



Neutral Citation Number: [2026] CIGC (FSD) 11

Cause No: FSD 2026-0005 (JAJ)

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

BETWEEN:

HAN VISION HOLDINGS LIMITED

Plaintiff

-and-

RAFFLES INTERIOR LIMITED

Defendant

Appearances: Ms Blair Leahy KC of counsel instructed by Mr Hamid Khanbhai and Mr Jordie Fienberg of Campbells LLP for the Plaintiff
Mr Tom Lowe KC of counsel instructed by Mr Erik Bodden and Mr Jordan McErlean of Conyers Dill & Pearman LLP for the Defendant

Before: The Honourable Justice Jalil Asif KC

Heard: 4 February 2026

Judgment: 16 February 2026

Civil procedure—interlocutory injunctions—whether American Cyanamid principles apply where interlocutory decision likely to dispose of case and case unlikely to proceed to trial

JUDGMENT

A. Introduction

1. This is my judgment on whether to continue an injunction, obtained by the Plaintiff *ex parte* on short notice on 10 January 2026, following the *inter partes* hearing on the return date on 4 February 2026. In addition, I also consider whether to extend the ambit of the injunction, as sought by the Plaintiff, to address further conduct of the Defendant since I granted the *ex parte* injunction about which the Plaintiff now complains. The dispute arises from a falling out between the individual behind the Plaintiff, which is the new owner of a majority interest in the Defendant, and the pre-existing management of the Defendant's business.

B. Relevant factual background

2. I summarise the relevant underlying facts as follows based on the affidavit evidence that has been filed in this matter so far. Obviously, at this interlocutory stage, I am not making concluded findings on the areas of factual dispute between the parties, which can only properly be resolved by hearing oral evidence from and cross-examination of the witnesses in due course.
3. The Defendant is a holding company incorporated in the Cayman Islands in 2019 as an exempted limited company. The Defendant's authorised share capital is 10 billion shares, but it currently only has 1 billion issued shares. The main activity of the underlying operating companies is in Singapore and involves providing interior fitting out services of residential and commercial premises.
4. The Defendant was listed on the Hong Kong Stock Exchange ("HKSE") on 7 May 2020, generating capital of S\$68.3 million. However, there were issues regarding the use of the proceeds of the listing, resulting in an investigation by the HKSE and public censure of the Defendant and three of its directors at that time: a Mr Chua Boon Par who was the Defendant's chairman and CEO, a Mr Ding

Hing Hui and a Mr Leong Wai Kit, both of whom were executive directors. The HKSE aimed the majority of its criticisms at Mr Chua, who resigned as a director of the Defendant at the time. Mr Ding and Mr Leong continued as directors. Mr Ding remains a director and is the primary protagonist on the Defendant's side as regards the issues before me; Mr Leong appears to have resigned as a director of the Defendant at some time before 2024 – he is not listed as a director in the financial statements for 2024 and 2025 that are in evidence before me.

5. At the time of the Defendant's listing in 2020, 51% of its shares were owned by Ultimate Global Enterprises Ltd. That company is owned by six individuals, including Mr Chua (15%), Mr Ding (12%) and Mr Leong (10%). The Defendant's financial statements in evidence indicate that the ownership of Ultimate Global Enterprises Ltd has not changed since 2020 despite the resignations from the Defendant's board of Mr Chua and Mr Leong.
6. The Defendant made an ill-fated attempt to diversify its business interests into a soft-drinks company in the PRC during 2024, which resulted in the re-sale of that business in the same year for S\$1.00 and a substantial loss to the Defendant of approximately S\$5.15 million. The Defendant's financial statements for 2024 were published at the end of March 2025. The Chairman's statement, dated 28 March 2025, expressed optimism for the group's future trading, asserting:

“The Building and Construction Authority [...] in Singapore is projecting construction demand to reach between S\$47 billion and S\$53 billion in 2025, which is a 6.3% to 19.9% increase from 2024. This is due to a number of large scale projects [...] Normalised to real values, 2025's demand is projected to range between \$35 billion and \$39 billion, which is between 0.3% to 11.7% higher than pre-COVID levels in 2019. Given our Group's solid track record, we are well positioned to seize new business opportunities amid the recovery of Singapore construction industry.”

7. On 24 July 2025, Ultimate Global Enterprises Ltd agreed to sell its shares in the Defendant to the Plaintiff for HK \$33.6 million, paid by electronic funds transfer. The sale was completed on 29 July 2025. The share sale included warranties given by Ultimate Global Enterprises Ltd that:

“1.21 There is no insolvency or bankruptcy proceeding against any member of the Group, nor, to the best of its knowledge, is there any fact which is likely to give rise to any such proceedings. No member of the Group is insolvent, or is otherwise unable to pay its debts within the meaning of the insolvency laws applicable to it. No member of the Group has stopped paying its debts as they fall due. No member of the Group has suspended or ceased (or threatened to suspend or cease) to carry on all or a material part of its business.”

[...]

1.23 The Group has sufficient working capital for the period of twelve months following Completion to continue to carry on its business in substantially the same manner as of the date of this Agreement, and for the purposes of performing in accordance with their terms all subsisting orders, projects and contractual obligations that have been placed with or undertaken by any member of the Group.”

As a result of the share sale, Mr Ding relinquished any continuing beneficial interest in the Defendant or its operations.

8. The Plaintiff is owned by Mr Zheng Nenghuan (70%) and Ms Tang Judi (30%). Ms Tang is Mr Zheng’s wife. There is some suggestion in the evidence that they are in the process of divorcing, but I note that Mr Zheng describes her as his spouse in his affirmations. As a result of the sale by Ultimate Global Enterprises Ltd of its interest in the Defendant, Mr Zheng obtained majority control of the Defendant.
9. On 10 September 2025, Mr Zheng was appointed executive director and chairman of the Defendant. The rupture in the relationship between Mr Zheng on one side and Mr Ding and the Defendant’s other directors on the other appears to have been triggered by events in early November 2025.
 - 9.1 On 3 November 2025, Mr Zheng signed a share purchase agreement on behalf of the Defendant conditionally committing it to purchase 100% of the shares in Cronum Assets Ltd, a Hong Kong company, from China Jinhong Holdings Ltd, another Hong Kong company, for HK \$300 million. Cronum Assets Ltd is the owner of Shenzhen Jinxu Technology Co Ltd, which owns certain land use rights over a piece of land in Shenzhen, PRC. The share purchase agreement was signed by Ms Tang on behalf of China Jinhong Holdings Ltd.
 - 9.2 On or about 3 November 2025, Mr Zheng instructed attorneys to issue a trading halt regarding trading of the Defendant’s shares, which was implemented at 09:00 on 4 November 2025.
 - 9.3 The Defendant’s board of directors met at 09:00 on 5 November 2025. The minutes suggest that Mr Zheng had not previously informed any of the Defendant’s other directors of his negotiations to buy Cronum Assets Ltd nor of his intention to sign the share purchase agreement, nor of the trading halt:

“Mr. Zheng informed the Board that he had instructed CLKW Lawyers, represented the Company to make an application for a trading halt, commencing from 9am on

4 November 2025 as he had entered into an agreement which may constitutes a very substantial acquisition on behalf of the Company.”

- 9.4 The share purchase agreement was tabled for discussion at the board meeting.
- 9.5 The minutes record that the other directors identified the personal connection between Mr Zheng and Ms Tang. The other directors appear to have considered that this had the result that the purchase was a related party transaction under the HKSE Listing Rules, which would require shareholder approval at an EGM. Mr Zheng is recorded to have disagreed with this on the ground that he and Ms Tang had filed for divorce on 12 October 2025.
- 9.6 The minutes indicate that the other directors considered it important to know the identity of the current beneficial owner of the land, and whether he or she was also a connected party.
- 9.7 The minutes also indicate that there was no available valuation of the land use rights to assist with consideration of the economics of the proposed purchase.
- 9.8 The other directors appear to have been concerned that the HKSE could consider that the effect of the Plaintiff’s purchase of a controlling interest in the Defendant, coupled with the Defendant’s purchase of Cronum Assets Ltd, amounted to a reverse take-over.
- 9.9 The other directors also appear to have considered that the trading halt was premature, but indicated their approval to it during the course of the meeting. However, Mr Ding and Ms Loke, another non-executive director of the Defendant, then changed their minds after the meeting and objected to the trading halt. They indicated that there should be a thorough review of the purchase and legal advice should be obtained before it proceeded.
10. I note at this point, that Mr Tom Lowe KC, who appears on behalf of the Defendant instructed by Conyers Dill & Pearman LLP, complains that Mr Zheng did not disclose during the board meeting that he had a direct personal interest in the transaction because he is the ultimate beneficial owner of Cronum Assets Ltd. Mr Lowe says Mr Zheng disclosed this information for the first time in his third affirmation, which he approved on 30 January 2026 and formally affirmed on 3 February 2026. Mr Lowe also complains that Mr Zheng did not disclose his beneficial ownership in any of his dealings with the board, the IBC or the HKSE following the board meeting on 5 November 2025.

