



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD OF 2021 (-J)

**IN THE MATTER OF SECTIONS 14 TO 16 AND SECTION 86 OF THE COMPANIES
ACT (2021 REVISION)**

AND

**IN THE MATTER OF GOLDEN THROAT HOLDINGS GROUP COMPANY LIMITED
金嚟子控股集團有限公司**

PETITION

TO: THE GRAND COURT OF THE CAYMAN ISLANDS

THE HUMBLE PETITION OF GOLDEN THROAT HOLDINGS GROUP COMPANY LIMITED 金嚟子控股集團有限公司, an exempted company incorporated with limited liability under the laws of the Cayman Islands with registration number 291361, whose registered office is located at Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands (the "Company") shows that:

INTRODUCTION

1. The objects of this Petition are to seek:
 - (a) the sanction of the Court pursuant to section 86 of the Companies Act (2021 Revision) (the "**Companies Act**") of a proposed scheme of arrangement (the "**Scheme**") to be entered into between the Company and the holders of the ordinary shares of the Company with a par value of US\$0.000025 each in the share capital of the Company at the relevant time (the "**Scheme Shares**"); and
 - (b) the confirmation of the Court, pursuant to section 16 of the Companies Act, of the intended resolution of the Company's shareholders to reduce the Company's share capital to give effect to the Scheme, which is intended to be passed by the Company's shareholders as a special resolution, as set out further at **paragraphs 20 to 23** below.

INCORPORATION, OBJECTS AND SHARE CAPITAL

2. On 2 September 2014, the Company was incorporated as an exempted company with limited liability pursuant to the Companies Act with registration number 291361.
3. The registered office of the Company is situated at Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's head office and the principal place of business in the People's Republic of China (the "**PRC**") is situated at No. 28, Yuejin Road Liuzhou, Guangxi Zhuang Autonomous Region in the PRC and the Company's principal place of business in Hong Kong is situated at 40th Floor, Dah Sing Financial Center, No. 248 Queen's Road East, Wan Chai, in Hong Kong.

4. Pursuant to the Company's memorandum of association adopted by way of written resolution dated 13 February 2015 (the "**Memorandum**"), the objects for which the Company was established are unrestricted. The principal activity of the Company and its subsidiaries (collectively, the "**Group**") is the manufacture and sale of lozenges, pharmaceuticals, healthcare food and other products.
5. The authorised share capital of the Company is US\$50,000 divided into 2,000,000,000 ordinary shares of a par value of US\$0.000025 each (each a "**Share**"). As at 12 August 2021 (the "**Announcement Date**"), the Company had 739,302,000 Shares in issue, all of which were fully paid as at the date of this Petition.
6. The Shares have been listed and traded on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") since 15 July 2015 (stock code: 06896).
7. At the request of the Company, trading of the Shares on the Hong Kong Stock Exchange was suspended with effect from 10:49 a.m. (Hong Kong time) on 5 August 2021. Following the publication of the joint announcement by the Company and Aureli Investments Ltd, an exempted company incorporated in the Cayman Islands with limited liability (the "**Offeror**") on the Announcement Date in relation to, among other things, the Scheme, trading of the Shares on the Hong Kong Stock Exchange was resumed with effect from 9:00 a.m. (Hong Kong time) on 13 August 2021.

SHAREHOLDER PROFILE

8. The profile of the Company's shareholders, as at the Announcement Date, can be summarised and categorised into the following two groups:
 - (a) certain parties acting in concert or presumed to be acting in concert with the Offeror pursuant to the definition of "*acting in concert*" under the

Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**") issued by the Securities and Futures Commission of Hong Kong (the "**SFC**") in relation to the Company (the "**Offeror Concert Parties**") holding or being beneficially interested in 550,032,700 Shares, comprising approximately 74.40% of the Company's issued Shares, being:

