

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

0018
CAUSE NO: FSD OF 2015 NR/LC

IN THE MATTER OF THE COMPANIES LAW (2013 REVISION)

AND IN THE MATTER OF ARDON MAROON ASIA MASTER FUND (IN VOLUNTARY
LIQUIDATION)



WINDING UP PETITION

\$ 5000 -
FEB 05 2015
RA 212413

TO: THE GRAND COURT

THE HUMBLE PETITION of JOHN HOWARD BATCHELOR and DAVID MARTIN GRIFFIN of FTI Consulting (Hong Kong), Level 22, The Center, 99 Queen's Road Central, Central, Hong Kong and FTI Consulting (Cayman) Limited, 2D Landmark Square, 64 Earth Close, SMB, PO Box 30613, Grand Cayman KY1-1203, Cayman Islands, respectively, as joint voluntary liquidators of Ardon Maroon Asia Master Fund (In Voluntary Liquidation) (hereinafter called the "**Master Fund**") shows that:

Incorporation, Management & Service Providers

1. The Master Fund was incorporated as an exempted company on 12 April 2012 under registration number 203486 and was registered as a mutual fund with Cayman Islands Monetary Authority ("**CIMA**") on 1 June 2012 (Licence Number 626090).
2. The Master Fund's registered office is, since the appointment of the JVLs on 30 December 2014, FTI Consulting (Cayman) Limited, P.O. Box 30613, 2D Landmark Square, 64 Earth Close, Grand Cayman KY1-1203, Cayman Islands, but was prior to the appointment of the JVLs, Intertrust Corporate Services

(Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands.

3. Pursuant to the Master Fund's Amended and Restated Memorandum and Articles of Association ("**M&A**") the Master Fund's authorised share capital is US\$50,000 divided into 5,000,000 shares of a nominal or par value of US\$0.01 each. The objects for which the Master Fund was established are unrestricted.
4. The shareholders of the Master Fund are Ardon Maroon Asia Dragon Feeder Fund Ltd (In Voluntary Liquidation) ("**Dragon**") and Ardon Maroon Asia Eagle Feeder Fund, L.P. (In Voluntary Liquidation) ("**Eagle**") holding 238,443.485200 and 254,706.603837 shares respectively (together the "**Feeder Funds**").
5. The investment manager of the Master Fund is Ardon Maroon Fund Management Limited (the "**Manager**"), appointed pursuant to a Management Agreement dated 26 June 2012.
6. The administrator of the Master Fund is Citi Fund Services (Asia) Limited (the "**Administrator**"), appointed pursuant to a Fund Administration Services Agreement dated 19 May 2012 ("the **Administration Agreement**"), which may have been terminated, a matter which is still being investigated.
7. The investment program of the Master Fund is managed by an investment advisor, Ardon Maroon Fund Management (Hong Kong) Limited (the "**IA**").

Method by which the Master Fund was put into Voluntary Winding Up

8. On 30 December 2014, the Feeder Funds (as shareholders of the Master Fund) passed the following special resolutions:
 - a. the Master Fund be wound up voluntarily;
 - b. John Howard Batchelor and David Martin Griffin of FTI Consulting be appointed as joint voluntary liquidators of the Master Fund ("**JVLs**");
 - c. the JVLs have the power to act jointly and severally;

- d. if they deem it appropriate, the JVLs shall apply to the Grand Court of the Cayman Islands for an order that the voluntary liquidation of the Master Fund continue under the supervision of the Grand Court;
 - e. the JVLs be remunerated in accordance with their usual commercial rates (subject to the applicable Cayman Islands' law); and
 - f. the JVLs shall have the full authority under the laws of the Cayman Islands to act for and on behalf of the Master Fund, including but not limited to, entering into discussions, negotiations and agreements (as appropriate) with any Prime Broker or ISDA counter-party.
9. In the premises:
- a. the Master Fund duly resolved by special resolution that it be wound up voluntarily, pursuant to section 116(c) of the Companies Law (2013 Revision) (the "**Companies Law**"); and
 - b. the voluntary winding-up of the Master Fund is deemed to have commenced on 30 December 2014, pursuant to section 117(1)(a) of the Companies Law.
10. The JVLs filed consents to act as voluntary liquidators of the Master Fund with the Registrar of Companies pursuant to section 119(3) of the Companies Law, such filing occurring on 30 December 2014.
11. Resolutions were also passed on 30 December 2014 to appoint the JVLs as joint voluntary liquidators of both Feeder Funds.

