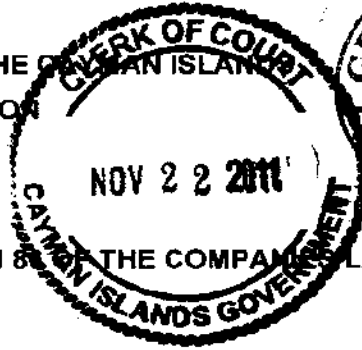


IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION



IN THE MATTER OF SECTION 86 OF THE COMPANIES LAW (2011 REVISION)

AND

IN THE MATTER OF SUNLINK INTERNATIONAL HOLDINGS LIMITED

\_\_\_\_\_  
PETITION  
\_\_\_\_\_



To: The Grand Court of the Cayman Islands

The humble petition of **SUNLINK INTERNATIONAL HOLDINGS LIMITED** whose registered office is located at Century Yard, Cricket Square, Hutchins Drive, PO Box 2861 GT, George Town, Grand Cayman, Cayman Islands (the "Company") shows that:

1. The object of this Petition is to seek the sanction of the Court pursuant to section 86 of the Companies Law (2011 Revision) of a proposed Scheme of Arrangement (the "Scheme") between the Company and its Scheme Creditors (as defined therein), a copy of which is annexed to this Petition by way of Schedule. A copy of the scheme circular (which will include the explanatory statement to the Scheme and the form of notice of the Scheme Meeting) shall be exhibited to an affirmation made by, Young, Andrew Meng Cheung, one of the directors of the Company, which shall be filed with this Honourable Court. Save where otherwise defined, capitalised terms in this Petition shall have the same meaning as in the Scheme and its Explanatory Statement.

#### THE PETITIONER

2. The Company is an exempted company limited by shares incorporated in the Cayman Islands on 5 July 2002 in accordance with the Companies Law (as amended), with registration number 118715. The registered office of the Company is located at Century

Yard, Cricket Square, Hutchins Drive, PO Box 2681GT, George Town, Grand Cayman, Cayman Islands. The Company's principal place of business in Hong Kong is situated at 62/F, One Island East, 18 Westlands Road, Island East, Hong Kong.

3. The authorised share capital of the Company is HK\$300,000,000 divided into 3,000,000,000 ordinary shares of HK\$0.10 each. As at the date of the presentation of this Petition, 1,864,780,000 of the 3,000,000,000 ordinary shares of HK\$0.10 each have been issued and are fully paid up, or credited as fully paid up, and the rest remain unissued.
4. The Company is principally engaged in the sale of (i) semiconductors and related products; (ii) auto devices and parts; and (iii) wireless devices and solutions.
5. The Company was registered in Hong Kong as an overseas company under Part XI of the Companies Ordinance on 5 September 2002, and was listed on the main board of The Stock Exchange of Hong Kong Limited (the "HKEX") on 3 March 2003 (Stock Code: 2336). On 2 December 2008, at the request of the Company, trading of the Shares on the HKEX was suspended.
6. On 1 December 2008, a petition seeking the Company's winding up was presented in the High Court of Hong Kong Special Administrative Region (the "Hong Kong Court") by one of the Company's creditors, and subsequently, Messrs Stephen Liu Yiu Keung and David Yen Ching Wai, both of Ernst & Young Transactions Limited, were appointed as joint and several provisional liquidators (the "Provisional Liquidators") of the Company by order of the Hong Kong Court on 24 December 2008.

#### **OBJECT OF THE SCHEME**

7. The object and purpose of the Scheme as set out in the Schedule hereto is to effect a restructuring of the Company's debt so that, when combined with other measures, including fund raising by an open offer for shares in the Company, the Company has sufficient funding to allow it to continue to operate on a going concern basis.
8. The terms of the proposed restructuring of the Company are set out in the restructuring agreement entered into between, amongst others, the Company, the Provisional Liquidators, Brilliant Capital International Limited (the "Investor") and Mr Suen Cho Hung, Paul, as the Investor's Guarantor, on 30 September 2011.

9. The proposed Scheme has, inter alia, the following features:

- (a) With effect from the Effective Date, provided that all those matters contemplated to occur on the Completion Date have occurred, each Scheme Creditor discharges and waives all of its Claims against the Company.
- (b) In consideration for each Scheme Creditor discharging and waiving its Claims against the Company:
  - (i) each Scheme Creditor shall be entitled to participate with each other Scheme Creditor in the Dividends in accordance with the terms of the Scheme;
  - (ii) the Company shall issue 40,000,000 Creditors Shares credited as fully paid to the Scheme Creditors; and
  - (iii) the Company shall issue the Creditors CB to the Scheme Creditors in the aggregate principal amount of HK\$8,000,000 pursuant to which, the Scheme Creditors shall be entitled to exercise their conversion rights to convert the Creditors CB into the Creditors CB Conversion Shares,

in each case subject (inter alia) to the approval at the Scheme Meeting of a majority in number representing seventy-five per cent (75%) or more in value of the Scheme Creditors present and voting, either in person or by proxy, at the Scheme Meeting as required pursuant to section 86 of the Companies Law.

**YOUR PETITIONER, THE COMPANY, THEREFORE HUMBLY PRAYS:**

- 1 THAT the Scheme substantially in the form set out in the Schedule hereto be sanctioned by the Court so as to be binding on the Company and the Scheme Creditors.
- 2 THAT, to this end, all necessary inquiries may be made and directions may be made and given.
- 3 SUCH further orders and other relief as may be made in the premise as this Honourable Court shall deem fit.

Dated this 22<sup>nd</sup> day of November 2011

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WALKERS  
Attorneys-at-Law for the Petitioner

**Note: It is not intended that this Petition be served on anyone.**

**ENDORSEMENT**

This Petition has been presented to the Grand Court of the Cayman Islands on the 22 day of November 2011 and will be heard by the Grand Court of the Cayman Islands on the \_\_\_\_\_ day of 2011 at \_\_\_\_\_ in the fore/after noon (or as soon thereafter as the Petition can be heard).

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

**SCHEDULE – SCHEME OF ARRANGEMENT:  
SUNLINK INTERNATIONAL HOLDINGS LIMITED**

**IN THE HIGH COURT OF THE  
HONG KONG SPECIAL ADMINISTRATIVE REGION  
COURT OF FIRST INSTANCE**

MISCELLANEOUS PROCEEDINGS NO.      OF 2011

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**IN THE MATTER OF  
SUNLINK INTERNATIONAL HOLDINGS LIMITED**

(Provisional Liquidators Appointed)

(科浪國際控股有限公司)  
(已委任臨時清盤人)

AND

IN THE MATTER OF SECTION 166 OF THE COMPANIES ORDINANCE  
(CHAPTER 32 OF THE LAWS OF HONG KONG) AND  
ORDER 102 RULE 2 OF THE RULES OF THE HIGH COURT (CHAPTER 4A)

AND

IN THE GRAND COURT OF THE CAYMAN ISLANDS

**FINANCIAL SERVICES DIVISION**

**CAUSE NO. FSD OF 2011**

IN THE MATTER OF SECTION 86 OF THE COMPANIES LAW (2011 REVISION)

