



GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

Neutral Citation Number: [2025] CIGC (FSD) 119

CAUSE NO: FSD 130 of 2025 (DDJ)

IN THE MATTER OF SECTION 46 OF THE COMPANIES ACT (2025 REVISION)

BETWEEN

SHANGHAI HONGTU NEV TECHNOLOGY PARTNERSHIP (LP)

Plaintiff

AND

HUMAN HORIZONS GROUP INC.

Defendant

Before: The Hon. Justice David Doyle

Appearances: Christopher Levers and Corey Byrne of Ogier (Cayman) LLP for the Plaintiff

Spencer Vickers and Clare Bradin of Conyers Dill & Pearman LLP for the Defendant

Heard: 28 November 2025

Draft Judgment circulated: 2 December 2025

Judgment delivered: 4 December 2025

Determination of a summons pursuant to section 46 of the Companies Act (2025 Revision) for the rectification of the register of members

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JUDGMENT

Introduction

1. On Friday 28 November 2025 I heard the Plaintiff's summons for an order pursuant to section 46 of the Companies Act (2025 Revision) ("Section 46") for the rectification of the register of members of the Defendant by striking out the Plaintiff's name which is presently recorded in the register as holding 25,144,392 Redeemable Convertible Series B Preferred Shares (the "Shares") in the Defendant, Human Horizons Group Inc. (the "Company").
2. I am grateful to the attorneys for their written and oral submissions.

The relevant law

3. I have considered Section 46 and the relevant case law including:
 - (1) *Nilon Ltd v Royal Westminster Investments S.A.* [2015] UKPC 2; [2015] B.C.C 52
 - (2) *Project Panther Limited v Comerica Bank and Trust N.A.* 2018 (2) CILR 543 (Smellie CJ as he then was)
 - (3) *SC Global Vision Fund SPC v Oasis Buono Limited* (FSD unreported judgment of Kawaley J as he then was, reasons delivered 8 July 2020)
 - (4) *Zhongzhi Capital (HK) Company Limited v Geopay Holding Limited* (FSD unreported judgment of Ramsay-Hale J as she then was delivered 28 October 2020)

The relevant facts and agreements

4. It seems to be common ground that in late 2021 the Defendant was seeking to raise equity capital from investors via the issuance of Series B Shares in the Company. One of these investors was the Plaintiff but under the law of the People's Republic of China ("PRC") the Plaintiff was required to obtain Overseas Direct Investment Approval ("ODI Approval").
5. It also seems to be common ground between the parties that the proposed transaction involved two phases:
 - (1) First to lock in the transaction, a convertible loan in the RMB equivalent amount of US \$80 million would be advanced by the Plaintiff to Human Horizons (Shanghai) Co. Ltd (the "PRC Co") (the "PRC Co Loan"), a subsidiary of the Company ("Phase One").

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- (2) Second, so that the Company could receive the investment in USD upon the Plaintiff obtaining ODI Approval, the PRC Co would repay the PRC Co Loan to the Plaintiff to allow the Plaintiff to convert such funds into USD and then use those funds to pay the consideration for the Shares in USD to the Company (“Phase Two”).
6. Two agreements featured largely in the evidence and the submissions, both entered into November 2021:
 - (1) First, a convertible bond agreement (the “CBA”) with the PRC Co and the Company. It is governed by the laws of the PRC.
 - (2) Second, a Series B share subscription agreement with the Company (the “SSA”). The SSA was between the Plaintiff and the Company and was governed by the laws of Hong Kong.
7. On 3 December 2021 the Plaintiff, which says on the assumption that the transaction would complete, also entered into an amended and restated shareholders agreement with the Company (the “SHA”), although this document did not feature heavily during the hearing.
8. On 27 January 2022 the Plaintiff advanced the PRC Co Loan to the PRC Co in the sum of RMB 509,904,000 (equivalent of US\$ 80 million). The Bank Slip of Shanghai Bank included “*Additional Information and Purpose: Human Horizon Convertible Bond*”. The Plaintiff says that the advance of the PRC Co Loan satisfied Phase One of the transaction. The Plaintiff says that Phase Two of the transaction has not been completed because the PRC Co Loan has not been repaid.
9. On 29 December 2022 the Company issued the Shares to the Plaintiff and the Plaintiff says without consent, the Plaintiff’s name was entered onto the Company’s register of members on that date.
10. There had been a delay in obtaining ODI Approval and although the Plaintiff was notified in January 2023 of the issue of the Shares, the parties continued to negotiate and discuss the position. There was however, no repayment of the PRC Co Loan and the PRC Co entered into an insolvency process in the PRC in 2024. The Plaintiff has sought to in effect prove a debt in that process but the PRC Administrator apparently requires confirmation that the Plaintiff has been removed from the register of members of the Company.

