

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: 736 OF 2003

IN THE MATTER OF THE COMPANIES LAW (2003 REVISION)

AND

IN THE MATTER OF THE GRAND COURT RULES (ORDER 102)

AND

IN THE MATTER OF SUNTOP INVESTMENTS LIMITED



PETITION

To The Grand Court

THE HUMBLE PETITION of the above named Suntop Investments Limited shows as follows:

1. Your Petitioner, the above-named company ("the Company"), is a private exempted company limited by shares and incorporated in the Cayman Islands under the Companies Law (Revised) ("the Companies Law"). The Company was incorporated on 18 July 1997 and registered under number CR - 75137.
2. The registered office of the Company is situate at Corporate Filing Services Ltd, 4th Floor Harbour Centre, P.O. Box 613GT, Grand Cayman, Cayman Islands.

3. The objects for which the Company is established are unrestricted and include, without limitation, to carry on the business of an investment company and for that purpose to hold, inter alia, securities.
4. The Company was incorporated with an original share capital of one million five hundred thousand U.S. dollars (US\$1,500,000.00) divided into 1,500,000 ordinary shares of US\$1.00 each. By special resolutions dated 12 August 1999, 27 March 2000 and 16 October 2002, the authorised share capital of the Company was increased to thirty million U.S. dollars (US\$30,000,000.00) divided into 30,000,000 ordinary shares of US\$1.00 each.
5. Of the authorised share capital, 22,200,000 shares are issued and fully paid up or credited as fully paid up, in the name of Yosun Industrial Corp (“Yosun”), the Company’s sole shareholder.
6. The Articles of Association of the Company (“the Articles”) provide, inter alia, that the regulations contained in Table A to the First Schedule to the Companies Law shall not apply. Rather, the Articles appear in a bespoke form. They incorporate a provision, at Article 33 (c), to the following effect:

“Subject to the provisions of the Statute [Companies Law] the Company may by special resolution reduce its share capital, any capital redemption reserve fund, or any share premium account.”

7. The assets of the Company are represented solely by the holding of the entire issued share capital of Yosun Singapore PTE Ltd., a company incorporated in Singapore, Yosun Hong Kong Corp Ltd., a company incorporated in Hong Kong, and Aimtop Holding PTE Ltd., (“Aimtop”) a company incorporated in Singapore. Aimtop was liquidated and finally dissolved prior to December 31, 2002. The Company carried on no business other than as a holding company of the two remaining subsidiaries, from 1 January 2003.

8. By a Special Resolution, passed by way of a unanimous written resolution of the Company’s sole shareholder, Yosun, dated 23 October 2003 and passed in accordance with Article 42 of the Articles and section 14 of the Companies Law, it was resolved as follows:

“RESOLVED as a Special Resolution that the issued share capital of the Company be reduced from US\$22,200,000.00 divided into 22,200,000 shares of US\$1 each to US\$17,700,000.00 divided into 17,700,000 shares of US\$1 and that such reduction be effected by cancelling 4,500,000 shares of US\$1 each in the Company”.

9. For the year ended 31 December 2001, the Company's balance sheet recorded a loss of US\$5,282,451, and for the year ended 31 December 2002, the Company recorded a further loss of US\$1,778,435. After offsetting retained earnings of US\$3,168,228 from 2000, there remained a deficit on the Company's balance sheet of approximately US\$5,000,000 as shown in the audited accounts for 2003. The principal purpose of the proposed reduction in share capital is to eliminate the majority of that deficit. This will reduce the Company's liability for tax by treating the deficit as a realised loss.
10. The proposed reduction of issued share capital described at paragraph 8 of this Petition does not involve either the diminution of any liability in respect of unpaid capital, nor the payment to any shareholder of any paid-up capital.
11. The form of minute proposed to be registered is as follows:
- "The issued share capital of Suntop Investments Limited was by virtue of a Special Resolution and with the sanction of an Order of the Grand Court of the Cayman Islands dated [2003] reduced from US\$22,200,000 divided into 22,200,000 ordinary shares of US\$1 each to US\$17,700,000 divided into 17,700,000 ordinary shares of US\$1 each. At the date of the registration of this Minute, all of the said issued shares are deemed to be fully paid up."*

Your Petitioner, the Company, therefore humbly 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 8 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 directions and enquiries may be made and given; or
- (3) that such other Order may be made in the premises as the Court shall consider appropriate.

AND your Petitioner will ever pray.

Hunter & Hunter
Hunter & Hunter

Note: It is not intended to serve this Petition on any person.

This Petition having been presented to the Court on November 2003 will be heard by the Grand Court of the Cayman Islands on

Date: 29th December 2003

Time: 10:10 a.m. (or as soon thereafter as the Petitioner can be heard)

THIS PETITION was filed by Hunter & Hunter, Attorneys-at-Law for the Petitioner, whose address for service is 75 Fort Street, PO Box 190 GT, George Town, Grand Cayman, Cayman Islands (Ref. JT/09954.001).