

IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

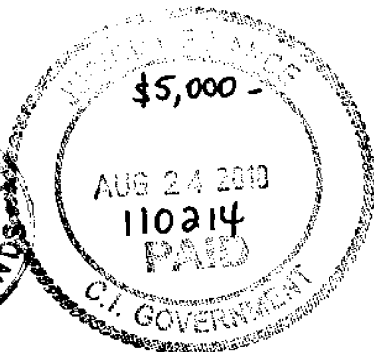
FILE NO. FSD 195 OF 2010

IN THE MATTER OF SAU SAN TONG HOLDINGS LIMITED

AND in the matter of the Companies Law (2010 Revision)

AND the Grand Court Rules 1995 Order 102

PETITION



TO: The Grand Court of the Cayman Islands

THE PETITION of SAU SAN TONG HOLDINGS LIMITED shows as follows:

1. The object of this Petition is to seek an Order of the Court pursuant to section 15 of the Companies Law (2010 Revision) (the "Companies Law") confirming a share capital reduction of the capital of your Petitioner SAU SAN TONG HOLDINGS LIMITED (the "Company").
2. The Company was incorporated under the Companies Law on 21 May, 2002 with the name "Sau San Tong Holdings (Cayman Islands) Limited" and registered in the Cayman Islands as an exempted company with registration number CR-117845. On 29 July, 2004, the name of the Company was changed from "Sau San Tong Holdings (Cayman Islands) Limited" to "Sau San Tong Holdings Limited".
3. The registered office of the Company is situated at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
4. As at the date of incorporation of the Company on 21 May, 2002, its authorised share capital was HK\$500,000 divided into 5,000,000 shares of HK\$0.10 each.
5. By the resolutions of the then sole shareholder of the Company passed on 4 November, 2003, each share of HK\$0.10 each of the Company was subdivided into 10 shares of HK\$0.01 each and the authorised share capital of the Company was increased from

HK\$500,000 to HK\$15,000,000 by creation of an additional 1,450,000,000 shares of HK\$0.01 each in the capital of the Company.

6. By the resolution of the then shareholders of the Company passed on 31 August, 2009, the authorised share capital of the Company was increased from HK\$15,000,000 divided into 1,500,000,000 shares of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each by the creation of an additional 8,500,000,000 shares of HK\$0.01 each.
7. By the resolution of the then shareholders of the Company passed on 11 February 2010, every twenty (20) shares of HK\$0.01 each in the issued and unissued share capital of the Company were consolidated into one (1) share of HK\$0.20 each.
8. The shares of the Company have been listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 19 November, 2003. Over the years, the Company has allotted and issued various tranches of shares, being the only class of shares of the Company. As at the date of this Petition, the authorised share capital of the Company is HK\$100,000,000 divided into 500,000,000 shares of HK\$0.20 each and its issued share capital is HK\$59,512,500 divided into 297,562,500 shares of HK\$0.20 each.
9. The objects for which the Company was established are unrestricted and shall include, but without limitation:
  - (a) to act and to perform all the functions of a holding company in all its branches and to co-ordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company;
  - (b) to act as an investment company and for that purpose to acquire and hold upon any terms and, either in the name of the Company or that of any nominee, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds,

obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated or carrying on business, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may be from time to time determined.

10. The Articles of Association of the Company provide, *inter alia*, as follows:

Article 4 "The Company may from time to time by ordinary resolution in accordance with the Law alter the conditions of its Memorandum of Association to:

- (a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do

not carry voting rights, the words "non-voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting";

- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association (subject, nevertheless, to the Law), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled or, in the case of shares, without par value, diminish the number of shares into which its capital is divided."

Article 6 "The Company may from time to time by special resolution, subject to any confirmation or consent required by the Law, reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by law."

11. By a special resolution of the Company (the "Special Resolution") duly passed in accordance with section 14(1) of the Companies Law at an extraordinary general meeting held on 18 August, 2010 (the "Extraordinary General Meeting"), it was resolved:

"THAT conditional upon (i) approval of the Capital Reduction (as defined below) by the Grand Court of the Cayman Islands (the "Court"); (ii) registration by the Registrar of Companies of the Cayman Islands of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Law of the Cayman Islands in respect of the Capital Reduction and compliance with any conditions as may be imposed by the Court in relation to the Capital Reduction; (iii) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Adjusted Shares (as defined below) in issue, upon the date on which the Capital Reduction becomes effective:

