



1 **IN THE GRAND COURT OF THE CAYMAN ISLANDS**
2 **FINANCIAL SERVICES DIVISION**

3
4 **CAUSE NO: FSD 1 OF 2012 (PCJ)**

5 **The Hon Sir Peter Cresswell**
6 **In Open Court on 1st June 2012**

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10 **IN THE MATTER OF THE COMPANIES LAW (2011 REVISION)**

11
12 **AND IN THE MATTER OF TRIDENT MICROSYSTEMS (FAR EAST) LTD.**

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15 **APPEARANCES:** Mr. Rupert Coe of Appleby for Applicant, NXP Semiconductors
16 Netherlands BV

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18 Ms. Caroline Moran of Maples and Calder for the Joint Provisional
19 Liquidators of Trident Microsystems Far East Ltd

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22 **RULING**

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25 Before the Court today is an Amended Summons, dated 25 May 2012, whereby NXP
26 Semiconductors Netherlands BV ("NXP") apply for an Order that the payments made by Trident
27 Microsystems (Far East) Limited (in provisional liquidation) ("the Company") to NXP between
28 4 January 2012 and 23 May 2012, in the sum of US\$36,351,320.25, and acceded to by the Joint
29 Provisional Liquidators ("JPLs") of the Company, shall not be avoided pursuant to Section 99 of
30 the Companies Law (2011 Revision).

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32 Mr. Rupert Coe appears on behalf of NXP and Ms Caroline Moran ("Ms Moran") on behalf of
33 the JPLs.

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35 The Company presented a petition ("the Petition") to wind itself up on 4 January 2012 on the
36 grounds that it was insolvent. The Company is now in provisional liquidation. NXP continued
37 to trade with the Company after the presentation of the Petition. In particular the Company made
38 pre-payments to NXP in the sum of US\$36,351,320.25 ("the Payments") between 4 January
39 2012 and 23 May 2012 in order to ensure that NXP would continue to supply the Company with

1 products and services, with the ultimate aim of preserving the Company's group's businesses so
2 that they could be sold as going concerns. In return for the Payments, NXP continued to supply
3 goods and services to the Company, and certain of the Company's group's businesses have been
4 sold as going concerns, as set out in the Case Memorandum and Summary Chronology herein, to
5 which I refer.

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7 The Payments were made with knowledge of the JPLs of the Company. It is against this
8 background that NXP, by its Amended Summons, asks the Court to order that the Payments shall
9 not be void pursuant to Section 99, if and when a winding-up order is made against the
10 Company.

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12 This Court gave the Company the power to continue to operate its business in the ordinary
13 course by Order dated 11 January 2012.

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15 Paragraph 2(a) of the Order provides that the JPLs are authorized and have the power to review
16 and supervise the day-to-day operations of the Company and the actions taken by the directors in
17 respect of such operations.

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19 Paragraph 4(a) provides that the directors of the Company, subject to the supervision of the JPLs,
20 are authorised to continue to conduct the ordinary, day to day, business operations of the
21 Company.

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23 Paragraph 4(d) provides that the directors of the Company, subject to the supervision of the
24 JPLs, are authorized to continue to operate the Company's bank accounts in the ordinary course
25 of business.

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27 Paragraph 4(f) provides that the directors of the Company, subject to the supervision of the JPLs,
28 are authorized to continue to operate the Company's cash management system.

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30 On the 25 of January this year this Court made a further Order approving the Cross-Border
31 Insolvency Protocol ("Protocol") between the JPLs, the Company and Trident Microsystems Inc



1 (“TMI”) for the further operation of the businesses of the Company and TMI and the cooperation
2 and coordination of the provisional liquidation and the Chapter 11 proceedings before the
3 Delaware Bankruptcy Court.

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5 Paragraph 6 of the Protocol provides as follows:

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7 *“TMI and [the Company] shall be permitted to operate in the ordinary course of their business*
8 *operations unless otherwise ordered by the Bankruptcy Court or the Cayman Court.... To*
9 *facilitate these operations, the [Chief Restructuring Officer] and/or the officers and directors (or*
10 *their authorized representatives) of [the Company], TMI, [Trident Microsystems Hong Kong*
11 *Limited] and their subsidiaries, and the Cayman Liquidators shall meet in person or by*
12 *telephone or videoconference or by whatever means is most appropriate on a weekly basis to*
13 *address budgeting, cash expenditures, employee matters, ordinary course transactions and all*
14 *other matters necessary to fully operate the Group’s business operations.”*

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16 I also refer to the other Orders made by this Court and the Delaware Bankruptcy Court, as
17 recorded in the Case Memorandum and Summary Chronology. It is clear from the Orders
18 referred to above that this Court has already authorized and validated all payments that are made
19 out of the Company’s assets in the ordinary course of business. The Payments that the Company
20 has made to NXP since the filing of the Winding-Up Petition are acknowledged by Ms Moran on
21 behalf of the JPLs today to all have been made in the ordinary course of business. In the
22 circumstances it is, in my opinion, not necessary to make the Order sought. NXP can take
23 comfort from the fact that they have raised the matter with the Court and have the benefit of this
24 Ruling.

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26 There will be no order as to costs.

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28 DATED this 19th day of June 2012

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31 
32 The Honourable Justice Creswell
33 Judge of the Grand Court

