

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 22 OF 2005

In the matter of **Orient Industries Holdings Limited**

And in the matter of the Companies Law (2004 Revision)

And Grand Court Rules 1995 Order 102



PETITION



TO: The Grand Court of the Cayman Islands

THE PETITION of Orient Industries Holdings Limited shows as follows:

1. The object of this Petition is to seek an Order of the Court pursuant to section 15 of the Companies Law (2004 Revision) (the "Companies Law") confirming a reduction of the capital of your Petitioner, **Orient Industries Holdings Limited** (the "Company").
2. The Company was incorporated under the Companies Law on 8 August, 2000 under the name of "Jackley Holdings Limited" and registered in the Cayman Islands as an exempted company with registration number CR-103009. By a special resolution of the then shareholders of the Company passed on 31 December, 2004, the Company changed its name to "**Orient Industries Holdings Limited**".
3. The registered office of the Company is situated at the offices of Codan Trust Company (Cayman) Limited, P.O. Box 2681, Century Yard, Cricket Square, Hutchins Drive, George Town, Grand Cayman, British West Indies.
4. As at the date of incorporation of the Company, its authorised share capital was HK\$100,000 divided into 1,000,000 shares (the "Shares") of a nominal or par value of HK\$0.10 each. On 8 August, 2000, one Share was allotted and issued fully paid.
5. By resolutions of the then shareholders of the Company passed on 9 July, 2001, the authorised share capital of the Company was increased from HK\$200,000 to HK\$200,000,000 by the creation of a further 1,998,000,000 Shares.

6. The Shares are listed on The Stock Exchange of Hong Kong Limited. As at the date of this petition, the authorised share capital of the Company is HK\$200,000,000 divided into 2,000,000,000 Shares and its issued share capital is HK\$139,000,000 divided into 1,390,000,000 Shares which have been paid-up or credited as fully paid-up.
7. The objects for which the Company was formed are unrestricted and the Company has and is capable of exercising all the functions of a natural person of full capacity irrespective of any corporate benefit, as provided by section 27(2) of the Companies Law.
8. The Articles of Association of the Company provide, *inter alia*, as follows:

Article 7: *"The Company in general meeting may from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by Ordinary Resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such class or classes and of such amounts in Hong Kong dollars or United States dollars or such other currency as the shareholders may think fit and as the resolution may prescribe."*

Article 13: *"The Company may from time to time by Ordinary Resolution :-*

- (a) *increase its share capital as provided by Article 7;*
- (b) *consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; and on any consolidation of fully paid shares into shares of larger amount, the Directors may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into a consolidated share, and if it shall happen that*

any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interest or may be paid to the Company for the Company's benefit;

- (c) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;*
- (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 provisions of the Companies 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;*
- (e) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled ;*

- (f) *make provision for the issue and allotment of shares which do not carry any voting rights;*
- (g) *change the currency of denomination of its share capital; and*
- (h) *reduce its share premium account in any manner authorised, and subject to any conditions prescribed by law.*

Article 14 *"The Company may by special resolution reduce its share capital or undistributable reserve in any manner authorised, and subject to any conditions prescribed, by law."*

9. 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 31 December, 2004, (the "Extraordinary General Meeting"), it was resolved:

"THAT, subject to and conditional upon (i) confirmation of the Capital Reduction (as defined below) by the Grand Court of the Cayman Islands (the "Court"), the registration by the Registrar of Companies in the Cayman Islands of a copy of the order of the Court and a copy of the minutes 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 Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the new ordinary shares of HK\$0.01 each (the "New Shares") in the share capital of the Company arising upon the Capital Reorganisation (as defined below) becoming unconditional and effective (the "Effective Date"):

- (a) *the issued share capital of the Company be reduced (the "Capital Reduction") by canceling paid-up capital to the extent of HK\$0.099 on each existing share of HK\$0.10 of the Company (the "Existing Share") in issue as at the effective date of the Capital Reduction (the "Effective Date") so that each such share shall be treated as one fully paid up share of HK\$0.001 each (the "Reduced Share") in the issued share capital of the Company and that the amount of issued capital*

hereby cancelled be made available for the issue of New Shares;

- (b) subject to and forthwith upon the Capital Reduction taking effect, each of the authorised but unissued Existing Shares in the capital of the Company be subdivided into one hundred (100) Reduced Shares so that the authorised capital of the Company of HK\$200,000,000 remains unchanged on the Effective Date (the "Subdivision");*
- (c) subject to and forthwith upon the Capital Reduction and Subdivision taking effect, every ten (10) Reduced Shares be consolidated into one New Share (the "Consolidation"); and*
- (d) the directors be and are hereby authorised to apply the credit arising from the Capital Reduction to a distributable reserve of the Company to be applied in such manner as the directors consider appropriate in accordance with the articles of association of the Company (the "Application of Credit"),*

and the directors be and are hereby authorised generally to do all such acts, deeds and things as they shall, in their absolute discretion, deem fit, necessary, desirable or expedient to effect or to give effect to the Capital Reduction, the Subdivision, the Consolidation and the Application of Credit (collectively, the "Capital Reorganisation").

Each of the capitalised terms referred to in the special resolution above are defined in the information circular exhibited to the affirmation of Law Fei Shing.

10. The number of shareholders of the Company present and voting in person or by proxy at the Extraordinary General Meeting was as set out in the table below:-

business operations, management or financial position of the Company nor will it affect the proportionate interests of the shareholders.

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

"The issued ordinary share capital of Orient Industries Holdings Limited was by virtue of a Special Resolution passed on 31 December, 2004 and with the sanction of an Order of the Grand Court of the Cayman Islands dated [•], 2005, reduced from HK\$139,000,000.00 divided into 1,390,000,000 shares of HK\$0.10 each to HK\$1,390,000 divided into 1,390,000,000 shares of HK\$0.001 each which was thereafter consolidated on the basis of ten shares of HK\$0.001 each into one share of HK\$0.01 each such that, forthwith upon such reduction and consolidation becoming effective, the issued share capital of the Company is reduced to HK\$1,390,000 divided into 139,000 consolidated shares of HK\$0.01 each (the "Capital Reduction"). At the date of the registration of this Minute, all such shares have been issued and are fully paid up or deemed to be fully paid up. Thereafter the balance of authorised but unissued capital was subdivided such that every one authorised but unissued share was subdivided into one hundred shares of HK\$0.001 each and consolidated on the basis of ten authorised but unissued shares of HK\$0.001 each into one share of HK\$0.01 each and forthwith upon such Capital Reduction, subdivision and consolidation becoming effective, the authorised share capital of the Company remains at HK\$200,000,000 but divided into 20,000,000,000 new shares of HK\$0.01 each.

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

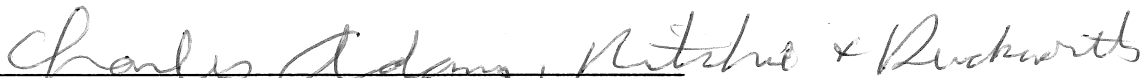
Your Petitioner, the Company, therefore prays as follows:

- (1) That the Capital Reduction of the Company proposed to be effected by the special resolution set forth in paragraph 11 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 Orient Industries Holdings Limited, at its registered office located at the offices of Codan Trust Company (Cayman) Limited, P.O. Box 2681, Century Yard, Cricket Square, Hutchins Drive, George Town, Grand Cayman, British West Indies.

DATED THIS 21ST DAY OF JANUARY, 2005.


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.

10th March 2005 @ 10.00 am

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