NEUTRAL CITATION NUMBER: [2026] CIGC (FSD) 17

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO. FSD 13 OF 2024 (DDJ)

IN THE MATTER OF THE COMPANIES ACT (2025 REVISION)

AND IN THE MATTER OF FANG HOLDINGS LIMITED

(1) KOA CAPITAL L.P.

First Petitioner

(2) 507 SUMMIT LLC

Second Petitioner

-and-

(1) TIANQUAN MO

First Respondent

(2) FANG HOLDINGS LIMITED

Second Respondent

Before:	The Hon. Justice David Doyle
Appearances:	David Quest KC for the Petitioners Andrew Ayres KC for Fang Holdings Limited, the Second Respondent No appearance by or on behalf of the First Respondent
Heard:	25 November 2025
Order made:	25 November 2025
Draft Judgment circulated:	6 March 2026
Judgment delivered:	11 March 2026

Further reasons in respect of a directions order made on 25 November 2025 in the context of winding up proceedings

JUDGMENT

Order made on 25 November 2025

1. During an extremely busy time for the Financial Services Division, on 25 November 2025, I delivered a short judgment and made the following order:

> "1. The Second Respondent's participation in the proceedings shall be limited to the giving of discovery.
>
> 2. The proceedings be treated as an *inter partes* proceeding between the Petitioners and the First Respondent, in his capacity as member of the Company.
>
> 3. Advertisement of the Petition be dispensed with, but the Second Respondent shall give notice of these proceedings and a copy of the Petition to all registered legal shareholders and directors at their last known address.
>
> 4. The Petitioners shall not be required to serve any further particulars of claim.
>
> 5. The First Respondent shall file and serve his defence to the petition within 4 months from the date this order is sealed.
>
> 6. The Petitioners do file and serve their reply (if so advised) within 1 month from the date the defence is filed and served.
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> 7. Discovery to be given pursuant to GCR O. 24 within 6 months of the deadline for service of the reply.
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> 8. Evidence shall be given by affidavit within 2 months of the deadline for discovery, with reply evidence 1 month thereafter, in each case with liberty to apply for leave to cross-examine any deponent.

9. Within 28 days from the date this order is sealed, the Petitioners and the Respondents shall endeavour to agree the timetable for the further progress of these proceedings, including service of expert evidence (if any), and trial, failing which the Petitioners and/or the Respondents may at any time thereafter make an application for timetabling orders to be made by the Court on the papers without an oral hearing.

10. Costs in the cause."

2. I did not have time to deliver a detailed judgment.

Background

3. At the end of the hearing on 25 November 2025, I indicated that if requested further reasons for the decisions arrived at could be provided. I had anticipated that if further reasons were required a request would have been made within 14 days whilst the matter was still relatively fresh in the judge's mind.

4. No request for further detailed reasons has been received but during the hearing of a summons for an injunction in these proceedings on 5 March 2026 there was reference to an application for leave to appeal the order made on 25 November 2026. I await receipt of the formal application for leave to appeal together with a concise skeleton argument in support. They should be emailed to my PA direct forthwith. I would also be willing to give the Petitioners a short period of time to file a concise skeleton argument in response and I am minded, as is my usual practice, to determine any application for leave to appeal on the papers.

5. A potential appeal having been brought to my attention I thought it appropriate to provide further reasons despite having received no request to do so.

6. I worked on this judgment overnight and early on the morning of 6 March 2026, again in the middle of a busy court schedule but in the hope that it would be useful to the parties.

7. The weekend will be spent working on the judgment following the hearing on 5 March 2026. I then must attend to other pressing judicial commitments, such is the challenging life of a busy Grand Court judge.

8. I provide my further reasons as follows.

The Summons for Directions

9. There was before the court on 25 November 2025 a Summons for Directions dated 16 January 2024. It was originally due to be heard on 29 February 2024 but by consent of the Petitioners and Fang Holdings Limited (the "Company") was adjourned. The Petitioners appear to have delayed progressing to a hearing whilst they endeavoured to serve Tianquan Mo ("Mr Mo"), listed as the First Respondent. The Company is listed as the Second Respondent to the winding up petition dated 16 January 2024 (the "Petition") presented by Koa Capital LP (First Petitioner) and 507 Summit LLC (Second Petitioner) together "the Petitioners".

The relevant law

10. I considered the relevant law. I do not set it all out in this judgment but had full regard to it before coming to the decisions I came to on 25 November 2025.

11. The law was helpfully considered by Foster Ag. J in *Freerider Ltd* 2009 CILR 604, Segal J in *China Shanshui* 2021 (1) CILR 253, Richards J in *Madera Technology Fund CI Ltd* (FSD unreported judgment 4 May 2022) and Segal J in *Uphold Ltd* (FSD unreported judgment 16 February 2023).

12. I also noted Order 3 rule 12 (1) of the Companies Winding Up Rules (2023 Consolidation) ("CWR").

The position of the parties

13. I considered the position of the parties.

The Petitioners' position

14. I considered the 28 pages (with attachments included) skeleton argument dated 20 November 2025 of the Petitioners and the oral submissions of David Quest KC on their behalf.

