CLERK OF COURT
JAN 15 2013
CAYMAN ISLANDS GOVERNMENT

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO: FSD 0009 OF 2013

IN THE MATTER OF THE COMPANIES LAW (2012 REVISION)

AND IN THE MATTER OF THE REDUCTION OF SHARE CAPITAL OF GREENSLEDGE ASIA LIMITED

GRAND COURT - CAYMAN ISLANDS

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C.I. GOVERNMENT

PETITION

TO THE GRAND COURT

THE HUMBLE PETITION OF by GREENSLEDGE ASIA LIMITED, whose registered office is at: Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands **SHOWS THAT**:

Background

1. Your Petitioner, Greensledge Asia Limited (hereinafter called the "**Company**") was incorporated on 31 August 2010 as an exempted company limited by shares under the Companies Law of the Cayman Islands (as amended) (the "**Companies Law**").

2. The Company is a securities broker/dealer with its place of business in Japan. The objects for which the Company was formed are unrestricted, and the Company has full power and authority to carry out any object not prohibited by the Companies Law.

Share Capital and Shareholder of the Company

3. The sole shareholder of the Company is Greensledge Capital Markets LLC (the "**Shareholder**"), a company incorporated in Delaware, the United States of America, with its principal place of business in New York.

4. The authorised share capital of the Company at the date of its incorporation was US$50,000 divided into 50,000 shares with a nominal or par value of US$1 each.

5. Since the incorporation of the Company, the authorised share capital has been changed as follows:

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(a) on 26 November 2010, by a written resolution of the Shareholder (the "**Written Resolution**"), the authorised share capital of the Company was increased to JPY100,000,000. This was effected by way of a series of resolutions passed in the Written Resolution. As set out in the Written Resolution, the authorised share capital of the Company was reduced from US$50,000 divided in to 50,000 shares with a par value of US$1 each to US$1 by the cancellation of 49,999 shares. The authorised share capital of the Company was immediately increased to the aggregate of (i) US$1 divided in to 1 share of US$1 and (ii) JPY100,000,000 divided in to 100,000,000 shares of JPY1 each. The Company then purchased and cancelled the only remaining US$1 share and the capital of the Company was reduced to JPY100,000,000 divided into 100,000,000 shares with a par value of JPY1 each; and

(b) on 24 January 2012, by a written resolution of the Shareholder, the authorised share capital of the Company was increased from JPY100,000,000 divided into 100,000,000 shares with a par value of JPY1 each, to JPY150,000,000 divided into 150,000,000 shares with a par value of JPY1 each.

6. As at the date of this Petition the authorised share capital of the Company is JPY150,000,000 divided into 150,000,000 shares with a par value of JPY1 each. The issued and fully paid up share capital of the Company is JPY115,000,000, being 115,000,000 shares with a par value of JPY1 each.

Company's Financial Position

7. Although the Company was incorporated on 31 Aug 2010, it was only registered with the Financial Services Agency of Japan as a securities broker/dealer and able to commence business operations 11 months later on 20 July 2011. It then took another 8 months before the Company received its first revenue on 29 March 2012. Consequently, the Company incurred some inevitable start up costs in the first few months of its operations, and from October 2011 to September 2012, the Company's annual expenses were approximately JPY78,206,000, while the accumulated losses stood at approximately JPY68,159,000.

8. As of 30 September 2012, the Company's assets amount to JPY71,543,802 while its liabilities amount to JPY4,702,645. For the 12-month period from 1 October 2011 to 30 September 2012, the Company made a net loss of JPY21,692,225, while its cash flow from operating, investing and financing activities was -JPY27,633,132, -JPY612,880 and JPY35,000,000 respectively. Exhibited at pages 1 to 7 are copies of the Company's balance sheet as of 31 December 2010, the profit and loss from 14 September 2010 to 31 December 2010, balance sheet at 31 December 2011, profit and loss from 1 January 2011 to 31 December 2011, cash flow statement from 1 January 2011 to 31 December 2011, balance sheet at 30 September 2012, profit and loss for the period 1 October 2011 to 30 September 2012 and cash flow statement for the period 1 October 2011 to 30 September 2012. Accordingly, the Company is a solvent entity and has more than sufficient assets to meet all liabilities owed to creditors. The Company considers that the Capital Reduction will not affect or prejudice any creditors of the Company, especially given no capital will actually be returned to the Shareholder (see paragraph **Error! Reference source not found.**).

