



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD **IKJ**
OF 2024 ()

IN THE MATTER OF THE COMPANIES ACT (2023 REVISION)

AND IN THE MATTER OF OAKWISE VALUE FUND SPC

WINDING UP PETITION

TO: THE GRAND COURT OF THE CAYMAN ISLANDS

The humble petition of OAKWISE VALUE FUND SPC (the "**Petitioner**" or "**Oakwise**") of c/o Harneys Fiduciary (Cayman) Limited of 4th Floor Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands

Background of the Company's Business

1. Oakwise was incorporated in the Cayman Islands on 10 October 2018 as an exempted limited segregated portfolio company with registration number 343585. The registered office of Oakwise is at Harneys Fiduciary (Cayman) Limited of 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.
2. Information relating to Oakwise, such as the structure of Oakwise and its investment objective, strategy and policy, are set out in the original Private Placement Memorandum ("**Oakwise PPM**") of Oakwise dated March 2019 and the Amended and Restated PPMs of Oakwise dated September 2019, November 2019, July 2020, December 2020, December 2021 and March 2022.
3. Oakwise has been registered as a mutual fund with the Cayman Islands Monetary Authority ("**CIMA**") since 20 March 2019 with registration number 1541164.

4. The current directors of Oakwise are Wang Fengyu and Mr. Xing Chao (together, the **"Directors"**). Hong Kong asset manager Oakwise Capital Management Limited (**"OCML"**) and Cayman Islands asset manager Oakwise Asset Management Limited (**"OAML"**) provide fund investment and management services to Oakwise.
5. The authorized share capital of Oakwise is US\$1,000,000 which is divided into:
 - (a) 100 management shares of US\$0.01 par value each (the **"Management Shares"**).
 - (b) 99,999,900 participating shares of US\$0.01 par value each (the **"Participating Shares"**).
6. As stated in the Oakwise PPM:-
 - (a) the business of Oakwise includes the realisation and distribution of Oakwise's assets to shareholders during a wind down of Oakwise's operations;
 - (b) the assets held by Oakwise for the account of a segregated portfolio will be invested in accordance with the investment objective and investment strategy of that SP;
 - (c) Oakwise is governed by the Directors who are responsible for overseeing Oakwise, and the overall management and control of Oakwise in accordance with the Articles of Association of Oakwise.
7. Oakwise has three active segregated portfolios, namely (1) Greater China High Yield Income SP (**"Greater China SP"**); (2) Multi-Strategy Growth and Income Fund SP (**"Multi-Strategy SP"**); and (3) Enhanced Fixed Income SP (**"EFI SP"**). As stated at page 12 of the Oakwise PPM (under the section titled "Risk Factors"), as a matter of Cayman Islands law, the assets of one segregated portfolio will not be available to meet the liabilities of another.

Greater China High Yield Income SP ("Greater China SP")

8. Information relating to the Greater China SP such as its investment objective, strategy and policy, are set out in the original Supplement to the Oakwise PPM dated December 2019 and the Amended and Restated versions of the Supplement dated July 2020, December 2020, March 2021, May 2022 and July 2022 (the **"Greater China SP Supplement"**).

