

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO: FSD 162 OF 2017

IN THE MATTER OF SECTIONS 15 AND 86 OF THE COMPANIES LAW (2016 REVISION)

AND IN THE MATTER OF THE GRAND COURT RULES 1995 ORDER 102

IN THE MATTER OF TCC INTERNATIONAL HOLDINGS LIMITED



PETITION

To the Grand Court of the Cayman Islands

The humble petition of TCC International Holdings Limited (the "**Company**") of P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands, shows that:

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), as amended, (the "**Law**"), of a proposed Scheme of Arrangement (the "**Scheme**") as set out in a printed composite document (the "**Scheme Document**") containing, amongst other things, the proposed Scheme between the Company and the holders of the Scheme Shares, as defined in the Scheme and as set out at paragraph 6 below; and
- b. the confirmation of the Court pursuant to section 16 of the Law, of the intended reduction of the issued share capital of the Company, which is intended to be passed by the Company's shareholders as a special resolution on or about the date of the Court Meeting (as defined below), as further set out at paragraph 9 below.

- 1.2. A true copy of the Scheme is contained in Appendix VI to the Scheme Document, a draft of which is attached at pages 432 to 443 of Exhibit JKYK-1 to the First Affirmation of Jason Kung Yi Koo.

The Petitioner

2. Incorporation

- 2.1. The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 4 July 1997 with registration number 74862 by the Registrar of Companies of the Cayman Islands.
- 2.2. Since being registered in the Cayman Islands, the registered office of the Company has been situated at P.O. Box 309, Uglan House, South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands. Its principal office is at 16th Floor, Hong Kong Diamond Exchange Building, 8-10 Duddell Street, Central, Hong Kong.

3. Objects

- 3.1. 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 as adopted by a special resolution passed on 1 November 2011. The Company is principally engaged in the import and distribution of cement in Hong Kong, and the manufacture and distribution of cement, clinker and other cement related products in other areas of the People's Republic of China (the "PRC").

4. Share Capital

- 4.1. As at the date of this Petition, the Company has an authorised share capital of HK\$549,434,481 divided into 5,000,000,000 ordinary shares of HK\$0.10 each ("**Ordinary Shares**") and 494,344,810 non-redeemable restricted voting convertible preference shares of HK\$0.10 each ("**Convertible Preference Shares**", together with the Ordinary Shares, the "**Shares**"), of which 4,943,464,851 Ordinary Shares and 494,333,645 Convertible Preference Shares are in issue. The issued Ordinary Shares of the Company are listed on

the Main Board of The Stock Exchange of Hong Kong Limited (the “HKSE”) with stock code 1136.

5. Shareholder Profile

5.1. HKSCC Nominees Limited, a company incorporated in Hong Kong, acts as a common nominee in respect of securities held through the Central Clearing and Settlement System depository in Hong Kong.

5.2. The following entities and individuals have beneficial interests in the Shares of the Company registered in HKSCC Nominees Limited’s name :

a. TCC International Limited (“TCCI”), a company incorporated in the British Virgin Islands with limited liability, being a direct wholly-owned subsidiary of Taiwan Cement Corporation (“TCC”), holds 3,117,016,329 Ordinary Shares and representing approximately 63.05% of the Company’s total issued Ordinary Shares.

b. Chia Hsin Cement Corporation (“CHC”), a joint stock company incorporated in Taiwan, the shares of which are listed on the Taiwan Stock Exchange (stock code: 1103), holds 8,829,262 Ordinary Shares, representing approximately 0.18% of the Company’s total issued Ordinary Shares. CHC has two representatives on the Company’s board of directors, being Mr. Chang Kang-Lung, Jason and Ms. Wang Lishin, Elizabeth who is the chairman of Chia Hsin Pacific Limited (“CHPL”) and the chief financial officer of CHC.

c. CHPL, a company incorporated in the Cayman Islands, holds 479,849,250 Ordinary Shares representing approximately 9.71% of the Company’s total issued Ordinary Shares. CHPL is a direct non-wholly owned subsidiary of CHC.

d. Goldcrest Corporation holds 3,000,000 Ordinary Shares, representing approximately 0.06% of the Company’s total issued Ordinary Shares. The corporation is controlled by the spouse of Mr. Chang Kang-Lung, Jason who is a director of the Company, TCC and CHC.

