



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO.: FSD OF 2026 ()

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2026 REVISION)

AND IN THE MATTER OF KWG GROUP HOLDINGS LIMITED (合景泰富集團控股有限公司)

PETITION

To: The Grand Court of the Cayman Islands

This humble petition (the "**Petition**") of KWG Group Holdings 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 as an exempted company with limited liability as KWG Property Limited on 28 July 2006, with registration number 171316. In August 2006, the name of the Company was changed to KWG Property Holding Limited. In July 2018, the name of the Company was changed to its present name KWG Group Holdings Limited.
2. The Company's registered office is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

3. The shares of the Company have been listed on the main board of the Stock Exchange of Hong Kong Limited since 3 July 2007, under stock code 1813.
4. The Company intends to promulgate a scheme of arrangement (the "**Cayman Scheme**") between it and a single class of its creditors (the "**Scheme Creditors**") pursuant to section 86 of the Companies Act (2026 Revision) (the "**Companies Act**"). The object of the Petition is to seek the sanction of this Honourable Court of the Cayman Scheme between the Company and the Scheme Creditors pursuant to section 86 of the Companies Act. An advanced copy of the Cayman Scheme together with the explanatory statement (the "**Explanatory Statement**") will be exhibited to the Second Affirmation of Chan Kin Wai, the Deputy Finance Director of the Company.
5. A scheme of arrangement in effectively identical terms as the Cayman Scheme will also be filed with the High Court of the Hong Kong Special Administrative Region (the "**Hong Kong Scheme**", and together with the "**Cayman Scheme**", the "**Schemes**"), and implementation of the Cayman Scheme will be linked to and inter-conditional upon court approval of the Hong Kong Scheme.
6. The Hong Kong Scheme is necessary because the Company has liabilities which are governed by the laws of Hong Kong. The Cayman Scheme is necessary because the Cayman Islands is the jurisdiction in which the Company is incorporated.
7. The 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 "**Group**").

BUSINESS OF THE COMPANY AND GROUP

8. The objects for which the Company was established are unrestricted as described in its Amended and Restated Memorandum of Association.
9. The Company is an investment holding company of and the parent company of a number of direct and indirect subsidiaries which are incorporated respectively in Hong Kong, the People's Republic of China ("**PRC**") and the British Virgin Islands.
10. The Group is engaged principally in three key business segments: property development, property investment, and hotel operations conducted largely in the PRC.

THE FINANCIAL POSITION OF THE COMPANY AND THE GROUP

11. Details of the financial position of: (a) the Group on a consolidated basis; and (b) the Company individually, based on the unaudited consolidated financial statements for the half-year ended 30 June 2026, are set out in paragraphs 12 to 20 below.

Revenue

12. The revenue of the Group is derived mainly from its three key business segments, namely: (a) property development; (b) property investment; and (c) hotel operations.

13. For the half-year ended 30 June 2026, the Group's total revenue amounted to approximately RMB1,881.1 million (approximately US\$279.5 million),¹ which marked a decrease of 50.4% from approximately RMB3,792.3 million for the corresponding period in 2025.

Assets of the Group

14. As of 30 June 2026, on a consolidated basis, the non-current assets of the Group were approximately RMB71.48 billion (approximately US\$10.62 billion) and similarly the Group's current assets were approximately RMB73.53 billion (approximately US\$10.92 billion).

15. As at 30 June 2026, the Group had inventories (being completed properties held for sale) of RMB14.50 billion (approximately US\$2.15 billion), as well as properties under development amounting to RMB43.31 billion (approximately US\$6.43 billion).

16. As at 30 June 2026, the Group also had investment properties of RMB21.50 billion (approximately US\$3.19 billion). In addition, the Group had interests in associates and joint ventures totalling RMB35.89 billion (approximately US\$5.33 billion), as well as prepayments and receivables of RMB13.85 billion (approximately US\$2.06 billion).