AND

IN THE MATTER OF THE GRAND COURT RULES 1995 ORDER 102

AND  
IN THE MATTER OF  
**SUNLINK INTERNATIONAL HOLDINGS LIMITED**

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**SCHEME OF ARRANGEMENT**

UNDER SECTION 166 OF THE COMPANIES ORDINANCE  
(CHAPTER 32 OF THE LAWS OF HONG KONG)  
AND UNDER SECTION 86 OF THE COMPANIES LAW (2011 REVISION)

BETWEEN

**SUNLINK INTERNATIONAL HOLDINGS LIMITED**  
(Provisional Liquidators Appointed)

and

**THE CREDITORS**  
(as hereinafter defined)

**1. Scheme Administrators and Scheme Committee**

- 1.1. Mr. Stephen Liu Yiu Keung and Mr. David Yen Ching Wai are appointed as the initial Scheme Administrators of the Scheme with the power to act jointly and severally.
- 1.2. The Scheme Administrators shall be entitled to exercise such rights and powers as are necessary or desirable to give effect to the provisions of the Scheme and matters incidental thereto, and shall, without limitation, also be vested with powers equivalent to those vested in a liquidator in a winding up of a company by the Hong Kong Court and the Cayman Court.
- 1.3. Where two persons for the time hold office as Scheme Administrators they shall be entitled to act jointly and severally (except as provided in Clause 1.7 below).
- 1.4. Each person from time to time appointed as Scheme Administrator shall be an individual qualified to act as liquidator of a company in Hong Kong and/or experienced in handling restructuring or insolvency of companies in Hong Kong.
- 1.5. Any person for the time being holding office as Scheme Administrator may at any time resign by giving to the Scheme Committee and the other person (if any) for the time being holding office as Scheme Administrator notice in writing of not less than one month.
- 1.6. If any person for the time being holding office as Scheme Administrators:
  - (a) dies;
  - (b) is convicted of an indictable offence;
  - (c) resigns his/her office by notice in accordance with Clause 1.5 above;
  - (d) becomes bankrupt;
  - (e) is disqualified from acting as a director of a company under the Companies Ordinance or the Companies Law; or
  - (f) is admitted to hospital because of mental disorder or becomes the subject of an order made by a court having jurisdiction whether in Hong Kong or elsewhere in matters concerning his mental disorder;he/she shall cease to hold office as Scheme Administrator.
- 1.7. If at any time only one person holds office as Scheme Administrator, he/she may appoint only one person to hold office with him as Scheme Administrator. Such person so appointed shall be duly qualified in accordance with Clause 1.4 above and not ineligible by reason of any of the matters referred to in Clause 1.6 above, and shall have consented to act as Scheme Administrator. Such appointment shall be by instrument in writing, signed by the appointer. Any Scheme Administrator so appointed shall as soon

as reasonably practicable following his/her appointment give written notice of his/her appointment to all Creditors.

- 1.8. If at any time no person holds office as Scheme Administrator, the Scheme Committee may appoint not more than two persons to hold office as Scheme Administrator(s). Each such person shall be duly qualified in accordance with Clause 1.4 above and not ineligible by reason of any of the matters referred to in Clause 1.6 above, and shall have consented to act as Scheme Administrator. Each such appointment shall be by instrument in writing signed by each member of the Scheme Committee.
- 1.9. A Scheme Committee shall be formed in respect of the Scheme as soon as reasonably practicable after the Effective Date. The Scheme Committee shall comprise up to three members. Only Creditors with Admitted Claims can act as members. The initial members will be appointed by the Scheme Administrators after considering the views of the Creditors at the Scheme Meeting. The quorum for the Scheme Committee shall be two members present in person or by proxy. Any decision shall be by a majority of those present. In the case of equality of votes among the members, the Scheme Administrators shall hold a casting vote.
- 1.10. The Scheme Committee shall act in the best interest of the general body of Creditors.
- 1.11. Each corporate member of the Scheme Committee shall be represented by a nominated representative. The relevant Creditor (who must have filed its Notice of Claim in accordance with Clause 3 of the Scheme) shall notify the Scheme Administrators in writing as soon as reasonably practicable after any change of the identity of any nominated representative.
- 1.12. The Scheme Committee shall receive verbal and written reports from the Scheme Administrators, meet with the Scheme Administrators as often as necessary and consider any requests by the Scheme Administrators for approval of the Scheme Costs, which approval shall not be unreasonably withheld or delayed. The Scheme Administrators shall provide the Scheme Committee with such relevant information as they may from time to time reasonably require in relation to any decision that the Scheme Committee is required to make.
- 1.13. Each member of the Scheme Committee (in its capacity as such):
  - (a) shall have only those duties and responsibilities expressly specified in the Scheme and shall not have any implied duties or responsibilities whatsoever; and
  - (b) may refrain from doing anything which would or might in its opinion be contrary to any law, directive or regulation of any applicable jurisdiction and may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation and such Scheme Committee member shall not be liable for any loss occasioned thereby.
- 1.14. (a) A member of the Scheme Committee may give notice at any time to the Scheme Administrators that it wishes to resign from the Scheme Committee.

- (b) Upon receipt of such notice of intended resignation or when the number of members falls below three, the Scheme Administrators shall in writing appoint another Creditor with an Admitted Claim to be the successor to the resigning member of the Scheme Committee.
- (c) The resignation of any member of the Scheme Committee and the appointment of any successor member will become effective only upon the successor member notifying the Scheme Administrators that it accepts its appointment.
- (d) Any Creditor with an Admitted Claim so appointed to the Scheme Committee shall, from the date of appointment, be bound by all duties and responsibilities of the Scheme Committee expressly specified in the Scheme.
- (e) The resigning member shall, at its own cost, make available to the successor member such documents and records and provide such assistance as the successor member may reasonably request for the purposes of performing its functions as a member of the Scheme Committee.

## **2. Constitution of the Scheme Funds**

- 2.1. The Scheme Administrators shall, or as soon as reasonably practicable after the Effective Date, open the Scheme Trust Account and shall deposit all monies paid to or realised by them in their capacity as Scheme Administrators other than payments to them in respect of approved Scheme Costs into the Scheme Trust Account.
- 2.2. All property received by the Scheme Administrators or their nominee(s) in their capacity as such, including the Scheme Funds, the Creditors Shares Allocation the Creditors CB Allocation, any proceeds of the disposal of any or all of the shares of the Newco (which the Scheme Administrators will cause the shareholders of the Newco to transfer to themselves), any proceeds of the realization or sale of any or all of the asset(s) of the Newco (which the Scheme Administrators will cause the Newco to transfer to themselves) and any property recovered during the course of the administration of the Newco (which the Scheme Administrators will cause the Newco to transfer to themselves), shall be held on trust for the payment of the Petition Costs, the Preferential Claim(s), the Scheme Costs, the Issuance Costs and Dividends in accordance with this Scheme.
- 2.3. At the Completion Date, the Scheme Administrators shall instruct the Provisional Liquidators to transfer a sum of approximately HK\$43,000,000 which covers the settlement of the Petition Costs, the Preferential Claim(s), the Scheme Costs, the Issuance Costs and Dividends from the subscription monies payable by the Investor upon Completion to the Scheme Trust Account.
- 2.4. At the Completion Date, the Company will issue the Creditors Shares Allocation and Creditors CB Allocation to the Scheme Administrators or their nominee(s) (if the Scheme Administrators so instruct) to be held pending distribution to Creditors with

Admitted Claims for the benefit of the Creditors with Admitted Claims in accordance with this Scheme.