- (a) every 10 issued shares of HK\$0.20 each in the share capital of the Company be consolidated into one consolidated share of HK\$2.00 each ("**Consolidated Share(s)**") and any fraction of Consolidated Shares arising therefrom shall not be allocated to the shareholders but shall be aggregated and be sold, if possible, for the benefit of the Company (the "**Share Consolidation**");
- (b) upon the Share Consolidation becoming effective, the issued share capital of the Company be reduced by cancelling the paid-up capital to the extent of HK\$1.99 on each of the issued Consolidated Shares such that the nominal value of each of the issued shares of the Company be reduced from HK\$2.00 to HK\$0.01 ("**Adjusted Share(s)**") and the entire amount of the authorised but unissued share capital of the Company be cancelled (the "**Capital Reduction**");
- (c) the credit arising from the Capital Reduction be transferred to the distributable capital reduction reserve account of the Company and applied towards cancelling the accumulated losses of the Company;
- (d) subject to and forthwith upon the Capital Reduction becoming effective, the authorised share capital of the Company be increased from such amount as shall have resulted from the Capital Reduction to HK\$10,000,000.00 divided into 1,000,000,000 Adjusted Shares by the creation of such number of new Adjusted Shares as shall be necessary to restore the authorised share capital of the Company to HK\$10,000,000.00 (together with the Share Consolidation and the Capital Reduction, the "**Capital Reorganisation**"); and

- (e) the directors of the Company be and are hereby authorised to do all such acts, deeds and things as they shall, in their absolute discretion, consider necessary, desirable or expedient in connection with the implementation of the Capital Reorganisation.”

Each of the capitalised terms referred to in the Special Resolution above is defined in the information circular exhibited to the affirmation of Cheung Yuk Shan, Shirley (“CYS-5”).

12. The results of the vote by poll of the aforementioned Special Resolution by the members of the Company present and voting in person or by corporate representatives or by proxy at the Extraordinary General Meeting was as set out in the table below:-

	<b>Present &amp; Voting</b>	<b>For</b>	<b>Against</b>
<b>How Present</b>			
In person/by corporate representatives	2 members (representing 35,100,500 shares)	2 members (representing 35,100,500 shares)	0 member (representing 0 shares)
By proxy	3 members (representing 111,654,000 shares)	3 members (representing 111,654,000 shares)	0 member (representing 0 shares)
Total / Percentage of total number of votes cast	5 members (representing 146,754,500 shares) / 100%	5 members (representing 146,754,500 shares) / 100%	0 member (representing 0 shares) / 0%

The members present and voting in person or by corporate representative or by proxy, representing not less than three-fourths of the votes cast, voted to approve the Special

Resolution and the chairman of the Extraordinary General Meeting declared the resolution passed in accordance with the Articles of Association of the Company.

13. The proposed Capital Reduction does not involve either the diminution of any liability in respect of unpaid capital and the Company has no intention to make any payment of paid up capital to any shareholder. Furthermore, the proposed Capital Reduction will not alter the underlying assets, business operations, management or financial position of the Company nor will it affect the proportionate interests of the shareholders of the Company except for the payment of related financial, legal and publication expenses.
14. The form of Minute proposed to be registered is as follows:-

*"The issued share capital of SAU SAN TONG HOLDINGS LIMITED (the "Company") was by virtue of a Special Resolution passed on 18 August, 2010 and with the sanction of an Order of the Grand Court of the Cayman Islands dated [      ], 2010, reduced from HK\$2.00 per each issued share to HK\$0.01 per each issued share (the "Capital Reduction"). Upon the Capital Reduction becoming effective and immediately following the cancellation of the unissued shares, the authorised share capital of the Company be subsequently increased to HK\$10,000,000 divided into 1,000,000,000 new shares of a nominal value of HK\$0.01 each, by the creation of such number of new shares of a nominal value of HK\$0.01 each. At the date of the registration of this Minute, the authorised share capital of the Company is HK\$10,000,000 divided into 1,000,000,000 shares of HK\$0.01 each."*

Your Petitioner, the Company, therefore prays as follows:

- (1) That the Capital Reduction of the Company proposed to be effected by the Special Resolution set forth in paragraph 11 of this Petition may be confirmed and that the above-mentioned Minute may be approved by the Court.
- (2) That to this end, all necessary inquiries and directions may be made and given.
- (3) Such further and other order as this Honourable Court shall think fit.

NOTE: It is intended to serve this Petition on **SAU SAN TONG HOLDINGS LIMITED**, at its registered office located at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

DATED THIS 24 DAY OF August, 2010.

*Conyers D. H. & Pearman*

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**CONYERS DILL & PEARMAN**  
Attorneys-at-Law for the Petitioner herein

Notice of Hearing

This Petition having been presented to the Court on the \_\_\_\_\_ day of \_\_\_\_\_, 2010 will be heard at the Law Courts, George Town, Grand Cayman on the \_\_\_\_ day of \_\_\_\_\_, 2010 at \_\_\_\_\_ am/pm or as soon thereafter as the Petition can be heard.

This Petition was filed by Conyers Dill & Pearman, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is that of its Attorneys, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.