

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION



195  
CAUSE NO: FSD OF 2020

IN THE MATTER OF SECTIONS 124(1) or 131(A) OF THE COMPANIES LAW (2020 REVISION)  
(AS AMENDED)

AND IN THE MATTER COMPANIES WINDING UP RULES (2018), ORDER 15 (AS REVISED)

AND IN THE MATTER OF GLOBAL DYNAMIC ASSET ALLOCATIONS SPC (IN VOLUNTARY  
LIQUIDATION)



PETITION FOR COURT SUPERVISION



To the Grand court

This humble petition of Andrew Morrison and David Griffin of FTI Consulting (Cayman) Ltd of Suite 3212, Camana Bay, Grand Cayman KY1-1203, Cayman Islands (**Petitioners**), as joint voluntary liquidators (**JVLs**) of Global Dynamic Asset Allocations SPC (**Company**), shows that:

**Background of the Company**

1. The Company was incorporated as an exempted segregated portfolio company on 23 March 2017 (filed as No. 320938). The sole holder of all voting shares in the Company is GDAF Capital Management Limited (**GDAF**), a company incorporated as an exempted company on 16 January 2015, and filed as No. 029562 under the laws of the Cayman Islands. At all material times GDAF operated as the investment manager of the Company.
2. The former registered office of the Company is c/o Campbells Corporate Services Limited, Floor 4, Willow House, Cricket Square, PO Box 268, Grand Cayman KY1-1104, Cayman Islands (**Registered Office**), which also acts as the Registered Office of GDAF.
3. The Company operated as an investment fund and made investments through the segregated portfolio, Dong Ying Global Special Situations Fund SP (**Portfolio**). The JVLs assume, but due to an absence of documents and information relating to the Company, are unable to confirm, that the Portfolio was, at all material times, the sole portfolio of the

Company. The Portfolio secured capital through issuing participating redeemable Class A and Class B shares to the investors (**Class A Investors** and **Class B Investors** as the context requires).

4. The last net asset value (**NAV**) of the Portfolio was last calculated in August 2018.
5. By late 2019 the Portfolio was experiencing financial distress. In recent months the investment advisor, auditor and administrator of the Portfolio have resigned. Further, on 9 March 2020 the Cayman Islands Monetary Authority deregistered GDAF as an excluded person under the Securities Investment Business (Amendment) Law 2019. A copy of that notice is exhibit at **pages 7 to 14 of AM-1**. The Company took steps to evaluate possible restructuring options, but was unable to develop a restructuring proposal that would satisfy the current liabilities of the Portfolio, before making returns to the Portfolio's investors. Therefore, it was resolved by the Director Resolution, that the Company be voluntarily wound up pursuant to section 116(c) of the Law (**Law**).

#### **Voluntary liquidation**

6. By resolution of the sole director dated 21 July 2020 (**Director Resolution**), it was resolved that the Company's affairs be wound up and the Company placed into voluntary liquidation as expeditiously as possible.
7. The Director Resolution further resolved *inter alia* to suspend:
  - a) calculation of the NAV of the Portfolio;
  - b) calculation of the Participating Class NAV of the Class A Shares and the Class B Shares of the Portfolio;
  - c) the issue and redemption of Class A Shares and Class B Shares of the Portfolio; and
  - d) the payment of the Redemption price in respect of the Class A Shares and Class B Shares of the Portfolio.
8. In addition, the Director Resolution resolved to accept the resignation of Wei Weicheng as a director of the Company, with effect from 22 February 2020.

9. By special resolution dated 21 July 2020, GDAF passed a resolution (**Shareholder Resolution**), *inter alia* that:
- a) the Company be wound up voluntarily under the Companies Law (2020 Revision) (**Law**), section 116(c);
  - b) the Petitioners be and are hereby appointed JVLs for the purposes of winding up the Company;
  - c) the JVLs be authorised if they think fit to make a distribution in specie and / or in cash of all or part of the assets of the Company;
  - d) the JVLs be remunerated from the assets of the Company on the basis of and in accordance with the terms of their engagement letter dated 21 July 2020.
10. The Shareholder Resolution was signed by Mr Hu Zi Cheng (**Mr Hu**). Mr Hu was appointed as a director of GDAF by a resolution dated 21 July 2020 of the then sole shareholder of GDAF, Mr Wei Weicheng. A copy of that resolution was sent to the Registered Office on 22 July 2020, for the purpose of updating the Register of Directors of GDAF.
11. On the basis of the Shareholder and Director Resolutions, the Company was placed into voluntary liquidation on 21 July 2020 (**Commencement Date**). As at the Commencement Date, the sole director of the Company was Hao Lin, following the resignation of Wei Weicheng with effect from 22 February 2020, as noted and accepted by the Company in paragraph 5 of the Director Resolution.
12. The Director Resolution was premised on the basis that the current liabilities of the Portfolio exceeded the cash available to the Portfolio. The cash available to the Portfolio is approximately US\$400,000 (**Cash Balance**) (held with Capital Union Bank (**Bank**) in the Bahamas), and according to the Company's and Portfolio's records, the current liabilities are US\$2,249,432, comprising:
- a) Redemption payments to Class A Investors in the amount of US\$100,000;
  - b) Accrued interest due to the Class A Investors in the approximate amount of at least US\$815,000 (as at 30 June 2020);

