



Neutral Citation Number: [2025] CIGC (FSD) 103

Cause No: FSD 2014-0086 (JAJ)

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

IN THE MATTER OF THE COMPANIES ACT (2013 REVISION)

**AND IN THE MATTER OF HUIYUAN COWINS TECHNOLOGY GROUP LIMITED
(PREVIOUSLY KNOWN AS MAYER HOLDINGS LIMITED)**

Appearances: **Mr Guy Dilliway-Parry and Ms Rachel Kelly of Priestleys for the Company**
 Mr Christopher Young of Forbes Hare in attendance for Bumper East Ltd
 The petitioner was not represented and did not appear

Before: **The Honourable Justice Jalil Asif KC**

Heard: **3 October 2025**

Ex tempore judgment delivered: **3 October 2025**

Finalised judgment approved: **30 October 2025**

Payment out of money in court paid by way of security where purpose for security no longer applies

JUDGMENT

A. Judgment on application for adjournment

1. By an application made by Mr Lai Yueh Hsing by letter and affirmation dated 15 September 2025, Mr Lai invites me to adjourn the hearing of the substantive summons issued on behalf of the company. Mr Lai makes his request for the adjournment on the basis that he is not well and he has not been able to engage attorneys to represent him in relation to the company's summons.
2. Mr Dilliway-Parry, who appears for the company, argues, firstly, that this is a very late application. He notes that Mr Lai and his attorneys in Hong Kong have had notice of the summons since 9 July 2025. In other words, it has taken Mr Lai approximately two months to put forward his application for an adjournment, which was made approximately 2 weeks before the date fixed for the hearing of the summons. It seems to me that it is a little late in the day for Mr Lai to be making his application, but it is not so late that I should reject his application for an adjournment on that basis.
3. Secondly, Mr Dilliway-Parry, urges upon me that there is no evidence at all presented by Mr Lai to support his assertion of ill health and that there is no evidence or explanation to demonstrate that he has not been able to engage attorneys in the Cayman Islands. It is right to record that Mr Lai has clearly been able to engage Jones Day in Hong Kong in relation to proceedings that are ongoing there in order to receive legal advice and assistance. Indeed, I have been shown, amongst other things, the Notice of Intention to Proceed with a Hong Kong action that I will come back to in a moment, which was served on behalf of Mr Lai by Jones Day on 11 September 2025, some four days before Mr Lai's application to me.
4. I consider that Mr Dilliway-Parry is right that there is really no supporting evidence to back up the reasons why Mr Lai seeks the adjournment. So that is something to weigh in the balance when determining whether or not to grant the adjournment that he seeks.

5. More importantly, it seems to me that there is no attempt by Mr Lai in his letter or in his affirmation to indicate that he has any substantive objection to at least the company's request for payment out of the costs to which it is entitled.
6. Beyond that, there is also no indication by Mr Lai of any intended basis for objecting to a payment out of the balance of the monies standing in court. It is at this stage that the ongoing Hong Kong proceedings are relevant. My understanding is that the proceedings in Hong Kong in Action Number 1802 of 2023 are essentially a parallel claim by Mr Lai for recovery of the monies that he says he is owed by Mayer Holdings Limited, which was the original name of the company, and which provides the original justification for Henderson J having ordered the payment into court to have been made as long ago as 2014.
7. In those circumstances, it is difficult to see what meritorious reason Mr Lai might have to resist any payment out of the monies in court in the Cayman Islands, given that his clear intention is to pursue remedies in Hong Kong in relation to the sums that he says he is owed, in preference to the Cayman Islands.
8. Looking at the matter in the round, both in terms of timing of the application, the reasons to support the requested adjournment, and the overall apparent merits of Mr Lai's intended opposition to the application, in my view, this is not an appropriate case to grant an adjournment. So, to the extent that there is an application for an adjournment made by affirmation, without a summons, I dismiss it.

