

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

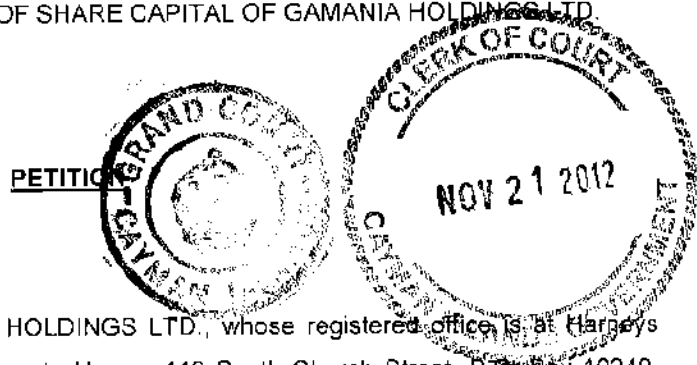
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CAUSE NO: FSD OF 2012

IN THE MATTER OF THE COMPANIES LAW (2011 REVISION)

AND IN THE MATTER OF THE REDUCTION OF SHARE CAPITAL OF GAMANIA HOLDINGS LTD.



TO THE GRAND COURT

THE HUMBLE PETITION OF by GAMANIA HOLDINGS LTD., whose registered office is at Harneys Services (Cayman) Limited, 3rd Floor, Queensgate House, 113 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands, **SHOWS THAT:**

1. Your Petitioner, Gamania Holdings Ltd. (hereinafter called the "**Company**") was incorporated on 12 April 2001 as an exempted company limited by shares under the Companies Law of the Cayman Islands (the "**Companies Law**").
2. The Company is an investment holding company. The objects for which the Company was formed are unrestricted, and the Company has full power and authority to carry out any object not prohibited by the Companies Law.

Share Capital and Shareholder of the Company

3. The sole shareholder of the Company is Gamania Digital Entertainment Co. Ltd. (the "**Shareholder**"), a company incorporated in Taiwan and listed on the GreTai Securities Market.
4. The authorised share capital of the Company at the date of its incorporation was USD3,700,000 divided into 3,700,000 shares with par value of USD1 each.
5. Since the incorporation of the Company, the authorised share capital has been changed as follows:
 - (i) on 12 November 2001, by a written resolution of the Shareholder, the authorised share capital of the Company was increased to USD35,000,000 divided into 35,000,000 shares with par value of USD1 each; and

- (ii) on 14 September 2009, by a written resolution of the Shareholder, the authorised share capital of the Company was increased to USD50,000,000 divided into 50,000,000 shares with par value of USD1 each.
6. On 9 December 2009, an application was made to Grand Court of the Cayman Islands (the "**Cayman Islands Court**") to cancel the paid-up share capital that was lost or unrepresented by available assets, to cancel the paid-up share capital on the basis that it was in excess of the needs of the Company and to extinguish liability in relation to the unpaid share capital. On 17 December 2009, the Cayman Islands Court ordered that the share capital of the Company be reduced from USD35,000,000 to USD9,928,473 divided into 9,928,473 shares with par value of USD1 each, with the authorised capital of the Company remaining at USD50,000,000 divided into 50,000,000 shares with par value of USD1 each.
7. As at the date of this Petition the authorised share capital of the Company is USD50,000,000 divided into 50,000,000 shares with par value of USD1 each. The issued and fully paid-up share capital of the Company is USD39,470,652, being 39,470,652 shares with a par value of USD1 each.

Company's Financial Position

Accumulated Losses

8. The Company is an investment holding company and does not carry out any trading of its own. It is the sole shareholder of Gamania International Holdings Ltd. and Gamania R&D (HK) Holdings Limited (collectively referred to as "**the Subsidiaries**"). The Subsidiaries are either in the business of providing online game services and related products, or are the sole shareholders of companies carrying out such businesses.
9. Based on accounting principles, the Company has to recognize any losses made by the Subsidiaries as the Company's losses on investments. Consequently, owing to the losses made by the Subsidiaries, the Company has made accumulated losses of USD14,861,016 in the period from 1 January 2010 to 30 June 2012 (the "**Accumulated Losses**").

