



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD 329 OF 2021 (DDJ)

IN THE MATTER OF THE COMPANIES ACT (2021 REVISION)

AND IN THE MATTER OF SILVER BASE GROUP HOLDINGS LIMITED

ORDER

UPON the application of SILVER BASE GROUP HOLDINGS LIMITED (the "**Company**") by its Summons dated 11 November 2021 for the appointment of joint provisional liquidators pursuant to section 104(3) of the Companies Act (2021 Revision) (the "**Companies Act**")

AND UPON READING the Petition filed herein, the First Affirmation of Dr. Liang Guoxing affirmed on 11 November 2021, the Second Affirmation of Dr. Liang Guoxing affirmed on 11 November 2021, the Affirmation of CHAN Pui Sze affirmed on 11 November 2021, the Affirmation of MAK Hau Yin affirmed on 11 November 2021, and the First Affidavit of Martin Nicholas John Trott sworn on 11 November 2021, the First Affirmation of Yung Yin Yee Jasmine affirmed on 22 November 2021, the Third Affirmation of Dr. Liang Guoxing affirmed on 25 November 2021, the Fourth Affirmation of Dr. Liang Guoxing affirmed on 30 November 2021 and the Fifth Affirmation of Dr. Liang Guoxing affirmed on 7 December 2021

UPON HEARING COUNSEL for the Company on 22 November 2021, 1 December 2021 and 8 December 2021

IT IS HEREBY ORDERED as follows:



1. Ms. CHAN Pui Sze and Ms. MAK Hau Yin, both of Briscoe Wong Advisory Limited and Mr. Martin Nicholas John Trott of R&H Restructuring (Cayman) Ltd, are hereby appointed joint provisional liquidators ("**JPLs**") of the Company.
2. The JPLs shall not be required to give security for their appointment.
3. The powers of the JPLs appointed pursuant to paragraph 1 above shall be limited to the following:
 - (i) to consult with the Company and the Company's creditors in respect of, and review, on an ongoing basis, all issues relating to the feasibility of a debt restructuring plan (the "**Restructuring Proposal**") as to be recommended by the directors of the Company and the JPLs, including with respect to the necessary steps which need to be taken in order for the Restructuring Proposal to be successfully implemented to allow the Company to continue as a going concern;
 - (ii) to do all things necessary to implement the Restructuring Proposal in consultation with the board of directors of the Company (the "**Board**") and the Company's creditors;
 - (iii) to monitor, oversee and supervise the Board and the continuation of the business of the Company under the control of the Board pending the implementation of the Restructuring Proposal;
 - (iv) with the consent of the Board to do all acts and to execute in the name of and on behalf of the Company, all deeds, receipts and other documents and for that purpose to use, when necessary, the seal (if any) of the Company;
 - (v) for the purpose of reporting to the Court on the feasibility of a restructuring and for the benefit of the Company's creditors, to ascertain and conduct investigations into the affairs of the Company and its subsidiaries. Such



investigations shall include, *inter alia*, an investigation into: (i) prepayments of approximately RMB534,191,000 (equivalent to approximately HK\$652,034,000) to three purchase agents for the purchase of liquor products, of which approximately RMB164,691,000 (equivalent to approximately HK\$201,022,000) was paid to a company controlled by the Chairman's brother; (ii) restrictions (if any) placed on the use of the Company's RMB cash reserves in the context of paying current debts owed to the Company's creditors located in Hong Kong, and the People's Republic of China and elsewhere; and (iii) the status of the Company's redemption of its investment in the collective investment scheme managed by Guotai Junan.

