether principal, guarantee and/or security) against Add Hero, the Existing Public Notes Guarantors, the Existing Syndicated Facilities Guarantors, any member of the China Aoyuan Onshore Group and other entities (which are not part of the China Aoyuan Group) as listed in Appendix 2 in respect of the Existing Debt are not intended to be the subject to the arrangement and compromise effected by the China Aoyuan Schemes (the **China Aoyuan Scheme Excluded Liabilities**).

*Scheme Creditors*

- 45 Scheme Creditors for the purposes of the China Aoyuan Schemes are any persons holding an economic or beneficial interest as principal in any of the Existing Debt (which includes the beneficial owner of and/or the owner of the ultimate economic interest in (as applicable) the ICA Debt and Non-ICA Debt. A **Scheme Claim** is any claim, save for the China Aoyuan Scheme Excluded Liabilities, against the Company and any offshore entity within the China Aoyuan Group.
- 46 The Company intends to convene a single meeting of Scheme Creditors for the purposes of voting on the China Aoyuan Cayman Scheme. The Company intends to address the detailed reasons for why there should only be a single class of Scheme Creditors for the China Aoyuan Cayman Scheme in a supplemental affirmation and legal submissions to the Court.

**OBJECTS AND MECHANICS OF THE SCHEME AND THE RESTRUCTURING**

- 47 The purpose of the Restructuring is threefold:
- (a) To avoid the Company and other members of the China Aoyuan Group potentially entering into insolvent liquidation in the near future, as a result of which the anticipated recoveries for the Scheme Creditors may be significantly less than if the Restructuring were to be completed successfully;
  - (b) To provide the China Aoyuan Group with a more stable capital structure, which will enable the China Aoyuan Group to comply with its obligations and liabilities following the Restructuring, and gradually return to stable operations; and
  - (c) To increase the prospect of delivering long-term value for the Scheme Creditors and all of the other stakeholders of the Company.

- 48 The Restructuring is intended to be implemented through the China Aoyuan Schemes and the Add Hero Schemes, which will affect the rights of the Scheme Creditors. In summary, pursuant to the terms of the China Aoyuan Schemes, the Scheme Creditors will agree to release in full all claims under and in connection with the Existing Debts against the Company save for the China Aoyuan Scheme Excluded Liabilities in return for receiving certain consideration (the ***Scheme Consideration Entitlement***).
- 49 For the purposes of voting at the meetings of Scheme Creditors for the purpose of considering and, if thought fit, approving, with or without modification, the China Aoyuan Schemes and the Add Hero Schemes (each a ***Scheme Meeting*** and collectively, the ***Scheme Meetings***), all Scheme Creditors will have their claims admitted as at the Record Date. Any such claims will be admitted without double counting, and without permitting duplicative claims or portions of claims against the Company other than for US\$1, and in any event subject to the discretion of the chairperson of the Scheme Meetings.
- 50 The Scheme Consideration Entitlement to which a Scheme Creditor may be entitled are as follows:
- (a) new public notes in the aggregate principal amount of US\$400,000,000 to be issued by the Company (the ***Aoyuan New Notes***);
  - (b) new mandatory convertible bonds in the aggregate principal amount of US\$143,000,000 to be issued by the Company (the ***Aoyuan MCB***);
  - (c) new perpetual securities in the aggregate principal amount of US\$1,600,000,000 to be issued by the Company (the ***Aoyuan Perpetuals***);
  - (d) 1,000,000,000 shares of the Company to be issued by the Company on the Restructuring Effective Date (***New Shares***); and
  - (e) 400,000,000 shares of the Company, which are beneficially owned by Mr. Guo Ziwen (***Transfer Shares***).