9. The Greater China SP was established on 23 December 2019. section 1.6 of the Greater China SP Supplement (under the heading “Participating Shares”) provides that it has the following classes of Participating Shares:
- (a) Class GA-1M Participating Shares;
 - (b) Class GA-2M Participating Shares;
 - (c) Class GA-3M Participating Shares;
 - (d) Class GA-6M Participating Shares;
 - (e) Class GA-9M Participating Shares;
 - (f) Class GA-12M Participating Shares;
 - (g) Class GB Participating Shares; and
 - (h) Class GC Participating Shares.
10. There are 14 holders of the Participating Shares, which consist of companies and financial institutions domiciled in the Cayman Islands, the British Virgin Islands (the “BVI”), Hong Kong and the People’s Republic of China (the “PRC”).
11. As stated at page 1 (under the headings “Investment Objective and Strategy” and “Investment Restrictions”) of the Greater China SP Supplement, the Greater China SP:
- (a) Invests in “*bonds and other fixed or floating rate securities, of investment grade or below investment grade issued by governments, government agencies, supra-national and corporate issuers in the Greater China region, Hong Kong and Asia Pacific which offer attractive yields. The Segregated Portfolio may substantially invest in bonds and debt securities, including convertible bonds which are below investment grade or unrated*”, as well as money market instruments and may use derivatives with the aim of achieving investment gains, reducing risk or managing Greater China SP more efficiently; and
 - (b) Does not have any particular investment restrictions with regard to the investment of the assets of the Greater China SP.
12. The investments currently held by the Greater China SP consist of approximately 79.5% bonds, 14.5% equity and 6% in funds (money market funds and other funds). The bond investments mainly consists of notes issued by Chinese companies, most of which are local government financing vehicle bonds. The

equity investments involves Chinese companies in various industries, such as technology, healthcare and materials.

Multi-Strategy Growth and Income Fund SP (“Multi-Strategy SP”)

13. The Multi-Strategy SP was established on 18 November 2019.
14. Information relating to the Multi-Strategy SP, such as its investment objective, strategy and policy, are set out in the original Supplement to the Oakwise PPM dated November 2019 and the Amended and Restated versions of the Supplement dated July 2020 and October 2021 (the “**Multi-Strategy SP Supplement**”).
15. Section 1.6 of the Multi-Strategy SP Supplement (under the heading “Participating Shares”) provides that the Participating Shares in the Multi-Strategy SP are issued in Class MS-A Shares of Participating Shares although different classes of Participating Shares may be issued at the discretion of Oakwise with different terms and/or different rights without notice from time to time.
16. Multi-Strategy SP has one investor, Alpha Opportunity Investment Limited, which is a company located in the BVI.
17. According to section 1.1 of the Multi-Strategy SP Supplement (titled “Investment Objective and Strategy”), the Multi-Strategy SP has the investment objective of achieving stable and competitive total returns “*by investing in a wide range of instruments including, but not limited to, listed and unlisted equities (including private equity, pre-IPO, IPO and secondary market placement), preferred stocks, convertible securities, fixed income securities, certificates of deposit, deposits, commercial papers and other money market instruments, equity-related instruments, debt securities, exchange-traded funds, and obligations (which may be below investment grade), pooled investment vehicles, currencies, commodities, futures, options, warrants, swaps and other derivative instruments in global markets*”.
18. Section 1.2 of the Multi-Strategy SP Supplement (under the heading “Investment Restrictions”) provides in general terms that following the expiration of a 6-month period after the Initial Closing Date (as defined in the Multi-Strategy SP Supplement), the investment restrictions in relation to the Multi-Strategy SP are broadly:
 - (a) the Multi Strategy SP shall invest at least 50% of the Multi Strategy SP’s latest available Net Asset Value at the time of purchase in public and private fixed income securities issued by entities established or incorporated or conducting business mainly in the Greater China Region,

- including but not limited to bonds (including senior bonds, perpetual bonds and convertible bonds), notes, certificates of deposit, and preferred stocks;
- (b) the Multi Strategy SP shall invest no more than 25% of the Segregated Portfolio's latest available Net Asset Value at the time of purchase in listed equities, directly or indirectly through other collective investment schemes (such as private funds or other investment vehicles); and
- (c) the Multi Strategy SP shall not invest more than 25% of the Multi Strategy SP's latest available Net Asset Value at the time of purchase in unlisted equities (including private equity, pre-IPO, IPO, secondary market placement and block trade) directly or indirectly through one or more intermediate holding entities or collective investment schemes.
19. The investments currently held by the Multi-Strategy SP consist of bonds issued by various companies from different countries, including US Treasury, European and Chinese financial institutions and Chinese conglomerates. Multi-Strategy SP also invests in stocks of US and PRC companies in various industries such as technology, financial services and oil and gas.

