

JOINT PROGRESS REPORT TO CREDITORS

TIANJI HOLDING LIMITED (IN LIQUIDATION)

For the period from 21 February 2025 (appointment of the liquidators) to 31 July 2026

SCENERY JOURNEY LIMITED (IN LIQUIDATION)

For the period from 17 January 2025 (last report date) to 31 July 2026

Issue Date: 14 August 2026

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1 Disclaimer

This report is based on information gathered by the Liquidators (as defined below), including the books and records of the companies retrieved by the Liquidators, and information provided by parties whom the Liquidators have identified to be in possession of knowledge relating to their affairs. As noted above, the information recovered to date has been limited and, therefore, any analysis or findings contained within this report may be subject to amendment as additional information, findings or explanations become available to the Liquidators.

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Receipt of the report does not constitute an admission that you are a creditor of Tianji and/or Scenery Journey. All claims will be subject to formal adjudication in due course.

All amounts are stated in United States Dollars (US\$) unless noted otherwise.

2 Schedule of defined terms

Term	Definition
AHG	Scenery Journey ad-hoc group of bondholders
BVI	British Virgin Islands
BVI Court	Eastern Caribbean Supreme Court in the High Court of Justice British Virgin Islands
CEG	China Evergrande Group (In Liquidation), the ultimate parent of Tianji and Scenery Journey
COI	Committee of inspection
Expected Net Income	Potential aggregate net cash flow available to offshore creditors assessed during the contemplated restructuring of CEG
Fortune Choice	Fortune Choice Development Limited, a Hong Kong incorporated entity owning a development project in Tuen Mun
GDP	"Guarantee to deliver" policy, announced by the CPC Central Committee, a measure advanced by Mainland central government since 2022 to safeguard the delivery of pre-sold homes and to control the proceeds derived from the development projects
Hengda Real Estate	Hengda Real Estate Group Co., Ltd, a Mainland subsidiary of CEG and the keepwell provider in relation to the notes issued by Scenery Journey
HK Court	High Court of HKSAR
HKSAR	Hong Kong Special Administrative Region of the Mainland
Liquidators	Tianji Liquidators and SJ Liquidators
ListCo	a Hong Kong-listed company in which Tianji Group held shares
Mainland	People's Republic of China
Mr. Middleton	Mr. Edward Simon Middleton
Ms. Wong	Ms. Wing Sze Tiffany Wong
NEV	China Evergrande New Energy Vehicle Group Limited, a Hong Kong-listed company with stock code 708

Term	Definition
Profit Concept	Profit Concept Finance Limited, a Hong Kong incorporated company and a wholly owned subsidiary of Tianji
RMB	Renminbi, the official currency of the PRC
Scenery Journey	Scenery Journey Limited (In Liquidation), a BVI incorporated company and a wholly owned subsidiary of Tianji
SGX	The Singapore Stock Exchange
Shengyu	Shengyu (BVI) Limited, a BVI incorporated company and a wholly owned subsidiary of Tianji
SJ Liquidators	Mr. Wesley Arthur Edwards, Mr. Middleton and Ms. Wong, the Joint and Several Liquidators of Scenery Journey
Tianji	Tianji Holding Limited (In Liquidation), the sole shareholder of Scenery Journey and wholly owned by Hengda Real Estate
Tianji Group	Tianji and its subsidiaries
Tianji Liquidators	Mr. Middleton and Ms. Wong, the Joint and Several Liquidators of Tianji

3 Introduction and Important Limitation

3.1 Introduction

- 3.1.1 The Liquidators are pleased to present this progress report to creditors. They do so notwithstanding that, save for an initial “60-day” report required in the BVI, there is no statutory requirement under Hong Kong’s and BVI’s insolvency regimes for liquidators to publish progress reports, because they consider it appropriate to advise creditors of the progress of these liquidations. A copy of the 60-day report previously issued is attached as Appendix 1. The Liquidators’ desire is to be transparent and to provide information in sufficient detail to keep creditors appropriately informed. That said, creditors are asked to keep in mind the following two important limitations that permeate throughout the report. Taken together, these two limitations result in a report that is, in places, necessarily high-level only.

3.2 The first limitation: What and how much information to disclose

- 3.2.1 The extent to which the Liquidators can disclose information publicly is constrained for a variety of reasons, including the high degree of sensitivity of much of their work, commercial confidentiality obligations (including those imposed by transaction counter-parties), and the need to respect the judicial process of matters that are already, or are likely to come, before the courts.

3.3 The second limitation: The Liquidators’ restricted access to the records, both physical and electronic

- 3.3.1 Immediately following their appointment, the Liquidators contacted the sole director of Scenery Journey and Tianji to request the accounting records and books and records. Arrangements were made to handover the books and records, including general ledgers (only for Scenery Journey), physical vouchers, supporting documents, limited bank statements and some computers. However, no transaction documents relating to the bond issuances were provided.
- 3.3.2 Such physical records as have now come into the possession of the Liquidators is supplemented by virtue of the Liquidators’ appointments as liquidators of CEG; access to the books and records, and other information of Tianji and Scenery Journey held in the CEG liquidation has been arranged. However, as is commonly the case with companies with a material presence in Mainland, the majority of the accounting records and other information is maintained on accounting systems in the Mainland. Regrettably, without warning or notice to the Liquidators, the connection to the Mainland accounting system was disabled immediately following CEG’s winding-up. The Liquidators note that they have had no direct access to any Mainland information system since then has been granted as of the date of this report.

- 3.3.3 To assist the Liquidators to understand and investigate the affairs of Tianji, the Tianji Liquidators undertook a third-party outreach exercise to attempt to mitigate the deficiencies outlined above. The Tianji Liquidators wrote to the known banks in Hong Kong to obtain transaction records and have sought assistance from other external parties. However, the information so far obtained has been limited primarily to non-Mainland entities.
- 3.3.4 More generally, cooperation from former directors and management has been extremely limited. The sole director of Tianji was a junior employee of CEG who appears to have exclusively acted on the instructions of superiors and who therefore, possesses little useful knowledge. The key decision makers across the CEG group are, for different reasons, either unable or unwilling to assist the Liquidators, notwithstanding their obligations to do so.
- 3.3.5 The Liquidators' continuing attempts to improve the state of their knowledge of the companies was recently rewarded with the discovery at a storage facility in Hong Kong of a large cache of physical records that had not previously been disclosed to them. This cache of records is being inventoried and reviewed.

3.4 General Approach to Recovery

- 3.4.1 Given that Tianji is primarily an investment holding company, the Liquidators' approach to recovery is, where practicable, to exercise the rights attaching to Tianji's equity interests in its subsidiaries, where investigations identify underlying assets with potential realisable value. To assume control, the Liquidators will seek to exercise shareholder rights to remove/replace incumbent directors with themselves. The Liquidators would then seek to pursue recoveries through those entities, including by managing, preserving and realising underlying assets, pursuing claims and receivables, and taking such steps as may be necessary to maximise value.
- 3.4.2 The viability of this recovery strategy is dependent upon Tianji retaining the ability to exercise the rights attaching to its equity interests. In certain instances, however, Tianji's equity interests may have been cut-off. In such circumstances, the Liquidators may be unable to implement the approach described above. Instead, the Liquidators will consider alternative recovery strategies, including pursuing litigations to recover equity right if there is a meritorious claim, or seeking to take control of the subject entity by initiation of a liquidation process through a debt claim.

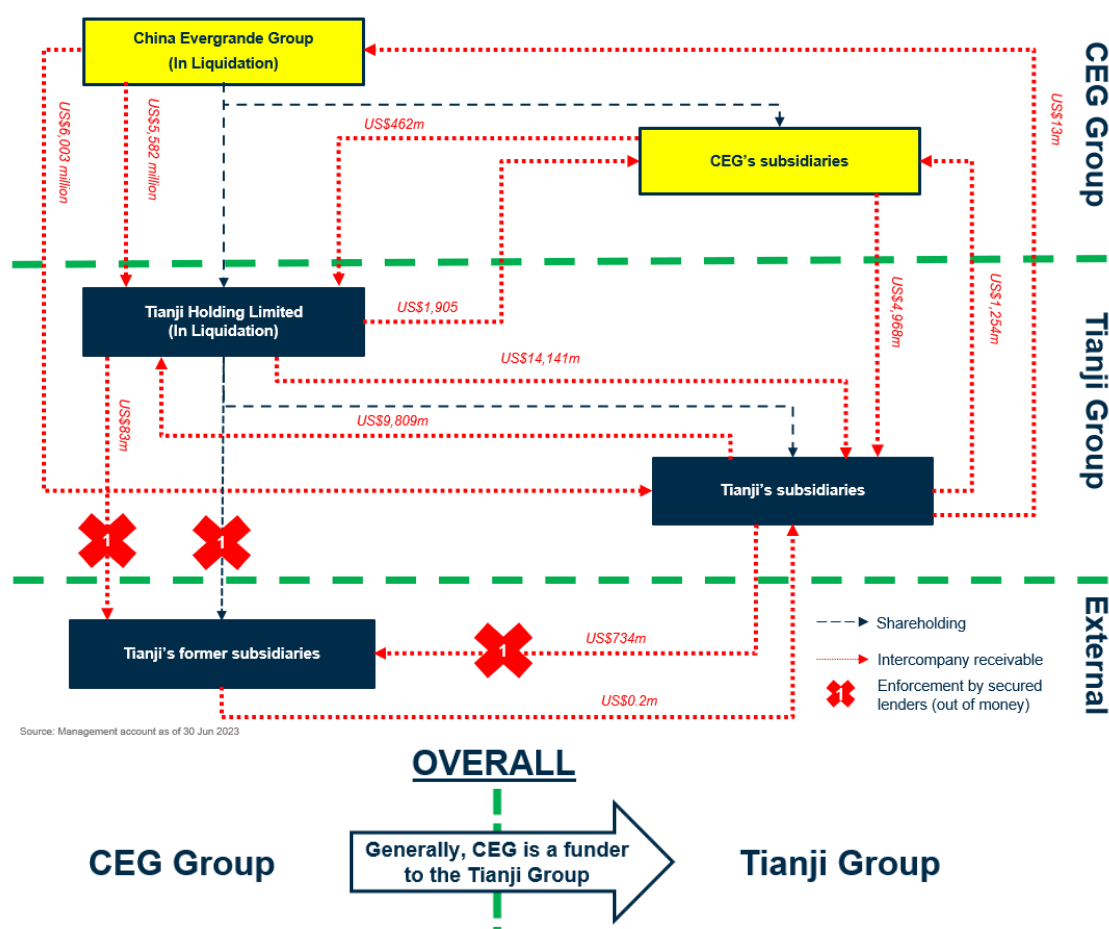
4 Overview of the Tianji Group and of Scenery Journey

4.1 Overview

- 4.1.1 The Liquidators are aware that many creditors will already have detailed knowledge of the history so here limit themselves to presenting a brief summary for convenience only.