#### *RSA Fee*

- 51 An RSA Fee shall be paid to Scheme Creditors who are eligible Scheme Creditors (***Eligible Creditors***) in accordance with the terms of the Restructuring Support Agreement (including but not limited to, the requirement that the Eligible Creditors must comply with their undertakings therein). Subject to compliance with and in accordance with the terms of the

Restructuring Support Agreement, each Scheme Creditor who is an Eligible Creditor will be entitled to receive:

- (a) an amount of 0.25 per cent of the aggregate relevant debt as at the relevant deadline (***Eligible Restricted Debt***) held by such Eligible Creditor as at the Record Date, which shall be paid in full and in cash, free and clear of all withholding taxes or other deductions and rounded to the nearest USD0.01, with half a cent being rounded downwards, and in respect of the Existing Notes, shall be paid by way of a transfer via the Clearing Systems to the same Clearing System account where the relevant Existing Notes were held on the Record Date or such other method as the Company shall reasonably determine; and
- (b) Aoyuan New Notes in the principal amount equal to its proportion of (i) its Eligible Restricted Debt as at the Record Date; to (ii) the aggregate Eligible Restricted Debt held by all Eligible Creditors as at the Record Date, expressed as a percentage, multiplied by US\$100,000,000 in principal amount of the Aoyuan New Notes to be set aside for the payment of the RSA Fees.

#### **ORDERS AND DIRECTIONS**

- 52 The Company intends to make an application for, among other things, orders and directions:
- (a) That the relevant class of Scheme Creditors affected by the China Aoyuan Cayman Scheme are those referred to in paragraph 3 above;
  - (b) That the Company be at liberty to convene a single meeting of Scheme Creditors (i.e. the Scheme Meeting) for the purpose of considering and, if thought fit, approving, with or without modification, the China Aoyuan Cayman Scheme; and
  - (c) As to the mode of delivery of a scheme document (which includes an explanatory statement and notice of the Scheme Meeting) to the Scheme Creditors and that a record date be set for the purposes of voting at the Scheme Meeting.

#### **YOUR PETITION THEREFORE HUMBLY PRAYS THAT**

- 1 The China Aoyuan Cayman Scheme be sanctioned by this Honourable Court pursuant to section 86(2) of the Companies Act so as to be binding on the Company and the Scheme Creditors;

- 2 To this end, all necessary inquiries may be made and directions may be made and given;
- 3 Such further or other relief may be granted as this Honourable Court sees fit.



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**Harney Westwood & Riegels**  
**Attorneys-at-law for the Petitioner**

**THIS PETITION** was presented by Harney Westwood & Riegels, Attorneys-at-Law for the Petitioner, whose address for service is 3rd Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman KY1-1002, Cayman Islands (Ref: 060331.0001-CAR-BPH).

**NOTICE OF HEARING**

**TAKE NOTICE THAT** the hearing of this Petition will take place at the Law Court, George Town, Grand Cayman, Cayman Islands on \_\_\_\_\_ at \_\_\_\_\_ am/pm.

Any correspondence or communication with the Court relating to the hearing of this Petition should be addressed to the Registrar of the Financial Service Division of the Grand Court at PO Box 495, George Town, Grand Cayman KY-1106, Cayman Islands; Tel: 3459494296

## Appendix 1

Part A  
Existing Public Notes

S/n	Description of Existing Public Notes	ISIN	Existing Public Notes Indenture
1.	US\$250,000,000 5.375% Senior Notes Due 2022	XS1611005957	As constituted by the indenture dated 13 September 2017, as amended, supplemented, or otherwise modified from time to time, between the Company, the subsidiary guarantors therein and DB Trustees (Hong Kong) Limited ("DB") as trustee.
2.	US\$188,000,000 4.2% Senior Notes Due 2022	XS2282587505	As constituted by the indenture dated 21 January 2021, as amended, supplemented, or otherwise modified from time to time, between the Company, the subsidiary guarantors therein and DB as trustee.
3.	US\$500,000,000 8.5% Senior Notes Due 2022	XS1937690128	As constituted by the indenture dated 23 January 2019, as amended, supplemented, or otherwise modified from time to time, between the Company, the subsidiary guarantors therein and DB as trustee.
4.	US\$200,000,000 8.0% Senior Notes Due 2022	XS2264537684	As constituted by the indenture dated 22 January 2021, as amended, supplemented, or otherwise modified from time to time, between the Company, the subsidiary guarantors therein and DB as trustee.
5.	US\$50,000,000 8.5% Senior Notes Due 2022	XS2378476951	As constituted by the indenture dated 31 August 2021, as amended, supplemented, or otherwise modified from time to time, between the Company, the subsidiary guarantors therein and DB as trustee.
6.	US\$225,000,000 7.95% Senior Notes Due 2023 and US\$250,000,000 7.95% Senior Notes Due 2023, consolidated and forming a single series	XS1952585112	In respect of the US\$225,000,000 7.95% Senior Notes Due 2023 as constituted by the indenture dated 19 February 2019, as amended, supplemented, or otherwise modified from time to time, between the Company, the subsidiary guarantors therein and DB as trustee; and  in respect of the US\$250,000,000 7.95% Senior Notes Due 2023 as constituted by the indenture dated 21 June 2021, as amended, supplemented, or otherwise modified from time to time, between the Company, the subsidiary guarantors therein and DB as trustee,  both consolidated forming a single series therewith, with an outstanding principal amount of US\$475,000,000.

