



COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD of 2025 ()

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2025 REVISION)

AND IN THE MATTER OF XINYUAN REAL ESTATE CO., LTD

PETITION

To: The Grand Court of the Cayman Islands

This humble petition (the **Petition**) of Xinyuan Real Estate Co., Ltd (the **Company**), whose registered office is located at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman KY1-1104, Cayman Islands, shows that:

INTRODUCTION

- 1 The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 26 March 2007 with registration number 184487.
- 2 The Company's registered agent is Maples Corporate Services Limited, and its registered office is located at PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman KY1-1104, Cayman Islands.
- 3 The Company intends to promulgate a scheme of arrangement (the **Scheme**) with certain of its creditors (the **Scheme Creditors**) pursuant to section 86 of the Companies Act (2025 Revision) (the **Companies Act**). The object of this Petition is to seek the sanction of this Honourable Court of the Scheme. A copy of the Scheme as well as the other documents in connection with the Scheme (including the explanatory statement and solicitation packet) will be exhibited in a supplemental affirmation which will be filed with this Honourable Court in due course (the **Supplemental Affirmation**).
- 4 As will be further particularised below, the proposal of the Scheme is part of the Company's efforts to implement a comprehensive and holistic restructuring of its offshore indebtedness and liabilities under various debt instruments issued by the Company and guaranteed by other members of the Group (as defined below) (the **Restructuring**).

THE COMPANY AND THE GROUP

- 5 The Company is the holding company of a group (the **Group**) comprising the Company and its directly and indirectly owned subsidiaries that are located across various jurisdictions, including the People's Republic of China (**PRC**) (which for the purposes of this Petition, excludes Hong Kong, Macau and Taiwan), the Hong Kong Special Administrative Region of the PRC (**Hong Kong**) and the United States of America (**USA**). The Company operates primarily through its subsidiaries to develop real estate properties.
- 6 The Group is principally engaged in real estate development and property management. Its business is primarily in the PRC, and more recently, in the USA. In the PRC, the Group develops and manages large scale real estate projects in over ten tier one and tier two cities, including Beijing, Shanghai, Zhengzhou, Jinan, Xi'an and Suzhou. The Company was one of the first PRC real estate developers to enter the USA market and over the past few years has been active in real estate development in New York.

THE FINANCIAL POSITION OF THE GROUP

- 7 As stated in paragraph 5 above, the Company is a holding company and does not itself have any material operations. It serves as a financing platform and an investment holding company that is part of the wider Group's operations. The Group's operations are conducted through its onshore subsidiaries located in the PRC, Hong Kong and the USA. Therefore, the Group's consolidated financial statements provide a more accurate picture of its financial position than the Company's financial statements on a standalone basis.
- 8 Based on the audited consolidated financial statements of the Group for the year ended 31 December 2024 (being the latest available audited financial statements of the Group), the financial position of the Group as at 31 December 2024 was as follows.

Revenue

- 9 The revenue of the Group is derived from four business segments, namely, real estate sales, real estate lease, real estate management services and other revenue.
- 10 For the year ended 31 December 2024, the Group's total revenue was approximately US\$514,674,995, of which US\$385,528,684 was derived from real estate sales, US\$19,987,093 from real estate lease, US\$96,508,350 from real estate management services, and US\$12,650,868 from other revenue, which marked a decrease of approximately US\$290,299,480 or 36% from the year ended 31 December 2023 and US\$435,337,178 or 46% from the year ended 31 December 2022. The loss of revenue was mainly attributed to a decrease in property sales revenue. Specifically, property sales revenue decreased by approximately US\$272,544,489 from the year before, which accounts for approximately 94% of the decrease in revenue.

Assets

- 11 As at 31 December 2024, the Group's non-current assets on a consolidated basis amounted to approximately US\$781,952,834 and the Group's current assets on a consolidated basis amounted to US\$4,240,524,897. As at 31 December 2024, the Company's non-current assets amounted to approximately US\$975,581,038 and the Company's current assets amounted to approximately US\$50,674,127.

