

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION



CAUSE NO. FSD 186 OF 2011

IN THE MATTER of section 86 of the Companies Law (2010 Revision)

AND IN THE MATTER of the Grand Court Rules 1995 Order 102

AND IN THE MATTER of Hsu Fu Chi International Limited

PETITION



TO: The Grand Court of the Cayman Islands

THE PETITION of Hsu Fu Chi International Limited shows as follows:

1. The object of this Petition is to seek the sanction of the Court, pursuant to section 86 of the Companies Law (2010 Revision) (the "Companies Law"), to a proposed scheme of arrangement (the "Scheme of Arrangement") between the petitioner, Hsu Fu Chi International Limited (the "Company") and the Scheme Shareholders as defined in the draft Scheme of Arrangement attached as Exhibit "[●]-1" to the affirmation of [●].
2. A copy of a draft Scheme of Arrangement (substantially in the form of that which will be despatched to shareholders) is attached hereto as Schedule "A".

**The Company**

3. The Company was incorporated as an exempted company on 18 October 2006 in the Cayman Islands under the Companies Law with registration number CT-175834.
4. The registered office of the Company is situated at Cricket

Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is at Zhouwu Industrial District, Dongcheng, Dongguan, Guangdong 523118, the People's Republic of China (the "P.R.C.").

5. The business of the Company is to hold shares in its subsidiaries, which are engaged in carrying out the business of manufacture and distribution of confectionary products in the P.R.C. and elsewhere.
6. The objects for which the Company was established are unrestricted subject to the provisions as further set out in the Memorandum of Association.

#### **The shareholders**

7. As at the date of this Petition, the Company has an authorised and issued share capital of S\$30,000,000 divided into 3,000,000,000 ordinary shares of par value S\$0.01 each (the "Shares"), 795,000,000 of which have been issued fully paid-up or credited as fully paid-up and the remainder are unissued.
8. The Shares are listed on the Singapore Exchange Securities Trading Limited.
9. As of the date of this Petition, the Company has a total of 6 shareholders, one of which, being THE CENTRAL DEPOSITORY (PTE) LIMITED, is resident in Singapore and owns substantially all of the shares to which the Scheme relates, 2 of which are resident in the P.R.C. and 3 of which are resident in the British Virgin Islands.
10. As of the date of this Petition, the profile of the shareholders is as follows:

Name of shareholders		Number of Shares	%
[Crown Eagle Ventures International Ltd]		[7,035,000]	[0.88]
[Hsu Chen]		[134,000,000]	[16.86]
[Hsu Pu]		[87,200,000]	[10.97]
[Ophira Finance Ltd.]		[107,200,000]	[13.48]
[Suncove Investments Ltd.]		[120,600,000]	[15.17]
[The Central Depository (Pte) Ltd]		[338,965,000]	[42.64]
	Total:	795,000,000	100
Scheme Shareholders:		[346,000,000]	[43.52]
Individual Holder(as defined in the Scheme of Arrangement)		[449,000,000]	[56.48]
	Total:	795,000,000	100

### The Scheme of Arrangement

11. The purpose of the Scheme of Arrangement is to provide for the transfer of all of the Shares held by the Scheme Shareholders (the "Scheme Shares") to Nestle S.A. or its nominee in consideration for the payment of the amount of S\$4.35 per Scheme Share to Scheme Shareholders. Scheme Shareholders are holders of Shares other than the Individual Holders.
  
12. The Company proposes to convene a court meeting in accordance with section 86 of the Companies Law (the "Court Meeting") at which the following resolution (with such amendments as may be approved at the Court Meeting) will be considered :

*"THAT a scheme of arrangement (the "Scheme of Arrangement") dated [●] 2011 between the Company and the holders of the Scheme Shares (as defined in Scheme of Arrangement) in the form of the print thereof which has been produced to the meeting and, for the purpose of identification signed by the chairman of the meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved."*

Each of the capitalised terms referred to in the resolution above are defined in the composite scheme document (the "Composite Scheme Document") exhibited as exhibit "[●]-1" to the first affirmation of [●] which will be sent to all Scheme Shareholders.

13. As at the Latest Practicable Date, there are no outstanding warrants, derivatives or other securities issued by the Company that carried a right to subscribe for or which is convertible into Shares.

#### **Proposed Sanction Process**

14. [After careful consideration, the directors of the Company who are considered independent ("Independent Directors") have determined that the Scheme of Arrangement is desirable and that the implementation of the Scheme of Arrangement is in the best interests of the Company and its Shareholders. Accordingly, the Independent Directors unanimously approved the Scheme of Arrangement and recommend that the Scheme Shareholders vote in favour thereof.]
15. The Company intends to make an application for directions herein for an order that, among other things:
  - a. that the Company be at liberty to convene the Court Meeting referred to at paragraph 12 above for the purpose of considering and, if thought fit, approving

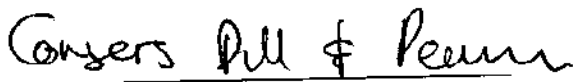
- (with or without modification) the Scheme of Arrangement;
- b. the Court determine the relevant classes of shareholders affected by the Scheme;
  - c. directions as to the mode of delivery of an explanatory memorandum and proxy form to the Shareholders; and,
  - d. the appointment of a chairman of the Court Meeting and for the conduct of the Court Meetings generally.

YOUR PETITIONER, THE COMPANY, THEREFORE HUMBLY PRAYS:

- (i) That the Scheme of Arrangement of the Company to be approved at the Court Meeting to be convened at the direction of this Honourable Court may be sanctioned by this Honourable Court.
- (ii) That, to this end, all necessary inquiries may be made and directions may be made and given.
- (iii) Such further or other relief as the Court shall see fit

And your Petitioner will ever pray etc.

DATED THIS 27<sup>th</sup> DAY OF JULY 2011.

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

TO: The Clerk of the Grand Court

BLHK/D#370699

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NOTE: It is intended to serve this Petition on Hsu Fu Chi International Limited at its registered office located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Notice of Hearing

This Petition, having been presented to the Court on the                    day of                    2011,  
will be heard at the Law Courts, George Town, Grand Cayman on the    day of                    2011  
at            a.m. 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 said Attorneys-at-Law, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

BLHK/D#370699

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