

IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. 0052 OF 2014

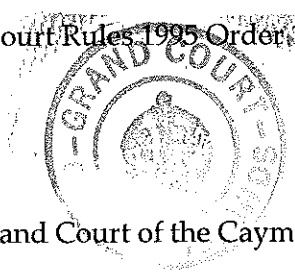
IN THE MATTER of Luxey International (Holdings) Limited (薈萃國際(控股)有限公司)

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 Luxey International (Holdings) Limited (薈萃國際(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 Luxey International (Holdings) Limited (薈萃國際(控股)有限公司) (the "Company").
2. The Company was incorporated under the Companies Law on 1 September, 1999 with the name "Intcera Inc." and registered in the Cayman Islands as an exempted company with registration number CR-92277. On 1 February 2000, the name of the Company was changed from "Intcera Inc." to "Intcera High Tech Group Limited". On 29 April, 2009, the name of the Company was changed from "Intcera High Tech Group Limited" to "China Post E-Commerce (Holdings) Limited". On 22 December, 2011, the name of the Company was further changed from "China Post E-Commerce (Holdings) Limited" to "Luxey International (Holdings) Limited (薈萃國際(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. As at the date of incorporation of the Company on 1 September, 1999, its authorised share capital was US\$40,000,000 divided into 40,000,000 shares of US\$1.00 each. Since the incorporation of the Company, the Company has undergone various reorganisation of its authorised and issued share capital through share consolidation, increase of authorised share capital and creation of non-voting convertible preference shares of HK\$0.15 each of the Company (the "Non-voting Preference Shares"). The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 7 July, 2000. Over the years, the Company has allotted and issued various tranches of shares and Non-voting Preference Shares. As at the date of this Petition, the authorised share capital of the Company is HK\$1,000,000,000 divided into 14,000,000,000 shares of HK\$0.05 each (the "Shares") and 2,000,000,000 Non-voting Preference Shares of HK\$0.15 each and its issued share capital is HK\$412,089,689.45 divided into 4,931,793,790 Shares (the "Existing Shares") and 1,103,333,333 Non-voting Preference Shares.
5. 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.
6. The Articles of Association of the Company provide, *inter alia*, as follows:

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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 Company's 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.”

7. By resolutions of the Company duly passed in at an extraordinary general meeting held on 23 April, 2014 (the “Extraordinary General Meeting”):

- (1) it was resolved as an ordinary resolution (the “Ordinary Resolution”):

“THAT subject to the Listing Committee of The Hong Kong Stock Exchange Limited granting approval for the listing of, and permission to deal in, the Consolidated Shares (as defined below) in issue, with effect from the business day immediately following the day of passing of this resolution:

- (a) every five (5) issued and unissued Shares of HK\$0.05 each in the share capital of the Company be consolidated into one (1) share of HK\$0.25 each (the “Consolidation”, each a “Consolidated Share”), and such Consolidated Share(s)

shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company; and

(b) 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.”

(2) and it was further resolved in accordance with section 14(1) of the Companies Law, as a special resolution (the “Special Resolution”):-

“THAT subject to (i) passing of resolution (1) above and the Share Consolidation becoming effective; (ii) approval from the Grand Court of the Cayman Islands (“Court”) of the Capital Reduction (as defined below) and registration by the Registrar of Companies of 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 Cayman Islands in respect of the Capital Reduction (as defined below) and compliance with any conditions the Court may impose; and (iii) the Listing Committee of The Hong Kong Stock Exchange Limited granting approval for the listing of, and permission to deal in, the New Shares (as defined below) in issue, upon the date on which the aforesaid conditions are fulfilled:

(a) the par value of each issued Consolidated Share of HK\$0.25 in the capital of the Company be reduced to HK\$0.01 by cancelling paid-up capital to the extent of HK\$0.24 on each issued Consolidated 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 Consolidated Share in the capital of the Company be subdivided into 25 new shares of HK\$0.01 each;
- (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; and
- (d) 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 Lau Chi Yuen Joseph ("LCYJ-6").

8. 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	2,628,915,843 shares	2,628,915,843 shares	0 share
By proxy	4,009 shares	4,009 shares	0 share
Total	2,628,919,852 shares	2,628,919,852 shares	0 share

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.

9. The proposed steps undertaken or to be undertaken pursuant to the Ordinary Resolution and the Special Resolution (collectively, the "Capital Reorganisation") are expected to bring an upward adjustment in the trading price of the Adjusted Shares (as defined below) resulting therefrom. The credit arising from the Capital Reduction will also be applied to set off against accumulated losses of the Company so as to facilitate any dividend payment by the Company as and when appropriate in the future. As the Company is prohibited from issuing new shares at below their par value under the Company's articles of association and under the laws of the Cayman Island (unless the necessary consents, including approval of this Court, are obtained), the reduced par value of the Adjusted Shares will give the Company greater flexibility in pricing any

future issue of shares. Proposals were therefore put forward to:

- (i) consolidate (the "Consolidation") every five issued and unissued Shares of HK\$0.05 each into one share of HK\$0.25 each (the "Consolidated Share");
- (ii) subject to, among others, the Consolidation being approved by the shareholders of the Company and becoming effective:
  - (a) reduce the nominal value of all issued Consolidated Shares in the issued share capital of the Company (the "Capital Reduction") by cancelling paid-up capital to the extent of HK\$0.24 on each Consolidated Share in issue as at the effective date of the Capital Reduction so that each such reduced share shall be treated as one fully paid-up share of nominal value of HK\$0.01 each (the "Adjusted Share(s)) in the issued share capital of the Company;
  - (b) sub-divide each authorised but unissued Consolidated Share in the capital of the Company into 25 Adjusted Shares of HK\$0.01 each (the "Subdivision"); and
  - (c) transfer the credit arising from the Capital Reduction to a distributable reserve account of the Company which shall be applied by the 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.

10. 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.

11. The form of Minute proposed to be registered is as follows:

*“The issued share capital of Luxey International (Holdings) Limited ( 薈萃國際(控股)有限公司) (the “Company”) was by virtue of a Special Resolution passed on 23 April, 2014 and with the sanction of an Order of the Grand Court of the Cayman Islands dated [ ], 2014, reduced from HK\$0.25 per each issued consolidated share to HK\$0.01 per each issued share (the “Capital Reduction”) after a share consolidation of every five issued shares of HK\$0.05 each into one share of HK\$0.25 each whilst the issued share capital of the Company relating to its non-voting convertible preference shares of HK\$0.15 each shall remain unchanged. Upon the Capital Reduction becoming effective, each authorised but unissued consolidated share of HK\$0.25 each shall be subdivided into twenty-five unissued shares of HK\$0.01 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\$1,000,000,000 divided into 70,000,000,000 shares of HK\$0.01 each and 2,000,000,000 non-voting preference shares of HK\$0.15 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 7(2) 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 Luxey International (Holdings) Limited (薈萃國際(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 11<sup>th</sup> day of June 2014

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

This Petition having been presented to the Court on the \_\_\_ day of \_\_\_\_\_ 2014  
will be heard at the Law Courts, George Town, Grand Cayman on the \_\_\_<sup>th</sup> day of  
\_\_\_\_\_ 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.