



**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION**

CAUSE NO: FSD OF 2022 (IKJ)

**IN THE MATTER OF SECTION 15 OF THE COMPANIES ACT (AS REVISED)
AND IN THE MATTER OF CHINA BINARY NEW FINTECH GROUP**

PETITION

To: The Grand Court

THE HUMBLE PETITION of China Binary New Fintech Group, whose registered office is situated in the offices of Appleby Global Services (Cayman) Limited at 71 Fort Street, PO Box 500, George Town, Grand Cayman, KY1-1106, 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 issued share capital (the **Capital Reduction**), pursuant to section 16 of the Companies Act (as revised) (the **Companies Act**).

2. The proposed Capital Reduction is part of a proposal to privatise the Company by way of scheme of arrangement (the **Scheme**), for which the Court's sanction pursuant to section 86 of the Companies Act is being sought by way of separate proceedings before this Honourable Court. A Petition for the Court's sanction of the Scheme was filed on 22 September 2022 and is the subject of cause number FSD 194 of 2022 (IKJ).

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. Pursuant to clause 3 of the memorandum of association of the Company (the **Memorandum**), the objects for which the Company is established are unrestricted.
6. 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 (the **Shares**). Of these, 480,000,000 Shares have been issued and are fully paid or credited as fully paid.
7. 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

8. As at the date of this Petition for Capital Reduction:

- 8.1. The Offeror holds 261,040,000 Shares, representing approximately 54.38% of the issued share capital of the Company.
 - 8.2. 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 **Takeovers 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).
 - 8.3. 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**).
9. 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**.

The Scheme

10. The Scheme involves the following steps:
 - 10.1. the Capital Reduction, by the cancellation of the Scheme Shares and, in consideration therefor, the payment by the Offeror to the Scheme Shareholders of HK\$0.1 in cash for each Scheme Share;
 - 10.2. the restoration of the issued share capital of the Company to the amount immediately before the cancellation of the Scheme Shares by the issuance of new Shares in the same number as the cancelled Scheme Shares to the Offeror, credited as fully paid out of the credit arising in the Company's books of accounts as a result of the Capital Reduction; and
 - 10.3. the withdrawal of the listing of the Shares on GEM of the Stock Exchange.
11. For the Scheme to be effective certain conditions must be complied with, including the passing of a Special Resolution to approve the Capital Reduction and the confirmation of the Capital Reduction by this Honourable Court. For reasons including a desire to bring the Company's shareholders together only once, the applications pursuant to sections 15 and 86 of the Companies Act are being made by separate Petition.

The Capital Reduction

12. On 14 October 2022, the Board of Directors of the Company convened a meeting and resolved to approve, among other things, the Scheme and the Capital Reduction, which would involve the cancellation and extinguishment of the Scheme Shares, and each Scheme Shareholder will be entitled to receive the cancellation price of HK\$0.1 in cash for each Scheme Share cancelled and extinguished.
13. Article 6 of the articles of association of the Company (the "**Articles**") provides that the Company may from time to time by special resolution, subject to any confirmation or consent required by the Companies Act, reduce its share capital in any manner permitted by law.
14. The Company convened an extraordinary general meeting (the "**EGM**") to consider and if thought fit, approve, amongst other things, the proposed Capital Reduction in accordance with its Memorandum and Articles of Association by Notice of EGM dated 14 October 2022, constituting Appendix V to the Scheme Document sent to all of the Company's shareholders on that day.
15. The Scheme Document included, among other things, information about the proposed Capital Reduction, and the notice of EGM, with a proxy form used for the EGM.
16. The Scheme Document was sent to persons entitled to receive notice of every general meeting of the Company in accordance with Article 59 of the Articles and published on the website of the Stock Exchange of Hong Kong.
17. The EGM was held at Room 17, 3/F, Kuntai Hotel, No. 2 Qiyang Road, Wangjing, Chaoyang District, Beijing, the People's Republic of China on 7 November 2022 at 10:00am (Hong Kong/Beijing time).
18. The Special Resolution submitted to the EGM held on 7 November 2022 was as follows:

"SPECIAL RESOLUTION

THAT:

- (a) *pursuant to a scheme of arrangement dated 14 October 2022 (the "**Scheme of Arrangement**") between the Company and the Scheme Shareholders (as defined in*

the Scheme of Arrangement) in the form of the print thereof, which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands, on the Effective Date (as defined in the Scheme of Arrangement), the issued shares in the issued share capital of the Company shall be reduced by the cancellation and extinguishment of the Scheme Shares (as defined in the Scheme of Arrangement); and

- (b) any one of the directors of the Company be and is hereby authorised to do all acts and things considered by him to be necessary or desirable in connection with the implementation of the Scheme of Arrangement and the reduction of the number of issued shares in the issued share capital of the Company pursuant to the Scheme of Arrangement, including (without limitation) giving consent to any modification of, or addition to, the Scheme of Arrangement or the reduction of the number of issued shares in the issued share capital of the Company which the Grand Court of the Cayman Islands may see fit to impose."*

19. 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.
20. The Capital Reduction is for a discernible purpose, and its terms and effect were explained to shareholders with sufficient time before the EGM so as to ensure that shareholders were treated equitably.
21. The form of minute proposed to be registered is as follows:

*"The issued share capital of China Binary New Fintech Group (the "**Company**") was by virtue of a special resolution of the Company (the "**Special Resolution**") passed at an extraordinary general meeting of shareholders of the Company held on 7 November 2022 (the "**EGM**") and with the confirmation of an order of the Grand Court of the Cayman Islands dated [•] November 2022 reduced from US\$480,000.00 divided into 480,000,000 shares of a nominal or par value of US\$0.001 each (the "**Share**") (represented by an authorised share capital of US\$1,000,000 divided into 1,000,000,000 Shares, of which 480,000,000 Shares had been issued and fully paid) to US\$261,040 divided into 261,040,000 Shares (represented by an authorised share capital of US\$1,000,000 divided into 1,000,000,000 Shares, of which 261,040,000 Shares had been issued and fully paid). A resolution was also passed at the same EGM which provides that subject to and forthwith upon such reduction of capital taking effect, the issued share capital of the Company be increased to its former amount of US\$480,000.00 by allotting and issuing, credited as fully paid at par, 218,960,000 Shares, being the same*

number of shares cancelled and extinguished, to Data King Limited. The issued share capital of the Company at the time of the registration of this minute is accordingly US\$480,000.00 divided into 480,000,000 Shares."

22. It is appropriate for this Honourable Court to confirm the Capital Reduction.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

1. The reduction of the issued share capital of the Company proposed to be effected by the Special Resolution set out at paragraph 18 above be confirmed and that the form of minute set out at paragraph 21 above be approved by the Court.
2. Such further orders be made as to the Court seem fit.

Dated the 10th day of November 2022



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 71 Fort Street, PO Box 190, KY1-1104, George Town, Grand Cayman, Cayman Islands. (Ref: 455765.0001/CCL/THW)

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 2022 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.