



IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

CAUSE NO. FSD 96 OF 2020

IN THE MATTER OF CHINA INVESTMENT AND FINANCE GROUP LIMITED (中國投融資集團有限公司)

AND IN THE MATTER OF THE COMPANIES LAW (2020 REVISION)

AND GRAND COURT RULES 1995 ORDER 102



PETITION



TO: The Grand Court of the Cayman Islands

THE PETITION of China Investment and Finance 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 (2020 Revision) (the "**Companies Law**") confirming a reduction of the share capital of the Petitioner, China Investment and Finance Group Limited (the "**Company**").
2. The Company was incorporated on 26 April 2002 under the Companies Law with the name of "Friedmann Pacific Greater China Investments Limited" and registered in the Cayman Islands as an exempted company with registration number 117361. On 6 June 2002, the name of the Company was changed from "Friedmann Pacific Greater China Investments Limited" to "Friedmann Pacific Greater China Limited". On the same day, the name of the Company was further changed from "Friedmann Pacific Greater China Limited" to "Friedmann Pacific Greater China Investments Limited 富泰大中華投資有限公司". On 19 March 2004, the Company further changed its name from "Friedmann Pacific Greater China Investments Limited 富泰大中華投資有限公司" to "Garron International Limited". On 8 August 2011, the Company further changed its name from "Garron International Limited" to "China Investment and Finance Group Limited 中國投融資集團有限公司".

3. The registered office of the Company is situated at the office of Conyers Trust Company (Cayman) Limited, 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 26 April 2002, its authorised share capital was HK\$390,000 divided into 39,000,000 shares of a nominal or par value of HK\$0.01 each.
5. By way of a resolution of the sole shareholder of the Company passed on 31 August 2002, the authorised share capital of the Company was increased from HK\$390,000 to HK\$20,000,000 divided into 2,000,000,000 shares of a nominal or par value of HK\$0.01 each.
6. On 20 September 2005, a resolution was passed by the shareholders of the Company at an extraordinary general meeting to consolidate every twenty (20) issued and unissued shares of HK\$0.01 each into one (1) share of a nominal or par value of HK\$0.20 each.
7. On 20 September 2010, an ordinary resolution was passed by the shareholders of the Company at an annual general meeting to increase the authorised share capital of the Company from HK\$20,000,000 to HK\$1,200,000,000 divided into 6,000,000,000 shares of a nominal or par value of HK\$0.20 each.
8. On 4 March 2015, a special resolution was passed by shareholders of the Company at its extraordinary general meeting to, conditional upon fulfilment of certain conditions set out in the notice of extraordinary general meeting of the Company dated 9 February, 2015: (a) to reduce the par value of each existing share of HK\$0.20 of the Company then in issue from HK\$0.20 to HK\$0.01 by cancelling the paid-up capital to the extent of HK\$0.19 per issued (the "**2015 Capital Reduction**"); and (b) immediately following the 2015 Capital Reduction becoming effective, to subdivide each authorised but unissued share with a par value of HK\$0.20 into twenty (20) unissued shares with a par value of HK\$0.01 each (the "**2015 Share Subdivision**").
9. The 2015 Capital Reduction and the 2015 Share Subdivision became effective on 21 May 2015 after all of the conditions thereto, including confirmation of the 2015 Capital Reduction by this Honourable Court, were fulfilled.

10. On 11 December 2015, an ordinary resolution was passed by the shareholders of the Company at its extraordinary general meeting to consolidate every five issued and unissued shares of HK\$0.01 each in the share capital of the Company into one share of HK\$0.05 each.
11. As at the date of this Petition, the authorised share capital of the Company is HK\$1,200,000,000 divided into 24,000,000,000 shares with a nominal or par value of HK\$0.05 each and its issued share capital is HK\$112,883,300 divided into 2,257,666,000 shares with a nominal or par value of HK\$0.05 each which have been fully paid-up or credited as fully paid-up.
12. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 19 September 2002 under stock code number 1226. Over the years, the Company has allotted and issued various tranches of ordinary shares, being the only class of shares of the Company.
13. The objects for which the Company was established are unrestricted and include, without limitation:
  - (a) to act and to perform all the functions of a holding company in all its branches and to co-ordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company;
  - (b) to act as an investment company and for that purpose to acquire and hold upon any terms and, either in the name of the Company or that of any nominee, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated or carrying on business, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and enforce all rights and powers conferred by or incident to the

ownership thereof, and to invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may be from time to time determined.

14. The Company is an investment holding company. Its subsidiaries are principally engaged in investment holding, trading of security or consultancy service. The operations of the Company's subsidiaries are principally located in Hong Kong.

15. The Articles of Association of the Company provide, *inter alia*, as follows:

"4. The Company may from time to time by ordinary resolution in accordance with the Law alter the conditions of its Memorandum 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), any 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 subject to the provisions of the Law.”

“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 any capital redemption reserve or other undistributable reserve in any manner permitted by the Law.”

