

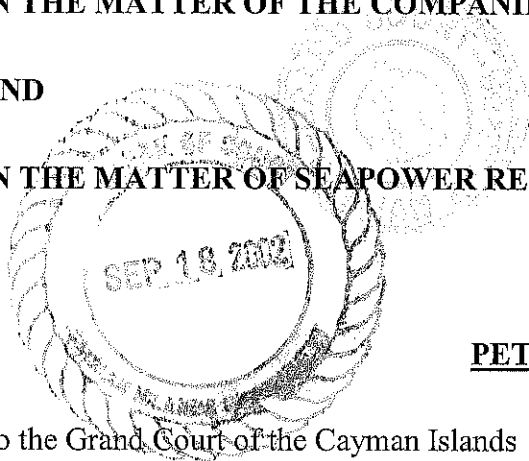
IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 692 OF 2002

IN THE MATTER OF THE COMPANIES LAW (2002 REVISION)

AND

IN THE MATTER OF SEAPOWER RESOURCES INTERNATIONAL LIMITED



PETITION

To the Grand Court of the Cayman Islands

The Humble Petition of CENTRAL FINANCE LIMITED, a company incorporated with limited liability in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") and a wholly-owned subsidiary of the Respondent (the "Petitioner"), whose registered office is situate at 7th Floor, Allied Kajima Building, 138 Gloucester Road, Central, Hong Kong, shows as follows:

1. The Respondent is incorporated in the Cayman Islands and is registered in Hong Kong as an overseas company with company no. F-4438. It had its principal place of business at 1/F, 8 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong. The Respondent is a public company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with stock code 0269.
2. The registered office of the Respondent is at Caledonian Bank & Trust Limited, Caledonian House, George Town, Grand Cayman, Cayman Islands. The authorised representatives of the Respondent in Hong Kong were Ms. Shirley Chioi Siu Liu and Mr. Norman Choi Sung Fung both of B1, 9F, Evergreen Villa, 43 Stubbs Road, Hong Kong.

3. The nominal capital of the Respondent is HK\$77,352,000, divided into 1,547,042,829 ordinary shares of HK\$0.05 each. The amount of the capital paid up or credited as paid up is HK\$77,352,000.
4. The objects for which the Respondent was established as set out in its Memorandum of Association are unrestricted and the Respondent has full power and authority to carry out any object not prohibited by any law as provided by Section 6(4) of the Companies Law, Cap. 22 as amended. The latest annual report of the Respondent dated 26th July, 2001 states that the principal activity of the Respondent is that of an investment holding company with interest in cold storage warehousing, logistics management and related services, financial services and rental income.
5. As at 5<sup>th</sup> December, 2001, the Respondent owed Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Hong Kong Branch, a bank incorporated under the laws of the Netherlands, (the "Hong Kong Petitioner"), the sum of HK\$491,145,596.44 (with interest continuing to accrue) (approximately US\$63,848,927) under a guarantee dated 3<sup>rd</sup> December, 1998 (the "Guarantee") given by Yiu Fai Warehousing Limited, Yiu Fung Cold Storage & Warehousing Limited and the Respondent in favour of the Petitioner (the "Debt").
6. Pursuant to the Guarantee, the Respondent agreed to pay the Hong Kong Petitioner, on demand, the amount owing to the Hong Kong Petitioner by South East Asia Overseas Finance Limited. On 10<sup>th</sup> October, 2000, the Hong Kong Petitioner made a demand on the Respondent under the Guarantee. The Respondent failed to pay the amount demanded by the Hong Kong Petitioner.
7. On 26<sup>th</sup> September, 2001, the Hong Kong Petitioner served a statutory demand (the "Demand") pursuant to section 178(1) of the Companies Ordinance (Cap.32) of Hong Kong (the "Companies Ordinance") on the Respondent by serving the

Demand on its authorised representatives, requiring the Respondent to pay the Debt to the Hong Kong Petitioner in accordance with the terms of the Demand.

