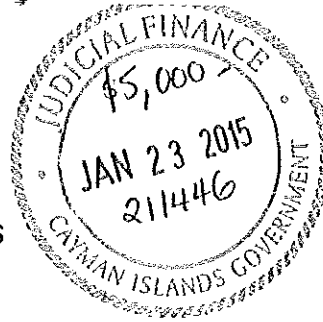


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IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

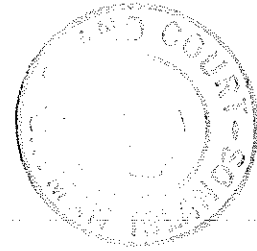


CAUSE NO. FSD 14 OF 2015 () NR/LC

IN THE MATTER OF THE COMPANIES LAW (2013 REVISION)

AND IN THE MATTER OF CHINA LUMENA NEW MATERIALS CORP.

WINDING UP PETITION



To: The Grand Court of the Cayman Islands

The humble Petition of Mega International Commercial Bank Co., Ltd of No. 100, Chi-Lin Road, Taipei City, 10424 Taiwan, Republic of China (the *Petitioner*) SHOWS THAT:

1. The Petitioner seeks an order for the winding up of China Lumena New Materials Corp. (the *Company*) pursuant to section 92(d) of the Companies Law (2013 Revision) (the *Companies Law*) on the basis that the Company is unable to pay its debts.

Background

2. The Company was incorporated on 12 April 2007, as an exempted company limited by shares with registered number 185508.
3. The Company's registered office is c/o Appleby Trust (Cayman) Ltd., P.O. Box 1350, Clifton House, 75 Fort Street, George Town, Grand Cayman, Cayman Islands.

Business and financial position of the Company

4. The objects for which the Company was established are unrestricted and it is authorised to engage in any lawful activity in accordance with the Companies Law.
5. The Company is a holding company within the wider China Lumena group (the *Group*), holding operating subsidiaries in the People's Republic of China (the *PRC*). The subsidiaries of the Group

are based in the PRC's Sichuan Province, and the business of the Group is as a leading new materials producer in China, principally engaging in the operation of mining, processing and manufacturing of natural thenardite products and the production, development and sales of polyphenylene sulphide (*PPS*).

6. Pursuant to a term loan facility agreement dated 22 April 2013 (the *Facility Agreement*) entered into between (1) the Company as Borrower, (2) the Petitioner as Arranger, and (3) the Petitioner as Agent for Mega International Commercial Bank Co., Ltd., Cathay United Bank, China Development Industrial Bank, Ta Chong Bank Ltd., Taipei Fubon Commercial Bank Co., Ltd., Taishin International Bank Co., Ltd., Taiwan Business Bank and Bank of East Asia, Limited (together, the *Lenders*), the Company borrowed the sum of US\$85,000,000 (the *Loan*) from the Lenders. The purpose of the Loan was to refinance the Company's existing indebtedness under a US\$120,000,000 credit facility agreement dated 27 October 2012 entered into by and among the Company as borrower, the lenders named therein and China Everbright Structured Investment Holdings Limited as arranger and agent.
7. Pursuant to the terms of the Facility Agreement, the Loan was due to be repaid in full together with all interest and all other unpaid sums accrued thereon, on 2 May 2014 (the *Maturity Date*). The Loan accrued interest at an aggregate rate per annum pursuant to the terms of the Facility Agreement (this being the aggregate of the Margin and LIBOR for such interest period as defined under the facility Agreement) (the *Standard Interest Rate*). Interest at the Standard Interest Rate on the Loan accrued and became due and payable on the last day of each interest period, being 2 August 2013 (aggregate rate 4.3241%), 4 November 2013 (aggregate rate 4.3156%), 5 February 2014 (aggregate rate 4.292%) and 2 May 2014 (aggregate rate 4.2861%), respectively. The Company failed to make any payment at the Standard Interest Rate on 2 May 2014 (the *Unpaid Interest*). Pursuant to clause 9.3 of the Facility Agreement, a default interest rate of 2 % (two per cent.) above the Standard Interest Rate applies in respect of the Unpaid Interest (the *Default Interest Rate*). The Default Interest Rate accrued and continues to accrue on the Unpaid Interest from and including 3 May 2014 (the *Default Interest*).
8. The Company failed and continues to fail to repay the Loan, the Unpaid Interest, the Default Interest and all other unpaid sums on the Maturity Date, which constitutes an event of default pursuant to clause 22 of the Facility Agreement.