Creditors

10. As Company's sole business is to hold shares in its trading companies and to facilitate capital flows between parent and subsidiary, the Company does not trade with third parties and its sole creditor is the Shareholder. The Company does not and has not incurred any liabilities with third parties, save for its advisors, corporate service providers and statutory authorities. The Company currently has no creditors and is able to pay its debts as they fall due within the next 12 months.

from the date of this Petition. The Company is also in good standing with the Cayman Islands Government and with all taxing authorities in Taiwan.

The Capital Reduction

11. The sole director of the Company (the "**Director**") has considered the income statements and balance sheets of the Company for the financial years ending 30 December 2009, 2010 and 2011, and 30 June 2012, and the Accumulated Losses, and was of the view that the Company should cancel part of the paid-up share capital which is lost and unrepresented by available assets to ensure that the Company's share capital is representative of its available assets.
12. The Director was also of the view that the Accumulated Losses were permanent losses and thus, in addition to making sure the Company's share capital is representative of its available assets, the Accumulated Losses should be eliminated in order to comply with their duty under the Companies Law that the Company's books of account give a true and fair view of the state of the Company's affairs.
13. Accordingly, it was proposed that the Company undergo a capital restructuring. The proposed capital restructuring requires the cancellation of 8,820,290 shares with par value of USD1 each, such that the issued share capital be reduced from USD39,470,652 consisting of 39,470,652 shares with par value of USD1 each to USD30,650,362 consisting of 30,650,362 shares with par value of USD1 each, with the authorised share capital remaining as USD50,000,000 divided into 50,000,000 shares with par value of USD1 each (the "**Capital Reduction**"), and the credit which arises as a result of the Capital Reduction be applied to set-off against part of the accumulated losses of the Company as at 31 December 2011, or in a manner otherwise permitted by the Companies Law.
14. While the Director appreciated that there were alternative ways to cancel the Company's paid-up share capital, from the Taiwanese perspective an offset of the accumulated losses could only be effected by way of a capital reduction.

Director and Shareholder Resolutions

15. Article 41 of the articles of association of the Company adopted pursuant to special resolutions passed on 14 September 2009 (the "**Articles of Association**") provides as follows:

"41. The Company may by special resolution reduce its share capital and any capital redemption reserve fund in any manner and with and subject to, any incident authorised and consent required by law."

16. The term "special resolution" is not defined in the Articles of Association. Section 60 of the Companies Law (2012 Revision) provides (inter alia) as follows:

"60 (1) A resolution is a special resolution when –

- (a) it has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the special resolution has been duly given, except that a company may in its articles of association specify that the required majority shall be a number greater than two-thirds, and may additionally so provide that any such majority (being not less than two-thirds) may differ as between matters required to be approved by a special resolution; or*
- (b) if so authorised by its articles of association, it has been approved in writing by all of the members entitled to vote at a general meeting of the company in one or more instruments each signed by one or more of the members aforesaid, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed..."*

17. In this regard, the Articles of Association further provides the following:

"64. A resolution signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

87. A resolution signed by all the directors shall be valid and effectual as if it had been passed at a meeting of the directors duly called and constituted. When signed a resolution may consist of several documents each signed by one or more of the directors."

