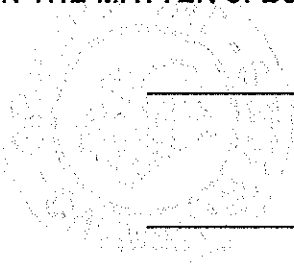


IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

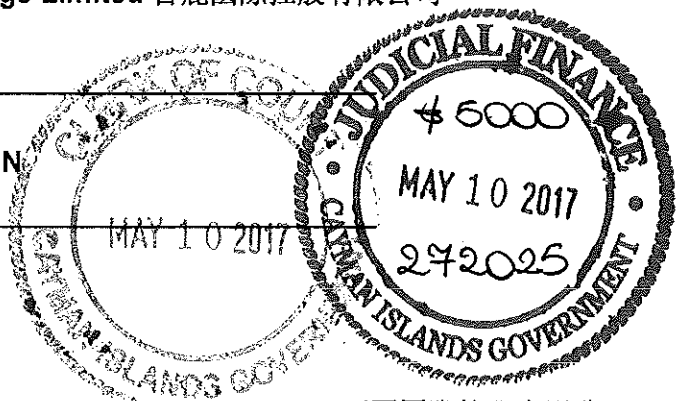
CAUSE NO. FSD 93 OF 2017 ( )

IN THE MATTER of sections 14 to 16 and section 86 of the Companies Law (2016 Revision)

AND IN THE MATTER of Belle International Holdings Limited 百麗國際控股有限公司



PETITION



To: The Grand Court of the Cayman Islands

THE HUMBLE PETITION OF BELLE INTERNATIONAL HOLDINGS LIMITED 百麗國際控股有限公司 of P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands (hereinafter referred to as the "**Company**") SHEWETH as follows:

1 **Introduction**

1.1 The objects of this Petition are to seek:

- (a) the sanction of the Court pursuant to section 86 of the Companies Law (2016 Revision) (the "**Companies Law**") of a proposed Scheme of Arrangement (the "**Scheme**") between the Company and the holders of the Scheme Shares, as defined in the Scheme and as set out at paragraph 5.1 below; and
- (b) the confirmation of the Court, pursuant to section 16 of the Companies Law, of the intended resolution of the Company's shareholders to reduce the Company's share capital to give effect to the Scheme, which is intended to be passed by the Company's shareholders as a special resolution as further set out at paragraph 8.2 below.

## 2 Incorporation, Objects and Share Capital

- 2.1 On 19 May 2004, the Company was incorporated as an exempted company limited by shares pursuant to the Companies Law and 百麗國際控股有限公司 was adopted as the Company's Chinese name. The registered office of the Company was situated at Floor 4, Willow House, Cricket Square, P.O Box 2804, Grand Cayman, KY1-1112, Cayman Islands until 1 December 2016 when it was transferred to P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands. The Company's head office is at 9/F Belle Tower, Cheung Sha Wan Road, Cheung Sha Wan, Hong Kong.
- 2.2 The objects for which the Company was established are unrestricted, and generally to carry out the objects more particularly described in its Memorandum of Association. The Company and its subsidiaries (together the "**Group**") are principally engaged in the manufacturing, distribution and retailing of shoes and footwear products, and the sales of sportswear and apparel products. The Group has manufacturing plants in the People's Republic of China ("**PRC**") for the production of shoes and footwear products, and sells its products mainly in the PRC, Hong Kong and Macau.
- 2.3 The authorised share capital of the Company is HK\$300,000,000.00 divided into 30,000,000,000 ordinary shares of a single class with a par value of HK\$0.01 each (each a "**Share**"). As at 9 May 2017, the issued share capital of the Company is HK\$84,342,330 divided into 8,434,233,000 Shares, all of which are fully paid. Since 23 May 2007, the issued Shares of the Company have been listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited (the "**HK Stock Exchange**").

## 3 Shareholder Profile

- 3.1 The profile of the Company's shareholders, as at 9 May 2017, is as follows:
- (a) "Participating Management Shareholders", who are indirect and/or direct holders of collectively 1,017,341,192 Shares comprising 12.06% of the Company's issued Shares, which include:

- (i) "Other Management Members" comprising Ms. DENG Baoshan, Mr. HU Bing, Mr. SONG Xiaowu, Mr. LU Xiaoming, Ms. LI Zhao, Mr. MA Guangmin, Mr. SONG Fawang, Ms. MA Xiaohui, Ms. DENG Yali and Mr. XU Xianda;
- (ii) "Other Management Members Investment Vehicles" comprising 12 companies, the ultimate beneficial owner of each of which is an Other Management Member.
- (iii) More Top Limited, a private trust company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of the Company ("MTL"); and
- (iv) Honour Man (PTC) Limited, a private trust company incorporated under the laws of the British Virgin Islands ("HM(PTC)L").