- 2.5. With effect from the Effective Date, each of the Creditors discharges and waives all of its Claims against the Company in consideration of the right to participate with each of the other Creditors in the distribution of Scheme Funds, the Creditors Shares and Creditors CBs pursuant to the terms of the Scheme.

### **3. Proof and determination of Claims**

- 3.1 As soon as reasonably practicable, and in any event within 14 days after the Effective Date, the Scheme Administrators shall give notice to all Creditors of whom they are aware, by letter and by advertisement in one English language newspaper and one Chinese language newspaper in Hong Kong and in one English language newspaper in the Cayman Islands and the Cayman Islands Gazette in the Cayman Islands, that Creditors must submit a Notice of Claim at or before the Cut-Off Date. At the time of the notification by post, the Scheme Administrators shall also send to the Creditors a Notice of Claim substantially in the form set out in Appendix 3 to this Document. Notice of Claim submitted to the Provisional Liquidators at or before the Effective Day for the purpose of voting at the Scheme Meeting shall be deemed to be a Notice of Claim to the Scheme Administrators by such Person, provided that such Person may submit a further Notice of Claim at or before the Cut-Off Date, such further Notice of Claim shall supersede any prior Notice of Claim.

- 3.2 At or before the Cut-Off Date, each Creditor shall deliver to the Scheme Administrators at its own expense:

- (a) no later than 5:00 p.m. at the Cut-Off Date, a Notice of Claim in respect of the amount of the indebtedness claimed to be owed to it by the Company as at the Effective Date, completed substantially in accordance with the instructions printed on it; and
- (b) such documents or other evidence necessary for the purpose of substantiating its Claim.

#### **3.3 Creditors of the Scheme**

There shall be only one class of Creditors under the Scheme – the Unsecured Creditors. As at the Latest Practicable Date, the Provisional Liquidators are not aware of any Secured Creditors based on the available books and records.

#### **3.4 (a) Preferential Claim(s)**

Each Person with a Preferential Claim will be paid out of the Scheme Funds in full to the extent of its Preferential Claim (recognising the priority which they would have in a winding-up of the Company pursuant to Section 265 of the Companies Ordinance and/or Section 141 of the Companies Law). As at the Latest Practicable Date, based

on the available books and records, the Preferential Claim Amount is approximately HK\$20,000. The Provisional Liquidators shall make provision out of the Scheme Funds in respect of the Preferential Claim(s).

The Preferential Creditors who are also Unsecured Creditors shall, after receiving the amount of their Preferential Claim(s) in full and final settlement thereof under the Scheme, also receive Dividends to be paid out of the Cash Amount (subject to costs and expenses), the Creditors Shares and Creditors CB in respect of the non-preferential portion of their Admitted Claims in accordance with this Scheme.

(b) Secured Creditors' Claims

**Creditors holding Securities Interest**

As at the Latest Practicable Date, the Provisional Liquidators are not aware of any Secured Creditors. In case there is any Secured Creditor, the Secured Creditor may:

- (i) agree the value of its Securities Interest with the Scheme Administrators and participate in the Scheme as an Unsecured Creditor(s) for the unsecured portion of its Admitted Claim (which will be determined after the agreed value of the Securities Interest); or
- (ii) release its Securities Interest and participate in the Scheme as an Unsecured Creditor(s) for its entire Admitted Claim which will be treated as unsecured.

If a Secured Creditor cannot agree a value for its Securities Interest with the Scheme Administrators or if the Secured Creditor is unwilling to release its Securities Interest, then the Claim(s) of the Secured Creditor will be treated as Unadmitted Claim(s) for which appropriate reserves will be made by the Scheme Administrators out of the Scheme Funds, pending the Secured Creditor notifying the Scheme Administrators that it has realised its Securities Interest and providing details of its unsecured Claim (if any), or if earlier, releasing or agreeing with the Scheme Administrators a value for its Securities Interest.

The bar on further proceedings will not prevent a Secured Creditor from taking all steps which are necessary in order to enforce its Securities Interest.

3.5 Each Creditor will:

- (a) in completing its Notice of Claim take into account any amount received from the primary obligor or any co-surety prior to the date at which it submits its Notice of Claim or is deemed to have submitted its Notice of Claim pursuant to Clause 3.1 above; and
- (b) pay to the Scheme Administrators any amount(s) received from the primary obligor or any co-surety if and to the extent the aggregate value of the Creditor's

receipt(s) under the Scheme and from the primary obligor or any co-surety exceeds the total amount owed to the Creditor by the primary obligor.

- 3.6 The Scheme Administrators shall examine every Notice of Claim lodged with them and the related evidence, and shall as soon as reasonably practicable decide whether to admit or reject the Claim, in whole or in part, or require further evidence in support of it. The Scheme Administrators shall send to each Creditor a notice in writing of their decision relating to that Creditor's Claim. Where the decision is to reject the Claim in whole or in part, the Scheme Administrators' notice of decision is to be accompanied by written reasons for their decision.
- 3.7 Any amount of an Admitted Claim which is in a currency other than Hong Kong Dollars shall for all purposes be converted to Hong Kong Dollars based on the rate for the purchase of the relevant currency offered by The Hongkong & Shanghai Banking Corporation Limited at the close of business on 24<sup>th</sup> December 2008, the date of the appointment of the Provisional Liquidators or, in the event of manifest error or non-publication, the offered rate for the purchase of the relevant currency of such other licensed bank in Hong Kong as the Scheme Administrators shall select and shall, for the purpose of the Scheme, be due in Hong Kong dollars.
- 3.8 Interest on any amount of the indebtedness owing under a Claim will be calculated up to the day prior to the date of the appointment of the Provisional Liquidators, i.e. 24<sup>th</sup> December 2008.
- 3.9 Where there have been mutual credits, mutual debts and/or other mutual dealing(s) between the Company and any Creditor before the Effective Date, account shall be taken of what is due from each party to the other in respect of such mutual credits, mutual debts and/or other mutual dealings and the sums due from the other party and only the balance of the account, if any, shall be admitted.
- 3.10 Adjudication
- (a) If a Creditor is dissatisfied with the Scheme Administrators' decision in respect of its Claim, it may, within 10 Business Days from the date of service of the notice of the decision as provided in Clause 3.6 above, apply in writing (with a copy to the Scheme Administrators) to the Adjudicator for a review of such decision. The Creditor must, at the time of making application to the Adjudicator, pay to the Adjudicator on account of the Adjudicator's costs a sum of HK\$50,000 (or such other amount as the Scheme Administrators and the relevant Creditor may agree), failing which the Creditor's application for review will be invalid.
- (b) The Adjudicator, acting as an expert and not as an arbitrator shall adopt such procedures as the Adjudicator may think fit, to enable the Adjudicator to decide whether the decision should be upheld, reversed or varied. The Scheme Administrators will use reasonable endeavours to procure that the Adjudicator delivers notice of the Adjudicator's decision to the relevant Creditor and the Scheme Administrators as soon as reasonably practicable after the Creditor's

application for review. The Adjudicator's decision shall be final, conclusive and binding on the relevant Creditor insofar as the law permits.

