



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

CAUSE NO: FSD 332 OF 2023 (CRJ)

IN THE MATTER OF THE COMPANIES ACT (2023 REVISION)

**AND IN THE MATTER OF REDUCTION OF SHARE CAPITAL OF MACQUARIE INVESTMENTS
(SINGAPORE) LIMITED**

PETITION

TO THE GRAND COURT

THE HUMBLE PETITION OF Macquarie Investments (Singapore) Limited of c/o Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, KY1-9005 (the "**Petitioner**" or the "**Company**") (the "**Petition**") shows that:

The petition

1. This petition seeks orders that the Company's capital be reduced pursuant to sections 14 to 17 of the Companies Act (as amended) (the "**Companies Act**").
2. The purpose of the proposed capital reduction is to enable the Company to create distributable reserves to declare and pay a dividend of surplus cash the Company is holding to its sole shareholder, Hydra Investments 2007 Limited ("**Hydra**"), because the Company presently has insufficient distributable reserves to do so.

The Company

3. The Company was registered with registration number 133809 on 15 March 2004 as an exempted company incorporated with limited liability under the Companies Act.
4. The Company is part of a corporate group controlled by Macquarie Group Limited, an Australian Stock Exchange listed global financial services business comprising a number of Australian, English, Jersey and Cayman Islands-incorporated entities (the "**Group**"), amongst others. The Group is currently undertaking a restructuring across all regions to simplify the Group's structure. The capital reduction proposed by this Petition is one step in the broader restructuring. The capital reduction is addressed in further detail in

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paragraphs 13 to 21 (inclusive) below and the Group restructuring is addressed at paragraphs 22 to 27 (inclusive) below.

5. The principal activity of the Company was to act as an investment holding vehicle within the Group. However, due to Group restructure, the entity no longer undertakes significant activities and currently has no subsidiaries.
6. Pursuant to the amended and restated memorandum & articles of association of the Company (the "**Memorandum & Articles of Association**"), which were adopted by special resolution dated 25 September 2023, the objects of the Company are unrestricted and the Company has full power and authority to carry out any object not prohibited by any law, as provided by section 7(4) of the Companies Act.

Capital structure

7. As at the date of this Petition, the authorised share capital of the Company is British Pounds Sterling ("**GBP**") 13,010,000 divided into:
 - a. 10,000 ordinary shares of a nominal or par value of GBP 1.00 each (the "**Ordinary Shares**"); and
 - b. 200,000 preference shares of a nominal or par value of GBP 65.00 each (the "**Preference Shares**").
8. The Company has issued all of its authorised share capital, being the 10,000 Ordinary Shares and 200,000 Preference Shares, to Hydra.
9. The Company has no other classes of shares in issue.

Financial position

10. The financial statements prepared in respect of the Company as at 13 September 2023 state that the Company had net assets of GBP 18,970,599 as at 13 September 2023.
11. Between 14 September 2023 and the date of this Petition, there has been no material change to the financial position of the Company. The Company is not carrying out any activities outside of the Group that could possibly generate creditors or liabilities (other than professional services providers) and there are no outstanding invoices owed by the Company to professional service providers. The Company has neither third-party creditors nor intra-group creditors as at the date of this Petition.
12. Accordingly, the Company is therefore solvent and able to pay its debts.

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The proposed capital reduction

13. As at the date of this Petition, all of the authorised shares in the Company are fully subscribed for, issued and paid-up as follows:

Sole Shareholder	Number of Ordinary Shares	Number of Preference Shares
Hydra Investments 2007 Limited	10,000	200,000
Total	10,000	200,000