- 16. By a special resolution of the Company (the “**Special Resolution**”) passed in accordance with section 14(1) of the Companies Law at an extraordinary general meeting held on 22 April 2020 (the “**Extraordinary General Meeting**”), it was resolved:

“THAT

- (1) Subject to and conditional upon (i) approval from the Grand Court of the Cayman Islands (“Court”) of the Capital Reduction (as defined below); (ii) registration by the Registrar of Companies of Cayman Islands of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Law of Cayman Islands in respect of the Capital Reduction (as defined below) and compliance with any conditions the Court may impose; and (iii) the Listing Committee of The Hong Kong Stock Exchange Limited granting approval for the listing of, and permission to deal in, the Consolidated Shares (as defined below), upon the date on which the aforesaid conditions are fulfilled:

- (a) the par value of each issued Share of HK\$0.05 in the capital of the Company be reduced to HK\$0.0001 (each a “New Share”) by cancelling paid-up capital to the extent of HK\$0.0499 on each issued Share (the “Capital Reduction”) and any liability of the holders of such shares to make any further contribution to the capital of the Company on each such share shall be treated as satisfied and that the amount of issued capital thereby cancelled be made available for issue of new shares of the Company;

- (b) immediately following the cancellation of paid-up capital in (a) above, each authorized but unissued Share in the capital of the Company be sub-divided into 500 New Shares of HK\$0.0001 each (“Sub-division”);

- (c) immediately following the Sub-division, every ten (10) issued and unissued New Shares of HK\$0.0001 each in the share capital of the Company be consolidated into one (1) share of HK\$0.001 each (each a “Consolidated Share”) (the “Share Consolidation”) so that the authorised share capital of the Company shall be HK\$1,200,000,000 divided into 1,200,000,000,000 Consolidated Shares of HK\$0.001 each, and such Consolidated Share(s) shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company;
- (d) the credit arising from the Capital Reduction be transferred to a distributable reserve account of the Company which may be utilised by the directors (“Directors”) of the Company in accordance with the articles of association of the Company and all applicable laws, including, without limitation, eliminating or setting off the accumulated losses of the Company from time to time; and

(2) the Directors be and are hereby authorised to do all such acts, deeds and things and to effect all necessary actions as they may consider necessary or desirable in order to effect, implement and complete any and all of the foregoing.”

17. The number of shareholders of the Company present and voting in person or by corporate representatives at the Extraordinary General Meeting is as set out in the table below:

	<b>Present &amp; Voting</b>	<b>For</b>	<b>Against</b>
<b>How Present</b>	<b>Number of shareholders present</b>	<b>Number of shares voted</b>	<b>Number of shares voted</b>
In person/by proxy/by authorised representative	18 shareholders	1,395,300,063 shares	190 shares
<b>Total</b>	18 shareholders	1,395,300,063 shares	190 shares

The Special Resolution was presented to the meeting and voted on by way of a poll. The shareholders present and voting in person or by corporate representative, representing not less than three-fourths of the votes cast, voted to approve the Special Resolution and the chairman of the Extraordinary General Meeting declared the Special Resolution passed in accordance with the Articles of Association of the Company.

18. The Special Resolution to approve and give effect to among other things the Capital Reduction was duly passed at an extraordinary general meeting, thus satisfying the requirements for passing a special resolution to approve the Capital Reduction under the Articles of Association of the Company and under the Companies Law.
19. The proposed Capital Reduction 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 of the Company to its shareholders. Furthermore, the proposed Capital Reduction will not alter the underlying assets, business operations, management or financial position of the Company or the proportional interests or rights of the shareholders of the Company.
20. The form of Minute proposed to be registered is as follows:

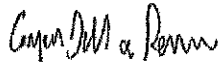
*"By virtue of a special resolution passed on 22 April 2020 and with sanction of an Order of the Grand Court of the Cayman Islands dated [●]: (a) the issued share capital of the Company be reduced from HK\$0.05 per each issued existing share to HK\$0.0001 per each issued new share (the "Capital Reduction"). Immediately following the Capital Reduction becoming effective, each of the authorised but unissued existing shares of HK\$0.05 each in the share capital of the Company be and is subdivided into five hundred (500) new shares of HK\$0.0001 each (the "Sub-division"). Immediately following the Sub-division, every ten (10) issued and unissued new shares of HK\$0.0001 each in the share capital of the Company be and is consolidated into one (1) consolidated share of HK\$0.001 each. At the date of the registration of this Minute, the authorised share capital of the Company is HK\$1,200,000,000 divided into 1,200,000,000,000 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 16 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 enquiries and directions may be made and given.
- (3) Such further and other order as this Honourable Court shall think fit.

Dated 5/8/2020



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

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NOTE: It is intended to serve this Petition on China Investment and Finance Group Limited, at its registered office located at the office of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

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, 2<sup>nd</sup> Floor, SIX, Cricket Square, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands

Notice of Hearing

This Petition having been presented to the Court on the \_\_\_\_\_ day of \_\_\_\_\_ 2020  
will be heard at the Law Courts, George Town, Grand Cayman on the \_\_\_\_\_ day of  
2020 at \_\_\_\_\_ am/pm or as soon thereafter as the Petition can be heard.