Assets of the Company

17. As at 30 June 2026, the non-current assets of the Company on a standalone basis were approximately RMB41.19 billion (approximately US\$6.12 billion) and the Company's current

¹ Save as otherwise provided, the exchange rate is that as adopted in the Company's 2026 Interim Report, being US\$1 = RMB6.731265.

assets for the same period were approximately RMB6.50 billion (approximately US\$0.97 billion).

Liabilities of the Group

18. As at 30 June 2026, the non-current liabilities of the Group on a consolidated basis were approximately RMB23.34 billion (approximately US\$3.47 billion) and the Group's current liabilities were approximately RMB116.18 billion (approximately US\$17.26 billion).

Liabilities of the Company

19. As at 30 June 2026, the non-current liabilities of the Company on a standalone basis is RMB2.30 billion (approximately US\$0.34 billion) and the current liabilities of the Company were approximately RMB44.08 billion (approximately US\$6.55 billion).

Liabilities to be compromised under the Cayman Scheme

20. As at 30 June 2026, the total amount of offshore financial indebtedness (excluding accrued interest) of the Group sought to be compromised by the Scheme is approximately US\$4.83 billion, as detailed in paragraphs 28 to 30 below.

REASONS FOR THE RESTRUCTURING

21. During the second half of 2021, Chinese property developers and the capital markets that have funded growth and development of the sector have experienced an inflection point. Reduced bank lending for real estate development has resulted in reduced access by property developers to onshore capital. In addition, reduced bank lending for mortgage finance for buyers, as well as concerns of buyers about the ability of property developers to complete projects, has resulted in reduced property sales. Like many other Chinese property developers, adverse reaction to these onshore events by offshore capital markets has limited the Group's funding sources to address upcoming maturities. The offshore bond capital market, on which the Group (through the Company) relied upon significantly for refinancing and growth capital is effectively closed, limiting the Group's funding sources to address upcoming maturities on its outstanding indebtedness.

22. Throughout 2022 to 2026, the overall downturn in the real estate market remained unchanged, and the industry continued to move forward under pressure, with little sign of

rebound from weak property sales. Despite the introduction of various stimulus measures in the PRC in 2025, the recovery of industry confidence in the Chinese real estate sector remains slow.

23. The confluence of the above factors has led to the Company facing unprecedented challenges and operational pressures since 2023 and resulted in a significant deterioration of the Company's financial position, and has severely impacted the Company's ability to sustain its existing debt obligations.
24. In light of the market conditions, and following a comprehensive consideration of the options available to the Company, the Company formed the view that a holistic restructuring would be the best option in order for the Company to secure the long-term future development of the Group for the benefit of all stakeholders and enable it to continue as a going concern.
25. To achieve this the Company, together with its legal and financial advisors, has been involved in extensive discussions and negotiations with its major offshore creditors and in particular, an ad hoc group of holders of the In-Scope Debt (as defined below) (the "**Ad Hoc Group**") who hold an aggregate approximately 26.1% of the In-Scope Debt. These discussions and negotiations were guided by the Company's overarching objective of implementing a holistic financial restructuring that would provide the Company with a sustainable capital structure going forward to deliver long-term value for all of its stakeholders.
26. Following extensive negotiations and discussions, these discussions ultimately culminated in the signing of a Restructuring Support Agreement ("**RSA**") on 15 June 2026 between (amongst others) the Company and the Ad Hoc Group in their capacity as the initial participating creditors to the RSA. The signing of the RSA was a significant milestone for the Company in the implementation of the Restructuring, and provided a base for other creditors holding In-Scope Debt to accede to the RSA and support the Restructuring.
27. As at the date of this Petition, Scheme Creditors holding over approximately 76.33% of the aggregate outstanding principal amount of the In-Scope Debt being approximately US\$3.69 billion in principal amount have acceded to the RSA.

DEBTS SUBJECT TO THE SCHEME

28. The Cayman Scheme relates to the compromise of debts owed and/or guaranteed by the Company which comprise of the Existing Notes and Existing Private Debts (each as defined below) and collectively the “**In-Scope Debt**”.