4.2 Tianji Group

- 4.2.1 Tianji Group was established as part of a corporate restructuring exercise of CEG. As the Tianji Liquidators understand it, CEG intended ultimately to list part of its business on the Mainland's A-share market. Accordingly, a number of business units were clustered together under the Tianji Group, to be ring-fenced from the wider CEG group to raise stand-alone finance.
- 4.2.2 Based on the management accounts dated 30 June 2023 (the latest information available to the Liquidators), Tianji's intercompany balance positions, stated on an aggregated basis, with companies under CEG and companies within the Tianji Group are shown in the flow chart below.



- 4.2.3 For Tianji's claims against its own subsidiaries, a look through exercise to identify the underlying assets has been conducted to identify potential recovery sources.
- 4.2.4 To date, the main sources of recovery identified are assets in non-Mainland jurisdictions and third-party legal claims, details of which are set out in sections 6 to 7. Details of the assets in the Mainland are set out in section 5.
- 4.2.5 The Tianji Liquidators note that CEG is the petitioning creditor of Tianji and while the accounting records of both Tianji and of CEG record an net intercompany account balance (i.e. a running account of current account balances between group entities) due from Tianji to CEG, the composition of that balance and the circumstances around the incurrence of these balances requires investigation.
- 4.2.6 Additionally, certain entities within the Tianji Group held claims against subsidiaries within the CEG group. To the extent that the Tianji Liquidators have obtained control of the relevant creditor entities, they have reviewed such claims and, where appropriate, issued demands for payment. The Tianji Liquidators continue to monitor the status of the relevant debtors and assess recovery prospects on an ongoing basis.

4.3 Scenery Journey

- 4.3.1 Scenery Journey is a BVI-registered SPV within the Tianji Group, established to raise financing via the high yield US dollar bonds, the details of which are set out below. The proceeds from the bond issuances were remitted around the Tianji Group as intercompany loans.
- 4.3.2 Indications are that most of the proceeds were remitted to Tianji and to Shengyu. Based on the management accounts dated 30 June 2023, being the latest available management accounts, the assets of Scenery Journey comprised of intercompany receivables from Tianji in an amount of US\$1,529,608,948 and from Shengyu in an amount of US\$2,160,000,000.
- 4.3.3 It is not yet entirely clear why the total of these two receivables (approximately US\$3.7 billion) does not more closely align with the principal amounts outstanding under the bonds. At least part of the explanation seems to lie in the accounting treatment of interest paid on the bonds; it appears that, when 'on-lending' the bond proceeds, Scenery Journey did not charge interest on these loans and, thus, when funds were made available to Scenery Journey to pay the interest, such receipts were recorded as reductions in the amount due from Tianji and Shengyu.
- 4.3.4 The SJ Liquidators will maintain ongoing dialogue with the holders of the bonds throughout the liquidation of Scenery Journey and provide information and updates to assist potential enforcement efforts in respect of the keepwell claims as appropriate.

4.4 The High Yield US dollar Bonds

- 4.4.1 On 6 November 2018, Scenery Journey issued three tranches of notes as follows:

Name
US\$565m 11.0% Senior Notes due 2022
US\$645m 13.0% Senior Notes due 2022
US\$590m 13.0% Senior Notes due 2023

- 4.4.2 All were issued at 100% of face value and listed on the SGX. Credit support for all three issuances came in the form of keepwell deeds and deeds of equity interest purchase undertakings entered into by Hengda Real Estate, as well as joint and several guarantees from Tianji and more than 100 Tianji's subsidiaries. Entities within the Citicorp group were appointed to the major roles within the bond structures, most importantly as the trustee of the bonds. The purpose of the issuance was refinancing of existing non-Mainland indebtedness.
- 4.4.3 On 19 November 2018, Scenery Journey issued further a tranche of notes, being the US\$1,000m 11.0% Senior Notes due 19 November 2020, at par, to be consolidated and form a single class with the US\$565 million 11.0% Senior Notes due 2022. This issuance was also listed on SGX and had the benefit of the same credit support structure detailed above. Both issuances were redeemed on 23 October 2020.
- 4.4.4 Then, on 6 March 2019, Scenery Journey issued the US\$600 million 9.00% Senior Notes due 6 March 2021 at par. These notes were also listed on SGX. The notes were designated as senior obligations of the issuer, were guaranteed by Tianji and certain of its subsidiaries, with Hengda Real Estate again providing a keepwell and equity interest purchase undertaking as credit support. The stated use of proceeds was primarily to refinance the existing non-Mainland indebtedness of the group and general corporate purposes. These notes were redeemed on 6 March 2021.
- 4.4.5 Lastly, on 24 January 2020, Scenery Journey issued two further series of notes at par and listed them on the SGX. There were the US\$2,000 million 11.50% Senior Notes due 24 October 2022 and the US\$2,000 million 12.00% Senior Notes due 24 October 2023. The stated use of proceeds was refinancing of existing indebtedness, with the remainder being used for general corporate purposes. The notes were guaranteed on a joint and several basis by Tianji and a number of subsidiaries with Hengda Real Estate once again providing keepwell and equity interest purchase undertakings. Insider purchases were disclosed as follows; Mr. Hui Ka Yan acquired US\$20 million of the 2022 notes and US\$580 million of the 2023 notes, and Mr. Xia Haijun acquired US\$50 million of the 2022 notes.

- 4.4.6 As of the date of this report, the following notes issued by Scenery Journey remain outstanding:

Name
US\$645m 13.0% Senior Notes due 2022
US\$590m 13.75% Senior Notes due 2023
US\$2b 11.5% Senior Notes due 2022
US\$2b 12.0% Senior notes due 2023

- 4.4.7 The US\$645 million 13% Senior Notes due 2022 and US\$590 million 13.75% Senior Notes due 2023 went into default following the failure by Scenery Journey and the other obligors to pay the coupons due on 6 November 2021. This default was not cured by 6 December 2021, being the end of the grace period provided for in the notes. As a consequence of these payment defaults, cross-default provisions were triggered under the US\$2 billion 11.5% Senior Notes due 2022 and the US\$2 billion 12.0% Senior Notes due 2023, resulting in further events of default across these notes.

4.5 A Brief Procedural History from Default to Liquidation

- 4.5.1 On 6 December 2021, CEG announced that it had set up a risk management committee to initiate a restructuring exercise. During the restructuring negotiations, on 24 June 2022, a winding up petition was presented against CEG. The hearing of that petition was adjourned on multiple occasions to allow restructuring efforts to be given every chance to succeed.
- 4.5.2 Despite the concerted and committed efforts of both CEG and its creditor groups (including those in relation to the Scenery Journey bonds), a restructuring could not ultimately be implemented and, on 29 January 2024, CEG was ordered to be compulsorily wound up by the HK Court. Mr. Middleton and Ms. Wong were appointed as the CEG's liquidators on the same day.
- 4.5.3 Following their appointment as liquidators of CEG, Mr. Middleton and Ms. Wong engaged with the AHG.
- 4.5.4 As recoveries to Scenery Journey bondholders are dependent on recoveries from the Tianji Group, it was determined necessary for liquidators to be appointed to both Scenery Journey and Tianji. That determination followed the 9 August 2024 decision of the Guangzhou Intermediate People's Court to place Tianji's indirect parent company, Guangzhou Kailong Real Estate Co., Ltd., into a bankruptcy administration process pursuant to the Mainland's Enterprise Bankruptcy Laws.

- 4.5.5 With that objective in mind, on 16 August 2024, a beneficial holder of the Scenery Journey bonds made an application to the BVI Court for the winding up of Scenery Journey and the appointment of the liquidators. At a hearing of that application on 18 November 2024, the BVI Court ordered the liquidation of Scenery Journey and appointed Mr. Middleton, Ms. Wong and Mr. Wesley Arthur Edwards as the SJ Liquidators.
- 4.5.6 For Tianji, a Hong Kong incorporated company, a different approach was required because, as a matter of Hong Kong law, individual bondholders do not have standing to present a winding up petition; only the ‘Holder’ (in essence, the trustee of the bonds) is able to do so.
- 4.5.7 Accordingly, on 8 November 2024 after having served a statutory demand, CEG presented a winding-up petition against Tianji. However, through its sole director, Tianji resisted the petition on the grounds of a *bona fide* substantial dispute over the petition debt. This defence failed and Tianji was ordered to be wound up by the HK Court on 17 February 2025. A few days later, on 21 February 2025, Mr. Middleton and Ms. Wong were appointed as the Tianji Liquidators.

