



**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION**

CAUSE NO: FSD OF 2021 ()

IN THE MATTER OF THE COMPANIES ACT (2021 REVISION)

AND IN THE MATTER OF ADAMAS ASIAN ORIGIN FUND SPC

PETITION

To the Grand Court

The humble petition of Adamas Asian Origin Fund SPC (the “**Company**” and the “**Petitioner**”, as applicable), a segregated portfolio company incorporated under the Companies Act (as amended) (the “**Companies Act**”) whose former registered office was at Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9007, Cayman Islands shows that:-

Preamble

1. The Petitioner seeks a winding up order in respect of the Company pursuant to sections 92(d) and/or 92(e) of the Companies Act on the ground that the Company is insolvent and/or on just and equitable grounds.
2. The Petition is for the winding up of the Company as opposed to the appointment of a Receiver over the Company’s portfolio(s) as the Company is insolvent and the Company has only one remaining portfolio, which is also insolvent.

Background to the Company

3. The Company was incorporated in the Cayman Islands on 2 June 2017 as a segregated portfolio company under the Companies Act. The Company was assigned company number 323494 and registered with the Cayman Islands Registrar of Companies on or about 2 June 2017.
4. The previous registered office of the Company was at Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9007, Cayman Islands (“**Intertrust**”). However, the directors of the Company have been notified by Intertrust that due to non-payment of their invoices by the Company, they have resigned as the registered office of the Company.
5. The memorandum and articles of association of the Company dated 2 June 2017 (the “**Articles**”) show that (i) the objects for which the Company was established are unrestricted; (ii) the Company has full power and authority to exercise all the functions of a natural person of full capacity; and (iii) the authorised share capital of the Company is US\$50,000 divided into 100 management shares with a par value of US\$0.01 (the “**Management Shares**”) and 4,999,900 participating shares with a par value of US\$0.01 which may be issued in different classes (the “**Participating Shares**”). The Management Shares are held by Adamas Capital Partners Limited who is the investment manager to the Company (the “**Investment Manager**”).
6. The Company operated as an investment fund and made investments through two segregated portfolios, Europa SP and Ganymede SP (the “**Portfolios**”), whose main investments were in investee funds and futures primarily within Asia. The Portfolios secured capital through issuing participating redeemable Class A USD Shares and Class A JPY Shares to investors, respectively. Europa SP was terminated in March 2020. The sole investor of Ganymede SP fully redeemed its stake in December 2019, however, certain amounts are still due to the sole investor, as well as other creditors of Ganymede SP.

7. The specific investment objectives and strategies of each of the Portfolios was set out in respective supplements to the Company's Private Offering Memorandum (the "**Offering Memorandum**"), more particularly:

Investment Objective

"The investment objective of the Segregated Portfolio is to provide deep fundamental analysis to identify investment opportunities which are "off the radar" to most investors. The fund focuses on the capture and creation of value through seed, early stage and acceleration capital investment of hedge funds."

Investment Strategies

"The Segregated Portfolio will seek to achieve the investment objective by investing its assets in a diversified portfolio of listed and unlisted investment funds (with a focus on Asia) which use traditional, non-traditional and alternative asset management strategies. The Segregated Portfolio's main focus will be to "seed" or "accelerate" new strategies being pursued by a number of investment managers. In view of this, in addition to holding interests in the relevant investment funds, the Segregated Portfolio will enter into contractual agreements for fee sharing with the investment managers of the relevant investment funds.

The Fund can also invest in non-Asia focused investment funds with unique strategies that can enhance the Fund's overall risk return profile. Investment funds includes mutual funds, exchange traded funds, index funds, hedge funds, similar collective investment schemes, managed accounts, a basket of collective investment schemes or other investments that exhibit a similar characteristics. The Fund may utilize overlay derivatives including but not limited to futures and options. The principal purpose of using derivatives will be to hedge market or currency exposure. The Fund may also hold cash on deposit pending investment and to meet redemptions.

The Investment Manager decides upon the portfolio allocation based upon the investment advice given to it by the Investment Adviser. The Investment Manager has absolute discretion as to which investment funds to select and may act in whichever way it believes to be in the best interests of the Fund.....”

8. The Company’s board of directors are Andrew Charles Main and Kevin Andre Phillip (the “**Directors**”). Pursuant to article 42.4 of the Articles, the directors of the Company have the authority to present a petition for the winding up of the Company to the Grand Court of the Cayman Islands (the “**Court**”) on behalf of the Company without the sanction of a resolution passed at a general meeting.

