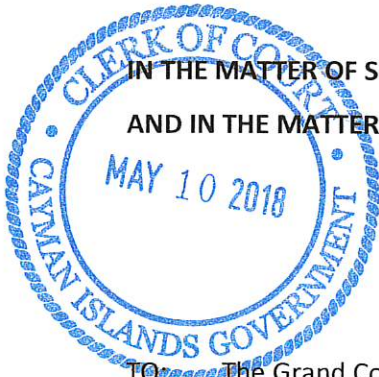


IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION



FSD Cause No. 74 of 2018

IN THE MATTER OF SECTIONS 15 & 86 OF THE COMPANIES LAW (2018 REVISION)  
AND IN THE MATTER OF ABC LIMITED



PETITION



TO: The Grand Court of the Cayman Islands

**THE HUMBLE PETITION** of a company anonymously referred to below as ABC Limited ("ABC"), of Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands shows that:

#### INTRODUCTION

The object of this Petition is (i) to seek the sanction of the Court pursuant to section 86 of the Companies Law (2018 Revision) (the "**Companies Law**") to a proposed Scheme of Arrangement (the "**Scheme**") between ABC and all of its 39 members (the "**Members**") and (ii) to seek the Court's confirmation pursuant to section 16 of the Companies Law, of the intended resolution of the Company's Members to reduce the Company's share capital to give effect to the Scheme, which is intended to be passed by the Company's Members as a special resolution on or about the date of a single class meeting of all its Members ("**Class Meeting**").

A copy of the Scheme shall be exhibited to an affidavit made by one of ABC's directors, which shall be filed with this Honourable Court.

#### THE PETITIONER

1. ABC was incorporated in the Cayman Islands on 27 October 2008 (registration number 1234) under the Companies Law (2007 Revision). The registered office of ABC since 18 December 2008 is at c/o Campbells Corporate Services Limited, whose current address is Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands.
2. As at the date of this Petition the authorised share capital of ABC is £40,000,000 divided into 40,000,000 ordinary shares of one class, with a nominal or par value of £1. All shares carry full voting, income and capital rights. As at the date of the Petition the amount of the share capital of ABC paid up or credited as paid up is £37,829,020.

3. The objects for which ABC was established are unrestricted and generally to carry out the objects more particularly set out in its Memorandum and Articles of Association as amended and restated by Special Resolutions dated 17 December 2008 and 23 September 2013.

#### **BUSINESS OF THE GROUP**

4. ABC is the unlisted holding company of a large international business (the "**Group**"), which is wholly owned by 39 members.
5. The Group comprises a global retail business, other retail interests, international property business, financial asset management, hotel and hospitality operations and direct portfolio investments.
6. ABC and each of its business divisions are solvent both on a cashflow and balance sheet basis.

#### **PROPOSED DEMERGER**

7. By way of the Scheme, ABC intends to effect a demerger in order to separate parts of the existing business of the Group into three separate sub-groups, namely:
  - a. a significant retail business (the "**Retail Business**");
  - b. interests in a diverse portfolio business which includes further retail interests, property businesses, hotels and hospitality businesses, financial asset management and portfolio investments in numerous other businesses (the "**Portfolio Business**"); and
  - c. a business which manages a portfolio of other financial investments (the "**Investment Business**").
8. Through the demerger, it is proposed that the Retail Business and the Investment Business are segregated from ABC and transferred into the ownership of a newly incorporated Jersey holding company and a newly incorporated English holding company respectively. ABC will retain the Portfolio Business.

#### **COMMERCIAL RATIONALE**

9. The Group currently reports to one Board of Directors, viz. the Board of Directors of ABC, in

respect of all three parts of the business of the Group. However, following the proposed demerger, separate management teams would oversee each of the Retail Business, Portfolio Business and Investment Business. That will allow non-executive and executive directors with more specific industry or sector expertise to join the boards of the three constituent businesses. The demerger would also provide better transparency and accountability of resources shared between the businesses.

10. The Board of Directors of ABC has formed the view that segregating the Retail Business will allow the Retail Business's management to concentrate more fully on delivering value from the retail and wholesale business and to continue its current strategic focus as an omni-channel retail group. They consider that a more tailored Board of Directors focusing on the Retail Business only will help maximise future growth and commercial opportunities.
11. The demerger of the Retail Business would allow ABC to concentrate on pursuing a strategy of delivering capital growth for the shareholders through the Portfolio Business, without the distraction of a large, dominant retail business to manage at the same time. The demerger into three separate businesses will also facilitate any future succession and wealth planning which the shareholders may wish to do in the future.

