

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO: FSD

0225

OF 2016

IN THE MATTER OF THE COMPANIES LAW (2016 REVISION)

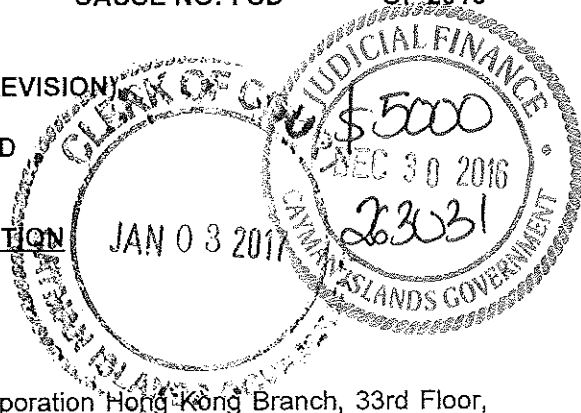
AND IN THE MATTER OF GREEN DYNASTY LIMITED



TO THE GRAND COURT

WINDING UP PETITION

JAN 03 2017



The humble petition of China Development Bank Corporation Hong Kong Branch, 33rd Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong (the "Petitioner") shows that:

Background

1. Green Dynasty Limited (the "Company") is an exempted company incorporated in the Cayman Islands with limited liability, with its registered office at P.O. Box 3119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.
2. The Petitioner is a creditor of the Company.
3. The Petitioner seeks the winding up of the Company pursuant to section 92(d) of the Companies Law (2016 Revision) (the "Companies Law") on the grounds that the Company is unable to pay its debts.
4. The Petitioner is a financial institution incorporated in the People's Republic of China and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), with its principal place of business in Hong Kong located at 33rd Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.
5. Pursuant to the Company's memorandum and articles of association registered and filed on 18 July 2011 (the "Articles"), the Company's authorised share capital is US\$50,000, divided into 50,000 shares of US\$1.00 each.

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Particulars of the Debt

6. Pursuant to a facility agreement entered into between the Company and the Petitioner dated 27 June 2012 (the "**Agreement**"), the Petitioner agreed to grant a loan facility in the amount of US\$185,000,000 (the "**Loan**") to the Company for the purpose of financing the acquisition by the Company of Fushi Copperweld, Inc.
7. The Agreement included the following provisions:
 - (a) pursuant to clause 6.1 of the Agreement, the Company would repay the Loan in instalments on each of the Repayment Dates (as defined in the Agreement);
 - (b) pursuant to clauses 9.1 and 9.2 of the Agreement, interest on the Loan was to be payable on each Interest Payment Date (as defined in the Agreement) and the rate of interest on the Loan was to be 5.5% (up to the date of Listing, as defined in the Agreement) or 4.5% at all times thereafter, plus the LIBOR Screen Rate (as defined in the Agreement) (the "**Interest Rate**");
 - (c) pursuant to clause 9.3 of the Agreement, default interest at a rate of two per cent (2%) above the Interest Rate was payable if the Company failed to repay any amount payable by it under the Agreement ("**Default Interest**"); and
 - (d) pursuant to clause 9.3 of the Agreement, Default Interest was immediately due and payable by the Company on demand by the Petitioner.
8. On 17 January 2013 the Company entered into (i) a deed of undertaking with Mr. Fu Li, AGC Asia 3 Ltd, AGC Asia 6 Ltd and the Petitioner, and (ii) a deed of undertaking with Mr. Fu Li and the Petitioner whereby the Company agreed and undertook with the Lender to deposit no less than US\$20,000,000 and US\$15,000,000 respectively into the Debt Service Account (as defined therein) on or before 28 February 2013 and 31 March 2013 respectively and apply the same towards payment of the Transaction Costs (as defined therein) and/or prepayment of the Loan (as defined therein). The Company failed to perform its obligations under clause 2 of each of these undertakings, which gave rise to a default under the deeds of undertaking (the "**Deposit Default**").