11. On 10 November 2025, the Defendant published an announcement on the HKSE website summarising the recent events regarding the purchase of Cronum Assets Ltd and stating that there was a split within the board as to whether the transaction was in the Defendant's best interests, and that the majority of the board had decided against proceeding with the acquisition in its present form.
12. Mr Zheng appears to have been unhappy with the reaction of the other directors to the purchase. On 21 November 2025, he caused the Plaintiff to requisition an EGM of the Defendant to vote on resolutions to remove the Defendant's directors other than Mr Zheng and to appoint new directors in their place. Under the Defendant's Articles of Association, the board should have convened the EGM within 21 days, ie by 12 December 2025. However, it did not do so. On 15 December 2025, the board announced an intention to hold an EGM but did not state the date when it would do so. On 5 January 2026, the board announced that the EGM would be held on 20 January 2026.
13. In the meantime, the Defendant's auditors were working on preparing the Defendant's accounts. The auditors appear to have raised concerns about the events that had occurred in respect of the purchase of Cronum Assets Ltd, and whether they indicated underlying corporate governance issues. The Defendant's audit committee met on 10 December 2025 and resolved to form an independent board committee ("IBC") to investigate Mr Zheng's role in what had happened and, it appears, also to consider his general suitability to be a director. I record here that Mr Zheng does not accept that the IBC was validly appointed.
14. The audit committee meeting was followed by a board meeting at 21:00 on 15 December 2025. Mr Zheng initially indicated that he was available to attend but then did not do so. There is a dispute as to why this was and whether the agenda for the board meeting was amended with or without notice to Mr Zheng. I do not need to resolve those issues for the purpose of this judgment. The minutes of the board meeting, which are not accepted by Mr Zheng as accurate notwithstanding that he was not present, record that the board noted the creation of the IBC and approved funding for professional support of the IBC, and the publication of an announcement on the HKSE website of

the creation of the IBC. The board also resolved to suspend Mr Zheng as a director. The announcement was published on 17 December 2025.

15. During December 2025, the IBC made requests for information and explanations from Mr Zheng. There are issues between the parties as to whether, when and to what extent Mr Zheng has complied with those requests. Again, I do not need to resolve these disputes for the purpose of this judgment. In addition, various anonymous messages were sent to the Defendant's directors raising additional allegations regarding Mr Zheng's conduct, which the Defendant then announced publicly and which the IBC added to the list of matters that it is investigating.
16. As I have indicated, on 5 January 2026, the Defendant's board of directors announced that the EGM requisitioned by the Plaintiff would take place on 20 January 2026.
17. At 18:22 on Thursday 8 January 2026 (Hong Kong time), Clara Cheong, the Defendant's CFO, circulated an email to the members of the Defendant's board stating that certain board members had requested an urgent board meeting, to be held at 16:00 on 9 January 2026. The trigger for this request, and why it was said to be "urgent", is not apparent on the evidence before me. Ms Cheong identified two agenda items to be discussed: the first was the appointment of Mr Alan Chan as a director to replace a director who had resigned on 10 December 2025; and the second was to consider issuing a warning letter to Mr Zheng regarding his failure to respond to enquiries from the IBC.
18. At 09:08 on Friday 9 January 2026 (Hong Kong time), Ms Cheong sent a follow-up email with a revised agenda. The first agenda item remained the appointment of Mr Chan, but the agenda item now included expanded information regarding Mr Chan's biography. The second agenda item was new and concerned a proposal to appoint a placement agent to place up to 200 million new shares in the Defendant to not less than 6 prospective investors at a price of 80% or more of the prevailing market price. The stated purpose was to replenish the group's working capital. The third agenda item remained the question of issuing a warning letter to Mr Zheng in respect of his alleged failure to respond to the IBC.

19. The proposed placement of new shares was supported by a board paper dated 9 January 2026, apparently prepared by the Chief Financial Officer, which was in the following material terms:

“1. DECISION REQUIRED

[...] The objective is to raise gross proceeds of not less than HKD 26.72 million (approximately SGD 4.4 million) to strengthen the Group's financial position.

2. RATIONALE AND BACKGROUND

The Group's liquidity position necessitates reinforcement. As at 31 December 2025, the consolidated cash balance stood at approximately SGD 5.0 million, a reduction of approximately SGD 10.0 million from the balance of SGD 15.0 million as at 31 December 2024. This material decrease constrains operational flexibility, working capital for project execution, and the ability to invest in corporate infrastructure.

An equity fundraising via a share placement is the most expedient and strategic solution to:

- 1. Immediately replenish working capital to support ongoing operations and near-term business growth.*
- 2. Strengthen the consolidated balance sheet by boosting equity and liquidity ratios.*
- 3. Provide dedicated funding to enhance internal controls and risk management frameworks, a key corporate priority.*
- 4. Avoid increasing financial leverage and associated interest costs in the current interest rate environment.*

[...]

4. USE OF PROCEEDS

The net proceeds from the placement, after deduction of estimated professional fees and related expenses, are proposed to be allocated as follows:

- Replenishment of Working Capital: Approx. 80% To fund increased project-related expenditure, material costs, and general operational cash flow needs to support revenue growth and maintain competitive execution.*

[...]

5. FINANCIAL AND STRATEGIC IMPACT

· Liquidity & Balance Sheet: The injection of no less than SGD 4.4 million will immediately and significantly improve the Group's net cash position and current ratio, directly addressing the recent decline in cash reserves.

Share Capital Dilution: The issuance of 200,000,000 New Shares represents a dilution of approximately [Insert calculated percentage based on current issued share capital]% to the existing issued share capital. The Board considers this level of dilution acceptable given the pressing need for capital and the strategic benefits of a stronger balance sheet.

· Strategic Positioning: A fortified financial position will enhance the Group's credibility with clients, suppliers, and financial partners, providing a stable platform for sustainable growth.

[...]

7. RECOMMENDATION

The Management, in consultation with the Company's financial advisor, strongly recommends the proposed placement as a necessary and prudent measure to secure the Group's financial foundation and fund its strategic priorities.

We hereby recommend that the Board:

1. APPROVE the proposed placement of up to 200,000,000 New Shares at a discount of not more than 20% to the prevailing market price of HKD 0.167 per share.
2. AUTHORISE Mr Henry Wong and Mr Ding Hua Wei to finalise the specific terms, timing, and allotment of the New Shares, and to execute all necessary documents to implement the placement.
3. NOTE that this issuance is within the bounds of the existing general mandate from shareholders and does not require the convening of a general meeting.”

Ms Leahy KC, who appears for the Plaintiff, instructed by Campbells LLP, noted in argument that the failure to insert the calculated dilution impact of the new share issue in paragraph 5 of the board paper tends to suggest that it was prepared in a hurry.

20. At 11:28 on 9 January 2026 (Hong Kong time), Mr Zheng’s Hong Kong solicitors responded objecting to the board meeting going ahead and seeking its postponement on various grounds relating to each of the three items of business intended to be discussed. In particular, in respect of the proposed placement of new shares, Mr Zheng’s solicitors complained that:

“The proposal to appoint a placing agent and issue up to 200,000,000 new shares under the general mandate requires careful and detailed consideration. More critically, the proposal has the obvious and improper purpose of diluting Mr. Zheng’s controlling shareholding, as it would result in a substantial and disproportionate reduction in his stake. Issuing shares for the primary purpose of diluting a specific shareholder’s interest, rather than for a bona fide corporate purpose such as raising necessary capital for the company, constitutes a breach of the implied terms of the Company’s Articles and the directors’ fiduciary duties. Mr. Zheng objects to the addition of this matter for urgent discussion without adequate prior notice, sufficient supporting commercial justification, and the opportunity to independently assess its true purpose and legality. Such practice prevents informed deliberation and is inconsistent with sound corporate governance.”

