

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION



FSD CAUSE NO: 189 OF 2020

IN THE MATTER OF SECTIONS 14 TO 16 OF THE COMPANIES LAW (2020 REVISION)

AND IN THE MATTER OF L & A INTERNATIONAL HOLDINGS LIMITED

樂亞國際控股有限公司



PETITION



To: The Grand Court of the Cayman Islands

THE HUMBLE PETITION of L & A International Holdings Limited 樂亞國際控股有限公司 (the "**Company**") of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, shows that:

Purpose

1 The object of this Petition is to seek an Order of the Court pursuant to section 16 of the Companies Law (2020 Revision) (the "**Companies Law**") confirming a reduction of the capital of the Company, which has been approved by special resolution of the Company's shareholders.

Background

2 The Company was incorporated and registered on 5 June 2014 as an exempted company limited by shares. The Company's initial name was L & A International Holdings Limited. 樂亞國際控股有限公司 was adopted as the Company's dual foreign name by special resolution on 7 July 2014.

3 The registered office of the Company is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company's

THIS PETITION was issued by Maples and Calder, attorneys for the Petitioner, L & A International Holdings Limited 樂亞國際控股有限公司, whose address for service is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (Ref: CJM/JPT/692224.000005/63013124)

headquarters and principal place of business is at Unit No. D, 5th Floor, Wing Hong Centre, No. 18 Wing Hong Street, Kowloon, Hong Kong.

- 4 The objects for which the Company was formed are unrestricted but include, without limitation, to carry on business as an investment company and as an investment holding company and to carry out the other objects more particularly set forth in the Company's Amended and Restated Memorandum and Articles of Association (the "M&A") adopted by special resolution on 25 September 2014 and which became effective on 10 October 2014 (as amended from time to time).
- 5 Since 10 October 2014, the shares of the Company have been listed and traded on the Growth Enterprise Market (the "GEM") of the Stock Exchange of Hong Kong.

Company's share capital – History

- 6 The Company was incorporated and registered with an authorised share capital of US\$50,000.00 divided into 50,000 shares of a par value of US\$1.00 each.
- 7 On 7 July 2014, by a written resolution of the sole shareholder of the Company, the authorised share capital of the Company was increased to the aggregate of (i) US\$50,000 divided into 50,000 shares of a par value of US\$1.00 each and (ii) HK\$380,000 divided into 3,800,000 shares of a par value of HK\$0.10 each by the creation of an additional HK\$380,000 divided into 3,800,000 shares of a par value of HK\$0.10 each. The Company also repurchased the one (1) issued share of US\$1.00 par value, then reduced the authorised but unissued share capital of the Company by the cancellation of 50,000 shares of a par value of US\$1.00 each, such that the authorised share capital of the Company became HK\$380,000 divided into 3,800,000 shares of a par value of HK\$0.10 each.
- 8 On 18 September 2014, by a written resolution of the sole shareholder of the Company, the authorised share capital of the Company was increased to HK\$100,000,000 divided into 1,000,000,000 shares of a par value of HK\$0.10 by the creation of an additional 996,200,000 shares of a par value of HK\$0.10 each to rank *pari passu* in all respects with the existing shares.
- 9 On 20 April 2015, by an ordinary resolution passed at an extraordinary general meeting of the Company, every one (1) issued and unissued share of a par value of HK\$0.10 each was

subdivided into ten (10) shares of a par value of HK\$0.01 each, such that the authorised share capital of the Company became HK\$100,000,000 divided into 10,000,000,000 shares of a par value of HK\$0.01 each.

- 10 On 22 June 2016, by an ordinary resolution passed at an extraordinary general meeting of the Company, every one (1) issued and unissued share of a par value of HK\$0.01 each was subdivided into five (5) shares of a par value of HK\$0.002 each, such that the authorised share capital of the Company became HK\$100,000,000 divided into 50,000,000,000 shares of a par value of HK\$0.002 each.
- 11 On 6 October 2017, by an ordinary resolution passed at an extraordinary general meeting of the Company, every twenty (20) issued and unissued shares of a par value of HK\$0.002 each was consolidated into one (1) share of HK\$0.04 each. The authorised share capital of the Company was then increased from HK\$100,000,000 divided into 2,500,000,000 shares of a par value of HK\$0.04 each to HK\$500,000,000 divided into 12,500,000,000 shares of a par value of HK\$0.04 each by the creation of an additional 10,000,000,000 shares of a par value of HK\$0.04 each.
- 12 Accordingly, as at the date of this Petition, the Company's authorised share capital is HK\$500,000,000 divided into 12,500,000,000 shares of a par value of HK\$0.04 each. As at the date of this Petition, the total issued share capital is HK\$51,200,000, comprising 1,280,000,000 shares of HK\$0.04, each of which is fully paid.

Power to reduce the Company's share capital

- 13 Pursuant to Article 10.2 of the M&A, the Company has the power to reduce its share capital by special resolution subject to the Companies Law. Article 10.2 provides as follows:

"The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the law."