12 The Group's key assets may be summarised as follows:

- (a) **Property, plant and equipment.** The net carrying amount of the Group's property, plant and equipment is approximately US\$13,331,980, which mainly comprise vehicles (US\$4,103,525), furniture and fixtures (US\$8,707,803) and office buildings (US\$17,156,762). The accumulated depreciation for property and equipment as of 31 December 2024 amounted to US\$16,636,110.
- (b) **Properties completed and under development.** The net carrying amount of the Group's real estate properties development completed and under development is approximately US\$3,206,897,355, of which completed properties comprise US\$675,946,233 and properties under development that are expected to be completed and classified as current assets comprise US\$2,530,951,122.
- (c) **Properties held for lease.** The Group's properties held for lease have an aggregate net carrying amount of US\$306,314,884, of which approximately US\$252,517,455 of real estate properties held for lease was pledged as collateral for certain bank loans and other debts.
- (d) **Long-term investments.** The net carrying amount of the Group's long-term investments is approximately US\$67,898,666, which consist of equity method investments and equity investments.

Liabilities

13 As at 31 December 2024, the Group's non-current liabilities on a consolidated basis amounted to approximately US\$1,163,197,615 and the Group's current liabilities on a consolidated basis amounted to approximately US\$3,801,865,654. As at 31 December 2024, the Company's non-current liabilities amounted to approximately US\$235,786,580 and the Company's current liabilities amounted to approximately US\$894,642,798.

The Company's key indebtedness

14 The Group's key financial indebtedness comprise the following, of which, and as will be described in greater detail below, the aggregate outstanding principal amount of debt which the Company seeks to compromise under the Scheme is approximately US\$601,184,319, while the aggregate amount of liabilities that will not be subject to the Scheme amounts to approximately US\$4,231,581,724 as at 31 December 2024.

Description	Outstanding amount as at 31 December 2024	Capacity of the Company
Liabilities to be compromised under the Scheme and/or the Restructuring (i.e., the Scheme Debt)		
Outstanding principal amount in respect of the Existing Notes comprising the 2023 Notes I, 2023 Notes II, 2024 Notes and 2027 Notes (each as defined in paragraph 24 below)	US\$601,184,319	Issuer / Debtor

Description	Outstanding amount as at 31 December 2024	Capacity of the Company
The accrued but unpaid interest in respect of the Existing Notes	US\$132,297,226	Issuer/ Debtor
Liabilities that are not subject to the Scheme and/or the Restructuring		
12.0% Senior Notes Due 2022 denominated in RMB	US\$71,573,646	Issuer / Debtor
Other indebtedness of the Company	US\$299,537,081	Debtor
Onshore bank loans, onshore bonds and other financial indebtedness of the subsidiaries of the Company	US\$1,160,501,326	Financial indebtedness of the Company's direct and indirect subsidiaries where the Company is neither a guarantor nor a security provider

BACKGROUND TO THE RESTRUCTURING

- 15 In early 2020, the Group, in anticipation of the maturity of the 2023 Notes I and 2023 Notes II (each as defined below and collectively, the **2023 Notes**), initiated a refinancing exercise which was disrupted by a sharp contraction in the offshore debt capital markets.
- 16 Around the same time, PRC real estate developers and the capital markets that funded the growth and development of the sector experienced an inflection point. Tightened measures in the PRC real estate sector, including the “Three Red Lines” policy¹, restricted borrowing capacity, coupled with a slowdown in property sales due to reduced buyer confidence put a strain in the Group’s cash flow and liquidity.
- 17 Prior to 2020, the Group had consistently maintained robust operating fundamentals and liquidity by raising capital through offshore debt markets to fund its real estate developments in the PRC and international markets. However, the confluence of the above factors resulted in a significant deterioration of the Group’s financial position, which eventually led to the Company’s non-payment defaults on the Existing Notes which first occurred in respect of the 2024 Notes on 25 July 2022, the 2023 Notes I on 17 September 2022, the 2023 Notes II on 15 October 2022, and subsequently, in respect of the 2027 Notes on 30 March 2025 (each as defined below).

¹ The “Three Red Lines” policy, which was introduced in August 2020 by the PRC government, is a set of financial regulatory guidelines for real estate developers. These guidelines aim to curb excessive borrowing and debt-related risk within the PRC real estate sector. The policy sets limits on key financial ratios such as liability to asset ratio, debt to equity ratio, and cash to short-term borrowing ratio of real estate companies to ensure deleveraging.