- e. 9,855,000 Ordinary Shares, representing approximately 0.20% of the Company's total issued Ordinary Shares are held by the trust of Mr. Chen Chi-Te who is a director of TCC.
- f. 99,091,528 Ordinary Shares, representing approximately 2.00% of the Company's total issued Ordinary Shares, are held by the estate of Mr. Koo Cheng-Yun, Leslie.
- g. Aside from the shares that the entities and individuals listed above are interested in, there are an additional 1,225,823,482 Ordinary Shares and 82,134 Convertible Preference Shares, representing approximately 24.80% and 0.02% of the Company's total issued Ordinary Shares and total issued Convertible Preference Shares, respectively. It is not known how many of these additional entities and individuals have beneficial interests in the Shares of the Company registered in HKSCC Nominees Limited's name.

5.3. TCCI is the holder of 494,251,511 Convertible Preference Shares in the Company representing 99.98% of the total issued Convertible Preference Shares.

6. The Object and Mechanics of the Scheme

- 6.1. The object of the Scheme is for the Company to become a wholly owned subsidiary of TCC, and the Company will apply to the HKSE for the withdrawal of the listing of the Ordinary Shares. This will be achieved by:
- a. the Company reducing its share capital (the "**Reduction**") by the cancellation and extinguishment of all its issued Shares other than those issued Shares held by TCC and TCCI (the "**Scheme Shares**");
 - b. the Company, forthwith upon the said Reduction taking effect, increasing its share capital by the issue of the same number of new Shares to TCC and TCCI (as the case may be) as the number of Scheme Shares cancelled and extinguished; and
 - c. the credit arising in the books of account of the Company as a result of the Reduction resulting from the cancellation and extinguishment of the Scheme Shares

pursuant to the Scheme being applied in paying up, in full, at par such number of new Shares allotted and issued to TCC and TCCI (as the case may be).

6.2. The Scheme is conditional upon the Reduction becoming effective.

6.3. In consideration of the cancellation and extinguishment of the Scheme Shares:

a. each holder of Ordinary Scheme Shares (the "**Ordinary Scheme Shareholder**") will receive:

- i. cash of HK\$3.60 for each Ordinary Scheme Share held; or
- ii. at the valid election of the relevant Ordinary Scheme Shareholders, 0.420 share of TCC ("**TCC Share**") for each Ordinary Scheme Share held.

b. each holder of Convertible Preference Scheme Shares (the "**Convertible Preference Scheme Shareholder**") will receive:

- i. cash of HK\$3.60 for each Ordinary Share underlying a Convertible Preference Scheme Share (or approximately HK\$3.93 for each Convertible Preference Scheme Share, being HK\$3.60 multiplied by the Conversion Rate (as defined in the Scheme Document) (i.e. approximately 1.0913 times)); or
- ii. at the valid election of the relevant Convertible Preference Scheme Shareholders, 0.420 TCC Share for each Ordinary Share underlying a Convertible Preference Scheme Share (or approximately 0.458 TCC Share for each Convertible Preference Scheme Share, being 0.420 TCC Share multiplied by the Conversion Rate (i.e. approximately 1.0913 times)).

6.4. The Scheme is such that an intelligent and honest person, being a member of the Ordinary Scheme Shareholders or Convertible Preference Scheme Shareholders, and acting in respect of their interests, might reasonably approve.

7. Affected Shareholders

7.1. The Scheme affects Ordinary Scheme Shareholders and Convertible Preference Scheme Shareholders (the "**Scheme Shareholders**").

7.2. As at the date of this Petition, the Scheme Shareholders hold:

- a. 1,826,448,522 Ordinary Shares, representing approximately 36.95% of the total Ordinary Shares in issue, of which 111,946,528 Ordinary Shares are held by the Offeror Concert Parties (as defined in the Scheme Document) and 1,714,501,994 Ordinary Shares are held by the Disinterested Scheme Shareholders (as defined in the Scheme Document).
- b. 82,134 Convertible Preference Shares, representing approximately 0.02% of the total Convertible Preference Shares in issue. No Offeror Concert Party holds any Convertible Preference Shares. These Convertible Preference Scheme Shareholders include four nominees, namely Bank of China (Hong Kong) Nominees Limited, CITI (Nominees) Limited, HKSCC Nominees Limited and HSBC Nominees (Hong Kong) Limited.