Existing Notes

29. The Existing Notes comprise nine different issuances of publicly traded notes constituted by various New York law-governed indentures issued by the Company and guaranteed by certain of its subsidiaries with an aggregate outstanding principal amount of approximately US\$3.96 billion as at 30 June 2026, (the “**Existing Notes**”). A list of the Existing Notes is set out in Part A of Appendix 1 to this Petition.²

Existing Private Debts

30. The Existing Private Debts comprise twelve separate loans, notes, instruments, agreements and obligations made with the Company, governed by Hong Kong, New York or PRC law, with an aggregate outstanding principal amount of approximately US\$0.87 billion as at 30 June 2026 (“**Existing Private Debts**”). A list of the Existing Private Debts is set out in Part B of Appendix 1 to this Petition.

Liabilities excluded from the Restructuring

31. As at 30 June 2026, the total offshore and onshore indebtedness of the Company is approximately US\$11.2 billion. Indebtedness in the sum of US\$5.19 billion is excluded from the Restructuring which comprises 46.3% of the total indebtedness of the Company as at 30 June 2026 (the “**Out-of-Scope Debt**”).

32. The Out-of-Scope Debt comprises of: (a) domestic corporate bonds - two (2) tranches of PRC-law governed corporate bonds issued by the Company; and (b) onshore corporate guarantees - various onshore corporate guarantees to joint ventures, associates, third parties and related companies for various onshore real estate project loans and indebtedness entered into by its indirect onshore subsidiaries. To that end, these liabilities

² The exchange rates used in the Appendix is US\$1 = RMB7.1 as set out in the Term Sheet as defined in paragraph 40.3.

will be addressed by the Company on a bilateral basis. Further details of the Out-of-Scope Debt are contained in the First Affirmation of Chan Kin Wai dated 16 October 2026.

OBJECTS AND MECHANICS OF THE SCHEME AND THE RESTRUCTURING

33. The purpose of the Cayman Scheme is to implement the Restructuring, which is intended:

- 33.1. to avoid the Company and relevant members of the Group from entering into insolvent liquidation at some point in the near future, as a result of which the anticipated recoveries for Scheme Creditors would be significantly less than if the Restructuring were to be completed successfully;
- 33.2. to reduce the Group's offshore indebtedness by an aggregate of approximately US\$5.40 billion through the issuance of a combination of notes and mandatory convertible bonds (the "**New Debt Instruments**") and creating a more stable capital structure to comply with their post-Restructuring obligations and liabilities to continue to operate on a going concern basis;
- 33.3. to provide the Group with extended maturity dates under the New Debt Instruments. The tenor of the notes and mandatory convertible bonds to be issued under the New Debt Instruments are six years and two years from the date when the restructuring becomes effective ("**Restructuring Effective Date**" or "**RED**");
- 33.4. to establish a more stable platform from which the Group can continue to operate and service all of its obligations and other liabilities as they fall due; and
- 33.5. to increase the prospect of generating long-term value for Scheme Creditors and other stakeholders of the Company.

34. The Schemes will irrevocably compromise and discharge in full each of the obligations of, among others, the Company and each member of the Group that is an obligor under the finance documents governing the In-Scope Debt, in exchange for the issue to each Scheme Creditor (other than those affected by sanctions) the consideration in the form of: (a) a combination of exchangeable notes in respect of a residential development project located in Ap Lei Chau (the "**ALC Notes**") equal to 29% of the principal amount owed to a Scheme

Creditor under the In-Scope Debt ("**Scheme Creditors' Entitlement**") and mandatory convertible bonds that are convertible into new shares of the Company ("**MCBs**") equal to 20% of the Scheme Creditor's Entitlement ("**Option 1**"); or (b) MCBs equal to 100% of the Scheme Creditor's Entitlement ("**Option 2**") as elected by Scheme Creditors from two options of Scheme Creditors' Entitlement to be allocated in accordance with a prescribed allocation mechanism and distributed on the Restructuring Effective Date. Each Scheme Creditor will be entitled to receive the New Debt Instruments to be issued and, without double counting, any New Debt Instruments held on trust after the Restructuring Effective Date (together, the "**Scheme Consideration**") only once, notwithstanding that its Scheme Creditors' Claims may be subject to both the Cayman Scheme and the Hong Kong Scheme.

