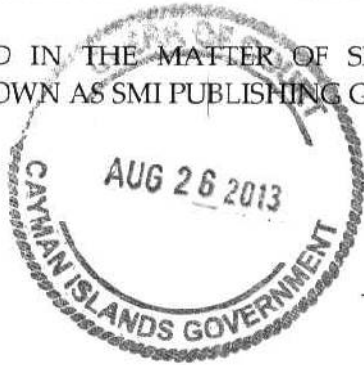


IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO. FSD 0114 OF 2013

IN THE MATTER OF THE COMPANIES LAW (2012 REVISION)

AND IN THE MATTER OF SING PAO MEDIA ENTERPRISES LIMITED (FORMERLY
KNOWN AS SMI PUBLISHING GROUP LIMITED)



PETITION



TO: THE GRAND COURT OF THE CAYMAN ISLANDS

THE HUMBLE PETITION of Sing Pao Media Enterprises Limited (formerly known as SMI Publishing Group Limited), c/o Codan Trust Company (Cayman) Limited, Box 2681, George Town, Cricket Square, Hutchins Drive, Grand Cayman, Cayman Islands, KY1-1111 (the "Company") shows the following:

Introduction

1. The object of this Petition is to seek the sanction of the Court pursuant to section 86 of the Companies Law (2012 Revision) (the "**Companies Law**") to a proposed Scheme of Arrangement (the "**Scheme**") between the Company and the Creditors (as defined in the Scheme Document).
2. A copy of the Scheme, Explanatory Statement (as defined in the Scheme Document) together with appendices and annexures is annexed hereto as Schedule "A" (the "**Scheme Document**"). For convenience, capitalised terms undefined in this Petition have the same meanings of the terms as defined in the Scheme Document.
3. The purpose of the Scheme is to achieve certain corporate restructuring of the Company as set forth in the Scheme, the principal terms of the restructuring are:

- (a) Sino Greatness Limited (the “**Investor**”) would provide the Group (via Fidelity Capital Resources Limited, a wholly-owned subsidiary of the Company) with a loan facility up to an aggregate principal amount not exceeding HK\$100,000,000 solely as working capital of the Group (the “**Working Capital Loan**”). As at 31 March 2013, the amount of drawdown of such loan facility by the Company was approximately HK\$18,400,000.
- (b) The Company would implement a capital reduction, subdivision of shares and share consolidation (collectively, the “**Capital Reorganisation**”) as set out below:
- (i) The par value of each issued share of the Company will be reduced from HK\$0.05 to approximately HK\$0.0017 by the cancellation of HK\$0.0483 of the paid-up capital on each issued share (the “**Capital Reduction**”).
 - (ii) The cancellation in its entirety of all existing authorised but un-issued share capital of the Company of HK\$4,996,713,856.72 after the Capital Reduction, resulting in the authorised and issued share capital of the Company being reduced to HK\$3,286,143.28 (the “**Capital Cancellation**”).
 - (iii) Immediately upon the Capital Reduction and the Capital Cancellation becoming effective, every 30 authorised and issued shares of par value of approximately HK\$0.0017 each will be consolidated into one share of HK\$0.05 (“**New Share**”) each (the “**Share Consolidation**”).
 - (iv) Immediately upon the Capital Reduction, the Capital Cancellation and the Share Consolidation becoming effective, the authorised share capital of the Company will be increased from HK\$3,286,143.28 to HK\$166,666,666.65 by the creation of 3,267,610,468 New Shares of HK\$0.05 each.
- (c) An Underwriting Agreement would be entered into between the Company and Kingston Securities Limited (the “**Underwriter**”) by way of open offer of 147,876,446 New Shares (the “**Offer Shares**”) at HK\$0.15 each, on the basis of

nine Offer Shares for every four New Shares (the “Open Offer”) after the completion of the Capital Reorganisation. The Company proposes to raise gross proceeds of approximately HK\$22,200,000 before expenses from the Open Offer.

