

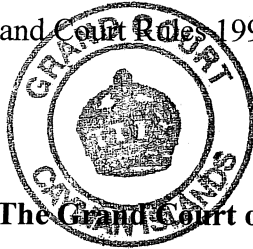
IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 151 OF 2001

In the matter of **Hansom Eastern (Holdings) Limited** (formerly known as **Tung Fong Hung Holdings Limited**)

And in the matter of the Companies Law (2000 Revision)

And Grand Court Rules 1995 Order 102



PETITION

TO: ~~The Grand Court~~ of the Cayman Islands



**THE PETITION** of Hansom Eastern (Holdings) Limited (formerly known as Tung Fong Hung Holdings Limited) shows as follows:

1. Your Petitioner **Hansom Eastern (Holdings) Limited** (formerly known as **Tung Fong Hung Holdings Limited**), ("the Company") was incorporated and registered in the Cayman Islands with registration number 439786 on 14 August, 1992 under the Companies Law as an exempted company.
2. The registered office of the Company is situate at the offices of Maples and Calder, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies.
3. The objects for which the Company was formed are unrestricted and the Company has full power and authority to carry out any object not prohibited by any law as provided in section 7(4) of the Companies Law.
4. The original capital of the Company was HK\$200,000,000.00 divided into 2,000,000,000 shares of HK\$0.10 each.

5. By an ordinary resolution passed on 20 October, 1992, the authorised share capital of the Company was increased from HK\$200,000,000.00 to HK\$600,000,000.00 by the creation of an additional 4,000,000,000 shares of HK\$0.10 each.
6. By an ordinary resolution passed on 10 November, 1997, the authorised share capital of the Company was increased from HK\$600,000,000.00 to HK\$2,000,000,000.00 by the creation of an additional 14,000,000,000 shares of HK\$0.10 each.
7. By a special resolution passed on 23 September, 1998 and sanctioned by the Grand Court of the Cayman Islands by Order dated 29 October, 1998, the authorised share capital was reduced from HK\$2,000,000,000.00 to HK\$1,541,783,341.57.
8. By an ordinary resolution passed on 27 February, 2001, the authorised share capital was increased to its existing amount of HK\$2,000,000,000.00 by the creation of an additional 4,582,166,584.3 shares of HK\$0.10 each of which 865,590,015 shares have been issued fully paid or credited as fully paid.
9. The Amended and Restated Articles of Association of the Company provide, *inter alia*, as follows:

Article 59(a) "The Company may from time to time by ordinary resolution:

- (iii) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Law, and so that the resolution whereby any share is sub-divided may 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 or other special

rights over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.”

Article 59(b) “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.”

10. By a special resolution of the Company duly passed in accordance with section 14(1) of the Companies Law at an Extraordinary General Meeting thereof held on 27 February, 2001, it was resolved:

“THAT, conditional upon (i) approval by the Grand Court of Cayman Islands (the “Court”) and (ii) compliance with any conditions imposed by the Court and with effect from the date on which those conditions are fulfilled:-

- (A) the issued share capital of the Company be reduced from an amount between HK\$86,559,001.50 and HK\$99,142,001.50 by an amount not greater than HK\$89,227,801.35 but not less than HK\$77,903,101.35 depending on the number of shares of HK\$0.10 each in the Company (the “Shares”) in issue on the date of this resolution to an amount between HK\$8,655,900.15 and HK\$9,914,200.15 by cancelling paid up capital to the extent of HK\$0.09 on each of the Shares in issue of the date of this resolution (the “Capital Reduction”) so that each issued share of HK\$0.10 in the capital of the Company shall be treated as one fully paid up share of HK\$0.01 in the capital of the Company (“Adjusted Share”) 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;

- (B) all of the Adjusted Shares resulting from the Capital Reduction shall rank pari passu in all respects and have the rights and privileges and be subject to the restrictions contained in the Company's articles of association;
- (C) the Company shall apply the credit which shall arise as a result of the Capital Reduction to a distributable reserve of the Company and the directors of the Company be and are hereby authorised to apply such distributable reserve in accordance with the Company's articles of association;
- (D) every share of HK\$0.10 in the unissued share capital of the Company be and is hereby sub-divided into shares of HK\$0.01 each; and
- (E) the directors of the Company be and are hereby authorised generally to do all things they may consider appropriate and desirable to effect and implement any of the foregoing.

As a result of the foregoing, the share capital on the date this resolution comes into effect will be divided into 200,000,000,000 shares of a par value of HK\$0.01 each of which between 865,590,015 shares and 991,420,015 shares of a par value of HK\$0.01 each will be in issue and fully paid and between 199,008,579,985 shares and 199,134,409,985 shares of a par value of HK\$0.01 each will be unissued."

11. The proposed reduction of capital (the "Reduction in Capital") does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital. Furthermore, the Reduction in Capital will not alter the underlying assets, business operations or financial position of the Company nor will it affect the proportionate interests of the Shareholders.
12. The form of Minute proposed to be registered is as follows:

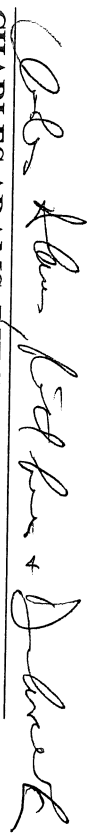
each to HK\$8,655,900.15 divided into 865,590,015 Shares of HK\$0.01 each. At the date of the registration of this Minute all such shares have been issued and are deemed to be fully paid up. A Special Resolution of the Company has been passed to take effect upon the reduction of capital taking effect on each issued share and subdividing the authorized but unissued Shares of HK\$0.10 each into 10 Shares of HK\$0.01 each.

The authorized share capital of the Company is accordingly, on the registration of this Minute HK\$2,000,000,000.00 divided into 200,000,000,000 Shares of HK\$0.01 each of which 865,590,015 Shares will be in issue fully paid or credited as fully paid and 199,134,409,985 Shares are unissued.”

13. Your Petitioner, the Company, therefore prays as follows:

- (1) That the reduction of the capital of the Company proposed to be effected by the Special Resolution set forth in paragraph 10 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 inquiries and directions may be made and given.
- (3) Such further and other order as this Honourable Court shall think fit.

DATED THIS <sup>16</sup> DAY OF MARCH, 2001.



**CHARLES ADAMS, RITCHIE & DUCKWORTH**  
Attorneys-at-Law for the Petitioner herein

This Petition was filed by Charles Adams, Ritchie & Duckworth, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is that of its Attorneys, P.O. Box 709G, Zephyr House, Mary Street, George Town, Grand Cayman, Cayman Islands.