Enhanced Fixed Income SP ("EFI SP")

20. The EFI SP was established on 20 March 2019.
21. Information relating to the EFI SP, such as its investment objective, strategy and policy, are set out in the original Supplement to the Oakwise PPM dated March 2019 and the Amended and Restated versions of the Supplement dated July 2020, December 2020, May 2021, December 2021 and July 2022 (the "**EFI SP Supplement**").
22. Section 1.6 of the EFI SP Supplement (under the heading "Participating Shares") provides that the EFI SP has issued the following Participating Shares:

Class Currency	Class
USD	USD Class A-1M Participating Shares
	USD Class A-2M Participating Shares
	USD Class A-3M Participating Shares
	USD Class A-6M Participating Shares
	USD Class A-9M Participating Shares
	USD Class A-12M Participating Shares
	Class B Participating Shares
	Class C Participating Shares

RMB	RMB Class A-6M Participating Shares
	RMB Class A-9M Participating Shares
	RMB Class A-12M Participating Shares
HKD	HKD Class A-6M Participating Shares
	HKD Class A-9M Participating Shares
	HKD Class A-12M Participating Shares

23. As of the date of filing this Petition, there is a total of 33 investors in the EFI SP who are located in Hong Kong, the PRC, the Cayman Islands, Luxembourg and the BVI.
24. According to section 1.1 of the EFI Supplement (titled “Investment objective and Strategy”), the investment objective of the EFI SP is to provide consistent capital appreciation over the medium to longer term by investing primarily in Greater China region, Hong Kong and Asia Pacific fixed income securities. The EFI SP invests in a wide range of instruments including, but not limited to, *“listed and unlisted equities (including private equity, pre-IPO, IPO and secondary market placement), preferred stocks, convertible securities, fixed income securities, certificates of deposit, deposits, commercial papers and other money market instruments, equity-related instruments, debt securities, exchange-traded funds, and obligations (which may be below investment grade), pooled investment vehicles, currencies, commodities, futures, options, warrants, swaps and other derivative instruments in global markets.”*
25. Section 1.2 (titled “Investment Restrictions”) provides that the EFI SP is subject to the following investment restrictions:
- (a) the EFI SP shall not invest more than 10% of its latest available gross asset value as a whole in the securities of any one single issuer; and
 - (b) the EFI SP shall invest at least 80% of its latest available gross asset value in fixed income securities.
26. Currently, the EFI SP’s current investments holdings consist of debt securities and bonds issued by real estate developers in Greater China, Hong Kong and the Asia Pacific Region (the **“Real Estate Notes”**). The EFI SP has subscribed for more than 30 series of Real Estate Notes in various real estate companies operating in Mainland China.

Board Resolution

27. On 20 September 2024, the Directors called a board meeting where it was proposed that the Directors pass resolutions to authorise the Directors to present this winding up petition, as it is expressly permitted to do so pursuant to Article 46.5 of the Amended and Restated Articles of Association of Oakwise, thus complying with the provisions section 94(2) of the Companies Act (2023 Revision) (As Amended).

Investor Demands for Payment – Redemption of Participating Shares***CMB International Securities Limited (“CMBI”)***

