



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD OF 2023 ( ) (MRHCJ)

IN THE MATTER OF SECTION 15 OF THE COMPANIES ACT (2023 REVISION)

AND IN THE MATTER OF CHINA NEW CONSUMPTION GROUP LIMITED

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PETITION

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To the Grand Court

The humble petition of CHINA NEW CONSUMPTION GROUP LIMITED shows that:-

**A Introduction**

1 The object of this Petition is to seek an order pursuant to section 15 of the Companies Act (2023 Revision) (the "**Companies Act**") confirming a reduction of the share capital of State Innovation Holdings Limited (the "**Company**").

2 The Company was incorporated as an exempted company on 3 January 2017 (registration 318831) under the name of Beaver Group (Holding) Company Limited. The

This Petition is filed by Ogier (Cayman) LLP, Attorneys for China New Consumption Group Limited whose address for service is:  
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Company changed its name to State Innovation Holdings Limited on 27 June 2022 and from State Innovation Holdings Limited to China New Consumption Group Limited on 10 May 2023.

- 3 The Company's registered office is situated at Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108.
- 4 The Company's principal place of business is Room 1204, 12/F, Block 2, Golden Industrial Building, 16–26 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong.
- 5 The authorised share capital of the Company is HK\$450,000,000 divided into 900,000,000 Shares of par value HK\$0.50 each.
- 6 The shares of the Company are listed on the GEM Board of the Stock Exchange of Hong Kong Limited ("**HKSE**") under stock code number 8275 and began trading on 16 October 2017.
- 7 The Company is an investment holding company whose operating subsidiaries are in Hong Kong (together, the "**Group**"). The Group provides foundation contracting services primarily specialising in bored piling works as well as other foundation works.
- 8 The objects for which the Company is established are unrestricted and except as prohibited or limited by the laws of the Cayman Islands, the Company has the full power and authority to carry out any object.

## **B Proposed Transactions**

- 9 Article 14 of the Amended and Restated Memorandum and Articles of Association of the Company (adopted by special resolution on 26 August 2022) (the "**Articles of Association**") provides that the Company may by Special Resolution reduce its share

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capital or undistributable reserve in any manner authorised, and subject to any conditions prescribed, by law.

- 10 The Articles of Association provide at 1(d) that " *a resolution shall be a Special Resolution when it has been passed by a majority of Shareholders representing not less than  $\frac{3}{4}$  [75%] of the total voting rights of such Shareholders as, being entitled so to do, vote in person or by proxy or, in the cases of Shareholders which are corporations, by their respective duly authorised representatives at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given*".
- 11 In accordance with section 14(1) of the Companies Act and by way of special resolution of the Shareholders of the Company at an extraordinary general meeting ("**EGM**") of the Company held on 18 May 2023 (the "**Special Resolution**"), it was resolved:

*"**THAT** subject to and conditional upon (i) an order being made by the Grand Court of the Cayman Islands (the "Court") confirming the Capital Reduction (as defined below); (ii) the compliance with any conditions which the Court may impose in relation to the Capital Reduction (as defined below); (iii) the registration by the Registrar of Companies of the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction (as defined below) and the minute approved by the Court containing the particulars required under the Companies Act (2023 Revision) of the Cayman Islands, as consolidated and revised, with respect to the Capital Reduction (as defined below); and (iv) The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the New Shares (as defined below) arising from the Capital Reduction (as defined below) and the Sub-division (as defined below), with effect from the date on which the aforesaid conditions are fulfilled (the "Effective Date"):*

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- (a) *the issued and paid-up share capital of the Company be reduced (the “**Capital Reduction**”) by reducing the par value of each existing ordinary share with a par value of HK\$0.50 of the Company in issue on the Effective Date from HK\$0.50 each to HK\$0.01 each by cancelling the paid-up share capital to the extent of HK\$0.49 on each existing ordinary share in issue on the Effective Date so that following the Capital Reduction each such issued existing ordinary share with a par value of HK\$0.50 shall be treated as one fully paid-up ordinary share with a par value of HK\$0.01 (the “**New Share(s)**”) in the share capital of the Company and any liability of the holders of such shares to make any further contribution to the capital of the Company on each such share shall be treated as satisfied and that the amount of issued share capital thereby cancelled be made available for issue of new shares of the Company;*
- (b) *the entire amount standing to the credit of the share premium account (the “**Share Premium Account**”) be reduced with effect from the Effective Date (the “**Share Premium Reduction**”);*
- (c) *the credit arising from the Capital Reduction and Share Premium Reduction be applied to set off against the accumulated losses of the Company as at the Effective Date and the directors of the Company be authorised to apply the balance of any such credit remaining in any manner as permitted by all applicable laws, the memorandum and articles of association of the Company at such time as they may think fit;*
- (d) *immediately following the Capital Reduction becoming effective, each of the then authorised but unissued existing ordinary shares with a par value of HK\$0.50 be subdivided into fifty (50) authorised but unissued New Shares with a par value of HK\$0.01 each in the share capital of the Company (the “**Sub-division**”) such that the current authorised share capital of the Company of HK\$450,000,000*

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*divided into 900,000,000 ordinary shares of par value HK\$0.50 each shall become HK\$450,000,000 divided into 45,000,000,000 ordinary shares of par value HK\$0.01 each following the Capital Reduction and Sub-division becoming effective;*

- (e) each of the New Shares arising from the Capital Reduction and Sub-division shall rank pari passu in all respects with each other and have rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company; and*
- (f) the directors of the Company be and are hereby authorised to do all such acts and things and execute all such documents, which are ancillary to the Capital Reduction, Share Premium Reduction and Sub-division and of administrative nature, on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to the Capital Reduction, Share Premium Reduction and Sub-division."*

(Collectively, the "**Proposed Transactions**").

- 12 Approximately 99.99% of shareholders present and voting at the EGM voted in favour of the Special Resolution. The Company has accordingly satisfied the requirements for passing a special resolution to approve the Capital Reduction under the Articles of Association of the Company and the Companies Act.
- 13 The Capital Reduction does not involve any diminution of liability in respect of any unpaid capital of the Company or the repayment to the shareholders of any paid-up capital of the Company nor will it result in any change in the relative rights of its shareholders.
- 14 The board of directors of the Company (the "**Board**") believes that:

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- (a) The Proposed Transactions will give greater flexibility to the Company to declare dividends and/or to undertake any corporate exercise which requires the use of distributable reserves in the future (subject to the Company's performance and when the Board considers that it is appropriate to do so in the future).
- (b) The Proposed Transactions will not have any material adverse effect on the financial position of the Company and no effect on the underlying asset, business operations, management or financial position of the Company or the proportional interest of the Shareholders in the Company.
- (c) There are no reasonable grounds for believing that the Company is, or after the Proposed Transactions would be, unable to pay its liabilities as and when they become due (the Board has also expressly resolved that the Company is solvent and is able to pay its debts as and when they fall due).

15 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 11 above be confirmed and that the form of minute to be provided in due course be approved by the Court.

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(2) To this end, all necessary inquiries and directions may be made and given.

(3) Such further or other relief be granted as the Court shall see fit.

AND your Petitioner will ever pray etc.

Dated the 25<sup>th</sup> day of May 2023



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**Ogier (Cayman) LLP**  
**Attorneys for the Petitioner**

**NOTE:** This Petition is not intended to be served.

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**NOTICE OF HEARING**

**TAKE NOTICE THAT** the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman, on ~~11 July 2023~~ at 9:30 a.m. ~~at 10:00am.~~  
*& 20 June*

Any correspondence or communication with the Court relating to the hearing of his petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106, telephone 345 959 4296.

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