9. Pursuant to clause 22.4 of the Agreement, the Deposit Default constituted an Event of Default under the Agreement.
10. On 26 September 2013, the Petitioner (by its Hong Kong attorneys, White & Case) notified the Company of the Event of Default and requested that the Company immediately remedy the Deposit Default, failing which, the Creditor would exercise its rights under the Agreement without further notice.
11. On 6 December 2013, White & Case, on behalf of the Petitioner, sent a letter to the Company confirming that in light of the continuing Deposit Default, together with a further Event of Default arising which constituted a cross-default under a Letter of Undertaking issued by the Company, Wise Sun Investments Limited and Mr Fu. Li to the Petitioner dated 24 December 2012, the Petitioner had elected to accelerate the repayment of all amounts outstanding under the Loan pursuant to clause 22.17 of the Agreement. The letter of 6 December 2013 demanded immediate payment by the Company to the Petitioner of US\$189,931,238.83.
12. Pursuant to clause 26 of the Agreement, the following sums which were held on deposit by the Company with the Petitioner were applied by the Petitioner against the Loan in partial satisfaction of the principal amount outstanding under the Agreement:
 - (a) 27 December 2013, the sum of US\$5,000,000.00;
 - (b) 31 December 2013, the sum of US\$5,983,373.95;
 - (c) 27 January 2014, the sum of US\$4,932,647.24.
13. On 2 December 2016 a statutory demand was served on the Company by the Petitioner (by its Cayman Island attorneys, Walkers) (the "**Demand**"). As of the date of the Demand, the sum due and payable from the Company to the Petitioner was US\$204,988,305.66 (the "**Debt**"), calculated as follows:
 - (a) principal sum – US\$185,000,000.00
 - (b) less partial repayment – (US\$15,916,021.19)
 - (c) plus Default Interest up to the date of the Demand – US\$35,904,326.85.

14. The Petitioner also incurred costs and expenses, including legal fees, in connection with the enforcement of its rights under the Agreement. Pursuant to clause 15.2 of the Agreement, the Company is obliged to indemnify the Petitioner in respect of those costs and expenses. The Petitioner reserved the right to claim these costs subsequently.
15. Notwithstanding the Demand, the Company has failed to pay or satisfy the Debt or any part thereof, which remains due and payable by the Company to the Petitioner.
16. In the circumstances, the Petitioner believes that the Company should be wound up as it is unable to pay its debts, and it is otherwise just and equitable to do so, and for David James Bennett of Grant Thornton Recovery & Reorganisation Limited, Level 12, 28 Hennessy Road, Wanchai, Hong Kong and Michael Edward George Saville of Grant Thornton Specialist Services Limited, 48 Market Street, 2nd Floor, Suite 4290, Canella Court, Camana Bay, Grand Cayman, Cayman Islands, to be appointed as joint official liquidators of the Company.

Your Petitioner therefore humbly prays that:

1. The Company be wound up by the Court in accordance with the Companies Law.
2. David James Bennett of Grant Thornton Recovery & Reorganisation Limited, Level 12, 28 Hennessy Road, Wanchai, Hong Kong and Michael Edward George Saville of Grant Thornton Specialist Services Limited, 48 Market Street, 2nd Floor, Suite 4290, Canella Court, Camana Bay, Grand Cayman, Cayman Islands, be appointed as joint official liquidators of the Company (the "JOLs") and that the JOLs be authorised to do any acts or things considered by them to be necessary or desirable in connection with the liquidation of the Company and the winding up of its affairs.
3. The JOLs shall not be required to give security for their appointment.
4. The JOLs have the power to act jointly and severally in their capacity as liquidators of the Company.
5. The JOLs be authorised to take any such action as may be necessary or desirable to obtain recognition of the JOLs and/or their appointment and/or powers in any other relevant jurisdiction and to make applications to the courts of such jurisdictions for that purpose.

