



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO.: FSD OF 2021 ()

IN THE MATTER OF SECTIONS 15 AND 86 OF THE COMPANIES ACT (2021 REVISION)

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

AND IN THE MATTER OF POLYTEC ASSET HOLDINGS LIMITED

PETITION

To: The Grand Court of the Cayman Islands

THE HUMBLE PETITION OF Polytec Asset Holdings Limited, whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands (the "Company") shows the following:

1. The object of this Petition is to seek:
 - a. the sanction of the Court pursuant to section 86 of the Companies Act (2021 Revision) (the "Companies Act") to a proposed Scheme of Arrangement (the "Scheme") between the Company, Intellinsight Holdings Limited (the "Offeror") and the Scheme Shareholders as defined in the Scheme contained in a composite scheme document (the "Scheme Document") a draft of which is attached as Exhibit "YKK -1" to the First Affirmation of Yeung Kwok Kwong made on 10 March 2021, and

- b. the confirmation of the Court, pursuant to section 15 of the Companies Act, of the intended reduction of the issued share capital (the “Reduction of Capital”) of the Company consequent upon the cancellation of the Scheme Shares (as defined in the Scheme) pursuant to the Scheme which is expected to be approved by a special resolution of the shareholders passed at an extraordinary general meeting of the Company immediately after the Court Meeting referred to herein.

The Company

2. The Company is engaged in the business of investment holding and principally carries on business through its subsidiaries whose principal business activities are property investment and development, oil exploration and production, manufacturing of ice, provision of cold storage services and financial investments. It is a Cayman Islands exempted company limited by shares incorporated under the name “Kin Don Holdings Limited” on 17 April 1998 under the Companies Act as an exempted company with registration number CR-81079. The Company changed its name to “Polytec Asset Holdings Limited 保利達資產控股有限公司” on 21 January 2004. Its registered office is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is at 23rd Floor, Pioneer Centre, 750 Nathan Road, Kowloon, Hong Kong.
3. The objects for which the Company was established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Act. The Company shall have and be capable of exercising all 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 Act.
4. The authorised share capital of the Company consists of HK\$1,050,000,000 divided into (i) 10,000,000,000 ordinary shares each with a nominal or par value

of HK\$0.10 (the “Ordinary Shares”), and (ii) 5,000,000,000 convertible preference shares each with a nominal or par value of HK\$0.01 (the “Preference Shares”, together with Ordinary Shares, the “Shares”). None of the Preference Shares are in issue. 4,438,967,838 of the Ordinary Shares have been issued and fully paid-up or credited as fully paid-up and the remainder are unissued. The issued Ordinary Shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

5. As at the date of this Petition, 2,615,636,918 of the Ordinary Shares, representing approximately 58.92% of the issued Ordinary Shares of the Company were legally and/or beneficially owned by the Offeror, whilst 29,918,515 Ordinary Shares, representing in aggregate approximately 0.67% of the issued Ordinary Shares of the Company, were legally and/or beneficially owned by parties acting in concert or presumed to be acting in concert with the Offeror (the “Offeror Concert Parties”), under the definition of “acting in concert” under the Code on Takeovers and Mergers of Hong Kong (the “Takeovers Code”). In addition to the Ordinary Shares that are held by the Offeror and the Offeror Concert Parties, above, there are 1,793,412,405 publicly held Ordinary Shares representing approximately 40.40% of the issued Ordinary Shares of the Company, which, together with the Ordinary Shares that are held by the Offeror Concert Parties, constitute the Scheme shares (the “Scheme Shares”).

Intellinsight Holdings Limited

6. The Offeror is a company incorporated under the laws of the British Virgin Islands with limited liability on 22 August 2001. Its registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The Offeror is in the business of investment holding.
7. The Offeror will provide its undertaking to be bound by the terms of the Scheme.

The Scheme

8. The purpose of the Scheme is to privatise the Company so that the Offeror will own 100% of the issued Shares of the Company.
9. This will be achieved by the steps summarised in paragraph 10 below.
10. The principal features of the Scheme are:
 - a. the Reduction of Capital by the cancellation and extinguishment of the Scheme Shares pursuant to the Scheme, in consideration of which the holders of the Scheme Shares (the “Scheme Shareholders”) will receive HK\$1.50 for each Scheme Share;
 - b. subject to and forthwith upon the Reduction of Capital taking effect, the share capital of the Company being restored to its former amount by the allotment and issue to the Offeror, credited as fully paid at par, the same number of Ordinary Shares as the number of Scheme Shares cancelled and extinguished at the Effective Date (as defined in the Scheme) (the “Restoration of Capital”); and
 - c. the credit arising in the books of account of the Company as a result of the Reduction of Capital 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 Ordinary Shares as is equal to the number of Scheme Shares cancelled and extinguished at the Effective Date.