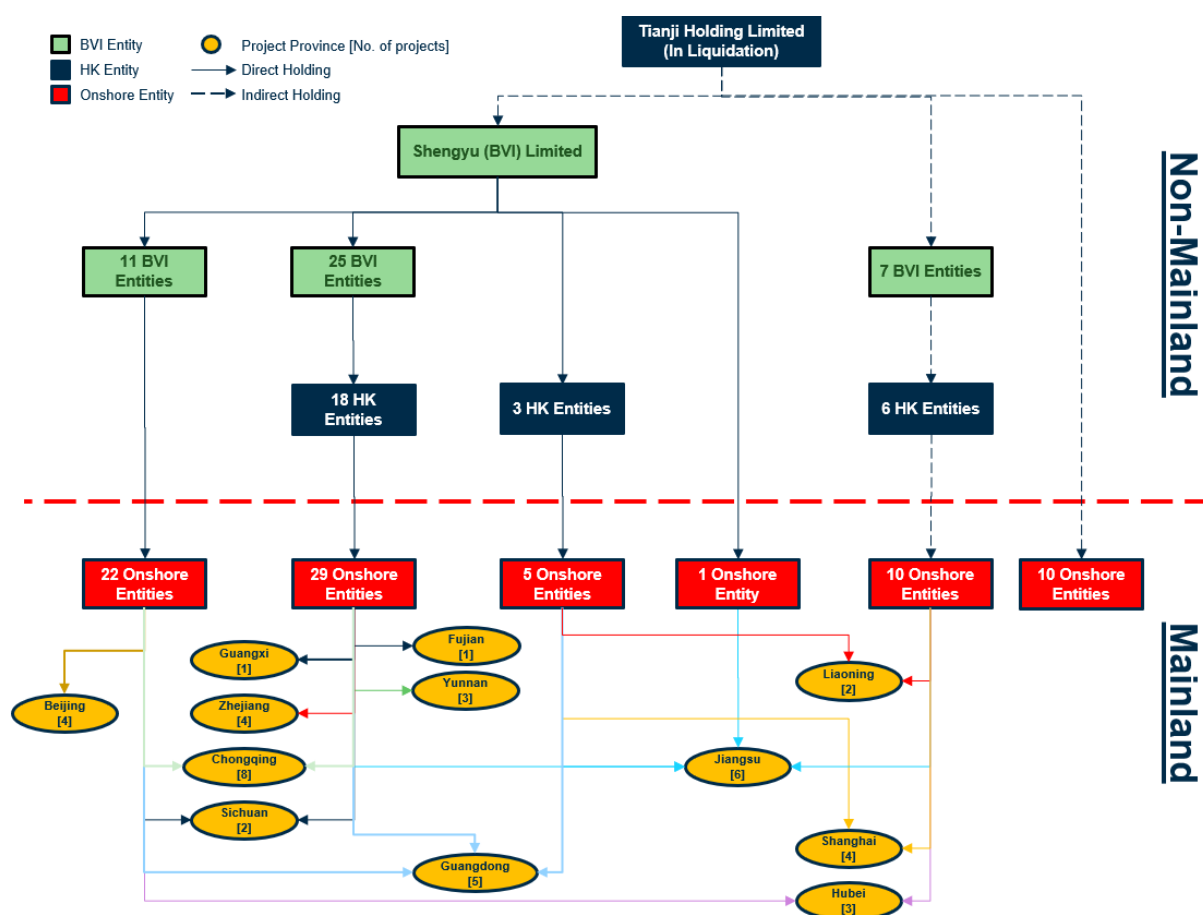
4.6 Keepwell Claim

- 4.6.1 As indicated in Section 4.3 of SJ Liquidators’ first report to creditors dated 17 January 2025 (i.e. the initial “60-day” report required in BVI), it was the SJ Liquidators’ initial assessment that the potential keepwell claim under the relevant keepwell agreements may also constitute a potential significant recovery to the creditors of Scenery Journey. The initial legal advice obtained by the SJ Liquidators then was that Scenery Journey may be entitled to claim for its losses flowing from the breaches of Hengda Real Estate under the relevant keepwell agreements.
- 4.6.2 As the liquidation of Scenery Journey progresses, the SJ Liquidators took further legal advice in view of the latest development in Hong Kong in respect of keepwell claims. They were further advised by their legal team that, in view of the decision by the Hong Kong Court of Final Appeal in *Peking University Founder Group Company Limited v. Nuoxi Capital Limited*, the trustee of the bonds would likely be in a better position to litigate under the keepwell agreement against Hengda Real Estate.

5 Mainland Assets

5.1 Overview

5.1.1 There are 77 Mainland entities within the Tianji Group of which 67 entities were holding Mainland projects. A simplified structure chart is set out below.



5.1.2 In view of the above, the Tianji Liquidators have been working with the management accounts of the non-Mainland entities as of 30 June 2023 to investigate and ascertain the status of the Mainland projects.

5.1.3 These projects were predominantly structured by means of equity investment, rather than intercompany loans. Nevertheless, US\$755 million of potential intercompany claims have been identified across three of the projects. Please refer to section 4.2 for further details.

5.1.4 This exercise, assisted by information provided by the AHG, confirmed that the Tianji Group had 43 projects, held across 12 jurisdictions, being Beijing, Sichuan, Chongqing, Shanghai, Hubei, Zhejiang, Liaoning, Yunnan, Jiangsu, Guangdong, Fujian and Guangxi.

- 5.1.5 Recoveries from these projects are expected to be minimal, at best, for the following reasons:
- 5.1.5.1 The asset values recorded in CEG's consolidated financial statements in 2021 were over-stated as found by regulators in both the Mainland and Hong Kong;
 - 5.1.5.2 Projects are likely "out-of-the-money" due to the severe Mainland housing market decline since 2022 and extensive litigation/enforcement actions taken by Mainland creditors;
 - 5.1.5.3 Under the GDP, all project cash (being all inflows and outflows, including pre-sale receipts and construction loan drawdowns, among other items) must be routed through supervised accounts to prioritise construction completion and settlement of secured claims (secured loans at project level, taxes, employees, among others), subordinating any other claims; and
 - 5.1.5.4 Share transfers remain restricted where there are ongoing legal disputes and claims.
- 5.1.6 The Liquidators have had sight of financial forecasts, that were prepared during the restructuring negotiations in relation to Tianji Group's Mainland real estate projects. These forecasts assessed the Expected Net Income available to offshore creditors had a restructuring been successful. The total Expected Net Income was US\$3,448 million.
- 5.1.7 Ten of the 43 projects account for 93% of the total Expected Net Income and, of these ten, a sub-set of five was selected for further investigations. These five projects' aggregate Expected Net Income was US\$1,946 million.
- 5.1.8 All five of these projects were either subject to the GDP or the pledges of the Tianji Group's equity interests in them had been enforced. No residual equity value is expected to flow back to the equity owner of the project.
- 5.1.9 That notwithstanding, the Tianji Liquidators have been in place to ensure that, in the event that any surplus remains after a particular project has complied with the GDP, or there is a surplus generated over the amount secured by the equity pledges, the Tianji Group's interest in any such surplus is protected. This process includes, for example, issuing demand letters in respect of any receivable due to any Tianji Group company that is under the control of the Liquidators.
- 5.1.10 For the remaining five of the top ten projects, which had been forecasted to produce an aggregate Expected Net Income of US\$1,271 million, the Tianji Liquidators' investigations have revealed that the project companies are either in bankruptcy administration, or the equity in the relevant project holding company had been pledged to a third party and/or that equity interest has been frozen by the Mainland courts. Currently, no intercompany claims have been identified for these projects.

5.1.11 The remaining 33 projects, which account for 7% of the Expected Net Income, are held directly by 37 Mainland entities located across 12 provinces. In relation to these projects, the Tianji Liquidators continue to investigate potential recoveries by taking the following steps wherever possible and practicable (including in the Mainland):

- Assuming control of intermediate companies; and
- Monitoring bankruptcy proceedings and submitting claims.
- Project-by-project details for all of these projects are set out in the two tables immediately below.

5.2 Top Ten Projects

5.2.1 Our investigation of Tianji's indirect interests in 43 projects in the Mainland revealed that certain projects were no longer under Tianji's ownership at the time of appointment of the Liquidators; however, they have been included in the review for the sake of completeness. For five of the top ten projects, Mainland lawyers were engaged to conduct a further investigation into potential asset recoverability. A summary of the findings is set out below.

Mainland Project	Project Company [Paid-in Capital]	Findings of the investigation by PRC lawyers	Expected Net Income (Dec 2022) (US\$m)	Intercompany Debt Amount (US\$m)
Kunming Evergrande Sunshine Peninsula (Yunnan)	1. Songming Zhongji Kuangda Real Estate Development Co., Ltd. (嵩明中稷旷达房地产开发有限公司) [US\$4.9m]	• Under GDP, land and unfinished construction have been seized for debt repayment and to support subsequent funding for guaranteed delivery of units.	1,053	695*
	2. Songming Zhongji Guangrui Real Estate Development Co., Ltd. (嵩明中稷广睿房地产开发有限公司) [US\$1.5m]	• Undeveloped land was forfeited to local government. • Existence of cross-guarantees to other projects.		
	3. Songming Zhongji Gaojun Real Estate Development Co., Ltd. (嵩明中稷高骏)	• PRC lawyers concluded that there is remote prospect of recovery of the equity interest.		

Mainland Project	Project Company [Paid-in Capital]	Findings of the investigation by PRC lawyers	Expected Net Income (Dec 2022) (US\$m)	Intercompany Debt Amount (US\$m)
	房地产开发有限公司) [US\$4.9m] 4. Songming Zhongji Dingrong Real Estate Development Co., Ltd.(嵩明中稷鼎荣房地产开发有限公司) [US\$4.9m]			
Chengdu Evergrande Tianfu Peninsula (Sichuan)	Chengdu Xinyi Real Estate Development Co., Ltd.(成都心怡房地产开发有限公司) [US\$116m]	- Share pledge of Tianji's indirect equity interest enforced against by creditors such that Tianji is no longer interested in the project - PRC lawyers concluded that the form and procedures relating to the equity transfer comply with legal regulations and the possibility of revoking the equity transfer and recovering the equity interest is extremely low.	528	Nil
Chongqing Evergrande Jiefangbei Center (Chongqing)	Chongqing Yingli Huili Real Estate Co., Ltd.(重庆英利辉利置业有限公司) [US\$152m]	- The project company has significant debt - Undeveloped land may face reclamation without compensation - It appears that the registered capital has not been fully paid, making the holding vulnerable to forfeiture of unpaid shares	175	46*

Mainland Project	Project Company [Paid-in Capital]	Findings of the investigation by PRC lawyers	Expected Net Income (Dec 2022) (US\$m)	Intercompany Debt Amount (US\$m)
		• PRC lawyers concluded that there is remote prospect of recovery of the equity interest		
Chongqing Evergrande International Culture City (Chongqing)	Chongqing Hengda Fucheng Real Estate Development Co., Ltd.(重庆恒渝珞城房地产开发有限公司) [US\$22.5m]	• Under GDP, land and unfinished construction have been seized for debt repayment and to support subsequent funding for guaranteed delivery of units. • Undeveloped land may face reclamation without compensation • Existence of cross-guarantees to other projects • It appears that the registered capital has not been fully paid, making the holding vulnerable to forfeiture of unpaid shares • PRC lawyers concluded that there is remote prospect of recovery of the equity interest	97	Nil
Chongqing Evergrande Zhongyu Plaza (Chongqing)	1. Chongqing Zhongyu Property Development Co., Ltd.(重庆中渝物业发展有限公司) [US\$131m] 2. Chongqing Weigang Real Estate Co., Ltd.(重	• Under GDP, most of the core assets have been sold, used to offset debts, or reclaimed by the government • Shares were frozen by Mainland court making it impossible to exercise	93	14*

Mainland Project	Project Company [Paid-in Capital]	Findings of the investigation by PRC lawyers	Expected Net Income (Dec 2022) (US\$m)	Intercompany Debt Amount (US\$m)
	庆维港置地有限公司) [US\$1.5m]	shareholder rights or realise value - The project company has significant debts - PRC lawyers concluded that, despite having completed the obligations required under GDP, the project companies' equity is completely restricted.		
Total:			1,946	755

*Note * - This represents the aggregate value of the claim by Tianji's indirect subsidiaries against the project companies. The final recoverable amount will depend on adjudication by the bankruptcy administrators and realisable value of the assets. As they are subject to GDP, region specific PRC legal advice will be needed in respect of the priority of the claim against each of the project company to assess the recoverability.*

5.2.2 Although Mainland solicitors were not engaged to conduct investigations for the remaining five projects, the Tianji Liquidators were able to assess their status based on information available via Mainland company searches. Set out below are the relevant findings:

Mainland Project	Project Company [Paid-in Capital]	Findings	Expected Net Income (Dec 2022) (US\$m)	Intercompany Debt Amount (US\$m)
Qidong Evergrande Sea Venice (Shanghai)	1. Qidong Evergrande Hot Spring City Development Co., Ltd.(启东恒大温泉城开发有限公司) [US\$150m]	- Tianji no longer holds any indirect equity interest - One of the project companies is in bankruptcy administration	701	Nil
	2. Qidong Tongyu Real Estate Co., Ltd.(启东通誉置	Prospect of recovery of the equity interest is remote		