- (vi) to request and receive from third parties documents and information concerning the Company and its promotion, formation, business dealings, accounts, assets, liabilities or affairs including the cause of its insolvency.
- (vii) to locate, protect, secure and take into their possession and control all assets and property within the jurisdiction of the courts of the Cayman Islands to which the Company is or appears to be entitled.
- (viii) to locate, protect, secure and take into their possession and control the books, papers, and records of the Company including the accountancy and statutory records within the jurisdiction of the courts of the Cayman Islands and to investigate the assets and affairs of the Company and the circumstances which gave rise to its insolvency.
- (ix) to retain and employ barristers, solicitors or attorneys and/or such other agents or professional persons as the JPLs consider appropriate for the purpose of advising or assisting in the execution of their powers and duties.
- (x) seek recognition of the provisional liquidation and/or the appointment of the JPLs in any jurisdiction the JPLs consider necessary together with such



other relief as they may consider necessary for the proper exercise of their functions within that jurisdiction, including but not limited to potential applications for recognition in Hong Kong and the People's Republic of China; and

- (xi) to bring or defend legal proceedings and make all such applications to this Court whether in their own names or in the name of the Company on behalf of and for the benefit of the Company including any applications for:
 - (a) orders for disclosure, the production of documents and/or examination of third parties which it is anticipated may be made by the JPLs to facilitate their investigations into the assets and affairs of the Company and the circumstances which gave rise to its insolvency; and/or
 - (b) ancillary relief such as freezing orders, search and seizure orders in any legal proceedings commenced.
4. For the avoidance of doubt, for so long as provisional liquidators are appointed to the Company, pursuant to section 97(1) of the Companies Act and subject to the proviso below, no suit, action or other proceeding, 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. Provided however, this Order is made without prejudice to the jurisdiction of The High Court of the Hong Kong Special Administrative Region (the "Hong Kong Court") to determine whether to recognise the statutory moratorium under section 97(1) of the Companies Act, including in relation to extant winding-up proceedings presented in action HCCW 385 of 2021 which are pending before the Hong Kong Court.
5. This Order, along with all other Orders, judgments and court filings in the Cayman Islands in this matter, shall be filed forthwith in electronic and hard copy form with



the Hong Kong Court under cover of a letter which makes reference to all extant proceedings concerning the Company and/or subsidiaries of the Company currently before the Hong Kong Court.

6. For the avoidance of any doubt, no payment or disposition of the Company's assets (including real and personal property) or any transfer of shares or any alteration in the status of the Company's members shall be made or effected without the express written approval of the JPLs but no such payment or other disposition or transfer of shares or alteration in the status of the Company's members made or effected by or with the authority or approval of the JPLs in carrying out their duties and functions and in the exercise of their powers under this Order shall be avoided by virtue of the provisions of section 99 of the Companies Act.
7. In the event that a winding-up order is made against the Company by this Court, any fees and expenses of the JPLs, including all costs, charges and expenses of any attorneys and all other agents, managers, accountants and other persons that they may employ, which are payable in accordance with the terms of the orders which may be made by this Court, and which are outstanding at the date of the winding-up order, shall be treated as fees and expenses properly incurred in preserving, realising or getting in the assets of the Company for the purposes of Order 20 of the Companies Winding Up Rules, 2018.
8. Save as are specifically set out herein:
 - (a) the JPLs will have no general or additional powers or duties with respect to the property or records of the Company; and
 - (b) the Board shall continue to manage the Company's affairs in all respects and exercise the powers conferred upon it by the Company's Memorandum and Articles of Association, provided always that, should the JPLs consider at any time that the Board is not acting in the best interests of the creditors

of the Company, the JPLs shall have the power to report same to this Court and seek such directions from this Court as the JPLs consider are appropriate.

9. The Company shall provide the JPLs with such information as the JPLs may reasonably require in order that the JPLs should be able properly to discharge their functions under this Order and as officers of this Court.
10. The powers exercisable by the JPLs pursuant to this order may be exercised jointly and severally.
11. The remuneration and expenses of the JPLs, including the expenses associated with the exercise of their powers, shall be paid out of the assets of the Company subject to approval of the Court.
12. The JPLs, the Company and any creditors of the Company do have liberty to apply.
13. The winding up petition presented by the Company on 11 November 2021 be adjourned until 10 am on Friday 11 February 2022 ("**Adjourned Hearing**").
14. The JPLs provide their report on the status of their investigations and the feasibility of a debt restructuring process to this Honourable Court, with a copy served upon the Company's creditors and filed with the Hong Kong Court before 2 pm on 27 January 2022.
15. No order as to costs.

Dated this 8th day of December 2021

Filed this 15th day of December 2021

David Doyle

THE HON. JUSTICE DOYLE
JUDGE OF THE GRAND COURT