



NEUTRAL CITATION NUMBER: [2026] CIGC (FSD) 81

IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

FSD CAUSE NO. 235 OF 2026 (DDJ)

IN THE MATTER OF THE COMPANIES ACT (2026 REVISION)

AND IN THE MATTER OF SOHU.COM LIMITED

Before: The Hon. Justice David Doyle

Appearances: Hugo Farmer and Matheo Vinciullo of Campbells LLP for Maso Capital Investments Limited and Blackwell Partners LLC – Series A and Star V Partners LLC
Quentin Cregan, Adrian Davey and Jaslyn Ng of Maples and Calder (Cayman) LLP for Sohu.com Limited

Heard: 22 September 2026

**Draft judgment
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Judgment delivered: 1 October 2026

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Determination of issues concerning discovery and timings in respect of the filing and serving of evidence in proceedings brought by a petition for a winding up order on the just and equitable ground – consideration of Order 3 rule 12 of the Companies Winding Up Rules (2023 Consolidation) and the relevant case law in respect of discovery in the context of a contributory's winding up petition

JUDGMENT

Introduction

1. The parties sensibly had agreed the vast majority of the directions necessary to bring this case to trial. On 22 September 2026 I made agreed orders in respect of the nature of the proceedings, service and advertising, pleadings and validation, costs in the Petition and general liberty to apply. The only contentious issues before the court on 22 September 2026 related to discovery and the timings in respect of the filing and serving of evidence. I reserved my judgment on the contentious issues as the attorneys had given me a lot to think about. I now deliver my judgment.

The general position

2. In legal proceedings begun by writ after pleadings are closed the parties normally engage in what is commonly referred to as a general or standard discovery process whereby they disclose documents to each other, whether for or against their respective cases, which are relevant to the issues which the court has to determine in the case.
3. In civil proceedings begun by writ before the Grand Court the position is governed by Order 24 of the Grand Court Rules (2023 Revision) (“GCR”). Under Order 24 rule 1 (1) of the GCR it is provided that after the close of pleadings in an action begun by writ there shall be discovery by the parties to the action of the documents which are or have been in their possession, custody or power relating to matters in question in the action.
4. The usual procedure is for lists of documents to be served and inspection of documents then takes place and copies of relevant documents are obtained.

5. There is also a procedure for what is commonly known as a specific discovery order to be obtained.
6. Order 24 rule 8 of the GCR provides that on the hearing of an application under rule 3 (order for discovery) or rule 7 (order for discovery of particular documents) the court “shall in any case refuse to make such an order if and so far as it is of the opinion that discovery is not necessary either for disposing fairly of the cause or matter or for saving costs”. Discovery is only ordered if it is necessary.
7. The Cayman Islands since 30 March 2026 have also had Order 24 Rule 7A pre-action discovery and discovery from non-parties. On the Amendment Notice which appears on the judicial website (www.judicial.ky) it is stated that “Rule 7A has a long pedigree in England and Hong Kong, and attorneys in the Cayman Islands may find it useful to draw guidance from those jurisdictions until a body of local law has built up.”
8. The proceedings in the case presently before me were not begun by writ. They were begun by a winding up petition dated 21 July 2026 (the “Petition”) presented by Maso Capital Investments Limited (“Maso”), Blackwell Partners LLC – Series A (“Blackwell”) and Star V Partners LLC (“Star”) (the “Petitioners”) as contributories against Sohu.com Limited (the “Company”). The Petitioners seek a winding up order on the just and equitable ground. The parties agreed that a defence should be served by the Company within 28 days and that the Petitioners may file a reply within 21 days of the date service of the defence is due. The parties also agreed on a two-day trial estimate, and on the need for cross-examination of certain witnesses if the requisite notice was given.

The position under the CWR

9. Order 3 rule 12 (1) of the Companies Winding Up Rules (2023 Consolidation) (“CWR”) provides for directions in respect of a contributory’s petition. It is provided that upon hearing a summons for directions the court shall give such directions as it thinks appropriate in respect of various matters including:

“(i) discovery and inspection of documents.”

