

IN THE GRAND COURT OF THE CAYMAN ISLANDS

379  
CAUSE NO. OF 2002

In the matter of **CCT Telecom 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 **CCT Telecom Holdings Limited** shows as follows:

1. Your Petitioner **CCT Telecom Holdings Limited** (the "Company") was incorporated under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) (the "Companies Law") on 21 day of June, 1990 with the name **Double Kingdom Holdings Limited** and registered in the Cayman Islands as an exempt company. Its registration number is CR-36462.
2. By special resolutions duly passed on 12 May, 1994 and on 6 December, 1996 respectively the Company changed its name to China Treasure Telecom Holdings Limited and to its present name, CCT Telecom Holdings Limited.
3. The registered office of the Company is situated at the office of The Harbour Trust Co. Ltd., P.O. Box 1787GT, One Capital Place, Grand Cayman, Cayman Islands, British West Indies.
4. 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.

5. The original authorised share capital of the Company was US\$900,000.00 divided into 900,000 ordinary shares of US\$1.00 each.
6. By an ordinary resolution passed on 21 October, 1991, each share of a par value of US\$1.00 in the authorised and issued share capital of the Company was converted into one share of HK\$7.80 and thereafter subdivided into 78 shares of HK\$0.10 each. Pursuant to a separate ordinary resolution passed on the same day, the authorised share capital of the Company was increased to HK\$45,000,000 by the creation of an additional 379,800,000 new ordinary shares of HK\$0.10 each.
7. By an ordinary resolution passed on 23 December, 1993, the authorised share capital of the Company was increased to HK\$200,000,000 by the creation of an additional 1,550,000,000 new ordinary shares of HK\$0.10 each.
8. By an ordinary resolution passed on 27 June, 1997, the authorised share capital of the Company was increased to HK\$300,000,000 by the creation of an additional 1,000,000,000 new ordinary shares of HK\$0.10 each.
9. By an ordinary resolution passed on 26 September, 1997, the authorised share capital of the Company was increased to HK\$600,000,000 by the creation of an additional 3,000,000,000 new ordinary shares of HK\$0.10 each.
10. By an ordinary resolution passed on 29 June, 1998, the authorised share capital of the Company was increased to HK\$1,000,000,000 by the creation of an additional 4,000,000,000 new ordinary shares of HK\$0.10 each.
11. By a further ordinary resolution passed on 29 June, 1998, every five shares of HK\$0.10 each in the issued and unissued share capital of the Company prior to 13 July, 1998 were consolidated into one share of HK\$0.50 each with effect from 13 July, 1998.

12. By an ordinary resolution passed on 22 June, 2000, the authorised share capital of the Company was increased to HK\$2,000,000,000 by the creation of an additional 2,000,000,000 new ordinary shares of HK\$0.50 each.
13. By an ordinary resolution passed on 29 November, 2001, every ten issued and unissued shares of HK\$0.50 each in the share capital of the Company were consolidated into one ordinary share of HK\$5.00 each.
14. By a further ordinary resolution passed on 29 November, 2001, the authorised share capital of the Company was increased to HK\$4,000,000,000 by the creation of an additional 400,000,000 new ordinary shares of HK\$5.00 each.
15. The Articles of Association of the Company provide, *inter alia*, as follows:

Article 55      *“The Company may by special resolution reduce its capital, any capital redemption reserve fund or any share premium account in any manner prescribed by the Law.”*

16. 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 8 April, 2002 (the “Extraordinary General Meeting”), it was resolved, *inter alia*:

*“THAT, subject to and conditional upon:*

- (i) *confirmation of the Capital Reduction (as defined in a circular (the “Circular”) dated 7 March, 2002 despatched to the Shareholders of the Company of which the notice convening this meeting forms part, a copy of which is produced to the meeting marked “A” and initialled 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 (as defined below) and the compliance with any conditions as may be imposed by the Court in relation to the Capital Reduction; and*

*(ii) the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of, and permission to deal in, the new ordinary shares of HK\$0.10 each ("New Shares") in the share capital of the Company arising upon the Capital Reduction becoming unconditional and effective, then in issue:*

*(a) the share capital of the Company be reduced (the "Capital Reduction") by cancelling the issued and paid-up capital to the extent of HK\$4.90 on each existing share of HK\$5.00 each of the Company ("Shares") in issue as at the effective date of the Capital Reduction (the "Effective Date") and by reducing the nominal value of all of the issued Shares as at the Effective Date from HK\$5.00 to HK\$0.10 each;*

*(b) that the Directors be and are hereby authorised to apply such amount from the credit arising from the Capital Reduction towards the elimination of an amount of not more than HK\$934,298,000 from the accumulated losses of the Company as at 31 December, 2001 and the remainder to a distributable reserve of the Company to be applied in such manner as the Directors consider appropriate; and*

(c) *the Directors be and are hereby authorised generally to do all acts and things, and to approve, sign and execute any other documents which in their opinion may be necessary, desirable or expedient to carry into effect or to give effect to the Capital Reduction.*”

17. By a further ordinary resolution duly passed at the Extraordinary General Meeting, it was resolved :

*“THAT conditional upon the Capital Reduction as referred to in paragraph 16(ii)(a) becoming unconditional and effective, the authorised share capital of the Company be diminished by the cancellation of all the unissued Shares of HK\$5.00 each and immediately thereafter increased by the creation of such number of new shares of HK\$0.10 each such that the authorised share capital of the Company shall be HK\$200,000,000 consisting of 2,000,000,000 New Shares of HK\$0.10 each ranking pari passu in all respects with all the New Shares in issue.”*

18. The proposed Capital Reduction does not involve either the diminution of any liability in respect of unpaid capital or payment to any shareholder of any paid-up capital. Furthermore, apart from the expenses incurred in relation thereto, the proposed Capital Reduction will not alter the underlying assets, business operations, management or financial position of the Company nor will it affect the proportionate interests of the shareholders of the Company.

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

*“The issued capital of CCT Telecom Holdings Limited was by virtue of a Special Resolution and with the sanction of an Order of the Grand Court of the Cayman Islands dated \_\_\_\_\_, reduced from HK\$2,110,526,150.00 divided into 422,105,230 shares of HK\$5.00 each to HK\$42,210,523.00 divided into 422,105,230 shares of HK\$0.10 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*

*further Special Resolution of the Company has been passed to take effect that on such reduction taking effect the unissued existing shares of the Company of HK\$5.00 each be cancelled and the authorised share capital be increased to HK\$200,000,000.00 divided into 2,000,000,000 shares of HK\$0.10 each..*

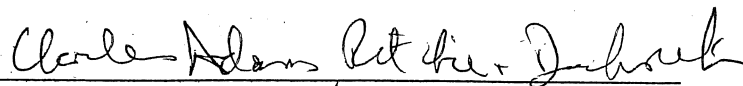
*The authorised share capital of the Company is on the registration of this Minute HK\$200,000,000.00."*

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 16 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.

NOTE: It is intended to serve this Petition on CCT Telecom Holdings Limited, at its registered office situated at the office of The Harbour Trust Co. Ltd., P.O. Box 1787GT, One Capital Place, Grand Cayman, Cayman Islands, British West Indies.

DATED this 27<sup>th</sup> day of May, 2002.

  
**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.