Mainland Project	Project Company [Paid-in Capital]	Findings	Expected Net Income (Dec 2022) (US\$m)	Intercompany Debt Amount (US\$m)
	业有限公司) [US\$11.2m] 3. Qidong Baofeng Real Estate Co., Ltd.(启东宝丰置 业有限公司) [US\$33.7m]			
Chongqing Evergrande Royal Peak (Chongqing)	Chongqing Hangyao Real Estate Development Co., Ltd.(重庆航耀房地 产开发有限公司) [US\$3m]	• Shares were pledged to an SOE as security • Shares were also frozen by Mainland court • Tianji no longer holds any indirect equity interest due to the change of the upper-tier shareholding • Prospect of recovery of the equity interest is remote	311	Nil
Chongqing Evergrande Yunxi (Chongqing)	Chongqing Hengling Real Estate Development Co., Ltd. (重庆恒岭房地 产开发有限公司) [US\$3m]	• Shares were pledged to an SOE as security • Shares were also frozen by Mainland court • Prospect of recovery of the equity interest is remote	94	Nil
Ningbo Xiangshan Evergrande Royal Bay (Zhejiang)	1. Ningbo Sanlijiada Real Estate Co., Ltd.(宁波三立嘉 达置业有限公司) [US\$25m] 2. Ningbo Sanlilan City Real Estate	• All relevant project companies were placed into bankruptcy administration	86	Nil

Mainland Project	Project Company [Paid-in Capital]	Findings	Expected Net Income (Dec 2022) (US\$m)	Intercompany Debt Amount (US\$m)
	Co., Ltd.(宁波三立岚城置业有限公司) [US\$7.5m]	• Prospect of recovery of the equity interest is remote		
	3. Ningbo Sanli Yongheng Real Estate Co., Ltd.(宁波三立甬恒置业有限公司) [US\$30m]			
	4. Ningbo Sanli Xianghe Real Estate Co., Ltd.(宁波三立祥和置业有限公司) [US\$25m]			
Qingyuan Evergrande Royal Spring Seasons (Guangdong)	Huiying (Fogang) Real Estate Development Co., Ltd.(慧盈(佛冈)房地产开发有限公司) [US\$10.5m]	- The project company was placed into bankruptcy administration - Prospect of recovery of the equity interest is remote	79	Nil
Total:			1,192	Nil

5.3 Status of Other Projects

- 5.3.1 In addition to the Top Ten Projects that have been reviewed in detail, investigations were also conducted into the remaining 33 projects. A summary of our findings is presented below:

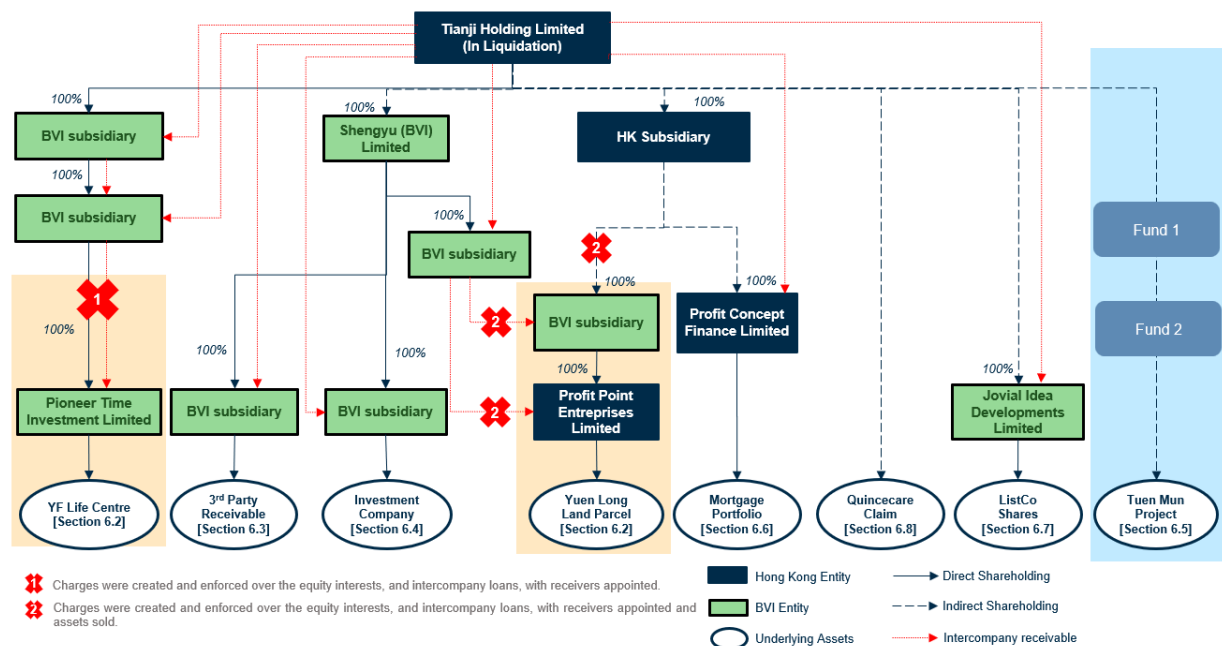
Category	No. of Projects (Total paid-in capital)	Intercompany Debt Claims (US\$m)	Description
Hotels	2	Nil	The Tianji Group holds indirect interests in two hotels which remain operating. One of them is

Category	No. of Projects (Total paid-in capital)	Intercompany Debt Claims (US\$m)	Description
	[US\$69m]		in a prime tourist location in Hangzhou city where another one is in a prime tourist location in Fujian province. Steps are taken to effect control of the entities holding these operations.
Bankruptcy Administration in Effect	9 [US\$510m]	41	Mainland project companies have gradually been placed under bankruptcy administration. Such proceedings significantly curtail shareholders' dispositive and proprietary rights, ultimately resulting in their complete elimination.
Pre-appointment Mainland Transfer	4 [US\$1,030m]	Nil	Tianji's indirect equity interests appear to have been divested. Consequently, there is no direct immediate avenue to assert the indirect shareholder rights.
Equity Interests Subject to Encumbrance	6 [US\$147m]	55	Project companies' shares were either charged, pledged, or frozen due to litigation, which restricts shareholders' rights to dispose of or benefit from the shares, as these are subject to the claims of the pledgee or enforcing court.
Minority Shareholding	4 [US\$343m]	27	Tianji's equity interests in these project companies are minor, leaving no enforceable shareholder rights and offering no realistic prospect of realising meaningful value.
Entities Subject to Enforcement Orders	8 [US\$643m]	Nil	The project companies are subject to enforcement orders, and the Mainland court has exhausted its statutory property investigation measures, determining that either the entity has no property available for enforcement or its property cannot be realised.

6 Non-Mainland Assets

6.1 Simplified Organisational Chart

6.1.1 The Tianji Liquidators have mapped non-Mainland holding entities to identify assets, have taken control of these entities when possible, and have progressed asset realisation processes and litigation to recover value. A simplified chart, showing the non-Mainland assets which Tianji indirectly controls, is set out below.



6.2 YF Life Centre and Yuen Long Land Parcel

6.2.1 Hong Kong property interests held via Pioneer Time Investment Limited (YF Life Centre, formerly known as China Evergrande Centre) and Profit Point Enterprises Limited (Yuen Long Land Parcel) are being monitored. These projects were held via wholly owned indirect subsidiaries and both properties are now under the control of receivers appointed by secured lenders. At this stage, based on the information available to the Tianji Liquidators, no residue value is expected to flow up to the estate.

6.3 3rd Party Receivable

6.3.1 The outstanding third-party receivable of US\$39 million owed is being pursued via a wholly owned indirect subsidiary of Tianji. After formal demands and engagement with the debtor's legal advisers, a winding-up petition was presented on 10 June 2026. The winding-up hearing is scheduled to take place on 26 August 2026.

6.4 Investment Company

- 6.4.1 Tianji is part of a consortium that invested into a BVI incorporated entity, whose principal investments are in biological assets and real estate assets in Australia, and other listed shares and / or private investments. Tianji, through an indirect wholly owned subsidiary, invested US\$384 million for an initial 40% stake in 2019. This was subsequently diluted to approximately 4% following two dilutive corporate actions in 2021 and 2023. The Liquidators have faced repeated resistance to their information requests and are having to resort to legal remedies.

6.5 Tuen Mun Project

- 6.5.1 Tianji participated in the Tuen Mun Project via its investment in two layers of investment fund which in turn hold the interest of the project company, Fortune Choice. The value of the project has declined since the time when the investment was made due to market factors. The Liquidators are currently considering their recovery options.
- 6.5.2 Recoveries linked to the Tuen Mun Project are being advanced along two tracks: (i) recovery of Tianji's receivable, which is disputed by Fortune Choice on the grounds of set-off of a counter-claim, where litigation is underway; and (ii) a claim in a sum of US\$21 million by Profit Concept, an indirect wholly owned subsidiary of Tianji.
- 6.5.3 Profit Concept issued a statutory demand to Fortune Choice which responded by applying to the HK Court for an injunction to restrain Profit Concept from presenting a winding-up petition. The HK Court dismissed that application on 31 July 2026, thereby permitting Profit Concept to proceed with the presentation of a winding-up petition. However, the HK Court ordered a stay of its decision for 28 days in order to allow *"Fortune Choice to take this matter further and, if it sees fit, to negotiate with Profit Concept to come up with a mutually acceptable commercial arrangement"*.
- 6.5.4 As at the date of publication of this report, Fortune Choice had not approached the Tianji Liquidators with a view to settlement; lawyers acting for the Tianji Liquidators have reminded them of the Court's invitation that they should do so.
- 6.5.5 Separately, the Tianji Liquidators' investigations identified a series of 2020–2021 arrangements in which a receivable of US\$66 million due from Fortune Choice was assigned to a private credit fund, resulting in a structural subordination of the investment fund stake held by Tianji.
- 6.5.6 Furthermore, the Tianji Liquidators understand that certain CEG senior management financially benefited from the aforesaid transaction. The Tianji Liquidators have engaged Hong Kong counsel after determining the potential actions against the parties involved in the various transactions and a writ was issued on 29 July 2026.

6.6 Mortgage Portfolio

- 6.6.1 This portfolio is related to the Tuen Mun Project and is held through Profit Concept. To date, the portfolio has generated realisations of approximately US\$3.7 million, with ongoing monthly collections at approximately US\$38,461. The principal outstanding in this portfolio is approximately US\$8 million, comprising of US\$6 million in subordinated participation and US\$2 million of direct bilateral loans.
- 6.6.2 The mortgages were advanced to the purchasers of the units in the Tuen Mun Project. However, a large portion of the mortgage portfolio is second-lien. The majority of the portfolio is current and performing.
- 6.6.3 The Tianji Liquidators have explored the sale of the portfolio, however, there has been no appetite to date due to the relatively low value and the junior structure of the portfolio. The Tianji Liquidators will, however, remain open to a sale of the portfolio.