21. The board meeting took place at 16:00 on 9 January 2026 (Hong Kong time). The minutes record that Mr Zheng attended the meeting, albeit he complained that insufficient notice had been given for thorough, prudent deliberation and decision-making. The other directors resolved to appoint Mr Chan as a director of the Defendant, with Mr Zheng complaining that he had insufficient knowledge of Mr Chan to make a decision. As regards the third agenda item, the proposal to send a warning letter to Mr Zheng regarding his failure to respond to the IBC’s enquiries, Mr Zheng challenged the validity of the IBC but indicated that his lawyers had sent a full response to its enquiries at 14:36 that day. The board decided to take no further action whilst it verified this information.

22. In relation to the proposed share issue and placement, the minutes state:

“It was tabled before the meeting the Board Paper on 20% Share placement, such Board Paper was circulated via email to each of the board members prior this board meeting.

The Board Paper set out the rationale and background, proposed terms, use of proceeds, financial and strategic impact and market communications plan of the proposed placement of shares.

Mr Zheng raised questions relating to the necessity of the fund raising, consideration of other means of financing and several procedural matters. Mr Ding responded by (i) reiterating the urgent need to replenish working capital as the Group's cash balance dropped by 70% from SGD 15 million as of 31 Dec 2024 to SGD 5 million 31 Dec 2025, and the proceeds from the propose share issuance are needed to support the Group's day to day operations, development of new projects and to strengthen to Group's internal controls and seek professional advice to navigate complex legal issues that have arose since November 2025; (ii) management is concerned that debt financing will increase leverage, recently the Group was notified by banking institution that certain bank account of the Group is suspended due to issues surrounding the board chairman and controlling shareholder. Hence it is not possible to obtain bank financing within the time frame required to fill funding needs; and (iii) management approached several placing agents to seek the best terms and placement agreements will be circulated closer to the transaction date.

Mr Ding then asked Mr Zheng for solution to resolve cash flow needs of the Group to resolve operating challenges. Mr. Zheng did not respond but instead pressed for details regarding confirmation that banks have refused to provide debt financing. Mr Wong supplemented that it is not a requirement for the Company to obtain refusal from bank to offer loans before pursuing equity fund raising. Mr Ding further supplemented that waiting for the bank would not resolve the urgent funding needs of the Group and asked if Mr Zheng has other alternative to generate funds for the Group, to that end, Mr Zheng was unable to offer any response to suggest alternative source of funding. Mr Zheng then went on to enquire about the possibility of a rights issue without offering when as the 51 % shareholder he would be committed to provide funding or has the resources to line up relevant financing to help the Group ease its cash flow needs. Mr. Ding commented that rights issue would take much longer than a placement of shares under general mandate and again would not meet the current needs of the Group.”

The proposal was put to a vote. Mr Zheng voted against and the other directors voted in favour of proceeding with the share placement.

23. As a consequence of this decision, and the resulting dilution of the Plaintiff's majority interest in the Defendant, the Plaintiff commenced these proceedings. During the afternoon and evening of Friday 9 January 2026 (Cayman Islands time), Campbells LLP, acting for the Plaintiff, filed:
- 23.1 a generally endorsed writ of summons seeking declarations that the board meeting on 9 January 2026 was not validly convened, that the resolutions passed at the meeting are invalid, that the Defendant's EGM proceed on 20 January 2026 and that the Plaintiff's votes on any resolution at the EGM should be counted;
- 23.2 an *ex parte* summons seeking an injunction to restrain the Defendant's directors from calling board meetings on less than 3-days' notice; from issuing the 200 million new shares; from engaging any placement agent to place the shares; from registering any purchase of the shares; from seeking listing approval from the HKSE for the new shares; and requiring the

Defendant to take all necessary steps to prevent any listing agent who had been engaged from contacting potential purchasers of the shares; and from placing or issuing any new shares in the Defendant unless by unanimous consent of all directors;

23.3 an approved draft affirmation of Mr Zheng and exhibit in support of the *ex parte* summons;

23.4 a skeleton argument in support of the *ex parte* summons;

23.5 a bundle of authorities; and

23.6 a draft order.

24. On Saturday 10 January 2026, at my request, Campbells filed a second approved draft affirmation of Mr Zheng and exhibit addressing the Plaintiff's financial position and the cross-undertaking as to damages.

25. Campbells requested an urgent hearing of the summons on the ground that the Defendant could approach placing agents as early as the morning of 12 January 2026 (Hong Kong time), and if it had already done so before the board meeting, would have the full working day in Hong Kong to progress the issue and placement of the 200 million shares before the working day commenced in the Cayman Islands. I therefore agreed to hear the Plaintiff's *ex parte* summons on Saturday 10 January 2026.

26. At 12:53 on 10 January 2026 (Hong Kong time) / 23:53 on 9 January 2026 (Cayman Islands time), Campbells gave notice of the proceedings and of the hearing to Conyers on behalf of the Defendant. Conyers unsurprisingly complained at the timing of that notice, given that Campbells had been liaising with the court during 9 January 2026. They indicated that the Defendant would not attend the hearing but would dispute the Plaintiff's claim at the hearing of the return date.

27. The application was presented by Mr Hamid Khanbhai of Campbells LLP. It was and is accepted for the Plaintiff that the directors have power to issue new shares as the result of resolutions passed at the Defendant's AGM on 23 May 2025 giving the directors a general mandate to issue and to repurchase shares in the Defendant. Mr Khanbhai's argument was that the resolution at the board meeting on 9 January 2026 to proceed with the share issue and placement would have the effect of

diluting the Plaintiff's majority shareholding. He argued that the board meeting was not properly convened, and that as regards the resolution to issue new shares, the board had exercised its power for an improper purpose. He submitted that there was insufficient material before the directors to explain why the Defendant suddenly needed a substantial injection of working capital. He argued that the proper inference was that the Defendant's directors were seeking to retain control of the Defendant by diluting the Plaintiff's shareholding to avoid their own removal as directors at the forthcoming EGM.

28. I required that as the "price" for the requested injunction, the Plaintiff would have to undertake to adjourn the EGM due to be held on 20 January 2026 to a date after 20 February 2026, without any consideration taking place on 20 January 2026 of the resolutions to remove the existing directors and to replace them. As I indicated during the course of the *ex parte* hearing, granting the injunction but allowing the EGM to proceed seemed to me to go far beyond holding the ring between the parties, and to give the Plaintiff and Mr Zheng the whole of what Mr Zheng was seeking to achieve, namely to preserve the Plaintiff's existing majority control of the Defendant and also the removal and replacement of the Defendant's current directors, without any consideration of whether there might be merit in the decisions that the Defendant's other directors had taken.
29. Subject to the Plaintiff giving that undertaking, I accepted Mr Khanbhai's argument that there was a serious issue to be tried as to the reasons why the Defendant's directors had authorised the share issue; that damages for the dilution of the Plaintiff's shareholding would not be an adequate remedy; and that there was no apparent prejudice to the Defendant such that the balance of convenience favoured granting an injunction to preserve the status quo. On 11 January 2026, Mr Khanbhai confirmed that the Plaintiff would give the additional undertaking regarding the EGM. I therefore granted an *ex parte* injunction largely in the terms sought by Mr Khanbhai, including the Plaintiff's undertaking to adjourn the EGM until after the return date hearing.
30. Following service of the Order on the Defendant, on 13 January 2026, the Defendant's directors scheduled a board meeting for 19 January 2026 to consider, among other things, postponing the EGM fixed for 20 January 2026 to 20 March 2026. This generated correspondence between the

attorneys on each side regarding the propriety of the directors' intended action, and also the indication on behalf of the directors that they considered that the Plaintiff and Mr Zheng had a conflict of interest such that the Plaintiff should not be permitted to vote at the EGM. Conyers rejected the criticisms levelled at the Defendant's directors. They asserted that the directors had power to postpone the EGM pursuant to Article 64E of the Defendant's Articles of Association, which states:

"64E. If, after the sending of Notice of a general meeting but before the meeting is held [...] the Directors, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold the general meeting on the date or at the time or place or by means of electronic facilities specified in the Notice calling the meeting, they may change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) without approval from the Members. [...]"

