

IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

0140
CAUSE NO. FSD OF 13

IN THE MATTER OF CHINA FORTUNE INVESTMENTS (HOLDING) LIMITED (中國幸福投資(控股)有限公司)

AND IN THE MATTER OF THE COMPANIES LAW (2013 Revision)

AND GRAND COURT RULES 1995 ORDER 102

PETITION

TO: The Grand Court of the Cayman Islands

THE PETITION of China Fortune Investments (Holding) Limited (中國幸福投資(控股)有限公司) 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 (2013 Revision) (the "Companies Law") confirming a reduction of the capital of your Petitioner China Fortune Investments (Holding) Limited (中國幸福投資(控股)有限公司) (the "Company").
2. The Company was incorporated under the Companies Law on 13 October 1999 with the name "Neolink Cyber Technology (Holding) Limited" and registered in the Cayman Islands as an exempted company with registration number CR-93283. On 7 May 2009, the name of the Company was changed from "Neolink Cyber Technology (Holding) Limited" to "Global Resources Development (Holding) Limited (大地資源發展(控股)有限公司)". On 16 December 2009, the name of the Company was changed from "Global Resources Development (Holding) Limited (大地資源發展(控股)有限公司)" to "China Public Healthcare (Holding) Limited (中國公共醫療(控股)有限公司)". On 6 June 2012, the name of the Company was changed from "China Public Healthcare (Holding)

Limited (中國公共醫療(控股)有限公司)” to “China Fortune Investments (Holding) Limited (中國幸福投資(控股)有限公司)”.

3. The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
4. Since the incorporation of the Company, the Company has undergone various reorganisation of its authorised and issued share capital through increase of authorised share capital and reduction of issued share capital. As part of a capital reorganisation and pursuant to the sanction granted by the Grand Court on 22 August 2008 and filed with the Companies Registry on 22 August 2008, the issued share capital of the Company was reduced from HK\$116,816,010 divided into 1,168,160,100 shares of HK\$0.10 each to HK\$11,681,601 divided into 1,168,160,100 shares of HK\$0.01 each and the authorised share capital became HK\$500,000,000 divided into 50,000,000,000 shares of HK\$0.01 each.
5. On 25 March 2013, an ordinary resolution was passed by the shareholders of the Company at its extraordinary general meeting to consolidate every ten issued and unissued shares of HK\$0.01 each in the capital of the Company into one share of HK\$0.10 each which became effective on 26 March 2013 (the “2013 Consolidation”).
6. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since July 2000. Over the years, the Company has allotted and issued various tranches of ordinary 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\$500,000,000 divided into 5,000,000,000 shares of HK\$0.10 each and its issued share capital is HK\$221,400,149.60 divided into 2,214,001,496 existing shares of HK\$0.10 each (the “Existing Shares”).

7. The objects for which the Company was formed are unrestricted and the Company has full power and authority to exercise all the functions of a natural person of full capacity in respect of any question of corporate benefit, as provided by section 27(2) of the Companies Law.

8. 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 :

- (i) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (iii) 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";
- (iv) 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 subdivision, 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;

- (v) 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 share premium account or any capital redemption reserve or other undistributable reserve in any manner permitted by law."

9. 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 4 September 2013 (the "Extraordinary General Meeting"), it was resolved:

"THAT conditional upon the approval from the Grand Court of the Cayman Islands ("Court") and compliance with any conditions the Court may impose and the Listing Committee of The Hong Kong Stock Exchange Limited granting approval for the listing of, and permission to deal in, the Adjusted Shares (as defined below) in issue, with effect from the business day immediately following the day of passing of this resolution:

- (a) the par value of each issued share of HK\$0.10 ("Share") in the capital of the Company be reduced to HK\$0.001 (the "Adjusted Shares") by cancelling paid-up capital to the extent of HK\$0.099 on each issued Share ("Capital Reduction") 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;
- (b) immediately following the Capital Reduction, each authorised but unissued Share in the capital of the Company be subdivided into 100 Adjusted Shares of HK\$0.001 each (the "Share Subdivision");
- (c) the credit arising from the Capital Reduction be transferred to a distributable reserve account of the Company and applied by the directors ("Directors") of the Company in accordance with the articles of association of the Company and all applicable laws, including towards setting off the accumulated losses of the Company;
- (d) all of the Adjusted Shares resulting from the Capital Reduction and Share Subdivision shall rank *pari passu* in all respects and have the rights and privileges and be subject to the restrictions contained in the Company's memorandum and articles of association; and
- (e) the Directors be and are hereby authorised to do all such acts, deeds and things and to effect all necessary actions as they may consider necessary or desirable in order to effect, implement and complete any and all of the foregoing."