6.7 ListCo Shares

- 6.7.1 At the time of the appointment of the Tianji Liquidators, the Tianji Group held approximately 171 million shares in a ListCo, representing 9.8% of its total issued shares. The ListCo is currently undergoing a restructuring in which a debt-to-equity conversion is being prepared.
- 6.7.2 The Tianji Liquidators have taken custody of the securities account and have since realised US\$0.9 million as of the date of this report.
- 6.7.3 The remaining shares have not been fully realised due to limited trading liquidity in the market, which has constrained the pace of disposals. The Tianji Liquidators have proactively approached potential investors regarding a block sale of the shareholding; however, no interested parties have been identified to date. The Liquidators will continue to monitor market conditions and take steps to realise the remaining shares as and when appropriate.

6.8 Quincecare Claim

- 6.8.1 During their investigations, the Tianji Liquidators discovered that, after the CEG Liquidators had issued a demand against Tianji but before the presentation of the winding up petition, one of Tianji's Hong Kong subsidiaries had, to all intents, emptied its bank account, remitting the funds to an account in the Mainland.
- 6.8.2 The transfers were wholly inconsistent with the account's historical activities. The Tianji Liquidators have been advised by their legal team that, in effecting this (and other similar) transfers, the relevant bank appears to have breached its Quincecare duty. A letter before action was issued on 3 June 2026, following which the bank concerned instructed lawyers.

- 6.8.3 A summary of potential realisations and recoveries to date from non-Mainland assets is set out in Appendix 2.

7 Use of Proceeds Analysis

7.1 Introduction

- 7.1.1 To assess whether the bond proceeds were applied in accordance with their stated purposes, and to ensure that all potential assets of the estate, including debt and equity claims, are identified and preserved, the Liquidators analysed the utilisation of bond proceeds raised through the 2018, 2019, and 2020 issuances, which amounted to US\$7.38 billion.

7.2 Methodology and Limitations

- 7.2.1 The analysis was conducted by reviewing transaction records, remittance schedules, and available bank statements. Proceeds were categorised based on identifiable fund flows, including (1) refinancing and related costs, (2) acquisition consideration paid for equity interests of Mainland development projects, (3) repayment of intercompany balances to CEG, (4) Loan to a subsidiary of NEV, (5) unknown purposes, (6) commingled funds, and (7) subscription fees.
- 7.2.2 A summary table set out the details of the analysis can be found below:

Category	Amount (US\$m)	Findings
Refinancing and related costs (49%)	3,649	• Proceeds were generally used to repay Tianji's non-Mainland bank borrowings; • However, it appeared that a payment of ca. US\$2.2 billion was routed to Mainland for repayment of CEG's subsidiary's Mainland indebtedness. • No Mainland accounting records are available for verification.
Acquisition of equity interests (19%)	1,417	• Proceeds were used to purchase Mainland development projects
Repayment to CEG (17%)	1,293	• Repayment of intercompany balance due to CEG
Loan to a subsidiary of NEV (7%)	550	• Loan was used to fund CEG's acquisition of a core business of NEV • NEV will be delisted in September 2026 and the core Mainland subsidiaries have been put into bankruptcy
Unknown (4%)	30	• Mapped remittance flows to subsidiaries and reviewed payment records to ascertain possible usage
Commingled (2%)	178	• Mapped remittance flows to subsidiaries • The payments were made into general banking accounts of subsidiaries and subsequent usage cannot be determined

Category	Amount (US\$m)	Findings
Subscription Fees (1%)	51	• Mapped remittance to vouchers and located the underlying documents for payment to certain individual bondholders as refund of subscription fees they paid

- 7.2.3 The Liquidators are continuing their investigations into the circumstances surrounding the bond issuances and the use of the proceeds therefrom. Working closely with their legal advisers, the Liquidators are assessing whether there are causes of action available to the estate arising out of those facts. These efforts have, to date, led the Liquidators to file a Writ naming as defendant the former auditors of Tianji and Scenery Journey. The Liquidators' investigations remain ongoing, and the Liquidators will continue to evaluate and pursue recovery actions where doing so is considered to be in the best interests of creditors.

8 Claims' Identification and Formation of Committee of Inspection

8.1 Committee of Inspection and Directions To Be Sought by Tianji Liquidators

- 8.1.1 Pursuant to the order of the HK Court dated 21 February 2025 (amended on 14 March 2025), the HK Court dispensed with the summoning of meetings of creditors and contributory, the purpose of which meetings is, inter alia, to consider the formation of a COI. Instead the HK Court ordered that the Tianji Liquidators should consider the situation and return to the HK Court to seek directions on the formation of a COI of Tianji.
- 8.1.2 In furtherance of that objective, on 30 June 2026 the Tianji Liquidators advertised in Hong Kong and Mainland and wrote to all known creditors, inviting creditors to submit a proof of debt (if not already done so), to indicate whether they consider that a COI should be formed and, if so, whether they would be interested in serving, or nominating others to serve, as a member of the COI of Tianji.
- 8.1.3 The deadline for responses to the Tianji Liquidators was 6pm on 31 July 2026.
- 8.1.4 As of the date of this report, the Tianji Liquidators have received submission of proofs of debt from 10 creditors claiming a total of US\$16,164,763,892. The formal claims' adjudication process has not yet commenced so the final amount of claims admitted may vary from this number.
- 8.1.5 Only two creditors have so far expressed an interest in serving on the COI. However, pursuant to section 206(3) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Cap 32, a COI must consist of not less than 3, and not more than 7, members. Moreover, one of the two creditors is seeking to impose conditions on its membership of any COI, conditions which are unlikely to be permissible. At this point in time, therefore, it is not possible to form a COI and, in the event no other creditor or creditors come forward as prospective members in the near future. The Tianji Liquidators will report to the HK Court that a COI cannot be formed.

8.2 Proofs of Debt Received by SJ Liquidators

- 8.2.1 As of the date of this report, the SJ Liquidators have not called for, nor received, any proofs of debt. Based on the books and records available, Scenery Journey's creditor pool consists primarily of the outstanding bonds detailed in section 3.5.6. If assets are ultimately realised by the SJ Liquidators, and dividends therefore become distributable, the SJ Liquidators will issue notifications inviting creditors of Scenery Journey to submit proofs of debt.

8.3 Shengyu (BVI) Limited (a Tianji Group company)

- 8.3.1 For reasons that are not entirely clear, during the course of the Tianji claims identification exercise, the Tianji Liquidators have received correspondence from a number of parties (all located in the Mainland) claiming to be creditors of Shengyu. The Liquidators, who are now directors of Shengyu, are considering what to do in response to this.

9 Receipts and Payments

9.1 Tianji's Receipts and Payments

	Amount (US\$)
Realisations	
- Cash at bank	31,404
- Refund of MPF	2,590
Sub-total	33,994
Disbursements	
- Ad Valorem fees (being fees charged by the Official Receiver)	3,410
- Bank charges	1,096
- Company search fees	6
- Gazette / advertisement charges	2,353
- Land search fees	32
- Photocopying charges	17
- Registered agents' fees for subsidiaries	8,862
- Travelling expenses	15
Sub-total	15,791
Balance	18,203

9.2 Realisation in Tianji's subsidiaries

	Amount (US\$)
Jovial Idea Developments Limited <i>(through realisation of ListCo shares)</i>	937,143
Profit Concept Finance Limited <i>(through realisation of the mortgage portfolio)</i>	3,711,222
Total	4,649,365

- 9.2.1 Tianji is a major creditor of both companies holding approximately 99% of their liabilities and, accordingly, it is anticipated that the substantial majority of these realisations will ultimately be distributed to Tianji.

9.3 Cost incurred

- 9.3.1 Given the limited recoveries available to date, and for the purpose of preserving funds for expenses associated with ongoing recovery actions, the Tianji Liquidators and their legal advisors have not been paid. As of the date of this report, total costs incurred by the Tianji Liquidators and their lawyers are approximately US\$3.4 million.

9.4 Scenery Journey's Receipts and Payments

	Amount (US\$)
Realisations	
- Cash at bank	304
Sub-total	304
Disbursements	-
Balance	304

- 9.4.1 Scenery Journey's recoveries are entirely dependent on recovery (if any) from its claims into Tianji and Shengyu.

10 Action Plan

10.1 Strategic Priorities

- 10.1.1 Based on the information and investigations conducted, the Liquidators are of the view that the readily recoverable assets are mainly the non-Mainland assets and third-party claims.
- 10.1.2 Efforts will concentrate on legal recoveries (against third parties).
- 10.1.3 In parallel, the Liquidators will continue to realise the ListCo shares and collect mortgage payments.

Appendix 1 – SJ Liquidators’ First Report To Creditors dated 17 January 2025

**THE JOINT AND SEVERAL LIQUIDATORS' FIRST REPORT TO
CREDITORS**

**SCENERY JOURNEY LIMITED
(IN LIQUIDATION)**

For the period from 18 November 2024 (date of winding up) to 17 January 2025

Issue Date: 17 January 2025

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Disclaimer

This Report has been prepared by the JLS of the Company pursuant to Section 226 of the Act.

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The work undertaken to prepare the Report has been largely based on information obtained from the Company and its various stakeholders. The JLS have not performed an audit examination of this information. Unless otherwise specifically stated, the JLS have not sought to establish the reliability of the sources of information presented to them. Therefore, information and figures in the following report may be subject to material change.

Receipt of the Report does not constitute an admission that you are a creditor of the Company. All claims will be subject to formal adjudication in due course.

All amounts are stated in United States Dollars (US\$) unless noted otherwise.