7.	US\$200,000,000 7.35% Senior Notes Due 2023	XS2014471432	As constituted by the indenture dated 21 June 2019, as amended, supplemented, or otherwise modified from time to time, between the Company, the subsidiary guarantors therein and DB as trustee.
8.	US\$460,000,000 6.35% Senior Notes Due 2024	XS2196807833	As constituted by the indenture dated 2 July 2020, as amended, supplemented, or otherwise modified from time to time, between the Company, the subsidiary guarantors therein and DB as trustee.
9.	US\$200,000,000 7.95% Senior Notes Due 2024	XS2351242461	As constituted by the indenture dated 21 June 2021, as amended, supplemented, or otherwise modified from time to time, between the Company, the subsidiary guarantors therein and DB as trustee.
10.	US\$230,000,000 5.98% Senior Notes Due 2025	XS2258822233	As constituted by the indenture dated 18 November 2020, as amended, supplemented, or otherwise modified from time to time, between the Company, the subsidiary guarantors therein and DB as trustee.
11.	US\$350,000,000 6.2% Senior Notes Due 2026	XS2233109409	As constituted by the indenture dated 24 September 2020, as amended, supplemented, or otherwise modified from time to time, between the Company, the subsidiary guarantors therein and DB as trustee.
12.	US\$350,000,000 5.88% Senior Notes Due 2027	XS2307633565	As constituted by the indenture dated 1 March 2021, as amended, supplemented, or otherwise modified from time to time, between the Company, the subsidiary guarantors therein and DB as trustee.

**Part B****Existing Syndicated Facilities**

S/n	Description of Existing Syndicated Facilities
1.	The facility agreement in respect of the HK\$1,131,000,000 and US\$20,000,000 dual currency term loan facilities (which may be subsequently increased) dated 9 April 2019, entered into between, among others, the Company as borrower and Nanyang Commercial Bank, Limited as facility agent, as amended or supplemented from time to time
2.	The HK\$1,055,000,000 and US\$95,000,000 dual currency term loan facilities (which may be subsequently increased) dated 21 January 2020, entered into between, among others, the Company as borrower and Hang Seng Bank Limited as facility agent, as amended or supplemented from time to time
3.	The facility agreement in respect of the HK\$1,598,000,000 and US\$20,000,000 dual currency term loan facilities (which may be subsequently increased) dated 8 March 2021, entered into between, among others, the Company as borrower and Hang Seng Bank Limited as facility agent, as amended or supplemented from time to time

## Part C

## Existing Private Notes

S/n	Description of Existing Public Notes	ISIN	Existing Private Notes Instruments
1.	US\$100,000,000 6.00% guaranteed Bonds Due 2022	XS2190931365	As constituted by the deed of covenant dated 19 June 2020 and fiscal agency agreement dated 19 June 2020, each as amended, supplemented, or otherwise modified from time to time, entered into by Power Linkage Limited.
2.	US\$250,000,000 10.75% guaranteed Bonds Due 2022	XS2372877469	As constituted by the deed of covenant dated 18 August 2021 and fiscal agency agreement dated 18 August 2021, each as amended, supplemented, or otherwise modified from time to time, entered into by Power Linkage Limited.
3.	US\$200,000,000 7.38% guaranteed Bonds Due 2021	XS2265803283	As constituted by the deed of covenant dated 10 December 2020 and fiscal agency agreement dated 10 December 2020, each as amended, supplemented, or otherwise modified from time to time, entered into by Luck Gain Limited.
4.	US\$100,000,000 6.05% guaranteed Bonds Due 2022	XS2282540025	As constituted by the deed of covenant dated 21 January 2021 and fiscal agency agreement dated 21 January 2021, each as amended, supplemented, or otherwise modified from time to time, entered into by Multi-Prospect Limited.