8. The Respondent failed to pay the Debt to the Hong Kong Petitioner within 21 days of the service of the Demand or to secure or compound for the same to the reasonable satisfaction of the Hong Kong Petitioner.
9. Pursuant to section 178(1) of the Companies Ordinance, the Respondent was deemed to be unable to pay its debts. The Debt continues to remain outstanding.
10. On 11<sup>th</sup> December, 2001, the Hong Kong Petitioner, acting on its own behalf and as agent on behalf of Wing Hang Bank Limited, Wing Lung Bank Limited and Standard Chartered Bank, presented a winding-up petition in the High Court of Hong Kong, Court of First Instance (the "Hong Kong Court") (HCCW 1325/2001) (the "Hong Kong Petition").
11. On 22<sup>nd</sup> December, 2001, the Hong Kong Petitioner filed an ex-parte summons with the Hong Kong Court for the application for the appointment of the Hong Kong Provisional Liquidators. The Affidavit of Ching Kreider, the head of the Special Asset Management division of the Hong Kong Petitioner, sworn on 19<sup>th</sup> December, 2001, was filed with the Hong Kong Court in support of the application for the appointment of the Hong Kong Provisional Liquidators.
12. On 31<sup>st</sup> December, 2001, the Honorable Mr. Justice Hartmann of the Hong Kong Court made an order appointing Cosimo Borrelli and Fan Wai Kuen, Joseph of the Hong Kong insolvency practice of RSM Nelson Wheeler Corporate Advisory Services Limited ("RSM Corporate") joint and several provisional liquidators (the "Hong Kong Provisional Liquidators").

13. On 22nd April, 2002, the hearing of the Hong Kong Petition was adjourned by the Hong Kong Court on the grounds that the Respondent and its Hong Kong Provisional Liquidators were investigating the merits of facilitating a restructuring of the Respondent involving a return of the Respondent to solvency through schemes of arrangement and relisting its shares on the Stock Exchange.
14. On 22nd June, 2002, the Hong Kong Provisional Liquidators and the Respondent, amongst others, entered into a restructuring agreement to implement the proposal of an investor pursuant to which the investor is to provide funds to be used to compromise the debts of the Respondent through schemes of arrangement (the "Proposal").
15. Pursuant to the Proposal, the Hong Kong Provisional Liquidators now propose to put a scheme of arrangement to the creditors of the Respondent in the Cayman Islands being the Respondent's jurisdiction of incorporation and in Hong Kong being the principal place of business of the Respondent and those of its creditors known to the Hong Kong Provisional Liquidators.
16. This Petition has been presented by the Petitioner to whom, as at 31st March, 2002, the Respondent owed the sum of HK\$272,034,480 as a result of inter-company loans made by the Petitioner to the Respondent up to October 1998 (the "Petitioner's Debt").
17. On 1st April, 2002, the Petitioner's Debt became due and payable. On 18th September, 2002, the Petitioner made a demand on the Respondent. The Respondent has failed to pay the amount demanded by the Petitioner and the Petitioner's Debt remains outstanding to date.
18. The Hong Kong Provisional Liquidators have confirmed that the Respondent is unable to pay the Petitioner's Debt. Accordingly, the Petitioner proposes that the

Respondent is unable to pay its debts pursuant to section 95 of the Companies Law.

19. The Petitioner has presented this Petition to allow the coordination of this cross-border process between the Hong Kong Court and the Grand Court of the Cayman Islands and, more specifically, to formalise the appointment of the Hong Kong Provisional Liquidators over the Respondent in this jurisdiction.
20. Further and in the alternative, it is just and equitable that the Respondent be wound up on the grounds that it is unable to pay its debts as they fall due and/or it is just and equitable that it be wound up.

YOUR PETITIONER THEREFORE HUMBLY PRAYS AS FOLLOWS:

- (1) that, at such time as the Petition is relisted for hearing, if so moved by the Petitioner, the Petition be adjourned or that the Respondent be wound up by the Court under the provisions of Part V of the Companies Law (2002 Revision);
- (2) that the costs of the Petitioner be taxed and paid out of the assets of the Respondent on a solicitor and own client basis; and
- (3) that such further and/or other relief be granted as this Honourable Court deems appropriate.

DATED this 18<sup>th</sup> day of September 2002.



**WALKERS**

Attorneys-at-Law for the Petitioner

Note: It is intended to serve this Petition on the Respondent and the Registrar of Companies.

ENDORSEMENT

This petition, having been presented to the Grand Court of the Cayman Islands on the day of \_\_\_\_\_, 2002 will be heard at the Grand Court of the Cayman Islands on:

DATE:

TIME:

(or as soon thereafter as the petition can be heard).

THIS PETITION was filed by Walkers, Attorneys-At-Law for the Petitioners, whose address for service is that of its said Attorneys-At-Law, Walker House, PO Box 265GT, Mary Street, George Town, Grand Cayman, Cayman Islands