- 18 To address these challenges, the Company has been actively engaging with lenders, suppliers and customers to stabilise its operations and credit lines, including negotiating with certain holders of the Existing Notes to seek a consensual resolution in respect of the Company's defaults under the 2023 Notes and 2024 Notes. The Group has also implemented cost saving measures, including reductions in its capital expenditure and executive compensation, and pursued strategic asset sales to improve its cash flow and liquidity. However, despite the Group's best efforts, the market conditions remain challenging, and certain debts of the Group (including the Existing Notes) continue to be outstanding.
- 19 Having considered the present market conditions and the strategic options available to the Company and the Group, the Company believes that formulating a comprehensive restructuring of the Group's liabilities (which include the Existing Notes) would be the best option for all stakeholders.
- 20 The Company has engaged Zhong Lun Law Firm LLP as its international legal advisers and Harney Westwood & Riegels as its Cayman Islands legal advisers, to consider and propose a comprehensive solution to reduce its liquidity pressures with a view of securing a sustainable and viable business in the long run. The Company has also appointed D.F. King Ltd as the information agent for communications with the Scheme Creditors in connection with the Restructuring. Together with its advisers, the Company has been exploring various options to restructure its debts for the long-term viability of the Group and to generate the best possible return for its stakeholders.
- 21 To this end, the Company has been engaging with its major creditors, including a group of holders of the Existing Notes (the **Initial Consenting Creditors**) and their advisers to facilitate the formulation of a holistic restructuring proposal in respect of the Company's indebtedness under the Existing Notes. These discussions were guided by the Company's ongoing objective of implementing a financial restructuring that would provide the Group with a sustainable capital structure to deliver long-term value for all of its stakeholders.

THE RESTRUCTURING SUPPORT AGREEMENT

- 22 On 26 May 2025, the Company announced that, amongst others, it had entered into restructuring support agreement (the **RSA**) with the Initial Consenting Creditors. The RSA forms the basis for the implementation of the proposed Restructuring and appends a term sheet (the **Term Sheet**) setting out the key terms of the Restructuring.
- 23 As at 17 June 2025, 38 Scheme Creditors holding over 31.48% of the total aggregate outstanding principal amount of the Scheme Debts (as defined below) have acceded to the RSA. Scheme Creditors who have acceded to the RSA are required, under its terms and subject to certain rights for such Scheme Creditors to terminate their participation in the RSA, not to take any Enforcement Action (as defined in the RSA) against the Company and to take all commercially reasonable actions within their power, to vote in favour of the Scheme.

DEBTS SUBJECT TO THE SCHEME

- 24 Based on the terms of the RSA and Term Sheet, the proposed Restructuring will seek to fully compromise and discharge the obligations of, amongst others, the Company and the Subsidiary Guarantors (as defined below) arising from or in connection with the "**Scheme Debts**", which comprise the following series of notes:

- (a) the New York law-governed 14.5% senior notes due 2023 issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2176792658; Common Code: 217679265) (the **2023 Notes I**);
 - (b) the New York law-governed 14.2% senior notes due 2023 issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2394748706; Common Code: 239474870) (the **2023 Notes II**);
 - (c) the New York law-governed 14.0% senior notes due 2024 issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2290806954; Common Code: 229080695) (the **2024 Notes**); and
 - (d) the New York law-governed 3.0% senior notes due 2027 issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2639416754; Common Code: 263941675) (the **2027 Notes**, and together with the 2023 Notes I, the 2023 Notes II and the 2024 Notes, the **Existing Notes**²).
- 25 Pursuant to the relevant indentures in respect of the Existing Notes, six direct and/or indirect subsidiaries of the Company, namely, Xinyuan Real Estate, Ltd, Xinyuan International Property Investment Co., Ltd, Xinyuan International (HK) Property Investment Co., Limited, Victory Good Development Limited, South Glory International Limited and Elite Quest Holdings Limited (together, the **Subsidiary Guarantors**) have granted guarantees in favour of the holders of the Existing Notes in respect of all obligations of the Company.
- 26 In addition, the Existing Notes are secured by a share pledge granted by each of the Company and Xinyuan Real Estate, Ltd (the **Subsidiary Guarantor Pledgor**) over the capital stock of each of the Subsidiary Guarantors (other than Xinyuan International (HK) Property Investment Co., Limited) owned by the Company and/or the Subsidiary Guarantor Pledgor.
- 27 As at 31 December 2024, the outstanding Scheme Debts to be compromised under the Scheme is approximately US\$733,481,545, which represents over 64.88% of the Company's total indebtedness or 14.77% of the Group's total aggregate indebtedness.
- 28 The "**Scheme Creditors**" who will be entitled to vote in respect of the Scheme are persons who hold a legal and/or beneficial interest in the Scheme Debts as at the Record Time, being a time designated by the Company for the determination of the Scheme Creditors' claims for the purposes of voting at the Scheme Meeting (as defined below).
- 29 For the avoidance of doubt, the Scheme Creditors will not include agents, trustees and administrative parties under the relevant Existing Notes.