10. Kawaley J in *Re Global Cord Blood Corporation* 2023 (2) CILR 298 dealt with a dispute as to the parameters of the court's jurisdiction to order the production of certain documents in the context of a just and equitable winding up petition.
11. Kawaley J referred to CWR Order 3 rule 12 (1) (i) and at [8] stated:

“That express power to give such directions as the court considers appropriate for discovery can only sensibly be understood as conferring jurisdiction to order general or specific discovery, or none at all. While the court is required to consider matters such as discovery at the summons for directions stage, I am satisfied that by necessary implication, discovery orders can validly be made at any stage of the winding-up proceedings under this rule.”
12. At [12] Kawaley J considered the principles that should inform what he described as the “broad discretionary power” in CWR Order 3 rule 12 (1) (i). Kawaley J referred to the broad assumption under the Grand Court Rules that “discovery will be the norm ...”. In respect of the production of documents referred to in pleadings and affidavits Kawaley J felt that the assumption that such documents should be produced “cannot possibly apply in the winding-up context” as “liquidators often file affidavits exhibiting confidential reports” and “creditors appealing against the rejection of their proofs may often file affidavits referring to commercially sensitive material”. Kawaley J rejected a submission that “winding-up proceedings are akin to ordinary civil litigation”.
13. At [13] Kawaley J, in very general terms, stated that:

“The specific jurisdiction which is conferred by the CWR is a broad jurisdiction to make discovery-related orders to the extent the court considers it appropriate”.
14. At [14] Kawaley J referred to finding that CWR Order 3, rule 12 (1) (i) conferred “a power to order general or specific discovery” and added:

“What this court would do under GCR O24 r10 (as read with GCR O24 r14(1)) cannot serve as a useful or valid guide to the approach under the CWR ...”.

15. At [15] Kawaley J gave the following helpful particularised guidance:

“In seeking to decide how to exercise the CWR discovery jurisdiction in relation to contributories’ petitions and to determine when it is appropriate to make a general or specific discovery order:

(a) The corresponding jurisdiction under the GCR requires regard to (1) the fair disposal of the proceeding, and (2) saving costs. This is clearly a more particularized way of expressing when it will be “appropriate” to make a discovery order;

(b) where a discovery application is made under the CWR in circumstances which are procedurally similar to circumstances which would arise under the GCR, the practice under the GCR O.24, r.14(1) will be analogous and highly persuasive as to the approach which should be adopted in the winding-up context;

(c) the practice under the GCR will not be dispositive because the CWR discovery jurisdiction is expressed in more open-ended terms. However, where there is no material distinction between the winding-up jurisdiction and the general civil jurisdiction, it will generally be desirable for legal clarity and consistency that the same procedural approach is adopted in each jurisdictional context.”

16. In *Re International Airfinance Corporation* (FSD unreported judgment delivered 10 October 2024) Kawaley J, in the context of a just and equitable winding up petition, dealt with a number of contentious issues including whether there should be discovery. At [33] Kawaley J stated:

“Issue 5: should there be discovery?”

33. As regards discovery, I reject the Respondent’s application for general discovery on proportionality grounds. In this quasi-partnership context, as Mr Robinson KC rightly submitted, there is no basis for assuming that either party has materially relevant documents of which the other is unaware. I direct instead that each party shall disclose the documents on which they rely within 21 days of the time fixed

for the Petitioner to file his reply evidence. As I indicated during the hearing, applications for specific discovery may still be made, if required.”

17. As Kawaley J wisely stated in *Re Global Cord Blood Corporation* at [11]:

“Context, of course, is everything.”

(See also [98] in *Re Shinsun Holdings* 2023 (1) CILR 473)

18. *Re Position Mobile Ltd SEZC* [2025] CIGC (FSD) 32 concerned a winding up petition on the just and equitable basis and the parties agreed to orders for discovery and inspection “pursuant to O24 r3(1) of the Grand Court Rules”. At [38] of my judgment in *Position Mobile* I referred to Kawaley J’s “helpful judgment” in *Re Global Cord Blood Corporation* 2023 (2) CILR 298.
19. More recently (3 September 2026) Segal J in *Tianrui (International) Holding Company Limited v China Shanshui Cement Group Limited* [2026] CIGC (FSD) 74 set out what he described as his “general approach” and at [76] and [77] stated:

“My general approach

76. I note and follow the decision of Justice Kawaley in *Re Global Cord Blood Corporation* [2023 (2) CILR 298] regarding the nature and scope of the jurisdiction to order discovery in the context of a contributory’s petition. To use his phrasing, the rules and practice regulating discovery under GCR O.24 are analogous and highly persuasive as to the approach which should be adopted in the winding-up context.