Reasons for and benefits of the Scheme

11. The Scheme represents a good opportunity for the Scheme Shareholders to realise their investment with a substantial premium against the backdrop of low liquidity.

12. The Offeror considers that the Scheme will provide the Scheme Shareholders with an opportunity to realise their investment in the Company at a price above the prevailing market price of the Ordinary Shares.
13. The Cancellation Price, being HK\$1.50 per Scheme Share, represents a premium of approximately 61.29% over the closing price of HK\$0.93 per Ordinary Share as quoted on the Stock Exchange on the Last Trading Day (as defined in the Scheme Document). It also represents a premium of approximately 72.55%, 94.23%, 104.14%, 105.82% and 99.12% over the average closing price of approximately HK\$0.8693, HK\$0.7723, HK\$0.7348, HK\$0.7288 and HK\$0.7533 per Ordinary Share based on the daily closing prices as quoted on the Stock Exchange for the 30, 60, 90, 120 and 180 trading days up to and including the Last Trading Day, respectively.
14. During the three years up to and including the Last Trading Day, the lowest and highest closing prices per Ordinary Share as quoted on the Stock Exchange were HK\$0.58 and HK\$1.16, respectively. The Cancellation Price represents a premium of approximately 158.62% to the lowest closing price and a premium of approximately 29.31% to the highest closing price in the above period.
15. The liquidity of the Ordinary Shares has been at a relatively low level over a long period of time. For the one year up to and including the Last Trading Day, the average daily trading volume of the Ordinary Shares was approximately 1,443,000 Ordinary Shares, representing only approximately 0.03 % of the issued Ordinary Shares as of the Last Trading Day and average daily turnover was approximately HK\$1,043,000. The low trading liquidity of the Ordinary Shares makes it difficult for Shareholders to execute significant on-market disposals without adversely affecting the market price of the Ordinary Shares.
16. The Scheme is intended to provide the Scheme Shareholders with an opportunity to realise their entire investment in the Company for cash at a substantial premium

over market prices of the Ordinary Shares without having to suffer any illiquidity discount.

Cost and expenses of maintaining the Company's listing status

17. The Company has not in recent years conducted any equity fund raising activities, being primary benefit of a listing status. Continued listing of the Ordinary Shares is not expected to provide any meaningful benefit to the Company in the near term.
18. The listing of the Company involves administrative, compliance and other listing-related costs and expenses. If the Scheme is successful, these costs and expenses would be eliminated and thus allow the Offeror and the Company to allocate more resources for the development of the business of the Group.
19. Furthermore, following the implementation of the Scheme, the Company can be relieved from market expectations and share price fluctuation as a publicly listed company. The management of the Company can also utilise the resources which would otherwise go towards administrative, compliance and other listing-related matters of the Company on the business operations of the Group.

The Scheme will enable the Group to execute its strategies more efficiently and effectively

20. The principal activities of the Group are property investment and development, oil exploration and production, manufacturing of ice, provision of cold storage services and financial investments. In order to achieve long-term commercial development and maintain competitiveness, the Group needs to assess its strategies and implement appropriate changes to its business model if necessary. Following the implementation of the Scheme, the Group will be in a better position to execute its business strategies more efficiently and effectively as a private entity. With the Company becoming an unlisted wholly-owned subsidiary of the Offeror, the Offeror considers that it will help improving the Company's operational efficiency and

achieve economies of scale, for example through resources sharing with the Offeror such as sharing of expertise, hence achieving cost savings.

Shareholder Profile

21. On the assumption that there is no change in shareholding in the Company, the profile of the major legal and/or beneficial shareholders of the Company (“Shareholders”) on (i) the date of this Petition, and (ii) on the basis that the Scheme becomes effective is expected to be as follows:

Shareholders	As at the date of this Petition		Upon the Scheme becoming effective	
	Number of Shares	Approximate % of the issued share capital of the Company (Note (1))	Number of Shares	Approximate % of the issued share capital of the Company (Note (1))
The Offeror and the Offeror Concert Parties				
The Offeror	2,615,636,918	58.92	4,438,967,838	100
Ms. Wong Yuk Ching (Note (2))	9,895,900	0.22	-	-
Mr. Yeung Kwok Kwong (Note (2))	2,498,600	0.06	-	-
Ms. Chio Koc Ieng (Note (2))	893,250	0.02	-	-
Mr. Lai Ka Fai (Note (3))	2,510,270	0.06	-	-
Ms. Or Pui Ying, Peranza (Note (4))	7,000,000	0.16	-	-
Mr. Or Pui Kwan (Note (5))	7,120,495	0.16	-	-
Sub-total	2,645,555,433	59.60	-	-
Independent Shareholders				
Independent Shareholders	1,793,412,405	40.40	-	-
Total number of Shares in issue	4,438,967,838	100.00	4,438,967,838	100.00