The Directors of the Master Fund as of the Commencement Date

12. On 30 December 2014, the date on which the voluntary liquidation of the Master Fund commenced, the directors of the Master Fund were Charles Kun Woo, Frank Dominick, Gregory Bennett and Alan Milgate (together the "**Directors**").
13. Although Charles Woo resigned as a director of the Master Fund on 8 January 2015, he was a director as of 30 December 2014.

14. On 21 January 2015, the JVLs received signed Declarations of Solvency from Alan Milgate in respect of the Master Fund (and Dragon). Signed Declarations of Solvency for the Master Fund (and Dragon) were subsequently received from Frank Dominick on 22 January 2015. The other two Directors of the Master Fund and Dragon (as of the date of commencement of the voluntary liquidation), Charles Woo and Gregory Bennett, have not submitted declarations of solvency in accordance with section 124 of the Companies Law (the "Declarations of Solvency") within 28 days of the commencement of the voluntary liquidation.

Statement regarding Declarations of Solvency

15. The JVLs did not receive Declarations of Solvency from all directors of the Master Fund (as of 30 December 2014) on or before 27 January 2015, being within 28 days from the date of commencement of the voluntary liquidation and they are therefore now obliged to bring the liquidation of the Master Fund under the supervision of the Court.

Consent to appointment as Official Liquidators

16. The JVLs are qualified insolvency practitioners and consent to being appointed as Joint Official Liquidators of the Master Fund.

Financial Position

17. The Master Fund's principal assets consist of cash, securities listed on the Hong Kong and Korean stock exchanges and certain put options relating to the shares in a Hong Kong listed company.
18. Based on our preliminary investigations, it appears that, as of 27 January 2015, the total estimated value of the Master Fund's assets is:
 - a. cash of US\$2,666,163 (subject to currency fluctuations);
 - b. ordinary shares in the following four companies listed on the Hong Kong Stock Exchange ("HKSE"), with a fair value of HKD29,495,014 (equivalent to US\$3,804,444 as at 27 January 2015):

- i. China Ruifeng Galaxy Renewable Energy Holdings (stock code 527 on the HKSE) ("**China Ruifeng**");
 - ii. Heng Fai Enterprises Ord Shares (stock code 185 on the HKSE) ("**Heng Fai**");
 - iii. Chinlink International Holdings (stock code 997 on the HKSE);
 - iv. China Netcom Technology Holdings (stock code 8071 on the HKSE);
- c. ordinary shares in Wave Electronics Co Ltd ("**Wave**"), a company listed on the Korean Stock Exchange, with fair value of KRW3,587,679,900 (equivalent to US\$3,326,995 as at 27 January 2015);
- d. contracts for difference in relation to shares in Wave, with a fair value of KRW5,018,391,000 (equivalent to US\$4,653,750 as at 27 January 2015);
- e. put options in relation to 80 million ordinary shares in China Ruifeng, expiring on 28 January 2015, 27 March 2015, 28 May 2015 and 29 September 2015, with fair value of HKD109,800,000 (equivalent to US\$14,162,663 as at 27 January 2015) ("**China Ruifeng Puts**"). If the counterparty refuses to complete on the China Ruifeng Puts, the Master Fund may have an equivalent claim against him; and
- f. four investments in warrants and other securities relating to other companies listed in Hong Kong, Korea and Taiwan and an investment in Altair Investments Asia Limited, a Cayman Islands' registered company which is understood to have an interest in another investment fund managed by the Manager. All of these investments are of uncertain or minimal value.
19. As of 27 January 2015, the Master Fund's assets have an estimated value of approximately US\$28,614,015. However, the value of the Master Fund's assets is highly volatile, as the majority of the listed securities are thinly traded and limited trading in those securities can have a material effect on the share prices. In addition, there are a number of issues which are likely to impact on the estimated realisable value of the Master Fund's assets.