77. GCR O.24 r.8 remains important: discovery will only be ordered where necessary for disposing fairly of the cause or matter or for saving costs.”

20. In *China Shanshui* it appears that the parties had agreed a 44-page Discovery Protocol that had set out keyword search terms, date ranges and custodians. The Petitioner appears to have been dissatisfied with discovery and sought specific discovery orders.

21. Although counsel did not address me upon it I noted a reference in *Tianrui (International) Holding Company Limited v China Shanshui Cement Group Limited* [2026] CIGC (FSD) 74 by Segal J at [40], whilst dealing with submissions, to *Re Thalassa Investment Ltd* [2026] CIGC (FSD) 32. In *Thalassa* Margaret Ramsay-Hale CJ was dealing with an application for specific discovery stated to be pursuant to Order 3 rule 12 of the CWR. That case concerned a petition to wind a partnership up on the just and equitable basis on the grounds *inter alia* that the general partner had demonstrated a lack of probity. The Chief Justice helpfully referred to the issues arising on the petition and at [7] stated that “The scope of discovery must therefore be determined by reference to the issues which the Court will ultimately be required to decide.” At [13] the Chief Justice added:

“It is by reference to these issues that the relevance, necessity and proportionality of the categories of documents sought in this application must be assessed.”

22. At [14] the Chief Justice referred to Order 3 rule 12 (1) (i) of the CWR and indicated that the court’s jurisdiction to order discovery in winding-up proceedings “is exercised in accordance with established principles governing discovery, adapted to the winding-up context.”
23. At [16] and [17] the Chief Justice referred to the general principles governing discovery and stated (footnote omitted):

“General principles governing discovery

16. Discovery in litigation is directed to documents which are relevant to the matters in issue, and which are necessary for the fair disposal of the proceedings or for saving costs. The test of relevance is not unlimited. It is informed by proportionality, and the Court is required to guard against discovery which is unnecessarily wide, burdensome, or which would expand the proceedings into collateral or historical matters.

17. In the Cayman Islands, the principles commonly traced to *Peruvian Guano* continue to apply, but are tempered by considerations of necessity and proportionality, particularly in interlocutory applications for specific discovery. The burden lies on the applicant to demonstrate that the documents sought are required for the fair determination of the issues raised by the pleadings.”

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24. The Chief Justice then went through various requests for documents from [40] onwards and stressed the need for the court “to assess relevance, necessity and proportionality by reference to the issues for determination” ([41]). Some requests were rejected because they were disproportionate or because those seeking discovery had “not demonstrated that the disclosure of the entirety of these materials is necessary for the fair determination of the issues raised in the Petition” ([48]).
25. In exercising its discretion whether or not to order discovery and if so in what terms, the court should also generally have regard to the overriding objective to deal with proceedings in “a just, expeditious and economical way”, although I accept that this is referred to in the GCR and not the CWR. See also section A4 of the Financial Services Division Guide Second Edition. This laudable objective is implicit within the need to have regard to fairness and proportionality and to be costs conscious in respect of discovery in winding up proceedings commenced by contributories.
26. Having considered the relevant law and procedure I now turn to the determination of the disputed discovery issue in the present context before the court.

Determination

27. The principal task of the court is to consider whether what is described as “general discovery” is appropriate in this case. I have regard to whether general discovery is necessary for the fair disposal of the proceedings and/or for saving costs. As the Chief Justice rightly emphasised in *Thalassa* issues of proportionality also come into play.
28. Although the test of relevance in respect of documents in a “general” discovery exercise is a relatively wide one, the exercise is not open-ended and there are restrictions. Discovery is limited to documents which are or have been in the possession, custody or power of the parties relating to matters in question in the proceedings. The issues in dispute are defined by reference to the pleadings.

