



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO: FSD 312 OF 2020()

IN THE MATTER OF SECTION 15 OF THE COMPANIES LAW (2020 REVISION)

AND IN THE MATTER OF TEST RITE RETAILING CO., LTD.

PETITION

To: The Grand Court

THE HUMBLE PETITION of Test Rite Retailing Co., Ltd. of c/o The Harbour Trust Co Ltd, Windward 1, Regatta Office Park, West Bay Road, P.O. Box 897, Grand Cayman KY1-1103, Cayman Islands (the **Company**) **SHOWS THAT:**

1. The object of this Petition is to seek the confirmation by the Court of a reduction in the Company's share capital (the **Capital Reduction**), pursuant to section 16 of the Companies Law (as revised) (the **Companies Law**).
2. The proposed Capital Reduction is intended to amend the balance sheet to assist the Company's current financial position.

The Company

3. The Company was incorporated in the Cayman Islands on 4 April 2003 as an exempted company limited by shares. The Company is registered under number 124877.
4. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law (2020 Revision).

5. The Company's current authorised share capital is US\$168,751,000, divided into 168,751,000 shares of US\$1.00 each (the **Shares**). All Shares have been issued and are fully paid or credited as fully paid.

Shareholders

6. As at the date of this Petition the sole shareholder of the Company is Test Rite International Co., Ltd. (the **Sole Shareholder**) holding 168,751,000 shares representing 100% of the issued share capital in the Company, a company incorporated in Taiwan and listed on the Taiwan Stock Exchange.

The Capital Reduction Proposal

7. Article 43 of the Company's Articles of Association (the **Articles**) provides that the Company may, by Special Resolution, reduce its share capital in any manner and with and subject to any incident authorized and consent required by Law.
8. On 18 September 2020 the Company's sole Director resolved that the Sole Shareholder be called upon to consider and if thought fit pass Written Resolutions to reduce the Company's share capital by cancelling 11,786,000 shares and transferring the credit amount of \$11,786,000 arising in the books of the Company from the Capital Reduction to set off against the accumulated losses of the Company.

The Capital Reduction

9. On 18 September 2020 the Sole Shareholder passed a special resolution approving the reduction of share capital as follows:

"RESOLVED AS A SPECIAL RESOLUTION THAT:

(a) the issued share capital of the Company, which is in excess of the capital needs of the Company and is presently US\$168,751,000 divided into 168,751,000 shares of nominal value US\$1.00 each which are fully paid-up, be reduced to US\$156,965,000 divided into 156,965,000 shares of nominal value US\$1.00 each credited as fully paid up, by:

(i) cancelling and extinguishing 11,786,000 shares of nominal value US\$1.00 each held by the sole member of the Company (the "Capital Reduction") so that the issued capital of the Company and the authorised capital of the Company will be reduced to US\$156,965,000; and

(ii) *transferring the credit amount of US\$11,786,000 arising in the books of the Company from the Capital Reduction to set off against the accumulated losses of the Company; and*

(b) *the sole director of the Company be and are hereby generally authorised to do all such acts, deeds and things and to sign all documents as they may, in their absolute discretion, deem necessary, desirable or appropriate to give effect and implement this resolution.”*

10. The Capital Reduction would involve neither a diminution of liability in respect of any unpaid share capital nor the payment to any shareholder of any paid-up share capital.

11. As of 18 September 2020 the Company on an unconsolidated basis had cash and cash equivalents of US\$8,262.69, total assets of US\$10,058,971.85 and no liabilities.

12. The Capital Reduction is for a discernible purpose, namely to amend the balance sheet to assist the Company’s current financial position. Its terms and effect were explained by the Director to the Sole Shareholder in sufficient time before the passing of the written resolutions so as to ensure that the Sole Shareholder’s decision was fully informed.

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

*“The issued share capital of Test Rite Retailing Co., Ltd. (the **Company**) was by virtue of a special resolution of the Company dated 18 September 2020 (the **Special Resolution**) and with the confirmation of an order of the Grand Court of the Cayman Islands dated [] 2020 reduced from US\$168,751,000 represented by an authorised share capital of US\$168,751,000, divided into 168,751,000 shares of US\$1.00 each (of which 168,751,000 shares had been issued and fully paid) to US\$156,965,000 represented by an authorised share capital of US\$156,965,000, divided into 156,965,000 shares of US\$1.00 each (of which 156,965,000 shares have been issued and fully paid). The capital of the Company at the time of the registration of this minute is accordingly US\$156,965,000 divided into 156,965,000 shares of US\$1.00 each.”*

14. It is appropriate for the Court to confirm the Capital Reduction.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

1. The reduction of the share capital of the Company proposed to be effected by the Special Resolution set out at paragraph [9] above be confirmed and that the form of minute set out at paragraph [13] above be approved by the Court.
2. Such further orders be made as to the Court seem fit.

Dated the 11th day of December 2020

Appleby (Cayman) Ltd.

**Appleby (Cayman) Ltd.
Attorneys-at-Law for the Petitioner**

Note: This petition is not intended to be served

THIS PETITION was filed by Appleby (Cayman) Ltd., Attorneys-at-Law for the Petitioner, whose address for service is Clifton House, 71 Fort Street, PO Box 190, KY1-1104, George Town, Grand Cayman, Cayman Islands. (Ref: 447570.0001/THW)