15. The Petitioners say in effect that this is a dispute between them and Mr Mo a shareholder. There is a lack of clarity whether Mr Mo is a shareholder legal and/or beneficial. The Petitioners say he is.

16. In their Summons for Directions the Petitioners sought various orders including:

    (1) The Company/Second Respondent be properly able to participate in the proceedings for such limited purposes as the court may direct, including but not limited to the giving of discovery. The "limited purposes" were not specified.

    (2) The proceedings be treated as an *inter partes* proceeding between the Petitioners and the First Respondent Mr Mo in his capacity as member of the Company.

17. In the draft order attached to the Petitioners' skeleton argument dated 20 November 2025 the Petitioners sought, amongst others, the following orders:

    (1) The Second Respondent's participation in the proceedings shall be limited to the giving of discovery.

    (2) The proceedings be treated as an *inter partes* proceeding between the Petitioners and the First Respondent, in his capacity as member of the Company.

18. The vast majority of the Petitioners' skeleton argument was spent on the topic of whether Mr Mo was a shareholder and service upon him and the *inter partes* correspondence. There were a couple of paragraphs under a heading "Nature of the Company's Participation in the Proceedings" and at paragraph 33 it was stated:

    > "The Petitioners will address the position further if and when the Company indicates what directions it is seeking. If the Company intends to advance any positive case in response to the Petition, and if permitted to do so, then it should serve a defence pleading that case."

19. Order 3 rule 12 (1)(a) and (b) of the CWR and the relevant local caselaw on characterisation and joinder was not referred to in the Petitioners' skeleton argument.

20. Mr Quest in his oral submissions on behalf of the Petitioners made various points for the court's consideration including:

(1) Mr Mo has been duly served and notified of the hearing (see email dated 4 August 2025, 2:35pm).

(2) Mr Mo has not sought to oppose the directions order requested by the Petitioners.

(3) The Company appears to accept that the proceeding should be between the Petitioners and Mr Mo but seeks permission for the Company to participate in some way over and above discovery. There is no detail and no cogent evidence of the Company's separate interests and suitable safeguards (see Segal J in *Uphold*).

(4) The Petition in this case is primarily based on Mr Mo's involvement in the wrongdoing which on the Petitioners' case was to benefit Mr Mo at the expense of the Company. The proper characterisation of the dispute is that it is a dispute between the Petitioners and Mr Mo.

(5) The entries in the register of members ("RoM") are unreliable and there is evidence from Mr Mo that he is a shareholder.

(6) The directions requested by the Petitioners should be made.

The Company's position

21. I considered the 30 page skeleton argument dated 20 November 2025 of the Company and the oral submissions of Andrew Ayres KC on its behalf.

22. The Company said that the primary matters for consideration by the court were:

(1) whether the proceedings should be treated as an *inter partes* proceeding between the Petitioners and Mr Mo, in his capacity as a member of the Company or as between the Petitioners and the Company or some other "hybrid option";

(2) whether Mr Mo was properly served and joined as a party given that he is not a shareholder of record.

23. The Company says that it takes a neutral position on issue (2).

24. The Company helpfully referred to Order 3 rule 12 (1) of the CWR, and the judgments in *China Shanshui*, *Madera* and *Uphold* but unhelpfully also focused on historic *inter partes* communications and did not appear to address the unsatisfactory position of its RoM.

25. The Company referred to various allegations in the Petition against the directors of the Company (including breaches of their fiduciary duties) and said that the Company should be permitted to defend (paragraph 35 onwards of the Company's skeleton argument).

26. The Company at paragraph 54 of its skeleton argument made the point that having regard to its public listing and the interests of its wider shareholder base it would be inappropriate for the interests of such shareholders' investments to be prejudiced if the Company was not able to defend the proceedings.

27. The Company at paragraph 84 of its skeleton argument invited the court to make an order that the Company may properly participate in the proceedings given that it would be appropriate in the circumstances having regard to amongst other things, the serious allegations made against the Company's board which necessitated separate and independent representation to that of Mr Mo.

28. At paragraph 85 of its skeleton argument it was stated that the Company took a neutral stance on matters pertaining to Mr Mo's service and joinder as it was for the Petitioners to establish compliance with all relevant procedural requirements.

29. The Company unhelpfully did not provide a draft order setting out the directions it wanted the court to make.

30. Mr Ayres in his oral submissions on behalf of the Company made various points for the court's consideration including:

(1) Mr Mo is not a member. CWR Order 3 rule 11 (3)(b) is not satisfied.

(2) Significant parts of the Petition involve claims against the directors. The Company has an independent interest to be protected. There are also a significant body of independent shareholders and their interests need to be protected.

(3) If Mr Mo does not participate it will be difficult for the court to fairly determine the Petition absent the active involvement by the Company.

(4) The Company will not spend money on defending allegations against Mr Mo.