The Petition

29. I have considered the relatively concise 16-page Petition in detail. It refers to the Articles, the duties owed by the directors, the Company's retained profits, the filings by the Company, the use of the retained profits, the communications with the Board and the alleged breaches of duty. It refers to the grounds of the Petition – loss of confidence, lack of probity and oppression. The Petition refers to the directors' "serious mismanagement of the Company's affairs and/or their lack of probity and/or the breaches of duty". It pleads relatively limited particulars including in respect of the "No Dividend Policy". There is not much meat on the bones of the Petition. At the moment there is also little evidence in support of the Petition, just a brief formal verifying affidavit stating that the statements in the Petition are true.
30. The breach of duty allegations, upon which the allegations of loss of confidence, lack of probity and oppression depend, are contained in just 3 paragraphs:

"Breach of Duty"

43. In the premises, by not giving genuine and regular consideration to the payment of dividends from the Company's profits having decided to adopt a policy not to pay dividends for the foreseeable future in or around 2018, and by not recommending the payment of dividends to shareholders even when the Company had very substantial Retained Profits in the 2022 Fiscal Year, the 2023 Fiscal Year, the 2024 Fiscal Year and the 2025 Fiscal Year which could lawfully be applied for that purpose, the Directors have wrongly and persistently acted in breach of their duties set out at paragraph 25 above. In particular:
44. As regards the duties set out at paragraph 25(1)-(3) above, the Directors have failed genuinely to consider on a regular basis whether any profits should be distributed to shareholders and/or what level of dividends should be paid to them given the size of the Retained Profits:
- (1) Starting in the 2018 Fiscal Year, the Directors adopted a policy whereby they decided not to recommend the payment of dividends to shareholders

for the foreseeable future, irrespective of any change of circumstances to the Company's fortunes (the "No Dividend Policy").

- (2) The adoption of the No Dividend Policy by the Directors is to be inferred from the No Dividend Statements in materially identical form included in the Company's Form 20-Fs with no further elaboration, and the Directors' refusal to give public disclosure of any reasoning or accompanying analysis to support the non-payment of any dividends thereafter.
- (3) In the premises, the Directors have failed genuinely to consider in respect of each financial accounting period following the end of the 2018 Fiscal Year whether to deviate from the No Dividend Policy having regard to the Company's particular circumstances in each financial year, thereby ignoring the interests of non Director shareholders in receiving dividends in each subsequent accounting period.
- (4) In particular, following the Sogou Sale, the Directors decided that the Company's very substantial Retained Profits would be retained for the sole purpose of repurchasing shares or funding the Group's business operations. That decision thereby implicitly excluded the recommendation of Dividends from the Retained Profits going forwards, and fortified the No Dividend Policy adopted in 2018.
- (5) The adoption of a policy never to pay dividends under any circumstances for the foreseeable future, including out of the Retained Profits built up following the Sogou Sale, was one which the Directors cannot, in good faith, have considered likely to promote the success of the Company for the benefit of its members as a whole.

45. As regards the duty set out at paragraph 25(1) above, the Directors' decision not to recommend any dividend in the 2022 Fiscal Year and/or the 2023 Fiscal Year and/or the 2024 Fiscal Year and/or the 2025 Fiscal Year was not one that they considered, in good faith, would be most likely to promote the success of the

company for the benefit of its members as a whole. In the premises, that was a conclusion which an intelligent and honest man in the position of the Directors could not have reasonably believed was appropriate in all of the circumstances in each of the aforementioned fiscal years. In particular:

- (1) From the start of the 2022 Fiscal Year onwards, the Company has had at its disposal very substantial Retained Profits, which it could lawfully have used to distribute a reasonable dividend to its shareholders.
- (2) In each of the 2022 Fiscal Year, the 2023 Fiscal Year, the 2024 Fiscal Year, the 2025 Fiscal Year and the 2026 Fiscal Year, there was no commercial and/or operational need for the Company to hold in excess of US\$1.15 billion in liquid assets, which substantially exceeded the Group's commercial needs and any prudent reserve for its future commercial needs. One or more substantial dividends in an aggregate amount between US\$400-750 million could prudently have been recommended in one or more of those fiscal years.
- (3) In each of the 2022 Fiscal Year, the 2023 Fiscal Year, the 2024 Fiscal Year, the 2025 Fiscal Year and the 2026 Fiscal Year, the Retained Profits were not reserved for or invested in the Company's development or growth. Rather, the Retained Profits have, in the main, been held as on-demand deposits with financial institutions on the Chinese mainland.
- (4) Ear-marking a small proportion of the Retained Profits for the 2023 Share Repurchase Programme (as amended) for the repurchase of the Company's shares over two years is no proper substitute for the payment of a reasonable dividend and does not discharge the duty set out above in circumstances where: (a) the prevailing market prices at which the Company's ordinary shares are being and would be repurchased by the Company substantially undervalue the shares as a result of the adoption of the No Dividend Policy; (b) the amount of US\$150 million even if deployed in full (which, to date, it has not been: see paragraph 38(3)c)

above) is an inadequately small proportion of the Retained Profits (just over 10%); and (c) in any event, the Directors have reserved the right to terminate the 2023 Share Repurchase Programme at any time.

