



IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

CAUSE NO. FSD OF 2021 ( )

IN THE MATTER OF TRANS-CHINA AUTOMOTIVE HOLDINGS LIMITED  
AND IN THE MATTER OF THE COMPANIES ACT (2021 REVISION)  
AND THE GRAND COURT RULES 1995 ORDER 102

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**PETITION**

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TO: The Grand Court of the Cayman Islands

THE PETITION of Trans-China Automotive 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 Act (2021 Revision) (the "Companies Act") confirming a reduction of the share capital of the Petitioner, Trans-China Automotive Holdings Limited (the "Company").
2. The Company was incorporated on 18 December 2015 under the Companies Act as an exempted company with registration number CT-306871.
3. The registered office of the Company is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
4. At the date of incorporation of the Company, its authorised share capital was US\$50,000.00 divided into 50,000 shares with a nominal or par value of US\$1.00 each. Since the incorporation of the Company, the Company has undergone various reorganisations of its authorised and issued share capital through increase of authorised share capital and reduction of share capital.

5. As at the date of this petition, the authorised share capital of the Company is US\$100,000,000 divided into 100,000,000 shares with a par value of US\$1.00 each, and its issued share capital is 49,932,395 divided into 49,932,395 shares of US\$1.00 each which have been fully paid-up.
6. Subject to the provisions of the memorandum of association of the Company, the objects of the Company are unrestricted. The principal business of the Company is the investment holding of subsidiaries operating mainly in auto sale and services business.
7. The articles of association of the Company provide, inter alia, as follows:

“35 (a) Subject to and in so far as permitted by the provisions of the Statute, the Company may from time to time by ordinary resolution alter or amend its Memorandum of Association otherwise than with respect to its name and objects and may, without restricting the generality of the foregoing:

  - (i) increase the share capital by such sum to be divided into shares of such amount or without nominal or par value as the resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine;
  - (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (iii) by subdivision of its existing shares or any of them divide the whole or any part of its share capital into shares of smaller amount than is fixed by the Memorandum of Association or into shares without nominal or par value; and
  - (iv) 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.

(d) Without prejudice to Article 11 hereof and subject to the provisions of the Statute, the Company may by Special Resolution reduce its share capital and any capital redemption reserve fund”.

8. By a written special resolution of the shareholders of the Company dated 7 April 2021 in accordance with section 14(1) of the Companies Act (the "Special Resolution"), it was resolved that:

"conditional upon (i) an order being made by the Grand Court of the Cayman Islands (the "Court") confirming the Proposed Capital Reduction (as defined below) and the Proposed Share Premium Reduction (as defined below); (ii) the registration by the Registrar of Companies of the Cayman Islands (the "ROC") of the order of the Court confirming the Proposed Capital Reduction and the Proposed Share Premium Reduction and a Minute containing such matters as may be required under the Companies Act of the Cayman Islands (the "Act") approved by the Court; (iii) compliance with any conditions as may be imposed by the Court in relation to the Proposed Capital Reduction and the Proposed Share Premium Reduction; and (iv) compliance with all relevant legal procedures and requirements under the laws of the Cayman Islands to effect the Proposed Capital Reduction and the Proposed Share Premium Reduction, upon the date (the "Effective Date") on which the aforesaid conditions are fulfilled,

- (vi) the issued and paid-up share capital of the Company be reduced from US\$49,932,395 divided into 49,932,395 shares with a par value of US\$1.00 each in the capital of the Company to US\$4,993,239.50 divided into 49,932,395 shares with a par value of US\$0.10 each in the capital of the Company by cancelling the paid-up share capital of the Company to the extent of US\$0.90 on each of the shares with a par value of US\$1.00 in the capital of the Company in issue on the Effective Date so that each issued share with a par value of US\$1.00 in the capital of the Company shall be treated as one (1) fully paid-up share with a par value of US\$0.10 in the capital of the Company as at the Effective Date and any liability of the holders of such shares to make any further contribution to the share capital of the Company on

each such share shall be treated as satisfied (the "Proposed Capital Reduction");;