(5) There are serious allegations against the Board as a whole and the Company wishes to answer these allegations.

(6) Although there is no evidence before the court to this effect, if the Court allows the Company to defend the Petition it will set up a Litigation Sub-Committee with independent directors to manage the participation and to ensure the Company's money is not spent on defending Mr Mo.

Mr Mo's Position

31. The court was unaware of Mr Mo's position as it had not been communicated to the court.

Determination

32. I was satisfied as to service on Mr Mo and notification of the hearing. I accepted the evidence of Minyao Wang and the Petitioners' submissions in that respect.

33. On the evidence before the court I was satisfied that Mr Mo was, for present purposes, a shareholder of the Company. Section 48 of the Companies Act (2025 Revision) provides that the register of members is *prima facie* evidence of any matters by the Act directed or authorised to be inserted therein. Under section 40 (1) the Company must include the names and addresses of members of the Company, the date on which the name of the person was entered on the register as a member and the date on which any person ceased to be a member.

34. Conyers (for the Company) by letter dated 13 September 2024 to Carey Olsen (for the Petitioners) on instructions confirmed that:

> "(a) Mr Mo is not currently a registered member of the Company;
>
> (b) Mr Mo ceased to be a registered member of the Company on 5 May 2024."

35. Conyers by letter dated 17 May 2024 to Carey Olsen enclosed the RoM as of 22 September 2010. Mr Mo is listed with 4,741,057 100% paid shares entry as member 5 May 2004 cessation of membership 5 May 2004.

36. The Petitioners said that the various fragments of the RoM were not a reliable record (see letter dated 27 June 2024 HB/B2/3/629-657). Appendix B to the Petitioners' skeleton argument referred to items of evidence under the heading "Inconsistent Accounts of Mr Mo's shareholder status" and Appendix C is entitled "Deficiencies in the Company's Share Registers".

37. The Petitioners referred to other evidence that suggested that Mr Mo was or at least has been a shareholder including a notice of appearance in FSD 278 of 2020 (ASCJ) dated 17 December 2020 stating that "Vincent Tianguan Mo (and his affiliated entities) is the registered holder of 7.5% of the Class A Ordinary Shares and 88.7% of Class B Ordinary Shares in issue held in the Company" and an affirmation of Mr Mo from December 2021 in the same proceedings where at paragraph 1 he says that he is a shareholder of the Company.

38. To ascertain at this stage the nature of the real dispute in this case I looked at the 101 page winding up petition dated 16 January 2024. The Petitioners at paragraph 2 of their skeleton argument invited me to read "paragraphs 1-43 only". I read it all.

39. I considered the dispute between the shareholders. I considered whether the Company had any genuinely independent interest and whether the participation by the Company was necessary or expedient in the interests of the Company as a whole. I asked myself "Does the Company have a separate and independent position?" I focused on the nature of the dispute and whether the Company had its own separate independent interests to protect. I started with, what is referred to in the authorities as, the sort of rebuttable distaste a court has of a company participating and

expending money in relation to what in reality is a dispute between shareholders. I adopted initial scepticism as to necessity, as encouraged to do by the caselaw.

40. Mr Ayres did not persuade me that the Company could properly participate, other than by way of giving discovery to assist the court in the fair and informed determination of the winding up petition.

41. I looked at the substance of the allegations and considered the real nature of the dispute. I was not persuaded that the Company had a separate and independent position and an interest of its own which required protection.

42. I was not persuaded that it was necessary and or expedient for the Company to be permitted to participate and act in the interests of the Company as a whole in these proceedings.

43. In my judgment the real dispute in this case is between the Petitioners and Mr Mo. The proceedings should be treated as *inter partes* proceedings between the Petitioners and Mr Mo as a member of the Company. Apart from giving discovery the Company is not properly able to participate in the proceedings.

44. As Segal J made clear in *Uphold* at [61] if a litigation committee has been established the company needs to demonstrate the independence of its decision making process. In that case there was evidence before the court that went "a long way towards providing the court with the assurances that it needs" but Segal J still required further evidence in that respect. In the case before me the Company had provided no evidence as to the proposed litigation committee. There was no evidence before the court as to what, if any, safeguards had been or would be put in place and no evidence as to what the Company proposed to do by way of defence.

45. Based on the limited information before the court there was no justification for the Company (allegedly under the control of Mr Mo) to spend its money on defending the Petition and the allegations against Mr Mo.

46. I noted the Company's submissions in respect of allegations against directors and the existence of other shareholders and I determined that notification of the proceedings should be given to registered legal shareholders and all directors. If genuinely independent shareholders wish to appoint a representative to act for them (cf [59] of *Uphold*) then they may seek to do so. If individual directors are concerned over their position they may do likewise. It would be for the

registered legal shareholders and directors, once notified of the proceedings and given a copy of the Petition, to take such action as they see fit to protect their positions if they think it necessary to do so.

47. It was for these main reasons that I made the Order that I did on 25 November 2025.

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THE HON. JUSTICE DAVID DOYLE
JUDGE OF THE GRAND COURT