Total number of Scheme Shares	<u>1,823,330,920</u>	<u>41.08</u>	<u>-</u>	<u>-</u>
-------------------------------	----------------------	--------------	----------	----------

Notes:

- (1) *All percentages in the above table are approximations.*
 - (2) *Each of Mr Yeung Kwok Kwong, Ms Wong Yuk Ching and Ms Chio Koc Ieng is an executive director of the Company and is deemed to be a party acting in concert with the Offeror under Class (6) of the definition of “acting in concert” under the Takeovers Code.*
 - (3) *Mr Lai Ka Fai is a non-executive director of the Company and a director of the Offeror and is deemed to be a party acting in concert with the Offeror under Class (2) and Class (6) of the definition of “acting in concert” under the Takeovers Code.*
 - (4) *Ms Or Pui Ying, Peranza is a non-executive director of the Company and the daughter of Mr Or Wai Sheun and is deemed to be a party acting in concert with the Offeror under Class (6) and Class (8) of the definition of “acting in concert” under the Takeovers Code.*
 - (5) *Mr Or Pui Kwan is the son of Mr Or Wai Sheun and is deemed to be a party acting in concert with the Offeror under Class (8) of the definition of “acting in concert” under the Takeovers Code.*
22. As at the date of this Petition, there are no options, warrants or convertible securities in respect of the Ordinary Shares held, controlled or directed by the Offeror and the Offeror Concert Parties, or outstanding derivatives in respect of the Ordinary Shares entered into by the Offeror and the Offeror Concert Parties. The Company does not have in issue any warrants, options, derivatives, convertible securities or other securities convertible into Shares as at the date of this Petition.

Proposed Sanction Process

23. After careful consideration, the board of directors of the Company (the “Board”) has determined that the Scheme is desirable and that the implementation of the

Scheme is in the best interests of the Company and its Shareholders. Accordingly, the Board (with the interested directors of the Company abstaining from voting) unanimously approved the Scheme.

24. Scheme Shareholders whose names appear on the register of members of the Company as at the Scheme Court Meeting Record Date (as defined in the Scheme Document) will be entitled to attend and vote on the Scheme at the Court Meeting (as defined below) in person or by proxy. At the Court Meeting, Scheme Shareholders present and voting either in person or by proxy, will be entitled to vote their Scheme Shares in favour of the Scheme or against it. Under the Takeovers Code, persons deemed to be acting in concert with the Offeror in connection with the implementation of the Scheme who are also Scheme Shareholders shall not be counted (unless permitted by the Securities and Futures Commission of Hong Kong) for the purposes of satisfying the voting requirements of the Takeovers Code. Therefore, the votes of the Shareholders who are both Scheme Shareholders and Offeror Concert Parties shall only be counted for the purpose of the calculation under the Companies Act, but shall not be counted for the purpose of the calculation under the Takeovers Code.
25. The Company intends to make an application for directions herein for declarations and orders that, among other things:
 - a. the relevant class of shareholders affected by the Scheme are the Scheme Shareholders;
 - b. the Company be at liberty to convene a meeting of the Scheme Shareholders (the "Court Meeting") for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;
 - c. directions as to the mode of delivery of an explanatory statement and proxy form to the Scheme Shareholders;

- d. the appointment of a chairman of the Court Meeting and for the conduct of the Court Meeting generally; and,
 - e. directions as to the treatment of Shares held by custodians, clearing houses and other nominees for the purposes of the “majority in number” calculation.
26. The resolution intended to be submitted at the Court Meeting is:

“THAT a scheme of arrangement dated [●] 2021 (the “Scheme”) between the Company and the holders of the Scheme Shares (as defined in the Scheme) in the form of the print thereof which has been produced to this Court Meeting and, for the purpose of identification signed by the chairman of this Court Meeting, or in such other form and on such terms and conditions or may be approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved.”

Reduction of Capital

27. Article 14 of the Articles of Association of the Company provides as follows:

“The Company may by Special Resolution reduce its share capital or undistributable reserve in any manner authorised, and subject to any conditions prescribed, by law.”

