



IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO. FSD 182 OF 2020 ()

IN THE MATTER OF THE COMPANIES LAW (2020 REVISION)

AND IN THE MATTER OF CHINA RISING ENERGY INTERNATIONAL (CAYMAN) CO., LIMITED



WINDING UP PETITION

The humble petition of **WEALTH CONVERGE DEVELOPMENTS LIMITED** of c-/ Vistra (BVI) Limited, P.O. Box 31119, Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG 1110, British Virgin Islands (the *Petitioner*) **SHOWS THAT:**

1 The Petitioner is a creditor of China Rising Energy International (Cayman) Co., Limited (the *Company*) and seeks the winding up of the Company pursuant to section 92(d) Companies Law (2020 Revision) (the *Companies Law*) on the ground that the Company is unable to pay its debts.

BACKGROUND

2 The Company was incorporated on 19 January 2018 in the Cayman Islands as an exempted company with registered number 331934. The Company's registered office is c-/ Vistra (Cayman) Limited, P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

3 According to the Company's memorandum and articles of association, 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.

4 According to the director inspection report dated 29 July 2020 produced by the General Registry of the Cayman Islands, the sole director of the Company is Mr. Zhou Haimin.

- 5 The Company is an investment holding company of subsidiaries which carry on business in the Dubai Multi Commodities Centre Free Zone in the United Arab Emirates, the Ajman Free Zone in the United Arab Emirates, and the Republic of Kazakhstan.
- 6 The Company is also part of wider group ultimately held by China Rising Energy International Company Limited (the **Parent**), a company incorporated in the People's Republic of China (the Company, the Parent and their respective subsidiaries altogether, the **Group**).
- 7 The Group's key businesses include new energy development, petroleum products trading, and oil and gas exploitation.

AGREEMENTS GIVING RISE TO THE DEBT

Stock Transfer Agreement

- 8 As at 9 February 2018, the Petitioner owned 75% of the issued shares of Toghi Trading-F.Z.C. Company (the **Petitioner's Shares**), a company incorporated in the Ajman Free Zone, United Arab Emirates on 23 April 2007 with registered number 3475 (the **Dubai Company**).
- 9 On 9 February 2018, the Petitioner and the Company entered into an agreement (the **Stock Transfer Agreement**) pursuant to which the Company agreed to purchase the Petitioner's Shares, for the sum of USD11,500,000.00 (the **Stock Transfer Price**). The Petitioner will rely on the Stock Transfer Agreement at trial for its full terms and effect.
- 10 Clause 6 of the Stock Transfer Agreement sets out the conditions precedent to the Stock Transfer Agreement taking effect and are as follows (the **Conditions Precedent**):
- (a) The Stock Transfer Agreement has been duly executed by the Petitioner and the Company;
 - (b) The Stock Transfer Agreement has been authorized and approved by each Party's competent corporate authorities (board of directors or shareholders' meeting);
 - (c) The Stock Transfer Agreement has been approved by relevant governmental authorities;

- (d) KC Company (described below) has lawfully obtained 100% exploration rights in relation to the oil field located in Atyrau region, the Republic of Kazakhstan (the **Shore Block**) which is owned by KC Company; and
- (e) The Company has completed the due diligence on Dubai Company and KC Company and is satisfied with the result of such due diligence.

11 The Conditions Precedent were satisfied and the Petitioner's Shares were transferred to the Company on or about 29 April 2020 whereupon the Company became obliged to pay the Stock Transfer Price by instalments in accordance with the terms of the Stock Transfer Agreement.

Stock Bestowal Agreement

12 As at 9 February 2018, 25% of the issued shares of the Dubai Company were owned by Mr. Yessimov Seitzhan (**Mr. Seitzhan**).

13 On 9 February 2018, the Company and Mr. Seitzhan entered into an agreement for Mr. Seitzhan to bestow upon the Company one half of the shares that he held in the Dubai Company representing 12.5% of the issued shares of the Dubai Company (the **Stock Bestowal Agreement**). The Petitioner will rely on the Stock Bestowal Agreement at trial for its full terms and effect.

14 The Stock Bestowal Agreement was completed on 29 April 2018 when Mr. Seitzhan transferred to the Company 12.5% of the issued shares of the Dubai Company held by him.

