

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

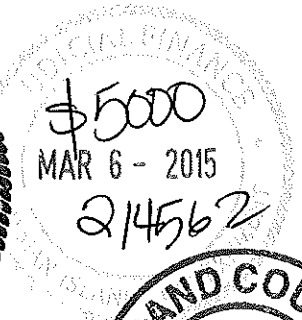
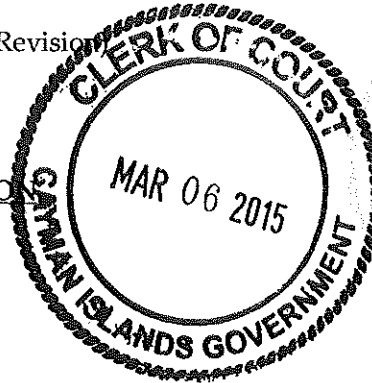
CAUSE NO. FSD ⁰⁰³⁷ OF 2015

IN THE MATTER OF CHINA INVESTMENT AND FINANCE GROUP LIMITED

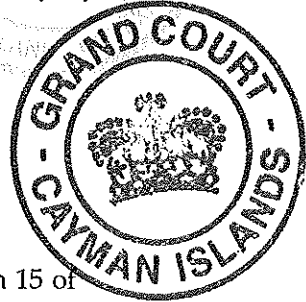
AND in the matter of the Companies Law (2013 Revision)

AND the Grand Court Rules 1995 Order 102

PETITION



TO: The Grand Court of the Cayman Islands



THE PETITION of China Investment and Finance Group 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 (2013 Revision) (the "**Companies Law**") confirming a reduction of the share capital of the Petitioner, China Investment and Finance Group Limited (the "**Company**").
2. The Company was incorporated on 26 April 2002 under the Companies Law with the name of "Friedmann Pacific Greater China Investments Limited" and registered in the Cayman Islands as an exempted company with registration number 117361. On 6 June 2002, the name of the Company was changed from "Friedmann Pacific Greater China Investments Limited" to "Friedmann Pacific Greater China Limited". On the same day, the name of the Company was further changed from "Friedmann Pacific Greater China Limited" to "Friedmann Pacific Greater China Investments Limited 富泰大中華投資有限公司". On 19 March 2004, the Company further changed its name from "Friedmann Pacific Greater China Investments Limited 富泰大中華投資有限公司" to "Garron International Limited". On 8 August 2011, the Company further changed its name from "Garron International Limited" to "China Investment and Finance Group Limited 中國投融資集團有限公司".

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. As at the date of incorporation of the Company on 26 April 2002, its authorised share capital was HK\$390,000 divided into 39,000,000 shares of a nominal or par value of HK\$0.01 each.
5. By way of a resolution of the sole shareholder of the Company passed on 31 August 2002, the authorised share capital of the Company was increased from HK\$390,000 to HK\$20,000,000 divided into 2,000,000,000 shares of a nominal or par value of HK\$0.01 each.
6. On 20 September 2005, a resolution was passed by the shareholders of the Company at an extraordinary general meeting to consolidate every twenty (20) issued and unissued shares of HK\$0.01 each into one (1) share of a nominal or par value of HK\$0.20 each.
7. On 20 September 2010, an ordinary resolution was passed by the shareholders of the Company at an annual general meeting to increase the authorised share capital of the Company from HK\$20,000,000 to HK\$1,200,000,000 divided into 6,000,000,000 shares of a nominal or par value of HK\$0.20 each.
8. As at the date of this Petition, the authorised share capital of the Company is HK\$1,200,000,000 divided into 6,000,000,000 shares with a nominal or par value of HK\$0.20 each and its issued share capital is HK\$183,074,000 divided into 915,370,000 shares with a nominal or par value of HK\$0.20 each which have been fully paid-up or credited as fully paid-up.
9. The shares of the Company have been listed on The Stock Exchange of Hong Kong

Limited (the "Stock Exchange") since 19 September 2002 under stock code number 1226. Over the years, the Company has allotted and issued various tranches of ordinary shares, being the only class of shares of the Company.