661,641,832 Shares comprising 65.04% of the Shares held by the Participating Management Shareholders are held directly and 355,699,360 Shares comprising 34.96% of the Shares held by the Participating Management Shareholders are held indirectly through HKSCC Nominees Limited ("HKSCC Nominees"), a clearing house shareholder more particularly described in paragraph 3.1(j) below. The Participating Management Shareholders are currently arranging to transfer any shares held through HKSCC Nominees into the respective Participating Management Shareholders' own names.

- (b) Sure Beauty Limited 誠美有限公司("SBL"), a business company incorporated in the British Virgin Islands with limited liability that is wholly-owned by a family trust founded by Mr. SHENG Fang (an executive director of the Company), of which he is the sole beneficiary, is the registered holder of 38,975,000 Shares comprising 0.46% of the Company's issued Shares;
- (c) Starry Sign Limited 星誌有限公司("SSL"), a business company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by a

family trust founded by Mr. YU Wu (an executive director of the Company), of which he is the sole beneficiary, holds 185,625,000 Shares comprising 2.20% of the Company's issued Shares. 150,000,000 Shares comprising 80.81% of the Shares held by SSL are held directly and 35,625,000 Shares comprising 19.19% of the Shares held by SSL are held indirectly through HKSCC Nominees. SSL, together with SBL, are currently shareholders of Wisdom Man Ventures Limited 智者创业有限公司 ("**WMVL**"), a business company incorporated under the laws of the British Virgin Islands with limited liability, but their shares in WMVL (the "**WMVL Shares**") are currently unpaid. SSL and SBL are hereafter together referred to as the "**WMVL Shareholders**". Each of SSL and SBL hold the same number of shares in WMVL as they do in the Company. After the Scheme becomes effective, the Participating Management Shareholders, together with the WMVL Shareholders, will hold approximately an indirect 31.13% interest in the Company through WMVL, as explained further at paragraph 5.5 below;

- (d) Merry Century Investments Limited ("**MCIL**"), a business company incorporated in the British Virgin Islands with limited liability which is owned indirectly as to 54.33% by Mr. TANG Yiu and 45.67% by Mr. TANG Wai Lam (both non-executive directors of the Company), is the registered holder of 1,751,125,000 Shares comprising 20.76% of the Company's issued Shares;
- (e) Tang's Investment Limited, a company incorporated in British Virgin Islands with limited liability which is owned directly as to approximately 33.33% by Mr. TANG Wai Lam, approximately 33.33% by Mr. TANG Keung Lam and approximately 33.33% by Madam TSO Lai Kuen, holds 757,000 Shares comprising 0.009% of the Company's issued Shares. All the Shares held by Tang's Investment Limited are held indirectly through HKSCC Nominees.
- (f) Tang's Enterprises Limited, a company incorporated in British Virgin Islands with limited liability which is owned indirectly as to approximately 33.33% by Mr. TANG Wai Lam, approximately 33.33% by Mr. TANG Keung Lam and approximately 33.33% by Madam TSO Lai Kuen, holds 637,000 Shares

comprising 0.008% of the Company's issued Shares. All the Shares held by Tang's Enterprises Limited are held indirectly through HKSCC Nominees.

