



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 THE GRAND COURT RULES 1995 ORDER 102

AND IN THE MATTER OF BESTWAY GLOBAL HOLDING INC. 榮威國際控股有限公司

PETITION

To: The Grand Court of the Cayman Islands

THE HUMBLE PETITION of Bestway Global Holding Inc. 榮威國際控股有限公司 shows as follows:

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) (as amended) (the "Companies Act"), to a proposed scheme of arrangement (the "Scheme of Arrangement") between the petitioner, Bestway Global Holding Inc. 榮威國際控股有限公司 (the "Company"), and the Scheme Shareholders (the "Scheme of Arrangement"). "Scheme Shareholders" is defined in the Scheme of Arrangement, contained in a composite scheme document (the "Composite Scheme Document") a draft of which is attached as Exhibit "LYK-1" to the first affirmation of Lam Yiu Kin which will be sent to, among others, the Scheme Shareholders; and
 - b. the confirmation of the Court, pursuant to section 15 of the Companies Act, of the reduction of the issued share capital of the Company consequent

upon the cancellation and extinguishment of the Scheme Shares (the “Capital Reduction”) pursuant to the Scheme of Arrangement. The Capital Reduction is expected to be approved by way of a special resolution to be passed at an extraordinary general meeting of the Shareholders (as defined below) to be held as soon as practicable after the conclusion or adjournment of the Court Meeting referred to herein. The “Scheme Shares” is defined in the Scheme of Arrangement to refer to the issued ordinary shares of HK\$0.01 par value each in the share capital of the Company held by the Scheme Shareholders.

Information of the Company

2. The Company is an investment holding company and its subsidiaries (which together with the Company are collectively referred to as the “Group”) are principally engaged in the manufacturing and sales of high quality and innovative PVC sporting and leisure products in Europe, North America, Asia Pacific (including the People’s Republic of China (“PRC”)) and other global markets.
3. The Company was incorporated under the name of Bestway International Holding Limited 榮威國際控股有限公司 on 25 June 2012 under the Companies Act as an exempted company with registration number 269884. On 31 October 2013, the Company changed its name from “Bestway International Holding Limited 榮威國際控股有限公司” to “Bestway Global Holding Inc. 榮威國際控股有限公司”.
4. As an exempted company, the objects for which the Company was established are unrestricted, save for generally applicable statutory restrictions on its powers to trade in the Cayman Islands and is otherwise capable of exercising all the functions of a natural person as provided by section 27(2) of the Companies Act.
5. The registered office of the Company is situated at the offices of Conyers Trust Company (Cayman) Limited, 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 Suite 713, 7/F, East Wing, Tsim Sha Tsui Centre, 66 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong.

Share Capital and Listing

6. As at 13 July 2021 (the “Latest Practicable Date”), the Company has an authorised share capital of HK\$100,000,000 divided into 10,000,000,000 ordinary shares of par value HK\$0.01 each (the “Shares”), of which 1,058,391,000 Shares have been issued and fully paid-up or credited as fully paid-up and the remainder are unissued.
7. The Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) since 16 November 2017.
8. As at the Latest Practicable Date, 574,706,132 Shares (representing 54.30% of the total number of issued Shares) were legally and/or beneficially owned by Great Success Enterprises Holdings Limited (the “Offeror”). The Offeror is a company incorporated in the British Virgin Islands (the “BVI”) with limited liability and wholly owned by Great Access Industry Inc. (“Great Access”). Great Access is a company incorporated in the BVI with limited liability and owned as 92% by Mr Zhu Qiang (“Mr Zhu”) (an executive Director, the Chief Executive Officer and the Chairman of the Board of Directors of the Company and the sole director of the Offeror and Great Access) and 8% by his son, Mr Zhu Jiachen. Apart from his interest in the Offeror and Great Access, Mr Zhu also had 7,648,500 Shares (representing 0.72% of the total number of issued Shares) registered in his own name as at the Latest Practicable Date.
9. As at the Latest Practicable Date, 10,060,000 Shares (representing 0.95% of the total number of issued Shares) and 142,882,740 (representing 13.50% of the total number of issued Shares) were legally and/or beneficially owned by M. S. N. K. S. INVESTMENTS LLC (“MSNKS Investments”) and MSNKS Investments II, LLC (“MSNKS Investments II”), respectively. MSNKS Investments and MSNKS