31. The board meeting proceeded on 19 January 2026 and the directors other than Mr Zheng voted to postpone the EGM to 20 March 2026. The justification was said to be that the directors considered the board required additional time to prepare unspecified additional materials for shareholders ahead of the EGM.
32. On 22 January 2026, Campbells wrote to complain about the directors' postponement of the EGM. Of significance for present purposes, Campbells sought undertakings that the Defendant's board would not further postpone the EGM after 20 March 2026 without permission of the court, that the board would put all of the Plaintiff's resolutions to a vote at the EGM and that the directors would count all of the Plaintiff's votes on those resolutions. Campbells indicated that they intended to raise the directors' conduct with the court at the return date hearing and to seek ancillary orders if the requested undertakings were not given. At that time, it was anticipated that the return date hearing would take place on 9 February 2026. However, on 23 January 2026 the hearing was advanced to 4 February 2026.
33. On 27 January 2026, Conyers responded to Campbells' letter. They continued to assert that the directors were entitled to postpone the EGM pursuant to Article 64E. They rejected the request for undertakings regarding any future postponement of the EGM and also regarding the conduct of the EGM and counting of votes. Conyers asserted that there was no evidential basis for the Plaintiff's

concern that the directors would further postpone the EGM in the future, and that the directors could not fetter their powers under the Articles by giving the undertakings sought.

34. On 3 February 2026, the day before the hearing of the return date, the Plaintiff circulated a draft amended summons seeking additional relief as follows:

“5 *Absent the leave of the Court (which the Defendant must apply for on at least 3 clear business days’ notice to the Plaintiff):*

- (a) *The Defendant (acting by its directors) must not take any steps to postpone or adjourn the EGM called for 20 March 2026;*
- (b) *The Defendant (acting by its directors or the chair of the EGM called for 20 March 2026) must not take any steps to prevent the Plaintiff from attending the EGM or voting at the EGM;*
- (c) *The Defendant (acting by the Chair of the EGM called for 20 March 2026) shall count all votes cast by the Plaintiff (in respect of each fully up share held by the Plaintiff) on every resolution voted on at the EGM.”*

C. The parties’ contentions

35. At the hearing on the return date, the Plaintiff was represented by Ms Blair Leahy KC instructed by Mr Hamid Khanbhai and Mr Jordie Fienberg of Campbells LLP and the Defendant was represented by Mr Tom Lowe KC instructed by Mr Erik Boddin and Mr Jordan McErlean of Conyers Dill & Pearman LLP.

36. Putting on one side a number of “jury points” that Ms Leahy raised, her argument is relatively straightforward:

36.1 the only issue for the court at this stage is the question whether the board resolution on 9 January 2026 to issue 200 million new shares in the Defendant is valid;

36.2 to be valid, the board resolution must have been made for a proper purpose;

36.3 obtaining working capital for the Defendant or its operating subsidiaries would be a proper purpose;

36.4 however, in this case, there is no evidence that the Defendant is in need of urgent liquidity, or any liquidity beyond what it already has available; and

- 36.5 the circumstances in which the board meeting was called and the lack of evidence on the need and urgency for fundraising lead to the inference that the directors were not acting for a proper purpose in passing the resolution to issue 200 million new shares in the Defendant but were instead seeking to dilute the Plaintiff's majority voting control, and that they were motivated to do so to avoid their removal as directors at the EGM then scheduled for 20 January 2026.
37. Ms Leahy argues that there was a paucity of information as to the Defendant's financial position before the board at the meeting on 9 January 2026, the only material being the board paper. There was no detailed analysis of the Defendant's or the wider group's financial position at that time and of its future need for working capital, and why and when it would need such working capital. There was no explanation of why the board's flexibility as to possible methods of fundraising should be limited to the proposed share issue. She submits that this was particularly important given that the effect of the board's proposal would be to change the balance of power between the shareholders and would adversely affect the Plaintiff in particular. Ms Leahy contends that the board paper did not demonstrate any need for additional cash and no material was provided after the meeting to substantiate the assertions about need and urgency made by the other directors in response to Mr Zheng's questions at the meeting about the rationale for the share issue.
38. Ms Leahy relies on the Defendant's annual and interim financial statements over the past two years to support her argument that there is no evidence of an urgent need for the Defendant, or the wider corporate group, to obtain additional liquidity. She accepts that the Defendant's financial statements show that available cash or cash equivalents have fallen from S\$16.98 million at 31 December 2023 and S\$15.80 million at 31 December 2024, to about S\$10.65 million at 31 March 2025 and S\$6.47 million at 30 June 2025, the latter two figures being unaudited interim results. However, she questions the utility of these "snapshot" views and argues that the apparent reduction in cash is explicable on a more detailed review of the accounts, for example by increases in pre-payments and by the fact that the Defendant repaid all of its pre-existing borrowings during 2025. She contends that the apparent reduction in cash does not prove the existence of an urgent need for liquidity sufficient to justify the Defendant's directors voting in favour of the resolution on 9 January 2026.

Ms Leahy points out the absence of any analysis of the group's likely future trading and forecasts of future cash needs.

39. Ms Leahy also relies on the positive statements of the Defendant's financial position in the publicly filed financial statements and the warranties in the share purchase agreement dated 24 July 2025 as to the Defendant's ability to pay its debts for at least the following 12 months as being inconsistent with the suggestion by the Defendant's other directors that the Defendant is now facing an imminent cash crisis. She submits that, if there were a genuine concern about the Defendant's financial position, then the Defendant's interim financial statements available in March 2025 indicated a significant reduction in working capital that would and should have been addressed at that time. Instead, the Defendant appears to have made some initial enquiries with an Asian-based platform in June 2025 regarding issuing up to S\$2 million loan notes, with a term of 6 months, however there is no evidence that this was pursued any further. Further, there is no evidence of any other attempts at fundraising between March 2025 and the board meeting on 9 January 2026.
40. Ms Leahy rejects the explanation now suggested in Mr Ding's evidence in these proceedings that it is necessary for the Defendant's other directors to stay in post to complete the IBC's investigation into Mr Zheng. She responds that the HKSE is carrying out its own investigation, which will address any concerns, and that the new directors that the Plaintiff intends to appoint at the EGM will exercise their own independent judgment whether the IBC investigation should be continued or terminated. Ms Leahy points out that the curricula vitae of the new directors have been provided to the Defendant and its directors and that there is no suggestion that any of them lack appropriate qualifications or experience. She also notes that under the HKSE Listing Rules, at least two of the directors must be independent.
41. Finally, Ms Leahy argues that it is completely contrary to Mr Zheng's interests for him to allow the Defendant to fail or to go into liquidation when he paid HK \$33.6 million for the shares owned by the Plaintiff and to acquire majority control of the Defendant, just over six months ago. She suggests that if there is a real need for working capital, it will be in Mr Zheng's interest for the necessary funds

to be obtained. However, it is for the new board of directors to decide whether additional cash is required and the best method to obtain any such additional funding.

42. Turning to the test to be applied, Ms Leahy disputes Mr Lowe's suggestion that the injunction will finally dispose of the dispute between the parties, and that the approach laid down in American Cyanamid Co v Ethicon Ltd [1975] AC 396, as followed in the Cayman Islands, therefore does not apply. She also disagrees that a higher standard is required in order that the Court continue the injunction. In any event, she contends that the Plaintiff can meet whatever threshold is required.
43. As to balance of convenience, Ms Leahy argues that it would be completely impracticable to allow the share issue to proceed on the basis of a notice that it might later be set aside and unwound, as Mr Lowe submits. In addition to discouraging investors, which is contrary to the ostensible reason for the share issue in the first place, she says it would also risk collapsing the Defendant's share price more generally. In addition, Ms Leahy complains that this response does not address that the Plaintiff contracted to obtain a majority shareholding in the Defendant and that the Plaintiff cannot reasonably be compensated for losing that majority control in the interim when the Plaintiff succeeds on its claim. On the other hand, there is no apparent prejudice to the Defendant: the Defendant has not filed any evidence to substantiate its alleged lack of funds and by when it will require additional funding. Given that the Defendant's directors resolved on 19 January 2026 to postpone the EGM to 20 March 2026, she suggests that the requirement for finance cannot be that urgent.
44. Mr Lowe commenced his oral argument with a submission that the court should not consider the additional relief sought by way of the very recent amendment to the Plaintiff's summons, which I have set out earlier in this judgment. He argues that this raises a whole range of new issues regarding the directors' exercise of their discretion under Article 64E and in relation to the conduct of the EGM. He complains that the Defendant has not had sufficient time to prepare and file evidence on this new aspect and that the Defendant is not ready to deal with it. He also complains that the relief sought is not within the scope of the general endorsement on the writ. Mr Lowe says that the EGM should not take place before the IBC has completed its investigation. But Mr Lowe submits that, in

any event, the court cannot conclude that the directors will exercise their power to postpone the EGM improperly. The court should therefore refrain from making any orders in that regard.