9. Accordingly, on 7 July 2014, the Lenders' Hong Kong lawyers at that time, Gallant Y. T. Ho & Co., sent a formal written demand to the Company demanding the immediate repayment of US\$85,870,316.42 (being US\$85,000,000 of principal and US\$870,316.42 of accrued and unpaid interest at that date).
10. As at 16 January 2015, the Loan, the accrued Unpaid Interest of US\$880,436.38 and the accrued unpaid Default Interest of US\$3,883,942.50 means the Company is indebted to the Lenders in the sum of US\$89,764,378.88 (the *Debt*).
11. The Company does not have sufficient liquid assets to be able to pay off all of its liabilities as they fall due for payment and is therefore unable to pay its debts.

Grounds for application

12. For the reasons set out above, the Company is unable to pay its debts. Accordingly, the Court may wind up the Company pursuant to section 92(d) of the Companies Law.
13. The Petitioner has been authorised by the Lenders according to the terms and conditions of the Facility Agreement and their internal procedures that this winding up petition be presented to the Court pursuant to section 104(1) of the Companies Law, seeking, among other relief, the appointment of David Walker of PwC Corporate Finance & Recovery (Cayman) Ltd, 5/F Strathvale House, P.O. Box 258, Grand Cayman KY1-1104, Cayman Islands, Man Chun So, of PricewaterhouseCoopers Ltd, 20/F Prince's Building, Central, Hong Kong and Yat Kit Jong, of PricewaterhouseCoopers Consultants (Shenzhen) Ltd, 11/F PricewaterhouseCoopers Centre, 2 Corporate Avenue, 202 Hu Bin Road, Shanghai 200021, People's Republic of China, as the Joint Liquidators of the Company.

Your Petitioner therefore humbly prays that:

- (1) The Company be wound up in accordance with the Companies Law.
- (2) In that event, David Walker of PwC Corporate Finance & Recovery (Cayman) Ltd, 5/F Strathvale House, P.O. Box 258, Grand Cayman KY1-1104, Cayman Islands, Man Chun So, of PricewaterhouseCoopers Ltd, 20/F Prince's Building, Central, Hong Kong and Yat Kit Jong, of PricewaterhouseCoopers Consultants (Shenzhen) Ltd, 11/F PricewaterhouseCoopers Centre, 2 Corporate Avenue, 202 Hu Bin Road, Shanghai 200021, People's Republic of China shall be

appointed as Official Liquidators of the Company to act jointly and severally (the *Official Liquidators*):

- a) The Official Liquidators shall not be required to give security for their appointment;
- b) The Official Liquidators are hereby authorised to exercise any of the powers conferred on them by the Court pursuant to Section 110(2) and Parts I and II of the Third Schedule of the Companies Law without the further sanction or intervention of the Court;
- c) The Official Liquidators are hereby authorised to carry out any act or exercise any power considered by them to be necessary or desirable in connection with the liquidation of the Company and the winding-up of its affairs and to prevent the dissipation of the assets of the Company and its subsidiaries in any jurisdiction;
- d) No suit, action or other proceeding shall 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;
- e) No disposition of the property of the Company by or with the authority of the Official Liquidators 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 Law;
- f) The Official Liquidators shall file with the Clerk of the Court a report in writing detailing the present position and progress made to date with the winding up of the Company with the realisation of the assets thereof and to any other matters connected to the winding up of the Company, within 3 months of the date hereof;
- g) The Official Liquidators be at liberty to appoint counsel, attorneys, and/or any other 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 the Company;
- h) The remuneration and expenses of the Official Liquidators shall be paid out of the assets of the Company;
- i) The Official Liquidators be at liberty to apply generally to the Court to make such orders for regulating the future conduct of the affairs of the Company as the Court shall see fit;

j) The Official Liquidators shall cause a copy of this Petition to be delivered to the Registrar of Companies; and

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

(3) The costs of the Petitioner of and incidental to the Petition be paid out of the assets of the Company in due course of liquidation.

AND your petitioner will ever pray etc.

Dated this 19th day of January 2015



HSM CHAMBERS
Attorneys-at-Law for the Petitioner

NOTE: This Petition is intended to be served on the Company

THIS PETITION was presented by HSM Chambers, Attorneys-at-Law for the Petitioner, whose address for service is Suite 3 Buckingham Square, 720 West Bay Road, PO Box 31726, Grand Cayman KY1-1207, Cayman Islands (Ref: KFQC)

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman on 25 February 2015 at 11:00 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.