

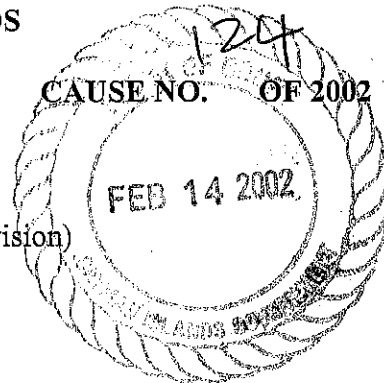
IN THE GRAND COURT OF THE CAYMAN ISLANDS



In the matter of **hkcyber.com (Holdings) Limited**

And in the matter of the Companies Law (2001 Second Revision)

And Grand Court Rules 1995 Order 102



PETITION

TO: The Grand Court of the Cayman Islands

THE PETITION of hkcyber.com (Holdings) Limited shows as follows:

1. Your Petitioner **hkcyber.com (Holdings) Limited** (the "Company") was incorporated under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) (the "Companies Law") on the 14th day of April 2000 with the name **hkcyber.com (Holdings) Limited** and registered in the Cayman Islands as an exempted company with registration number CR-99412.
2. The registered office of the Company is situated at the Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681GT, 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 authorised share capital of the Company was HK\$100,000.00 divided into 1,000,000 ordinary shares of HK\$0.10 each.

5. Pursuant to an ordinary resolution passed on 12th July, 2000, by means of a sub-division of share capital, the par value of the ordinary shares of the Company was reduced from HK\$0.10 each to HK\$0.05 each, and the one issued ordinary share of HK\$0.10 in the capital of the Company was subdivided into two shares.
6. By an ordinary resolution passed on 17th July, 2000, the authorized share capital of the Company was increased from HK\$100,000 to HK\$1,875,000,100 by the creation of an additional 37,498,000,000 ordinary shares of HK\$0.05 each and the creation of 2,000 Preference Shares.
7. The Articles of Association of the Company provide, *inter alia*, as follows:

Article 4 *"The Company may from time to time by ordinary resolution in accordance with the Law after the conditions of its Memorandum of Association to:*

- (a) *increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;*
- (c) *divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting*

rights, must include the words "restricted voting" or "limited voting";

- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association (subject, nevertheless, to the Law), and may by such resolution 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, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attached to unissued or new shares;"*

Article 6 *"The Company may from time to time by special resolution, subject to any confirmation or consent required by the Law, reduce its share capital or any share premium account or any capital redemption reserve or other undistributable reserve in any manner permitted by law."*

8. By a special resolution of the Company duly passed in accordance with section 14(1) of the Companies Law at an extraordinary general meeting held on 21st January, 2002, (the "Extraordinary General Meeting"), it was resolved, inter alia:
9. "THAT, subject to and conditional upon:
- (i) confirmation of the Capital Reduction (as defined by the notice convening this meeting), a copy of which is produced to the Meeting marked "A" and initialed by the Chairman of the Meeting for the purpose of identification) by the Grand Court of the Cayman Islands ("Court"), the filing with the Registrar of Companies in the Cayman Islands of a copy of the order of the Court and a copy of the minute approved by the Court, both

confirming the Capital Reduction and the compliance with any conditions as may be imposed by the Court in relation to the Capital Reduction; and

(ii) the GEM Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of, and permission to deal in, the New Shares (as defined below) arising upon the Capital Reorganisation (as defined in a circular dated 28th December, 2001 dispatched to the shareholders of the Company) becoming unconditional and effective:

(a) the nominal value of each of the issued existing shares of HK\$0.05 each in the existing share capital of the Company ("Existing Shares") before the Capital Reorganisation be reduced from HK\$0.05 to HK\$0.0005 ("Capital Reduction") by the cancellation of HK\$0.0495 on the paid up capital of each Existing Share;

(b) a credit in the sum of HK\$82,313,339 arising from the Capital Reduction be applied towards the elimination of accumulated losses standing in the accumulated profit and loss account of the Company as at 30th September, 2001, subject to the approval from the Court ("Accumulated Losses");

(c) the directors of the Company be and are hereby authorized to apply the required amount standing in the credit of the share premium account of the Company to eliminate the balance of the Accumulated Losses ("Reduction of Share Premium Account");

(d) every 20 shares of HK\$0.0005 each ("Adjusted Shares") in issue upon the completion of the Capital Reduction be consolidated into 1 share of HK\$0.01 each in the capital of the Company ("New Share") and any fractional entitlements to issued Adjusted Shares arising as a result of the foregoing be aggregated and the Adjusted

Shares resulting from such aggregation and issue shall be sold (in the form of New Shares) for the benefit of the Company in such manner and on such terms as the directors of the Company (or a duly constituted committee thereof) may think fit and the directors of the Company be and are hereby authorized to repurchase any fractional New Shares remaining thereafter ("Share Consolidation");

- (e) immediately upon completion of the Capital Reduction, the authorized share capital be diminished by the cancellation of all of the unissued Existing Shares and thereafter the authorized share capital of the Company be increased by such number of New Shares such that the authorized share capital shall be HK\$20,000,000 consisting of 2,000,000,000 New Shares (the "Alteration in Authorized Share Capital");
- (f) upon the Capital Reorganization and the Alteration in Authorised Share Capital becoming effective, the authorized share capital of the Company be divided into 2,000,000,000 New Shares of HK\$0.01 each, of which between 83,144,786 New Shares be in issue as fully paid or credited as fully paid, each issued New Share ranking pari passu with each other and having the rights and privileges and being subject to the restrictions contained in the Company's articles of association; and
- (g) the directors of the Company be and are hereby authorized generally to do all acts, things, approve, sign, execute any other documents which in their opinion may be necessary, desirable or expedient to carry into effect or to give effect to the Reduction of Share Premium Account, the Capital Reorganisation and the Alteration of Authorised Share Capital."

reduction of capital taking effect on each issued share reducing the nominal value.

The authorised share capital of the Company is on the registration of this Minute HK\$1,875,000,100."

Your Petitioner, the Company, therefore prays as follows:

- (1) That the Capital Reduction of the Company proposed to be effected by the special resolution set forth in paragraph 9 of this Petition may be confirmed and that the above-mentioned Minutes 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.

NOTE: It is intended to serve this Petition on hkeyber.com (Holdings) Limited, at its registered office at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681GT, George Town, Grand Cayman, Cayman Islands, British West Indies.

DATED THIS *14th* DAY OF FEBRUARY 2002.

Charles Adams, Ritchie & Duckworth

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 Applicant herein whose address for service is that of its Attorneys, P.O. Box 709GT, Zephyr House, Mary Street, George Town, Grand Cayman, Cayman Islands.