45. Mr Lowe submits that there will not be a trial in this matter because the EGM will have to take place before the dispute is likely to be ready for trial, and that if the Plaintiff prevails then the Defendant's current directors will be removed at the EGM. For this reason, Mr Lowe submits that I should follow the approach in such a situation indicated by the English cases of NWL Ltd v Woods [1979] 1 WLR 1294 and Cayne v Global Natural Resources plc [1984] 1 All E.R. 225, and should not apply the guidance in American Cyanamid, although he concedes that NWL Ltd v Woods and Cayne v Global Natural Resources plc have not been considered in the Cayman Islands.
46. As to the substance of the Plaintiff's complaints, Mr Lowe relies on Lord Mance's speech in Eclairs Group Ltd v JGX Oil and Gas plc [2015] UKSC 71 at [47]-[53] to argue that the Plaintiff has a high hurdle to meet to demonstrate that the directors' power to issue the new shares was exercised for an improper purpose. He submits that if they had a mixed purpose, including aspects that were proper, such as fundraising, then that is sufficient. He says that the Plaintiff has no real prospect of establishing that the Defendant's directors' decision to issue the new shares was not, at least in part, motivated by a desire to raise working capital. For that reason, he says that the Plaintiff's claim is bound to fail and I should discharge the injunction.
47. Mr Lowe argues that the investigation into Mr Zheng's conduct by the IBC is entirely proper and unsurprising: Mr Zheng signed the purchase agreement on 3 November 2025 regarding the land in Shenzhen without prior disclosure to the Defendant's board and without board authority, and in circumstances where he clearly had a personal interest in the transaction, which he was then reluctant fully to disclose to the board. Mr Zheng also acted without board authority in instructing his solicitors to halt trading in the Defendant's shares on 4 November 2025. Mr Lowe submits that Mr Zheng breached the Defendant's Articles in numerous ways and also breached his common law duties as a director. Mr Lowe also identified in argument a number of instances where he said that statements made by Mr Zheng regarding relevant events, for example whether he had notice of

meetings, were incorrect, or where Mr Zheng failed to provide a proper response to questions put to him.

48. Ms Leahy in reply disagrees that there will not be a trial in this matter. She therefore contends that the usual test of a serious issue applies, and that there is clearly a serious issue as to the Defendant's directors' motivation for resolving to issue the new shares.
49. Ms Leahy submits that if the Defendant's current directors are correct that the Defendant needs funding, then any new directors who are appointed in their place will reach the same view, so that the Defendant has not lost anything by the court restraining the current share issue and placement: the Defendant has not lost the ability to seek additional funding. She repeats that Mr Zheng is not going to act in a way that destroys or devalues the HK \$33.6 million investment that he made in the Defendant in July 2025 so that additional funding, if it is genuinely needed, will be obtained.
50. Ms Leahy also points out that it is always for the shareholders in a company to decide who should be the directors. It is not for the directors to decide what they think is in the members' best interests: see *Howard Smith v Ampol* [1974] AC 821 where Lord Wilberforce said at 837D-H:

"[...] So far as authority goes, an issue of shares purely for the purpose of creating voting power has repeatedly been condemned [...] In the leading Australian case of Mills v. Mills, 60 C.L.R. 150, it was accepted in the High Court that if the purpose of issuing shares was solely to alter the voting power the issue would be invalid. And, though the reported decisions, naturally enough, are expressed in terms of their own facts, there are clear considerations of principle which support the trend they establish. The constitution of a limited company normally provides for directors, with powers of management, and shareholders, with defined voting powers having power to appoint the directors, and to take, in general meeting, by majority vote, decisions on matters not reserved for management. Just as it is established that directors, within their management powers, may take decisions against the wishes of the majority of shareholders, and indeed that the majority of shareholders cannot control them in the exercise of these powers while they remain in office (Automatic Self-Cleansing Filter Syndicate Co. Ltd. v. Cuninghame [1906] 2 Ch. 34), so it must be unconstitutional for directors to use their fiduciary powers over the shares in the company purely for the purpose of destroying an existing majority, or creating a new majority which did not previously exist. To do so is to interfere with that element of the company's constitution which is separate from and set against their powers. If there is added, moreover, to this immediate purpose, an ulterior purpose to enable an offer for shares to proceed which the existing majority was in a position to block, the departure from the legitimate use of the fiduciary power becomes not less, but all the greater. The right to dispose of shares at a given price is essentially an individual right to be exercised on individual decision and on which a majority, in the absence of oppression or similar impropriety, is entitled to prevail. Directors are of course entitled to offer advice, and bound to supply information, relevant to the making of such a decision, but to use their fiduciary power solely for the purpose of shifting the power to decide to

whom and at what price shares are to be sold cannot be related to any purpose for which the power over the share capital was conferred upon them.”

Ms Leahy says that the Defendant’s current directors have interfered and are interfering in the process of the shareholders exercising their right to decide by whom the company should be managed: (a) by their unexplained delay in complying with the Plaintiff’s requisition for an EGM, which should have resulted in an EGM being held by the end of December 2025; and (b) by postponing the EGM to 20 March 2026. She prays this in aid of the Plaintiff’s argument that I should grant additional relief restraining the Defendant and its directors from further postponing the EGM etc.

51. On the question of the additional relief now sought regarding future postponements of the EGM, and requiring the Defendant to allow the Plaintiff to attend and to count all of the Plaintiff’s votes at the EGM, Ms Leahy argues that the need for this relief only arose on 19 January 2026 when the directors resolved to postpone the EGM due to take place on 20 January 2026. She says that the issue was raised before and after the directors’ meeting and that the Defendant has had sufficient time to address it.

D. Decision

D.1 The Plaintiff’s application for additional relief restraining the Defendant’s directors from further postponing the EGM fixed for 20 March 2026 and related relief

52. I am unimpressed by the Defendant’s stated unpreparedness to deal with the question whether I should make orders as sought by the Plaintiff by the amendments to its summons, namely restraining the directors from further postponing the EGM, which they resolved on 19 January 2026 to move from 20 January 2026 to 20 March 2026, restraining the directors from preventing the Plaintiff from attending the EGM and requiring the directors to count the Plaintiff’s votes on all resolutions. From the correspondence that I have been shown, the questions of the directors’ power to postpone an EGM and the exercise of that power by the directors in this case on 19 January 2026 have clearly been a topic hotly debated between the attorneys on each side since 13 January 2026, as also have been the conduct of any EGM and the counting of the Plaintiff’s votes. I am also far from satisfied that the fact that the Plaintiff only circulated its draft amended summons the day before

the hearing before me justifies the Defendant's stance that it did not know what was going to be in issue.

53. However, in the face of Mr Lowe's protestations that it would be unfair to consider or make an order against the Defendant without the Defendant putting relevant evidence before the court and the court hearing proper argument, I feel constrained to adjourn this aspect of the relief sought by the Plaintiff in its amended summons to allow the Defendant's directors to file any further evidence that they consider is necessary, and for Mr Lowe more fully to address what he says should be the relevant considerations.

D.2 *The chaff*

54. In my judgment, many of the complaints on each side are irrelevant to my determination of the question whether to continue the *ex parte* injunction on an interlocutory basis, although I accept that they provide some background context and may be of more significance at trial. This chaff includes the issues concerning: the Defendant's listing in 2020 and the censure of three of the Defendant's directors by the HKSE, including Mr Ding; the purchase of the land in Shenzhen in November 2025; the validity or otherwise of the appointment of the IBC; and the conduct of the investigations of Mr Zheng by the IBC and Mr Zheng's responses thereto. The key issue as regards the continuation of the *ex parte* injunction is the propriety of the Defendant's directors' decision on 9 January 2026 to issue 200 million new shares in the Defendant, ostensibly for the purpose of raising new working capital.