- (g) Star Castle Global Limited 星堡環球有限公司 ("SCGL"), a business company incorporated in the British Virgin Islands with limited liability which is wholly-owned by Mr. SHENG Baijiao (chief executive officer and an executive director of the Company), is the registered holder of 75,000,000 Shares comprising 0.89% of the Company's issued Shares;
- (h) Best Rich Ventures Limited 萃富創投有限公司 ("BVRL"), a business company incorporated in the British Virgin Islands with limited liability that is wholly-owned by a family trust founded by Mr. SHENG Baijiao and of which he is the sole beneficiary, is the registered holder of 345,237,000 Shares comprising 4.09% of the Company's issued Shares;
- (i) High Summit Group Limited, a business company incorporated in the British Virgin Islands with limited liability, is the registered holder of 177,098,500 Shares comprising 2.10% of the Company's issued Shares;
- (j) HKSCC Nominees, a company incorporated in Hong Kong, is the registered holder of 4,897,447,482 Shares, comprising 58.06% of the Company's issued Shares (including Shares held on behalf of the Participating Management Shareholders, SSL, Tang's Investment Limited and Tang's Enterprises Limited as referred to above). HKSCC Nominees acts as a common nominee in respect of securities held through the Central Clearing and Settlement System depository in Hong Kong ("CCASS") and takes its instructions from persons admitted to participate in CCASS ("CCASS Participants"). It is not known how many entities have beneficial interests in the Shares of the Company registered in HKSCC Nominees' name; and
- (k) As of 9 May 2017, the remaining 337,708,186 Shares, representing approximately 4.00% of the Company's issued Shares, are registered in the names of the public.

3.2 The shareholders of the Company listed at paragraph 3.1 above, other than the Participating Management Shareholders and the WMVL Shareholders, are hereafter referred to as the "Disinterested Shareholders".

#### 4 **Convertible Securities**

4.1 As at the date of the Petition, there are no other options, derivatives, warrants or other securities issued by the Company that carry a right to subscribe for, or which are convertible into, Shares.

#### 5 **Object and Mechanics of the Scheme**

5.1 The object of the Scheme is to privatise the Company and for it to become wholly owned by Muse Holdings-B Inc. (the "**Offeror**") after the Scheme becomes effective, which would be achieved by:

- (a) the Company reducing its share capital by the cancellation and extinguishment of all of its Shares other than those issued shares registered in the name of the Participating Management Shareholders (the "**Scheme Shares**") in consideration of the Cancellation Consideration (HK\$6.30 per Scheme Share) for the Disinterested Shareholders and in consideration for the WMVL Cancellation Consideration (which comprises the crediting as fully paid the WMVL Shares in the amount of HK\$6.30 per share of WMVL) for the WMVL Shareholders;
- (b) the Company, forthwith upon the said share capital reduction taking effect, increasing its share capital to its former amount by the issue of the same number of new Shares to the Offeror as the number of Scheme Shares cancelled and extinguished; and
- (c) the Company applying the credit arising in its books of account as a result of the share capital reduction in paying up in full at par the shares newly issued to the Offeror.

- 5.2 WMVL and the Offeror will give an undertaking to the Court to be bound by the Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.
- 5.3 The Joint Offerors to the Scheme, together with WMVL, indirectly own the Offeror and comprise the following:
- (a) the Executive Management Group which comprises Mr YU Wu and Mr SHENG Fang (both executive directors of the Company), SSL and SBL; and
  - (b) the Equity Investors Group which comprises Hillhouse HHBH Holdings Limited (an exempted company incorporated under the laws of the Cayman Islands with limited liability which is indirectly wholly-owned by Hillhouse Fund III, L.P., "**Hillhouse HHBH**"), Hillhouse HHBG Holdings Limited (an exempted company incorporated under the laws of the Cayman Islands with limited liability which is indirectly owned as to 94% by Gaoling Fund, L.P. and 6% by YHG Investment, L.P., "**Hillhouse HHBG**") and Superise Colorful Brands Limited (a business company incorporated in the British Virgin Islands with limited liability which is indirectly wholly-owned by CDH Fund V, L.P., "**SCBL**").
- 5.4 Following the Scheme becoming effective, the remaining issued Shares in the Company held by the Participating Management Shareholders will be transferred to the Offeror, pursuant to a rollover agreement dated 28 April 2017 (the "**Rollover Agreement**") between the Offeror and:
- (a) Mr. YU Wu and Mr. SHENG Fang (both executive directors of the Company);
  - (b) the Equity Investors Group (Hillhouse HHBH, Hillhouse HHBG and SCBL);
  - (c) WMVL;
  - (d) MTL;
  - (e) HM(PTC)L;

- (f) each of the Other Management Members Investment Vehicles;
- (g) Mr. SONG Xiaowu (Group Senior Vice President, Production); and
- (h) Mr. XU Xianda (Group Senior Vice President, Public Relations and Legal).