28. CMBI is a company incorporated under the laws of the Hong Kong Special Administrative Region with registration number 1373968.
29. Between 25 June 2021 and 14 January 2022, CMBI made various subscriptions in the EFI SP totalling US\$184,830,823.05 and CNY 10,700,000.
30. Between 21 July 2022 and 1 November 2022, CMBI submitted requests for the redemption of Participating Shares in the EFI SP. Pursuant to these requests, the EFI SP repaid CMBI a total of US\$93,445,470.36 and CNY 141,954.93.
31. The Redemption Day for the last redemption request submitted by CMBI fell on 1 November 2022. As at the date of this Petition, CMBI no longer held any Participating Shares in the EFI SP.
32. As at 2 November 2022, CMBI remained a creditor of unpaid redemption proceeds totalling US\$91,385,352.69 and RMB 10,558,045.07
33. On 29 December 2022, CMBI presented a petition to this Honourable Court (FSD 329 of 2022) (the “**Receivership Proceedings**”) seeking the appointment of receivers over the EFI SP, pursuant to sections 224 and 225 of the Companies Act (2022 Revision) (the “**CMBI Petition**”). The petition was served on Oakwise on 13 January 2023.
34. On 16 February 2023, Oakwise wrote to all Participating Shareholders in the EFI SP communicating the decision of the Directors to suspend repayment of the redemption proceeds to any redeeming Participating Shareholder of the SP, pending determination of the CMBI Petition.
35. The hearing of the CMBI Petition was held on 11 May 2023. At the date of the hearing of the Petition, the sums purportedly due to CMBI were US\$90,981,444.24 and RMB10,522,851.59, totalling approximately US\$92,346,800.00.

36. On 26 May 2023, the Honourable Justice Doyle delivered his judgment in respect of the CMBI Petition and made an order dismissing the CMBI Petition on the basis the insolvency ground had not been satisfied and that a receivership order would not achieve the statutory purposes set-out under section 224(3) of the Cayman Islands Companies Act and would not be in the best interests of the creditors/investors (the “**First Instance Judgment**”).
37. On 9 June 2023, CMBI appealed the First Instance Judgment to the Court of Appeal of the Cayman Islands seeking an order that the First Instance Judgment be set aside and for the appeal to be allowed with consequential relief, including for the appointment of receivers over the EFI SP.
38. On 13 June 2024, the Cayman Islands Court of Appeal published a written judgment allowing the appeal and ordered that (“**CICA judgment**”):
 - (i) the First Instance Judgment be set-aside; and
 - (ii) the CMBI Petition be re-heard by another FSD judge with liberty to adduce further evidence to take account of recent events occurring since 11 May 2023 and to amend the petition accordingly.
39. The date for the re-hearing of the CMBI Petition has not been set. The redemption amount claimed to be presently payable by the EFI SP to CMBI is US\$90,981,444.24 and RMB10, 522,851.59, the equivalent to approximately US\$92,346,800.00.

Tjin Joen Joe, Andy Tsjoe Kong and Li Jessica Wai Yan (HCA 1463/2022)

40. In the period between 2019 and 2021, Tjin Joen Joe, Andy Tsjoe Kong (“**Andy**”) and Li Jessica Wai Yan (“**Jessica**”) paid subscription monies totalling US\$1.5 million for the subscription of Class A Shares in the EFI SP and US\$2 million to subscribe for Class C Shares in the EFI SP. Jessica and Andy’s total investment in the EFI SP therefore amounted to approximately US\$3.5 million.
41. On or around 6 April 2022, Jessica and Andy submitted a redemption request form to Apex for the redemption of all Class C shares held by them in the EFI SP. Three weeks later, on or around 27 April, Jessica and Andy submitted a further redemption form for the redemption of all Class A shares held by them.
42. On 1 November 2022, Andy and Jessica issued a writ of summons against Oakwise in the High Court of the Hong Kong Special Administrative Region (the “**HK Court**”) seeking to claim against Oakwise US\$3,316,894.78 and interest at 8% per annum for the unpaid redemption proceeds of their Class A and Class C Participating Shares in the EFI SP.

43. On 23 December 2022, Andy and Jessica received judgment in default against Oakwise in the HK Court on the US\$3,316,894.78 sum claimed (the “**Default Judgment**”).
44. In reliance on the Default Judgment, Andy and Jessica made an application to the HK Court for a garnishee order against 13 bank accounts held by Oakwise at Standard Chartered Bank (Hong Kong) Limited (the “**Garnishee Application**”).
45. Of the 13 bank accounts that form the subject matter of the Garnishee Application, only 6 of those accounts are designated to the EFI SP, the remaining 7 accounts belong to the Greater China SP and the Multi-Strategy SP. The table set-out below lists out the relevant bank accounts Oakwise holds with Standard Chartered Bank (Hong Kong) Limited (“**SCB**”).