28. The Company intends to convene an extraordinary general meeting to take place immediately after the Court Meeting at which it is intended to, among other things, submit the resolutions to confirm the Reduction of Capital pursuant to the Scheme and to approve the Restoration of Capital. The resolutions are set out below.

SPECIAL RESOLUTIONS

1. “THAT:
- (a) pursuant to a scheme of arrangement dated [●] 2021 (the “Scheme of Arrangement”) between the Company and the Scheme

Shareholders (as defined in the Scheme of Arrangement) 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 of Arrangement), the issued shares in the share capital of the Company shall be reduced by the cancellation and extinguishment of the Scheme Shares (as defined in the Scheme of Arrangement); and

- (b) any one of the directors of the Company be and is hereby authorized to do all acts and things considered by him to be necessary or desirable in connection with the implementation of the Scheme of Arrangement and the reduction of the number of issued shares in the share capital of the Company pursuant to the Scheme of Arrangement, including (without limitation) giving consent to any modification of, or addition to, the Scheme of Arrangement or the reduction of the number of issued shares in the share capital of the Company which the Grand Court of the Cayman Islands may see fit to impose.”

2. “THAT:

- (a) subject to the Scheme of Arrangement having become effective, the withdrawal of the listing of the shares of the Company from The Stock Exchange of Hong Kong Limited be and is hereby approved; and
- (b) any one of the directors of the Company be and is hereby authorized to apply to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the shares of the Company.”

ORDINARY RESOLUTION

3. “THAT:

- (a) subject to and simultaneously with the cancellation and extinguishment of the Scheme Shares referred to in resolution 1(a) taking effect, the number of issued shares in the share capital of the Company be restored to its former amount by allotting and issuing to the Offeror (as defined in the Scheme of Arrangement), credited as fully paid at par, the same number of ordinary shares of HK\$0.10 each in the share capital of the Company as is equal to the number of Scheme Shares cancelled;

- (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 by the Company in paying up in full at par the new ordinary shares allotted and issued to the Offeror pursuant to resolution 3(a) above, and any one of the directors of the Company be and is hereby authorized to allot and issue the same accordingly; and
- (c) any one of the directors of the Company be and is hereby authorized to do all acts and things considered by him to be necessary or desirable in connection with the implementation of the Scheme of Arrangement and the restoration of capital pursuant to the Scheme of Arrangement, including (without limitation) the giving of consent to any modification of, or addition to, the Scheme of Arrangement or the restoration of capital, which the Grand Court of the Cayman Islands may see fit to impose.”

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

“The issued share capital of Polytec Asset Holdings Limited was by virtue of a Special Resolution passed on [] 2021 and with the confirmation of an order of the Grand Court of the Cayman Islands dated [] 2021, reduced from HK\$443,896,783.8 divided into 4,438,967,838 ordinary shares of par value HK\$0.10 each to HK\$264,555,543.3 divided into 2,645,555,433 shares of par value HK\$0.10 (the “Reduction of Capital”). Immediately upon the Reduction of Capital, the issued share capital of Polytec Asset Holdings Limited was restored to HK\$443,896,783.8 by allotting and issuing to the Offeror, credited as fully paid at par, 1,793,412,405 shares of par value HK\$0.10 each.

The authorised share capital of the Company, on the registration of this Minute, is HK\$1,050,000,000 divided into (i) 10,000,000,000 ordinary shares each with a nominal or par value of HK\$0.10 (the “Ordinary Shares”), and (ii) 5,000,000,000 convertible preference shares each with a nominal or par value of HK\$0.01 (the “Preference Shares”).”

YOUR PETITIONER, THE COMPANY, THEREFORE HUMBLY PRAYS:

- (1) That the Scheme to be approved at the Court Meeting to be convened at the direction of this Honourable Court be sanctioned by the Court so as to be binding on the Company, the Scheme Shareholders and the Offeror.
- (2) That the Reduction of Capital may be confirmed and that the above mentioned minute may be approved by the Court.
- (3) That the preparation of a list of creditors be dispensed with.
- (4) That, to this end, all necessary inquiries may be made and directions may be made and given.
- (5) Such further or other relief as the Court shall see fit.

And your Petitioner will ever pray etc.

Dated this 10th day of March 2021



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

NOTE: It is intended to serve this Petition on Polytec Asset Holdings Limited, at its registered office located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

This Petition is presented by Conyers Dill & Pearman, for and on behalf of the Petitioner, of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Notice of Hearing

This Petition, having been presented to the Court on the 10th day of March 2021, will be heard at the Law Courts, George Town, Grand Cayman on the day of 2021 at a.m. or as soon thereafter as the Petition can be heard.