Investments II are both incorporated in the State of Delaware and Mr Bogdan Nowak (“Mr Nowak”) owns the entire issued share capital of MSNKS Investments and MSNKS Investments II. Apart from his interest in MSNKS Investments and MSNKS Investments II, Mr Nowak also had 12,000,000 Shares (representing 1.13% of the total number of issued Shares) registered in his own name as at the Latest Practicable Date.

10. As at the Latest Practicable Date, 64,297,233 Shares (representing 6.07% of the total number of issued Shares) were legally and/or beneficially owned by Outland Enterprise Company Limited (“Outland Enterprise”). Outland Enterprise is incorporated in the BVI and owned by certain employees of the Group pursuant to the share incentive scheme, including three Directors, namely Mr Duan Kaifeng, Mr Liu Feng and Mr Tan Guozheng.
11. As at the Latest Practicable Date, 11,906,895 Shares (representing 1.13% of the total number of issued Shares) were legally and/or beneficially owned by Mr Patrizio Fumagalli (“Mr Fumagalli”).
12. Mr Zhu and his son, Mr Zhu Jiachen, Great Access, MSNKS Investments, MSNKS Investments II, Mr Nowak, Outland Enterprise and Mr Fumagalli are parties acting in concert with 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 in Hong Kong (the “Takeovers Code”). Mr Zhu, MSNKS Investments, MSNKS Investments II, Mr Nowak, Outland Enterprise and Mr Fumagalli were shareholders of the Company and directly held Shares in the Company as at the Latest Practicable Date whereas Mr Zhu’s son, Mr Zhu Jiachen, and Great Access were not shareholders of the Company and did not directly hold any Shares in the Company as at the Latest Practicable Date. Other than mentioned aforesaid, there was no other Offeror Concert Party held any Shares as at the Latest Practicable Date.

13. The Shares held by Mr Zhu, MSNKS Investments, MSNKS Investments II, Mr Nowak, Outland Enterprise and Mr Fumagalli will not form part of the Scheme Shares and will not be cancelled and extinguished upon the Scheme of Arrangement becoming effective. As each of Mr Zhu, MSNKS Investments, MSNKS Investments II, Mr Nowak, Outland Enterprise and Mr Fumagalli is not a Scheme Shareholder, each of Mr Zhu, MSNKS Investments, MSNKS Investments II, Mr Nowak, Outland Enterprise and Mr Fumagalli will not vote on the Scheme of Arrangement at the Court Meeting. Each of the Offeror, Mr Zhu, MSNKS Investments, MSNKS Investments II, Mr Nowak, Outland Enterprise and Mr Fumagalli has undertaken to the Grand Court that they will be bound by the Scheme of Arrangement so as to ensure that they will be subject to the terms and conditions of the Scheme of Arrangement.
14. Other than the Shares that are held by the Offeror and the Offeror Concert Parties as mentioned above, as at the Latest Practicable Date, there were 234,889,500 Shares (representing 22.19% of the total number of issued Shares) held by independent holders of Shares (the “Scheme Shareholders”) which can vote on the Scheme of Arrangement.
15. On the assumption that there is no other change in shareholdings in the Company from the Latest Practicable Date up to the Effective Date (as defined in the Scheme of Arrangement), the profile of the holders of the Shares (the “Shareholders”) as at the Effective Date is expected to be as follows:

Shareholders	As at the Latest Practicable Date		As at the Effective Date	
	Number of Shares	%	Number of Shares	%
Offeror	574,706,132	54.30	809,595,632	76.49