- (d) The Company will allot and issue 666,666,666 New Shares (that is shares after the completion of the Capital Reorganisation) at HK\$0.15 each (the “Subscription Shares”) for which the Investor would subscribe for the entire issue (the “Shares Subscription”) at the total price of HK\$100,000,000 (the “Subscription Price”).
- (e) The Company will restructure its existing indebtedness by way of a scheme of arrangement under section 166 of the Companies Ordinance and section 86 of the Companies Law. The principle terms of the scheme of arrangement are:
 - (i) a sum of HK\$2,500,000, being part of the proceeds from the Subscription and the Open Offer, will be paid to the Schemeco within 14 days from the Effective Date;
 - (ii) 266,666,667 Settlement Shares (representing approximately [22.35%] of the issued share capital as enlarged by the allotment and issue of the Offer Shares, certain bonus shares to be issued to holders of the Offer Shares, the Subscription Shares, certain remuneration shares to be issued and allotted to two financial advisors of the Company and the Settlement Shares;
 - (iii) interests in Scheme Subsidiaries will be transferred to the Schemeco for the benefit of the Scheme Creditors within 14 days from the Effective Date;
 - (iv) all Creditors’ Claims (as defined in the Scheme) against the Company will be discharged by virtue of the implementation of the Scheme.
- (f) As part of the Scheme, the Company will implement a corporate reorganisation whereby certain subsidiaries and businesses of the Group which the Investor

does not wish to retain (the “**Scheme Subsidiaries**”) will be transferred out of the Group to Schemeco for the benefit of the Creditors of the Company (the “**Corporate Reorganisation**”).

The Scheme

4. The key terms of the Scheme are:
 - (a) All claims by the Creditors against the Company will be discharged by virtue of the implementation of the Scheme but without prejudice to the rights of any of the relevant Creditor to enforce any guarantee or security they hold from the Scheme Subsidiaries (or any of them) to the extent as permitted under clause 4 of the Scheme.
 - (b) The Scheme Creditors will be entitled to receive Share Dividends and Cash Dividends pursuant to the Scheme in full and final satisfaction of the Scheme Creditors’ claims against Schemeco.

5. The events described in paragraphs 4(a) and (b) above shall be subject to, and shall take effect on, the latest to occur of the following which are Conditions Subsequent (as defined in the Scheme Document) to the Scheme:
 - (a) the receipt by the Company of the proceeds from the Subscription and the Open Offer;
 - (b) the Company transferring HK\$2,500,000 to Schemeco as the Scheme Cost Funds;
 - (c) the Company allotting and issuing 266,666,667 Settlement Shares to Schemeco for the benefit of the Scheme Creditors;
 - (d) the Company transferring (or procuring the transfer of) all the shares in the Scheme Subsidiaries to Schemeco for the purposes of the Scheme (to the extent such transfer is permitted under the applicable laws).

6. If the matters listed in 5(a) to (d) above (collectively, the “**Conditions Subsequent**”) do not occur within 14 days from the Effective Date (or some other date agreed in writing between the Company, the Administrators and the Investor), the Scheme will lapse and be of no further effect and the events described in paragraphs 4(a) and (b) above shall take no effect as if the Scheme was never implemented by the Company.

The Company

7. The Company is an investment holding entity. Its subsidiaries are principally engaged in publication and distribution of a newspaper (namely Sing Pao Newspaper, which has been in circulation in Hong Kong for over 70 years), provision of advertising and promotion services. It is a Cayman Islands exempted company limited by shares incorporated on 31 January 2000 with registration number CT-96498. Its registered office is Codan Trust Company (Cayman) Limited, PO Box 2681, Cricket Square, Hutchins Drive, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is 8th Floor, United Overseas Plaza, 11 Lai Yip Street, Kwun Tong, Kowloon, Hong Kong.
8. The objects for which the Company was established are unrestricted, and shall include without limitation those set out in 3(a)(i) of its Memorandum of Association, namely:

“To carry on the business of an investment company and to act as promoters and entrepreneurs and to carry on business as financiers, capitalists, concessionaires, merchants, brokers, traders, dealers, agents, importers and exporters and to undertake and carry on and execute all kinds of investment, financial, commercial, mercantile, trading and other operations.”