Each of the capitalised terms referred to in the Special Resolution above are defined in the information circular exhibited to the affirmation of Stephen William Frostick ("SWF-6").

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

	Present & Voting	For	Against
How Present	Number of shares voted	Number of shares voted	Number of shares voted
In person/by corporate representatives	500 shares/ 210,489,152 shares	500 shares/ 192,871,652 shares	Nil share/ 17,617,500 shares
By proxy	619,569,560 shares	619,569,560 shares	Nil share
Total	830,059,212 shares	812,441,712 shares	17,617,500 shares

The Special Resolution was voted on by way of a poll and the number of votes casted by the members present and voting in person or by corporate representatives or by proxy at the Extraordinary General Meeting in favour of the Special Resolution represents more than three-fourths of the votes casted in respect of the Special Resolution and therefore the chairman of the Extraordinary General Meeting declared the Special Resolution passed in accordance with the Articles of Association of the Company.

11. The proposed Capital Reorganisation is expected to reduce the accumulated losses of the Company and therefore facilitate any dividend payment by the Company as and when appropriate. In addition, since under the laws of the Cayman Islands, the Company is prohibited from issuing new shares at below par value, the reduction of par value of the Existing Shares after the Capital Reorganisation will give the Company greater

flexibility in pricing any future issue of shares of the Company. Therefore, the Board considers that the Capital Reorganisation is in the interests of the Company and the shareholders as a whole.

12. The proposed Capital Reorganisation does not involve either the diminution of any liability in respect of unpaid capital and the Company does not have any intention to make payment to any shareholder of any paid-up capital. Furthermore, the Capital Reorganisation will not alter the underlying assets, business operations, management or financial position of the Company and thus will have no direct impact on creditors nor will it affect the proportionate interests of the shareholders.
13. The form of Minute proposed to be registered is as follows:

“The issued share capital of China Fortune Investments (Holding) Limited (中國幸福投資(控股)有限公司) (the “Company”) was by virtue of a Special Resolution passed on 4 September 2013 and with the sanction of an Order of the Grand Court of the Cayman Islands dated [] 2013, reduced from HK\$0.10 per each issued share to HK\$0.001 per each issued share (the “Capital Reduction”). Upon the Capital Reduction becoming effective, each authorised but unissued share of HK\$0.10 each shall be subdivided into ten unissued shares of HK\$0.001 each in the capital of the Company. At the date of the registration of this Minute, the authorised share capital of the Company is HK\$500,000,000 divided into 500,000,000,000 shares of HK\$0.001 each.”

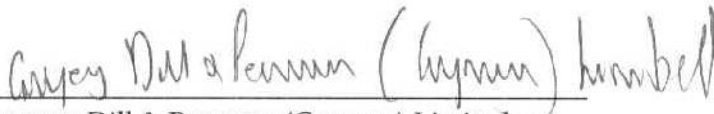
Your Petitioner, the Company, therefore prays as follows:

- (1) That the Capital Reorganisation of the Company proposed to be effected by the Special Resolution set forth in paragraph 9 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 China Fortune Investments (Holding) Limited (中國幸福投資(控股)有限公司), at its registered office located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

Dated this 30th day of October 2013


Conyers Dill & Pearman (Cayman) Limited
Attorneys-at-Law for the Petitioner

This Petition having been presented to the Court on the ____ day of _____ 2013
will be heard at the Law Courts, George Town, Grand Cayman on the ____ day of
_____ 2013/2014 at _____ am/pm or as soon thereafter as the Petition can be heard.

This Petition was filed by Conyers Dill & Pearman (Cayman) Limited, 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.