

IN THE GRAND COURT OF THE CAYMAN ISLANDS

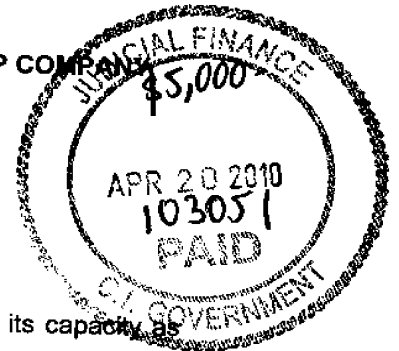
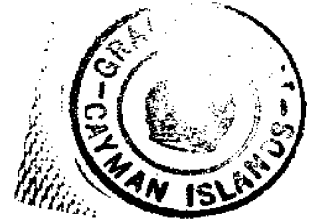
FINANCIAL SERVICES DIVISION

IN THE MATTER OF THE COMPANIES LAW (2009 REVISION)

AND IN THE MATTER OF CHINA SUN BIO-CHEM TECHNOLOGY GROUP COMPANY LIMITED

WINDING UP PETITION

FSD NO. 111 OF 2010



To: THE GRAND COURT OF THE CAYMAN ISLANDS

The humble petition of BNY Corporate Trustee Services Limited acting in its capacity as Trustee of the Bonds (as defined below), (the "Petitioner"), a company incorporated in the United Kingdom, having its registered office at 1 Canada Square, London E14 5AL, United Kingdom, shows that:-

1. China Sun Bio-Chem Technology Group Company Ltd (the "Company") is an exempted limited liability company (Company No.136769) registered in the Cayman Islands on 11 June 2004 under the Companies Law (as amended) of the Cayman Islands (the "Companies Law").
2. The registered office of the Company is situated at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and it has its head office at 32nd floor, The Spaces International Centre, 8 Dongqiao Road, Chao Yang District, Beijing, PRC 100020.
3. The shares in the Company are listed on the Singapore Stock Exchange ("SGX"). Based on the publicly available information on the website of the SGX the total authorised share capital of the Company is HKD300,000,000 and the amount of its issued share capital is HKD202,753,764.
4. The principal business of the Company is carried on through subsidiaries (together with the Company, the "Group") incorporated under the laws of the People's Republic of China ("PRC") and involves the manufacture of corn starch, modified corn starch and corn-based by-products. In 2006/7 the Group also diversified into the production of corn sweetener and the manufacture of non-fuel ethanol for food processing and industrial use.

## **The Bonds**

5. On 4 October 2006 the Company issued US\$100,000,000 of zero coupon convertible bonds due 2011 with a denomination of US\$100,000 or integral multiples thereof (the "**Bonds**"). The Bonds are listed on the SGX.
6. The Bonds were constituted and J.P. Morgan Corporate Trustee Services Limited appointed as Trustee of the Bonds pursuant to a trust deed dated 4 October 2006 between the Company and J.P. Morgan Corporate Trustee Services Limited (the "**Trust Deed**"). The terms and conditions of the Bonds (the "**Conditions**") are set out at Schedule 1 to the Trust Deed.
7. Following the purchase by The Bank of New York (now named The Bank of New York Mellon) of 100% of the shares in J.P. Morgan Corporate Trustee Services Limited, J.P. Morgan Corporate Trustee Services Limited changed its name to BNY Corporate Trustee Services Limited. The Petitioner is therefore the Trustee of the Bonds under the Trust Deed.
8. By clause 2.2 of the Trust Deed, the Company covenanted with the Petitioner that it would, *"on any date when the Bonds or any of them become due... pay... to... the Trustee in US Dollars in immediately available funds the principal amount of the Bonds becoming due for redemption on that date."* The same clause 2.2 states that the Trustee holds the benefit of this covenant to pay on trust on behalf of the holders of the Bonds (the "**Bondholders**").

## **Put Option Notices under the Bond**

9. Condition 8.4 of the Bonds granted each Bondholder discretion, at any point between 5 August 2009 and 14 September 2009, to exercise put options by delivering a put option notice ("**Put Option Notice**") in respect of part or all of its holding in the Bonds to any paying agent and thereby to compel the Company to redeem all of the Bonds the subject of the Put Option Notice (the "**Put Bonds**") on 4 October 2009 at the early redemption amount to be calculated in accordance with the Conditions.
10. During the period between 5 August 2009 and 14 September 2009, Bondholders holding USD 93,900,000 in aggregate nominal value of the Bonds delivered Put Option Notices in accordance with the Conditions, with an Early Redemption Amount of USD115,092,901.35 (the "**Put Bond Early Redemption Amount**") falling due for

payment by the Company on 4 October 2009 (the "**Put Option Date**"). This is set out in more detail at paragraph 14 below.