8. Application for Directions and Court Meeting

8.1. In relation to the Scheme, the Company intends to make an application herein for declarations and orders that, amongst other things:

- a. the relevant class of shareholders of the Company affected by the Scheme is that referred to at paragraph 7.1 above;
- b. the Company be at liberty to convene a single meeting of the Scheme Shareholders for the purpose of allowing such Scheme Shareholders to consider and, if they think fit, to approve the Scheme with or without modifications (the "**Court Meeting**");
- c. for directions as to the mode of delivery of the Scheme Document (including an explanatory memorandum) proxy forms and election form to, amongst others, the Scheme Shareholders;

- d. the appointment of the chairman of the Court Meeting, and for directions that the chairman should report the results of such Court Meeting to the Court; and
- e. for directions as to the treatment of Shares held by custodians, clearing houses and other nominees for the purposes of the "majority in number" calculation.

8.2. The resolution intended to be submitted at the Court Meeting is:

"That this Court Meeting approves, 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."

8.3. Under the Code on Takeovers and Mergers of Hong Kong (the "**Takeovers Code**"), the entities and individuals at paragraph 5.2 (d) – (f) above, are deemed to be parties acting in concert with TCC and TCCI (the "**Offeror Concert Parties**"). The Takeovers Code provides that any votes cast by such Offeror Concert Parties at the Court Meeting to approve the Scheme, should they be included within the class of shareholders affected by the Scheme, shall not be counted (unless permitted by the Securities and Futures Commission of Hong Kong) for the purpose of satisfying the voting requirements under the Takeovers Code.

8.4. TCC and TCCI do not hold Scheme Shares and are not, therefore Scheme Shareholders.

8.5. To the extent that the following are or will become Scheme Shareholders, as Offeror Concert Parties, votes of Goldcrest Corporation, the trust of Chen Chi-Te, and the estate of Koo Cheng-Yun, Leslie at the Court Meeting will not be counted for the purpose of satisfying the voting requirements under the Takeovers Code (unless permitted by the Securities and Futures Commission of Hong Kong).

9. **Capital Reduction**

9.1. Article 63 (b) of the Company's Articles of Association provides that the Company may by special resolution, reduce its share capital, any capital redemption reserve or any share

premium account in any manner authorised and subject to any conditions prescribed by the Law.

9.2. The Company intends to convene an Extraordinary General Meeting of all holders of Ordinary Shares ("**Ordinary Shareholders**") and holders of Convertible Preference Shares ("**Convertible Preference Shareholders**") (together, the "**Shareholders**") ("**EGM**") and a Special Extraordinary General Meeting of Convertible Preference Shareholders ("**Special EGM**") to take place immediately after the Court Meeting.

9.3. The resolutions intended to be submitted to:

a. the EGM are as follows:

"SPECIAL RESOLUTION

To consider and, if thought fit, passing with or without amendments, the following resolution as a special resolution of the Company:

(1) *THAT:*

- (a) *pursuant to the scheme of arrangement dated [●] 2017 (the "**Scheme**") between the Company and the Scheme Shareholders (as defined in the Scheme) in the form of the print thereof, which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands, on the Effective Date (as defined in the Scheme), the issued share capital of the Company shall be reduced by the cancellation and extinguishment of the Scheme Shares (as defined in the Scheme); and*
- (b) *the directors of the Company be and are hereby authorised to do all acts and things considered by them to be necessary or desirable in connection with the implementation of the Scheme and the reduction of capital pursuant to the Scheme, including without limitation, giving consent to any modification of, or addition to, the Scheme or the reduction of capital which the Grand Court of the Cayman Islands may see fit to impose.*

ORDINARY RESOLUTION

To consider and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:

(2) THAT:

- (a) *subject to and simultaneously with the cancellation and extinguishment of the Scheme Shares referred to in resolution (1)(a) taking effect, the issued share capital of the Company be restored to its former amount prior to the reduction of capital by allotting and issuing to Taiwan Cement Corporation and TCC International Limited (as the case may be), credited as fully paid at par, the same number of new Shares (as defined in the Scheme) of the Company as the number of Scheme Shares cancelled and extinguished;*
- (b) *the credit arising in the books of account of the Company consequent upon the reduction of its issued share capital resulting from the cancellation and extinguishment of the Scheme Shares referred to in resolution (1)(a) shall be applied to pay up in full at par the Shares (as defined in the Scheme) allotted and issued to Taiwan Cement Corporation and TCC International Limited (as the case may be) pursuant to resolution 2(a) above;*
- (c) *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*
- (d) *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 Ordinary Shares (as defined in the Scheme) of the Company.”*

b. the Special EGM is as follows:

“SPECIAL RESOLUTION

(1) THAT:

- (a) *pursuant to the scheme of arrangement dated [●] 2017 (the “Scheme”) between the Company and the Scheme Shareholders (as defined in the Scheme) in the form of the print thereof, which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands, the Convertible Preference Scheme Shares (as defined in the Scheme) be cancelled; and*
- (b) *the directors of the Company be and are hereby authorised to do all acts and things considered by them to be necessary or desirable in connection with the cancellation of the Convertible Preference Scheme Shares.”*

- 9.4. The Reduction 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.
- 9.5. The Reduction is for a discernible purpose, and its terms and effect will be properly explained to the Shareholders with sufficient time prior to the EGM and Special EGM so as to ensure that Ordinary Shareholders and Convertible Preference Shareholders are treated equitably.
- 9.6. The form of minute proposed to be registered is as follows:

*"The issued share capital of TCC International Holdings Limited was by virtue of two special resolutions of the Company dated [] 2017 (the "**Special Resolutions**") and with confirmation by way of an order of the Grand Court of the Cayman Islands dated [] 2017 (the "**Order**") reduced from HK\$[543,779,849.60] represented by an authorised share capital of HK\$549,434,481 divided into 5,000,000,000 ordinary shares of HK\$0.10 each and 494,344,810 non-redeemable restricted voting convertible preference shares of HK\$0.10 each (of which 4,943,464,851 Ordinary Shares and 494,33,645 convertible preference shares had been issued and fully paid) to HK\$[]. The Special Resolutions further provide 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\$[543,779,849.60] by the issue of [1,826,448,522] ordinary shares of HK\$0.10 each and [82,134] non-redeemable restricted voting convertible preference shares of HK\$0.10 each.*

By virtue of a Scheme of Arrangement sanctioned by an order of the Grand Court of the Cayman Islands dated [] 2017, the Order and the Special Resolutions, the capital of the Company at the time of the registration of this minute is accordingly HK\$[543,779,849.60] divided into [4,943,464,851] ordinary shares of HK\$0.10 and [494,333,645] non-redeemable restricted voting convertible preference shares of HK\$0.10 each

- 9.7. It is appropriate for the Court to confirm the Reduction and sanction the Scheme.

YOUR PETITIONER THEREFORE humbly prays THAT:

1. the Scheme be sanctioned by the Court so as to be binding on the Company, the Scheme Shareholders, TCC and TCCI;
2. the Reduction which is to be effected by the special resolutions set out at paragraph 9.3 above be confirmed and that the form of minute set out at paragraph 9.6 above be approved by the Court;
3. Such further or other relief as the Court shall see fit.

DATED the 25th day of July 2017
FILED the 25th day of July 2017



OGIER

Attorneys-at-Law for the Petitioner

NOTE: This Petition is not intended to be served on anyone.

This Petition was presented by Ogier, Attorneys at Law for the Petitioner, whose address for service is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9007, Cayman Islands (Ref: RAR/WJN)

**ENDORSEMENT
NOTICE OF HEARING**

TAKE NOTICE THAT the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman on _____ 2017 at _____ am/pm.

Any correspondence or communication with the Court relating to the hearing of this petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106, telephone 345 949 4296.