Offeror Concert Parties not subject to the Scheme of Arrangement				
Mr Zhu	7,648,500	0.72	7,648,500	0.72
MSNKS Investments	10,060,000	0.95	10,060,000	0.95
MSNKS Investments II	142,882,740	13.50	142,882,740	13.50
Mr Nowak	12,000,000	1.13	12,000,000	1.13
Outland Enterprise	64,297,233	6.07	64,297,233	6.07
Mr Fumagalli	11,906,895	1.13	11,906,895	1.13
Subtotal (aggregate number of Shares not voting on the Scheme of Arrangement)	823,501,500	77.81	1,058,391,000	100
Scheme Shareholders who are independent of the Offeror	234,889,500	22.19	--	--
Total Shares in issue	1,058,391,000	100	1,058,391,000	100
Total number of Scheme Shares (which represent all issued Shares except for those held by the Offeror, Mr Zhu, MSNKS Investments, MSNKS Investments II, Mr Nowak,	234,889,500	22.19	--	--

Outland Enterprise and Mr Fumagalli)				
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* * All percentages in the above table are approximations.

Information of the Offeror and the Offeror Concert Parties

16. The Offeror is a company incorporated under the laws of the BVI with limited liability on 13 May 2008. Its registered office is at Commerce House, Wickhams Cay 1, PO Box 3140, Road Town, Tortola, British Virgin Islands VG1110. The Offeror is directly wholly-owned by Great Access. Great Access is a company incorporated in the BVI with limited liability and owned as 92% by Mr Zhu (an executive Director, the Chief Executive Officer and the Chairman of the Board of Directors of the Company and the sole director of the Offeror and Great Access) and 8% by his son, Mr Zhu Jiachen.
17. As disclosed in paragraph 12, Mr Zhu and his son, Mr Zhu Jiachen, Great Access, MSNKS Investments, MSNKS Investments II, Mr Nowak, Outland Enterprise and Mr Fumagalli are Offeror Concert Parties. Among them, Mr Zhu, MSNKS Investments, MSNKS Investments II, Mr Nowak, Outland Enterprise and Mr Fumagalli are Shareholders holding Shares in the Company.
18. Each of the Offeror and the Offeror Concert Parties who are Shareholders holding Shares in the Company has provided its/his undertaking to be bound by the terms of the Scheme of Arrangement.

Purpose of the Scheme of Arrangement

19. The purpose of the Scheme of Arrangement is to privatise the Company so that the Company will become a wholly-owned subsidiary of the Offeror, Mr Zhu, MSNKS Investments, MSNKS Investments II, Mr Nowak, Outland Enterprise and Mr Fumagalli (all being the Offeror Concert Parties). This will be achieved by the steps summarised in paragraph 20 below.

Principal Features of the Scheme of Arrangement

20. The principal features of the Scheme of Arrangement are:
- a. the Capital Reduction, by the cancellation and extinguishment of the Scheme Shares held by the Scheme Shareholders pursuant to the Scheme of Arrangement, in consideration of which the Scheme Shareholders will receive HK\$4.38 in cash for each Scheme Share cancelled and extinguished (the “Cancellation Price”);
 - b. subject to and simultaneously with the Capital Reduction taking effect, the number of issued Shares in 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 new Shares as the number of Scheme Shares cancelled and extinguished at the Effective Date (as defined in the Scheme of Arrangement) (the “Restoration of Capital”); and
 - c. the credit arising in the books of account of the Company as a result of the Capital Reduction resulting from the cancellation and extinguishment of the Scheme Shares pursuant to the Scheme of Arrangement being applied in paying up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished at the Effective Date, which shall be allotted and issued to the Offeror as mentioned in paragraph 20 (b) above.
21. The Scheme of Arrangement is conditional upon the Capital Reduction becoming effective.