20. As of 27 January 2015, the Master Fund's liabilities include, but may not be limited to:
- a. an amount of approximately US\$950,000 representing the shortfall to one of its ISDA counterparties, Daewoo Securities Co. Ltd, after taking into account the redemption of its security;
 - b. a purported shareholder redemption claim from one of the Feeder Funds, Dragon, in the amount of US\$15,000,000 (the "**Master Redemption Request**"), the validity of which is still being investigated by the JVLs;
 - c. amounts due to various service providers of US\$574,473, including the Manager, IA, Administrator and Directors, along with other legal fees, consulting fees and other organisational expenses; and
 - d. contingent liabilities in relation to the China Ruifeng Puts and certain shares which were posted as collateral in relation to this transaction, as well as another "repo" transaction in relation to shares in Heng Fai. The JVLs are continuing to investigate these transactions.

Conclusion

21. In the premises, the JVLs seek an order pursuant to section 124(1) of the Companies Law that that the liquidation of the Master Fund continue under the supervision of the Court and that the JVLs be appointed as the joint official liquidators of the Master Fund.

YOUR PETITIONER THEREFORE HUMBL Y PRAYS THAT:

1. The liquidation of the Master Fund continues under the supervision of the Court.
2. John Howard Batchelor of FTI Consulting (Hong Kong) Limited, Level 22, The Center, 99 Queen's Road Central, Central, Hong Kong and David Martin Griffin of FTI Consulting (Cayman) Limited, 2D Landmark Square, 64 Earth Close, SMB, PO Box 30613, Grand Cayman KY11203, Cayman Islands be appointed official liquidators of the Master Fund ("**JOLs**").

3. The JOLs shall take all such steps as may be necessary or appropriate to take possession, custody and control of the assets, books and records of the Master Fund to the extent that the Master Fund's property is not already in their possession, custody or control.
4. The JOLs shall have the power to act jointly and severally.
5. The JOLs shall not be required to give security for their appointment.
6. In addition to the powers set out in Part II of Schedule 3 of the Companies Law (2013 Revision), the JOLs shall have the power without further sanction of the Court to:
 - (a) carry on the business of the Master Fund so far as may be necessary for its beneficial winding up;
 - (b) engage staff (whether or not as employees of the Master Fund) to assist them in the performance of their functions; and
 - (c) engage attorneys and other professionally qualified persons to assist him in the performance of his functions.
7. The JOLs shall be entitled to receive remuneration for their services by reference to the time properly given by them and their staff in attending to matters arising in the winding-up and the hourly rates and the amount of remuneration shall be determined in accordance with the Insolvency Practitioners Regulations 2008 (as amended).
8. The JOLs be at liberty to meet all disbursements reasonably incurred in connection with the performance of their duties.
9. The JOLs be at liberty to pay themselves (up to 80% of the JOLs' remuneration pending approval by the Court), their agents, employees, attorneys, solicitors and whomsoever else they may employ or instruct, remuneration and costs, and for the avoidance of doubt, all such payments shall be made as and when they fall due out of the assets of the Master Fund as expenses of the liquidation.

10. The JOLs be at liberty to apply for further directions relating to the winding-up of the affairs of the Master Fund and the distribution of its assets.
11. The JVLs' costs of this petition shall be paid out of the assets of the Master Fund as an expense of the liquidation, such costs to be taxed if not agreed with the official liquidator(s).
12. Such other orders or directions shall be made as the Court thinks fit.

AND YOUR PETITIONER WILL EVER PRAY ETC:

DATED this 28th day of January 2015

FILED this 28th day of January 2015

Walkers

**WALKERS
ATTORNEYS-AT-LAW FOR THE MASTER FUND**

This petition is intended to be served on:

1. The Cayman Islands Monetary Authority;
2. Ardon Maroon Asia Dragon Feeder Fund (In Voluntary Liquidation);
3. Ardon Maroon Asia Eagle Feeder Fund, L.P. (In Voluntary Liquidation); and
4. Ardon Maroon Fund Management Limited.

THIS petition was presented by Walkers Attorneys-at-Law of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands for the Master Fund, whose address for service is that of its said Attorneys-at-Law.