TERMS OF THE PROPOSED RESTRUCTURING

- 30 The Scheme is intended to comprehensively restructure the Scheme Debts. In broad terms, the Scheme will seek to release and compromise, amongst others, the primary obligations of the Company (as issuer) and the guarantee obligations of the Subsidiary Guarantors, under the Scheme Debts.

² In this Petition, the terms "Existing Notes" and "Scheme Debts" shall be used interchangeably.

- 31 Subject to the terms of the Scheme, all Scheme Creditors will release their existing claims against, amongst others, the Company and the Subsidiary Guarantors, under and in connection with the Scheme Debts in exchange for a combination of the following entitlements which Scheme Creditors will be able to elect from or otherwise be allocated (the ***Scheme Consideration***):
- (a) ***“New Senior Notes”***, which shall comprise one tranche of senior notes with an aggregate maximum principal amount calculated by reference to the ***“Reference Date”*** of 30 June 2025, which is equal to 100% of the outstanding principal amount of the Scheme Debts held by all Scheme Creditors as of the Record Time, plus all accrued and unpaid interest on such Scheme Debts up to (but excluding) the earlier of (i) the Restructuring Effective Date (as defined below) and (ii) the Reference Date, minus the principal amount of the New Perpetual Securities (as defined below) calculated by reference to the Reference Date, and further minus the aggregate value of the New Shares (as defined below) equal to the product of the number of New Shares and the price of the Company’s common stock at US\$1.5125 per share.
 - (b) ***“New Perpetual Securities”***, which shall comprise one tranche of perpetual securities with an aggregate maximum principal amount calculated by reference to the Reference Date, which is equal to 100% of the outstanding principal amount of the Scheme Debts held by all Scheme Creditors as of the Record Time, plus all accrued and unpaid interest on such Scheme Debts up to (but excluding) the earlier of (i) the Restructuring Effective Date (as defined below) and (ii) the Reference Date, minus the principal amount of the New Senior Notes, calculated by reference to the Reference Date, and further minus the aggregate value of the New Shares equal to the product of the number of New Shares and the price of the Company’s common stock at US\$1.5125 per share.
 - (c) ***“New Shares”***, in an aggregate value equal to the product of the number of New Shares and the price of the Company’s common stock at US\$1.5125 per share, being approximately 52,500,000 shares of common stock of the Company, subject to a cap of 54,000,000 shares (the ***Capped New Shares Amount***).
- 32 For the purposes of receiving their Scheme Consideration, the Scheme Creditors will be entitled to elect any proportion of the New Shares, the New Perpetual Securities and the New Senior Notes that they wish to receive, provided that:
- (a) the Scheme Consideration for the accrued and unpaid interest (including accrued and unpaid paid-in-kind interest) in relation to the portion of the principal amount of the Scheme Debts up to (but excluding) the earlier of (i) the Restructuring Effective Date (as defined below) and (ii) the Reference Date will only be New Perpetual Securities with a principal amount calculated on a dollar-for-dollar basis of such accrued and unpaid interest;
 - (b) the total number of New Shares to be issued by the Company shall not exceed the Capped New Shares Amount of the Company’s common stock, and in the event that the number of New Shares elected by the Scheme Creditors exceed the Capped New Shares Amount, the New Shares shall be allocated to Scheme Creditors who elected such option on a *pro rata* basis; and
 - (c) for any Scheme Creditor who elects a portion of the New Shares as part or all of its Scheme Consideration, if the total number of New Shares elected by the Scheme

Creditors exceeds the Capped New Shares Amount, the portion of New Shares that will not be allocated to such Scheme Creditor will be the New Perpetual Securities.