- (5) In all the above circumstances, it was and continues to be an improper conduct of the Company's affairs for the Directors to hold such substantial Retained Profits in each of the 2022 Fiscal Year, the 2023 Fiscal Year, the 2024 Fiscal Year, the 2025 Fiscal Year and the 2026 Fiscal Year as liquid assets, ear-marking a small proportion solely for the purposes of the 2023 Share Repurchase Programme, when such profits could have prudently formed the basis for the payment of a reasonable dividend for the benefit of the Company's shareholders."

31. It is common ground that the Petitioners in effect hold 878,444 shares (in the form of ADSs and ordinary shares) and the percentage of shares held by the Petitioners in the Company is just 3.37%. The Petitioners say that as at 31 March 2026 the Company's retained profits totalled approximately US\$1.17 billion. At paragraph 31 of the Petition it is stated "From the end of the 2021 Fiscal Year to the current fiscal year (the "2026 Fiscal Year"), the Company has had no financial indebtedness".
32. In the Petition, the Petitioners seek a winding up order or in the alternative an order that the Company buy out the Petitioners' shares in the Company at a fair value to be determined by the court.
33. No defence has yet been filed but once pleadings are closed the relevant disputed issues should become clear.

The submissions

34. I record that I have considered the written and oral submissions presented by the Petitioners and the Company. I reiterate my thanks to both Hugo Farmer who appeared for the Petitioners and Quentin Cregan who appeared for the Company for their well-focused and concise oral submissions.

The Company's submissions

35. The Company's position is that a general discovery order is not appropriate in the context of the Petition which it says is founded upon the issue of whether the Company's Board of directors has acted appropriately in relation to its determinations not to declare and pay dividends to shareholders. The Company proposes that instead of general discovery, the parties should exchange evidence (exhibiting such documents as they believe to be necessary and relevant to the issues in the Petition), and that each party should have liberty to seek particular documents. The Company submits that this is a far more expeditious, cost-effective, and efficient process for disclosure than a general discovery order.
36. The Company says that in relation to discovery there are two key points: (1) the Petition should be dealt with expeditiously (2) general discovery is neither automatic nor as of right in the context of a contributory's winding up petition. In support of this submission the Company stresses that what is before the court is not an action "begun by writ" pursuant to Order 24 rule 1 (1) of the GCR. In this respect the Company relies on two authorities. First, *Re Green Dragon Gas Limited* (FSD unreported 119 page judgment 7 April 2021) where at [271] McMillan J stated:
- "... winding up proceedings do not normally include disclosure for the determination of contested issues of fact."
37. At [268] McMillan J referred to a minute of order refusing an application for the production of a document (articles of association of another company) which stated that "there is ordinarily no disclosure in a winding-up petition".
38. In *Green Dragon Gas Limited* the court was dealing with whether there was a *bona fide* and substantial dispute as to the validity of the Petitioner's "purported guarantee". A winding up petition had been presented on the inability to pay debts ground by a purported creditor. *Green Dragon Gas Limited* appears to have been overtaken by *Global Cord Blood Corporation* and *China Shanshui*.
39. Secondly, the Company placed reliance on a brief report of *Superdrug Stores Plc v Protein World Ltd* 2023 WL 05017249; [2023] 7 WLUK 547. In that case Deputy ICC Judge Parfitt at [11] to [14] is recorded as having stated:

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“11. It seems to me that the approach the company has taken here is to use the disclosure exercise as a fishing expedition to attempt to gather material to support a claim that does not presently exist, a claim of the most ephemeral nature which, if it had any substance, would be capable of being proved from documents that would already be in the company’s possession. In an appropriate case this court has the power to order disclosure, even in a winding-up petition, albeit that the jurisdiction is sparingly exercised, particularly in the context of proceedings such as this. I have had cited to me a number of decisions, including my own decision in *Re Yurov* and a decision of Lawrence Collins J, as he then was, in *Highberry v Colt Telecom*. That was an administration application. Mr Gupta said that the disclosure in that case was sought on the question of solvency and in the context of an urgent application for administration which made it considerably less likely that disclosure would be ordered. For his part, Mr Fradley draws more of a parallel with the *Highberry v Colt* situation and it seems to me that that parallel is rightly drawn. Proceedings on a creditor’s winding-up petition are summary; they do not involve a full and detailed enquiry. If there is a need for a substantial enquiry that tends to demonstrate that there is a bona fide dispute on substantial grounds, which would be enough to prevent the petition from proceeding. A winding-up petition is supposed to be dealt with in a fairly summary process and, contrary to Mr Gupta’s submission, it is a process that requires a speedy resolution. For as long as there is a petition outstanding the company’s trading is imperilled. Contrary to the company’s apparent belief, as shown in correspondence, the company’s ongoing trading is void, and payments into and out of its bank account are liable to be reversed should the company go into liquidation. Unless the company seeks and obtains relief under section 127 of the Insolvency Act 1986 the automatic consequence of its continuing trading is that there will be a grand reversal if the company is ultimately wound up, which may prove seriously problematic. I would urge the company to reconsider the approach it appears to have settled upon.

12. That is a reason for proceeding on an expeditious basis with a winding-up petition. Moreover, invoking of the winding-up jurisdiction involves seeking a class remedy. The entire class is awaiting the outcome of this petition and it is incumbent on this court and on the petitioner to prosecute the petition with the diligence that would be expected of someone seeking a class remedy.

13. It follows, in my judgment, that a winding-up petition is much closer to an administration application in terms of its urgency and that is a factor that I weigh in the balance when considering whether it is in accordance with the overriding objective to order disclosure in this particular case.

14. The overriding objective requires me to deal with cases justly and at proportionate cost. It seems to me that this case can be justly disposed of without an order for disclosure, and that is all the more apparent when one looks at the wide terms of the disclosure that is sought. The draft order the company is seeking would involve five years of documents relating to the entirety of the trade between Superdrug and Protein World being disclosed. It would put a heavy burden on Superdrug to carry out a reasonable search and to provide disclosure of a vast array of documents and information, not all of which are guaranteed to exist, going back all the way to 2016, a time period when on any normal basis a contractual claim for breach of contract would now be out of time. It seems to me that the very width of the disclosure sought and the disproportionate exercise that the company invites me to order demonstrates why it is not in accordance with the overriding objective to order the disclosure sought by the company.”

40. *Superdrug* appears to have concerned a winding up petition from a creditor on the inability to pay debts ground. At [3] there is reference to “the petition debt is disputed and ... there is a potential cross-claim which meets or exceeds the level of the petition debt”. The petition debt was originally £240,882.10 and the sum sought in the statutory demand £193,771.03. Before the court was an application for an injunction to restrain advertisement and an application for disclosure pursuant to Rule 12.27 of the Insolvency Rules 2016. Rule 12.27 (1) (b) provides that a party to insolvency proceedings in court may apply to the court for an order “for disclosure from any person in accordance with CPR Part 31 (disclosure and inspection of documents)”.
41. The Company submits that the default position is that there should be no order for discovery and it is for the Petitioners to show on evidence that the scope of the discovery it seeks is necessary for the fair disposal of the matters in question or to save costs.
42. The Company adds that what it describes as “disclosure” should not be used as a means to conduct a fishing expedition to search for evidence and nor should it be used as an economic weapon against the Company to require a disproportionately expensive (and legally complex) exercise.