The expert evidence and the main dispute

11. Expert evidence on foreign law has been presented on behalf of the Plaintiff and the Company. It appears that Hong Kong law on the interpretation of contracts follows English law as indeed does the law of the Cayman Islands. See *TYR Capital Partners SPC Ltd* (FSD unreported judgment

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delivered 21 June 2024) and *Eminent Investments (Asia Pacific) Ltd v Dio Corp* [2020] HKCFA 38; (2020) 23 HKCFAR 487.

12. The main dispute between the parties is based on the effect of the CBA and the SSA.
13. The Plaintiff refers to its PRC law evidence which it says supports the position that as a result of the PRC Co's failure to repay the PRC Co Loan, there was a default under the CBA and the Company was not entitled to issue the Shares to the Plaintiff.
14. The Plaintiff refers to its Hong Kong law evidence which it says supports the position that:-
 - (1) Although the SSA and the CBA are two different documents between different parties, the parties should be taken to have agreed and intended that the two agreements be read together.
 - (2) The parties should be taken to have agreed that the performance of the SSA is subject to and conditional upon the proper performance of the CBA and the successful completion of the obligations thereunder serves as a condition precedent determining when and how the respective obligations under the SSA should be performed.
 - (3) The obligations under the SSA are therefore subject to and conditional upon the successful completion of the CBA. As is clear from the PRC law expert opinion the CBA has been breached by the PRC Co as it failed to repay the PRC Co Loan and as such the condition precedent under the SSA has not been satisfied.
15. The Defendant refers to its Hong Kong law evidence which it says supports the position that:
 - (1) The performance of the SSA is not subject to nor conditional upon the proper performance of the CBA; and
 - (2) Consequently, the issuance of the Shares under the SSA is not subject to the condition precedent of the PRC Co repaying the PRC Co Loan to the Plaintiff under the CBA.

Determination

16. Having considered the relevant commercial context, the wording of the two agreements and the expert evidence on foreign law, I much prefer the Plaintiff's expert evidence and accept the persuasive submissions of Mr Levers for the Plaintiff. The Plaintiff's case makes much more commercial common sense than the Defendant's case.

17. In my judgment the overall transaction must be considered as a whole and the two agreements read together. The intention of the parties is clear. There is no ambiguity. Put simply, the objective intention of the parties as expressed in the agreements, construed in their correct factual and commercial context, was that, pending receipt of the necessary ODI Approval, the Plaintiff would loan the amount in RMB and once ODI Approval had been obtained that loan would be repaid and the amount in USD would be paid to enable the shares to be properly issued. In this case, the RMB amount has not been repaid. The Company was not entitled to issue the Shares and the Plaintiff was not obliged to accept the Shares. The Plaintiff's name should not have been entered on the Company's register of members. It really is as simple as that.
18. I should record that I also found the Company's various other arguments totally unpersuasive. I do not accept that the Plaintiff accepted the Shares and exercised shareholder rights. The evidence does not support the Company's arguments in that respect. There has been no "waiver". The Plaintiff did not consent to becoming a shareholder. There was no "sufficient cause" for the Plaintiff's name to be entered in the register of members. The delay in applying for relief has been adequately explained. Rectification is not inconsistent with the justice of the case.
19. In my judgment, the Plaintiff's name was entered in the register of members without sufficient cause. The Plaintiff is justifiably aggrieved in respect of that wrongful entry. It is appropriate to grant relief by way of the summary procedure under Section 46. This is not a particularly complex case and there is no genuine substantial dispute of facts. This court is well placed to consider Hong Kong common law, which mirrors English and Cayman Islands law, on the construction of contracts. The justice of this case requires rectification.

The Order

20. I make an order substantially in terms of the draft provided by the Plaintiff. The attorneys are to email an updated draft order to my PA with a copy to the FSD Registry within 48 hours of the delivery of this judgment.

THE HON. JUSTICE DAVID DOYLE
JUDGE OF THE GRAND COURT