35. The Scheme Creditors' Entitlement to which a Scheme Creditor may be entitled are as follows:

35.1 **Option 1:** Scheme Creditors who elect and/or allocated to Option 1 will receive for every US\$100 of the principal amount of the Scheme Creditor's Entitlement:

- i. US\$29.0 will be converted into ALC Notes;
- ii. US\$20.0 will be converted into MCBs; and
- iii. The remaining principal amount (of US\$51.0) of Scheme Creditor's Entitlement will be cancelled in its entirety (collectively, the "**Option 1 Entitlement**").

35.2 **Option 2:** Scheme Creditors who elect or are allocated Option 2 will receive:

- i. 100% of the principal amount of Scheme Creditor's Entitlement held by a Scheme Creditor which is elected and/or allocated to Option 2 will be converted to MCBs.

36. Option 1 is subject to a maximum acceptance amount of US\$1,380 million (the "**Option 1 Maximum Acceptance Amount**"). To the extent that the total Scheme Creditor's Entitlement elected for exchange under this Option 1 (the "**Option 1 Election Amount**") exceeds the Option 1 Maximum Acceptance Amount, each Scheme Creditor who elected

Option 1 will receive their Restructuring Consideration³ for its Option 1 Entitlement on a *pro rata* basis up to the Option 1 Maximum Acceptance Amount, with its excess Option 1 Election Amount automatically reallocated to Option 2 below for exchange (the “**Option 1 Reallocation Amount**”).

37. Each Scheme Creditor who elects Option 2 or elects Option 1 but has its Option 1 Reallocation Amount reallocated to Option 2 shall be entitled to MCBs in the principal amount equal to 100% of its Scheme Creditor Principal Amount so elected by such Scheme Creditor under Option 2 or the Option 1 Reallocation Amount of such Scheme Creditor (as the case may be), subject to further adjustments to maintain a stable shareholding structure, whereby Scheme Creditors are required to direct that for every US\$100 in principal amount of MCBs attributable to the Scheme Creditors, US\$27 out of those MCBs will instead be issued to the controlling shareholders of the Company or their designees rather than the Scheme Creditors who would have otherwise been entitled to receive such MCBs.

38. A Scheme Creditor who does not make any election before the relevant deadline or where such amount elected only represents a portion of its aggregate Scheme Creditor's Entitlement will have all of its Scheme Creditor's Entitlement allocated to Option 2.

39. The Scheme Consideration will be distributed on the Restructuring Effective Date in exchange for releases under the Schemes. The Scheme Creditors' Entitlement to each Scheme Creditor will be distributed through the Clearing Systems.

Consent Fees and Work Fees

40. In respect of a consent fee for accession to the RSA:

40.1 Each Scheme Creditor holding In-Scope Debt who validly executed or accedes to the RSA prior to 5:00 p.m. Hong Kong time on 17 August 2026 (“**Early Consent Fee Deadline**”) will receive a consent fee (the “**Early Consent Fee**”) in the form of senior ALC Notes issued by the Note SPV (“**ALC Senior Notes Tranche 1**”) at a

³ This refers to the New Debt Instruments to be issued as Scheme Consideration (and, without double counting, any scheme consideration held on trust after the Restructuring Effective Date) and the consent fee (if applicable) (including, without double counting, any consent fee that is held on trust after the Restructuring Effective Date).

principal amount equal to 0.2% of the aggregate principal amount of such In-Scope Debt.⁴

40.2 Each Scheme Creditor holding In-Scope Debt who validly executed or accedes to the RSA after the Early Consent Fee Deadline but prior to 5:00 p.m. Hong Kong time on 28 September 2026 (subject to the Company's right to further extend this deadline) will receive a consent fee (the "**Base Consent Fee**") in the form of ALC Senior Notes Tranche 1 at a principal amount equal to 0.1% of the aggregate principal amount of such In-Scope Debt.