	<u>Account No.</u>	<u>Segregated Portfolio</u>
1.	36811558572	Enhanced Fixed Income SP
2.	44719087158	Enhanced Fixed Income SP
3.	44719087174	Enhanced Fixed Income SP
4.	44719087204	Enhanced Fixed Income SP
5.	44719087239	Enhanced Fixed Income SP
6.	44719090345	Enhanced Fixed Income SP
7.	44719190498	Greater China High Yield Income SP
8.	44719190528	Greater China High Yield Income SP
9.	44719190536	Greater China High Yield Income SP
10.	44719209601	Multi-Strategy Growth and Income Fund SP
11.	44719209628	Multi-Strategy Growth and Income Fund SP
12.	44719209636	Multi-Strategy Growth and Income Fund SP
13.	44719209644	Multi-Strategy Growth and Income Fund SP

46. Significantly, by virtue of the Garnishee Application, Andy and Jessica have applied to have recourse to the assets of the other segregated portfolios of Oakwise outside of the EFI SP to satisfy the Default Judgment.
47. Oakwise opposed the Garnishee Application and filed an application to set-aside the Default Judgment (the “**Set-Aside Application**”).
48. The Garnishee Application and the Set-Aside Application were determined by Master Ebony Ling on 28 March 2024 whereby she ordered that the Garnishee Order Nisi be made absolute and that the Set-Aside Application be dismissed (the “**28 March 2024 Decision**”).

49. On 3 April 2024, Oakwise filed an appeal against the 28 March 2024 Decision and the appeal is scheduled to be heard on 29 October 2024 (the “**Appeal**”).
50. Pending the Appeal, Oakwise has successfully applied for a partial stay of execution of the garnishee order absolute pending the determination of the Appeal, specifically in relation to preventing Andy and Jessica from accessing the funds in the bank accounts that belong to the Greater China SP and the Multi Strategy SP.

Redemption Requests from Other Investors

51. Oakwise has received redemption requests from other participating shareholders of EFI SP. To date, the redemption amount totals to approximately -USD US\$113,643,587.66, which have not been paid to those investors.

Financial Position of the SPs

EFI SP

52. In the Receivership Proceedings, Oakwise confirmed that EFI SP was not insolvent, nor was EFI SP bordering on insolvency. This position was substantiated by the NAV statements and balance sheet as at 30 December 2022 for EFI SP, as exhibited and referred to in the affirmation filed by Oakwise in the Receivership Proceedings.
53. The Receivership Proceedings have been on foot for a substantial period of time, since the CMBI Petition was presented in December 2022. As the Receivership Proceedings draw closer to the two year mark, there have been various judgments including the First Instance Judgment and the CICA Judgment. In light of amongst other things, the concerns raised by the Court of Appeal in the CICA Judgment regarding for example the lack of up-to-date audited accounts and NAV accounting, Oakwise has carefully considered its views on the solvency of EFI SP.
54. Accordingly, as at the date of this Petition, Oakwise considers that EFI SP is arguably no longer cash-flow solvent, without prejudice to Oakwise’s position as to the validity of the Board’s resolution to effect a suspension of redemption payment liabilities as of 16 February 2023.

Multi-Strategy SP and Greater China SP

55. In contrast to the EFI SP which has significant investment exposure to the real estate industry, Greater China SP and the Multi-Strategy SP adopt different investment strategies and are currently financially healthy and solvent.
56. According to the Multi Strategy SP’s balance sheet as of 29 December 2023, the Multi Strategy SP has total assets of US\$497,709,176.34 and total liabilities of

US\$6,389,408.26. Its net asset value is US\$491,319,768.08 and does not have any redemption payments that are due and payable to its investors.