- (c) If no valid application for a review of the Scheme Administrators' decision is served on the Adjudicator by the Creditor to whose Claim that decision relates within 10 Business Days of service of notice of the Scheme Administrators' decision, that decision will be binding on the Creditor.
- (d) Any costs of the Adjudicator which exceed the payment on account referred to in Clause 3.10 (a) above shall be paid out of Scheme Funds as Scheme Costs.
- (e) If the Adjudicator decides that the amount of the relevant Creditor's Claim does not exceed the amount determined by the Scheme Administrators by more than the greater of HK\$50,000 or 10% of the amount determined by the Scheme Administrators, the relevant Creditor shall pay to the Scheme Administrators an amount equal to any payment made under Clause 3.10(d) above. To the extent that the relevant Creditor fails to pay any amount(s) due under this sub-clause and/or sub-clause (a), the Scheme Administrators are entitled to deduct such amount(s) from any payment and Dividends payable to the relevant Creditor with an Admitted Claim.
- (f) If the Adjudicator decides that the amount of the relevant Creditor's Claim exceeds the amount determined by the Scheme Administrators by more than the greater of HK\$50,000 or 10% of the amount determined by the Scheme Administrators, the Scheme Administrators will pay to the relevant Creditor out of the Scheme Funds an amount equal to the payment on account under Clause 3.10 (a) above.

3.11 A Notice of Claim may be withdrawn or varied at any time with the prior written consent of the Scheme Administrators.

3.12 The Scheme Administrators may accept a Notice of Claim received after the Cut-Off Date but before the First Distribution Calculation Date only if they are satisfied, in their absolute discretion, that there is a reasonable and satisfactory explanation for the failure to deliver the Notice of Claim by the Cut-Off Date.

3.13 For the avoidance of doubt, any Claim or part of a Claim which is not proved in accordance with this Clause 3 or which is rejected by the Scheme Administrators or the Adjudicator, as the case may be, shall be treated (and, if rejected in part, as to that rejected part only) for all purposes as having been wholly and irrevocably discharged and released and no Creditor shall be entitled to payment thereof or make any claim or initiate any proceedings against the Company in relation thereto.

#### **4 Bar to further proceedings**

From the Effective Date, none of the Creditors shall be entitled to demand or exercise any right of set-off against the Company in respect of its Claim, nor be able to seek to recover from the Company by legal process or otherwise, or to take any steps or

proceedings against the Company or its assets, for the purpose of enforcing its Claim or recovering any part of its Claim by way of execution or otherwise, or to commence or prosecute or join in any proceedings for winding up the Company based upon its Claim.

## **5 Distribution of Scheme Funds in the Scheme Trust Account, Creditors Shares and Creditors CBs**

### **A. Dividends Distribution**

5.1 The Scheme Funds whilst controlled by the Scheme Administrators shall be applied towards payment of (in the following order of priority):

- (1) the Petition Costs (estimated at approximately HK\$480,000 as at the Latest Practicable Date);
- (2) the Preferential Claim(s) (estimated at approximately HK\$20,000 as at the Latest Practicable Date);
- (3) the Scheme Costs (to be approved by the Scheme Committee in accordance with the terms of the Scheme and capped at the maximum amount of HK\$2,000,000);
- (4) the Issuance Costs; and
- (5) the payment of Dividends to Creditors with Admitted Claims ranking *pari passu* in proportion to their respective Admitted Claims in such manner as may be determined by the Scheme Administrators pursuant to Clauses 5.2 and 5.3 below.

5.2 As soon as reasonably practicable after the Cut-Off Date, and from time to time during their administration of the Scheme, the Scheme Administrators shall determine the amount of Scheme Funds available for distribution and may pay interim Dividends to Creditors with Admitted Claims in amounts determined in accordance with Clause 5.3 below.

5.3 The Scheme Administrators shall have the power to make interim distributions to the Creditors with Admitted Claims. The Scheme Administrators shall make such distributions at a level which will enable the Scheme Administrators to pay a percentage distribution to those Creditors with Admitted Claims and, at the same time, set aside a reserve out of the Scheme Funds of an amount equal to the amount required to pay the same percentage distribution on the full amount of any Unadmitted Claims, the Preferential Claims in full, the Scheme Costs (including the anticipated Scheme Costs), the Petition Costs (if and in so far as the amount of the same cannot be ascertained at the time of making interim distributions) and the Issuance Costs (if and in so far as the amount of the same cannot be ascertained at the time of making interim distributions). The Scheme Administrators will review the interim payment percentage on a regular basis. As soon as reasonably practicable after an Unadmitted Claim becomes an Admitted Claim, the Scheme Administrators shall distribute to that Creditor, whose Claim has become an Admitted Claim, the proportion of that Admitted Claim equal to the proportion paid to all other Creditors with Admitted Claims.

5.4 The Scheme Administrators shall distribute the Creditors Shares and Creditors CBs to the Creditors with Admitted Claims proportionally based on their respective Admitted Claims. The Scheme Administrator shall distribute such number of Creditors Share(s) and Creditors CB(s) to Creditors with Admitted Claims and at the same time reserve such number of Creditors Share(s) and Creditors CB(s) which would be distributed to Creditors with Unadmitted Claims if these Claims were to be admitted in full. As soon as reasonably practicable after an Unadmitted Claim becomes an Admitted Claim, the Scheme Administrators shall distribute to that Creditor whose Claim has become an Admitted Claim such number of Creditors Share(s) and such sum of Creditors CB(s) equaling the proportion of that Admitted Claim equal to the proportion distributed to all other Creditors with Admitted Claims.

**B. Creditors Shares**

5.5 At the Completion Date, the Company will issue to the Scheme Administrators or their nominee(s) (if the Scheme Administrators so instruct), the Creditors Shares Allocation to be held solely for the benefit of Creditors with Admitted Claims who have delivered Notices of Claim at or before the Cut-Off Date.

5.6 At or as soon as reasonably practicable after the Cut-Off Date, the Scheme Administrators will determine the Creditors Shares Entitlement of each Creditor with an Admitted Claim who has delivered a Notice of Claim at or before the Cut-Off Date by dividing each Creditor's Admitted Claim by the total of Admitted Claims and Unadmitted Claims referred to in all Notices of Claim by then delivered and multiplying that fraction by the Creditors Shares Allocation.

5.7 The Scheme Administrators will reserve any part of the Creditors Shares Allocation attributable to an Unadmitted Claim, pending the Unadmitted Claim becoming an Admitted Claim.

5.8 A late Creditor with an Admitted Claim whose Notice of Claim is delivered after the Cut-Off Date but before the First Distribution Calculation Date, if accepted by the Scheme Administrators pursuant to Clause 3.12 above, will be entitled to a rateable proportion of the Creditors Shares Allocation and the Creditors Shares Entitlement distributed to other Creditors with Admitted Claims will be reduced accordingly.

5.9 If an Unadmitted Claim becomes an Admitted Claim in whole or in part then the Scheme Administrators will procure the transfer of the Creditors Shares Entitlement in respect of the amount of the Admitted Claim to the relevant Creditor with an Admitted Claim as soon as reasonably practicable after the Cut-Off Date.

5.10 When distributing Creditors Shares Entitlements, the Scheme Administrators will also account to each Creditor with an Admitted Claim for all distributions of interest, if any, received on that Creditors Shares Entitlement attributable to the amount of the Admitted Claim as determined by the Scheme Administrators acting reasonably.

5.11 If the Scheme Administrators reject an Unadmitted Claim, in whole or in part, for which part of the Creditors Shares Allocation have been reserved and that rejection is

not reviewed or is upheld by the Adjudicator, then any such Creditors Shares Allocation will be sold by the Scheme Administrators as soon as reasonably practicable and such Proceeds of Sale will be pooled into the Scheme Funds.