9. While the Offering Memorandum allows for a ‘soft wind-down’ of the Company, this is only in circumstances where the Directors do not consider it to be in the best interests of the Company that it be placed into liquidation, more specifically where it states that:

*“The Articles provide that the Fund’s business shall continue for so long as the Fund holds assets, irrespective of whether the Directors have determined that the Fund shall not acquire any further investments. Accordingly, the investments of the Fund may be managed for the sole purpose of realising all investments in anticipation of the termination of the business of the Fund (the **Realisation**). Unless the Directors consider it is in the best interests of the Fund that it be placed into liquidation under the Companies Law, the Realisation shall be managed by the Directors, together with, if the Directors so determine, the Investment Manager. If the Directors determine that the Investment Manager is to manage the Realisation, the appointment of the Investment Manager will continue on the terms of the Investment Management Agreement then in force unless the Directors determine otherwise.”*

10. On 25 May 2021, the Directors passed a resolution to petition the Court to wind up the Company under the supervision of the Court and appoint joint official liquidators on the basis that it was in the best interests of the Company, more specifically because:
 - a. The Company is insolvent;

- b. the Company's last remaining portfolio, Ganymede SP, is insolvent; and
- c. the Company's investment advisor, Adamas Asset Management (HK) Limited (Provisional Liquidators Appointed) (the "**Investment Advisor**"), having been appointed by the Investment Manager to provide investment advisory services in relation to the management, investment and reinvestment of the assets of Ganymede SP, has been placed into provisional liquidation by the High Court of Hong Kong (the "**HK Court**"), following the suicide of the Investment Advisor's CEO, Paul Lincoln Heffner, and resignation of all its staff (and the consequent inability and difficulty faced by the Directors in obtaining further information about the Company to assist in its wind down).

(the "**Directors' Resolution**").

- 11. The Company should be wound up on the grounds that it is insolvent and on the grounds that it is just and equitable to do so.

Insolvency of the Company

- 12. The Company's general assets (the "**General Assets**") comprise US\$0.00.
- 13. The Company has (known) general liabilities of US\$29,419.42 representing outstanding directors' fees and administrative fees.
- 14. The Directors understand that the Company has additional liabilities with respect to both Intertrust and its former legal counsel, Ogier. The quantum of these outstanding invoices is not currently known.
- 15. The General Assets are insufficient to discharge the liabilities of the Company.

Insolvency of Ganymede SP

This Petition was presented by Broadhurst LLC, Attorneys for the Company whose address for service is Level 4, 54 Edward Street, George Town, Grand Cayman, KY1-1104, Cayman Islands

16. The Company's last remaining portfolio, Ganymede SP, has one registered investor, being HSBC Nominees (Hong Kong) Limited A/C 540856 (the "**Investor**"). The Investor submitted a complete redemption order to redeem all holdings from Ganymede SP with a dealing date of 2 December 2019.
17. Redemption proceeds of JPY 1,773,780 (USD\$16,186) were paid on 21 Feb 2020 and subsequently JPY 173,000,000 (USD\$1,578,633) was paid on 17 Jun 2020. As at 31 December 2020, the outstanding redemptions payable balance to the Investor is JPY 883,726,783 (USD\$8,064,047).
18. Based on a Statement of Net Assets provided to the Directors by the Administrator, as at 31 December 2020, Ganymede held assets of JPY 887,526,413 (USD\$8,098,719) and liabilities of JPY 889,073,697 (USD\$8,112,838), leading to a deficit of JPY (1,547,284) (USD\$14,119.04).
19. The assets as at 31 December 2020 comprise solely of an investment in Adamas Heracles Multi Strategy Fund (a related investment fund that is also in the process of being liquidated under the supervision of the Court) amounting to JPY 853,423,772 (USD\$7,787,530) and cash of JPY 34,102,641 (USD\$311,188). The liabilities comprise of the redemption payable to the Investor of JPY 883,726,783 (USD\$8,064,047) and various liabilities and accruals amounting to JPY 5,346,914 (USD\$48,790).
20. A small accrual of JPY 826,200 (USD\$7,539) is made for liquidation fees payable, the Directors however are advised that the actual wind down and liquidation expenses, along with related legal fees and disbursements (including Court fees payable), will be significantly in excess of this accrual. It is therefore highly likely that the deficit of JPY 1,547,284 (USD\$14,119.04) referred to above will significantly increase.

