

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION



CAUSE NO. FSD 0015 OF 2016

IN THE MATTER of Tai Shing International (Holdings) Limited (泰盛國際(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 Tai Shing International (Holdings) Limited (泰盛國際(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 Tai Shing International (Holdings) Limited (泰盛國際(控股)有限公司) (the "Company").
2. The Company was incorporated under the Companies Law on 16 March, 2000 with the name "SYSTEK INFORMATION TECHNOLOGY (HOLDINGS) LIMITED" and registered in the Cayman Islands as an exempted company with registration number CR-99047. On 2 February, 2004, the name of the Company was changed from "SYSTEK INFORMATION TECHNOLOGY (HOLDINGS) LIMITED" to "TAI SHING INTERNATIONAL (HOLDINGS) LIMITED".

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 16 March, 2000, its authorised share capital was HK\$350,000 divided into 3,500,000 shares of HK\$0.10 each. Since the incorporation of the Company, the Company has undergone various reorganisation of its authorised and issued share capital through share subdivision, share consolidation, increase of authorised share capital and reduction of issued share capital. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 8 September, 2000. As at the date of this Affirmation, the authorised share capital of the Company is HK\$200,000,000 divided into 200,000,000 shares of HK\$1.00 each (the "Shares") and its issued share capital is HK\$99,351,565 divided into 99,351,565 Shares (the "Existing Shares").

5. The objects for which the Company is established 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. The Company is an investment holding company of its subsidiaries that principally engage in system development, professional services, money lending business and proprietary trading business.

6. 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:

- (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), 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 29 December, 2015 (the “Extraordinary General Meeting”), it was resolved in accordance with section 14(1) of the Companies Law, as a special resolution (the “Special Resolution”):

“THAT, subject to and conditional upon (i) the passing of Ordinary Resolution no. 1 above and the Share Consolidation becoming effective; (ii) the GEM Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Adjusted Shares (as defined below) in issue (or to be issued); (iii) approval by the Grand Court of the Cayman Islands (the “Court”) of the Capital Reduction (as defined below); (iv) registration by the Registrar of Companies of the Cayman Islands of the order of the Court confirming the Capital Reduction and the minutes approved by the Court containing the particulars required under the Companies Law of the Cayman Islands in respect of the Capital Reduction and compliance with any conditions as may be imposed by the Court in relation to the Capital Reduction, upon the date (the “Effective Date”) on which the aforesaid conditions are fulfilled:

- (a) the issued and paid up share capital of the Company be reduced by cancelling the nominal value of each issued Consolidated Share of the Company on the Effective Date from HK\$1.0 to HK\$0.001 to the extent of HK\$0.999 (the “Capital

Reduction”), so that following such reduction, each issued Consolidated Share with a nominal value of HK\$1.0 each in the share capital of the Company shall be treated as one fully paid-up share with a par value of HK\$0.001 each in the share capital of the Company (the “Adjusted Share”) and that the amount of issued capital cancelled be made available for issue of new shares of the Company with the authorised share capital remaining at HK\$200,000,000;

- (b) the credit arising from the Capital Reduction will be applied to set-off the accumulated losses of the Company as at the Effective Date of the Capital Reduction (if any) with the balance (if any) to be transferred to a distributable 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;
- (c) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of HK\$1.0 each will then be sub-divided into 1,000 Adjusted Shares of HK\$0.001 each in the capital of the Company (the “Sub-division”) and the authorised share capital of the Company shall become HK\$200,000,000 divided into 200,000,000,000 Adjusted Shares of HK\$0.001 each upon the Capital Reduction and aforesaid Sub-division becoming effective;
- (d) all of the Adjusted Shares resulting from the Capital Reduction and Sub-division shall rank pari passu in all respects and have the rights and privileges and be subject to the restrictions in respect of the shares contained in the memorandum and articles of association of the Company; and
- (e) any director of the Company be and is hereby authorised generally to do all

things and signs all documents as he/she may consider appropriate and desirable to effect and implement the matters approved herein.”

Each of the capitalised terms referred to in the Special Resolution above are defined in the information circular exhibited to the affirmation of Tam Kwok Leung (“TKL-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 share voted |
| In person/ by corporate representatives | 396,926,327 shares | 396,926,327 shares | 0 share |
| By proxy | 6,785,015 shares | 6,785,015 shares | 0 share |
| Total | 403,711,342 shares | 403,711,342 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 credit arising from the Capital Reduction will be applied to set off against accumulated losses of the Company. The Capital Reorganisation will keep the nominal

value of the Shares at a lower level so as to facilitate the Company's future fund raising activities 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 Islands (unless the necessary consents, including approval of this Court, are obtained). The reduced par value of the New Shares will therefore give the Company greater flexibility in pricing any future issue of shares. Proposals were therefore put forward to:

- (i) reduce the nominal value of all issued Shares in the issued share capital of the Company (the "Capital Reduction") by cancelling paid-up capital to the extent of HK\$0.999 on each 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\$0.001 each (the "New Share(s)") in the issued share capital of the Company;
- (ii) subdivide each authorised but unissued Share in the capital of the Company into 1,000 unissued New Shares of HK\$0.001 each (the "Subdivision"); and
- (iii) transfer the credit arising from the Capital Reduction to set off the accumulated losses of the Company as at the effective date of the Capital Reduction (if any) with the balance (if any) to be transferred to a distributable 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 (the aforesaid to be collectively referred to as "Capital Reorganisation").

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 Minutes proposed to be registered is as follows:


“The issued share capital of Tai Shing International (Holdings) Limited (泰盛國際(控股)有限公司) (the “Company”) was by virtue of a Special Resolution passed on 29 December, 2015 and with the sanction of an Order of the Grand Court of the Cayman Islands dated [], 2016, reduced from HK\$1.00 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\$1.00 each shall be subdivided into one thousand 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\$200,000,000 divided into 200,000,000,000 shares of HK\$0.001 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 of this Petition may be confirmed and that the above-mentioned Minutes 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 Tai Shing International (Holdings) Limited (泰盛國際(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 5th day of February 2016



Conyers Dill & Pearman
Attorneys-at-Law for the Petitioner herein

This Petition having been presented to the Court on the 5th day of February 2016 will be heard at the Law Courts, George Town, Grand Cayman on the ____ day of _____ 2016 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 KY1-1111, Cayman Islands.