

**D COURT OF THE CAYMAN ISLANDS****ERVICES DIVISION****CAUSE NO: 194 OF 2021****ER OF SECTION 86 OF THE COMPANIES ACT (AS REVISED)****AND IN THE MATTER OF CHINA BINARY NEW FINTECH GROUP**

PETITION

THE HUMBLE PETITION of China Binary New Fintech Group, whose registered office is situated at the offices of Vistra (Cayman) Limited (previously known as Offshore Incorporations (Cayman) Limited) at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands (the **Company**) **SHOWS THAT:**

1. The object of this Petition is to seek the sanction of this Honourable Court for the privatisation of the Company by way of a scheme of arrangement pursuant to Section 86 of the Companies Act (as revised) (the **Companies Act**) (the **Scheme**) as set out in a printed composite document (the **Scheme Document**) containing, amongst other things, the proposed Scheme between the Company and the Scheme Shareholders as defined in the Scheme Document and as set out below.
2. In this Petition the definitions given to terms in the Scheme Document are adopted unless otherwise indicated.

The Company

3. The Company was incorporated in the Cayman Islands on 11 May 2011 as an exempted company limited by shares. At the time of incorporation, the Company's name was China Binary Sale Technology Limited. On 3 August 2018, the Company changed its name to China Binary New Fintech Group.
4. The Company's shares are listed for trading on GEM of The Hong Kong Stock Exchange Limited (the **Stock Exchange**) (Stock Code 8255). The Company and its subsidiaries (the **Group**) are principally engaged in the provision of (i) online transaction services (ceased operation since June 2022); (ii) software technology services; and (iii) financial services.
5. The Company's current authorised share capital is US\$1,000,000 divided into 1,000,000,000 shares of a nominal or par value of US\$0.001 each (**Shares**). Of these, 480,000,000 Shares have been issued and are fully paid or credited as fully paid.

6. On 31 August 2022, the Company and Data King Limited (the **Offeror**) jointly announced a proposal for the privatisation of the Company through the Scheme. The Offeror is a company incorporated in the British Virgin Islands with limited liability by shares, of which all the issued shares of the Offeror are wholly and beneficially owned by Mr. Sun Jiangtao (**Mr. Sun**), the chairman and the chief executive officer of the Company, and an executive director of the Company.

Shareholders

7. As at the date of this Petition:
 - 7.1 The Offeror holds 261,040,000 Shares, representing approximately 54.38% of the issued share capital of the Company.
 - 7.2 A party acting in concert with the Offeror is a party acting in concert or presumed to be acting in concert with the Offeror under the definition of "acting in concert" under The Code on Takeovers and Mergers of Hong Kong (the **Takerovers Code**), including Fantastic Voyage Holdings Limited (the **Offeror Concert Party**), a company incorporated in the British Virgin Islands with limited liability by shares and is wholly and beneficially owned by Mr. Wei Zhonghua (**Mr. Wei**). The Offeror Concert Party holds 26,854,800 Shares (representing approximately 5.60% of the issued share capital of the Company).
 - 7.3 All other shareholders of the Company, who together hold the remaining 192,105,200 Shares, representing 40.02% of the issued share capital of the Company (the **Disinterested Shareholders**).
8. The Shares held by the Disinterested Shareholders and the Offeror Concert Party, 218,960,000 Shares in total, will become the **Scheme Shares**. The Disinterested Shareholders and the Offeror Concert Party will be collectively referred to as the **Scheme Shareholders**.
9. The Shares held by the Offeror will not form part of the Scheme Shares and the Offeror will not vote on the Scheme at a Court Meeting. For avoidance of doubt, the 26,854,800 Shares held by the Offeror Concert Party will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective. The Offeror Concert Party will not vote on the Scheme at the Court Meeting. Only the Disinterested Shareholders will vote at the Court Meeting.

Options, Warrants and Convertible Securities

10. As at the date of this Petition, there are no options, warrants, derivatives or other convertible securities in respect of shares held, controlled or directed by the Offeror or the Offeror Concert Party, or outstanding derivatives in respect of the securities of the Company entered into by the Offeror or the Offeror Concert Party.

11. As at the date of this Petition, there are no outstanding convertible securities, options, warrants, derivatives or other relevant securities issued by the Company that carry a right to subscribe for or which are convertible into Shares.

The Scheme

12. The object of the Scheme is the privatisation of the Company by the Offeror. This will be achieved by:
 - 12.1 the reduction of the issued share capital of the Company by the cancellation of the Scheme Shares and, in consideration therefor, the payment to the Scheme Shareholders of the Cancellation Price, which is defined in paragraph 13 below;
 - 12.2 the restoration of the issued share capital of the Company to the amount immediately before the cancellation of the Scheme Shares by means of the issuance of new Shares in the same number as the Scheme Shares (which were cancelled) to the Offeror, credited as fully paid out of the credit arising in the Company's books of account as a result of the issued share capital reduction; and
 - 12.3 the withdrawal of the listing of the Shares on GEM of the Stock Exchange.
13. The Scheme Shareholders of the Company will be offered a cancellation price of HK\$0.1 per Scheme Share, payable in cash (the **Cancellation Price**).
14. For the Scheme to become effective, certain conditions must be complied with. These conditions are set out in the Scheme Document. Included in these conditions are the passing of a special resolution to approve the reduction of the Company's issued share capital and the confirmation of the reduction of issued share capital by this Honourable Court. It is proposed that an EGM to consider, amongst other things, the proposed reduction of issued share capital be held immediately after the Court Meeting, and that separate proceedings be issued in this Honourable Court pursuant to section 15(1) of the Companies Act if the shareholders approve the reduction.
15. The Company proposes to hold a Court Meeting pursuant to orders made on the Summons for Directions filed simultaneously with this Petition and to advertise such meeting pursuant to the orders of this Honourable Court.
16. The Scheme is such that an intelligent and honest person, being a member of the Scheme Shareholders, and acting in respect of their interests, might reasonably approve it.

Undertakings

17. The Offeror and the Offeror Concert Party undertake to the Cayman Islands Grand Court to be bound by the Scheme, and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by each

of them for the purpose of giving effect to this Scheme. This undertaking includes, but not limited to the following:

- (a) The Offeror, Mr. Sun and any party acting in concert with either of them will procure that any Shares in respect of which they are legally or beneficially interested will not be represented or voted at the Court Meeting convened at the direction of the Grand Court for the purpose of considering and, if thought fit, approving the Scheme. Please see page III-8 of the Scheme Document.
- (b) Each of the Offeror and the Offeror Concert Party has undertaken to the Grand Court to be bound by the terms of the Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable for the purpose of giving effect to and satisfying their respective obligations under the Scheme. Please see page III-8 of the Scheme Document.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

1. The Scheme be sanctioned by this Honourable Court so as to be binding on the Company and the Scheme Shareholders.
2. Such Court meetings be held as this Honourable Court shall see fit to order on the Summons for Directions filed in this matter.
3. Such further orders as to the Court seems fit.

Dated this 20th of September 2022



APPLEBY (CAYMAN) LTD.

NOTE: This petition is not intended to be served.

THIS PETITION was presented by Appleby (Cayman) Ltd., Attorneys-at-Law for the Petitioner, whose address for service is 71 Fort Street, PO Box 190, KY1-1104, George Town, Grand Cayman, Cayman Islands (Ref: 455765.0001/CCL)

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman on the day of at am/pm.

Any correspondence or communication with the Court relating to the hearing of this petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, Cayman Islands, KY1-1106 telephone (+1 345) 949 4296.