Reasons for the Scheme of Arrangement

For the Scheme Shareholders

22. The Offeror notes that the trading volume of the Shares has been at a relatively

low level over an extended period of time. The average daily trading volume of the Shares for the trading days during the past 12 months up to and including 22 June 2021 (the “Last Trading Day”) was approximately 580,000 Shares per day, representing only approximately 0.05% of the issued Shares as at the Last Trading Day. The relatively low trading liquidity of the Shares of the Company could make it difficult for Scheme Shareholders to sell their shareholdings in large volume on the market without causing negative impact on the share price of the Company. The Offeror is of the view that the Scheme of Arrangement provides a good opportunity for the Scheme Shareholders to realise their investment in the Shares without suffering any discount due to low trading liquidity.

23. The Offeror also considers that the Scheme of Arrangement will provide Scheme Shareholders with an opportunity to realise their investment in the Company at an attractive premium over the prevailing price of the Shares. The Cancellation Price of HK\$4.38 per share represents a premium over the average closing prices for the respective periods as set out in paragraph under “Comparison of value” in the announcement of the Company dated 25 June 2021.

For the Offeror and the Company

24. The Offeror is of the view that due to the relatively low liquidity in the trading of the Shares and the relative underperformance of the share price, the Company is unable to sufficiently utilise its current listing platform as a source of funding for its long term growth, and Company’s ability to raise funds in the equity capital markets for future development and growth is limited. As such, the Offeror believes that the administrative costs and management resources associated with maintaining the Company’s listing status are no longer justified.
25. The Offeror also considers that the Scheme of Arrangement, if successful, will provide the Offeror with more flexibility in supporting the long-term business development of the Company, without being concerned about the fluctuation of its short-term share performance, regulatory restrictions and compliance obligations

arising from its listing status, and would allow the Offeror to streamline the Company's governance structure.

26. After careful consideration, the Board of Directors of the Company (with Mr Zhu (being an Offeror Concert Party) abstaining from voting) concluded that the terms of the Scheme of Arrangement are fair and reasonable and on normal commercial terms and that the implementation of the Scheme of Arrangement is in the interests of the Company and the Scheme Shareholders. Accordingly, the Board of Directors of the Company (with Mr Zhu (being and Offeror Concert Party) abstaining from voting) approved the Scheme of Arrangement. The independent Directors of the Company has formed an independent board committee and would make recommendation to the Scheme Shareholders after having received and considered the opinion from the independent financial adviser.
27. Under the Takeovers Code, persons presumed to be acting in concert with the Offeror in connection with the implementation of the Scheme of Arrangement and who are also Shareholders shall not be counted (unless permitted by the Securities and Futures Commission of Hong Kong ("SFC")) for the purposes of satisfying the voting requirements of the Takeovers Code. The Shareholders who are parties acting in concert with the Offeror will not vote on the Scheme of Arrangement at the Court Meeting (as hereinafter defined) and all Scheme Shareholders (who are independent of the Offeror) will be entitled to vote at the Court Meeting.
28. The Company intends to make an application for directions herein for declarations and orders that, among other things:
 - a. the relevant class of shareholders of the Company affected by the Scheme of Arrangement is the Scheme Shareholders and only the Scheme Shareholders shall be entitled to vote (as single class) at the Court Meeting (as defined below);
 - b. the Company be at liberty to convene and hold a court meeting of the

- Scheme Shareholders (voting together as a single class) (the “Court Meeting”) for the purpose of considering and, if thought fit, approving (with or without modification(s)) the Scheme of Arrangement;
- 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.
29. The Company proposes to convene the Court Meeting in accordance with section 86 of the Companies Act to be held on or around 15 September 2021 or as soon as possible after the Composite Scheme Document has been approved or cleared by the Hong Kong Stock Exchange and the SFC at which the following resolution (with such amendment(s) as may be approved at the Court Meeting) will be considered (each of the capitalised terms referred to in the resolution below are defined in the Composite Scheme Document):
- “THAT a scheme of arrangement (the “Scheme of Arrangement”) dated 23 August 2021 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 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 as may be approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved.”*
30. The Shareholders who are persons acting in concert with the Offeror in connection with the implementation of the Scheme of Arrangement will not vote at the Court

Meeting.