- (i) the "**Founder Group**", consisting of:
- (1) Mr Zeng Yong, the vice chairman of the board of directors of the Company (the "**Board**") and an executive Director and the general manager of the Group ("**Mr Zeng**"). Mr Zeng is the holder of 4,050,500 Shares, representing approximately 0.55% of the Company's issued Shares;
 - (2) Golden Throat International Holdings Limited, a BVI business company incorporated in the British Virgin Islands ("**Founder HoldCo**"). Founder HoldCo is the holder of 453,025,800 Shares, representing approximately 61.28% of the Company's issued Shares (Mr Zeng and Founder HoldCo together being the "**Founder Shareholders**");
 - (3) Jin Jiang Global Investment Company Limited, a BVI business company incorporated in the British Virgin Islands ("**Founder Trust Company**"), which owns all of the issued shares in the Founder HoldCo; and
 - (4) an irrevocable discretionary trust established by Mr Zeng as the settlor pursuant to a trust arrangement dated 25 February 2015 in respect of the shares in Founder Trust Company for the benefit of Mr Zeng and his children and descendants (the "**Founder Trust**"). The trustee of the

Founder Trust is Sovereign Trust International Limited, a professional corporate trustee licensed by the Gibraltar Financial Services Commission (the "**Founder Trustee**"). The Founder Trustee holds the issued shares in the Founder Trust Company as trustee of the Founder Trust.

Mr Zeng and Founder HoldCo legally and/or beneficially own, control or have direction over a total of 457,076,300 Shares, representing approximately 61.83% of the Company's issued Shares (the "**Founder Scheme Shares**"). Founder HoldCo holds 70.72% of the issued shares of Aureli Holdings Limited ("**HoldCo**"). Upon the Scheme taking effect, HoldCo will hold 87.43% of the issued shares of the Offeror¹;

- (ii) the "**Rollover Parties**", consisting of:
- (1) Mr Fang Zhenchun ("**Mr Fang**"), who controls entities which are key suppliers of the Group, and has been a shareholder since the initial public offering of the Company. Mr Fang is the holder of 34,019,000 Shares, representing approximately 4.60% of the Company's issued Shares;
 - (2) Jin Chen Global Investment Company Limited ("**Management HoldCo 1**") and Jin Qing Global Investment Company Limited ("**Management HoldCo 2**") (together, the "**Management HoldCos**"), which are BVI business companies incorporated in the British Virgin

¹ Silver Holdco Pte Ltd. ("**Affirma HoldCo**") currently holds 29.28% of the issued shares in HoldCo. Affirma HoldCo is wholly owned by Affirma Investment Vehicles (as defined in the Scheme), which in turn is wholly owned by Affirma Funds (as defined in the Scheme), ultimately owned by the Affirma Group. The Affirma Group (as defined in the Scheme) does not legally or beneficially own, control or have direction over any Shares.

Islands. Management HoldCo 1 is a holder of 41,837,400 Shares, representing approximately 5.66% of the Company's issued Shares. Management HoldCo 2 is a holder of 17,100,000 Shares, representing approximately 2.31% of the Company's issued Shares. Together, the Management HoldCos hold 58,937,400 Shares, representing approximately 7.97% of the Company's issued Shares; and

- (3) an irrevocable discretionary trust established by Mr Zeng (as the settlor) (the "**Senior Management Trust**"). The trustee of the Senior Management Trust is Jin Chen Employee Holdings Limited (the "**Employee Trustee**"), a private trust company incorporated in Gibraltar holding 100% of the issued share capital of the Management HoldCos. The beneficiaries of the Senior Management Trust include certain members of senior management employed or formerly employed by the Group and their dependents.

The Rollover Parties collectively legally and/or beneficially own, control or have direction over 92,956,400 Shares in aggregate, representing approximately 12.57% of the Company's issued Shares (the "**Rollover Scheme Shares**" and Mr Fang, the Management HoldCos, together being the "**Rollover Shareholders**". The Rollover Shareholders directly hold the Rollover Scheme Shares.); and

- (b) the "**Disinterested Shareholders**", consisting of the holders of the remaining 189,269,300 Shares, representing approximately 25.60% of the Company's issued Shares (the "**Disinterested Scheme Shares**").