- 5.12 The Scheme Administrators may take such additional steps as they consider reasonable and practicable in order to facilitate the distribution of the Creditors Shares Allocation or Proceeds of Sale to the Creditors with Admitted Claims.
- 5.13 The Scheme Administrators will not be liable to any Creditors for any action taken by them in good faith to realise a Creditors Shares Entitlement and distribute the Proceeds of Sale.

**C. Creditors CBs**

- 5.14 At the Completion Date, the Company will issue to the Scheme Administrators or their nominee(s), the Creditors CB Allocation to be held solely for the benefit of Creditors with Admitted Claims who deliver Notices of Claim at or before the Cut-Off Date.
- 5.15 At or as soon as reasonably practicable after the Cut-Off Date, the Scheme Administrators will determine the Creditors CB Entitlement of each Creditor with an Admitted Claim who has delivered a Notice of Claim on or before the Cut-Off Date by dividing each Creditor's Admitted Claim by the total of Admitted Claims and Unadmitted Claims referred to in all Notices of Claim by then delivered and multiplying that fraction by the Creditors CB Allocation.
- 5.16 The Scheme Administrators will reserve any part of the Creditors CB Allocation attributable to that Unadmitted Claim, pending the Unadmitted Claim becoming an Admitted Claim.
- 5.17 A late Creditor with an Admitted Claim whose Notice of Claim is delivered after the Cut-Off Date but before the First Distribution Calculation Date, if accepted by the Scheme Administrators pursuant to Clause 3.12 above, will be entitled to a rateable proportion of the Creditors CB Allocation and the Creditors CB Entitlement distributed to other Creditors with Admitted Claims will be reduced accordingly.
- 5.18 If an Unadmitted Claim becomes an Admitted Claim in whole or in part, then the Scheme Administrators will procure the transfer of the Creditors CB Entitlement in respect of the amount of the Admitted Claim to the relevant Creditor with an Admitted Claim as soon as reasonably practicable after the Cut-Off Date.
- 5.19 When distributing Creditors CB Entitlements, the Scheme Administrators will also account to each Creditor with an Admitted Claim for all distributions of interest received on that Creditors CB Entitlement attributable to the amount of the Admitted Claim as determined by the Scheme Administrators acting reasonably.
- 5.20 If the Scheme Administrators reject an Unadmitted Claim, in whole or in part, for which part of the Creditors CB Allocation have been reserved and that rejection is not reviewed or is upheld by the Adjudicator, then any such Creditors CB Allocation will

be sold by the Scheme Administrators as soon as reasonably practicable and such Proceeds of Sale will be pooled into the Scheme Funds.

- 5.21 The Scheme Administrators may take such additional steps as they consider reasonable and practicable in order to facilitate the distribution of the Creditors CB Allocation and/or Proceeds of Sale to the Creditors with Admitted Claims.
- 5.22 The Scheme Administrators will not be liable to any Creditor(s) for any action taken by them in good faith to realise a Creditors CB Entitlement and distribute the Proceeds of Sale.

## **6 Payment and delivery of Dividends, Creditors Shares and Creditors CBs**

- 6.1 All Dividends and other payments payable to the Creditors with Admitted Claims will be paid by cheques.
- 6.2 The relevant cheques and the certificates for Creditors Shares and Creditors CBs will be posted to the address of the Creditor with an Admitted Claim as appearing in that Notice of Claim of the Creditor with Admitted Claim or as provided in writing by the Creditor with Admitted Claim to the Scheme Administrators under the Scheme.
- 6.3 Neither the Company nor the Scheme Administrators shall be liable to a Creditor with an Admitted Claim for any loss in transmission of a cheque and certificates drawn and sent in accordance with Clause 6.2 above. If a cheque in favour of a Creditor with an Admitted Claim dispatched in accordance with Clause 6.2 above is not cashed within six months of the date of issuance of the cheque, the entitlement of the Creditor with an Admitted Claim under the Scheme in the amount of such cheque shall cease and such amount shall form part of the Scheme Funds available for distribution in accordance with Clause 5 above.

## **7 Administration of Newco**

- (a) Pursuant to the terms of the Restructuring Agreement, all the Company's direct and indirect shareholdings in the Excluded Companies, all the inter-company loans due by the Excluded Companies to the Company, and all the Transfer Claims as at Completion will be transferred at a nominal value of HK\$1.00 to the Newco controlled by the Scheme Administrators to be held on trust and administered by the Newco for the benefit of those entitled under the Scheme. Upon completion of the Group Reorganisation, the Excluded Companies will cease to be subsidiaries and/or associates of the Company and all of their financial results will not be consolidated into the Group's future financial statements.
- (b) Upon completion of the Restructuring Proposal, the Group will consist of the Company and its remaining subsidiaries namely Smart Victory, Global Winner, the Onetech Group and Foshan Lianchuang.

- 7.2 The Newco will provide an indemnity in a form to be agreed by the Company and the Investor in favour of the Company on Completion, pursuant to which the Newco shall on demand fully indemnify the Company against any reasonable cost, fee and expense, loss, damage, liability, claim or interest suffered, sustained or incurred by the Company as a result of the Transfer Claims.
- 7.3 On or after Completion, upon the request of the Newco, the Investor shall use its reasonable endeavours to procure the Company and its directors and officers to, and the Company and the Directors and the Company's officers shall, provide all necessary assistance (including but without limitation to, provision of documents and information, arranging for witnesses to give evidence at the court) to the Newco for the Newco's commencement, bringing, conducting and/or prosecuting the Transfer Claims.
- 7.4 The Scheme Administrators may in their sole and absolute discretion dispose of any or all of the shares of the Newco or realise or sell any or all of the assets of the Newco.
- 7.5 If the Scheme Administrators give a notice to the Scheme Committee that they are satisfied that there will unlikely be any recovery for the Creditors with Admitted Claims from the disposal of any or all of the shares of the Newco or realisation or sale of the assets of, or further administration of, the Newco, the Scheme Administrators may put the Newco into administration or liquidation, deregister the Newco or otherwise wind-up the Newco in such way and manner as the Scheme Administrators may in their sole and absolute discretion think fit.
- 7.6 All costs and expenses in respect of, arising from, in connection with and/or incidental to the administration, liquidation, winding-up or deregistration of the Newco, realisation or sale of its assets and/or realization or sale of its shares or otherwise shall be paid to the Scheme Administrators out of the Scheme Funds.
- 7.7 The Scheme Administrators will cause to be transferred to them and hold any property recovered during the course of the administration of the Newco on trust for the payment of the Petition Costs, the Preferential Claim(s), the Scheme Costs, the Issuance Costs and Dividends in accordance with this Scheme.

## **8 Termination of the Scheme**

- 8.1 The Scheme shall cease to have effect if the Scheme Administrators, give notice of termination to the Scheme Committee that they are satisfied that payment and distribution to all Creditors with Admitted Claims under the Scheme have been made. For this purpose, all payments and distributions shall be deemed to be made upon, and the termination date of the Scheme shall be, the date upon which all the Scheme Funds, Creditors Shares and Creditors CBs shall have been distributed in accordance with the terms of the Scheme or if the continuation of the Scheme is no longer beneficial to the general body of the Creditors and that accordingly the Scheme be terminated.