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43. The Company says that the Petitioners seek to be allowed, at vast expense and disruption to the Company, to trawl through many years of documents in order to flesh out and supplement their pleaded case and this is impermissible.
44. The Company submits that to require the Company to undertake a general discovery exercise would unnecessarily increase the costs of the litigation and is likely to flood the court with inapposite material.
45. Mr Cregan for the Company in his oral submissions stressed that the Petitioners' evidence in support of its Petition was lacking and the Petitioners were fishing around to try and find some evidence that would support the existing allegations in the Petition or fresh ones. Mr Cregan submitted that extensive general discovery would be disproportionate and unnecessary for the fair disposal of the case or for saving costs. Mr Cregan accepted that the issues in dispute were narrow but the potential evidence that may go to those issues could be vast and would involve the need to translate documents and engage with the authorities in the People's Republic of China ("PRC") where the Company's documents are located.
46. Mr Cregan accepted that the issues were relatively narrow but submitted that the Petitioners were fishing for documents they were not entitled to and general discovery would be disproportionate. Mr Cregan attacked the vagueness of the Petition and the lack of evidence in support. General discovery would require the Company to trawl through a mass of documentation covering many years. Such documentation was in the PRC and in a foreign language and the Company would need to engage with the PRC regime in respect of sensitive documents. The exercise could cost millions of dollars and could not be justified in respect of an agreed estimated trial of two days. General discovery would not be proportionate or reasonable. Mr Cregan submitted that there was no material before the court in support of the Petition and the Petitioners were impermissibly fishing around for documents to see if they could progress a case.

The Petitioners' submissions

47. The Petitioners seek an order that the Petitioners and the Company shall within 56 days of the expiry of time for service of the Petitioners' Reply exchange lists of documents in respect of discovery and for inspection to take place within 14 days of the exchange of lists of documents.
48. The Petitioners submit that although the proceedings are unquestionably substantive in nature, the core number of issues in dispute between the parties appear to be relatively narrow, concerning the Company's consideration and treatment of the retained profits.
49. The Petitioners refer to statements by Campbells LLP, the Petitioners' attorneys, asserting that "The issues in dispute are relatively narrow, and we do not expect that the volume of documents to be produced by the Company would be especially large or burdensome, such that a general order for discovery is appropriate in this case" (letter to Maples and Calder (Cayman) LLP dated 11 September 2026). Maples and Calder (Cayman) LLP, attorneys for the Company, did not agree to general discovery stating "General discovery is not as of right in this case. Your letter does not address why general discovery is necessary or relevant for the fair disposal of the Petition, in circumstances where the relevant matters can be dealt with by way of affidavit and, if necessary, particular discovery" but added "... it appears that the parties are aligned on the issues in dispute being relatively narrow" (letter dated 11 September 2026).
50. The Petitioners' position is that in substantive proceedings such as these where the key issues concern the decision-making of the Company's directors, discovery is necessary to ensure that the parties have all relevant documents and information, and that an order for general discovery is the best way to achieve that.
51. The Petitioners also stress that the proceedings revolve heavily around the inner workings of the Company, including its directors' decision-making processes in relation to the declaration of dividends. The Petitioners, with some considerable force, submit that it is highly likely that the Company will have relevant documents which the Petitioners do not presently have access to.
52. The Petitioners submit that to leave discovery to specific discovery applications after evidence has been filed would generate additional costs, delay the proceedings, and involve the risk of further interlocutory hearings. The Petitioners submit that general discovery, by contrast, provides a clear,

well-established framework that minimises the scope for future procedural disputes, avoids unnecessary costs and promotes the fair and efficient disposal of the proceedings.

53. The Petitioners submit that the parties to these proceedings have agreed that the case should proceed in a manner akin to proceedings commenced by way of writ under the GCR with detailed pleadings, sequential affidavit evidence and cross-examination at an estimated two-day trial. The Petitioners add that in such circumstances the authorities suggest that it is desirable that a similar approach to the GCR approach to discovery should be adopted.
54. Mr Farmer for the Petitioners rightly submitted that the *Airfinance* decision was distinguishable from the circumstances of the case presently before the court as a lot of the documents will not be in the possession of the Petitioners but in the possession of the Company. Although this on its face is a powerful point it does not, in the particular circumstances of this case, justify an order, at this stage, for general discovery. Mr Farmer says in effect that the court should not permit the Company simply to file self-serving evidence which does not exhibit all the relevant material but simply cherry picks evidence favourable to the Company. The Company will need to take care to provide documents of core relevance to the disputed issues.
55. Mr Farmer, in his oral submissions, helpfully took the court through the allegations contained in the Petition and stressed that in light of the agreed directions covering formal pleadings and a trial with cross-examination these proceedings were akin to writ proceedings under the GCR and there should be general discovery. He stressed in effect that the issues were relatively narrow and general discovery would not be disproportionate.