14. The Preference Shares have a par value of GBP 65.00 per share and the Ordinary Shares have a par value of GBP 1.00.
15. The Company holds surplus cash in the amount of GBP 18,940,501. The Company proposes to undertake a capital reduction (the "**Proposed Capital Reduction**") to enable the Company to create sufficient distributable reserves to declare and pay a dividend in the amount of GBP 18,940,501 (the "**Proposed Dividend**") to Hydra in circumstances where it currently does not have any share premium or sufficient distributable reserves to do so. As more particularly described at paragraphs 22 to 27 (below), the payment of the Proposed Dividend is a necessary step in the Group restructuring that will ultimately result in the winding up of Hydra.
16. Article 111 of the Company's Memorandum & Articles of Association adopted by special resolution dated 25 September 2023 provides that "*no dividend or distribution shall be paid except out of funds lawfully available therefore as permitted by these Articles, the Companies Act and common law*". Accordingly, in the absence of any share premium and where there are insufficient other distributable reserves, the Company is unable to declare and pay the Proposed Dividend to Hydra.
17. The Company is authorised by Article 38 of the Memorandum & Articles of Association to reduce its share capital in any manner authorised by special resolution in any way and may, if and so far as is necessary, alter the Memorandum & Articles of Association by reducing the amount of its share capital and of its shares accordingly. Pursuant to section 14(1) of the Companies Act, and subject to confirmation by the Court, the Company may if authorised by its Memorandum & Articles of Association reduce its share capital by special resolution in any way and may, if and so far as is necessary, alter its Memorandum & Articles of association by reducing the amount of its share capital and of its shares accordingly.

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18. The Company proposes to undertake the Proposed Capital Reduction to enable the Company to create distributable reserves to declare and pay a dividend of the surplus cash the Company is holding to Hydra by:
- a. *reducing* the par value of the Company's *issued and outstanding* Preference Shares from GBP 65.00 per share to GBP 0.000005 per share, such that the *issued* share capital of the Company relating to the Preference Shares will be reduced from:
 - (i) GBP 13,000,000 consisting of 200,000 Preference Shares of par value GBP 65.00 each;
 - to
 - (ii) GBP 1.00 consisting of 200,000 Preference Shares of par value GBP 0.000005 each; and
 - b. *reducing* the par value of the Company's *issued and outstanding* Ordinary Shares from GBP1.00 per share to GBP0.0001 per share, such that the *issued* share capital of the Company relating to the Ordinary Shares will be reduced from:
 - (i) GBP 10,000 consisting of 10,000 Ordinary Shares of par value GBP 1.00 each;
 - to
 - (ii) GBP 1.00 consisting of 10,000 Ordinary Shares of par value GBP 0.0001 each.
19. The result of this will be that:
- a. the Company's issued share capital will be reduced by GBP 13,009,998 (the "**Resulting Amount**") to GBP 2.00 comprised of 10,000 Ordinary Shares of par value GBP 0.0001 each and 200,000 Preference Shares of par value GBP 0.000005 each;
 - b. the Company's authorised share capital will become GBP 2.00 consisting of 10,000 Ordinary Shares of par value GBP 0.0001 each and 200,000 Preference Shares of par value GBP 0.000005 each; and
 - c. distributable reserves equal to the Resulting Amount will be added to the Company's "Other Reserves" in the Company's books and accounts and the Company will have sufficient distributable reserves to declare and pay the Proposed Dividend.

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20. Hydra's shareholdings in the Company will change as shown in the table below:

Shareholder	Shares Before the Proposed Capital Reduction	Shares following the Proposed Capital Reduction	Issued Share Capital following the Proposed Capital Reduction
Hydra Investments 2007 Limited	10,000 Ordinary Shares of par value GBP 1.00 each	10,000 Ordinary Shares of par value GBP 0.0001 each	GBP 1.00
Hydra Investments 2007 Limited	200,000 Preference Shares of par value GBP 65.00 each	200,000 Preference Shares of par value GBP 0.000005 each	GBP 1.00
Total	10,000 Ordinary Shares 200,000 Preference Shares	10,000 Ordinary Shares 200,000 Preference Shares	GBP 2.00

21. The Petitioner confirms that:
- a. the Proposed Capital Reduction will not involve:
 - i. an alteration or variation to the rights attached to the Company's shares; or
 - ii. a diminution of the liability of Hydra in respect of any amount unpaid on share capital; and
 - b. Hydra has approved of the Proposed Capital Reduction, subject to the sanction of the Court.