#### **Event of Default**

11. On 16 September 2009, the Company made an announcement on the SGX that it had received the Put Option Notices and that it was "*unlikely to be able to meet its payment obligations to the Bondholders on the due date*".
12. Under Condition 10.1.1 the Company is granted a grace period of 3 days in respect of any payment default as follows: "*a default is made in the payment of any principal due in respect of the Bonds and such default continues for a period of 3 days*".
13. On 8 October 2009, the Petitioner issued a notice stating, amongst other things, that (i) it had been informed by the Company that it was unable to meet its payment obligations following a redemption request by Bondholders, and that (ii) an event of default had therefore occurred under Condition 10.1.1 (the "**Event of Default**").
14. As at 4 October 2009, the Company was indebted to the Petitioner, acting for and on behalf each of the Bondholders who had elected to deliver a Put Option Notice, in the total sum of USD115,092,901.35 (being the sum of USD122,569.65 for each Put Bond), together with continuing default interest accruing on such an amount at a rate of 6.90 per cent. per annum pursuant to Condition 7.5 ("**Default Interest**").

#### **Failure to make payment of outstanding amount due to the Petitioner**

15. On 12 November 2009 the Company announced on the SGX, inter alia, that it had held a meeting with Bondholders in which it had conveyed tentative proposals to settle the outstanding liabilities under the Bonds. On 2 December 2009 the Company made a further announcement on the SGX that, inter alia, the amounts outstanding under Put Bonds now stood at USD73,200,000 and that the Company had been in discussions with the Bondholders to settle part of the Bonds.
16. On 29 December 2009 the Company made an announcement on the SGX, to the effect inter alia, that (i) the Group was in the process of reconstructing the accounts of the Group to ascertain its financial position (although the Company did not otherwise advise or update on the Company's attempts to settle the outstanding liabilities under the Bonds) and that (ii) the Company had been reminded by the SGX to submit an official proposal for the resumption of trading on the SGX by 25 March 2010, failing which, the SGX reserved the right to remove the Group from the Official List.

17. On 25 March 2010 the Company made an announcement on the SGX stating that it was unable to submit a proposal for the resumption of trading prior to the deadline and would not be applying to extend the deadline for submission of such a proposal.
18. On 9 April 2010 the Company published an announcement on the SGX stating, *inter alia*, that it had received a letter from the SGX requesting it to make the necessary arrangements to be delisted by 30 April 2010. The Company stated that it was "*currently considering and exploring the available options*" in order to make the necessary exit payment required by the SGX.
19. On 20 April 2010, the Petitioner, acting on the instructions of a group of Bondholders holding at least 25 per cent. in principal amount of the Bonds then outstanding, on the basis of the Event of Default, served notice on the Company (the "**Demand**") that all of the outstanding Bonds were immediately due and repayable at their Early Redemption Amount and demanded immediate payment of the outstanding amounts due under the Bonds.
20. The Company has failed to pay to the Petitioner, acting for and on behalf of the Bondholders, the Put Bond Early Redemption Amount of USD115,092,901.35, or any part of it, when due on 4 October 2009 or at any time since. Neither has it paid the amounts due under the Demand.
21. The Company is insolvent and unable to pay its debts.
22. In the premises, it is just and equitable in that the Company should be wound up.

**THE PETITIONER THEREFORE HUMBLY PRAYS:-**

1. That the Company be wound up by the Court subject to the provisions of Part V of the Companies Law (2009 Revision).
2. That Mr Kenneth M. Krys of Governors Square, Building 6, 2<sup>nd</sup> Floor, 23 Lime Tree Bay Ave., PO Box 10663, Grand Cayman KY1-1106, Cayman Islands, and Mr. Cosimo Borrelli of Level 17, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong be appointed as joint official liquidators (the "**Joint Official Liquidators**") and be authorised to exercise all the powers set out in section 110(2) and Parts I and II of the Third Schedule to the Companies Law (2009 Revision) without further sanction or intervention of this Honourable Court.

3. That the Joint Official Liquidators 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.
4. That the Joint Official Liquidators do file with the Clerk of the Court a report in writing of the position of and the progress made with the winding up of the Company and with the realisation of the assets thereof and as to any other matters connected to the winding up of the Company, in accordance with Order 10 of the Companies Winding Up Rules 2008, or at such further and other times as the Court may direct.
5. That the Joint Official Liquidators be at liberty to employ attorneys, counsel 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.
6. That the Joint Official Liquidators and their staff be remunerated for their professional services and time in accordance with Part III of the Insolvency Practitioners Regulations 2008.
7. That the Joint Official Liquidators have liberty to apply for such further directions with respect to the winding up of the Company and its affairs and the conduct of the liquidation as they shall consider necessary from time to time.
8. The costs of and incidental to this Petition be paid forthwith from the assets of the Company.
9. Such further and/or other relief as this Honourable Court deems appropriate.

AND your Petitioner will ever pray etc.

Dated the 20<sup>th</sup> day of April 2010

*Walkers*

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WALKERS

Attorneys at Law for the Petitioner

**NOTE:** This petition is intended to be served on the Company

**NOTICE OF HEARING**

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman on  
at 10.00 am.

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

This Petition is presented by Walkers, Attorneys at Law, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001. for the Petitioner whose address for service is care of their said Attorneys at Law.