5.5 Following the transfer of their Shares to the Offeror, the Participating Management Shareholders will retain an indirect interest in the Company through WMVL, which will hold approximately a 31.13% interest in Muse Holdings Inc, an exempted company incorporated under the laws of the Cayman Islands with limited liability and which is currently owned by the Joint Offerors. Muse Holdings Inc. wholly owns Muse Holdings-M Inc., an exempted company incorporated under the laws of the Cayman Islands that wholly owns the Offeror.

5.6 Upon the Scheme being sanctioned, the listing of the Shares of the Company on the HK Stock Exchange will be withdrawn.

## 6 **Affected Shareholders**

6.1 The Shares held by the Participating Management Shareholders will not be cancelled, extinguished or affected in any way under the terms of the Scheme. The Participating Management Shareholders do not therefore constitute an affected class of shareholders of the Company.

6.2 The Scheme Shares held by the Disinterested Shareholders will be cancelled and extinguished under the terms of the Scheme in exchange for the Cancellation Consideration. The Disinterested Shareholders are one class of affected Shareholder of the Company.

6.3 The Scheme Shares held by the WMVL Shareholders will also be cancelled and extinguished under the terms of the Scheme. However it is intended that the WMVL Shareholders will receive a different form of consideration (the WMVL Cancellation Consideration) for their Scheme Shares than that of the Disinterested Shareholders. The WMVL Shareholders would therefore constitute a separate affected class of shareholders of the Company to the Disinterested Shareholders.

- 6.4 The WMVL Shareholders will give an undertaking to the Court to be bound by the Scheme and to receive the WMVL Cancellation Consideration in consideration for the cancellation of their Shares under the Scheme (the "**WMVL Court Undertaking**").
- 6.5 As a result of the intended WMVL Court Undertaking, a separate court meeting for the WMVL Shareholders to vote on the Scheme is not required.
- 6.6 Therefore, there are two classes of affected shareholders of the Company holding Scheme Shares: the Disinterested Shareholders and the WMVL Shareholders (together the "**Scheme Shareholders**").

## 7 **Court Meeting**

- 7.1 Given the intended WMVL Court Undertaking, it is intended that a meeting of the Disinterested Shareholders be convened for the purpose of allowing such Disinterested Shareholders to consider and, if they think fit, approve (with or without modification) the Scheme (the "**Court Meeting**").
- 7.2 The resolution intended to be submitted at the Court Meeting is:
- "THAT this Court Meeting approves, with or without modification, the proposed Scheme of Arrangement, a print of which has been submitted to this Court Meeting and, for the purpose of identification, signed by the Chairman of this Court Meeting."*
- 7.3 It is intended that each Disinterested Shareholder (other than HKSCC Nominees), that votes at the Court Meeting, whether in person or by proxy, shall be counted as a single shareholder for the purpose of the calculation of the "majority in number" component of the statutory threshold under section 86(2) of the Companies Law. Each Disinterested Shareholder (other than HKSCC Nominees) is entitled to vote either "for" or "against" the Scheme, but not both "for" and "against" the Scheme.
- 7.4 HKSCC Nominees is entitled to vote shares both "for" and "against" the Scheme and for the purpose of the calculation of the "majority in number" component of the statutory threshold under section 86(2) of the Companies Law, HKSCC Nominees shall be treated as casting one vote for each CCASS Participant that instructs

HKSCC Nominees to vote "for" the Scheme and one vote for each CCASS Participant that instructs HKSCC Nominees to vote "against" the Scheme.

## 8 Capital Reduction

8.1 Clause 6 of the Company's Memorandum of Association and Article 6 of the Company's Articles of Association provide the Company may, by special resolution, reduce its share capital in any manner authorised and subject to any conditions prescribed by the Companies Law.

8.2 The Company intends to convene an Extraordinary General Meeting ("EGM") to take place immediately after the meeting of the Court Meeting. The special resolution relating to the capital reduction and ordinary resolution relating to the immediate increase in share capital thereafter intended to be submitted to the EGM are as follows:

*"THAT AS A SPECIAL RESOLUTION:*

*(A) the scheme of arrangement dated [ ] (the "Scheme") between the Company and the holders of Scheme Shares (as defined in the Scheme) in the form of the print thereof which has been produced to this meeting and, for the purpose of identification, signed by the chairman of this meeting, subject to any modifications, additions or conditions as may be approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved; and*

*(B) for the purpose of giving effect to the Scheme, on the Effective Date, (as defined in the Scheme), the issued share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares."*