9. The Scheme Shares comprise the Founder Scheme Shares, the Rollover Scheme Shares and the Disinterested Scheme Shares which represent 100% of the Company's issued Shares as at the date of this Petition.
10. Pursuant to the Takeovers Code, where certain persons are acting in concert or deemed to be acting in concert with the Offeror, such holders of Scheme Shares are prohibited from voting on the Scheme for the purposes of satisfying the voting requirements of the Takeovers Code. As such, the Founder Shareholders and the Rollover Shareholders will not be entitled to vote on the Scheme at the Court Meeting (as defined below at **paragraph 18(b)**).
11. Each of the Offeror, the Founder Shareholders and the Rollover Shareholders will provide an irrevocable deed of undertaking to the Company and to the Court consenting to and agreeing to be bound by the terms of the Scheme and to do or procure to be done all acts and things necessary or desirable to be done for the purpose of giving effect to the Scheme (in lieu of voting at the Court Meeting), in each case if the Scheme is sanctioned.
12. For the avoidance of doubt, only Disinterested Shareholders at the Meeting Record Date (as defined below at **paragraph 18(d)**) will be entitled to vote at the Court Meeting to approve the Scheme.
13. The number of Shares in issue and the ownership of the same may fluctuate between the date of this Petition and the date of the sanction of the Scheme (if so sanctioned) as a result of the normal trading of the Shares in the ordinary course.

OBJECT AND MECHANICS OF THE SCHEME

14. The object of the Scheme is for the Offeror to hold (in aggregate) the entire issued share capital of the Company upon the completion of the Scheme and for the listing of the Shares to be withdrawn from the Hong Kong Stock Exchange.

15. This is intended to be achieved by:
- (a) the Company reducing its share capital by the cancellation and extinguishment of the Scheme Shares (the "**Capital Reduction**") in consideration for which the holders of the Scheme Shares (the "**Scheme Shareholders**") will receive the applicable Scheme Consideration (defined below);
 - (b) the Scheme Consideration shall be paid (or cause to be paid) by the Offeror, to the Scheme Shareholders, as follows:
 - (i) the Disinterested Shareholders (in exchange for the cancellation and extinguishment of the Disinterested Scheme Shares) will receive consideration in the amount of HK\$2.80 per Scheme Share so cancelled and extinguished (the "**Cancellation Price**"), which shall be paid in cash on a pro rata basis;
 - (ii) the Founder Shareholders (in exchange for the cancellation and extinguishment of the Founder Scheme Shares) will receive consideration in the form of the crediting of the unpaid HoldCo Shares (as defined in the Scheme) held by Founder HoldCo as being fully paid in the amount equivalent to the aggregate amount of the Cancellation Price with respect to all the Founder Scheme Shares (the "**Founder Cancellation Consideration**"); and
 - (iii) the Rollover Shareholders (in exchange for the cancellation and extinguishment of the Rollover Scheme Shares) will be issued and allotted 92,956,400 new shares in the Offeror (in aggregate) credited as fully paid in the amount equivalent to the aggregate amount of the Cancellation Price with respect to all the Rollover Scheme Shares (the "**Rollover Cancellation Consideration**");

- (c) subject to and immediately upon the Capital Reduction taking effect, the issued share capital of the Company being increased to its former amount by the issue and allotment of the same number of new ordinary shares in the Company, credited as fully paid at par, to the Offeror as the number of Scheme Shares cancelled and extinguished (the "**New Shares**");
- (d) the Company applying the credit arising in its books of account as a result of the Capital Reduction in paying up in full at par the New Shares; and
- (e) the listing of the Shares on the Hong Kong Stock Exchange will be withdrawn with effect as soon as practicable following the date on which the Scheme becomes effective in accordance with the Companies Act (the "**Effective Date**").

