



GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO: FSD

of 2023

IN THE MATTER OF THE COMPANIES ACT (2023 REVISION)

AND IN THE MATTER OF REGAN INTERNATIONAL GROWTH FUND SPC

AND IN THE MATTER OF (1) REGAN INTERNATIONAL GROWTH FUND I SP, (2) REGAN INTERNATIONAL GROWTH FUND II SP, (3) REGAN INTERNATIONAL GROWTH FUND IV SP, (4) REGAN INTERNATIONAL GROWTH FUND V SP, AND (5) REGAN INTERNATIONAL GROWTH FUND VI SP

PETITION

To: The Grand Court of the Cayman Islands

THE HUMBLE PETITION of Regan International Growth Fund SPC c/o Hermes Corporate Services Ltd., 5th Floor, Zephyr House, 122 Mary Street PO Box 31493, Cayman Islands (the "**Petitioner**") shows that:

Introduction

1. Pursuant to sections 224 and 225 of the Companies Act (2023 Revision) (the "**Act**"), the Petitioner seeks the appointment of receivers over five of its segregated portfolios, as follows:
 - 1.1. Regan International Growth Fund I SP ("**SP1**");
 - 1.2. Regan International Growth Fund II SP ("**SP2**");
 - 1.3. Regan International Growth Fund IV SP ("**SP4**");
 - 1.4. Regan International Growth Fund V SP ("**SP5**"); and
 - 1.5. Regan International Growth Fund VI SP ("**SP6**"),

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each being a “SP” and being together the “SPs”.

2. The Petitioner relies on the grounds that each of the Segregated Portfolios is insolvent (within the meaning of section 224(1)(a) of the Act) because:
 - 2.1. the assets of SP1 are insufficient to discharge the claims of the creditors of SP1;
 - 2.2. the assets of SP2 are insufficient to discharge the claims of the creditors of SP2;
 - 2.3. the assets of SP4 are insufficient to discharge the claims of the creditors of SP4;
 - 2.4. the assets of SP5 are insufficient to discharge the claims of the creditors of SP5; and
 - 2.5. the assets of SP6 are insufficient to discharge the claims of the creditors of SP6.
3. The appointment of receivers will enable the orderly closing down of the business of each SP and the distribution of each SP’s assets to those persons entitled to have recourse thereto.

The Petitioner

4. The Petitioner was incorporated in the Cayman Islands on 26 June 2018 as an exempted segregated portfolio company with limited liability under the Act with registration number 339205 and is registered with the Cayman Islands Monetary Authority (“CIMA”) under section 4(3) of the Mutual Funds Act (as amended) with CIMA registration number: 1576293.
5. The Petitioner's registered office is at c/o Hermes Corporate Services Ltd., 5th Floor, Zephyr House, 122 Mary Street, George Town, PO Box 31493, Cayman Islands.
6. As of the date of this Petition, the directors of the Petitioner are:
 - 6.1. Li Hailong; and
 - 6.2. Tian Yufeng.
7. The amended and restated memorandum of association of the Petitioner adopted by special resolution on 18 July 2019 shows that: (i) the objects for which the Petitioner was established are unrestricted; (ii) the Petitioner has full power and authority to exercise all the functions of a natural person of full capacity; and (iii) the authorised share capital of the Petitioner is US\$50,000 divided into 100 voting, non-participating, non-redeemable shares having a par value of US\$0.01 each (“**Management Shares**”) and 4,999,900 non-voting, participating shares of a par value of US\$0.01 each. The Management Shares are registered in the name of Regan Fund Management Company Limited.
8. The Petitioner's private placement memorandum most recently updated on 9 May 2022 (“**PPM**”) identifies the Petitioner as an investment fund, operating as a segregated portfolio company with the power to create and issue shares in one or more segregated portfolios in order to segregate the assets and liabilities of the Petitioner held within or for a segregated

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portfolio from the assets and liabilities of the Petitioner held within or for any other segregated portfolio and/or the assets and liabilities of the Petitioner that are not attributable to a segregated portfolio. The investment strategies and governing terms of any segregated portfolios created by the Petitioner are set out in separate supplements to the PPM.

9. The Petitioner's:

9.1. investment manager is Regan Fund Management Company Limited (the "**Manager**"); and

9.2. auditors are PricewaterhouseCoopers.

10. The Petitioner's administrator, NuBright Fund Services Limited (who was also the administrator for each of the Segregated Portfolios), has resigned with effect from 1 March 2023 and as at the date hereof, no replacement has been appointed.

11. The Petitioner is governed by the terms of its amended and restated memorandum of association and articles of association adopted by special resolution on 18 July 2019 ("**M&AA**"), the PPM and any applicable supplements.

The General Assets and Liabilities of the Petitioner

The Petitioner's general assets (the "**General Assets**") are defined in the M&AA as assets of the Petitioner which are not assets belonging to its various segregated portfolios. As at the time of this Petition, the Petitioner does not have any General Assets or any liabilities.