#### **THE SCHEME**

12. All Members would constitute a single class for the purposes of the Scheme.
13. Under the Scheme, ABC will transfer its shares in the Retail Business and the Investment Business to two separate holding companies ("**New Retail Holdco**" and "**New Invest Holdco**" respectively). In exchange for Members agreeing to a cancellation of certain of their shares in ABC, New Retail Holdco and New Invest Holdco will issue new shares to the Members in proportion with their shareholdings in ABC and, in the case of the transfer of the Retail Business only, New Retail Holdco will pay an additional cash element and a contingent element which will be based on dividends paid by the Retail Business to New Retail Holdco, both to be paid directly to ABC. The Portfolio Business will be retained by ABC.

#### **SUPPORT FOR THE SCHEME**

14. At an Extraordinary General Meeting of ABC, held on 7 March 2018, 36 Members holding 97.20% of the issued share capital of ABC attended in person or by proxy to vote on resolutions, inter alia, that the Board of Directors of ABC be authorised to prepare and

promote the Scheme, and that the Board of Directors of ABC be authorised to cause ABC to present a scheme petition before this Honourable Court (as well as file any ancillary application) for that purpose.

15. Members holding 97.20% of the issued share capital of ABC voted on the aforementioned resolutions and the resolutions were unanimously passed. Of the three members who did not vote at the EGM, one of those members (holding 2.11% of the issued shares in the Company) did in fact vote in favour but their proxies were received too late so that they could not be counted as part of the vote. The other two members (holding 0.69% of the issued shares in the Company) have subsequently confirmed orally to the directors of the Company that they have no objection to the proposed Scheme.

#### **DIRECTIONS**

16. ABC intends to make an application for, amongst other things, an order that ABC be at liberty to convene a single class meeting of all its Members for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme.

#### **CAPITAL REDUCTION**

17. Article 45(f) of the Company's Articles of Association provides that the Company may reduce its share capital subject to the conditions prescribed by the Companies Law.
18. The Company intends to convene an Extraordinary General Meeting ("EGM") to take place immediately after the Class Meeting. The special resolution intended to be submitted to the EGM, for the purpose of the reduction of capital, is that:

"For the purpose of giving effect to the Scheme (if sanctioned) in the original form, or with, or subject to, any modification, addition or condition approved or imposed by the Court; the share capital of the Company be reduced by cancelling and extinguishing 25% of the entire issued share capital of the Company such shares to be cancelled on a pro-rata basis amongst members of the Company as to the number of shares held by each member in the Company, so that such cancellation does not materially alter each member's relative percentage holding of shares in the Company that each member holds immediately prior to such cancellation."

19. The reduction of the Company's share capital is for a discernible purpose, namely that it

gives effect to the Scheme.


20. The proposed capital reduction will not of itself alter the underlying assets, business operations, management or financial position of the Company, nor will it affect the proportionate interests of Members.
21. Although the proposed capital reduction involves a return of capital to Members against the cancellation of a portion of paid-up capital, the Company will retain 75% of its paid-up capital following the capital reduction. The Company has 8 creditors, with aggregate debt owed by the Company of £3,379,230. Each of the aforementioned creditors has consented to the capital reduction, and the Company is unaware of any other creditors.
22. The form of Minute proposed to be registered is as follows:-

“The issued share capital of ABC Limited (“**Company**”) was by virtue of a Special Resolution passed on [date] and with sanction of an Order of the Grand Court of the Cayman Islands dated [date], reduced from £37,829,020 divided into 37,829,020 ordinary shares of £1.00 each to £28,371,765 divided into 28,371,765 shares of £1.00 each. As at the date of the registration of this Minute, the authorised share capital of the Company is £40,000,000 divided into 40,000,000 ordinary shares of £1.00 each, of which 28,371,765 ordinary shares of £1.00 each have been issued and are fully paid or credited as fully paid”.

**AND THE PETITIONER HUMBLY PRAYS THAT:**

23. The Scheme be sanctioned by this Court so as to be binding on all the parties thereto;
24. The reduction of the share capital of the Company proposed to be effected by special resolution, as set out above, be confirmed and that the above-mentioned Minute may be approved by the Court; and
25. Such further or other relief as the Court sees fit

**Dated: 9 May 2018**

  
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**CAMPBELLS**  
Attorneys for the Petitioner