Purpose of the Proposed Capital Reduction

22. The Proposed Capital Reduction forms part of a broader restructuring of the Group to simplify its structure which is being undertaken globally. Hydra has been identified as an entity which is no longer required by the Group.
23. In particular, certain regulatory changes implemented by the Australian Prudential Regulation Authority ("**APRA**") to Australian Prudential Standard 'APS 222', applying to the

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Company and Hydra's indirect parent Macquarie Bank Limited ("**MBL**") mean that the use of the Jersey incorporated company, Hydra, is no longer desirable.

24. In brief summary, the objective of APS 222 is to ensure that authorised deposit taking institutions ("**ADIs**") such as MBL, identify, monitor and control contagion risks arising from their associations and dealings with related entities and ensure its exposures to related entities are within limits set by APS 222.
25. Previously Hydra had been classified as an Extended Licensed Entity ("**ELE**"), meaning that it could be treated as part of MBL for prudential purposes and was not considered a related entity of MBL for prudential purposes. The recent changes to APS 222 mean that MBL's non-Australian subsidiaries are no longer eligible to be classified as an ELE. As a result, Hydra (as a Jersey incorporated entity and UK tax resident) is no longer classified as an ELE and has become a related entity of MBL for prudential purposes. Following this change, it has been determined that Hydra should be wound up given that it no longer has the benefit of being part of the ELE.
26. Before Hydra can be wound up and pursuant to the Group restructuring, the Company wishes to pay a dividend of the surplus cash it currently holds. This will allow Hydra to settle certain 'intra-group' liabilities owed by it to other members of the Group and pay a dividend to its immediate shareholder with the remaining funds. In addition, subject to approval following the Proposed Capital Reduction, Hydra intends to sell the Ordinary Shares and Preference Shares that it holds in the Company to another Group entity immediately after the Proposed Capital Reduction. Once these steps are completed, Hydra will be wound up.
27. The directors of the Company (the "**Directors**") are of the considered view that the Proposed Capital Reduction would be in the best interests of the Company in that the discernible purpose of the Proposed Capital Reduction is to establish distributable reserves from which to declare and pay a dividend to Hydra of surplus cash held by the Company in the amount of GBP 18,940,501. This mechanism is in line with the Group's usual method for repatriating excess cash from its subsidiaries (which typically involves the payment of a dividend pursuant to the local laws of the relevant subsidiary). The Company does not currently have sufficient distributable reserves to pay the Proposed Dividend to Hydra without first undertaking the Proposed Capital Reduction.

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Director / Hydra approval

28. The Directors have considered and, following written resolutions of the Directors dated 19 September 2023 (the "**Directors' Resolutions**"), recommended to Hydra that the Proposed Capital Reduction be approved, subject to the sanction of the Court.
29. Hydra, having had the opportunity to consider and query the terms and effect of the Proposed Capital Reduction, has determined that the Proposed Capital Reduction best serves the interests of the Company and has, by written resolution dated 2 October 2023 (the "**Sole Shareholder's Resolutions**") approved of the Proposed Capital Reduction, subject to the sanction of the Court.
30. The Proposed Capital Reduction has therefore been developed, considered and approved by both the Directors and Hydra.

Creditors of the Company

31. The financial position of the Company is set out in paragraphs 10 to 12 (inclusive) above.
32. The Company is solvent and the Proposed Capital Reduction will not affect or prejudice any creditor of the Company as there are no creditors as at the date of this Petition.

Corporate approvals of the Company and Hydra

33. Article 38 of the Memorandum & Articles of Association states that:

"Subject to Article 8, the Company by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law."
34. Article 8 of the Company's Memorandum & Articles of Association states that:

"If at any time the share capital is divided into different classes of shares, the rights attaching to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated with the consent in writing of the holders of all of the issued shares of that class, or with the sanction of a resolution passed by all of the holders of shares of the class present in person or by proxy at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be at least one person holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll."

