

Unlocking Value in Special Situations

Are you struggling to maximise value in a complex financial situation and finding it challenging to achieve your specific objectives?

At PwC, our specialists thrive on transforming challenges into opportunities through innovative solutions. Whether you're a debtor or creditor, our team has a proven track record of unlocking value in distressed scenarios. By employing inventive strategies and agile problem-solving, we ensure rapid intervention to preserve value. Our expertise also extends to navigating complex cross-border disputes with strategic finesse.

Discover how our creative and professional approaches have driven successful resolutions in financial distress cases to deliver tangible and measurable value for our clients.

FTX Digital Markets – Provisional and Official Liquidation of a major Cryptocurrency Exchange with claims exceeding US\$10 billion

- FTX Digital Markets ("FTX Digital"), one of the largest licensed cryptocurrency exchange entities, entered into provisional liquidation in the Bahamas. We were appointed by the Supreme Court as the Joint Provisional Liquidators and Joint Official Liquidators to oversee the process.
- FTX Digital managed a sophisticated network of over 130 entities serving 1.3 million customers across 230 jurisdictions. The liquidation process has been further complicated by the Chapter 11 Bankruptcy Proceedings in the US for a majority of these entities, which has posed significant hurdles for asset recovery.
- Our investigations focused on trust assets and the commingling of funds between shareholders and customers. We have successfully negotiated cooperation agreements with US debtors, significantly enhancing asset recovery efforts and effectively identifying creditors.
- We secured Chapter 15 recognition of the liquidation estate in the US, facilitating coordinated legal actions.
 After extensive negotiations, a Global Settlement Agreement with US debtors to pool assets for distribution was reached.
- To expedite the claims process, we developed a proprietary tech platform to streamline the claim adjudication, customer vetting and the distribution process.
- We are currently managing the sale of the property portfolio in the Bahamas valued at approximately US\$250 million.
- Our expertise in navigating complex cross-border legal challenges in competing jurisdictions, combined with our innovative technology solutions, have been instrumental in advancing this ongoing liquidation process to maximise returns to the creditors.

Hong Kong Airlines – Successful US\$6.2 billion debt restructuring of a major Hong Kong-based airline

- Hong Kong Airlines ("HKA"), the second-largest airline based in Hong Kong, faced significant challenges in repaying its debt and was under the threat of a winding-up petition from dissenting creditors.
- To minimise operational disruption and to satisfy regulatory requirements, it was imperative for HKA to develop swiftly a robust and viable restructuring plan.
- As the financial adviser to HKA, we mobilised our aviation specialists to explore and guide HKA through various restructuring options that could secure majority creditor support.
- We played a pivotal role in supporting HKA to craft a comprehensive restructuring plan, negotiate with creditors and potential investors, and formulate tailored legal strategies.
- The US\$6.2 billion debt restructuring was effected via the first of its kind parallel HK Scheme and UK Restructuring Plan which was both approved by creditors and sanctioned by the respective courts within a twelve-month window. This trailblazing approach achieved a win-win outcome for all stakeholders.
- The successful restructuring positioned HKA to capitalise on the revival of regional aviation while rebuilding public trust. The winding up petition was dismissed and we continue to serve as Scheme Administrators to ensure effective implementation of the restructuring plan.
- Our innovative approach in pioneering a parallel Hong Kong Scheme of Arrangement and UK Restructuring Plan, coupled with our cross-functional collaboration and regional efforts, has been instrumental in assisting HKA with negotiating a successful restructuring with its creditors.



