

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

CAUSE NO. FSD 0199 OF 2011

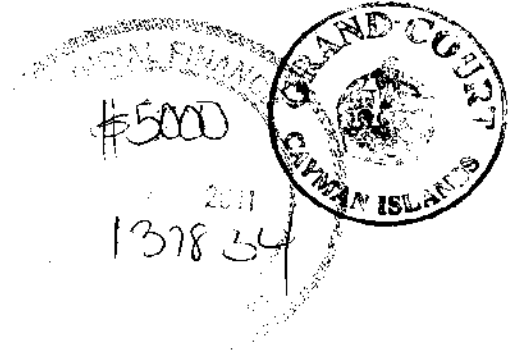
IN THE MATTER OF National Investments Fund Limited

in the matter of the Companies Law (2011 Revision)

AND the Grand Court Rules 1995 Order 102

PETITION

The Grand Court of the Cayman Islands



THE PETITION of National Investments Fund 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 (2011 Revision) (the "Companies Law") confirming a reduction of the share capital of the Pctitioner, National Investments Fund Limited (the "Company").
2. The Company was incorporated on 28 June 2002 under the Companies Law with the name of "First Asia Capital Investment Limited" and registered in the Cayman Islands as an exempted company with registration number 118569. On 25 July 2002, the name of the Company was changed from "First Asia Capital Investment Limited" to "First Asia Capital Limited". On the same day, the name of the Company was further changed from "First Asia Capital Limited" to "First Asia Capital Investment Limited 第一亞洲資本投資有限公司". On 30 August 2004, the Company further changed its name from "First Asia Capital Investment Limited 第一亞洲資本投資有限公司" to "China Financial Industry Investment Fund Limited 中國金融產業投資基金有限公司". On 5 July 2007, the Company further changed its name from "China Financial Industry Investment Fund Limited 中國金融產業投資基

金有限公司” to “National Investments Fund Limited 國盛投資基金有限公司”.

3. The registered office of the Company is situated at the office of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
4. At the date of incorporation of the Company, its authorised share capital was HK\$380,000 divided into 38,000,000 ordinary shares with a nominal or par value of HK\$0.01 each (the “Shares”).
5. By way of a written resolution of the sole shareholder of the Company passed on 10 September 2002, the authorised share capital of the Company was increased from HK\$380,000 to HK\$2,000,000 divided into 200,000,000 Shares of HK\$0.01 each.
6. On 23 July 2007, a resolution was passed by the shareholders of the Company at an extraordinary general meeting to increase the authorised share capital of the Company from HK\$2,000,000 to HK\$20,000,000 divided into 2,000,000,000 shares of HK\$0.01 each.
7. On 8 June 2009, a resolution was passed by the shareholders of the Company at an extraordinary general meeting to increase the authorised share capital of the Company from HK\$20,000,000 to HK\$200,000,000 divided into 20,000,000,000 shares of HK\$0.01 each.
8. On 13 September 2010, a resolution was passed by the shareholders of the Company at an extraordinary general meeting to consolidate every 5 issued and unissued shares of HK\$0.01 each into 1 share of HK\$0.05 each.
9. As at the date of this Petition, the authorised share capital of the Company is HK\$200,000,000 divided into 4,000,000,000 shares with a nominal or par value of HK\$0.05 each and its issued share capital is HK\$92,133,052.55 divided into

1,842,661,051 shares with a nominal or par value of HK\$0.05 each which have been fully paid-up or credited as fully paid-up.

10. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited since 27 September 2002 under stock code number 1227. Over the years, the Company has allotted and issued various tranches of ordinary shares, being the only class of shares of the Company.
11. The objects for which the Company was established are unrestricted and include, 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.

12. The Company is an investment company with the primary objective of achieving short to medium term capital appreciation by investing in listed and unlisted companies mainly in Hong Kong and the People's Republic of China (the "PRC").

The Company has adopted the following investment policies:

- at least 50% of the Company's assets will be invested in equity securities, convertible notes, preference shares, options, warrants, futures contracts, debt securities, mutual funds and unit trusts issued or managed by listed and unlisted companies in Hong Kong and the PRC, or such other types of investments in accordance with the investment objectives and policies adopted by the Company from time to time and the requirements of the memorandum and articles of association of the Company, the Hong Kong listing rules and the investment management agreement;
- investments will normally be made in the form of equity related securities and debt instruments in listed and unlisted companies engaged in different industries including (but not limited to) information technology, manufacturing, pharmaceutical, service, property, telecommunications, life and environmental and infrastructure sectors. This helps to maintain a balance in the Company's exposure to different industry sectors and to minimise the effect on the Company of any downturn in any particular sector;
- the Company will seek to identify businesses or entities with a potential of profit growth, strong management, high level of technical expertise and

research and development capabilities as well as management commitment to long-term growth of such companies. However, the Company may invest in companies or other entities which are considered by the board of directors (the "Directors") and/or the investment manager of the Company (the "Investment Manager") as being special or in recovery situations on a case by case basis. The Directors believe that the present market conditions offer various special and attractive investment opportunities;

- where possible, the Directors and the Investment Manager will seek to identify investments where there is a certain degree of synergy with other investee companies and where cooperation between such companies would be of mutual benefit to each other;
- the Company's investments may take the form of equity joint ventures, cooperative joint ventures or participation in unincorporated investments. In the event that the entity in which an investment is made is an unlimited company under the PRC laws, the Company may invest through a wholly-owned subsidiary or an intermediate investment holding company with limited liability. The Directors will seek to ensure the Company will not be directly and unnecessarily exposed to any unlimited liability on its investments;
- the Company's investments are intended to be held for short to medium term (ie. less than one year to five years) capital appreciation and there is no present intention to realise any of such investments in any specific period or by any specific date. Nevertheless, the Directors will from time to time realise investments where they believe the realisation would be in the best interests of the Company or where the terms on which such realisation can be achieved are considered by the Directors to be favourable to the Company; and

- the investment limit exercisable by the Directors for any single investment is the lower of 20% of the consolidated net asset value of the Company or HK\$10,000,000 or such other amount as may be resolved by the from time to time.