B. Judgment on company's application for payment out of monies in court

9. This is my judgment on a summons filed on 18 June 2025 by the company in these winding up proceedings. The summons seeks payment out of a sum of slightly in excess of US \$1.4 million, which was paid into court as long ago as October 2014.
10. Very briefly, the circumstances which gave rise to that summons are that there were a number of contested disputes between persons interested in the company, which led to proceedings in the British Virgin Islands and in Hong Kong, amongst other places, and generated an application by Mr

Lai Yueh Hsing, who was formerly the Chief Executive Officer of the company, and who alleged that he had made loans to the company totalling some HK \$11 million.

11. In 2014, Mr Lai filed a winding up petition against the company and also applied for the appointment of joint provisional liquidators over the company. Those applications came before Henderson J who rejected the summons to appoint joint provisional liquidators and, in the course of doing so, ordered that a payment into court of the US dollar equivalent of HK \$11,030,000 should be made by or on behalf of the company. That order is dated 28 August 2014.
12. The payment into court was made on behalf of the company by a company called Bumper East Ltd, but I have seen evidence that the company subsequently repaid that sum to Bumper, and Bumper assigned all of its rights and interest in the money standing in court to the company, which I am satisfied gives the company sufficient standing to make the application before me today for payment out of those monies still in court.
13. The winding up proceedings were disposed of by Henderson J in November 2014, and in a judgment dated 7 November 2014, Henderson J said at the end of paragraph 2:

“24. [...] Overall, I am satisfied that Mr Lai is a creditor of the Company but the amount presently owing to him is in doubt.

25. The payment into court does not alter Mr Lai's status as a creditor. What it does do is demonstrate that his debt might be satisfied without the need to wind up with the Company. Aspiat and Bumper have said they are content to have the money paid out of court to the Company, which may then use it to make immediate repayment of whatever is owing to Mr Lai. Of course, if the company is insolvent, it may not prefer one creditor over another in this matter. Although the money paid into court might be viewed as security for Mr Lai's debt [...] the possession of a security interest does not disqualify a creditor from petitioning [...].”

And Henderson J gives references to various authorities that support those propositions, which I have omitted.

14. Henderson J concludes in paragraph 33 of his judgment:

“33. The petition is dismissed. If the board of directors is satisfied, after a reasonable investigation, that the company is solvent, the money now in court may be paid out to Mr Lai to satisfy that portion of the petition debt which is then found to be owing.”

15. That judgment is reflected in an Order of Henderson J dated 7 November 2014. In paragraphs 1, 2 and 4 of that Order, Henderson J ordered the following:

“1. The Petition is dismissed. If the Board of Directors is satisfied, after a reasonable investigation, that the Company is solvent, the money now in court may be paid out to the Petitioner to satisfy that portion of the Petition debt which is then found to be owing.

2. Subject to paragraph 1 herein, Aspial and Bumper and the Petitioner shall upon giving no less than 14 days’ notice have liberty to apply to the Court for the payment out of the money now in court.

[...]

4. The Company's costs of and occasioned by the hearing of the Petition to be paid by the Petitioner, to be taxed if not agreed.”

16. I will deal now with one point on paragraph 2 of the Order. Liberty to apply is granted in favour of Aspial, Bumper and the Petitioner, in other words Mr Lai, but I am satisfied on the basis of the assignment between Bumper and the company that the company is entitled to step into Bumper's shoes and to make its application to the court for payment out of the monies now in court.
17. Paragraph 1 of the Order requires the directors to be satisfied, after a reasonable investigation, that the company is solvent. I have seen assertions to that effect in the evidence before me, and there is no suggestion by Mr Lai that the company is not solvent or is not now solvent and so it seems to me that that aspect of paragraph 1 is satisfied.
18. Paragraph 1 then goes on to read that the money now in court may be paid out to the petitioner to satisfy that portion of the petition debt, which is then found to be owing. There is, upon the evidence I have seen, nothing to indicate that there is a debt owed to Mr Lai by the company. Mr Dilliway-Parry, who has appeared for the company before me today, has taken me through the attempts that the company has made to investigate the question of the amount of any debt owed to Mr Lai. I can summarise the outcome of those investigations very shortly, as follows.
- 18.1 In 2014, the new board of directors of the company, who had taken over due to internal disputes within the company, found that the company's office was locked by Mr Chan, who, on the evidence and on the finding of Henderson J, is an associate and ally of Mr Lai.
- 18.2 When the new board arranged for the lock to the premises that Mr Chen had placed there to be broken, the investigation team who went into the office, whilst they discovered some books and records and apparently spent 3 weeks reviewing those, determined that there was a large proportion of the company's books and records that were missing. More importantly, they did not have any access to the company's server or to a laptop left in the office that Mr Chan had previously been using.