*"THAT AS AN ORDINARY RESOLUTION:*

*(C) subject to and forthwith upon such reduction of capital taking effect, the issued share capital of the Company will be increased to its former amount by issuing to Muse Holdings-B Inc. the same number of shares as the number of Scheme Shares cancelled and extinguished;*

- (D) *the Company shall apply the credit arising in its books of account as a result of the capital reduction referred to in paragraph (B) above in paying up in full at par the new shares issued, credited as fully paid, to Muse Holdings-B Inc. and the directors of the Company be and are hereby authorised to allot and issue the same accordingly;*
- (E) *any one of the directors of the Company be and is hereby authorised to do all acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme, including (without limitation) the giving of consent to any modification of, or addition to, the Scheme, which the Grand Court of the Cayman Islands may see fit to impose; and*
- (F) *any one of the directors of the Company be and is hereby authorised to apply to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the shares of the Company."*

8.3 The reduction of the Company's share capital intended to be effected by the said special resolution would neither involve the diminution of liability in respect of any unpaid share capital nor the payment to any shareholder of any paid up capital. Such a capital reduction is for a discernible purpose and its terms and effect will be properly explained to the Company's shareholders a sufficient time prior to the EGM so as to ensure those shareholders are treated equitably.

8.4 The form of minute proposed to be registered with the Cayman Islands Companies Registrar is as follows:

*"The issued share capital of Belle International Holdings Limited was by virtue of a special resolution of the Company dated [ ] (the "Special Resolution") and with the confirmation of an order of the Grand Court of the Cayman Islands dated [ ] (the "Order") reduced from HK\$84,342,330 divided into 8,434,233,000 shares of HK\$0.01 each to HK\$10,173,411.92 divided into 1,017,341,192 shares of HK\$0.01 each. An ordinary resolution of the Company dated [ ] (the "Ordinary Resolution") further provides that subject to and forthwith upon such reduction of capital taking effect, the*

*issued share capital of the Company be increased to its former amount of HK\$84,342,330 by the issue of 7,416,891,808 shares of HK\$0.01 each."*

*By virtue of a Scheme of Arrangement sanctioned by an order of the Grand Court of the Cayman Islands dated [ ], the Order, the Special Resolution and the Ordinary Resolution, the issued share capital of the Company at the time of the registration of this minute is accordingly HK\$84,342,330 divided into 8,434,233,000 shares of HK\$0.01 each."*

- 8.5 It is a condition to the Scheme becoming effective that the Rollover Agreement is approved at the EGM.

## 9 Application

- 9.1 The Company intends to make an application for, amongst other things, orders and directions:
- (a) that the relevant classes of shareholders of the Company affected by the Scheme are those referred to at paragraph 6.6 above;
  - (b) that the Company be at liberty to convene the Court Meeting referred to at paragraph 7.1 above;
  - (c) as to the mode of delivery of, amongst other things, an explanatory memorandum and proxy form to, amongst others, the holders of Scheme Shares;
  - (d) as to the appointment of a chairman of the Court Meeting, and for directions that the chairman of the Court Meeting should report the result thereof to the Court; and
  - (e) as to the treatment of Shares held by custodians, clearing houses and other nominees for the purposes of the "majority in number" calculation.

YOUR PETITIONER, THE COMPANY, THEREFORE HUMBLY PRAYS:

- 1 That the Scheme be sanctioned by the Court so as to be binding on the Company and the holders of the Scheme Shares.
- 2 That the reduction of the share capital of the Company proposed to be effected by the special resolution set out at paragraph 8.2 above be confirmed and that the appropriate form of minute, set out at paragraph 8.4 above be approved by the Court; which prayer is to be moved following the EGM only.
- 3 That, to this end, all necessary inquiries may be made and directions may be made and given.
- 4 Such further or other relief as the Court shall see fit.

Dated this 10<sup>th</sup> day of May 2017

Maples and Calder

**MAPLES AND CALDER**

**Attorneys-at-Law for the Company**

**Note: It is not intended that this Petition be served on anyone other than the Company at its registered office at Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, Grand Cayman, KY1-1205 Cayman Islands**

**ENDORSEMENT**

This Petition has been presented to the Grand Court of the Cayman Islands on the            day of            2017 and will be heard by the Grand Court of the Cayman Islands on the            day of            2017 at            a.m. / p.m. in the fore/after noon (or as soon thereafter as the Petition can be heard).