



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

FSD CAUSE NO. ³⁶ OF 2020 ()

IN THE MATTER OF THE COMPANIES LAW (2020 REVISION)

AND IN THE MATTER OF CHINA SKY CHEMICAL FIBRE CO., LTD.



WINDING UP PETITION



TO THE GRAND COURT:

The humble petition of Mr Er Kwong Wah, a natural person and a resident of the Republic of Singapore, of 37 Sennett Lane, Singapore 466929, shows that:

China Sky Chemical Fibre Co., Ltd. (the "Company")

1. The Company is an exempted company limited by shares, and was incorporated in the Cayman Islands on 29 March 2005 with registration number CT-146759. Its registered office is located at the offices of Conyers Trust Company (Cayman) Limited (formerly Codan Trust Company (Cayman) Limited), Cricket Square, Hutchins Drive, PO Box 2681GT, George Town, Grand Cayman, Cayman Islands.
2. In late 2011 the Company's shares were suspended from trading as a result of a disagreement with Singapore Exchange Securities Trading Limited (the "SGX") regarding the appointment of a Special Auditor to look into disclosure issues. On 3 October 2015 the trading suspension was lifted and the Company was relisted on the main board of the SGX. On 12 August 2016 the shares of the Company were suspended from trading because the board of directors of the Company became aware of 5 lawsuits that were commenced against the Company in the People's Republic of China ("PRC") which at that time, they had no details of.

3. The Company's authorised share capital is HKD500,000,000 and at present there are 885,576,470 issued shares with a par value of HKD0.50 per share. The amount of capital paid up or credited as paid up is HKD442,788,235.
4. The Company's principal business was as a manufacturer and sale of chemical fibres, mainly high-end nylon fibres with a wide and diverse range of commercial applications ranging from high-end sportswear and casual wear to other consumer products like curtains, tablecloth, upholstery and decorative materials, shows, bags, luggage, umbrellas, tents, ribbons and nylon webbing. The Company is no longer operating.
5. The Company is the sole shareholder of Winburg Company Limited, a company incorporated in the British Virgin Islands ("**BVI**"), which in turn, has the following subsidiary companies:
 - i. Way Big Holdings Limited, a BVI company, that wholly owns a PRC company called Tianjian Special Polymede Fibre Technology Fujian Co Ltd; and
 - ii. Quanzhou Tianyu Chemical Fiber & Weaving Industry Co Ltd, also incorporated in the PRC,

(all of the entities referred to in i and ii taken together, the "**Subsidiaries**", and the Subsidiaries taken together with the Company, the "**Group**").
6. The PRC entities listed above are no longer operating and whose assets were the subject of foreclosures by banks in the PRCs in 2016 which led to the suspension of the trading of the Company's shares.
7. The Company is currently headquartered and has its principal place of business in Singapore at 8 Shenton Way, #32-03 AXA Tower, Singapore 068811. The Company has 4 local Singapore directors and out of the Company's existing 15 creditors, 13 are based in Singapore. The Company's main asset is its listing status on the SGX.

Mr Er Kwong Wah ("the Petitioner")

8. The Petitioner is a creditor of the Company, resident in Singapore.
9. Pursuant to section 94(1)(b) of the Companies Law (2020 Revision) (the "**Companies Law**"), the Petitioner has standing to present this Petition.

The Debt

10. For the period 13 September 2012 to 31 December 2018 the Petitioner was the lead independent director and chairman of the audit committee of the Company. In that capacity the Company owes the Petitioner SGD455,000 by way of unpaid director's fees.

The Judicial Manager

11. Pursuant to a resolution of the Company's directors dated 20 July 2018, the Company resolved to make an application to the High Court in the Republic of Singapore for the appointment of a judicial manager. The application was made on the basis that the company was unable to pay its debts as they fell due and that the making of the judicial management order would be likely to achieve one or more of the following:
 - i. The survival of the Company, or the whole or part of its undertaking as a going concern;
 - ii. The approval of a compromise or arrangement between the Company and its creditors; and/or
 - iii. A more advantageous realisation of the Company's assets than would be effected on a winding-up.
12. By order of the Singapore Court dated 14 September 2018, Yit Chee Wah, a public accountant, care of FTI Consulting (Singapore) Pte Ltd, 8 Shenton Way, #32-03 AXA Tower, Singapore 068811 (the "**JM**"), was appointed Judicial Manager of the Company.

Winding Up

13. In the circumstances, the Petitioner believes the Company should be wound up pursuant to section 92(d) of the Companies Law as the Company is insolvent within the meaning of section 93 of the Companies Law and is unable to pay its debts as they fall due.
14. The Petitioner proposes the appointment of David Griffin of FTI Consulting (Cayman) Ltd and Joshua Taylor of FTI Consulting (Singapore) Pte Ltd as joint official liquidators of the Company.
15. Further or in the alternative, it is just and equitable in the circumstances that the Company should be wound up pursuant to section 92(e) of the Companies Law.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

1. The Company be wound up by the Court in accordance with section 92(d) of the Companies Law.
2. David Griffin of FTI Consulting (Cayman) Ltd of Suite 3212, 53 Market Street, Camana Bay, PO Box 30613, Grand Cayman, KY1-1203, Cayman Islands and Joshua Taylor of FTI Consulting (Singapore) Pte Ltd of 8 Shenton Way, #32-03 AXA Tower, Singapore 068811 be appointed as Joint and Several Official Liquidators of the Company (the "**Joint Official Liquidators**").
3. The Joint Official Liquidators shall not be required to give security for their appointment.
4. The Joint Official Liquidators shall have the power to act jointly and severally in their capacity as joint and several liquidators of the Company.
5. The Joint Official Liquidators be authorised to take any such action as may be necessary or desirable to obtain recognition of the official liquidation and/or their appointment in any other relevant jurisdiction that the Joint Official Liquidators consider necessary together with such other relief as they may consider necessary for the proper exercise of their functions within that jurisdiction.

