



COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

FSD NO. 286 OF 2022 (RPJ)

IN THE MATTER OF SECTION 129 OF THE COMPANIES ACT (2023 REVISION)
AND IN THE MATTER OF BLUE HORIZON STRUCTURED PRODUCTS SPC LIMITED (IN VOLUNTARY
LIQUIDATION)

PETITION FOR DIRECTIONS

To the Grand Court

The humble petition of Mr Andrew Childe and Mr Richard Murphy of FFP Limited (“**FFP**”) 2nd Floor Harbour Centre, 159 Mary Street, George Town, Grand Cayman (the “**Petitioners**”), as joint voluntary liquidators of Blue Horizon Structured Products SPC Limited (in voluntary liquidation) (the “**Blue Horizon**”), shows that:

1. Blue Horizon was incorporated as an exempted limited company on 8 September 2011 and registered in the Cayman Islands as a segregated portfolio company under the Companies Act (the “**Act**”).
2. The primary object of the Company appears to have been to conduct distinct investment business through designated segregated portfolios established from time-to-time for that purpose. Latterly, Blue Horizon was assisted by (i) EFG Bank (“**EFG**”), which acted as banker, paying agent, custodian and issuer for various notes issued through Blue Horizon’s designated

1

This Petition is filed by Campbells, Attorneys for the Petitioners, whose address for service is Floor 4, Willow House, Cricket Square, P.O. Box 884, George Town, Grand Cayman, Cayman Islands KY1-1103, (Ref: MG/KL/18466-34975).

segregated portfolios; and (ii) Vistra (Jersey) Limited ("**Vistra**"), which acted variously as administrator and depository.

3. All of Blue Horizon's shares are owned by Integer Investment PCC Limited ("**Integer**"), a company incorporated under the laws of Guernsey.
4. The 100% shareholder of Integer is Vistra, a company registered in Jersey and regulated by the Jersey Financial Services Commission as a "Trust Company Business".
5. All of the segregated portfolios established by Blue Horizon from time-to-time have been terminated, except for the BHSP 2015-1 Segregated Portfolio (the "**SP**").

BHSP 2015-1 Segregated Portfolio

6. On 13 April 2015 the directors of Blue Horizon resolved that Blue Horizon, acting for the account of the SP, would issue US\$40,000,000 of 3.00% credit linked notes on the reference entity, CP Global Trading LLP ("**CP Global**").
7. In the event, one Note was issued through the Six Swiss Exchange ("**Six**") to Cultone Associated S.A., a company incorporated in Panama ("**Cultone**").
8. On 9 April 2015, Blue Horizon entered into a credit default swap transaction (the "**Credit Derivative Transaction**") with Sowicor Ltd, a company incorporated in the Republic of Malta ("**Sowicor**").
9. On 13 April 2015, Sowicor and CP Global entered into a financing agreement pursuant to which CP Global borrowed US\$40,000,000 from Sowicor with a fixed interest rate of 3% per annum

commencing on 13 April 2016 (“**Financing Agreement**”). Interest was to be paid annually, with the first payment due by 13 April 2017. Full repayment was due by 13 April 2021.

Performance and Assignment of the Note

10. Aside from payment of the first interest instalment in April 2017, the Petitioners are not aware of any further performance under the Credit Derivative Transaction and consequently nor the Note. On 26 August 2020, Blue Horizon, on behalf of the SP, wrote to Sowicor to advise that US\$4,870,000 of interest was due and had not been received and demanded payment by 15 September 2020.
11. In accordance with the terms of the Credit Derivative Transaction, on 1 February 2021, Sowicor wrote to the SP notifying it of a “Credit Event” (i.e. CP Global failing to repay), which triggered settlement.
12. The interest due under the Financing Agreement has not been paid and the principal underlying the Note was not repaid on 13 April 2021.
13. On 9 April 2021, Sowicor and Cultone entered in an agreement to assign the obligations under the Financing Agreement (the “**Assignment Agreement**”), the effect of which was to assign to Cultone all of Sowicor’s rights, titles, claims, guarantees, benefits, interest and obligations under the Financing Agreement.
14. The effect of the Assignment Agreement is that it essentially removes Sowicor and Blue Horizon from the transactional structure, resulting in a direct claim by Cultone (the original noteholder) against CP Global (the original borrower).
15. The maturity date of the Note was 13 April 2021, but it is unclear to the Petitioners whether the Note has been formally terminated and the process for its devaluation properly followed.

3

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Current Position and Proposed Closure Plan

16. The effect of the Assignment Agreement is to ostensibly relieve Blue Horizon from any responsibility with respect to the Note and the Credit Derivative Transaction. Where there are no other matters to attend to, the Petitioners propose to:
- a. Write to Six notifying them of the default on the Note and the imminent dissolution of Blue Horizon as listed issuer on the basis that unless Six indicates any steps which should properly be taken by Blue Horizon, the Petitioners shall proceed to dissolution without further investigation or action in respect of the Note transaction;
 - b. Thereafter, make payment to any remaining creditors and the fees and expenses of the voluntary liquidation from Blue Horizon's assets; and
 - c. Thereafter, take steps to dissolve Blue Horizon in the usual way.

YOUR PETITIONERS THEREFORE HUMBLY PRAY THAT:

- (1) The Petitioners seek direction from this Honourable Court on their proposal for the winding down of Blue Horizon and its segregated portfolio, BHSP 2015-1 Segregated Portfolio. In particular, the Petitioners seek directions, pursuant to section 129(1) of the Companies Act (2022 Revision) that the Petitioners shall:
- a. The JVLs shall take all necessary steps to notify Six of the default on the US\$40,000,000 3.00% credit linked note issued by Blue Horizon on 13 April 2015 through its segregated portfolio BHSP 2015-1 Segregated Portfolio (the "**Note**") and take any and all other steps to remove, cancel or terminate the note without further investigation or enquiry;

4

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- b. Thereafter, and following payment of the fees and expenses of the voluntary liquidation and any other liabilities, the Petitioners shall distribute any remaining funds in the liquidation estate to Integer Investment PCC Limited, being Blue Horizon's sole shareholder; and
- c. Thereafter, the Petitioners shall apply for a dissolution of Blue Horizon.

AND your Petitioners will ever pray, etc.

Dated the 20th day of February 2023



CAMPBELLS LLP
Attorneys-at-law for the Petitioners

Note: It is intended to serve this Petition on Blue Horizon Structured Products SPC Limited (in voluntary liquidation) at its registered office.

INDORSEMENT

This Petition having been presented to the Court on 20 February 2023 will be heard over video link at the Law Courts, George Town, Grand Cayman on 17 March 2023 at 8:00a.m. or as soon thereafter as the Petition can be heard.

5

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