40.3 A Scheme Creditor may, subject to the satisfaction of conditions set out in the RSA and term sheet dated 15 June 2026 (the "**Term Sheet**"), receive either the Early Consent Fee or the Base Consent Fee, but not both.

41. The Company has, consistent with other restructurings, agreed to pay work fees to each member of the Ad Hoc Group in respect of work undertaken by them in the course of the Restructuring.

ORDERS AND DIRECTIONS

42. The Company intends to make an application for, among other things, orders and directions:

42.1 That the relevant class of Scheme Creditors affected by the Cayman Scheme are those referred to in paragraph 4 above;

42.2 That the Company be at liberty to convene a single meeting of Scheme Creditors (the "**Scheme Meeting**") for the purpose of considering and, if thought fit, approving, with or without modification, the Cayman Scheme; and

42.3 As to the delivery of the scheme document (which includes the 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.

⁴ In addition to the ALC Senior Notes Tranche 1, the Notes SPV will also issue a further tranche of senior notes to be issued to the Company in the sum of US\$50 million, in order for the Company to address claims under the Out-of-Scope Debt.

YOUR PETITION THEREFORE HUMBLY PRAYS THAT

1. The 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; and
3. Such further or other relief may be granted as this Honourable Court sees fit.

AND your petitioner will pray etc.

DATED the 16th day of October 2026

A handwritten signature in blue ink that reads "Appleby (Cayman) Ltd." with a horizontal line underneath.

APPLEBY (CAYMAN) LTD.

Attorneys-at-Law for the Petitioner

Time estimate: The estimated length of the hearing of this Petition is three hours.

Note: This petition is not intended to be served.

FILED by Appleby (Cayman) Ltd., Attorneys-at-Law for the Petitioner, whose address for service is that of its said Attorneys-at-Law, namely 9th Floor, 60 Nexus Way, PO Box 190, Camana Bay, Grand Cayman, Cayman Islands KY1-1104 (Ref. 475108.0001)

**Appendix 1
Part A**

Existing Notes

Description	Outstanding principal amount as at 30 June 2026 (US\$)	Governing Law	Capacity of the Company
New York law-governed 7.875% senior notes due 2023 (ISIN: XS1954740285, Common Code: 195474028) issued by the Company and guaranteed by the Subsidiary Guarantors.	USD 63,531,000	New York	Issuer
New York law-governed 6.00% senior notes due 2024 (ISIN: XS2530437172, Common Code: 253043717) issued by the Company and guaranteed by the Subsidiary Guarantors.	USD 794,925,800	New York	Issuer
New York law-governed 7.40% senior notes due 2024 (ISIN: XS2034561584, Common Code: 203456158) issued by the Company and guaranteed by the Subsidiary Guarantors.	USD 458,000,000	New York	Issuer
New York law-governed 7.875% senior notes due 2024 (ISIN: XS2530437339, Common Code: 253043733) issued by the Company and guaranteed by the Subsidiary Guarantors.	USD 636,469,000	New York	Issuer

New York law-governed 5.875% senior notes due 2024 (ISIN: XS 1716631301, Common Code: 171663130) issued by the Company and guaranteed by the Subsidiary Guarantors.	USD 625,000,000	New York	Issuer
New York law-governed 5.95% senior notes due 2025 (ISIN: XS2214229887, Common Code: 221422988) issued by the Company and guaranteed by the Subsidiary Guarantors.	USD 300,000,000	New York	Issuer
New York law-governed 6.30% senior notes due 2026 (ISIN: XS2257830716, Common Code: 225783071) issued by the Company and guaranteed by the Subsidiary Guarantors.	USD 400,000,000	New York	Issuer
New York law-governed 6.00% senior notes due 2026 (ISIN: XS2343325622 issued by the Company and guaranteed by the Subsidiary Guarantors.	USD 378,000,000	New York	Issuer
New York law-governed 7.40% senior notes due 2027 (ISIN: XS 2100654586, Common Code: 210065458) issued by the Company and guaranteed by the Subsidiary Guarantors.	USD 300,000,000	New York	Issuer