- 14 By a special resolution duly passed in accordance with the M&A and Section 60 of the Companies Law at an extraordinary general meeting of the Company's shareholders held on 23 March 2020 at 5/F, World Interests Building, 8 Tsun Yip Lane, Kwun Tong, Kowloon, Hong Kong SAR, it was resolved:

***“THAT**, subject to and conditional upon (i) the approval of the Capital Reduction (as defined below) by the Grand Court of the Cayman Islands (the **“Court”**); (ii) the compliance with any conditions which the Court may impose in relation to the Capital Reduction; (iii) the registration by the Registrar of Companies of the Cayman Islands of the order of the Court confirming the Capital Reduction and the minutes approved by the Court containing the particulars required under the Companies Law (2020 Revision) of the Cayman Islands, as amended or modified from time to time, with respect to the Capital Reduction; (iv) the Listing Committee of The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) granting approval for the listing of, and permission to deal in, the New Shares (as defined below) upon the Capital Reorganisation (as defined below); and (v) the compliance with all relevant procedures and requirements under Cayman Islands Law (if applicable) and the Rules Governing the Listing of Securities on GEM to effect the Capital Reorganisation, with effect from the date on which the aforesaid conditions are fulfilled (the **“Effective Date”**):*

- (a) the share capital of the Company be reduced (the **“Capital Reduction”**) by (i) the cancellation of HK\$0.0399 paid-up capital on each issued share of the Company (the **“Share(s)”**) such that each issued Share shall be treated as one fully paid-up share of HK\$0.0001 each in the capital of the Company; and (ii) the reduction of the par value of each and every unissued Share from HK\$0.04 to HK\$0.0001 (collectively, the **“New Share(s)”**);*
- (b) immediately following the Capital Reduction becoming effective, the entire amount standing to the credit of the share premium account of the Company be cancelled (the **“Share Premium Cancellation”**);*
- (c) the credit arising from the Capital Reduction and Share Premium Cancellation be applied towards offsetting the accumulated deficit of the Company as at the Effective Date, thereby reducing the accumulated deficit of the Company. The balance of credit (if any) be transferred to a distributable reserve account of the Company and be applied for such purposes as permitted by all applicable laws and the memorandum and articles of association of the Company and as the board (the **“Board”**) of directors of the Company (the **“Directors”**) considers appropriate;*
- (d) immediately following the Capital Reduction becoming effective, the authorised share capital of the Company be increased from HK\$1,250,000 divided into 12,500,000,000*

New Shares of par value of HK\$0.0001 each to HK\$500,000,000 divided into 5,000,000,000 New Shares of par value of HK\$0.0001 each, by the creation of 4,987,500,000 additional New Shares of par value of HK\$0.0001 each (the "Authorised Share Capital Increase");

- (e) all of the New Shares resulting from the Capital Reorganisation (as defined below) to rank pari passu in all respects with each other within the same class and have the same rights and be subject to the same restrictions in respect of the ordinary shares contained in the memorandum and articles of association of the Company; and*
- (f) the Directors be and are hereby authorised generally to take all necessary steps and do all such acts and things and execute all such documents, including under the seal of the Company, where applicable, as they consider necessary or expedient to implement and give effect to the Capital Reduction, the Share Premium Cancellation and the Authorised Share Capital Increase (collectively, the "Capital Reorganisation")."*

Purpose of the Capital Reduction

- 15 As at 31 March 2020, the Company had accumulated losses of approximately HK\$676,379,000 (the "Accumulated Losses"). The Board of Directors of the Company has determined that these Accumulated Losses are permanent.
- 16 As at 31 March 2020, the share premium account of the Company amounted to approximately HK\$618,133,000. The Capital Reduction (as defined in the special resolution passed on 23 March 2020) will bring in HK\$51,072,000 credit in the books of the Company.
- 17 The Company proposes that credit arising from the Capital Reduction and the Share Premium Cancellation (as defined in the special resolution passed on 23 March 2020) totalling approximately HK\$669,205,000 be applied to set-off the Accumulated Losses of the Company, thus reducing those permanent losses to HK\$7,174,000.
- 18 The proposed Capital Reduction does not involve the diminution of any liability in respect of unpaid capital or the payment of any shareholder of any paid-up capital.

Minute of Order

- 19 The form of Minute proposed to be registered is as follows:

"The capital of L & A International Holdings Limited 樂亞國際控股有限公司 (the "Company") was, by virtue of a special resolution passed on 23 March 2020 and confirmed by an Order of the Grand Court of the Cayman Islands, reduced from HK\$500,000,000 divided into 12,500,000,000 shares of a par value of HK\$0.04 each to HK\$1,250,000 divided into 12,500,000,000 shares of a par value of HK\$0.0001 each.

At the date of the registration of this Minute, 1,280,000,000 shares in the Company have been issued and are deemed to be fully paid up. On the said reduction of capital taking effect, the authorised share capital of the Company will be HK\$1,250,000 divided into 12,500,000,000 shares of a par value of HK\$0.0001 each, of which 1,280,000,000 shares are issued and are fully paid up and the remainder are unissued."

AND THE PETITIONER HUMBL Y PRAYS AS FOLLOWS:

- 1 That the Capital Reduction proposed to be effected by the special resolution referred to in paragraph 14 of this Petition be confirmed by the Court.
- 2 That the Minute referred to in paragraph 19 of this Petition be approved by the Court.
- 3 That, to this end, all necessary inquiries may be made and directions may be given.
- 4 Such further or other order as the Court sees fit.

Dated this 25th day of August 2020

Maples and Calder.

Maples and Calder

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