- 33 Scheme Creditors who fail to make any election will be automatically allocated New Senior Notes by default.
- 34 In addition to the Scheme Consideration, each Scheme Creditor who acceded to the RSA prior to the RSA Fee Deadline (as defined in the RSA to mean 5:00pm Hong Kong time on 15 June 2025, or such later date and time as the Company may elect, which has been currently extended to 5:00 pm Hong Kong time on 30 June 2025) and votes in favour of the Scheme will, subject to the terms of the RSA, be entitled to receive a RSA Fee in an amount in cash equal to 0.02% of the aggregate principal amount of the Eligible Restricted Debt (as defined in the RSA) by such Consenting Creditor (as defined in the RSA) as of the RSA Fee Deadline, on or before the Restructuring Effective Date (as defined in the RSA).

CLASSIFICATION OF SCHEME CREDITORS

- 35 Subject to the finalisation of the terms of the Scheme, the Company intends to convene a single meeting of the Scheme Creditors for the purposes of allowing Scheme Creditors to consider, and if thought fit, approve, with or without modification, addition or condition approved or imposed by this Honourable Court, the Scheme (the ***Scheme Meeting***).

FURTHER INFORMATION ON THE SCHEME

- 36 The Company is in the process of finalising the terms of the Restructuring and the Scheme with its advisers and relevant stakeholders. Once these documents have been finalised, the Company shall provide more fulsome details in respect of, amongst others, the following matters, in the Supplemental Affirmation(s) and legal submissions to be filed with this Honourable Court in due course:
- (a) the particulars of the Scheme Meeting, which includes the proposed date and time, and logistical arrangements of the Scheme Meeting and the method of giving notice of the Scheme Meeting to Scheme Creditors;
 - (b) the justifications for a single class of Scheme Creditors for the purposes of voting on the Scheme;
 - (c) the expected changes to the Company's capital and shareholding structures if the Restructuring is implemented; and
 - (d) the proposed liquidation analysis to be prepared for and on behalf of the Company.
- 37 The Company believes that should the Restructuring not proceed, the Company will be unable to comply with its obligations under the Scheme Debts. Therefore, there is a material risk that certain of the Scheme Creditors, as well as other onshore and offshore creditors of the Company and/or the Group, will pursue enforcement actions against the Company and/or other members of the Group in respect of their outstanding obligations. This is especially the case in light of the Group's deteriorating financial position, available financial resources and cash flow, and given the prevailing conditions in the property industry and wider economic environment.

- 38 In these circumstances, the Company anticipates that it and/or other members of the Group would be placed into insolvent liquidation, which would result in a significantly lower estimated recovery to the Scheme Creditors than if the Restructuring were to be completed successfully.
- 39 In view of the above, the Company believes that the Restructuring will offer the best prospects of allowing the Company and the Group to continue to carry on its business as a going concern whilst enabling the Scheme Creditors to obtain a materially better recovery than in the alternative scenario of a Group-wide liquidation.

ORDERS AND DIRECTIONS

- 40 The Company intends to make an application for, among other things, the following orders and directions:
- (a) That the relevant class of Scheme Creditors affected by the Scheme are those as referred to and detailed at paragraph 28 above;
 - (b) That the Company be at liberty to convene a single meeting of the Scheme Creditors (i.e., the Scheme Meeting) for the purposes of allowing Scheme Creditors to consider and, if thought fit, approve, with or without modification, addition or condition approved or imposed by this Honourable Court, the Scheme; and
 - (c) As to the mode of delivery of a scheme document (which includes an explanatory statement and notice of Scheme Meeting) to the Scheme Creditors and that a record time be set for the purposes of voting at the Scheme Meeting.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT

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

Dated this 25th day of July 2025

Filed this day of 2025



Harney Westwood & Riegels (Cayman) LLP
Attorneys-at-law for the Petitioner

THIS PETITION was presented by Harney Westwood & Riegels (Cayman) LLP, Attorneys-at-Law for the Petitioner, whose address for service is 3rd Floor, Harbour Place, 103 South Church Street, PO Box 11088, Grand Cayman KY1-1008, Cayman Islands (Ref: 066083.0003-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