D.3 *Continuation of injunction on American Cyanamid grounds?*

55. If the question whether I should continue the *ex parte* injunction is properly to be determined on American Cyanamid grounds, then I would have no hesitation in doing so. First, I consider that there is clearly a serious issue to be tried as to whether the Defendant's directors exercised their power to resolve to issue the new shares for a proper purpose on 9 January 2026. The following aspects raise serious questions in my mind about the directors' conduct and motivations, and could support the inference that the real purpose behind the directors' decision was a desire to dilute the Plaintiff's shareholding before the EGM:

- 55.1 the absence of any evidence to support and explain the alleged urgency of the directors' meeting and of obtaining the additional funding in question;
- 55.2 the absence of material before the board on 9 January 2026 regarding the Defendant's financial position other than the board paper prepared by the CFO;
- 55.3 the lack of factual detail and analysis in the board paper regarding the Defendant's financial position and trends in its activity and performance;
- 55.4 the complete absence of any forecasts of the Defendant's future needs for capital and when those needs would be likely to occur;
- 55.5 the rejection of other means of obtaining new capital that would not have the result of disrupting the existing balance of power between the shareholders, for example by the issue of loan notes or a rights issue, apparently with limited debate on the merits and demerits of such alternatives;
- 55.6 the failure after the directors' meeting to provide any materials to fill the gaps in the information and analysis available or otherwise to respond to Mr Zheng's questions;
- 55.7 the lack of detailed explanation, analysis and justification for the directors' decision in the evidence filed before me on behalf of the Defendant, which provided an opportunity to make good the deficiencies already identified;
- 55.8 the strong likelihood that the Defendant's current directors will be removed when the EGM takes place; and
- 55.9 the decision of the directors on 19 January 2026 to postpone the EGM following their earlier delay in convening the meeting as required by the Articles.

On that last point, whilst I accept that the directors have a broad discretion to postpone a general meeting pursuant to Article 64E of the Defendant's Articles of Association, there is no information to indicate what was the reason for this decision beyond a non-specific desire to prepare unspecified information for shareholders, and there is no explanation why the need for such information and its preparation was only recognised by the Defendant's directors after the Plaintiff obtained its injunction.

56. Secondly, I consider that the balance of convenience would be firmly in favour of continuing the injunction. The potential damage to the Plaintiff of losing its majority stake in the Defendant, and hence its ability to influence decision-making within the Defendant, would be very difficult to undo or to compensate by way of damages if the Plaintiff were to succeed at trial. I note here that the effect of issuing 200 million new shares would be to dilute the Plaintiff's 51.0% shareholding into a 42.5% shareholding based on 1 billion shares currently having been issued. On the other hand, there would be no real prejudice to the Defendant by continuing the injunction: there is no cogent evidence of an impending cash crisis that requires urgent new resources to be introduced into the Defendant, and even if there were, continuation of the injunction would not prevent the Defendant from exploring and moving forwards with other methods of introducing new capital, or even with a different issue of new shares, if properly shown to be necessary and appropriate. The only prejudice likely to be suffered by the Defendant by continuing the injunction would be any fees and expenses already incurred in relation to the proposed issue and placing of the new shares that might be wasted if the issue and placing does not proceed.

57. Thirdly, I consider that the Plaintiff's cross-undertaking as to damages would be more than adequately secured by its 51.0% shareholding in the Defendant, which was worth HK \$33.6 million approximately 7 months ago. Even allowing for a fall in the Defendant's share price as a result of the effect on investors of the Plaintiff and the Defendant washing their dirty laundry in public, the value of the Plaintiff's shareholding is likely substantially to exceed any reasonable estimate of the loss likely to be suffered by the Defendant if it turns out that the injunction should not have been granted or continued.

58. The question then arises whether this is a case which should be determined on American Cyanamid principles or whether, as Mr Lowe contends, it should not and, if not, then what is the test and can the Plaintiff satisfy it.

D.4 Exceptions to American Cyanamid

59. Mr Lowe refers to the consideration in *Gee on Commercial Injunctions* of the kinds of situations in which the American Cyanamid principles have been held in England not to apply. Mr Lowe relies on

an extract from the 6th edition of *Gee*, published in 2016, but I have instead referred to the 7th edition, published in September 2021. *Gee* posits at 2—024 that there are eight situations where the principles in *American Cyanamid* cannot or should not be applied, which are derived from the English case law following *American Cyanamid*. I summarise these as follows:

(1) Where there never will be a trial, and the result of the application for an interim injunction will in effect conclude the litigation, either because an interim injunction would give the plaintiff all or substantially all of the relief sought or because of the likely lapse of time before a trial can take place: see *Cayne v Global Natural Resources plc* and *Lansing Linde Ltd v Kerr* [1991] 1 WLR 251. In these circumstances the likelihood of success if there were to be a trial should be taken into account.

(2) Where there is a rule of law which requires the merits to be taken into account to a particular standard before an injunction can be granted, for example s.12(3) of the Human Rights Act 1998 in England, which relates to restraints on publication and protects freedom of speech, and in the case of trade disputes.

(3) Where the merits of the case are clear, e.g. where the defendant has no reasonably arguable case that he has a defence, or where the plaintiff has been unable to show a serious issue to be tried that he is entitled to an injunction, although this does not prevent the application of *American Cyanamid* principles where the plaintiff cannot show a serious issue to be tried on the evidence presently available, but it appears likely that further critical evidence will shortly become available that may put a different complexion on matters.

(4) Where the injunction is to restrain the presentation or advertisement of a winding-up petition, such that the injunction is granted under the court's inherent jurisdiction to prevent an abuse of its process. Although the application is usually for an interim injunction, the substance is to strike out the petition or apprehended petition, and the decision is in practice final. The plaintiff must therefore prove that allowing the petition to proceed will be an abuse.

(5) Where a public law injunction is sought by the Attorney-General or a public authority seeking to enforce the law for the public good.

(6) Where a *Mareva* injunction is sought before trial, the threshold to be met is that of a "good arguable" case, as opposed to a serious issue to be tried. This highlights that a different threshold

applies to an application for a pre-judgment freezing order based on pure Mareva principles, where no proprietary claim is made, and to freezing orders based on a proprietary claim.

(7) Where the application is to restrain a bank from making payment under an irrevocable letter of credit or performance guarantee.

(8) Where the injunction is to restrain an alleged libel or malicious falsehood which the defendant intends to justify, because that would be an excessive restraint on freedom of speech. Where a defendant has pleaded justification, a plaintiff cannot obtain an interim injunction unless it is plain that the plea of justification is bound to fail. Where there is a defence and the issue of malice is raised, an injunction will only be granted where the evidence of malice is overwhelming.

60. I do not need to reach a conclusion for the purposes of this judgment on all eight of the exceptions to the application of American Cyanamid principles identified in Gee, but I venture to suggest that they are each consistent with a coherent and principled approach to the consideration of interim injunctive relief and with the decision in American Cyanamid itself, and are likely to be accepted by the Grand Court.

D.5 Is the interlocutory outcome likely to be determinative of the proceedings as a whole?

61. In this case, Mr Lowe relies on the first exception identified in Gee, namely that there will never be a trial if interlocutory relief is granted now. He submits that if the injunction is continued that will in effect conclude the litigation. For that reason, I should not apply the American Cyanamid approach. As I have indicated, Mr Lowe relies on the English cases of NWL v Woods and Cayne v Global Natural Resources plc to support this argument. Mr Lowe submits that the appropriate test to be applied is that for applications for summary judgment. He says that if I would not be willing to give the Plaintiff summary judgment because there is a triable issue, then I should refuse to continue the injunction. In this submission, Mr Lowe draws, in particular, on the judgments in Cayne. The facts in Cayne are quite similar to the facts in this case: a group of shareholders with about a 10% interest in a company sought an injunction to prevent the directors from issuing shares as consideration for a merger transaction due to complete on 17 August 1982, which the plaintiffs considered would dilute their voting power ahead of an EGM of the defendant company fixed for 13 September 1982. The plaintiffs

intended to vote at the EGM to remove the existing directors of the company. In addition, the plaintiffs sought to restrain the directors from completing the merger transaction, with which the plaintiffs disagreed. The Court of Appeal dismissed the shareholders' appeal against the judge's refusal to order the injunction that they sought. Lord Justice Eveleigh explained at 232c that:

“If the injunction is granted the general meeting will be the next step. The plaintiffs will succeed or they will not succeed in mustering the support that they seek to remove the directors from the board. If an injunction is refused then the agreement will be implemented and there will be no point in seeking an injunction thereafter. It will not be possible to unscramble the situation, so that whichever way this decision goes it seems highly likely that it will finally determine the issue.”