21. In light of the above, it is evident that Ganymede SP is insolvent on both a cash flow and balance sheet basis.

Provisional liquidation of Investment Advisor

22. As set out above, the Investment Advisor was appointed by the Investment Manager to manage the assets of the relevant Portfolios pursuant to an Investment Management Agreement.

23. On 25 February 2021, the Investment Advisor was put into provisional liquidation under the supervision of the HK Court following a petition presented by the Securities and Futures Commission of Hong Kong (“SFC”). This followed the suicide of the Investment Advisor’s sole director and shareholder, Paul Lincoln Heffner, and there subsequently not being any person with proper authority attending to the Investment Advisor’s affairs, with it becoming non-operational.

24. On 9 March 2021, the HK Court determined to continue the provisional liquidation of the Investment Advisor, in finding, among other things, that (references to the “Company” below being to the Investment Advisor):

“The sole shareholder of the Company is Adamas Management Holdings Ltd, which is wholly-owned by Mr Paul Lincoln Heffner (“Heffner”) through 2 BVI companies, namely, Net Effect Ltd (50%) and Extensive Yield Global Investments Ltd (50%). Lau Barry Wang Chi (“Barry Lau”) was a substantial shareholder and director of the Company before 16 July 2020. Heffner had become the sole registered director...”; and

“The simple fact is that, since Heffner’s death, the Company has come to a standstill. As he was the sole beneficial owner and director of the Company (as well as its holding BVI companies), there has been a complete deadlock at both the board and shareholder level. In practice, no one has the proper authority to give instructions whatsoever (including instructions concerning

the Company's bank accounts) on behalf of the Company; there is no one in the Company to maintain, preserve or review the books and records of investments made in the Funds; and no one is there to answer any query concerning the Company."

Grounds for winding up

Insolvency – the Company is unable to pay its debts

25. Section 92(d) of the Companies Act provides that a company may be wound up by the Court if the company is unable to pay its debts.

26. As at the date of this Petition, the Company has known debts (which are not attributable to Ganymede SP) totalling US\$29,419.42 and no assets.

27. In the premises, the Company is unable to pay its debts and is therefore insolvent.

Just and Equitable - the Company has lost its substratum

28. Section 92(e) of the Companies Act provides that a company may be wound up by the Court if the Court is of the opinion that it is just and equitable that the company should be wound up.

29. The Company's principal object was to carry on the business of an investment company, primarily investing in investee funds and futures mainly within Asia, through the Portfolios.

30. Considering the termination of Europa SP, the insolvency of Ganymede SP and the liquidation of the Investment Advisor, it has become impossible, alternatively impractical for the Company to carry on its business as the Company is not making investments or receiving subscriptions, and no longer intends to operate as an investment fund or in any capacity whatsoever.

31. In the premises, the Company has lost its substratum. It has become impossible, alternatively impractical, for the Company to carry on its business as an investment fund as pleaded above, more specifically in circumstances where one of its portfolios has been terminated, and the other is insolvent.
32. It is just and equitable that the Company be wound up given the Company's last remaining portfolio is insolvent; the Investment Advisor to the Company is in liquidation in Hong Kong following the suicide of its CEO and resignation of all of its staff; there has been a loss of substratum as the original purposes of the Company can no longer be pursued; and the Directors of the Company passed various directors' resolutions pursuant to which they resolved to take all such steps to present this Petition to the Court.
33. The Petitioner seeks the appointment of professional independent liquidators to investigate the Company's affairs and take all appropriate action to maximise the return to the creditors and the Investor and wind down the Company.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

1. The Company be wound up in accordance with the Companies Act.
2. Michael Green and Michael Penner of Deloitte & Touche, P.O. Box 1787 GT, Citrus Grove Building, Goring Avenue, George Town, Grand Cayman, Cayman Islands KY1 1109 be appointed as joint official liquidators of the Company (the "JOLs").
3. The JOLs shall not be required to give security for their appointment.
4. In addition to their powers prescribed in Part II of the Third Schedule of the Companies Act which are exercisable without sanction of this Court, the JOLs may also without further sanction or intervention from this Court exercise all of the powers set out in Part I of the Third Schedule of the Companies Act, but for the third power which is the power to dispose of any

property of the company to a person who is or was related to the Company. For the avoidance of doubt, the powers bestowed on the JOLs may be exercised by them within and outside the Cayman Islands.

