

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO. FSD ¹²¹ OF 2017

IN THE MATTER OF FIRST SPONSOR GROUP LIMITED

AND IN THE MATTER OF THE COMPANIES LAW (2016 REVISION)

AND IN THE MATTER OF THE GRAND COURT RULES 1995 O.102



PETITION



TO: The Grand Court of the Cayman Islands

THE PETITION of FIRST SPONSOR 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 (2016 Revision) (the "Companies Law") confirming a reduction of the share capital of your Petitioner, FIRST SPONSOR GROUP LIMITED (the "Company").
2. The Company was incorporated under the Companies Law on 24 September 2007 with the name "IDEA VALLEY INVESTMENT HOLDINGS LTD" and registered in the Cayman Islands as an exempted company with registration number AT-195714. On 20 December 2011, the name of the Company was changed from "IDEA VALLEY INVESTMENT HOLDINGS LTD" to "FIRST SPONSOR GROUP LIMITED".
3. The registered office of the Company is situated at the offices of Vistra (Cayman) Limited, PO Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.

4. As at the date of incorporation of the Company on 24 September 2007, its authorised share capital was US\$50,000 divided into 50,000 shares with a nominal or par value of US\$1.00 each (“Shares”).
5. By way of written resolution dated 18 January 2008, the Company increased its authorised share capital to US\$100,000,000 divided into 100,000,000 Shares. The Company’s authorised share capital was increased again on 4 April 2011 to US\$300,000,000 divided into 300,000,000 Shares and then again on 27 February 2014 to US\$2,000,000,000 divided into 2,000,000,000 Shares.
6. As at the date of this Petition, the authorised share capital of the Company is US\$2,000,000,000 divided into 2,000,000,000 Shares of which 589,814,949 Shares have been issued and fully paid-up. The Shares are listed on The Singapore Exchange Securities Trading Limited (the “SGX-ST”).
7. The objects for which the Company is established are unrestricted and the Company has full power and authority to carry out any object not prohibited by any law as provided by section 7(4) of the Companies Law. Further, the Company is capable of exercising all of the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by section 27(2) of the Companies Law. The Company is a developer and owner of real estate properties in the People’s Republic of China (“PRC”) and the Netherlands. The Company, through its subsidiaries, also owns hotels and provides property financing services in the PRC. Should the Court require further information in respect of the Company, its website is at www.1st-sponsor.com.sg.
8. The Amended and Restated Articles of Association (“Articles”) 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 divided into shares of such amounts as the resolution shall prescribe or, if the Company has shares without par value, increase its share capital by such number of shares without nominal or par value, or increase the aggregate consideration for which its shares may be issued, as it thinks expedient;
- (b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (c) convert all or any of its paid-up shares into stock, and reconvert that stock into paid-up shares of any denomination;
- (d) sub-divide its shares or any of them into shares of an amount smaller than that fixed by the memorandum of association (subject, nevertheless, to the Law); and
- (e) cancel 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 capital redemption reserve or other undistributable reserve in any manner permitted by law.”

9. By special resolution of the Company (the “Special Resolution”) duly passed in accordance with section 14(1) of the Companies Law at the annual general meeting of the Company held on 26 April 2017 (the “AGM”), it was resolved:

“That, conditional upon:

(a) (i) an order being made by the Court confirming the Proposed Capital Reduction (as defined below);

(ii) the registration by the Registrar of Companies of the Cayman Islands of the order of the Court confirming the Proposed Capital Reduction and Minute approved by the Court;

(iii) compliance with any conditions as may be imposed by the Court in relation to the Proposed Capital Reduction;

(iv) compliance with all relevant legal procedures and requirements under the laws of the Cayman Islands and Singapore (if any) to effect the Proposed Capital Reduction; and

(v) the receipt of all necessary approvals (if any) from the regulatory authorities, including but not limited to, the SGX-ST, as may be required in respect of the transactions contemplated by the Proposed Capital Reduction,

upon the Effective Date on which the aforesaid conditions are fulfilled:

(b) (i) the issued and paid-up share capital of the Company be reduced from US\$589,814,949 divided into 589,814,949 shares with a par value of US\$1.00 each in the capital of the Company to US\$58,981,494.90 divided into 589,814,949 shares with a par value of US\$0.10 each in the capital of the Company by the cancellation of the paid-up share capital of the Company to the extent of US\$0.90 on each of the shares with a par value of US\$1.00 in the capital of the Company in issue on the Effective Date so that each issued share with a par value of US\$1.00 in the capital of the Company shall be treated as one (1) fully paid-up share with a par value of US\$0.10 in the capital of the Company as at the Effective Date and any liability of the holders of such shares to make any further contribution to the share capital of the Company on each such share shall be treated as satisfied (the "Proposed Capital Reduction");