The learned Lord Justice's analysis, starting at 232g, was as follows:

“In my view, whether this is a complete NWL case or not, it is not one which lends itself to the convenience test. [...] Having asked myself the various questions referred to in Cyanamid, I have reached the conclusion that this case is one that the court has to approach on a broad principle: what can the court do in its best endeavour to avoid injustice?

If one approaches the case in that way, it is necessary to look a little into the background of this application. It is submitted in this court that the plaintiffs are seeking to preserve the voting value of their shares; and indeed that is right, they are. But the voting value of the shares in this particular case, if taken in isolation, is really very little indeed. The shares which are intended to be issued to McFarlane are available for issue at some time or another. They may be legitimately issued, and indeed the directors say that they are being or are intended to be legitimately issued to McFarlane; but they may be legitimately issued to others and then the voting power of the plaintiffs' shares will to that extent be diminished. The importance of the voting power from the plaintiffs' point of view is not its value as voting power generally speaking but its value at the moment in order to enable the plaintiffs to achieve a particular object which they have in mind.

[...] The plaintiffs are perfectly entitled to make such an application to this court and ask the court to enforce the plaintiffs' rights. However, in an application for an injunction when the court is being asked to exercise its discretion in enforcing those rights, regard may be had to all of the circumstances. The real aim of Global is to change the policy of the board. We are not concerned with the rights and wrongs of that policy. The question, it seems to me, is: should the court exercise its discretion bearing in mind all the circumstances of the case, when to decide in favour of the plaintiffs would mean giving them judgment in the case against Global without permitting Global the right of trial? As stated that way, it seems to me that that would be doing an injustice to the defendants.

On behalf of the plaintiffs it is submitted that to refuse to make an order will be depriving the plaintiffs of the right to trial. It may well be that it will deprive the plaintiffs of the opportunity on 13 September at the annual general meeting of achieving their ends in the way in which they now might be able to achieve them; that is right, but the plaintiffs come to this court and ask the court to exercise its discretion; it is not Global which is making that application. It seems to me that, with the risk that this decision will produce an injustice on one side or the other, it would be wrong to run the risk of causing an injustice to a defendant who is being denied the right to trial where the defence put forward has been substantiated by affidavits and a number of exhibits in this case.

In saying that I wish to express no view as to the strength of that defence. What I can safely say is that on the evidence before the court the case for the plaintiffs is not overwhelming. It does not mean it is not a good one, but counsel for the plaintiffs quite properly could not contend in this

court that he was presenting an overwhelming case. If that was so, it may be that the court would be entitled to come to a different conclusion, even though it meant in effect depriving Global of a right to trial. But I do not have to consider that. It seems to me that the risk of injustice to Global in this case is greater than is the risk of doing an injustice to the plaintiffs.”

62. Lord Justice Kerr agreed at 234f-g that the American Cyanamid principles only apply where a trial is likely to take place. Kerr LJ continued at 235e onwards:

“[...] I agree with Eveleigh LJ that there is clearly a triable issue [...]. There is a serious question to be tried of which the outcome is uncertain. To that extent the present case is different from NWL Ltd v Woods. But, nevertheless, it lies much closer to that case than to Cyanamid, when one comes to the question how the court's discretion should be exercised.

The practical realities in this regard are that, if the plaintiffs succeed in obtaining an injunction, they will never take this case to trial. The reasons are easy to see. This is a contest which centres on the respective voting power of the plaintiffs on the one hand and of the present board of directors on the other. This contest will be fought out at the annual general meeting in Jersey on 13 September next. The plaintiffs want to remove the present directors and put themselves into their place. The present directors, naturally, wish to retain their position. [...]

If an injunction is granted, the plaintiffs may well become, or become able to control, the new board of directors. They will then manage and represent the company. At that point it seems to me to be quite inconceivable that they would continue the present proceedings to trial against the company itself. In effect, as counsel for the defendant, Global, said, they would then be in the position of being both plaintiff and defendant, and it could hardly be imagined that they would consider it to be in the interests of the company, or of the general body of shareholders, to pursue these proceedings against the company. To do so would be a self-inflicted blood-letting in public. [...] What has to be considered in envisaging the realities of the position if an injunction is granted is therefore whether or not the new board of directors, ie effectively the plaintiffs on the present prospects of the outcome of the battle of votes, would then continue this action against the company itself. I cannot see this happening for one moment.

[...] On the other hand, if an injunction is refused, then the plaintiffs may well decide to pursue this action, as well as the other remedies mentioned above, even if they lose the battle at the annual general meeting. But the overriding consideration for present purposes is that, if an injunction is granted, the effective contest between the parties is likely to have been finally decided summarily in favour of the plaintiffs.

This being the position, the question is then whether, on the material before the court, the plaintiffs can justify such a result at this stage. As was pointed out by Eveleigh LJ during the argument, what the plaintiffs are in effect asking is for summary judgment in their favour. Admittedly, the plaintiffs have strong inferences about the defendants' real motives on their side. There are considerable grounds for suspicion. But Global has strong evidence on oath on its side, and, when this is read together with the exhibits, it is quite clear that Global has a fully arguable case, which it is entitled to have tested on its merits at a full trial.

As was pointed out during argument, if this position were viewed as an application for summary judgment under RSC Ord 14, then it would be clear beyond argument that Global must be given unconditional leave to defend, because it would obviously be entitled to a full trial. However, the grant of an injunction would preclude this, so far as can be foreseen at present, for the reasons already stated.

In these circumstances it seems to me that it would be wholly wrong for this court, in effect, to decide the entire contest between the parties summarily in the plaintiffs' favour on the untested material before us. This does not present any overwhelming balance on the merits in the plaintiffs'

favour, or any other overriding ground for an immediate injunction without a trial. There is only a triable issue whose outcome is doubtful; and that issue should be tried and not pre-empted.”

63. Finally, May LJ added the following useful comments in his judgment, at 238e-h:

“[...] I do not think that in cases such as the present, whatever the strengths on either side, where the decision on an interlocutory application for an injunction will effectively dispose of the claim, the court can legitimately, nor is it bound, to apply the Cyanamid guidelines, which, as I have already said, I think are based on the proposition that there will be a proper trial at a later stage when the rights of the parties will be determined.

It may well be that it is the same ultimate consideration which the court has in mind, namely the question whether it is likely to do an injustice. Where a plaintiff brings an action for an injunction, I think that it is, in general, an injustice to grant one at an interlocutory stage if this effectively precludes a defendant from the opportunity of having his rights determined in a full trial. There may be cases where the plaintiff's evidence is so strong that to refuse an injunction and to allow the case to go through to trial would be an unnecessary waste of time and expense and indeed do an overwhelming injustice to the plaintiff. But those cases would, in my judgment, be exceptional.

In general, as I say, where a plaintiff brings an action and in it seeks an interlocutory injunction on the basis that the defendant has breached the former's rights, then justice requires that that defendant should be entitled to dispute the plaintiff's claim at a trial, and if the grant of the injunction would preclude this then it should not be granted on an interlocutory basis.”

I consider that Cayne v Global Natural Resources plc is good law in the Cayman Islands and should be applied here.

64. I note that, contrary to Mr Lowe's indication in argument, it appears that Cayne v Global Natural Resources plc has been considered in the Cayman Islands on two previous occasions. The first is in the case of JEC Property Consulting Ltd v Amesbury [2007] CILR 365, in a judgment of Levers J, where the learned judge expressly considered the impact of both NWL Ltd v Woods and Cayne v Global Natural Resources plc on the question whether to continue an interlocutory injunction on American Cyanamid principles. The judgment concerned an application to extend an injunction which the plaintiff had obtained to enforce a restraint of trade covenant in an employment contract. Levers J recorded that, even if the clause was valid, it only had 7 months left to run; that the defendant was the sole breadwinner in the family and could not work in his profession if the injunction were to be extended; and that the family had embarked on constructing a home in the Islands and would suffer significant economic hardship if the injunction were continued. Levers J refused to extend the injunction. She said this was because the balance of convenience was heavily in favour of refusing the injunction “*applying the principles set out in the various authorities*”. In the circumstances, it is

not easy to discern the route by which she reached that conclusion but the underlying facts suggest that she was influenced by Cayne.