57. According to the Greater China SP's balance sheet as of 28 June 2024, the Greater China SP has total assets of US\$245,192,742.60 and total liabilities of US\$141,017,364.83. Its net asset value is US\$104,175,377.77. Based on its balance sheet as of 28 June 2024, the Greater China SP has redemptions payable of US\$953,102.74 and has cash in its bank accounts in the amount of US\$9,757,284.30.

Grounds for the Winding Up of Oakwise

58. Given that EFI SP is arguably not solvent on a cash flow basis, and without prejudice to Oakwise's position as to the validity of the Board's resolution to effect a suspension of redemption payment liabilities as of 16 February 2023, the Company considers that the Company is arguably unable to pay its debts as a whole, and that it would be appropriate to wind up the Company unless a restructuring of the Company's affairs can be achieved.
59. Oakwise also considers that it is just and equitable to wind up Oakwise in view of the Receivership Proceedings, the Garnishee Application and other redemption requests received from the investors of EFI SP, without prejudice to Oakwise's position as to the validity of the Board's resolution to effect a suspension of redemption payment liabilities as of 16 February 2023, unless a restructuring of the Company's affairs can be achieved.
60. The Petition is being presented on the grounds that Oakwise as a whole is arguably unable to pay its debts and/or on just and equitable grounds so as to facilitate a subsequent application to be filed by the Directors for the appointment of provisional liquidators over Oakwise (the "**PL Application**").
61. The PL Application itself is being made to protect the interests of the investors of each of EFI SP, Greater China SP and Multi-Strategy SP and to ensure the orderly handling of the affairs of EFI SP (which is the only segregated portfolio facing various contentious proceedings).

The Petitioner therefore humbly prays that:

- (1) Oakwise be wound up by the Court pursuant to section 92(d) and/or 92(e) of the Companies Act (2023 Revision) (As Amended)
- (2) LAI Wing Lun and Osman Mohammed Arab of Acclime Corporate Advisory (Hong Kong) Limited and Martin Nicholas John Trott of R&H Restructuring (Cayman) Ltd, be appointed as joint official liquidators of Oakwise ("**JOLs**") with the power to act jointly and severally

- (3) The JOLs shall not be required to give security for their appointment
- (4) The JOLs be authorised to exercise such of the powers specified in Part I of the Third Schedule to the Companies Act (2023 Revision) (As Amended) as the Court may direct
- (5) No suit, action or other proceeding may be proceeded with or commenced against Oakwise except with the leave of the Court and subject to such terms as the Court may impose.
- (6) The remuneration and expenses of the JOLs be paid out of the assets of Oakwise in accordance with Part III of the Insolvency Practitioner's Regulations (2023 Consolidation) and Order 20 of the Companies Winding Up Rules (2023 Consolidation).
- (7) No disposition of Oakwise'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 (2023 Revision) (As Amended).
- (8) The JOLs be at liberty to appoint counsel, attorneys, and 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 and on such terms as they may think fit and to remunerate them out of the assets of Oakwise.
- (9) The requirement to form a liquidation committee be dispensed with.
- (10) The JOLs be at liberty to apply generally.
- (11) The costs of this Petition shall be paid out of the assets of Oakwise, as an expense of the liquidation, to be taxed if not agreed.
- (12) Such further or other relief be granted as the Court deems appropriate.

AND your Petitioner will ever pray etc.

Dated this 25th day of September 2024

Conyers Dill & Pearman LLP

Conyers Dill & Pearman LLP

This Petition was filed by Conyers Dill & Pearman LLP, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is SIX, Cricket Square, P. O. Box 2681, George Town, Grand Cayman, KY1-1111

Notice of Hearing

TAKE NOTICE THAT the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman on the 16 day of December 2024 at 9:00 ~~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.