- (vii) subject to and forthwith upon the Proposed Capital Reduction taking effect, all the authorised but unissued shares with a par value of US\$1.00 each in the capital of the Company (which shall include the authorised but unissued shares resulting from the Proposed Capital Reduction) be cancelled and the authorised share capital of the Company of US\$100,000,000 be diminished by US\$95,067,760.50 representing the amount of shares so cancelled and, forthwith upon such cancellation, the authorised share capital of the Company be increased to US\$100,000,000 by the creation of 950,067,605 shares with a par value of US\$0.10 each in the capital of the Company (the difference between 1,000,000,000 shares with a par value of US\$0.10 each and the number of shares with a par value of US\$0.10 in issue after the Proposed Capital Reduction);
- (viii) the share premium account of the Company be reduced from US\$1,222,826.55 to zero by cancelling the entire sum of US\$1,222,826.55 standing to the credit of the share premium account (the "Proposed Share Premium Reduction"); and
- (ix) subject to and forthwith upon the Proposed Capital Reduction and the Proposed Share Premium Reduction taking effect, the credit arising from the Proposed Capital Reduction in the sum of US\$44,939,155.50 and the credit arising from the Proposed Share Premium Reduction in the sum of US\$1,222,826.55 be credited to a distributable reserve account of the Company and the sum of US\$46,161,982.05 in the distributable reserve account of the Company be utilised to set-off against the accumulated losses of the Company as at 31 December 2020 in full, amounting to US\$16,255,101.34 and the Board of Directors of the Company (the "Board") be authorised to utilise any credit balance in the distributable reserve account of the Company in such manner as may be determined by the Board in accordance with

the Memorandum and Articles of Association of the Company and applicable law.

9. By an ordinary unanimous written resolution of the Company dated 7 April 2021 (the "Ordinary Resolution"), it was resolved that:
- a) authority be and is hereby granted to any one of Cheung Chee Wai Michael and Tjia Francis Han Joe to exercise all the powers of the Board in respect of all matters relating to or in connection with the Proposed Capital Reduction and the Proposed Share Premium Reduction, including, but not limited to, the following:
- (i) to determine, approve and ratify the terms of and the appointment of all professionals and advisers involved in the Proposed Capital Reduction and the Proposed Share Premium Reduction;
  - (ii) to determine, approve and ratify the terms of the Proposed Capital Reduction and the Proposed Share Premium Reduction (including, but not limited to, the Effective Date) and all documents in connection with or pursuant to the Proposed Capital Reduction and the Proposed Share Premium Reduction (including, but not limited to, documents required in connection with the application to the Court for confirmation of the same) (the "Documents");
  - (iii) to liaise with the relevant professionals and advisers for the preparation, finalisation and printing of the Documents;
  - (iv) to amend, finalise, approve, verify and execute the Documents as may be required in connection from time to time;
  - (v) to do all such acts and take such steps reasonably necessary to comply with the Act and such other applicable laws and

regulations applicable to the Proposed Capital Reduction and the Proposed Share Premium Reduction; and

- (vi) to authorise, prepare, amend, approve, finalise and execute any instruments, announcements, notices, agreements and any other documents as may be required in connection with or pursuant to the Proposed Capital Reduction and the Proposed Share Premium Reduction, and to do all acts and take such steps for and on behalf of the Board and/or the Company as may be deemed necessary or desirable to implement, perfect or give effect to the Proposed Capital Reduction, the Proposed Share Premium Reduction and the Documents.
10. The proposed Capital Reduction does not involve either the diminution of any liability in respect of unpaid capital and the Company does not have any intention to make payment to any member of any paid-up capital. The Capital Reduction will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the members.
11. The form of Minute proposed to be registered is as follows:
- “The issued share capital of Trans-China Automotive Holdings Limited (the “Company”) was, by virtue of a Special Resolution passed on 7 April 2021 and with the sanction of an Order of the Grand Court of the Cayman Islands dated [ ] 2021, reduced from US\$1.00 per each issued share to US\$0.10 per each issued share (the “Capital Reduction”). At the date of the registration of this Minute, the authorised share capital of the Company is US\$100,000,000 divided into 100,000,000 shares of par value US\$0.10 each.”*

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 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 inquiries and directions may be made and given.
- (3) Such further and other order as this Honourable Court shall think fit.

Dated this 29<sup>th</sup> day of April 2021

*Conyers Dill & Pearman*

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**Conyers Dill & Pearman**

Attorneys-at-Law for the Petitioner herein

NOTE: It is intended to serve this Petition on Trans-China Automotive Holdings Limited, at its registered office located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands

This Petition was filed by Conyers Dill & Pearman, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is that of its Attorneys, SIX, Cricket Square, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands

Notice of Hearing

This Petition having been presented to the Court on the \_\_\_\_\_ day of \_\_\_\_\_ 2021 will be heard at the Law Courts, George Town, Grand Cayman on the \_\_\_\_\_ day of \_\_\_\_\_ 2021 at \_\_\_\_\_ am/pm or as soon thereafter as the Petition can be heard.