Decision and brief reasons

56. General discovery does not arise automatically or, as of right, in respect of winding up proceedings begun by a petition from contributories on the just and equitable ground. I agree that context in the law is of vital importance and each such case must be dealt with on its own facts and circumstances. I note the position of the Petitioners and the nature of the case they have presented in the Petition.
57. In this case I have considered the best way to achieve a fair and proportionate disposal of the issues in dispute and the saving of costs, and the need for an expeditious hearing.

58. In this case at the moment the Petitioners, who hold a very small economic interest in the Company, have filed very little by way of evidence in support of their Petition. I must guard against potential abuse and impermissible fishing. If the Petitioners have evidence in support of their Petition then they must file and serve that evidence and the Company can file and serve evidence in response and then the Petitioners can file and serve any reply evidence.
59. The court will then be in a much better position to ascertain if the Petitioners are fishing around for documents they are not entitled to or otherwise abusing the process of discovery simply to put undue pressure on the Company or using it, in the words of the Company, as “an economic weapon against the Company to require a disproportionately expensive (and legally complex) exercise”, or if further discovery is really necessary for a fair disposal of the disputed issues.
60. I have not been persuaded by the Petitioners at this stage that general discovery is proportionate and would be necessary for the fair disposal of their Petition or would save costs or lead to the more expeditious determination of the Petition.
61. On balance I have been persuaded by the Company to accept its proposed way of dealing with the evidence and discovery. After the close of pleadings, evidence should be filed and served in accordance with the proposals in the Company’s draft order. It would be helpful if after close of pleadings but before the filing and serving of evidence the parties could agree on potential categories of relevant documents, date ranges and search terms. There should be sensible and constructive cooperation between the parties in this respect.
62. The Company accepts that it “will deliver the documents reflecting the machinations and determinations of the directors in response to what the Petitioners claim” (paragraph 32 of the Company’s skeleton argument dated 17 September 2026). In that same paragraph the Company also accepts that following the filing of evidence together with exhibited relevant documentation “there should be a mutual right to seek further disclosure of any particular documents or categories of documents relevant to the issues in question.”
63. Once pleadings are closed, the evidence has been filed and the core relevant documents exhibited the court should be far better placed to fairly and justly determine any continuing arguments in respect of discovery.

64. The Company should in its evidence exhibit documents which are of core relevance to the issues in dispute and the Petitioners should do likewise. The Company, with the benefit of legal advice and assistance from its attorneys, officers of this court, should guard against only cherry-picking those documents that support its case. If after the close of evidence the parties are not content with the documentation disclosed then the dissatisfied party may make a properly focused application for specific discovery. In my judgment that will be the fairest and most cost effective and proportionate way of dealing with discovery in this case.

Order

65. For these reasons I make the following order:

Evidence (CWR. O.3, r.12(1)(g)-(h))

1. Evidence shall be given on affidavit, which shall be exchanged sequentially.
2. The Petitioners shall file and serve any evidence within 28 days of the due date for the filing of their Reply.
3. The Company shall file and serve its responsive evidence within 35 days of the due date for filing the Petitioners' evidence.
4. The Petitioners shall file and serve any reply evidence within 14 days of the due date for the filing of the Company's responsive evidence.
5. The affiants shall attend for cross examination at the trial of the Petition, if notice to do so is given by the party upon whom the affidavit is served within 7 days of the filing and serving of the reply evidence.
6. Each affidavit shall attach as exhibits all documents referred to in the affidavits and shall include as exhibits any other documents upon which the parties or their witnesses may wish to rely.

Discovery (CWR. O.3, r.12(1)(i)-(j))

7. Any application for discovery of particular documents shall be filed and served within 21 days after due date for the Petitioners' reply evidence.

Further Matters (CWR. O.3, r.12(1)(k); O. 3, r.13)Listing

8. Following the completion of the steps set out above, the parties shall approach the Court registry to seek a listing for a Case Management Conference ("CMC") in respect of the trial of the Petition, such trial to take place within 21 days of such a CMC, or on the earliest date convenient to the Court and the Company's and the Petitioners' Cayman Islands attorneys with an estimate of two days.
9. Liberty to apply for further directions, including with respect to expert evidence.
66. The attorneys should email my PA within 7 days of the delivery of this judgment a draft order for my approval.



THE HON. JUSTICE DAVID DOYLE
JUDGE OF THE GRAND COURT