Supplemental Agreement to Stock Transfer Agreement

15 In or about March 2018, the Company and the Petitioner entered into a further agreement to supplement the Stock Transfer Agreement (the **Supplemental Agreement**) for the purpose of including Товарищество с ограниченной ответственностью "Zhan Oil (Жан Ойл)", a company incorporated in the Republic of Kazakhstan on 26 September 2013 with registered number 130940024154 (**Zhan Oil**), in the sale to be effected under the Stock Transfer Agreement. The Petitioner will rely on the Supplemental Agreement at trial for its full terms and effect.

16 Pursuant to the terms of the Supplemental Agreement:

- (a) the Company agreed to immediately pay the Petitioner the amount of USD1,000,000.00 (the **Debt**) upon the satisfaction of the following conditions contained in clause 6.2 of the Supplemental Agreement (**Supplemental Conditions**):
- (i) Mr. Seitzhan transferring his 15% shareholding in Zhan Oil to the Dubai Company;
 - (ii) Mr. Seizhan bestowing his 12.5% shareholding in the Dubai Company to the Company; and
 - (iii) The Petitioner transferring the Petitioner's Shares to the Company;
- (b) the Company agreed to ensure that its subsidiary, Товарищество с ограниченной ответственностью "Компания "ЖАН и КС", a company incorporated in the Republic of Kazakhstan on 21 August 2013 with registered number 130840013998 (**КС Company**), paid the Petitioner the amount of USD2,800,000 (**Further Stock Transfer Price**) from the proceeds of Shore Block in the same matter as referred to in Clause 5 of the Stock Transfer Agreement: Clause 6.2 of the Supplemental Agreement.

17 As set out in paragraphs 11 and 14 above, the Supplemental Conditions set out in paragraphs 16(a)(ii) and 16(a)(iii) above were satisfied on or about 29 April 2018.

18 In compliance with the Supplemental Condition set out in paragraph 16(a)(i) above, Mr. Seitzhan transferred his 15% shareholding in Zhan Oil to the Dubai Company on 23 July 2018.

19 All of the Supplemental Conditions contained in the Supplemental Agreement were fulfilled by 23 July 2018 whereupon the Debt became immediately due and owing by the Company to the Petitioner pursuant to Clause 6.2 of the Supplemental Agreement.

20 The Company did not pay the Debt in accordance with its obligations under the Supplemental Agreement.

DEEMED INSOLVENCY

- 21 On 9 July 2020, the Petitioner served on the Company a demand for payment of the Debt pursuant to section 93(a) of the Companies Law and Order 2, Rule 2 of the CWR (*the Statutory Demand*).
- 22 Service of the Statutory Demand on the Company was effected as follows:
- (a) On 9 July 2020, Maurice Rockett-McLaughlin, an employee of Harney, Westwood & Riegels (Cayman Islands), hand delivered the Statutory Demand to, and left it at, the Company's registered office. Because of the lockdown of the Cayman Islands at the time due to the Covid-19 pandemic, the office of Vistra (Cayman) Limited was not open for business. As a result, Mr Rockett-McLaughlin delivered the Statutory Demand by slipping it under the office door.
 - (b) Because of the closure of the office of Vistra (Cayman) Limited, so as to ensure that the Statutory Demand was brought to the attention of the Company, on 9 July 2020, a copy of the Statutory Demand was emailed by Harney, Westwood & Riegels (Joanne Ebanks) to Vistra (Cayman) Limited at the email address cayman@vistra.com, and to the Company's sole director, Mr. Zhou Haimin, at the email address zhm@zpec.vom.
- 23 On 9 July 2020, Ms. Ebanks received an email from Annmarie Levien, an associate director of Vistra (Cayman) Limited, acknowledging receipt of the Statutory Demand. No response to the Statutory Demand was received from Mr. Zhou Haimin.
- 24 Since the Statutory Demand was delivered to the Company by personal delivery and email on 9 July 2020, the Petitioner has received no communications from the Company.
- 25 The Company has neglected to pay the Debt, or to secure or compound for the same to the satisfaction of the Petitioner, within 21 days of the date upon which the Statutory Demand was served on the Company's registered office or at all.
- 26 The Company is deemed to be unable to pay its debts by virtue of section 93(a) of the Companies Law.