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35. In respect of the Sole Shareholder's Resolutions, Article 1 of the Company's Memorandum & Articles of Association defines 'Special Resolution' as follows:

"a resolution passed in accordance with Section 60 of the Companies Act, being a resolution:

- (a) passed by all Members as being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a Special Resolution has been duly given; or*
- (b) approved in writing by all of the Members entitled to vote in one or more instruments each signed by one or more of the members and the effective date of the Special Resolution so adopted shall be the date on which the instrument or last of such instruments if more than one, is executed;*

Provided that no Special Resolution shall be deemed to have been validly adopted by the Company for so long as Preference Shares are in issue unless the holder of such Preference Shares shall have consented whether by way of vote or written resolution to the passing of such Special Resolution."

36. By the Directors' Resolutions, the Directors resolved that the Proposed Capital Reduction be recommended to Hydra for approval. In particular, it was recommended that Hydra approves:

- a. the Proposed Capital Reduction; and
- b. the taking of such steps by the Company as are necessary or desirable to give effect to the Proposed Capital Reduction.

37. By the Sole Shareholder's Resolutions, Hydra resolved by special resolution that conditional upon (i) approval of the Proposed Capital Reduction by the Court, (ii) registration by the Registrar of Companies of the Cayman Islands (the "**Registrar**") of the order of the Court confirming the Proposed Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Act in respect of the Proposed Capital Reduction, and (iii) compliance with any condition as may be imposed by the Court in relation to the Proposed Capital Reduction:

- a. the Proposed Capital Reduction be effected; and
- b. upon completion of the Proposed Capital Reduction, the Resulting Amount be accordingly established in the Company's books and accounts as distributable reserves.

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38. Subject to the sanction of the Court, the registered office of the Company shall be instructed to file the Sole Shareholder's Resolutions and minute of order made on this Petition (the "**Minute**") with the Registrar.
39. The form of the Minute proposed to be registered is as follows:

*"As a Special Resolution, that the authorised share capital of Macquarie Investments (Singapore) Limited (the "**Company**") be amended as follows:*

- (i) *by virtue of a special resolution passed by its sole shareholder, with the sanction of an order of the Grand Court of the Cayman Islands dated [date], the issued and outstanding share capital is reduced from GBP 13,010,000 consisting of 10,000 ordinary shares of par value GBP 1.00 each and 200,000 preference shares of par value GBP 65.00 each to GBP 2.00 consisting of 10,000 ordinary shares of par value GBP 0.0001 each and 200,000 preference shares of par value GBP 0.000005 each.*

As a consequence, the authorised share capital of the Company is reduced from GBP 13,010,000 consisting of 10,000 ordinary shares of par value GBP 1.00 each and 200,000 preference shares of par value GBP 65.00 each to GBP 2.00 consisting of 10,000 ordinary shares of par value GBP 0.0001 each and 200,000 preference shares of par value GBP 0.000005 each."

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

1. The Proposed Capital Reduction that is proposed to be affected by the special resolution described at paragraph 37 of this Petition, and the Minute described at paragraph 39 of this Petition, be approved by the Court;
2. To this end, all necessary enquiries and directions may be made and given; and/or
3. Such other order may be made in the premises as the Court shall deem fit.

AND your Petitioner will ever pray etc.

DATED this 9th day of November 2023

Walkers

WALKERS

Attorneys-at-Law for the Petitioner

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NOTE: It is not intended to serve this Petition on any person.

This **PETITION** was presented by Walkers of 190 Elgin Avenue, George Town, Grand Cayman, KY1-9901, Cayman Islands, Attorneys-at-Law for the Petitioner whose address for service is that of its said Attorneys.

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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 _____ 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 Cayman at PO Box 495, Grand Cayman, KY1-1106, telephone no. 349 949 4296.

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