Schedule of defined terms

Term	Definition
11.5% Senior Notes	11.5% Senior Notes in the aggregate principal amount of US\$2 billion due 24 October 2022 (ISIN: XS2109191986, Common Code: 210919198)
12.0% Senior Notes	12.0% Senior Notes in the aggregate principal amount of US\$2 billion due 24 October 2023 (ISIN: XS2109192109, Common Code: 210919210)
13.0% Senior Notes	13.0% Senior Notes in the aggregate principal amount of US\$645 million due 6 November 2022 (ISIN: XS1903671854, Common Code: 190367185)
13.75% Senior Notes	13.75% Senior Notes in the aggregate principal amount of US\$590 million due 6 November 2023 (ISIN: XS1903671938, Common Code: 190367193)
Act	The British Virgin Islands Insolvency Act 2003 (Revised Edition 2020)
Bolder	Bolder Corporate Services (BVI) Limited, the registered agent of the Company
BVI	British Virgin Islands
BVI Court	Eastern Caribbean Supreme Court in the High Court of Justice British Virgin Islands
CEG	China Evergrande Group (In Liquidation), the ultimate parent of the Company which was placed into compulsory liquidation pursuant to an order of the High Court of the HKSAR dated 29 January 2024
Company	Scenery Journey Limited (In Liquidation)
Consolidated Net Worth	means, at any date of determination, shareholders' equity as set forth on the most recently available fiscal quarter, semi-annual or annual consolidated balance sheet
Director	Daiping Chen, the sole director of the Company
Event of Default	The events outlined in section 6.01 of the Indentures
Evergrande Group	CEG and its subsidiaries
Hengda	Hengda Real Estate Group Co., Ltd, a subsidiary of CEG and the keepwell provider in relation to the Notes
HKSAR	Hong Kong Special Administrative Region of the PRC
Indentures	Four New York laws governed Indentures with respect to the Notes, all dated 6 November 2018 and 24 January 2020 respectively
JLs	The Joint and Several Liquidators, Mr. Wesley Arthur Edwards, Mr. Edward Simon Middleton and Ms. Wing Sze Tiffany Wong
K&E	Kirkland and Ellis, the lawyers of the ad hoc committee of certain holders of the Notes

Term	Definition
Keepwell Agreements	New York laws governed keepwell and equity interest purchase agreements
Keepwell Claim	Potential claim against Hengda for the breach of its obligations as the provider under the Keepwell Agreements
Notes	13.0% Senior Notes, 13.75% Senior Notes, 11.5% Senior Notes, 12.0% Senior Notes
PMC	Purple Chrysanth Master LLC, the Applicant in the winding up proceedings against the Company
RMB	Renminbi, the official currency of the PRC
PRC	People's Republic of China
Prism	Prism Hong Kong and the Shanghai Limited
PwC	PricewaterhouseCoopers
Report	The Joint and Several Liquidators' First Report to Creditors dated 17 January 2025
SFC	Securities and Futures Commission, a statutory body of the HKSAR responsible for regulating the licensed participants in the securities and futures market
Shengyu	Shengyu (BVI) Limited, a wholly owned subsidiary of Tianji
SOA	Statement of Affairs of the Company
Tianji	Tianji Holding Limited, the sole shareholder of the Company and wholly owned by Hengda

1 Executive Summary

- 1.1.1 The Company was incorporated under the laws of the BVI on 12 February 2018.
- 1.1.2 Based on information available to the JLS, the Company was incorporated for the purpose of raising funding for the Evergrande Group via issuance of US\$ denominated senior notes and to target investment from outside the PRC.
- 1.1.3 As part of its fundraising efforts, the Company issued the Notes pursuant to the Indentures. Hengda provided credit support for the Notes pursuant to the Keepwell Agreements executed.
- 1.1.4 In 2023, CEG and the Company attempted to restructure its debts, but the proposed restructuring failed. On the basis that the Company was insolvent and was not able to pay the sums due in accordance with the terms of the Indentures and the Notes, PMC, in the capacity as the ultimate beneficial holder of the Notes, applied to the BVI Court on 16 August 2024 to wind up the Company.
- 1.1.5 On 18 November 2024, the Company was wound up by order of the BVI Court and Mr. Wesley Arthur Edwards, Mr. Edward Simon Middleton and Ms. Wing Sze Tiffany Wong were appointed as Joint and Several Liquidators of the Company.
- 1.1.6 Preliminary advice from K&E asserted that the Company has a prima facie case that Hengda breached its obligations under the Keepwell Agreements that if the Company establishes the Keepwell Claim against Hengda, it will be entitled to claim for its losses flowing from the breach of its obligations under the Keepwell Agreements. Pursuit of the Keepwell Claim will likely be the major activity in this liquidation.
- 1.1.7 This is the first report of the JLS, which has been prepared pursuant to Section 226 of the Act. The Report provides an update on the following: (i) assets and liabilities of the Company; (ii) initial investigations into the Company's affairs, and (iii) outline the JLS' next steps in their asset tracing efforts. The Report is intended to be preliminary in nature and the information contained herein may be subject to material change as the JLS continue their investigations.

2 Background

2.1 The Company

- 2.1.1 The Company was incorporated under the laws of the BVI on 12 February 2018 with registration number 1970476. The Company's registered agent is Bolder and its registered address is at Sea Meadow House, PO Box 116, Road Town, Tortola, BVI.
- 2.1.2 The Company is directly held by Tianji. Incorporated in the HKSAR, Tianji is an investment holding company directly held by Hengda, a company incorporated in the PRC.
- 2.1.3 The Company is an indirect subsidiary of CEG and part of the Evergrande Group. The Company, Tianji and Hengda are each entities within the Evergrande Group (with Hengda being the Evergrande Group's principal onshore PRC entity).
- 2.1.4 CEG was placed into liquidation by the High Court of the HKSAR on 29 January 2024.
- 2.1.5 The Evergrande Group is principally engaged in the development, investment, and management of property in the PRC. The Evergrande Group has over recent years suffered acute financial distress, culminating in a failed offshore restructuring effort and the liquidation of CEG.
- 2.1.6 As mentioned in section 1.1.2 of this Report, the Company was incorporated for the purpose of raising funding for the Evergrande Group via issuance of US\$ denominated senior notes and to target investment from outside the PRC.

2.2 Debt Structure

- 2.2.1 As part of its fundraising efforts, the Company issued the following Notes pursuant to their respective Indentures:

Notes	Outstanding Principal (US\$)	Final Maturity Date	Interest rate per annum	Interest Payment Dates
13.0% Senior Notes	644,000,000	6 November 2022	13%	6 May 6 November
13.75% Senior Notes	589,000,000	6 November 2023	13.75%	6 May 6 November
11.5% Senior Notes	1,999,000,000	24 October 2022	11.5%	24 January 24 July
12.0% Senior Notes	1,994,000,000	24 October 2023	12%	24 January 24 July

- 2.2.2 Citicorp International Limited acts as trustee of all of the Notes.

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- 2.2.3 The terms of each of the Indentures and Notes are materially identical. As credit support for the Notes, Hengda executed respective Keepwell Agreements. The Notes are also unconditionally and irrevocably guaranteed by Tianji and some of its subsidiaries.

2.3 Event of Default leading to Liquidation

- 2.3.1 Pursuant to the Indentures, an Event of Default occurred if:
- i. there is a default in payment of principal of (or premium, if any, on) the corresponding series of the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
 - ii. there is a default in payment of interest and such default continues for a period of 30 consecutive days.
- 2.3.2 The Notes matured on their final maturity dates and, in breach of the terms of the Indentures and the Notes, the Company did not pay the principal amounts outstanding and the associated accrued and unpaid interests due under each series of Notes on the respective final maturity dates.
- 2.3.3 The failure to repay the outstanding principal at maturity constituted an immediate Event of Default under each of the Indentures, and the failure to pay the interest constituted a further Event of Default under each of the Indentures after such default continued for 30 consecutive days.
- 2.3.4 As mentioned in section 1.1.4 of this Report, CEG and the Company's efforts to restructure failed. On 29 January 2024, CEG was wound up by the High Court of the HKSAR.
- 2.3.5 Following the failure of the group-wide restructuring, including the attempt to restructure the Notes, and the winding up of CEG, on 16 August 2024, PMC, an ultimate beneficial holder of the Notes, applied to wind up the Company on the basis that the Company is insolvent pursuant to Section 8(1)(c) of the Act.
- 2.3.6 On 18 November 2024, the Company was wound up by order of the BVI Court and Mr. Wesley Arthur Edwards, Mr. Edward Simon Middleton and Ms. Wing Sze Tiffany Wong were appointed as Joint and Several Liquidators of the Company.

3 Immediate Steps Taken Following Appointment

3.1 Contact with the Company's Director

- 3.1.1 Pursuant to Section 275 of the Act, on 21 November 2024, the JLs notified the Director of their appointment and requested, among other things, that the Director prepare and submit a SOA, complete and return a Director's questionnaire, deliver the Company's books and records to the JLs, and arrange to have an interview with the JLs by 16 December 2024.
- 3.1.2 On 6 December 2024, the Director (via his representative) returned an incomplete and unsworn SOA and Director's questionnaire. The Director failed to indicate when the information stated therein was brought up to.
- 3.1.3 The incomplete SOA indicated that the Company had assets of 25,960,341,495.02, but the Director did not provide any further details pertaining to this balance, including failing to specify its currency. The JLs believe, however, that the currency is stated in RMB. Please refer to section 4.1 of this Report for the JLs' further observations in relation to the Company's assets position.
- 3.1.4 Additionally, the incomplete SOA indicated that the Company had preferential creditors of 39,654,523,604.26, again without specifying its currency. The JLs observe that this amount in fact represents to the outstanding balance in relation to the Notes, and should not be classified as preferential. Please refer to section 5.1 of this Report for the JLs' further observations in relation to the Company's liabilities position.
- 3.1.5 Due to the apparent errors of the information stated in the incomplete SOA and the lack of response to the JLs' other requests, the JLs further wrote to the Director requesting further clarification and requiring him to deliver a completed and sworn SOA as well as the books and records of the Company to the JLs by 23 December 2024.
- 3.1.6 On 24 December 2024, the Director (via his representative) replied saying that the SOA has been completed as thoroughly as possible based on the information available, and invited the JLs to collect the books and records of the Company from the correspondence address of the Director in Hong Kong.
- 3.1.7 On 27 December 2024, the JLs wrote to the Director reiterating that the response of the Director was unsatisfactory and invited him again to have an interview with the JLs.
- 3.1.8 On 3 January 2025, the JLs' representatives attended the correspondence address of the Director in Hong Kong and collected the books and records of the Company from the Director's representative. The Director was not present at the time when the collection took place. Please refer to section 3.2.3 of this Report for more details on the books and records of the Company collected by the JLs.
- 3.1.9 Upon preliminary review of the books and records collected on 3 January 2025, the JLs noted that certain documents were missing, for example, the audit reports for the years ended 2018 and 2020, minutes and resolutions of the board of directors and shareholders, etc. On 8 January 2025, the JLs wrote to the Director to account for the missing documents. As of the date of this Report, the Director has not yet provided a response.

3.2 Books and Records Collection

- 3.2.1 On 21 November 2024, the JIs wrote to the Company and Bolder respectively, notifying them of the JIs' appointment and requesting them to deliver to them any of the Company's books and records in their possession.
- 3.2.2 On 9 December 2024, the JIs wrote to Bolder to follow-up on their letter dated 21 November 2024 regarding the information and documents request. Bolder provided an initial suite of documents, including the Company's registers of directors and members, on 11 December 2024.
- 3.2.3 As stated in section 3.1.9 above, the JIs recovered certain books and records from the Director's representative. These include management accounts and a trial balance of the Company both dated 18 November 2024, audit reports for the years ended 2019, 2021 and 2022, and general ledgers and vouchers. Please refer to Appendix A3 for details of the unaudited management accounts as of 18 November 2024 and to Appendix A4 for the statement of financial position of the Company extracted from the audit report for the year ended 2022.