- 8.2 The Scheme Administrators shall give notice of the date of termination of the Scheme to the Creditors as soon as reasonably practicable after such termination. The duties and responsibilities of the Scheme Administrators under the Scheme will automatically cease upon the giving of such notice. Further, the Scheme Administrators will be automatically, wholly and fully discharged and released from all liabilities in respect of any act or default in the administration of this Scheme and they will be at liberty to destroy books and records held by them in relation to this Scheme, not earlier than six months after giving of such notice of termination.

## **9 Liability and Indemnity**

- 9.1 None of the Provisional Liquidators or their firm or any of their representatives, partners, staff, agents or advisers (including legal advisers) will have or incur any liability for actions taken or omitted to be taken in good faith under and/or as a result of and/or in connection with and/or arising out of the negotiations for and/or preparation of the Scheme or otherwise or incur any personal liability under the terms of the Scheme or otherwise.
- 9.2 None of the Scheme Administrators or any of their representatives, partners, staff, agents or advisers (including legal advisers) shall have or incur any liability for actions taken or omitted to be taken in good faith under and/or as a result of and/or in connection with and/or arising out of the negotiations for and/or preparation of, the Scheme or otherwise or incur any personal liability under the terms of the Scheme or otherwise.
- 9.3 None of the Creditors or the Company shall be entitled to challenge the validity of any act done or omitted to be done in good faith by the Scheme Administrators, the Adjudicator or by any member of the Scheme Committee in accordance with and to implement the provisions of the Scheme or the exercise by any such person in good faith of any power conferred upon it for the purposes of the Scheme and no such person shall be liable for any loss of any kind whatsoever unless such loss is attributable to its own willful default, fraud, dishonesty or willful breach of duty or trust.
- 9.4 Without prejudice to their rights to receive payment of the Scheme Costs in accordance with this Scheme, and provided that they have acted in good faith in the performance of their role under this Scheme, the Scheme Administrators shall be indemnified out of the Scheme Funds against all expenses and against all costs, claims, proceedings, expenses, losses, damages and/or liabilities of any description which may be incurred and/or suffered by the Scheme Administrators as a result of and/or in connection with and/or arising out of the Company, or any Creditor, or any Person making complaint(s) or asserting claim(s) against the Scheme Administrators in respect of such acts done or omitted to be done under the Scheme.

## **10 Modification of Scheme**

Prior to the Effective Date, the Company, acting by the Provisional Liquidators in the case of an application in the Hong Kong Court and by the Board in the case of an

application in the Cayman Court, may consent, for and on behalf of all parties concerned, to any modification or addition to the Scheme or any condition which the Hong Kong Court and/or the Cayman Court may see fit to approve or impose.

At or after the Effective Date, the Scheme Administrators may, at any time if they consider it expedient and in the interests of the Creditors to do so, apply to the Hong Kong Court and/or the Cayman Court for the purpose of modifying the provisions of the Scheme or obtaining directions from the Hong Kong Court and/or the Cayman Court (as the case may be) on how to deal with any matters or disputes which may arise in respect of the administration of the Scheme. If the Hong Kong Court and the Cayman Court approve a modification to the Scheme or either of them gives a direction in relation to any matter or dispute which may arise in respect of the Scheme, it shall be binding on the Company and the Creditors insofar as the law permits.

## **11 General**

- 11.1 The rights of the Creditors under the Scheme shall be assignable, subject to the Scheme Administrators receiving an administration fee agreed in advance of the assignment between the Scheme Administrators and the Person taking the assignment from the Creditor, and satisfactory documentation from such Person in relation to the validity of the assignment.
- 11.2 Notice or demand
- (a) Save as otherwise provided in the Scheme, any notice or demand hereby required to be given shall be sufficiently given by posting the same by ordinary post (or airmail if outside Hong Kong) or transmission by fax or by leaving the same at:
- (i) in the case of the Scheme Administrators, the office of Ernst & Young Transactions Limited at 62<sup>nd</sup> Floor, One Island East, 18 Westlands Road, Island East, Hong Kong (Fax number: +852 2827 0715) Attention: Mr. Stephen Liu Yiu Keung;
  - (ii) in the case of any of the Creditors, the Creditor's address or its fax number as set out in its Notice of Claim; and
  - (iii) in case of the Company, the office of the Provisional Liquidators, 62<sup>nd</sup> Floor, One Island East, 18 Westlands Road, Island East, Hong Kong (Fax number: +852 2827 0715) Attention: Mr. Stephen Liu Yiu Keung.
- (b) If such notice or demand is posted, it shall be deemed to have been received by the addressee 48 hours (or 72 hours, if to be sent outside Hong Kong) after the same shall have been posted and proof of an envelope containing such notice was properly addressed, prepaid and posted shall be sufficient evidence that such notice or demand has been duly served or given. If such notice or demand is delivered by hand, it shall be deemed to have been received by the addressee when the same is left at the relevant address and proof of the same was so left shall be sufficient evidence that such notice or demand has been duly served or

given. If such notice or demand is transmitted by fax, it shall be deemed to have been received at the time of transmission, save that if such transmission is effected otherwise than between 9:00 a.m. and 4:00 p.m. on a Business Day in the territory in which the person to whom such transmission is effected is located, such transmission shall be deemed to have been received at 9:00 a.m. on the next Business Day in such territory and proof of such notice or demand was successfully transmitted to the correct fax number (by way of transmission confirmation or otherwise) shall be sufficient evidence that such notice or demand has been duly served or given.

- (c) If any provision of the Scheme is held to be illegal, invalid and/or unenforceable under the laws of Hong Kong or the laws of the Cayman Islands then the offending provision shall (insofar as it is illegal, invalid and/or unenforceable) be deemed to have no effect and will not affect or impair the remaining provisions of the Scheme.

11.3 The Scheme shall be subject to the laws of Hong Kong and the laws of the Cayman Islands and the Creditors submit to the non-exclusive jurisdictions of the Hong Kong Court and the Cayman Court in respect thereof.

11.4 In the Scheme:

- (a) references to clauses and appendices are references to clauses in and appendices to this Document;
- (b) references to a statute or statutory provision include the same as amended or re-enacted;
- (c) the singular includes the plural and vice versa and the masculine and neuter include each other and the feminine and vice versa; and
- (d) headings to clauses and appendices are for ease of reference only and shall not affect the interpretation of this Document or any part thereof.