AFFECTED SHAREHOLDERS

16. In circumstances where different shareholders are being treated differently under the terms of the Scheme in that there is different Scheme Consideration being offered to: (i) the Disinterested Shareholders (that is, the Cancellation Price in cash in exchange for the cancellation and extinguishment of the Disinterested Scheme Shares); and (ii) the Founder Shareholders together with the Rollover Shareholders (that is, the Cancellation Price by way of receiving fully paid up shares in the Offeror structure in exchange for the cancellation and extinguishment of the Founder Scheme Shares and the Rollover Scheme Shares namely, the Founder Cancellation Consideration or the Rollover Cancellation Consideration (as applicable)), the Scheme affects two classes of holders of Scheme Shares of the Company, being:
- (a) the Disinterested Shareholders (being the registered holders of the Scheme Shares (other than the Founder Shareholders and the Rollover Shareholders)); and

- (b) the Founder Shareholders and the Rollover Shareholders.
17. Each of the Founder Shareholders and the Rollover Shareholders will provide an irrevocable deed of undertaking to the Company and to the Court consenting to and agreeing to be bound by the terms of the Scheme in lieu of voting at the Court Meeting (as defined below at **paragraph 18(b)**). As such, only the Disinterested Shareholders will be entitled to attend and vote at the Court Meeting to approve the Scheme.

COURT MEETING

18. In relation to the Scheme, the Company intends to make an application seeking certain orders, directions and/or declarations, including (amongst other things) the following:
- (a) that the relevant classes of shareholders of the Company affected by the Scheme are referred to at **paragraph 16** above;
- (b) that the Company be at liberty to convene a single meeting, which shall include any adjourned meeting thereof, of the Disinterested Shareholders whose names appear on the register of members of the Company as at the Meeting Record Date (as defined below at **sub-paragraph (d)**) for the purpose of considering, and if thought fit, approving (with or without modification) the Scheme under section 86 of the Companies Act (the "**Court Meeting**");
- (c) the requirement for a formal class meeting of the Founder Shareholders and the Rollover Shareholders for the purpose of considering, and if thought fit, approving (with or without modification) the Scheme under section 86 of the Companies Act, be waived on the grounds that evidence is filed with the Court that shows that each of the Founder Shareholders and the Rollover Shareholders have undertaken to be bound by the terms

of the Scheme (if sanctioned) in accordance with paragraph 3.9 of Practice Direction No.2 of 2010;

- (d) as to the method of convening and holding the Court Meeting and for the mode of delivery of the composite scheme document (which includes, *inter alia*, a detailed explanation of the proposed Scheme and the notice of the Court Meeting) together with the form of proxy in respect of the Court Meeting to the holders of the Scheme Shares and that a voting record date be set for the purposes of voting at the Court Meeting (the "**Meeting Record Date**");
- (e) as to the appointment of a chairperson of the Court Meeting, and for directions that the chairperson of the Court Meeting should report the results thereof to the Court; and
- (f) as to the treatment of the Scheme Shares held by custodians, clearing houses, and other nominees for the purpose of the "majority in number" calculation.

19. The resolution intended to be submitted at the Court Meeting is:

"THAT the Scheme of Arrangement, a print of which has been submitted to this Court Meeting and, for the purpose of identification, signed by the Chairperson of this Court Meeting in its original form with such modifications, additions or conditions as may be approved or imposed by the Cayman Islands Grand Court and as may be agreed by the Company, be and is hereby approved".

CAPITAL REDUCTION

20. Article 6 of the Company's articles of association adopted by way of written resolution dated 24 June 2015 provides that the Company may, by special resolution, subject to any confirmation or consent required by the Companies

Act, reduce its share capital or any capital redemption reserve or other distributable reserve in any manner permitted by law.