6. In addition to the powers set out in Part II of the Third Schedule to the Companies Law, the JOLs be authorised to exercise all of the powers set out in paragraphs 1, 4, 5, 7, 8 and 10 of Part I of the Third Schedule to the Companies Law and section 110(2) thereof without further sanction of the Court.
7. Without prejudice to the generality of the foregoing, the JOLs be authorised and be granted leave to take all such actions as may be necessary to:
 - (a) exercise the rights to which a registered holder of any shares or other securities registered in the name of the Company, or to which an owner of any shares or securities held by or on behalf of the Company (whether as principal or as agent), is entitled including, but without prejudice to the generality of the foregoing power, the right to receive dividends and the benefits of other corporate actions in relation to such shares or other securities; the right to attend meetings and to exercise any voting power pertaining to such shares or other securities and to direct nominees of the Company in whose names shares or other securities beneficially owned by the Company are registered to exercise all or any such rights as the JOLs shall direct;
 - (b) take control of such of the direct and/or indirect subsidiaries ("**Subsidiaries**") of the Company, and/or joint ventures, investment, associated companies, business or other entities (together the "**Associated Companies**") in which the Company holds an interest (or such shares of such subsidiaries and/or associated companies as are owned directly or indirectly by the Company), in each case wherever located (together, the "**Group**"), as the JOLs shall think fit; and/or to call or cause to be called such meetings of such Subsidiaries and/or Associated Companies and/or to sign such resolutions (in accordance with the provisions of any relevant constitutional or related documentation of such companies) and take such other steps, including applications to appropriate courts and/or regulators, as the JOLs shall consider necessary to appoint or remove directors, legal representatives, officers, and/or managers to or from such Subsidiaries and/or Associated Companies, and in each case take such steps as are necessary to cause the registered agents (or other equivalent corporate administrators) of such Subsidiaries or Associated Companies to give effect to the changes to the boards of directors, legal representatives, officers, and/or managers of such

companies or entities, including (without limitation) effecting changes to the company registers of such Subsidiaries or Associated Companies as may be deemed appropriate by the JOLs; and/or to take such other action in relation to all such Subsidiaries or Associated Companies as the JOLs shall think fit for the purpose of protecting the assets of the Company and managing the affairs of the Company (which, for the avoidance of doubt, shall include the assets and affairs of the Subsidiaries and Associated Companies);

- (c) liaise with management of the Group to stabilise and preserve value in the onshore business of the Company and the Group;
 - (d) take steps to locate, demand and secure cash held by all Group companies in bank accounts in the Cayman Islands, Hong Kong, Japan, the PRC, or elsewhere;
 - (e) negotiate with key non-PRC based and PRC based creditors; and
 - (f) communicate on the Company's behalf with the regulators as appropriate.
8. The JOLs be at liberty to appoint such counsel, attorneys, 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 in accordance with Order 25 of the Companies Winding Up Rules 2008 (as amended).
9. No disposition of the property of the Company by or with the authority of the JOLs in carrying out their duties and functions and the exercise of their power under any Order granted pursuant to this Petition shall be voided by virtue of section 99 of the Companies Law.
10. Subject to section 109(2) of the Companies Law and the Insolvency Practitioner's Regulations 2008 (as amended), the JOLs be authorised to render and pay invoices out of the assets of the Company for their own remuneration.
11. The JOLs be at liberty to meet all disbursements reasonably incurred in connection with the performance of their duties and, for the avoidance of doubt, all such payments shall be made as and when they fall due out of the assets of the Company as an expense of the liquidation.

12. The JOLs be at liberty to apply generally.
13. The Petitioner's costs of and incidental to the Petition shall be paid forthwith out of the assets of the Company on the indemnity basis.
14. Such further or other relief be granted as the Court deems appropriate.

AND your Petitioner will ever pray etc.

DATED the 30th day of December 2016.
FILED the 30th day of December 2016.



WALKERS

Attorneys at Law for the Petitioner

NOTE: This petition is intended to be served on the Company at its registered office:

c/o Offshore Incorporations (Cayman) Ltd
Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

This Petition is presented by Walkers, Attorneys at Law, 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, for the Petitioner whose address for service is care of his said Attorneys at Law.

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman on _____ at _____ 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 no. 349 949 4296.