## 12 Definitions

In the Scheme the following expressions shall, unless the context otherwise requires, have the meanings respectively set opposite such expressions:

**“Adjudicator”** such person with experience in the adjudication of creditors’ claims in a liquidation as the Scheme Administrators, in their absolute discretion, shall nominate

**“Admitted Claims”** all Claims against the Company which would be provable in a winding up of the Company under Section 263 of the Companies Ordinance and Section 139 of the Companies Law if an order for

the winding up of the Company were made at the Effective Date and which have been admitted by the Scheme Administrators in accordance with the Scheme

<b>“Board”</b>	the current board of directors of the Company, comprising three independent non-executive directors, namely Mr. Tso Shiu Kei, Vincent, Mr. Young Meng Cheung, Andrew and Mr. Poon Ka Lee, Barry
<b>“Business Day”</b>	a day (excluding a Saturday, a Sunday, a public holiday and a day on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time and remaining in effect between 9:00 am and 5:00 pm and is not discontinued at or before 12:00 noon) on which banks are generally open for business in Hong Kong;
<b>“BVI”</b>	the British Virgin Islands
<b>“Cash Amount”</b>	an amount of approximately HK\$43,000,000, which will be used to settle the Petition Costs, the Preferential Claim Amount, the Scheme Costs and the Issuance Costs with the balance to be allocated by the Scheme Administrators to Creditors with Admitted Claims, which amount shall be in full and final settlement of the Admitted Claims
<b>“Cayman Court”</b>	the Grand Court of the Cayman Islands
<b>“Claim(s)”</b>	any debt, liability or obligation of the Company as at the Effective Date, whether known or unknown, whether certain or contingent, whether present, future or prospective, whether liquidated or unliquidated, whether arising at common law, in equity or by statute in Hong Kong, the Cayman Islands, the PRC or in any other jurisdiction or in any manner whatsoever and which includes without limitation a debt or liability to pay money or money’s worth, any liability for breach of trust, any liability in contract, tort or bailment and any liability arising out of an obligation to make restitution, any liability arising out of any legal

claims, whether certain or contingent together with all interest on such debt, obligation or liability. For the avoidance of doubt, no claims for interest may be made for the period on and from 24<sup>th</sup> December 2008, being the date of the appointment of the Provisional Liquidators

<b>“Companies Law”</b>	the Companies Law of the Cayman Islands (2011 Revision), as amended from time to time
<b>“Companies Ordinance”</b>	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as amended from time to time
<b>“Company”</b>	Sunlink International Holdings Limited (Provisional Liquidators Appointed) (stock code: 2336), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
<b>“Completion”</b>	completion of the transactions contemplated under the Restructuring Agreement
<b>“Completion Date”</b>	within five Business Days following the satisfaction of the last of the Conditions
<b>“Creditor(s)”</b>	any Person having a Claim which is not a Preferential Claim (and where the Claim is only in part a Preferential Claim, then the Person is a Creditor only to the extent of the non-preferential portion of the Claim) and which is not a claim for the Petition Costs
<b>“Creditors CB(s)”</b>	the convertible bond(s) substantially in the form set out in Appendix 8 to this Document which are to be issued by the Company to a Creditor under the Scheme, maturing on the second anniversary of the date of issue and bearing an interest rate of 1% per annum
<b>“Creditors CB Allocation”</b>	the allocation of the Creditors CBs to be issued upon Completion to the Scheme Administrators or their nominee(s) for the benefit of the Creditors with Admitted Claims (other than Creditors with Preferential Claims) pursuant to the Scheme

<b>“Creditors CB Entitlement”</b>	the number of Creditors CB to which a Creditor with an Admitted Claim is entitled as calculated by dividing the amount of that Creditor’s Admitted Claim by the total amount of all Admitted Claims and Unadmitted Claims and then multiplying that fraction by the Creditors CB Allocation
<b>“Creditors Shares”</b>	the 40,000,000 New Shares, representing approximately 3.6% of the issued share capital of the Company as enlarged by the issuance of the Offer Shares, Subscription Shares, the Creditors Shares and Creditors CB Conversion Shares, to partially settle claims and liabilities of the Company with the Creditors with Admitted Claims under the Scheme
<b>“Creditors Shares Allocation”</b>	the allocation of the Creditors Shares to be issued upon Completion to Scheme Administrators or their nominee(s) for the benefit of the Creditors with Admitted Claims (other than Creditors with Preferential Claims) pursuant to the Scheme
<b>“Creditors Shares Entitlement”</b>	the number of Creditors Shares to which a Creditor with an Admitted Claim is entitled as calculated by dividing the amount of that Creditor’s Admitted Claim by the total amount of all Admitted Claims and all Unadmitted Claims and then multiplying that fraction by the Creditors Shares Allocation
<b>“Cut-Off Date”</b>	the date by which the Claims are to be proved in accordance with the provisions of the Scheme which is to be determined by the Scheme Administrators and shall be at least 21 days after the date of the notices and advertisements referred to in Clause 3 of the Scheme, appearing at pages [35] to [38] of this Document
<b>“Dividends”</b>	all funds credited to the Scheme Trust Account, after payment of the Petition Costs, the Preferential Claim(s), the Scheme Costs and the Issuance Costs for the purpose of distributing to Unsecured Creditors with Admitted Claims at a rateable proportion, expressed as a percentage

- “Document”** this document containing the Explanatory Statement, the Scheme of Arrangement and the Appendices
- “Effective Date”** the date at which the Scheme, if approved, becomes effective by virtue of: (i) the delivery of an office copy of the order of the Hong Kong Court sanctioning the Scheme to the Registrar of Companies in Hong Kong for registration; and (ii) the delivery of an office copy of the order of the Cayman Court sanctioning the Scheme to the Registrar of Companies in the Cayman Islands for registration, whichever is the later
- “Excluded Companies”** the following subsidiaries of the Company:
- (a) Sunlink Technologies Holdings Limited;
  - (b) Sunlink M2M Technologies Limited;
  - (c) Tech-Link T&E Limited (In Creditors’ Voluntary Liquidation);
  - (d) Sunlink mSolutions Holdings Limited;
  - (e) Sunlink Hitech (BVI) Limited;
  - (f) Sunlink Hi-tech Limited (In Creditors’ Voluntary Liquidation);
  - (g) Sunlink mSolutions Limited (In Creditors’ Voluntary Liquidation);
  - (h) Sunlink Geomatics Limited;
  - (i) Jun Tai Yang Software Technologies (Shenzhen) Ltd.;
  - (j) Ocean King Investment Limited;
  - (k) Kingful Investment Limited (In Creditors’ Voluntary Liquidation);
  - (l) Suniview Limited;
  - (m) Sunlink M2M Solutions Limited;
  - (n) SunlinkWavecom Limited (In Members’ Voluntary Liquidation);
  - (o) Sunlink Technologies Limited;
  - (p) Sunwave Development Limited (In Creditors’ Voluntary Liquidation);
  - (q) Sunwave Computers Limited (In Creditors’ Voluntary Liquidation);
  - (r) Apson Electronic Products Limited (In Creditors’ Voluntary Liquidation);
  - (s) Hoover Technologies Limited (In Creditors’ Voluntary Liquidation);

- (t) J-Link Group Limited;
- (u) Sunlink International Investments Limited;
- (v) Rawason Development Limited;
- (w) Sunlink Investments (B.V.I.) Limited
- (x) Sunlink Group Investments (HK) Limited
- (y) Sunlink Apson Multi-media Limited (In Creditors' Voluntary Liquidation)
- (z) Sun Horse Technologies (H.K.) Limited (In Creditors' Voluntary Liquidation); and
- (aa) Jun Tai Yang Technologies (Shenzhen) Limited

and the following associates of the Company:

- (a) Spaceinet Sunlink Limited (In Compulsory Liquidation); and
- (b) Hong Kong Cab ITS Limited (In Compulsory Liquidation)

