



**IN THE GRAND COURT OF THE CAYMAN ISLANDS**

**FINANCIAL SERVICES DIVISION**

**CAUSE NO. FSD14 OF 2024 (JAJ)**

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

**AND IN THE MATTER OF CROSSTEC GROUP HOLDINGS LIMITED**

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**PETITION**

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**To the Grand Court**

The humble petition of CROSSTEC Group Holdings Limited c/o Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands, shows that:-

- 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 the Petitioner, CROSSTEC Group Holdings Limited (the "**Company**").
- 2 The Company was incorporated as an exempted company on 18 March 2016 (registration 309679).

This Petition is filed by Ogier (Cayman) LLP, Attorneys for CROSSTEC Group Holdings Limited whose address for service is:  
89 Nexus Way, Camana Bay, Grand Cayman KY1-9009, Cayman Islands (GEL/DZD/507542.00003)

- 3 The Company's registered office is at Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- 4 The Company's principal place of business is Unit 1301, 13/F, Technology Plaza, 651 King's Road, Hong Kong.
- 5 The authorised share capital of the Company is HK\$100,000,000 divided into 250,000,000 ordinary shares of par value HK\$0.40 each.
- 6 The shares of the Company are listed on the Main Board of the Stock Exchange of Hong Kong Limited since 12 September 2016 under stock code number 3893.
- 7 The objects for which the Company was established are unrestricted by its memorandum of association and at all material times the Company has had full powers to carry out any object in accordance with section 7(4) of the Companies Act.
- 8 Article 14 of the Company's amended and restated articles of association (adopted by a special resolution on 16 December 2022) (the "**Articles of Association**") provides that the Company "*may by Special Resolution reduce its share capital or undistributable reserve in any manner authorised, and subject to any conditions prescribed, by law*".
- 9 By a circular to the shareholders of the Company dated 18 December 2023 the board of directors of the Company (the "**Board**") explained that it proposed to implement a proposed capital reorganisation of the Company which would consist of the following:
- (a) a capital reduction whereby the par value of each ordinary share will be reduced from US\$0.40 to US\$0.01 by cancelling the paid-up capital to the extent of US\$0.39 on each issued ordinary share (the "**Capital Reduction**");
  - (b) a share subdivision whereby immediately following the Capital Reduction, each of the authorised but unissued ordinary share with a par value of US\$0.40 each

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be sub-divided into 40 ordinary shares with a par value of US\$0.01 each ("**Adjusted Shares**" or the "**Share Subdivision**"); and

- (c) the credit arising from the Capital Reduction will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction in a manner as permitted by all applicable laws and the articles of association of the Company and as the Board considers appropriate. The balance of the credit (if any) of the share premium account after offsetting the accumulated losses will be applied by the Company in any manner as permitted by all applicable laws and the articles of association.

(together these steps are the "**Capital Reorganisation**").

- 10 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 3 January 2024 (the "**Special Resolution**"), it was resolved:

*"**THAT** subject to and conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") granting the listing of, and permission to deal in, the New Shares (as defined below) in issue and to be issued upon the Capital Reduction (as defined below) and the Sub-division (as defined below) becoming effective; (ii) the Grand Court of the Cayman Islands (the "**Court**") granting an order confirming the Capital Reduction; (iii) the compliance with any conditions which the Court may impose in relation to the Capital Reduction; (iv) the registration by the Registrar of Companies in the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction and the minutes approved by the Court containing the particulars required under the Companies Act (As Revised) of the Cayman Islands with respect to the Capital Reduction; (v) the compliance with the relevant procedures and requirements under the applicable laws of the Cayman Islands and the Rules*

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*Governing the Listing of Securities on the Stock Exchange to effect the Capital Reduction and the Sub-division; and (vi) the obtaining of all necessary approvals from the regulatory authorities or otherwise as maybe required in respect of the Capital Reduction and the Sub-division, with effect from the date on which the above conditions are fulfilled (the “**Effective Date**”):*

- (a) the issued share capital of the Company be reduced by cancelling the paid-up capital of the Company to the extent of HK\$0.39 on each of the issued shares of the Company of par value of HK\$0.40 each (the “**Shares**”) such that the par value of each issued Share will be reduced from HK\$0.40 to HK\$0.01 (the “**Capital Reduction**”);*
- (b) immediately following the Capital Reduction becoming effective, each of the authorised but unissued Shares of par value HK\$0.40 each be sub-divided (the “**Sub-division**”) into forty (40) unissued new shares of par value HK\$0.01 each (the “**New Shares**”), and such New Shares shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the memorandum and articles of association of the Company;*
- (c) immediately following the Capital Reduction and the Sub-division, the authorised share capital of the Company be changed from HK\$100,000,000 divided into 250,000,000 Shares to HK\$100,000,000 divided into 10,000,000,000 New Shares;*
- (d) the credit arising from the Capital Reduction be applied towards offsetting the accumulated losses of the Company (the “**Accumulated Losses**”) as at the Effective Date and the balance of any such credit remaining after offsetting the Accumulated Losses (if any) be transferred to a*

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*distributable reserve account of the Company which may be applied by the Company in any manner as permitted under the applicable laws and the memorandum and articles of association of the Company; and*

*(e) the directors of the Company be and are hereby authorised to do all such acts and things and execute (under hand or as a deed and where appropriate, under the common seal of the Company) all such documents on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to or in connection with the implementation of the Capital Reduction and the Sub-division.”*

- 11 The Special Resolution was duly passed by the shareholders of the Company at the EGM held on 3 January 2024, thus satisfying the requirements for passing a special resolution to approve the Capital Reduction under the Articles of Association of the Company and under the Companies Act.
- 12 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.
- 13 The Board believes that the Capital Reorganisation 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 and that on the date the Capital Reorganisation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due.

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- 14 The form of minute proposed to be registered by the Company to the Registrar of Companies and for which approval for the Court is sought is as follows:

*"By virtue of a Special Resolution passed on 3 January 2024 and with the sanction of an Order of the Grand Court of the Cayman Islands dated [ ]:*

- (a) the par value of each of the issued shares of CROSSTEC Group Holdings Limited (the "**Company**") be reduced from HK\$0.40 to HK\$0.01 per issued share by cancelling the paid up share capital to the extent of HK\$0.39 per issued share (the "**Capital Reduction**");*
- (b) the reduction of the entire amount of HK\$50,544,000 standing to the credit of the Share Premium Account, which shall be effective when the Capital Reduction becomes effective (the "**Share Premium Reduction**")*
- (c) the credit of HK\$50,544,000 arising from the Capital Reduction and Share Premium Reduction will be applied towards offsetting the accumulated losses (the "**Accumulated Losses**") of the Company as at the effective date of the Capital Reduction in the sum of approximately HK\$165,113,000, and the balance of any such credit remaining after offsetting the Accumulated Losses will be applied by the Company in any manner as permitted by all applicable laws, the memorandum and articles of association of the Company; and*
- (d) immediately following the Capital Reduction becoming effective, each of the authorised but unissued Shares with par value of HK\$0.40 each be sub-divided into 40 authorised but unissued New Shares with par value of HK\$0.01 each, such that the current authorised share capital of the Company of HK\$100,000,000 divided into 250,000,000 ordinary shares of par value HK\$0.40 each shall become HK\$100,000,000 divided into 10,000,000,000 ordinary shares of par value HK\$0.01 each".*

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**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 10 above be confirmed and that the form of minute set out at paragraph 14 above be approved by the Court.
- (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 17 day of January 2024



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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 6th February 2024 at 2:00pm.

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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