The SPs

12. The SPs are five of seven segregated portfolios of the Petitioner. The other segregated portfolios are Regan International Growth Fund III SP and Regan International Growth Fund VII SP. Both of these segregated portfolios are solvent in that they can respectively pay their own debts and their respective assets exceed their respective liabilities. The Petitioner is not, by this Petition, seeking to appoint receivers over either Regan International Growth Fund III SP and/or Regan International Growth Fund VII SP.

13. Pursuant to a management agreement between the Petitioner and the Manager ("**IMA**"), the Manager was appointed to, in summary, make all trading and investment decisions for the SPs and will have exclusive management of each SP's assets. Notwithstanding the appointment of the Manager, pursuant to the terms of the IMA, the Manager must at all times comply with all instructions of the Directors (subject to certain limited exceptions).

Financial position of SP1

14. As at 30 April 2023, SP1's draft balance sheet shows that it had assets of approximately US\$3,929.64 (the "**SP1 Assets**") and liabilities of approximately US\$15,875,916.06 (the "**SP1 Liabilities**"), with a resulting net asset value of approximately negative US\$15,871,986.42.

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15. The SP1 Assets comprise solely of cash maintained in various accounts.
16. The SP1 Liabilities comprise:
 - 16.1. outstanding fees owing to its former administrator of approximately US\$12,606.18; and
 - 16.2. due but unpaid redemptions owing to eight of its investors of approximately US\$15,863,309.88.
17. In the circumstances, and by reference to SP1's significant negative asset value, SP1 is no longer able to meet its financial obligations and is insolvent within the meaning of section 224(1)(a) of the Act.

Financial position of SP2

18. As at 30 April 2023, SP2's draft balance sheet shows that it had assets of approximately US\$1,870.38 (the "**SP2 Assets**") and liabilities of approximately US\$581,551.13 (the "**SP2 Liabilities**"), with a resulting net asset value of approximately negative US\$579,680.75.
19. The SP2 Assets comprise solely of cash maintained in various accounts.
20. The SP1 Liabilities comprise:
 - 20.1. outstanding fees owing to its former administrator of approximately US\$15,402.00; and
 - 20.2. due but unpaid redemptions owing to three of its investors of approximately US\$566,149.13.
21. In the circumstances, and by reference to SP2's significant negative asset value, SP2 is no longer able to meet its financial obligations and is insolvent within the meaning of section 224(1)(a) of the Act.

Financial position of SP4

22. As at 30 April 2023, SP4's draft balance sheet shows that it had assets of approximately US\$28,501.75 (the "**SP4 Assets**") and liabilities of approximately US\$5,736,853.17 (the "**SP4 Liabilities**"), with a resulting net asset value of approximately negative US\$5,708,351.41.
23. The SP4 Assets comprise:
 - 23.1. cash maintained in various accounts of approximately US\$13,677.17; and
 - 23.2. investments owned by the Company solely for the account of SP4 through a brokerage account of approximately US\$14,824.58.
24. The SP4 Liabilities comprise:

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- 24.1. outstanding fees owing to its former administrator of approximately US\$8,996; and
 - 24.2. due but unpaid redemptions owing to three of its investors of approximately US\$5,727,782.05; and
 - 24.3. a small negative cash balance held through one of its brokerage accounts of approximately US\$75.12.
25. In the circumstances, and by reference to SP4's significant negative asset value, SP4 is no longer able to meet its financial obligations and is insolvent within the meaning of section 224(1)(a) of the Act.

Financial position of SP5

26. As at 30 April 2023, SP5's draft balance sheet shows that it had assets of approximately US\$0.29 (the "**SP5 Assets**") and liabilities of approximately US\$14,845 (the "**SP5 Liabilities**"), with a resulting net asset value of approximately negative US\$14,844.71.
27. The SP5 Assets comprise solely of cash maintained in a single brokerage account.
28. The SP5 Liabilities comprise outstanding fees owing to its former administrator of approximately US\$14,845.00.
29. In the circumstances, and by reference to SP5's negative asset value, SP5 is no longer able to meet its financial obligations and is insolvent within the meaning of section 224(1)(a) of the Act.

Financial position of SP6

30. As at 30 April 2023, SP6's draft balance sheet shows that it had assets of approximately US\$11,129.63 (the "**SP6 Assets**") and liabilities of approximately US\$1,488,681.94 (the "**SP6 Liabilities**"), with a resulting net asset value of approximately negative US\$1,477,552.31.
31. The SP6 Assets comprise cash maintained in various accounts of approximately US\$11,129.63.
32. The SP6 Liabilities comprise:
- 32.1. outstanding fees owing to its former administrator of approximately US\$6,023; and
 - 32.2. due but unpaid redemptions owing to one of its investors of approximately US\$1,482,658.94.
33. In the circumstances, and by reference to SP6's significant negative asset value, SP6 is no longer able to meet its financial obligations and is insolvent within the meaning of section

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224(1)(a) of the Act.