## Part D

## Existing Onshore Facilities

S/n	Description of Existing Onshore Facilities
1.	Loan between 奥园集团有限公司 (Borrower) and 广州南雅集团有限公司 (Lender) amounting to RMB2 billion
2.	Fixed assets loan between 成都市奥誉置业有限公司 (Borrower) and 渤海银行股份有限公司成都分行 (Lender) amounting to RMB800 million
3.	Enterprise loan between 奥园集团有限公司 (Borrower) and 广州农村商业银行股份有限公司华夏支行 (Lender) amounting to RMB80 million
4.	Enterprise loan between 奥园集团有限公司 (Borrower) and 广州农村商业银行股份有限公司华夏支行 (Lender) amounting to RMB240 million
5.	Enterprise loan between 奥园集团有限公司 (Borrower) and 广州农村商业银行股份有限公司华夏支行 (Lender) amounting to RMB80 million
6.	M&A loan between 奥园集团 (广东) 有限公司 (Borrower) and 中国工商银行股份有限公司广州荔湾支行 (Lender) amounting to RMB600 million
7.	Loan between 保定京汉君庭酒店有限公司 (Borrower) and 廊坊银行股份有限公司顺安道支行 (Lender) (now transferred to 中国信达资产管理股份有限公司广东省分公司)
8.	Loan between 金汉 (天津) 房地产开发有限公司 (Borrower) and 廊坊银行股份有限公司顺安道支行 (Lender) (now transferred to 中国信达资产管理股份有限公司广东省分公司)
9.	Loan between 金汉 (天津) 房地产开发有限公司 (Borrower) and 京汉置业集团有限责任公司 (Lender) (transferred to 中国华融资产管理股份有限公司天津市分公司 and subsequently transferred to 中国信达资产管理股份有限公司广东省分公司)
10.	Loan between 京汉 (廊坊) 房地产开发有限公司 (Borrower) and 渤海国际信托股份有限公司 (Lender) (now transferred to 中国信达资产管理股份有限公司广东省分公司)
11.	Loan between 京汉置业集团有限责任公司 (Borrower) and 保定银行股份有限公司安新支行 (Lender) (now transferred to 中国信达资产管理股份有限公司广东省分公司)
12.	Loan between 京汉置业集团有限责任公司 (Borrower) and 国民信托有限公司 (Lender) (now transferred to 中国信达资产管理股份有限公司广东省分公司)
13.	Debt assignment and repurchase agreement between 京汉置业集团有限责任公司, 重庆市汉基伊达置业有限公司 and 中铁信托有限责任公司 (now transferred to 中国信达资产管理股份有限公司广东省分公司)
14.	Loan between 京汉置业集团有限责任公司 (Borrower) and 大业信托有限责任公司 (Lender) (now transferred to 中国信达资产管理股份有限公司广东省分公司)

15.	Loan between 京汉置业集团有限责任公司 (Borrower) and北京金汉房地产开发有限公司 (Lender) (transferred to 中国华融资产管理股份有限公司天津市分公司 and subsequently transferred to 中国信达资产管理股份有限公司广东省分公司)
16.	Loan between 南通华东建设有限公司 (Borrower) and 廊坊银行股份有限公司顺安道支行 (Lender) (now transferred to 中国信达资产管理股份有限公司广东省分公司)
17.	Loan between 天津凯华奎恩房地产开发有限公司 (Borrower) and京汉置业集团有限责任公司(Lender) (transferred to 中国华融资产管理股份有限公司天津市分公司and now transferred to 中国信达资产管理股份有限公司广东省分公司)
18.	Loan between 重庆中翡岛置业有限公司(Borrower) and京汉置业集团有限责任公司 (Lender) (transferred to中国华融资产管理股份有限公司天津市分公司and subsequently transferred to 中国信达资产管理股份有限公司广东省分公司)