- c) Pending redemption requests in the amount of US\$399,987; and
  - d) Service provider and professional fees in the aggregate amount of US\$934,445. The majority of these claims are comprised of the outstanding fees due to GDAF for investment management services provided to the Portfolio in the amount of US\$876,000.
13. The JVLs do not presently have sufficient information available to ascertain whether the current liabilities outlined above are valid. The JVLs understand that some of the current liabilities may be liabilities of the Company, and others of the Portfolio. In the course of their enquiries the JVLs have not identified liquid assets of the Company that could satisfy liabilities of the Company.
14. The Cash Balance is the only identified liquid asset of the Portfolio and would be insufficient to satisfy debts which appear to be liabilities of the Portfolio, including redemption creditor claims and the claim of GDAF.
15. The only other known assets of the Company, or of the Company on behalf of the Portfolio are shareholdings in companies registered in the British Virgin Islands (**BVI**). These investments do not appear to have been valued since approximately 2017. The JVLs will need to conduct further investigations to establish if there is any realisable value available from these investments.

#### **Conduct of the voluntary liquidation**

16. Since the Commencement Date the JVLs have sought to take control of the Company and Portfolio's assets and affairs. The JVLs' efforts have been limited due to the reluctance of various of the Portfolio's service providers to accede to the JVLs' requests for documents, information and assistance.
17. In addition, the JVLs have been unable to establish a line of communication with the Company's director or the former director. Letters to these individuals were issued on 5 August 2020 and again on 14 August 2020 but neither the Company's director nor former director have responded to the JVLs' enquiries.

18. Further, GDAF has failed to provide assistance to the JVLs in order to secure the assets of the Portfolio, and / or obtain its books and records. In the circumstances, the JVLs have been unable to take possession of the Cash Balance, because the JVLs are not the authorised signatories on the Portfolio's account with the Bank, and the Bank is unable to transfer the Cash Balance until such time as the JVLs have satisfied the Bank's requests for information.
19. The JVLs have taken steps to obtain the information requested by the Bank but, given the lack of cooperation with the JVLs to date from *inter alia* Mr Hu and GDAF, it is not clear that the information requested by the Bank can or will be provided.
20. On 6 August 2020 the JVLs notified all known Class A and Class B Investors of the Portfolio of the JVLs' appointment. As at the date of this Petition, the JVLs have received some general enquiries from the Class A and Class B Investors, regarding the process and anticipated timing of the liquidation.
21. On filing this Petition the JVLs shall cause a notice to be sent to the Company's and Portfolio's known creditors and members, notifying them of this Petition. The JVLs shall update the Court in the event that any consent or objection is received from any of the Company's and Portfolio's known creditors or members, within 10 days of such notice of the Petition being given.

### **Supervision order**

22. At the time of swearing this Petition, more than 28 days have passed since the Commencement Date. In that time, the JVLs have not received a declaration of solvency in the prescribed form signed by the Company's director, and are of the view that there is no prospect that a declaration of solvency would or could be signed in respect of the Company in any event, in view of the information described at paragraph 12 above. The Petitioners therefore apply pursuant to section 124(1) of the Law for the liquidation to be continued under the supervision of this Honourable Court.
23. In the alternative it is the Petitioners' view that, pursuant to section 131(a) of the Law, the supervision of the Court is required on the basis that the Portfolio is insolvent by reason of its current liabilities exceeding its available liquid assets.