9. As of 30 September 2012, the Company's creditors and the amounts owed to each of them are as follows:

   (a) Japan National Tax Agency: JPY1,363,542

   (b) Tokyo Metropolitan Government: JPY217,500

   (c) Japan local municipal government: JPY2,020,600

   (d) Japan Social Security Office: JPY394,193

   (e) Toyo Polish: JPY10,185

   (f) Employees: JPY696,625

10. The total amount owed to the abovementioned creditors is JPY4,702,645.

Reasons for the Capital Reduction

11. The paid-in share capital of the Company was increased from JPY100,000,000 to JPY115,000,000 on 24 January 2012 (the **"Share Capital Increase"**) in order to comply with Article 29-4, Section 1 Subsection 5 (ro) of the Financial Instruments and Exchange Law of Japan, Article 15-7, Subsection 3 and Article 15-9 of the Enforcement Ordinance of the Financial Instruments and Exchange Law, which requires Type 1 Financial Instruments Business Firms (as

defined in Article 28, Section 1 of the Financial Instruments and Exchange Law of Japan) to maintain net assets of at least JPY50,000,000.

12. On 1 February 2012, the Company entered into a services agreement with the Shareholder, pursuant to which the Company shall provide capital markets services to the clients of the Shareholder. Payment for such services by the Shareholder to the Company is agreed on a deal by deal basis (the "**Services Agreement**"). The amount of mark-up varies according to the nature of the work to be done by the Company, and is currently pegged at 5%. On its part, the Shareholder has secured sufficient contracts with its clients to be able to provide the payments to the Company under the Services Agreement. As a consequence, the Company will have sufficient revenue to maintain net assets of at least JPY50,000,000, and will therefore no longer require the enhanced share capital provided for by the Share Capital Increase.

13. At the same time, the Company has been advised by its tax advisors that the Company would be able to enjoy various tax benefits under Japanese tax law if its issued and paid-up share capital is JPY100,000,000 or less, such lower corporate income tax rates, social expenses being tax deductible and lower corporate inhabitant tax rates. The tax savings would in turn reduce the accumulated losses of the Company.

14. The directors of the Company (the "**Directors**") have considered the income statements and balance sheets of the Company as stated at paragraph 8 above, and having regard to the reasons set out at paragraphs 11 to 13 above, reached the view that the Company should pay off the paid-up share capital which is in excess of the needs of the Company.

15. Accordingly, it was proposed that the Company undergo a capital restructuring. The capital restructuring requires the cancellation of 15,000,000 shares with par value of JPY1 each, such that the issued share capital be reduced from JPY115,000,000 consisting of 115,000,000 shares with par value of JPY1 each, to JPY100,000,000 consisting of 100,000,000 shares with par value of JPY1 each, and the authorised share capital be reduced from JPY150,000,000 consisting of 150,000,000 shares with par value of JPY1 each to JPY135,000,000 consisting of 135,000,000 shares with par value of JPY1 each (the "**Capital Reduction**"). It is proposed that the credit which arises as a result of the Capital Reduction shall be set-off against part of the accumulated losses of the Company as at 30 September 2012, or in a manner otherwise permitted by the Companies Law of the Cayman Islands (the "**Companies Law**").

Directors and Shareholder Resolutions

16. Article 43 of the articles of association of the Company adopted pursuant to special resolutions passed on 24 January 2012 (the "**Articles of Association**") states that:

"The Company may be Special Resolution reduce its share capital and any capital redemption reserve in any manner authorized by law."

17. Further, Article 1 of the Articles of Association provides that:

"Special Resolution" means a special resolution of the Company passed in accordance with the Law, being a resolution:

(a) *passed by a majority of not less than two-thirds of such Shareholders 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 and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or*

(b) *approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed.*

18. On 12 December 2012, written resolutions were passed by the Directors to recommend to the Shareholder that conditional upon (i) approval of the Capital Reduction by the Grand Court of the Cayman Islands (the **"Cayman Islands Court"**); (ii) registration by the Registrar of Companies of the Cayman Islands of the order of the Cayman Islands Court confirming the Capital Reduction and the minute approved by the Cayman Islands Court containing the particulars required under the Companies Law in respect of the Capital Reduction; and (iii) compliance with any condition as may be imposed by the Cayman Islands Court in relation to the Capital Reduction:

(a) the Capital Reduction be effected by cancelling 15,000,000 shares with par value of JPY1 each, such that the issued share capital be reduced from JPY115,000,000 consisting of 115,000,000 shares with par value of JPY1 each to JPY100,000,000 consisting of 100,000,000 shares with par value of JPY1 each, and the authorised share capital be reduced from JPY150,000,000 consisting of 150,000,000 shares with par value of JPY1 each to JPY135,000,000 consisting of 135,000,000 shares with par value of JPY1 each;

(b) and the credit which arises as a result of the Capital Reduction be set-off against part of the accumulated losses of the Company as at 30 September 2012, or in a manner otherwise permitted by the Companies Law.