65. The second occasion where Cayne has been considered in the Cayman Islands is Mangatal J's judgment in Xie v XIO GP Ltd [2019] 1 CILR Note 6 and unreported judgment dated 9 June 2017, in which I note that Ms Leahy appeared for one of the defendants. Xie v XIO GP Ltd is regularly cited for Mangatal J's helpful summary of the American Cyanamid principles governing the approach to granting interlocutory injunctions at [101] of her unreported judgment. However, the judgment also indicates that two of the defendants challenged the continuation of the *ex parte* injunction in issue on the ground that the decision would dispose of the whole case, and that Cayne indicated that the American Cyanamid principles should not be applied for that reason. Mangatal J summarised the defendants' case at paragraphs 47-55 of her judgment as being that the plaintiff had to show an "overwhelming" case on the merits because it was clear that the continuation of the *ex parte* injunction would have the effect of putting an end to the claim. As a result of her analysis of the affidavit evidence, Mangatal J held at [97] that the evidence did not support the conclusion that the continuation of the injunction would have the practical effect of ending the action. What is notable about Mangatal J's judgment is that she accepted without question that Cayne applies in the Cayman Islands, which reinforces my view to the same effect.

66. I therefore turn to consider the practical realities in this case, as indicated by Kerr LJ in Cayne should be the approach. If I continue the injunction, and if the Defendant does have a genuine need for additional working capital, there is nothing to prevent the Defendant from taking steps to obtain that working capital by some means other than through reliance on the challenged resolutions, whether by a rights issue as suggested by Mr Zheng, the issue of loan notes or a bank facility or even a fully reasoned and evidenced decision to issue new shares. More importantly, Mr Lowe conceded that the EGM will have to take place soon and would be highly likely to take place before any trial in these proceedings would be concluded. Given that the Plaintiff currently owns a majority of the issued shares in the Defendant, it is clear that, if the injunction is continued, then the Plaintiff will be able to pass the resolutions at the EGM to remove the Defendant's existing directors and to replace them with new directors. It seems to me to be inevitable that, if that were to happen, then

the Plaintiff would cause the new directors to abandon the Defendant's new share issue and, so far as any capital raising is required, to use a method that does not dilute the Plaintiff's majority control. I do not consider that the safeguard of having at least two independent directors on the Defendant's board, as required by the HKSE Listing Rules, is likely to cause a different outcome: they could easily conclude for *bona fide* reasons to raise any additional funding required by some other route. In light of Mr Lowe's concession regarding the timing of the EGM, it is likely that all of this will take place well before this matter is likely to reach a trial. Accordingly, I conclude that, if I continue the injunction, it is very unlikely that there would ever be a trial in this matter.

67. I appreciate that if I refuse to continue the *ex parte* injunction then the result is likely to be that the Defendant's directors will proceed to issue and place the 200 million new shares, and that the Defendant's majority shareholding will be diluted as a result. However, as was the case in Cayne, those shares are authorised and available for issue at any time, and the shareholders at the AGM on 23 May 2025 resolved to give the directors a general mandate to issue and repurchase shares. Thus, the Plaintiff has never had an entrenched entitlement to have majority control of the Defendant. Indeed, the Defendant currently has 9 billion authorised but unissued shares: if there were a legitimate reason to issue further shares, the Defendant could do so with the result that the Plaintiff's interest could be diluted to as little as 5.1% of the overall share capital, without the Plaintiff having any recourse.

D.6 Does the Plaintiff meet the threshold for an injunction?

68. I must now consider whether the Plaintiff's case is sufficiently strong that, as indicated by Kerr LJ in Cayne, I would give summary judgment: if I would do so then there would be no injustice in continuing the injunction; if I would not, then Cayne indicates that I should not continue the injunction because of the injustice to the Defendant of effectively deciding the case against the Defendant without it having the opportunity to contest matters at trial.
69. As I have indicated earlier in this judgment, I consider that the Plaintiff has demonstrated a serious issue to be tried. As I have also indicated, there are a number of troubling aspects of the conduct of the Defendant's directors that could lead to the inference that they resolved on 9 January 2026 to

issue the new shares in the Defendant for an improper purpose. However, I am not persuaded that the Plaintiff's case is overwhelming, or that it passes the summary judgment threshold. Mr Ding says in evidence that the group's financial position had deteriorated sharply by the time of the board meeting on 9 January 2026, and that the reduction in liquidity raised immediate and serious concerns about the group's ability to fund its day-to-day operations. He continues:

"59. [...] the Board (other than Mr Zheng) concluded that a capital-raising exercise was necessary, urgent and unavoidable. The Board were of the view that a failure to secure timely replenishment of working capital, particularly in light of the withdrawal of bank-provided working capital facilities, the absence of alternative short term financing, and the Company's deteriorating net liabilities position, would expose the Company, its operations, counterparties and public investors to serious and unacceptable risks. The Proposed Placement was therefore considered the prudent, responsible and essential course of action.

[...]

62. The Proposed Placement reflected a market standard discount and was considered a timely, viable and prudent measure. In view of various trading halts, regulatory scrutiny and market volatility, recapitalisation was necessary. Given the continuing decline in the share price and past events, the Board was of the view that a rights issue would have limited prospects because existing shareholders were unlikely to subscribe.

[...]

64. Crucially, the Board's decision to proceed with the Proposed Placement was also driven by its fiduciary duty to ensure the Company's solvency, financial stability and continued operation as a going concern. The Proposed Placement is a reasonable and proportionate measure taken to avert foreseeable liquidity strain and to ensure that the Company can continue to meet its obligations to creditors, employees, customers and regulators.

65. Although the directors acknowledge that the Plaintiff's shareholding percentage in the Company (and thus Mr Zheng's level of control) may be reduced as a result of the Proposed Placement, the directors are of the view that the Plaintiff would nonetheless remain the majority shareholder and continue to hold a substantial stake in the Company. A modest dilution is an entirely justifiable consequence, especially when weighed against the overriding existential risk of illiquidity of the Company."

70. I cannot say whether the Plaintiff or the Defendant would succeed at trial based on the untested conflicting affidavit evidence, and it would not be right to try to do so on an interlocutory basis. In my judgment there is a triable issue between the parties whether the Defendant's directors exercised their discretion to issue the new shares for a proper purpose or for an improper one. However, because I have concluded that it is unlikely that there would be a trial if I continue the injunction, the result of doing so would be to shut the Defendant out from the opportunity to contest the Plaintiff's allegations. As the English Court of Appeal indicated in *Cayne*, to do so would be an injustice to the Defendant. Whilst that outcome may also cause some injustice to the Plaintiff, it is the Plaintiff that is seeking the relief in question and requesting that the court exercise its discretion

in the Plaintiff's favour: where there is potential injustice to both sides, for the reasons given by the Court of Appeal in *Cayne*, it would be wrong to visit that injustice on the Defendant by preventing it from having a trial. The Plaintiff does not lose its ability to pursue its claim to a conclusion, and to seek damages for any losses that it has suffered, but the overall interests of justice in a case like this militate against the Plaintiff obtaining the discretionary injunctive relief that it seeks.

E. Conclusion

71. In conclusion, for the reasons that I have set out, my decisions are:

71.1 the Plaintiff's application for relief restraining the Defendant's directors from further postponing the EGM from 20 March 2026, restraining the directors from preventing the Plaintiff from attending the EGM and requiring the directors to count the Plaintiff's votes on all resolutions is adjourned to a date to be fixed;

71.2 the Plaintiff's *ex parte* injunction dated 11 January 2026 is discharged.

72. My preliminary view is that the Plaintiff should pay the Defendant's costs of the summons, to be taxed on the standard basis if not agreed. However, the parties are free to make submissions in support of some different order if they wish. Within 7 days of this judgment being handed down, the parties' attorneys should indicate: (a) whether they wish to be heard on costs and any consequential matters, providing their agreed available dates and time estimate for a hearing; or (b) whether they will submit written submissions on those points, limited to 10 pages each, within 14 days thereafter. In either case, the attorneys should provide a draft order, agreed if possible, in advance of the hearing or with their written submissions.

Dated 16 February 2026



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