6. In addition to the powers prescribed in Part II of the Third Schedule of the Companies Law, the Joint Official Liquidators be authorised to exercise the following powers conferred on them by Section 110(2) of Part I of the Third Schedule to the Companies Law without further sanction or intervention of this Honourable Court:
- i. The Joint Official Liquidators shall have power to carry on the business of the Company so far as may be necessary for its beneficial winding up;
 - ii. The Joint Official Liquidators shall have the power to sell any of the Company's property by public auction or private contract with power to transfer the whole of it to any person or to sell the same in parcels;
 - iii. The Joint Official Liquidators shall have the power to engage staff (whether or not as employees of the Company) to assist them in the performance of their functions; and
 - iv. The Joint Official Liquidators shall have the power to engage such counsel, attorneys and/or other professional advisors, whether in the Cayman Islands or elsewhere, as they may consider necessary to advise and assist them in the performance of their duties and in accordance with Order 25 of the Companies Winding Up Rules 2018.
7. The Joint Official Liquidators be authorised to do any acts or things considered by them to be necessary or desirable in connection with the liquidation of the Company and the winding up of its affairs in the Cayman Islands and/or elsewhere.
8. Without prejudice to the generality of the foregoing, the Joint Official Liquidators be authorised and be granted leave to take all such actions as may be necessary to:
- i. take control of such of the Subsidiaries and/or joint ventures, investment, associated companies, business or other entities (together, the "**Associated Companies**") in which the Company holds an interest (or

such shares of such Subsidiaries and/or associated companies as are owned directly or indirectly by the Company), in each case wherever located, as the Joint Official Liquidators shall think fit; and/or to call or cause to be called such meetings of such Subsidiaries and/or Associated Companies and/or to sign such resolutions (in accordance with the provisions of any relevant constitutional or related documentation of such companies) and take such other steps, including applications to appropriate courts and/or regulators, as the Joint Official Liquidators shall consider necessary to appoint or remove directors, legal representatives, officers, and/or managers to or from such Subsidiaries and/or Associated Companies, and in each case take such steps as are necessary to cause the registered agents (or other equivalent corporate administrators) of such Subsidiaries or Associated Companies to give effect to the changes to the boards of directors, legal representatives, officers, and/or managers of such companies or entities, including (without limitation) effecting changes to the company registers of such Subsidiaries or Associated Companies as may be deemed appropriate by the Joint Official Liquidators; and/or take such other action in relation to all such Subsidiaries or Associated Companies as the Joint Official Liquidators shall think fit for the purpose of protecting the assets of the Company and managing the affairs of the Company (which, for the avoidance of doubt, shall include the assets and affairs of the Subsidiaries and Associated Companies);

- ii. liaise with the management of the Group to stabilise and preserve value of the Company and the Group; and
 - iii. communicate on the Company's behalf with the relevant regulators, as appropriate.
9. The Joint Official Liquidators do file with the Court a report in writing of the position of and the progress made with the winding up of the Company and with the realisation of the assets thereof and as to any other matters connected to the

winding up of the Company, in accordance with Order 10 of the Companies Winding Up Rules 2008, or at such further and other times as the Court may direct.

10. No disposition of the property of the Company by or with the authority of the Joint Official Liquidators in carrying out their duties and functions and the exercise of their power under any order granted pursuant to this petition shall be voided by virtue of section 99 of the Companies Law.
11. Pursuant to Section 97 of the Companies Law no suit, action or other proceedings, including criminal proceedings, shall be proceeded with or commenced against the Company except with leave of the Court provided that the foregoing shall not apply to the proceedings commenced by, amongst others, the Company in the High Court of the Republic of Singapore on 14 September 2018 pursuant to section 211B of the Companies Act (Cap. 50) of Singapore.
12. Subject to section 109(2) of the Companies Law and the Insolvency Practitioner's Regulations 2008 (as amended) the Joint Official Liquidators be authorised to render and pay invoices out of the assets of the Company for their own remuneration.
13. The Joint Official Liquidators be at liberty to meet all disbursements reasonably incurred in connection with the performance of their duties and, for the avoidance of doubt, all such payments shall be made as and when they fall due out of the assets of the Company as an expense of the liquidation.
14. The Joint Official Liquidators be at liberty to apply generally.
15. The costs of and incidental to the Petition be paid forthwith out of the assets of the Company.
16. Such further or other relief be granted as the Court deems appropriate.

AND your Petitioner will ever pray etc.

DATED the 27th day of February 2020.


HSM CHAMBERS
Attorneys at Law for the Petitioner

NOTE: This petition is intended to be served on the Company and:

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This Petition was presented by HSM Chambers, Attorneys-at-Law for the Petitioner, whose address for service is HSM Chambers, 68 Fort Street, George Town, PO Box 31726, Grand Cayman, KY1-1207, Cayman Islands [Ref.: 421524-0001/ICL].

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this petition will take place at the Law Courts,
George Town, Grand Cayman on at 10.00 am.

Any correspondence or communication with the Court relating to the hearing of this
petition should be addressed to the Registrar of the Financial Services Division of the
Grand Court at PO Box 495, Grand Cayman, KY1-1106, Telephone +1 345 949 4296.

This Petition was presented by HSM Chambers, Attorneys-at-Law for the Petitioner, whose address for service is
HSM Chambers, 68 Fort Street, George Town, PO Box 31726, Grand Cayman, KY1-1207, Cayman Islands [Ref.:
421524-0001/ICL].