19. By special resolutions passed by written resolutions dated 12 December 2012, the Shareholder resolved (inter alia) that conditional upon (i) approval of the Capital Reduction by the Cayman Islands Court; (ii) registration by the Registrar of Companies of the Cayman Islands of the order of the Cayman Islands Court confirming the Capital Reduction and the minute approved by the Cayman Islands Court containing the particulars required under the Companies Law in respect of the Capital Reduction; and (iii) compliance with any condition as may be imposed by the Cayman Islands Court in relation to the Capital Reduction:

(a) the Capital Reduction be effected by cancelling 15,000,000 shares with par value of JPY1 each, such that the issued share capital be reduced from JPY115,000,000 consisting of 115,000,000 shares with par value of JPY1 each to JPY100,000,000 consisting of 100,000,000 shares with par value of JPY1 each, and the authorised share capital be reduced from JPY150,000,000 consisting of 150,000,000 shares with par value of JPY1 each to JPY135,000,000 consisting of 135,000,000 shares with par value of JPY1 each;

(b) the credit which arises as a result of the Capital Reduction be applied to set-off against part of the accumulated losses of the Company as at 30 September 2012, or in a manner otherwise permitted by the Companies Law; and

(c) the memorandum of association of the Company be amended by deleting clause 7 and replacing it with the following provision:

"*7. The authorised share capital of the company is JPY135,000,000 divided into 135,000,000 shares of a nominal or par value of JPY1 each provided always that subject to the Law and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.*"

20. The Capital Reduction in the form proposed does not involve (i) an alteration or variation to the rights attached to the Company's shares; (ii) a diminution of the liability of the Shareholder in respect of amounts unpaid on issued share capital; or (iii) the return of capital to the Shareholder. Both the Shareholder and creditors of the Company will not be prejudiced by the Capital Reduction as the Company only has a single shareholder and the liability on the Shareholder is unaffected, there being no return of capital to the Shareholder. The Shareholder has had the opportunity to ask any and all questions with respect to the Capital Reduction and related proposal and has confirmed that it understands the proposals and has had sufficient information provided to it by the Company in order to make an informal decision.

21. There is only one shareholder who holds one class of shares and accordingly all Shareholders will effectively be treated equally and on the same terms.

22. The form of the Minute proposed to be registered is as follows:

"The authorised share capital of Greensledge Asia Limited was by virtue of a special resolution of its shareholder, and with the sanction of an order of the Grand Court of the Cayman Islands dated [ ], reduced from JPY150,000,000 divided into 150,000,000 ordinary shares each with a par value of JPY1, to JPY135,000,000 divided into 135,000,000 ordinary shares each of a par value of JPY1. As at the date of registration of this minute 100,000,000 ordinary shares of JPY1 each have been issued and fully paid."

23. After the completion of the Capital Reduction, the authorised share capital of the Petitioner shall be JPY135,000,000 divided into 135,000,000 shares, comprising 100,000,000 issued and fully paid-up shares and 35,000,000 unissued shares.

Your Company therefore humbly prays as follows:

1. That the Capital Reduction of the Company proposed to be effected by the Special Resolution set forth in paragraph 19 of this Petition may be confirmed and the above mentioned Minute set forth in paragraph 22 of this Petition be approved by the Court;

2. That to this end all necessary inquiries and directions may be made and given;

3. Or that such other order may be made in the premises as the Court shall deem fit.

AND your Company will ever pray etc.

DATED the 15th day of January 2013

Walkers

WALKERS

Attorneys at Law for the Company

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

This Petition is presented by Walkers, Attorneys at Law, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001, Cayman Islands for the Company whose address for service is care of said Attorneys at Law.

ENDORSEMENT

This petition, having been presented to the Grand Court of the Cayman Islands on the ______ day of __________________ 2013 will be heard at the Grand Court of the Cayman Islands on:

Date:

Time:

(or as soon thereafter as the petition can be heard).

This Petition is presented by Walkers, Attorneys at Law, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001, Cayman Islands for the Company whose address for service is care of said Attorneys at Law.