<b>“Exclusivity Agreement”</b>	the exclusivity agreement dated 11 <sup>th</sup> May 2009 entered into amongst the Investor, Mr. Suen as the guarantor for the Investor, the Company and the Provisional Liquidators to grant the Investor a 12-month exclusivity period to prepare a resumption proposal and to negotiate in good faith and enter into a formal agreement to implement the Restructuring Proposal
<b>“Explanatory Statement”</b>	the explanatory statement issued in compliance with Section 166A of the Companies Ordinance, appearing at pages [7] to [30] of the Document
<b>“First Distribution Calculation Date”</b>	the date falling 7 days before (but including) the date fixed by Scheme Administrators for the first distribution of Dividends to Creditors with Admitted Claims, or if such date is not a Business Day the succeeding Business Day
<b>“Global Winner”</b>	Global Winner Enterprises Limited, a company incorporated in Hong Kong with limited liability, wholly-owned by Smart Victory and indirectly wholly-owned by the Company
<b>“HK\$ or Hong Kong Dollars”</b>	Hong Kong dollars, the lawful currency of Hong Kong

<b>“Hong Kong”</b>	Hong Kong Special Administrative Region of the PRC
<b>“Hong Kong Court”</b>	the High Court of Hong Kong Special Administrative Region
<b>“Independent Third Party(Parties)”</b>	third party (parties) independent of the Company and its connected persons as defined under the Listing Rules
<b>“Investor”</b>	Brilliant Capital International Limited, a company incorporated in the BVI with limited liability the entire issued share capital of which is ultimately and beneficially owned by Mr. Suen Cho Hung, Paul, a director and ultimate beneficial owner of the entire issued share capital of the Investor
<b>“Issuance Costs”</b>	any costs and expenses incidental to the issuance, transfer, disposal and/or conversion of Creditors Shares and Creditors CBs to be incurred by the Scheme Administrators under the terms of the Scheme
<b>“Latest Practicable Date”</b>	, being the latest practicable date prior to the printing of this Document for the purpose of ascertaining certain information contained in this Document
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Newco”</b>	a special purpose vehicle to be held and controlled by the Scheme Administrators
<b>“Notice of Claim”</b>	a claim in written form submitted by any Person claiming to be a Creditor substantially in the form set out in Appendix 3 to this Document or a Notice of Claim submitted to the Provisional Liquidators for the purposes of the Scheme Meeting, whichever is delivered later
<b>“Onetech”</b>	Onetech Technology Company Limited, a company incorporated in Hong Kong with limited liability and is legally and beneficially owned as to 76% by Global Winner and 24% by four

individual partners, namely Mr. Liu Xiaoxing, Mr. Chen Zhuo, Mr. Dai Fei and Mr. Liu Yaoquan, who are Independent Third Parties

<b>“Onetech Group”</b>	Onetech and its subsidiary
<b>“Person(s)”</b>	an individual, partnership, company, body corporate, joint stock company, trust, unincorporated association or body of persons (including a partnership or consortium), joint venture or other entity, or a government or any political subdivision or agency thereof
<b>“Petition”</b>	the winding-up petition in HCCW No. 575 of 2008 presented by the Petitioning Creditor on 1 <sup>st</sup> December 2008, which claimed that the Company is indebted to it in the amount of approximately HK\$8.6 million
<b>“Petition Costs”</b>	the legal costs of the Petitioning Creditor in relation to the Petition (currently advised by the Petitioning Creditor to be approximately HK\$480,000) and which are to be agreed by the Scheme Administrators, and if no agreement is reached, the legal costs to be subject to taxation accordingly
<b>“Petitioning Creditor”</b>	Gold Star International Holdings Limited
<b>“Preferential Claim(s)”</b>	Claim(s) which would be treated as a preferential claim pursuant to Section 265 of the Companies Ordinance and/or Section 141 of the Companies Law
<b>“Preferential Claim Amount”</b>	the amount of the Preferential Claim(s)
<b>“Preferential Creditors”</b>	Persons with Preferential Claims, to the extent of its amount of Preferential Claims
<b>“Proceeds of Sale”</b>	the net proceeds from the sale of the Creditors Shares Entitlement or Creditors CB Entitlement or the sale of part of the Creditors Shares Entitlement or the sale of part of the Creditors CB Entitlement or Creditors Shares Allocation or Creditors CB Allocation reserved for a rejected

Unadmitted Claim (or part thereof), sold pursuant to the Scheme, in each case after deducting the cost of realisation and payment of any applicable taxes

**“Provisional Liquidators”**

Mr. Stephen Liu Yiu Keung and Mr. David Yen Ching Wai the joint and several provisional liquidators of the Company, both of Ernst & Young Transactions Limited, acting without personal liability

**“Restructuring Agreement”**

the legally binding agreement entered into among the Investor, Mr. Suen as a guarantor, the Company and the Provisional Liquidators dated 30<sup>th</sup> September 2011, relating to, amongst other things, the Capital Restructuring, the Open Offer, the Share Subscription, the Scheme and the Group Reorganisation

**“Scheme” or “Scheme of Arrangement”**

the proposed scheme of arrangement for the Company under Section 166 of the Companies Ordinance and Section 86 of the Companies Law between the Company and its Creditors, in its present form, or with or subject to any modification of it, any addition to it or any condition approved or imposed by the Hong Kong Court and/ or the Cayman Court

**“Scheme Administrators”**

any person(s) who is(are) appointed as the scheme administrators pursuant to the terms of the Scheme

**“Scheme Committee”**

a committee formed by the representatives of Creditors with Admitted Claims

**“Scheme Costs”**

the costs, charges, expenses and disbursements properly incurred after the Effective Date, to the extent approved by the Scheme Committee, in connection with the administration and implementation of the Scheme including the fees and remunerations for the Scheme Administrators, the Adjudicator and their respective advisers, the maximum amount of which shall be HK\$2,000,000. For the avoidance of doubt, the Scheme Costs shall not include any Issuance Costs and any costs regarding amongst other things, the administration and winding up of

	the Newco
<b>“Scheme Funds”</b>	all funds from time to time credited to the Scheme Trust Account, including any interest accrued thereon
<b>“Scheme Meeting”</b>	the meeting of the Creditors to be convened by the order of the Cayman Court and the order of the Hong Kong Court
<b>“Scheme Trust Account”</b>	a trust account with a licensed bank in Hong Kong controlled by the Scheme Administrators for the purposes of and for the benefit of those entitled under the Scheme into which the Scheme Administrators shall deposit the Scheme Funds
<b>“Secured Creditors”</b>	creditors whose claims are secured by Securities Interest
<b>“Securities Interest”</b>	any mortgage, pledge, lien, charge, assignment, hire-purchase title retention, leasing, encumbrance, hypothecation or security interest of whatsoever kind, or any other agreement or arrangement having the effect of containing security, including for the avoidance of doubt, any proceeds or realisation of any of the above
<b>“Sheng Wo”</b>	勝沃數碼電子(深圳)有限公司(Sheng Wo Digital Electronics (Shenzhen) Company Limited*), a foreign enterprise established in the PRC and wholly owned by Onetech
<b>“Smart Victory”</b>	Smart Victory Development Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Sunlink Technologies”</b>	Sunlink Technologies Holdings Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of the Company
<b>“Transfer Claim(s)”</b>	all cause(s) of action and claim(s) of every kind and nature which is or are transferrable by the Company

**“Unadmitted Claims”**

any Claim which has not been admitted or is being disputed by the Scheme Administrators

**“Unsecured Creditors”**

creditors whose claims are not secured by Securities Interest, including but not limited to, the Preferential Creditors to the extent of their non-preferential Claims, claims that are not of Petition Costs with the benefit of a Claim against the Company that arose at or before the Effective Date and such Claim has been admitted by the Scheme Administrators in accordance with the Scheme

**“%”**

per cent

*\* literal translation*