GROUNDS FOR APPLICATION

- 27 The Petitioner is a creditor of the Company and has standing under section 94(1)(b) of the Companies Law to petition for the winding up of the Company.
- 28 The Company is unable to pay its debts and is therefore liable to be wound up pursuant to section 92(d) of the Companies Law.

YOUR PETITIONER THEREFORE HUMBL Y PRAYS THAT:

- 1 The Company be wound up in accordance with section 92(d) of the Companies Law.
- 2 **MS. WING SZE TIFFANY WONG** and **MR. EDWARD SIMON MIDDLETON**, both of Alvarez & Marsal Asia Limited, Rooms 405-7, 4th Floor, St George Building, 2 Ice House Street, Central, Hong Kong and **MR. CHRISTOPHER BARNETT KENNEDY** of Alvarez & Marsal Cayman Islands Limited, Flagship Building, 2nd Floor, 70 Harbour Drive, George Town, Grand Cayman, KY1-1104, Cayman Islands be appointed as Official Liquidators of the Company (the *Liquidators*).
- 3 The Liquidators shall not be required to give security for their appointment.
- 4 The Liquidators be authorised to exercise all of the powers set out in section 110(2) of the Companies Law and Part II of the Third Schedule thereof, without further sanction of this Honourable Court.
- 5 The Liquidators shall have the power to act jointly and severally in their capacity as liquidators of the Company.
- 6 The Liquidators are authorised to take any such action as may be necessary or desirable to obtain recognition of the Liquidators and/or their appointment in any other relevant jurisdiction and to make applications to the courts of such jurisdictions for that purpose.
- 7 The Liquidators are authorised to take all such actions as may be necessary to:
 - (a) Take control of the direct and/ or indirect subsidiaries (the *Subsidiaries*) of the Company, and/or joint venture, 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 owed directly or

indirectly by the Company), in each case wherever located, as the Liquidators 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 Liquidators 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 board 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 Liquidators; and/or to take such action in relation to all such Subsidiaries or Associated Companies as the Liquidators 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);

- (b) Liaise with management of the Group to stabilise and preserve value of the Company and the Group; and
- (c) Communicate on the Company's behalf with the relevant regulators, as appropriate.

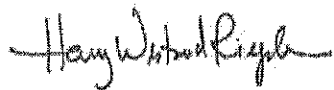
8 No suit, action or other proceeding shall be proceeded with or commenced against the Company except with the leave of this Honourable Court and subject to such terms as this Honourable Court may impose.

9 No disposition of the property of the Company by or with the authority of the 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. The Liquidators be authorised 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 and on such terms as they may think fit and to remunerate.

- 10 The remuneration and expenses of the Liquidators shall be paid out of the assets of the Company in accordance with Part III of the Insolvency Practitioners' Regulations 2018 (as amended) and Order 20 of the Companies Winding Up Rules 2018.
- 11 Subject to section 109(2) of the Companies Law and the Insolvency Practitioner Regulations 2018 (as amended), the Liquidators are authorised to render and pay invoices out of the assets of the Company for their own remuneration.
- 12 The Liquidators are authorised to pay all disbursements reasonably incurred in connection with the performance of their duties and, for the avoidance of doubt, all such payments may be made as and when they fall due out of the assets of the Company as an expense of the liquidation.
- 13 The Liquidators have liberty to apply.
- 14 The costs of and incidental to the Petition be paid forthwith out of the assets of the Company to be taxed if not agreed.
- 15 Such further or other relief be granted as this Honourable Court deems appropriate.

AND your Petitioner will ever pray etc.

Dated this 7th day of August 2020



Harney Westwood & Riegels
Attorneys-at-Law for and on behalf of the Petitioner

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

THIS PETITION was presented by Harney Westwood & Riegels, Attorneys-at-Law for the Petitioner, whose address for service is 4th Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman KY1-1002, Cayman Islands (Ref: JNW/PYK/054050.0001)

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman, Cayman Islands on at 10:00am.

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, George Town, Grand Cayman KY1-1106, Cayman Islands; Tel: 345 949 4296.