Contact us





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China Aoyuan Group – Successful offshore debt restructuring of a major PRC real estate developer during a liquidity crisis

- China Aoyuan Group ("China Aoyuan"), a prominent privatelyoperated PRC real estate developer listed in Hong Kong, encountered a significant liquidity crisis due to challenging market conditions and operational strategies, culminating in an official default in December 2021.
- As the financial adviser to China Aoyuan's offshore syndicate lenders, we conducted a thorough assessment of the underlying issues. We evaluated the proposed offshore debt restructuring scheme to ensure its key components and terms were viable and aligned with the interests of the syndicate lenders. Simultaneously, we monitored the primary offshore accounts of China Aoyuan and the progress of its asset disposals.
- Leveraging our deep negotiation expertise, we played a crucial role in facilitating discussions between the syndicate lenders and China Aoyuan helping the lenders to have their top priorities addressed by China Aoyuan in its restructuring proposal.
- Following the restructuring, we were appointed as the postrestructuring monitoring accountant to oversee the operations of real estate projects and key bank accounts associated with the Scheme. Our role has enable us to significantly enhance information transparency to safeguard creditors' interests and optimise performance.
- This case exemplifies our capability in advising on China real estate situations, showcasing our ability to strategically support creditors in their negotiation with debtor companies.



Cheung Kei Centre, Hung Hom – Receivership for a Grade A commercial building with an estimated market value of over HK\$4 billion

- Following a payment default, the syndicate lenders exercised their creditors' rights and appointed us as receivers over Cheung Kei Centre which has a Gross Floor Area of approximately 280,000 sq.ft. (equivalent to about 100 tennis courts).
- Upon our appointment as Receivers, we efficiently managed leasing matters to sustain rental income, thereby maximising the asset's value and providing funding for the receivership.
- We provided regular updates to syndicate lenders, detailing the progress of negotiations with all relevant stakeholders. Our commitment to transparency fostered trust and confidence among all parties involved.
- We took prompt actions to deal with disputes arising from the distressed situation through exploring consensual solutions with various parties, achieving an optimal balance between cost and return.
- We drew upon our extensive client network to solicit offers from potential investors, and structure exit options that maximise value for creditors.

Grand Homm, Hong Kong– Receivers over 400 new residential units with a valuation of over HK\$10 billion

- Following a payment default by the mortgagor, we were appointed as receivers over all unsold units and the project company of the Grand Homm development in Ho Man Tin. Initially, the mortgagor vigorously contested the validity of our appointment which hampered our ability to discharge our duties. However, after deploying robust litigation strategies, we quickly removed these obstacles and took control of the development.
- We gained the trust of the main contractor, other professional parties and the property manager all of whom had significant outstanding liabilities and were seriously concerned about their exposures. We collaborated with them on plans that enabled the completion and smooth handover of the development.
- At the time of our appointment, some of the units had already been sold but a number of these transactions had yet to be completed or handed over. Our team dedicated significant efforts to negotiate with relevant parties to facilitate the completion of these transactions, ultimately enhancing recovery for our appointor.
- This receivership needed to be conducted in compliance with the Residential Properties (First-hand Sales) Ordinance. Drawing on our experience in similar projects and our deep understanding of the local property market, we ensured full compliance with the relevant requirements whilst managing associated costs effectively.
- We engaged an experienced sale consultancy team to develop and implement robust sales and marketing strategies. Despite the challenging economic environment, we achieved impressive sales velocity and recovery for the appointor.
- Our extensive experience in managing large-scale residential development projects, coupled with our comprehensive approach to overcoming legal and operational challenges, has been pivotal in maximising recovery in receivership sales.

Real Estate Portfolio of Hong Kong's late"shop king" Family — Maximising value across diversified real estate assets

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- We were appointed as the receivers over a diverse portfolio of real estate assets including commercial, residential, and hospitality properties by various lenders. Our strategic management approach focuses on enhancing asset value, engaging potential purchasers, and ensuring compliance with market regulations.
- We coordinated with the mortgagor to ensure minimal disruption to the existing leasing and hospitality operations, and collaborated with property management companies to identify cost-saving measures and enhance occupancy rates. This proactive approach ensured the preservation of value of the assets to the greatest extent.
- Working closely with real estate agents, we developed realisation strategies tailored to current market conditions focusing on identifying buyers capable of operating specific properties for their designated purposes.
- Despite the challenging market and the unique status of the asset portfolio, we successfully secured prominent investors for several assets.
- These projects highlight our strategic management of receiverships, and showcases our ability to navigate complex relationships between tenants, banks, and other relevant parties. Our experienced approach not only maximises asset value but also ensures seamless communication throughout the process.