31. Article 10.2 of the Articles of Association of the Company 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 Companies Law.”

32. The Company intends to convene an extraordinary general meeting of the Shareholders (voting together as a single class) to take place as soon as practicable after the conclusion or adjournment of the Court Meeting at which it is intended to submit, among others, a special resolution to confirm the Capital Reduction pursuant to the Scheme of Arrangement and an ordinary resolution to approve the Restoration of Capital. These resolutions are set out below.

SPECIAL RESOLUTION

- (1) THAT:
- a. pursuant to a scheme of arrangement dated 23 August 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 authorised 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.

ORDINARY RESOLUTION

(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 number of issued Shares in the share capital of the Company be restored to the number prior to the cancellation and extinguishment of the Scheme Shares by allotting and issuing to the Offeror (as defined in the Scheme of Arrangement), credited as fully paid at par, the same number of new ordinary shares of HK\$0.01 each in the share capital of the Company as is equal to 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 by the Company in paying up in full at par the new ordinary shares allotted and issued to the Offeror pursuant to resolution 2(a) above, and any one of the directors of the Company be and is hereby authorised to allot and issue the same accordingly; and
- c. any one of the directors of the Company be and is hereby authorised 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.

33. The Scheme of Arrangement and the Capital Reduction would not involve any diminution of liability in respect of any unpaid share capital or the payment to any member of the Company of any paid up capital or alteration of the underlying assets, business operations, management or financial position of the Company and would have no effect on the creditors of the Company. It is to be noted that the Capital Reduction and the Restoration of Capital will occur simultaneously. The Company will continue to be able to pay its debts as they fall due in the ordinary course of business. It is therefore proposed to dispense with preparing a list of creditors.
34. The form of Minute proposed to be registered in relation to the Capital Reduction pursuant to the Scheme of Arrangement is as follows:

“The issued shares of par value HK\$0.01 each (the “Shares”) in the share capital of Bestway Global Holding Inc. 榮威國際控股有限公司 was by virtue of a Special Resolution passed on 2021 and with the sanction of an Order of the Grand Court of the Cayman Islands dated 2021 reduced from HK\$ divided into Shares to HK\$ divided into Shares (the “Capital Reduction”). Simultaneously with the Capital Reduction, the issued Shares in the share capital of Bestway Global Holding Inc. 榮威國際控股有限公司 was restored to HK\$ by allotting and issuing to Great Success Enterprises Holdings Limited, credited as fully paid at par, Shares.

The authorised share capital of the Company, on the registration of this Minute, is HK\$100,000,000 divided into 10,000,000,000 ordinary shares of par value HK\$0.01 each.”

35. The completed Minute will be provided to the Grand Court before the sanction of

the Capital Reduction pursuant to the Scheme of Arrangement by the Grand Court.

36. Your petitioner, the Company therefore prays as follows:

- a. That the Scheme of Arrangement to be approved at the Court Meeting to be convened and held at the direction of this Honourable Court be sanctioned by this Honourable Court so as to be binding on the Company, the Scheme Shareholders and the Offeror.
- b. That the Capital Reduction may be confirmed and that the Minute mentioned in paragraph 34 may be approved by the Court.
- c. That the preparation of a list of creditors for the Scheme of Arrangement be dispensed with.
- d. That to this end, all necessary inquiries and directions may be made and given.
- e. Such further or other order or relief as this Honourable Court shall see fit.

And your Petitioner will ever pray etc.

Dated this 20th day of July 2021



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

NOTE: It is intended to serve this Petition on Bestway Global Holding Inc. 榮威國際控股有限公司 at its registered office located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

This Petition was filed by Conyers Dill & Pearman LLP, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is that of its said Attorneys-at-Law, SIX, Cricket Square, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands

Notice of Hearing

This Petition, having been presented to the Court on the _____ day of _____
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.