- 18.3 The company took proceedings against Mr Chan when he failed to cooperate with the company by providing passwords to the company's IT systems. In those proceedings, Mr Chan denied that he had any of the books and records of the company or access to them and, perhaps somewhat unfortunately, the company did not press those proceedings further in order to seek any order that Mr Chan deliver up the passwords to the laptop and IT system which he must have had in order to be able previously to perform his functions as Chief Financial Officer.
- 18.4 In any event, the company then sought to enquire with its auditors, who also seem to have had limited information or documents available to provide to the company to substantiate the existence of Mr Lai's alleged loans to the company.
19. So, the material that the company has been able to identify has not established the existence of the petition debt.
20. During the course of argument, I raised with Mr Dilliway-Parry certain aspects of the investigations carried out by the company that seemed to me to be less enthusiastically pursued than they might have been, but I put those on one side because it is far more significant that throughout the period since 2014, when the order in question was made, Mr Lai has not himself put forward any documentary material to justify the existence of the alleged debt. Moreover, Mr Lai has commenced proceedings in Hong Kong for the debt that he alleges is owed to him by the company, rather than taking any steps in relation to the Cayman proceedings.
21. Those proceedings were issued on 7 November 2023, and I understand that a Notice of Intention to Proceed was served by Mr Lai in respect of those proceedings on 11 September 2025. I have a copy of that document in the bundle before me. In those circumstances, it is an easy inference to draw that Mr Lai has elected to pursue his claim to recovery of the monies that he alleges he lent to the company by way of the new proceedings in Hong Kong, in preference to the existing winding up proceedings in the Cayman Islands.
22. For those reasons, it seems to me that the company has taken reasonable steps to investigate the existence and amount of any debt owed by the company to Mr Lai. The company has not been able to identify any such debt. Mr Lai has not put forward any evidence to support the existence of that

debt and Mr Lai has clearly, in my judgment, focused his current attention on pursuing his alleged debt through the courts of Hong Kong, rather than the courts of the Cayman Islands. In my judgment, the conditions imposed by Henderson J as long ago as November 2014 have been satisfied, and I am satisfied it is appropriate to order payment out to the company of all of the monies that were paid into court together with any accrued interest on the money in court.

23. In case there is any appeal against that decision and in case it were to become relevant in the future, I conclude that if I had not made that determination that the full amount that is in court should be paid out to the company, I would in any event have ordered that the total sums covered by the cost certificates the company has obtained against Mr Lai, net of the amount of US \$65,000 previously paid to the company from money Mr Lai was ordered to pay by way of security for costs, which I understand totals US \$221,747.54, together with any accrued interest on those funds, should be paid out to the company in satisfaction of the cost certificates. Mr Dilliway-Parry has helpfully taken me to those cost certificates, the first of which is dated 30 September 2015 and is in the sum of US \$44,583.60, that is in respect of the winding up proceedings and secondly, a cost certificate in relation to an abandoned appeal by Mr Lai and that final cost certificate is dated 22 of October 2020, in the sum of US \$242,163.94. That latter certificate follows an interim cost certificate, dated 15 November 2018, which was in an initial sum of US \$96,687.29. So, if I had not concluded that it is appropriate to pay out the full amount, I would have ordered payment out of US \$221,747.54 plus accrued interest to the company.
24. In addition, the company should have its costs of the summons and of Mr Lai's application to adjourn from the Petitioner, to be taxed on the standard basis, if not agreed.

Dated 3 October 2025



**THE HONOURABLE JUSTICE JALIL ASIF KC
JUDGE OF THE GRAND COURT**