3.3 Contact with the Auditors of the Company

- 3.3.1 The JIs noted from the Director's questionnaire and the books and records collected on 3 January 2025 that Prism performed the audit of the financial statements of the Company for the years ended 2021 and 2022 whilst PwC had performed the audit of the financial statements of the Company for the year ended 2019. According to the Director's questionnaire, the audit report for the year ended 31 December 2022 was the last audit performed.
- 3.3.2 On 8 January 2025, the JIs wrote to Prism and PwC respectively seeking, among other things, their assistance in the provision of the financial information of the Company.

4 Assets

4.1 Assets Position as of 18 November 2024

- 4.1.1 A review of the unaudited management accounts as of 18 November 2024 indicated that the Company's assets position at that time was as follows:

	RMB	*US\$ Equivalent
Current Assets		
Cash and cash equivalent	2,933.69	410.88
Other receivables	25,960,231,858.83	3,635,886,814.96
Total Current Assets	25,960,234,792.52	3,635,887,225.84
Total Assets	25,960,234,792.52	3,635,887,225.84

**Exchange rate of US\$1 to RMB7.14 is adopted for reference*

- 4.1.2 The JLs note that the value of "total assets" stated in the incomplete SOA is consistent with amounts recorded in the management accounts as of 18 November 2024. Based on the accounting records recovered by the JLs, "Other receivables" represents the intercompany receivables owed by Tianji and Shengyu.
- 4.1.3 When comparing the position of "Other receivables" as stated in the audit report for the year ended 31 December 2022 with the balance as recorded in the management account as of 18 November 2024, the balance has increased by approximately RMB9.8 billion during the period. Based on the preliminary review of the accounting records, the increment is derived from (i) intercompany transactions between the Company and Tianji / Shengyu; and (ii) the impairment allowance for the intercompany balances provided for the year ended 31 December 2022.
- 4.1.4 As shown above, the "cash and cash equivalent" and the "intercompany receivables" appear to be the Company's only assets. As of the date of the Report, the JLs are still reviewing the books and records of the Company to identify any potential realisations.

4.2 Identification of Bank Accounts and Securities Accounts

- 4.2.1 On 29 November 2024, the JLs wrote to all the member banks registered with the Hong Kong Association of Banks to, among other things, ascertain whether the Company maintains/maintained accounts with them.
- 4.2.2 Similarly, on 9 December 2024, the JLs wrote to all institutions holding "Type 1" licence (Dealing in securities) issued by the SFC in Hong Kong to, among other things, ascertain whether the Company maintains/maintained securities accounts with them.

- 4.2.3 On 20 December 2024, Industrial and Commercial Bank of China (Asia) Limited advised that the Company maintained accounts with them and the account balance as at 18 December 2024 was US\$ 416.83. The bank also provided the JLs with bank statements of the Company's bank accounts for the period from 1 November 2022 to 30 November 2024, and the JLs are currently reviewing the same.
- 4.2.4 No other bank or securities accounts have been identified by the JLs as of the date of the Report.

4.3 Keepwell Claim

- 4.3.1 Apart from the assets identified above, the JLs also noted that the potential Keepwell Claim may also constitute a potential significant recovery to the creditors of the Company.
- 4.3.2 The JLs entered into discussion with K&E to obtain preliminary advice in respect of the Company's Keepwell Claim against Hengda.
- 4.3.3 Preliminary advice from K&E is that the Company has a prima facie case against Hengda for breach of its obligations under the Keepwell Agreements, including the obligations to ensure that the Company had sufficient liquidity to repay the Notes, that the Company has a positive Consolidated Net Worth, and that the Company was solvent at all times.
- 4.3.4 With respect to the quantum of the claim, K&E has further advised that if the Company establishes the Keepwell Claim against Hengda, it will be entitled to claim for its losses flowing from the breaches of its obligations under the Keepwell Agreements. As a minimum, this would be for the amount outstanding under the Notes.
- 4.3.5 Due to the limited available recovery in the liquidation, the JLs intend to source funding, either from the creditors or from specialist litigation funders and are in discussions with K&E in estimating the budget for pursuing the Keepwell Claim.

5 Liabilities

5.1 Creditors

- 5.1.1 On 18 November 2024, PMC successfully applied to wind up the Company. The basis of the outstanding debts is set out in the BVI Court applications to appoint the JLs over the Company and is outlined in Section 2 of the Report.
- 5.1.2 In summary, the following sums totalling no less than US\$ 6,379,785,000 were due and payable by the Company on the respective maturity dates were claimed in the documents filed with the BVI Court:
- i. the principal amount outstanding under each series of Notes, which amounts to US\$5,226,000,000;
 - ii. all accrued and unpaid interest, including interest due on the last Interest Payment Dates, which amounted to US\$ 1,153,785,000 as of the respective final maturity dates; and
 - iii. all other amounts accrued and unpaid under the corresponding series of Notes.
- 5.1.3 Meanwhile, the Company's unaudited management accounts as of 18 November 2024 indicated that the Company's liabilities position at that time was as follows:

	RMB	*US\$ Equivalent
Current Liabilities		
Other payables	3,033,851,204.26	424,909,132.25
Total Current Liabilities	3,033,851,204.26	424,909,132.25
Non-current Liabilities		
Notes payables	36,620,672,400.00	5,128,945,714.29
Total Non-current Liabilities	36,620,672,400.00	5,128,945,714.29
Total Liabilities	39,654,523,604.26	5,553,854,846.54

**Exchange rate of US\$1 to RMB7.14 is adopted for reference*

- 5.1.4 The JLs noted that the amount of preferential creditors (i.e. 39,654,523,604.26) stated in the incomplete SOA as mentioned in section 3.1.4 above is equivalent to the total liabilities of the Company as of 18 November 2024. Upon reviewing the accounting records collected on 3 January 2025, it is noted that "Other payables" represents the interest payable under the Notes.
- 5.1.5 The JLs also noted that the amount of "Other payables", i.e. interest payable, as of 18 November 2024 is far less than the accrued and unpaid interest claimed by PMC as indicated in section 5.1.2 above, this could be caused by the different methodology adopted in calculating the interest or that the Company has not been updating its accounting records. The JLs will investigate into the discrepancy when adjudicating the creditors' claims.

5.2 Adjudication of Claims

- 5.2.1 The JLs have not yet required creditors to submit claims and, pursuant to Section 209(6A) of the Act, the JLs will not admit or reject any creditor claims until the Company has sufficient assets to enable a distribution to be made to creditors.

6 Statutory and Administrative Matters

6.1 Notice of appointment of liquidators

- 6.1.1 Pursuant to Section 178 of the Act, on 21 November 2024, the JLs issued a notice of appointment to:
- i. The BVI Registry of Corporate Affairs;
 - ii. The Company;
 - iii. The Director; and
 - iv. Bolder.

6.2 Advertisements

- 6.2.1 Pursuant to Section 178 of the Act, the JLs advertised their appointment in:
- i. The BVI Beacon, a local newspaper circulating in the BVI, on 28 November 2024; and
 - ii. The Virgin Islands Gazette, the official publication of the Government of the Virgin Islands, on 5 December 2024.

6.3 Statement of Affairs

- 6.3.1 As mentioned in section 3.1 of this Report, the JLs requested that the Director prepare and submit a SOA pursuant to Section 275 of the Act, but no complete and sworn SOA has yet been submitted by the Director.

6.4 Creditors' Meeting

- 6.4.1 In accordance with Section 183 of the Act, the JLs formed the view that, having regard to the assets and liabilities of the Company and the likely result of the liquidation of the Company, it was not necessary for a meeting of creditors to be held pursuant to Section 179 of the Act.
- 6.4.2 Accordingly, a meeting of creditors will not be called unless 10 per cent in value of the creditors give written notice to the JLs.
- 6.4.3 A Creditors' Committee has not been established.

6.5 Reporting

- 6.5.1 This Report meets the JLs' statutory reporting requirements pursuant to Section 226 of the Act. In line with Section 226(1)(a) of the Act, the JLs make the following statements:
- 6.5.2 The latest registers of members, dated 23 April 2018, showed the Company had 1 authorised ordinary share, fully issued and paid up by Tianji.

- 6.5.3 The Company's failure, resulting in the appointment of JLS, was due to its inability to pay its debts as they fell due. This occurred despite an attempt to restructure the Notes through a group-wide restructuring, which ultimately failed.
- 6.5.4 The JLS' investigations are ongoing, including making enquiries with respect to the promotion, formation or insolvency of the Company or the conduct of the business or affairs of the Company and possible claims under Part IX of the Act.

7 Next Steps

- 7.1.1 Investigations into the Company's affairs are ongoing, with the JLs' key workstreams over the coming months including, but not limited to:
- iii. Finalising and delivering the asset recovery strategy through consulting with the lawyers to analyse of the merits of the Keepwell Claim and concluding on the pros and cons of possible jurisdictions to commence enforcement and recognition;
 - iv. Consulting legal advisors in the PRC to obtain preliminary advice in respect of enforcement of the Keepwell Claim in the PRC;
 - v. Carrying out other material tasks, including:
 - a) Reviewing the Company's books and records;
 - b) Reviewing and exploring potential realisations and sources of recovery; and
 - c) seeking the completion of the Director's SOA.
 - vi. To commence adjudication of any creditor claims received, notifying each creditor on the outcome of such adjudication and prepare for a dividend to those creditors admitted in the liquidation as and when there are sufficient assets to distribute.
- 7.1.2 Should you have any queries regarding any of the information contained within the Report or the liquidation more generally, please contact the JLs at ProjectJourney@alvarezandmarsal.com.



