



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD OF 2023 ()^(JAJ)

IN THE MATTER OF SECTIONS 124 AND 131 OF THE COMPANIES ACT (2023 REVISION)

AND IN THE MATTER OF BLUE WATER LIMITED (IN VOLUNTARY LIQUIDATION)

PETITION FOR COURT SUPERVISION

TO THE GRAND COURT OF THE CAYMAN ISLANDS

The humble petition of Mr. John Royle and Ms Margot MacInnis (the “**Joint Voluntary Liquidators**”) in their capacity as joint voluntary liquidators of Blue Water Limited (in voluntary liquidation) (the “**Company**”) shows that:

The Company

1. The Company is an exempted limited liability company that was incorporated in the Cayman Islands on 18 December 2014 (registration number 294842). Its registered office is at FFP (Corporate Services) Limited, 2nd Floor Harbour Centre, 159 Mary Street, George Town, Grand Cayman, KY1-9006, Cayman Islands.
2. As of 8 January 2015, the sole shareholder of the Company is Blue Skies Limited, an exempted limited liability company incorporated in the Cayman Islands on 18 December 2014 (registration number 294841).

3. The sole director of the Company is FFP (Directors) Limited, which has been sole director of the Company since 24 May 2021. FFP (Directors) Limited is also sole director of Blue Skies Limited.
4. The Company is beneficially owned by Wang Chia Hsing (Bruno) (“**Mr Wang**”), a Taiwanese national. Since its incorporation, the Company has been used by Mr Wang primarily as a holding company and additionally as a vehicle through which to enter into an investment advisory agreement with LVII Investment Management Limited (“**LVII**”) (as set out below).

Financial Position of the Company

5. According to draft management accounts as at 28 November 2023 (provided by FFP (Directors) Limited), the Company’s total assets amounted to approximately US\$22,292,653 and total liabilities amounted to approximately US\$64,494,547.
6. The Company’s assets included an intercompany loan to Amida Group Holdings valued at US\$14,619,023 and arts and antiques valued at US\$7,673,630.
7. The Company’s current liabilities include: (1) an intercompany loan from “Abbotsbury” valued at US\$15,000 and (2) a loan from Mr Wang in the sum of US\$12,248,347.
8. The Company’s non-current liabilities include a term loan valued at US\$36,060,000 and interest payable on the term loan in the amount of US\$16,171,200. The term loan referenced in the draft accounts is a loan provided to the Company by Mahi Lending Services Limited (“**Mahi**”) pursuant to a loan agreement dated on or about 16 December 2015 (the “**Loan Agreement**”).
9. On 21 November 2023, Mahi issued a written demand to the Company requiring the company to pay the sum of US\$45,741,534.25 pursuant to the Loan Agreement (the “**Loan Demand**”).

10. On 22 November 2023, an arbitration award was rendered against the Company. The award sum is not included in the total liability figure of US\$64,494,547 mentioned above, and therefore when added to that figure compounds the insolvency position of the Company further.
11. By resolution dated 29 November 2023, the sole director of the Company declared that the Company was unable to pay the Loan Demand and the arbitration award.
12. As such, according to that declaration and the draft accounts, the Company is insolvent on both a balance sheet and cash flow basis.

The Voluntary Liquidation

13. On 7 December 2023, Blue Skies Limited (in its capacity as sole member of the Company) passed a special resolution that the Company be placed into voluntary liquidation with the immediate effect that the Joint Voluntary Liquidators be appointed as the joint voluntary liquidators of the Company.
14. Further, Mahi passed a written resolution dated 7 December 2023 confirming that it consents to the passing of a written resolution by Blue Skies Limited to place the Company into voluntary liquidation and that, to the extent that there may have been any default under the lending and security arrangements, Mahi consents to, authorises and empowers, in so far as may be necessary, the Company to pass a written resolution placing Blue Water Limited into voluntary liquidation.
15. In light of the financial difficulties set out above, on 7 December 2023, the sole director of the Company, FFP (Directors) Limited, issued a letter notifying the Joint Voluntary Liquidators that they are unable to execute a declaration of solvency as required by Order 14 of the Companies Winding Rules (2023 Consolidation) as it has been determined that the Company is unable to pay its outstanding debts.