The Shareholders

9. The authorised share capital of the Company is HK\$5,000,000,000 divided into 100,000,000,000 shares, of HK\$0.05 each, of which 1,971,685,971 shares of HK\$0.05 each have been issued and are fully paid or credited as fully paid.

10. The Company has a total of 547 registered shareholders. The shares of the Company have been listed in Hong Kong since 1 June 2000 (Stock Code: 8010), but the trading of the shares has been suspended since 28 April 2005.

The Creditors

11. The Creditors are set out in Appendix 7 of the Scheme Document.

The Investor

12. The Investor is a corporation incorporated under the laws of British Virgins Islands. Its principal place of business is 8th Floor, United Overseas Plaza, 11 Lai Yip Street, Kwun Tong, Kowloon, Hong Kong. It is an investment holding vehicle and it is owned by Mr. Xie Hai Yu an ex-executive director of the Company, through his wholly-owned company, Li Heng Holdings Limited, a company incorporated in the BVI (holding 50% of its shareholding), and Mr. Ma Shui Cheong, an executive director of the Company, through his wholly-owned company, Greatly Yield Investment Development Limited, a company incorporated in the BVI (holding 50% of its shareholding).
13. The Investor will provide its undertaking to be bound by the terms of the Scheme.

Proposed Sanction Process

14. After careful consideration, the Company's board of directors has determined that the Scheme is desirable and that the implementation of the Scheme is in the best interests of the Company and the Scheme Creditors. Accordingly, the Company's board of directors unanimously resolved to approve the Scheme and recommends that the Scheme Creditors vote in favour of the Scheme.

15. The Company intends to make an application for directions herein for an order that, among other things:

- (a) the Company be at liberty to convene a meeting of the Scheme Creditors (the “**Court Meeting**”) for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;
- (b) directions as to the mode of delivery of the Scheme Document (including an explanatory statement and proxy form) to the Scheme Creditor; and,
- (c) the appointment of chairman of the Court Meeting and for the conduct of the Court Meeting generally.

16. The resolution intended to be submitted at the Court Meeting is:

“THAT this Court Meeting approves without modification the proposed Scheme of Arrangement, a print of which has been submitted to this Court Meeting and, for the purpose of identification, signed by the Chairman of this Court Meeting.”

YOUR PETITIONER, THE COMPANY, THEREFORE HUMBLY PRAYS:

- (1) That the Scheme be sanctioned by the Court so as to be binding on the Company, and the Scheme Creditor.
- (2) That, to this end, all necessary inquiries may be made and directions may be made and given.
- (3) Such further or other relief as the Court shall see fit.

And your Petitioner will ever pray

DATED this 26th day of August 2013



Conyers Dill & Pearman (Cayman) Limited
Attorneys-at-Law for the Petitioner

TO: The Clerk of the Grand Court

NOTE: It is intended to serve this Petition on **Sing Pao Media Enterprises Limited**, at its registered office located at the offices of Codan Trust Company (Cayman) Limited, Box 2681, George Town, Cricket Square, Hutchins Drive, Grand Cayman, Cayman Islands, KY1-1111.

Notice of Hearing

This Petition, having been presented to the Court on the _____, will be heard at the Law Courts, George Town, Grand Cayman on the ____ day of _____, 20__ at 10:00 a.m. or as soon thereafter as the Petition can be heard.

This Petition is presented by Conyers Dill & Pearman (Cayman) Limited, for and on behalf of the Petitioner, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands