



COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

(MRHCJ)

CAUSE NO: FSD 146 OF 2023 ()

IN THE MATTER OF THE COMPANIES ACT (2023 REVISION)

AND IN THE MATTER OF CHINA BEIDAHUANG INDUSTRY GROUP HOLDINGS LIMITED

WINDING UP PETITION

To the Grand Court

The humble petition of **QIU, Zhen**, a resident of the People’s Republic of China (the **Petitioner**) whose address is situated at Room 702, No. 5, 88 Lane, Jinan Dong Road, Pudong New District, Shanghai, People's Republic of China, shows that:

1. The Petitioner presents this petition for the winding up of China Beidahuang Industry Group Holdings Limited (the **Company**) and the appointment of Jason Robinson of Teneo Cayman Limited. P.O. Box 10245. Grand Cayman KY1-100, and Chan Mei Lan of Teneo Asia Limited, 13/F, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong as joint official liquidators of the Company (the **JOLs**).

2. The Company is an exempted company registered pursuant to the Companies Act (as revised) (the **Companies Act**). It was incorporated on 6 September 2000 with registration number 103815. The registered office of the Company is c/o Maples, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

3. At the time of incorporation, the Company’s name was “Wealthmark International (Holdings) Limited”. Throughout the years, the Company changed its name several times:
 - 3.1 On 8 May 2008, to “BIODYNAMIC GROUP LIMITED”;

 - 3.2 On 6 March 2013, to “Sino Distillery Group Limited”; and

- 3.3 On 13 April 2015, to its current name.
4. The Petitioner is a creditor of the Company and seeks the winding up of the Company on the basis that the Company is unable to pay its debts as they fall due.

The business of the Company

5. The Company is an investment holding company with its principal place of business in Hong Kong S.A.R., People's Republic of China (**Hong Kong**).
6. The Company is principally engaged in the production and sale of ethanol products and sales and distribution of wine and liquor products in the People's Republic of China.
7. The Company is currently a listed company on the Main Board of the Stock Exchange of Hong Kong, with Stock Code 00039.

The Debt

8. The Petitioner and the Company are parties to proceedings before the High Court of the Hong Kong Special Administrative Region, Court of First Instance, Action No. 243/2019 (the **Hong Kong Proceedings**).
9. On 24 February 2021, the Petitioner and the Company entered into a settlement agreement in respect of the Hong Kong Proceedings (the **Agreement**). Pursuant to the Agreement, among other things, the Company agreed to pay HKD\$23,581,418 (approximately US \$3,005,744.13) over 32 instalments (the **Instalments**), on or before the respective "Payment Due Date" as defined in the Agreement.
10. The Company met its obligation to make full payment of the First to Fifth Instalments. It did not, however, make full payment of the Sixth Instalment and only made a partial payment, meaning that as at 25 August 2022 the Company had paid HKD \$6,908,000 (approximately US\$880,510,26) (the **Repayments**) but over US \$2m remained outstanding.
11. Since the Repayments, the Company has failed or neglected to pay any further Instalments under the Agreement.

12. On 25 August 2022, the Petitioner issued a statutory demand against the Company under Section 93 of the Companies Act (the **Statutory Demand**). On 8 September 2022, the Statutory Demand was served on the Company's registered office in the Cayman Islands.
13. As at the date of the Statutory Demand, the outstanding principal sum of HKD\$16,673,418.00 (roughly around US\$2,125,233.87) under the Agreement remained unpaid. The Petitioner also claims further interest accrued and his legal costs.
14. The Statutory Demand set out the basis of the Debt, and pursuant to Order 2, rule 2(6) of the Companies Winding Up Rules, warned the Company that if payment was not made within 21 days of the date that it was served on the Company, the present petition would be issued on the basis that the Company would be deemed to be insolvent.
15. Since the Statutory Demand was served on the Company, there were various without prejudice discussions on the possibility of a further settlement in relation to money owed to the Petitioner. These said discussions did not lead to any further repayment by the Company.
16. As of 28 March 2023, the outstanding principle sum of HK\$16,673,418.00 (US\$2,125,233.87) under the Agreement remains unpaid.
17. Pursuant to Section 34 of the Judicial Act (2021 Revision), and Rule 4 of the Judgment Debts (Rates of Interest) Rules, applying the simple interest rate of 2 $\frac{3}{8}$ % for Hong Kong Dollars, as of 12 May 2023, interest in the sum of HK\$738,826.56 (US\$94,721.35) is due, with interest calculation outlined below in Hong Kong Dollars:

Principle Amount (in HKD\$)	Interest rate	Daily Rate (in HKD\$)	Due Date	End Date	Days	Interest Accrued (in HKD\$)
16,673,418.00	2.375%	\$ 1,084.91	30/6/2021	12/5/2023	681	\$ 738,826.56

18. To date, monies in the total sum of \$17,412,244.56 remain payable from the Company to the Petitioner (the "**Debt**").
19. As at the date hereof, which is more than 21 days following the service of the Statutory Demand, the Company has failed or neglected to pay the sum claimed in the Statutory Demand or otherwise secure or compound the same to the Petitioner's satisfaction, and the Debt remains unsatisfied.

20. The Petitioner is a creditor of the Company in the amount of the Debt and presents this Petition pursuant to the Companies Act on the grounds that:
- 20.1 The Company is deemed to be unable to pay its debts and is insolvent by operation of section 93(a) of the Companies Act.
- 20.2 Further or in the alternative, pursuant to Section 92(d) of the Companies Act the Company is unable to pay its debts and is undisputably insolvent.
- 20.3 As the Company is unable to pay its debts, appointing liquidators and winding up the Company will recover the most value for the Company's creditors and is therefore in their best interests.
21. The Petitioner nominates Jason Robinson and Chan Mei Lan, who have undertaken due conflicts checks and diligence in relation to the Company and meet the residency, eligibility and insurance requirements of the Insolvency Practitioners Regulations, 2018, to be appointed as joint official liquidators of the Company (the "JOLs").

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

- (1) The Company be wound up in accordance with the Companies Act.
- (2) Jason Robinson of Teneo Cayman Limited and Chan Mei Lan of Teneo Asia Limited be appointed as JOLs.
- (3) The JOLs shall not be required to give security for their appointment.
- (4) The JOLs have the power to act jointly and severally in their capacity as liquidators of the Company.
- (5) The JOLs be authorised to take any such action as may be necessary or desirable to obtain recognition of the JOLs and/or their appointment in any other relevant jurisdiction and to make applications to the courts of such jurisdictions for that purpose.
- (6) The JOLs be authorised to do any act or thing 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 or elsewhere.

- (7) The JOLs be at liberty to appoint such counsel, attorneys, 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 in accordance with CWR Order 25.
- (8) No disposition of the Company's property by or with the authority of the JOLs in carrying out their duties and functions and exercise of their powers under this Order shall be voided by virtue of section 99 of the Companies Act.
- (9) Subject to section 109(2) of the Companies Act and the Insolvency Practitioner's Regulations, 2018, the JOLs be authorised to render and pay invoices out of the assets of the Company for their own remuneration.
- (10) 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.
- (11) The Petitioner's costs shall be paid out of the assets of the Company as an expense of the liquidation, such costs to be taxed if not agreed with the JOLs.
- (12) Such further or other relief be granted as the Court deems appropriate.

AND your Petitioner will ever pray etc.

Dated this 30th day of May 2023

Filed this day of 2023



Travers Thorp Alberga
Attorneys-at-Law for the Petitioner

TIME ESTIMATE: The estimated length of the hearing of this Petition is 1 hour.

NOTE: This petition is intended to be served on the Company at its registered office.

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman on 20 July 2023 at 9:30 am/pm.

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 no. 349 949 4296.