24. Further, and in any event the JVLs respectfully suggest that the supervision of the Court will facilitate a more effective or expeditious liquidation of the Company in the interests of the contributories and creditors in so far as it will:
- a) Provide the liquidators with power to apply to Court for an order to compel any relevant person (as defined in section 103(1) of the Law) (a **Relevant Person**) to transfer or deliver up to the liquidators any property or documents belonging to the Company/Portfolio;
  - b) provide the liquidators with the power to apply to the Court for an order to examine any Relevant Person for the purposes of investigating transactions which occurred prior to the liquidation of the Company and its Portfolio; and
  - c) allow the liquidators to carry out a comprehensive investigation into the Company's affairs, including any claims that may vest in the official liquidators (but not voluntary liquidators) for the benefit of stakeholders.
25. The Petitioners are qualified insolvency practitioners (as defined in the Law) who meet the requirements of a qualified insolvency practitioner pursuant to the Insolvency Practitioners' Regulations (2018) (IPR). Each of the Petitioners consent to being appointed as JOLs of the Company.

**YOUR PETITIONERS THEREFORE HUMBLY PRAY THAT:**

1. The liquidation of the Company be continued under the supervision of the Court pursuant to Section 124, or in the alternative, 131(a) of the Law.
2. Andrew Morrison and David Griffin of FTI Consulting (Cayman) Ltd whose address is Suite 3212, Camana Bay, Grand Cayman KY1-1203, Cayman Islands be appointed as the JOLs of the Company.
3. The JOLs shall have the power to act jointly and severally.
4. The JOLs shall not be required to give security for their appointment.

5. The JOLs be authorised to take any action as may be necessary or appropriate to take possession, custody and control of the assets, books and records of the Company to the extent that the Company's property is not already in their possession, custody or control.
6. The JOLs be authorised as representatives of the Company, and if so advised, to seek recognition in any other jurisdiction, including, without limitation Hong Kong, the People's Republic of China; the BVI; and the Bahamas, together with such other relief as the JOLs may consider necessary for the proper exercise of their functions within those jurisdictions, and to take steps arising in connection therewith that the JOLs may consider appropriate;
7. In addition to their powers prescribed in Part II of the Third Schedule to the Law which are exercisable without sanction of this Court, the JOLs be sanctioned to exercise the following powers set out Part 1 of the Third Schedule to the Law:
  - a. the power to bring or defend any action or other legal proceeding in the name and on behalf of the Company;
  - b. the power to carry on the business of the Company so far as may be necessary for its beneficial winding up;
  - c. the power to dispose of any property of the Company to a person who is or was related to the Company;
  - d. the power to pay any class of creditors in full;
  - e. the power to make any compromise or arrangement or scheme of arrangement pursuant to section 86 of the Law with creditors of persons claiming to be creditors or having or alleging themselves to have any claim (present or future, certain or contingent, ascertained or surrounding only in damages) against the Company or for which the Company may be rendered liable;
  - f. the power to make any compromise or arrangement or scheme of arrangement pursuant to section 86 of the Law on such terms as may be agreed all debts and liabilities capable of resulting debts, and all claims (present or future, certain or

contingent, ascertained or sounding only in damages) subsisting, or supposed to subsist between the Company and a contributory or alleged contributory or other debtor or person apprehending liability to the Company;

- g. the power to deal with all questions in any way relating to or affecting assets or the winding up of the Company to take any security for the discharge of any such call, debt, liability of claim and to give a complete discharge in respect of it;
  - h. 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;
  - i. the power to engage staff (whether or not as employees of the Company) to assist the JOLs in the performance of their functions; and
  - j. the power to engage attorneys (including Cayman Islands attorneys and attorneys in those jurisdictions where the JOLs consider it necessary to advise and assist the JOLs in the performance of their functions) and other professionally qualified persons to assist the JOLs in the performance of their functions.
1. No suit, action or other proceedings shall be proceeded with or commenced against the Company, except with the leave of the Court pursuant to section 97 of the Law.
  2. No disposition of the Company's property by or with the authority of the JOLs in carrying out their duties and functions and the exercise of their powers shall be avoided by virtue of Section 99 of the Law.
  3. The JOLs be entitled to receive remuneration for their services by reference to the time properly given by them and their staff upon the affairs of the liquidation and the hourly rates and the amount of remuneration shall be determined in accordance with the IPR.
  4. The JOLs be at liberty to meet all disbursements reasonably incurred in connection with the performance of their duties.

5. The JOLs fees and expenses be paid out of the assets of the Company in accordance with Section 109 of the Law, the IPR and the Companies Winding Up Rules (2018 Revision).
6. The JOLs be at liberty to and do pay their agents, employees, attorneys, solicitors and whomever else they may employ or instruct, remuneration and costs, 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 expenses of the winding up.
7. The costs of and incidental to this Petition shall be paid out of the assets of the Company as an expense of the liquidation.

AND your Petitioners will ever pray, etc

Dated the 3rd day of September 2020

*Collas Crill*

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**Collas Crill**  
**Attorneys-at-law for the Petitioners**