The appointment of receivers over the SPs

34. As the assets attributable to each SP are or are likely to be insufficient to discharge the relevant SP's liabilities, the Petitioner respectfully requests that this Honourable Court makes an order appointing receivers over each SP pursuant to sections 224 and 225 of the Act in order to manage the business and assets of each SP for the purposes of:
- 34.1. the orderly closing down of the business of or attributable to each SP; and
 - 34.2. the distribution of the assets of each SP to those entitled to have recourse to those assets.
35. The known creditors of each SP are aware that the relevant SP is no longer able to meet its financial obligations and are aware of the Petitioner's present request to this Honourable Court to make an order appointing receivers over the SPs pursuant to sections 224 and 225 of the Act.

Nomination of Receivers

36. The Petitioner proposes that Mr. Russell Smith and Mr. Declan Magennis each of BDO CRI (Cayman) Ltd., 3rd Floor, Century Yard, Cricket Square, Elgin Avenue, PO Box 31229, Grand Cayman, Cayman Islands together with Mr. Yeo Boon Ann (a.k.a. Kenneth Yeo) of BDO Financial Services Limited, 25th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong be appointed as joint receivers of each of the SPs.

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YOUR PETITIONER THEREFORE HUMBLY PRAYS AS FOLLOWS

1. Pursuant to sections 224 and 225 of the Act, a receivership order be made in relation to each of the SPs.
2. That Mr. Russell Smith and Mr. Declan Magennis each of BDO CRI (Cayman) Ltd. together with Mr. Yeo Boon Ann (a.k.a. Kenneth Yeo) of BDO Financial Services Limited (the "**Receivers**") be appointed jointly and severally as receivers of each SP.
3. That the business and segregated portfolio assets of each SP shall be managed by the Receivers for the purposes specified in section 224(3) of the Act.
4. That the Receivers be authorised to do all such things as may be necessary for the purposes of:
 - 4.1.
 - 4.1.1. the orderly closing down of the business of or attributable to each SP; and
 - 4.1.2. the distribution of the segregated portfolio assets attributable to each SP to those entitled to have recourse thereto,
 - each in accordance with section 226(1) of the Act;
 - 4.2. paying any class of creditors in full;
 - 4.3. making any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging themselves to have any claim (present or future, certain or contingent, ascertained or sounding only in damages) against the segregated assets of any SP or for which the segregated assets of any SP may be held liable;
 - 4.4. compromising on such terms as may be agreed all debts and liabilities capable of resulting in debts, and all claims (present or future, certain or contingent, ascertained or sounding only in damages) as between any SP and any party against who any SP may have a claim;
 - 4.5. dealing with all questions in any way relating to or affecting the assets or the orderly closure of each SP;
 - 4.6. engaging staff to assist them in the performance of their functions;
 - 4.7. engaging attorneys and other professionally qualified persons in the Cayman Islands or elsewhere to assist them in the performance of their functions;
 - 4.8. taking possession of, collect and get the segregated assets of each SP and for that purpose to take all such proceedings as they consider necessary;

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- 4.9. doing all acts and executing, in the name and on behalf of each SP, all deeds, receipts and other documents;
- 4.10. convening meetings of creditors;
- 4.11. bringing or defending any action or other legal proceeding in the name of and on behalf of each SP; and
- 4.12. doing all other things incidental to the exercise of their powers,

and in so doing, the Receivers shall have all the functions and powers of directors in respect of the business and segregated portfolio assets of or attributable to each SP.

5. That the Receivers' fees and expenses (including the fees and expenses of any attorneys and other professionally qualified persons in the Cayman Islands or elsewhere to assist them in their performance of their functions) be paid out of the segregated assets of each SP pursuant to section 228 of the Act in priority to all other claims. The Receivers' fees are to be charged on a time cost basis and may be subject to annual adjustment.
6. That no suit, action or other proceeding may be instituted against the Petitioner in relation to the SPs (or any of them) except with the leave of the Court pursuant to section 226(5) of the Act.
7. That any act required or authorised to be done by the Receivers may be done by any one of them.
8. That the Receivers be at liberty to apply for further directions pursuant to section 226(2) of the Act and generally.
9. That the Petitioner's costs of this Petition be paid out of the segregated assets of the SPs on a pro rata basis, and shall be paid in priority to all other claims save for the Receivers' fees and expenses properly incurred.
10. That such other order may be made as the Court thinks fit.

AND your Petitioner will ever pray etc.

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Dated this 25th day of May2023.

Loeb Smith Attorneys.

Loeb Smith Attorneys

1. **NOTE:** This petition and the verifying affidavit of Li Hailong are intended to be served on the Cayman Islands Monetary Authority.

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PETITION

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