21. The Company intends to convene an extraordinary general meeting ("**EGM**") to take place immediately after the Court Meeting. The special resolution relating to the Capital Reduction and the ordinary resolution relating to the immediate increase in share capital thereafter intended to be submitted to the EGM are as follows:

"THAT AS A SPECIAL RESOLUTION:

- A. *the Scheme of Arrangement (the "**Scheme**") between the Company and the Scheme Shareholders (as defined in the Scheme) in the form of the print thereof, which has been produced to this meeting and for the purposes of identification signed by the chairperson 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 be and hereby is approved;*
- B. *for the purpose of giving effect to the Scheme, on the Effective Date (as defined in the Scheme), the issued share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares".*

"THAT AS AN ORDINARY RESOLUTION:

- A. *subject to and forthwith upon such reduction of capital referred to in resolution 1(B) taking effect, the share capital of the Company will be increased to its former amount by the issuance at par to Aureli Investments Ltd, credited as fully paid, of the aggregate number of Shares (as defined in the Scheme) as is equal to the number of Scheme Shares cancelled and extinguished;*
- B. *the reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so*

issued, credited as fully paid, to Aureli Investments Ltd, and the directors of the Company be and are hereby authorised to allot and issue the same accordingly;

- C. *any one of the directors of the Company be and is hereby authorised to do all such acts and things considered by him / her to be necessary or desirable in connection with the implementation of the Scheme, including (without limitation) the giving of consent to any modification of or addition to, the Scheme or the reduction of capital, which the Grand Court of the Cayman Islands may see fit to impose; and*
- D. *any one of the directors of the Company be and is hereby authorised to apply to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the shares of the Company."*

22. The reduction of the Company's share capital intended to be effected by the said special resolution would neither involve the diminution of liability in respect of any unpaid share capital nor the payment to any shareholder of any paid up capital. Such a capital reduction is for a discernible purpose and its terms and effect will be properly explained to the Company's shareholders at a sufficient time prior to the EGM so as to ensure those shareholders are treated equitably.
23. The form of minute proposed to be registered with the Cayman Islands Registrar of Companies is as follows (subject to the completion of the blanks noted below):

*"The issued share capital of Golden Throat Holdings Group Company Limited, was by virtue of a special resolution of the Company dated [x] 2021 (the "**Special Resolution**") and with the confirmation of an Order of the Grand Court of the Cayman Islands dated [x] 2021 (the "**Order**") reduced from US\$18,482.55 divided into 739,302,000 shares of US\$0.000025 each to US\$0 divided into 0 shares of US\$0.000025 each. An ordinary resolution of the Company dated [x] 2021 (the "**Ordinary**)*

***Resolution**) further provides that subject to and forthwith upon such reduction of capital taking effect, the issued share capital of the Company be increased to its former amount of US\$18,482.55 by the issue of 739,302,000 shares of US\$0.000025 each. By virtue of a Scheme of Arrangement sanctioned by an Order of the Grand Court of the Cayman Islands dated [x] 2021, the Order, the Special Resolution and the Ordinary Resolution, the issued share capital of the Company at the time of the registration of this minute is accordingly US\$18,482.55 divided into 739,302,000 shares of US\$0.000025 each".*

YOUR PETITIONER, THE COMPANY, THEREFORE HUMBLY PRAYS THAT:

1. The Scheme be sanctioned by the Court so as to be binding on the Company and the holders of the Scheme Shares.
2. The Capital Reduction proposed to be effected by the special resolution set out at **paragraph 21** above be confirmed and that the form of minute set out at **paragraph 23** be approved by the Court (subject to the completion of the blanks noted therein).
3. All necessary inquiries may be made and directions may be made and given.
4. Such further or other relief be granted as the Court shall see fit.

AND your Petitioner will ever pray etc.

DATED the 4th day of October 2021.

Walkers

WALKERS

Attorneys at Law for the Petitioner

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

This **PETITION** was presented by Walkers, Attorneys at Law, 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, for the Petitioner whose address for service is care of its said Attorneys at Law.

ENDORSEMENT

This Petition has been presented to the Grand Court of the Cayman Islands on the 4th day of October 2021 and will be heard by the Grand Court of the Cayman Islands on the 9th day of December 2021 at 10 am / ~~pm~~ (or as soon thereafter as the Petition can be heard).

Any correspondence or communication with the Court relating to the hearing of this Petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106, Telephone 345 949 4296.