Should the Court require further information in respect of the Company, its website is at <http://www.nif-hk.com>.

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

"4. The Company may from time to time by ordinary resolution in accordance with the Law alter the conditions of its Memorandum 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), any 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 subject to the provisions of

the Law.”

“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 share premium account or any capital redemption reserve or other undistributable reserve in any manner permitted by the Law.”

14. By a special resolution of the Company (the “Special Resolution”) in accordance with section 14(1) of the Companies Law at an extraordinary general meeting held on 9 December 2011 (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 (as defined below) 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 (as defined below) and compliance with any conditions as may be imposed by the Court in relation to the Capital Reduction (as defined below); and (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares (as defined below) in issue, upon the date (the “Effective Date”) on which the aforesaid conditions are fulfilled:

- (a) every ten (10) issued and unissued shares of par value of HK\$0.05 each in the share capital of the Company be consolidated (“Share Consolidation”) into one (1) consolidated share of par value of HK\$0.50 each (“Consolidated Share”);
- (b) immediately following the Share Consolidation, the issued and paid up share capital of the Company be reduced (“Capital Reduction”) by cancelling the paid-up capital to the extent of HK\$0.49 on each Consolidated Share in issue so that each issued Consolidated Share of HK\$0.50 each of the Company be treated as one fully paid-up share of HK\$0.01 par value each (“New Share(s)”) in the share capital of the Company and any liability of the holders of such

shares to make any further contribution to the capital of the Company on each such share shall be treated as satisfied and that the amount of issued capital thereby cancelled be made available for issue of new shares of the Company;

- (c) the credit arising from the Capital Reduction shall be applied to set-off the accumulated losses of the Company as at the Effective Date and the balance (if any) will be transferred to a distributable reserve of the Company called the distributable capital reduction reserve account or other reserve account of the Company which may be utilised by the Directors as a distributable reserve in accordance with the articles of association of the Company and all applicable laws;
- (d) immediately following the Capital Reduction, each authorised but unissued share of the Company of par value of HK\$0.50 each shall be sub-divided into fifty (50) New Shares of par value of HK\$0.01 each ("Share Subdivision");
- (e) all of the New Shares resulting from the Share Consolidation, Capital Reduction and Share Subdivision shall rank *puri passu* in all respects and have the rights and privileges and be subject to the restrictions contained in the Company's articles of association; and
- (f) the Directors be and are hereby authorised generally to do all such acts, deeds and things as they shall, in their absolute discretion, deem appropriate to effect and implement the Capital Reorganisation.

For the purpose of this resolution, "Capital Reorganisation" shall mean the steps as set out in the above paragraphs (a), (b), (c) and (d) collectively."

Each of the capitalised terms referred to in the Special Resolution above and not otherwise defined therein is defined in the notice of the Extraordinary General

Meeting exhibited to the affirmation of WONG Danny F. (i.e., "WDF-4").

15. The number of members of the Company present and voting in person or by corporate representatives at the Extraordinary General Meeting is as set out in the table below:

	<b>Present &amp; Voting</b>	<b>For</b>	<b>Against</b>
<b>How Present</b>	<b>Number of members present</b>	<b>Number of shares voted</b>	<b>Number of shares voted</b>
In person/by corporate representatives	5 members (Note)	841,936,975 shares	0 share
<b>Total</b>	<b>5 members</b>	<b>841,936,975 shares</b>	<b>0 share</b>

*Note: HKSCC Nominees Limited, being the nominee for and on behalf of different ultimate beneficial shareholders of the Company, has voted in favour of the Special Resolution at the Extraordinary General Meeting. A total of 2 representatives were presented and voted on behalf of HKSCC Nominees Limited at the Extraordinary General Meeting.*

The Special Resolution was presented to the meeting and voted on by way of a poll. The members present and voting in person or by corporate representative, 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 Special Resolution passed in accordance with the Articles of Association of the Company.

16. The Special Resolution to approve and give effect to among other things the Capital Reduction was duly passed at an extraordinary general meeting, thus satisfying the requirements for passing a special resolution to approve the Capital Reduction under the Articles of Association of the Company and under the Companies Law.

17. 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 of the Company to its shareholders. Furthermore, the proposed Capital Reduction will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the shareholders of the Company.
18. The form of Minute proposed to be registered is as follows:

*"The issued share capital of the Company was by virtue of a special resolution passed on 9 December 2011 and with sanction of an Order of the Grand Court of the Cayman Islands dated [●] 2012 be reduced from HK\$0.50 per each consolidated issued share to HK\$0.01 per each issued share (the "Capital Reduction"). Immediately following from the Capital Reduction, each of the authorised but unissued consolidated shares of HK\$0.50 each in the share capital of the Company be and is sub-divided into 50 new shares of HK\$0.01 each. At the date of the registration of this Minute, the authorised share capital of the Company is HK\$200,000,000 divided into 20,000,000,000 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 14 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 enquiries 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 National Investments Fund Limited, at its registered office located at the office of Codan Trust Company (Cayman) Limited, Cricket

Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KYI-1111, Cayman Islands.

Dated this 20 day of December 2011

Conyers Dill & Pearman

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 \_\_\_\_\_ 2011 will be heard at the Law Courts, George Town, Grand Cayman on the \_\_\_\_\_ day of \_\_\_\_\_ 2012 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 KYI-1111, Cayman Islands