10. 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.

11. The Company is an investment holding company. Its subsidiaries are principally engaged in investment holding, trading of security or consultancy service. The operations of the Company's subsidiaries are principally located in Hong Kong. Should the Court require further information in respect of the Company, its website is at <http://www.chnif.com>.

12. 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.”

13. By a special resolution of the Company (the “**Special Resolution**”) passed in accordance with section 14(1) of the Companies Law at an extraordinary general meeting held on 4 March 2015 (the “**Extraordinary General Meeting**”), it was resolved:

“THAT subject to and conditional upon (i) the approval of the Capital Reduction (as defined below) by the Grand Court of the Cayman Islands (“**Court**”); (ii) the compliance with any conditions which the Court may impose in relation to the Capital Reduction (as defined below); (iii) the 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, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands with respect to the Capital Reduction (as defined below); and (iv) The Stock Exchange of Hong Kong Limited

("Stock Exchange") granting the listing of, and permission to deal in, the New Shares (as defined below) arising from the Capital Reduction (as defined below) and the Share Subdivision (as defined below), with effect from the date on which these conditions are fulfilled ("**Effective Date**"):

- (a) 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\$0.19 on each existing share of HK\$0.20 of the Company ("**Existing Share**") in issue so that each issued Existing Share with a par value of HK\$0.20 be treated as one fully paid-up share with a par value of HK\$0.01 ("**New Shares**") 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;
- (b) immediately following the Capital Reduction becoming effective, each of the then authorised but unissued Existing Shares with a par value of HK\$0.20 be subdivided into twenty (20) unissued New Shares with a par value of HK\$0.01 each ("**Share Subdivision**");
- (c) the credits 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 capital reduction reserve account or other reserve account of the Company which may be utilised by the directors of the Company ("**Directors**") as a distributable reserve in accordance with the memorandum and articles of association of the Company and all applicable laws and rules (including the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**")) including, without limitation, eliminating or setting off the accumulated losses of the Company which may arise from time to time and/or paying dividend and/or making any other distribution out of

such account from time to time and all actions in relation thereto be approved, ratified and confirmed;

- (d) all of the New Shares resulting from the Capital Reduction and the Share Subdivision shall rank *pari passu* in all respects with each other 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 and things and execute all such documents, which are ancillary to the Capital Reduction and the Share Subdivision and of administrative nature, on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to the Capital Reduction and the Share Subdivision."

14. The number of shareholders 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:

	Present & Voting	For	Against
How Present	Number of shareholders present	Number of shares voted	Number of shares voted
In person/by proxy/by authorised representative	3 shareholders (Note)	331,104,002 shares	0 shares
Total	3 shareholders	331,104,002 shares	0 shares

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 one (1) representative was 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 shareholders 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.

15. 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.
16. 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 proportional interests or rights of the shareholders of the Company.
17. The form of Minute proposed to be registered is as follows:

“By virtue of a special resolution passed on 4 March 2015 and with sanction of an Order of the Grand Court of the Cayman Islands dated [●]: (a) the issued share capital of the Company be reduced from HK\$0.20 per each issued existing share to HK\$0.01 per each issued new share (the “Capital Reduction”). Immediately following the Capital Reduction becoming effective, each of the authorised but unissued existing shares of HK\$0.20 each in the share capital of the Company be and is subdivided into twenty (20) 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\$1,200,000,000 divided into 120,000,000,000 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 13 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 China Investment and Finance Group 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, KY1-1111, Cayman Islands.

Dated this *6th* day of *March* 2015

Conyers Dill & Pearman (Cayman) Limited

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

Notice of Hearing

This Petition having been presented to the Court on the _____ day of _____ 2015 will be heard at the Law Courts, George Town, Grand Cayman on the *5th* day of *May* 2015 at *9:00* (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