Wesley Edwards
Joint and Several Liquidator

A1 Court Order of the JLs' Appointment



IN THE EASTERN CARIBBEAN SUPREME COURT
IN THE HIGH COURT OF JUSTICE
VIRGIN ISLANDS
COMMERCIAL DIVISION

Submitted Date:18/11/2024 15:23

Filed Date:18/11/2024 15:24

Fees Paid:72.59

CLAIM NO. BVIHCM 0393 OF 2024

IN THE MATTER OF SCENERY JOURNEY LIMITED
AND IN THE MATTER OF THE INSOLVENCY ACT 2003

BETWEEN

PURPLE CHRYSANTH MASTER, LLC

APPLICANT

AND

SCENERY JOURNEY LIMITED

RESPONDENT

ORDER

BEFORE: The Honourable Justice Abbas Mithani (Ag)

DATED: 18 November 2024

ENTERED: 19 November 2024

UPON the Applicant's originating application dated 16 August 2024 for the appointment of liquidators to the Respondent, Scenery Journey Limited (*Company*) (*Application*)

AND UPON the Application coming on for a hearing on 7 October 2024 before the Honourable Justice Wallbank

AND UPON his Lordship Justice Wallbank making an Order dated 7 October 2024 adjourning the Application to 18 November 2024, with the Company required to, among other things, file and serve evidence in response to the Application setting out its proposal for settling or other otherwise compromising the debt within a reasonable timeframe by 4pm on Monday, 11 November 2024

AND UPON the Court reading (a) the First Affidavit of Ruben Daniel Kliksberg dated 16 August 2024 and exhibit RDK-1 thereto, filed in support of the Applicant's originating application; (b) the First Affirmation of Celine Kee Hwee Min dated 2 October 2024 and exhibit CHK-1 thereto; (c) the Applicant's Skeleton Argument dated 2 October 2024; (d) the Applicant's Skeleton Argument dated 14 November 2024; (e) the Company's Notice of Intention to Appear filed on 4 October 2024; (f) the Witness Statement of Chen Daiping and exhibit CD-1 thereto; (g) First Affirmation of Chen Daiping dated 11 November 2024 and exhibit CD-2; (h) Notice of Intention to Appear filed by Warlander Partners Cayman SPV, Ltd; and (i) Notice of Intention to Appear filed by Purple Chrysanth DD3, LLC

AND UPON HEARING James Petkovic and André McKenzie of Harney Westwood & Riegels LP, counsel for the Applicant and Stuart Cullen of Dentons (BVI) Corp, counsel for the Company

IT IS HEREBY ORDERED that:

- 1 The Company be put into liquidation and wound up by the Court pursuant to sections 159(1)(a) and 162(1)(a) of the Insolvency Act 2003 (**Act**).
- 2 Mr Wesley Arthur Edwards of Alvarez & Marsal (BVI) Limited, of 2nd Floor Palm Grove House, P.O. Box 3340, Road Town, Tortola, British Virgin Islands, VG1110, and Mr Edward Simon Middleton and Ms Wing Sze Tiffany Wong, both of Alvarez & Marsal Asia Limited, of 4/F, St. George's Building, 2 Ice House Street, Central, Hong Kong be appointed as joint and several liquidators (the **Liquidators**) of the Company. For the avoidance of doubt, section 493 of the Act applies.
- 3 The Liquidators shall have the powers necessary to carry out the functions and duties of a liquidator under the Act, in the British Virgin Islands or elsewhere, including the powers specified in Schedule 2 of the Act, namely the powers, to:
 - (a) pay any class of creditors in full;
 - (b) make a compromise or arrangement with creditors or persons claiming to be creditors, or having or alleging that they have any claim against the Company, whether present or future, certain or contingent, ascertained or not;
 - (c) compromise, on such terms as may be agreed:
 - (i) calls and liabilities to calls, debts and liabilities capable of resulting in debts, and claims, whether present or future, certain or contingent, ascertained or

not, subsisting or supposed to subsist between the Company and any person;
and

- (ii) questions in any way relating to or affecting the assets or the liquidation of the Company;

and take security for the discharge of any such call, debt, liability or claim and give a complete discharge in respect of it;

- (d) commence, continue, discontinue or defend any action or other legal proceedings in the name and on behalf of the Company;
- (e) carry on the business of the Company so far as may be necessary for its beneficial liquidation;
- (f) sell or otherwise dispose of property of the Company;
- (g) do all acts and execute, in the name and on behalf of the Company, any deeds, receipts or other documents;
- (h) use the Company's seal;
- (i) prove, rank and claim in the bankruptcy, liquidation, insolvency or sequestration of any member or past member for any balance against their estate, and to receive dividends, in the bankruptcy, liquidation, insolvency, sequestration or in respect of that balance, as a separate debt due from the bankrupt or insolvent, and rateably with the other separate creditors;
- (j) draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the Company with the same effect with respect to the Company's liability as if the bill or note had been drawn, accepted, made or endorsed by or on behalf of the Company in the course of its business;
- (k) borrow money, whether on the security of the assets of the Company or otherwise;
- (l) take out in their official names, letters of administration to any deceased member or past member or debtor, and to do any other act necessary for obtaining payment of any money due from a member or past member or debtor, or their estate, that cannot conveniently be done in the name of the Company;

For the purpose of enabling the Liquidators to take out letters of administration or do any other act under this paragraph, to be due to the Liquidators themselves;

- (m) call meetings of creditors or members for:
 - (i) the purpose of informing creditors or members concerning the progress of or matters arising in the liquidation;
 - (ii) the purpose of ascertaining the views of the creditors or members on any matter arising in the liquidation; or
 - (iii) such other purpose connected with the liquidation as the Liquidators consider fit;
- (n) appoint or employ:
 - (i) solicitors, accountants or other professionally qualified persons to assist the Liquidators in the performance of their duties; and
 - (ii) any other agents to do any business that the Liquidators are unable to do themselves, or which can be more conveniently done by an agent;
- (o) and to agree from time to time with such solicitors or agents the hourly rates for the performance of their duties or business;
- (p) locate, protect, secure and take possession or control of all books, records and other documents of the Company, including accounting and statutory records, wherever located and in whatever form. For the avoidance of doubt, the Liquidators shall have the power to request that the directors of the Company's subsidiaries hand over all books, records and other documents of the Company's subsidiaries;
- (q) take over, supervise, direct and manage the affairs of the Company;
- (r) investigate the affairs of the Company (including their historic transactions) and determine whether the Company has rights or claims pursuant to which it or the Liquidators can recover assets, and to obtain information and documents for this purpose;
- (s) seek recognition and/or the appointment of the Liquidators in any jurisdiction they consider necessary, together with such other relief as they may consider necessary for the proper exercise of their functions in those jurisdictions;

- (t) exercise any and all rights that the Company may have as a shareholder of its subsidiaries or any other entities in which it has invested, in the name and on behalf of the Company, including but not limited to exercising voting rights of the Company and its subsidiaries;
- (u) prepare and negotiate any international protocol with any officer appointed by a foreign court of competent jurisdiction in order to set out the terms upon which the Liquidators will co-operate and co-ordinate the affairs and investigations in respect of the Company or any related entity or individual with that foreign officer. Any final agreement arising out of such preparation and negotiation to be subject to the leave of this Court; and
- (v) the power to appoint or remove any director or legal representative of the Company.

4 The powers of the Liquidators set out in paragraphs 3(a) to 3(d) shall only be exercisable with the sanction of the Court. The other powers of the Liquidators shall be exercisable without requiring sanction.

5 The costs of the liquidation, including the fees and disbursements of the Liquidators, be paid out of the assets of the Company and in priority to all other claims.

6 The costs of this application be paid out of the Company's assets as costs in the liquidation of the Company.

BY ORDER OF THE COURT



Dep. REGISTRAR

**IN THE EASTERN CARIBBEAN SUPREME COURT
IN THE HIGH COURT OF JUSTICE
VIRGIN ISLANDS
COMMERCIAL DIVISION
CLAIM NO. BVIHCM 0393 OF 2024**

**IN THE MATTER OF SCENERY JOURNEY LIMITED
AND IN THE MATTER OF THE INSOLVENCY ACT 2003
BETWEEN:**

PURPLE CHRYSANTH MASTER, LLC

Applicant

AND

SCENERY JOURNEY LIMITED

Respondent

ORDER

Harney Westwood & Riegels LP
Legal Practitioners for the Applicant
Craigmuir Chambers, PO Box 71
Road Town, Tortola
British Virgin Islands
REF: 064006/0001.CAR/CLG

HARNEYS

A2 Statutory Information – Scenery Journey Limited (in Liquidation)

Company Number:	1970476
Date of incorporation:	12 February 2018
Registered Agent:	Bolder Corporate Services (BVI) Limited Sea Meadow House P.O. Box 116 Road Town Tortola
Director:	Daiping Chen
Date Appointed:	28 August 2021
Date Ceased:	N/A
Former Director:	Hanling Pan
Date Appointed:	23 April 2018
Date Ceased:	28 August 2021

A3 Unaudited Statement of Financial Position of the Company as of 18 November 2024

	RMB
Current Assets	
Cash and cash equivalent	2,933.69
Other receivables	25,960,231,858.83
Total Current Assets	25,960,234,792.52
Total Assets	<u>25,960,234,792.52</u>
Current Liabilities	
Other payables	3,033,851,204.26
Total Current Liabilities	3,033,851,204.26
Non-current Liabilities	
Notes payable	36,620,672,400.00
Total Non-current Liabilities	36,620,672,400.00
Total Liabilities	39,654,523,604.26
Equity	
Capital	6.86
Undistributed Profit	-13,694,288,818.60
Total Equity	-13,694,288,811.74
Total Liabilities and Equity	<u>25,960,234,792.52</u>

**A4 The Statement of Financial Position of the Company
extracted from the Audit Report for the year ended 31
December 2022**

SCENERY JOURNEY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	<u>2022</u> RMB'000	<u>2021</u> RMB'000
CURRENT ASSET			
Other receivables	13	<u>16,180,061</u>	<u>11,826,409</u>
TOTAL ASSET		<u>16,180,061</u>	<u>11,826,409</u>
CURRENT LIABILITIES			
Other payables	14	5,651,370	1,491,365
Borrowings	15	<u>36,352,508</u>	<u>33,175,271</u>
		<u>42,003,878</u>	<u>34,666,636</u>
TOTAL LIABILITIES		<u>42,003,878</u>	<u>34,666,636</u>
EQUITY			
Share capital		-	-
Accumulated losses		<u>(25,823,817)</u>	<u>(22,840,227)</u>
DIFICIENCY IN EQUITY		<u>(25,823,817)</u>	<u>(22,840,227)</u>
TOTAL EQUITY AND LIABILITIES		<u>16,180,061</u>	<u>11,826,409</u>

Appendix 2 - Summary of Potential Tianji Group Assets

IMPORTANT NOTE: The claim values detailed below are subject to asset realisation and / or the outcome of the litigation and/or the final settlement amount agreed with the counterparty. Further, certain claims were made by subsidiaries, and the ultimate proceeds available to Tianji will depend on the debt obligations at the subsidiary level and the final amount distributed to Tianji. These amounts are indicated and subject to change.

Potential Claims	Entity	Claim Amount (US\$)	Realised to Date (US\$)	Reference
Mainland				
Intercompany Claims against top ten projects	Tianji's subsidiaries	755	-	Section 5.2
Intercompany Claims against remaining 33 projects	Tianji's subsidiaries	123	-	Section 5.3
Total Mainland		878	-	
Non-Mainland				
YF Life Centre	Pioneer Time Investment Limited	-	-	Section 6.2
Yuen Long Land Parcel	Profit Point Enterprises Limited	-	-	Section 6.2
3 rd Party Receivable	Tianji's subsidiary	39	-	Section 6.3
Equity interest in Investment Company	Tianji's subsidiary	384	-	Section 6.4
Tuen Mun Project	Tianji	153	-	Section 6.5
Receivable due from Fortune Choice of Tuen Mun Project	Profit Concept	21	-	Section 6.5
Tuen Mun Project (private credit fund transaction)	Tianji	66	-	Section 6.5
Mortgage portfolio	Profit Concept	11.7	3.7	Section 6.6
ListCo Shares	Jovial Idea Developments Limited	1.1	0.9	Section 6.7
Quincecare Claim	Tianji's subsidiary	[Confidential]	-	Section 6.8
Total Non-Mainland		675.8	4.6	
TOTAL		1,553.8	4.6	