**Appendix 1
Part B**

Existing Private Debts

Description	Outstanding principal amount as at 30 June 2026 (US\$)	Governing Law	Capacity of the Company
Hong Kong law-governed facility due 2024 borrowed by the Company and guaranteed by the Subsidiary Guarantors (the "Existing Syndicated Loan")	USD 380,000,000	Hong Kong	Guarantor
Hong Kong law-governed facility due 2023 (borrowed by Crystal Source Investments Limited and guaranteed by the Company and the Subsidiary Guarantors (the "Private Debt A"))	USD 130,000,000	Hong Kong	Guarantor
Hong Kong law-governed facility due 2023 borrowed by Crystal Source Investments Limited and guaranteed by the Company and the Subsidiary Guarantors (the "Private Debt B"))	USD 20,000,000	Hong Kong	Guarantor
Hong Kong law-governed facility due 2023 borrowed by Acute Sino Holdings Limited and guaranteed by the Company (the "Private Debt C")	USD 11,705,141	Hong Kong	Guarantor

FILED by Appleby (Cayman) Ltd., Attorneys-at-Law for the Petitioner, whose address for service is that of its said Attorneys-at-Law, namely 9th Floor, 60 Nexus Way, PO Box 190, Camana Bay, Grand Cayman, Cayman Islands KY1-1104 (Ref. 475108.0001)

the PRC law-governed facilities borrowed by certain borrowers and guaranteed by, among others, the Company (the " Private Debt D ")	<u>RMB 642,000,000</u> (c. USD 90,422,535)	PRC	Guarantor
New York law-governed senior notes due 2023 issued by Le Ming International (Hong Kong) Investments Limited and guaranteed by the Company (ISIN: XS2470058202, Common Code: 247005820) (the " Private Debt E ")	USD 14,500,000	New York	Guarantor
Hong Kong law-governed facility due 2023 borrowed by Wanye Teng Real Estate Co., Ltd. and Wanye Teng Industrial Co., Ltd. and guaranteed by, among others, the Company (the " Private Debt F ")	USD 26,500,000	Hong Kong	Guarantor
Hong Kong law-governed facility due 2023 borrowed by Joy Beauty Limited and guaranteed by, among others, the Company (the " Private Debt G ")	USD 17,600,000	Hong Kong	Guarantor
Hong Kong law-governed private secured notes due 2023 issued by Flying Colours Ventures Limited and guaranteed by, among others, the Company (the " Private Debt H ")	USD 69,040,000	Hong Kong	Guarantor
Hong Kong law-governed facility due 2023 borrowed by Century Fair	USD 69,040,000	Hong Kong	Guarantor

Holdings Limited and guaranteed by, among others, the Company (the " Private Debt I ")			
PRC law-governed facilities borrowed by certain borrower and guaranteed by, among others, the Company (the " Private Debt J ")	<u>RMB 235,800,000</u> (c. USD 33,211,268)	PRC	Guarantor
PRC law-governed facilities borrowed by certain borrower and guaranteed by, among others, the Company (the " Private Debt K ")	<u>RMB 110,000,000</u> (c. USD 15,492,958)	PRC	Guarantor

NOTICE OF HEARING

**TAKE NOTICE THAT the hearing of this petition will take place at the Law Courts,
George Town, Grand Cayman on the day of 2026 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 Services Division of the
Grand Court at PO Box 495, Grand Cayman, Cayman Islands, KY1-1106 telephone no.
+1 345 949 4296.**