(ii) subject to and forthwith upon the Proposed Capital Reduction taking effect, all the authorised but unissued shares with a par value of US\$1.00 each in the capital of the Company (which shall include the authorised but unissued shares resulting from the Proposed Capital Reduction) be cancelled and the authorised share capital of the Company of US\$2,000,000,000 be diminished by US\$1,941,018,505.10 representing the amount of shares so cancelled and, forthwith upon such cancellation, the authorised share capital of the Company be increased to US\$200,000,000 by the creation of 1,410,185,051 shares with a par value of US\$0.10 each in the capital of the Company (representing the difference between 2,000,000,000 shares with a par value of US\$0.10 each and the number of shares with a par value of US\$0.10 each in the capital of the Company in issue after the Proposed Capital Reduction);

(iii) subject to and forthwith upon the Proposed Capital Reduction taking effect, the credit amount of US\$530,833,454.10 arising from the Proposed Capital Reduction be applied to a distributable reserve account of the Company where it may be utilised by the Directors of the Company in accordance with the Memorandum and Articles of the Company and the Cayman Companies Law; and

(iv) the Directors of the Company be and are (or any one of them be and is) hereby authorised to take any and all steps, and to do and/or procure to be done any and all acts and things, and to approve, sign and execute any documents which they (or he/she) in their (or his/her) absolute discretion consider to be necessary, desirable or expedient to implement and carry into effect this special resolution and to exercise such discretion in connection with, relating to or arising from the Proposed Capital Reduction and/or the matters contemplated therein, with such modifications thereto (if any) as they (or he/she) may from time to time consider necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Capital Reduction.”

10. The result of the Special Resolution of all valid votes cast at the AGM is as set out in the table below:

Resolution number and details	Total number of shares represented by votes for and against the resolution	For		Against	
		Numbers of Shares	As a percentage of total number of votes for and against the resolution (%)	Number of Shares	As a percentage of total number of votes for and against the resolution (%)
10. Proposed Capital Reduction	506,465,895	506,423,735	99.99%	42,160	0.01%

The members present and voting in person or by corporate representative or by proxy, representing not less than three-fourths of the total votes cast, voted to approve the Special Resolution and the chairman of the AGM declared the Special Resolution was duly passed in accordance with the Articles of the Company.

11. The Proposed Capital Reduction (as defined in the Special Resolution) 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 to any shareholder. Furthermore, the Proposed Capital Reduction will not alter the underlying assets, business operations, management or financial position of the Company and thus will have no direct impact on any creditors of the Company nor will it affect the proportionate interests of the shareholders of the Company expect for the payment of related financial, legal and publication expenses.

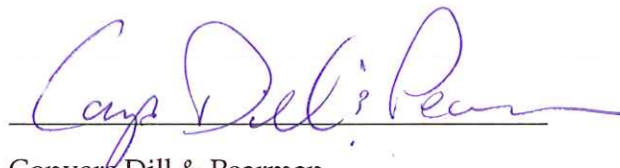
12. The form of Minute proposed to be registered is as follows:

“The issued and paid-up share capital of First Sponsor Group Limited (the “Company”) was, by virtue of a Special Resolution passed on 26 April 2017 and with the sanction of an Order of the Grand Court of the Cayman Islands dated [] 2017, reduced from US\$1.00 per each issued and paid-up share to US\$0.10 per each issued and paid-up share (the “Capital Reduction”) by the cancellation of the paid-up share capital of the Company to the extent of US\$0.90 on each of the shares with a par value of US\$1.00 in the capital of the Company in issue on the Effective Date so that each issued share with a par value of US\$1.00 in the capital of the Company shall be treated as one (1) fully paid-up share with a par value of US\$0.10 in the capital of the Company as at the Effective Date. At the date of the registration of this Minute, the authorised share capital of the Company is US\$200,000,000 divided into 2,000,000,000 shares with a par value of US\$0.10 each and the issued and paid-up share capital is US\$58,981,494.90 divided into 589,814,949 shares with a par value of US\$0.10 each in the capital of the Company.”

Your Petitioner, the Company, therefore prays as follows:

- (1) That the Proposed Capital Reduction of the Company 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.

Dated this 16 day of June 2017



Conyers Dill & Pearman

Attorneys-at-Law for the Petitioner herein

NOTE: It is intended to serve this Petition on FIRST SPONSOR GROUP LIMITED, at its registered office located at the office of Vistra (Cayman) Limited, PO Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.