5. Without prejudice to the generality of the foregoing, the JOLs be authorised to take all such actions, within and outside of the Cayman Islands, as may be necessary or desirable to:
 - a. bring or defend any action or other legal proceeding (including, but not limited to, any application for interim relief) in the personal name of the JOLs or in the name and on behalf of the Company in the Cayman Islands and elsewhere, including (but not limited to) actions or legal proceedings to: (i) obtain discovery; (ii) secure or collect the assets of the Company; and (iii) otherwise perform their functions or duties in the official liquidation;
 - b. collect, get in, inspect, review, secure, take possession of and copy the books, records and documents of the Company (whether in hard copy, electronic form or otherwise) and for that purpose to take all such proceedings as the JOLs consider necessary;
 - c. investigate the affairs of the Company;
 - d. take steps to locate, demand and secure cash held by the Company in all bank accounts in the Cayman Islands or elsewhere;
 - e. control and otherwise deal with all existing bank accounts in the name of the Company and to open or to close any bank accounts in the name of and on behalf of the Company and to open any bank accounts on behalf of the Company for the purpose of paying the costs and expenses of the liquidation;
 - f. communicate with and carry out any necessary filings with regulatory bodies as appropriate, including, without limitation, the Cayman Islands Monetary Authority and

- the Cayman Islands Registrar of Companies, in the name and on behalf of the Company;
- g. take control of the ownership interests of the Company in its direct subsidiaries and/or joint ventures, investment, associated companies, business or other entities (as applicable) (“**Subsidiaries**”) of the Company in which the Company holds in interest, in each case wherever located, as the JOLs shall think fit;
 - h. to take such other action in relation to all such Subsidiaries as the JOLs shall think fit for the purpose of protecting the assets of the Company and managing the affairs of the Company;
 - i. obtain the recognition of their appointment and/or their powers in any other relevant jurisdictions and to make applications to the courts of such jurisdictions for that purpose, including (but not limited to) filing a petition for recognition of the liquidation and filing any claims, requests or applications for orders granting additional relief in those jurisdictions in accordance with the bankruptcy laws of those jurisdictions and, for the avoidance of doubt, the powers of the JOLs may be exercised by them within and outside the Cayman Islands;
 - j. engage staff (whether or not as employees of the Company) to assist the JOLs in the performance of their functions and to cause them to be remunerated out of the assets of the Company as an expense of the liquidation; and
 - k. engage counsel, attorneys and other professionally qualified persons, whether in the Cayman Islands or elsewhere, to assist the JOLs in the performance of their functions or duties, on such terms as the JOLs may think fit and to cause them to be remunerated out of the assets of the Company as an expense of the liquidation.

6. No disposition of the Company's property by or with the authority of the JOLs in either case in the carrying out their duties and functions and exercise of their powers under this Order shall be avoided and any payments made into or out of the bank account(s) of the Company in the ordinary course of business of the Company between the date of the presentation of the Petition herein and the date of the appointment of the JOLs shall not be avoided by virtue of the provisions of section 99 of the Companies Act in the event of an order for the winding up of the Company being made on the Petition.
7. Pursuant to Section 97 of the Companies Act, no suit, action, or other proceedings, including criminal proceedings, shall be proceeded with or commenced against the Company except with the leave of the Court and subject to such terms as the Court may impose.
8. Subject to section 109(2) of the Companies Act and the Insolvency Practitioners' Regulations, the JOLs be authorised to render and pay invoices out of the assets of the Company for their own remuneration.
9. The JOLs 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.
10. The JOLs shall be at liberty to apply generally.
11. The costs of and incidental to this Petition shall be paid forthwith out of the assets of the Company on an indemnity basis as an expense of the liquidation.
12. Such further or other relief be granted as the Court deems appropriate.

AND your Petitioner will ever pray etc.

DATED the 1st day of June 2021



BROADHURST LLC
Attorneys at Law for the Company

NOTE: This petition is intended to be served on the Company and the following by way of service on their registered offices, or otherwise in accordance with any directions of the Honourable Court:

HSBC Nominees (Hong Kong) Limited A/C 540856 at 1 Queen's Road Central, Central, Hong Kong

The Cayman Islands Monetary Authority at SIX, Cricket Square, PO Box 10052, Grand Cayman KY1-1001, Cayman Islands

Adamas Asset Management (HK) Limited (In Provisional Liquidation) at Briscoe Wong Advisory Ltd, Room 818, 8/F, China United Centre, 28 Marble Road, North Point, Hong Kong

Ogier at 89 Nexus Way, Camana Bay, Cayman Islands

Intertrust Corporate Services (Cayman) Limited at 190 Elgin Avenue, George Town, Grand Cayman KY1-9007, Cayman Islands

NOTICE OF HEARING

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

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 345 949 4296.