## Part E

## Other Loan Facilities

S/n	Description of other loan facilities
1.	Facility Letter in respect of term loan facility of HK\$329,000,000 dated 10 December 2020, entered into between the Company as borrower and Hang Seng Bank Limited as lender
2.	Facility Letter in respect of the HK\$740,000,000 term loan facility, originally dated 10 June 2021, entered into between the Company as borrower and The Bank of East Asia, Limited as lender
3.	Facility Letter in respect of term loan facility of US\$70,000,000 dated 16 June 2021, entered into between the Company as borrower and CMB Wing Lung Bank Limited as lender
4.	Facility Letter in respect of revolving loan facility of HK\$367,000,000 dated 16 July 2018, 23 July 2019, 23 June 2020 and 8 June 2021, entered into between the Company as borrower and Hang Seng Bank Limited as lender
5.	HK\$676,000,000 term loan facilities agreement dated 3 December 2020, entered into between Flair Honour Limited as company, the Company as offshore guarantor and Lofty Time Opportunity X Limited as lender, as amended or supplemented from time to time
6.	HK\$780,000,000 term loan facilities agreement dated 24 May 2021, entered into between, among others, Luck Gain Limited as borrower and Tai Fung Bank Limited as facility agent, as amended or supplemented from time to time ( <b>HKD780m Tai Fung Bank Facility</b> )
7.	HKD equivalent of US\$100,000,000 term loan facilities agreement dated 23 December 2022, entered into between, among others, Speedy Capital Limited as borrower, the Company as guarantor and Tai Fung Bank Limited as lender, as amended or supplemented from time to time, the purpose of which was to refinance the HKD780m Tai Fung Bank Facility
8.	US\$120,000,000 term loan facilities agreement dated 18 December 2020, entered into between, among others, King World Holdings Limited as borrower, the Company as guarantor and China Construction Bank (Asia) Corporation Limited as facility agent, as amended or supplemented from time to time
9.	US\$150,000,000 term loan facilities agreement dated 17 March 2021, entered into between, among others, King World Holdings Limited as borrower, the Company as guarantor and China Construction Bank (Asia) Corporation Limited as facility agent, as amended or supplemented from time to time
10.	Facility Letter in respect of the HK\$117,000,000 revolving loan facility dated 13 July 2021, entered into between the Company as borrower and China CITIC Bank International Limited as lender
11.	Facility Letter in respect of the up to HK\$300,000,000 term loan facility dated 13 July 2021, entered into between the Company as borrower and Nanyang Commercial Bank, Limited as lender
12.	Facility Letter in respect of the up to HK\$500,000,000 term loan facility dated 21 June 2021, entered into between the Company as borrower and Chiyu Banking Corporation Limited as lender

13.	US\$200,000,000 term loan facilities agreement dated 16 August 2021, entered into between, among others, the Company as borrower and China Construction Bank (Asia) Corporation Limited as facility agent, as amended or supplemented from time to time
14.	US\$100,000,000 6.00% Guaranteed Notes Due 2021 issued by Asia Dynasty Enterprises Limited as issuer to Global Castle Investments Limited as original noteholder
15.	US\$200,000,000 term loan facilities agreement dated 14 December 2020, entered into between, among others, Happy Team Investments Limited as borrower, the Company as guarantor and China Construction Bank (Asia) Corporation Limited as facility agent, as amended or supplemented from time to time ( <b>USD200m Happy Team Facility</b> )
16.	US\$100,000,000 term loan facilities agreement dated 31 December 2020, entered into between, among others, the Company as borrower, Aoyuan Group Company Limited as PRC guarantor and Noble Prestige (Cayman) Limited as lender, as amended or supplemented from time to time ( <b>USD100m Noble Prestige Facility</b> )

**Appendix 2**

**Obligors under the Existing Debt (which are non-China Aoyuan Group members)**

1. Power Linkage Limited
2. Luck Gain Limited
3. Multi-Prospect Limited
4. Flair Honour Limited
5. King World Holdings Limited
6. Speedy Capital Limited