18. By written resolutions dated 21 November 2012, the Director resolved to recommend to the Shareholder that conditional upon (i) approval of the Capital Reduction by the Cayman Islands Court; (ii) registration by the Registrar of Companies of the Cayman Islands of the order of the Cayman Islands Court confirming the Capital Reduction and the minute approved by the Cayman Islands Court containing the particulars required under the Companies Law in respect of the Capital Reduction; and (iii) compliance with any condition as may be imposed by the Cayman Islands Court in relation to the Capital Reduction:

- (a) the Capital Reduction be effected by cancelling 8,820,290 shares of the Company with par value of USD1 each such that the issued share capital be reduced from*

USD39,470,652 consisting of 39,470,652 shares with par value of USD1 each to USD30,650,362 consisting of 30,650,362 shares with par value of USD1 each, with the authorised share capital remaining as USD50,000,000 divided into 50,000,000 shares with par value of USD1 each; and

- (b) the credit which arises as a result of the Capital Reduction be applied to set-off against part of the accumulated losses of the Company as at 31 December 2011, or in a manner otherwise permitted by the Companies Law.

19. By special resolutions passed by written resolutions dated 21 November 2012, the Shareholder resolved (inter alia) that conditional upon (i) approval of the Capital Reduction by the Cayman Islands Court; (ii) registration by the Registrar of Companies of the Cayman Islands of the order of the Cayman Islands Court confirming the Capital Reduction and the minute approved by the Cayman Islands Court containing the particulars required under the Companies Law in respect of the Capital Reduction; and (iii) compliance with any condition as may be imposed by the Cayman Islands Court in relation to the Capital Reduction:

- (a) the Capital Reduction be effected by cancelling 8,820,290 shares of the Company with par value of USD1 each, such that the issued share capital be reduced from USD39,470,652 consisting of 39,470,652 shares with par value of USD1 each to USD30,650,362 consisting of 30,650,362 shares with par value of USD1 each, with the authorised share capital remaining as USD50,000,000 divided into 50,000,000 shares with par value of USD1 each; and

- (b) the credit which arises as a result of the Capital Reduction be applied to set-off against part of the accumulated losses of the Company as at 31 December 2011, or in a manner otherwise permitted by the Companies Law.

20. The Capital Reduction in the form proposed does not involve (i) an alteration or variation to the rights attached to the Company's shares; (ii) a diminution of the liability of the Shareholder in respect of amounts unpaid on issued share capital; or (iii) the return of capital to the Shareholder. Both the Shareholder and creditors of the Company will not be prejudiced by the Capital Reduction as the Company only has a single shareholder and the liability on the Shareholder is unaffected, there being no return of capital to the Shareholder.

21. The form of Minute proposed to be registered records are as follows:

"The share capital of Garmania Holdings Ltd. was by virtue of a special resolution of its shareholders, and with the sanction of an order of the Grand Court of the Cayman Islands dated [] November 2012, reduced from USD39,470,652 consisting of 39,470,652 shares with par value

of USD1 each to USD30,650,362 consisting of 30,650,362 shares with par value of USD1 each. At the date of registration of this minute all the said shares have been issued and fully paid. The authorised share capital remains as USD50,000,000 divided into 50,000,000 shares with par value of USD1 each."

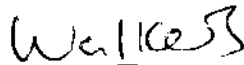
22. After the completion of the Capital Reduction, the authorised share capital of the Company will be USD50,000,000 divided into 50,000,000 shares, comprising 30,650,362 issued and fully paid-up shares and 19,349,638 unissued shares.

Your Company therefore humbly prays as follows:

1. That the Capital Reduction of the Company proposed to be effected by the Special Resolution set forth in paragraph 19 of this Petition may be confirmed and the above mentioned Minute set forth in paragraph 21 of this Petition be approved by the Court;
2. That to this end all necessary inquiries and directions may be made and given;
3. Or that such other order may be made in the premises as the Court shall deem fit.

AND your Company will ever pray etc.

DATED the 21st day of November 2012



WALKERS

Attorneys at Law for the Company

NOTE: It is not intended to serve this Petition on any person.

This Petition is presented by Walkers, Attorneys at Law, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001, Cayman Islands for the Company whose address for service is care of said Attorneys at Law

ENDORSEMENT

This petition, having been presented to the Grand Court of the Cayman Islands on the _____ day of _____ 2012 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 is presented by Walkers, Attorneys at Law, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001, Cayman Islands for the Company whose address for service is care of said Attorneys at Law.