Grounds for Supervision Order

16. The Joint Voluntary Liquidators are of the view that the liquidation of the Company should be brought under the supervision of the Court in light of the fact that: (a) the Company is insolvent; and (b) an official liquidation of the Company will facilitate a more effective, economic or expeditious liquidation of the Company in the interests of the contributories and creditors.
17. The grounds for this application are fully set out in the Affidavit of John Royle filed in support of this Petition.
18. In summary:
 - (a) The sole director of the Company has confirmed that it will not be providing a declaration of solvency within 28 days of the commencement of the liquidation (or at all) and, as such, the Joint Voluntary Liquidators are required to apply for the liquidation to be continued under the supervision of the Court.
 - (b) There is a need for an investigation into the affairs of the Company and this would be facilitated by the liquidators having the ability to exercise statutory powers, such as those prescribed by sections 103 and 138 of the Companies Act, to obtain documents, information and conduct investigations.
 - (c) There is a potential need for recognition of the appointment of the official liquidators overseas in order to facilitate the effective realisation of the Company's assets.
 - (d) There is likely to be substantial benefit derived from having the protection afforded by sections 97 and 99 of the Companies Act, whilst value is being realised and the position is being investigated.

19. The Joint Voluntary Liquidators are qualified insolvency practitioners within the meaning of section 89 of the Companies Act and consent to being appointed as the joint official liquidators of the Company.

THE PETITIONERS THEREFORE HUMBLY PRAY THAT:-

1. The liquidation of the Company be continued under the supervision of the Court.
2. Mr. John Royle and Ms Margot MacInnis of Grant Thornton Specialist Services (Cayman) Limited, 2nd Floor, Century Yard, Cricket Square, PO Box 1044, Grand Cayman, KY1-1102, Cayman Islands be appointed as the Joint Official Liquidators (“JOLs”) of the Company with power to act jointly and severally.
3. The JOLs shall not be required to give security for their appointment.
4. In addition to the powers prescribed in Part II of the Third Schedule to the Companies Act which are exercisable without sanction of the Court, the JOLs are hereby sanctioned to exercise the following powers set out in Part I of the Third Schedule of the Companies Act:
 - (a) engage staff (whether or not as employees of the Company) to assist the JOLs in the performance of their functions;
 - (b) engage attorneys and other professionally qualified persons to assist the JOLs in the performance of their functions, including in the United Kingdom, and on such terms as the JOLs may think fit, and to remunerate them out of the assets of the Company as an expense of the official liquidation;
 - (c) bring legal proceedings in the United Kingdom, Switzerland, Taiwan (or in such other jurisdiction as the JOLs may deem necessary) in order to seek recognition of their appointment (if so advised), without further order of this Court; and

- (d) control and otherwise deal with all existing bank accounts in the name of the Company and to open new bank accounts in the name of the Company.
5. The powers bestowed upon the JOLs may be exercised by them within and outside of the Cayman Islands.
 6. Unless the Court otherwise directs, the JOLs shall not be required to take steps to establish a liquidation committee.
 7. The JOLs are authorised to render and pay invoices out of the assets of the Company for their own remuneration, and are also authorised to meet all disbursements in connection with the performance of their duties out of the assets of the Company as an expense of the official liquidation.
 8. No suit, action or other proceeding may 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.
 9. 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.
 10. The JOLs be at liberty to apply generally.
 11. The costs of this Petition shall be paid out of the assets of the Company, as an expense of the official liquidation.

12. Such further or other relief be granted as the Court deems appropriate.

Dated this 8th day of December 2023

Conyers Dill & Pearman LLP

Conyers Dill & Pearman LLP

Attorneys-at-law for the Joint Voluntary Liquidators

This **Petition** was issued by Conyers Dill & Pearman LLP, Attorneys-at-Law for and on behalf of the Joint Voluntary Liquidators whose address for service is 2nd Floor, Century Yard, Cricket Square, PO Box 1044, Grand Cayman, KY1-1102. Ref: M#718405

Notice of Hearing

TAKE NOTICE THAT the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman on the ____ day of _____ 2023 at _____ 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 345 949 4296.