

The Hon Mr Justice Andrew J. Jones QC  
In Chambers, 21<sup>st</sup> January 2014

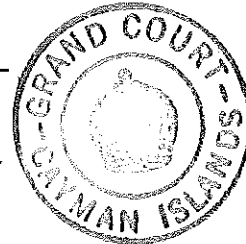
IN THE MATTER OF THE COMPANIES LAW (2013 REVISION)

AND IN THE MATTER OF AMBOW EDUCATION HOLDING LTD. (IN PROVISIONAL LIQUIDATION)

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ORDER

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UPON hearing Counsel for GL Asia Mauritius II Cayman Limited ("**the Petitioner**"), Counsel for the Board of Directors of Ambow Education Holding Ltd. ("**the Company**") and Counsel for the Joint Provisional Liquidators of the Company ("**the JPLs**") on the JPLs' applications seeking approval of a remuneration agreement pursuant to Regulations 13 and 15(4) of the *Insolvency Practitioner's Regulations 2008 (as amended)* and approval of the JPLs' remuneration and expenses for the periods:

- (a) from inception to 21 August 2013 by way of Amended Summons dated 22 October 2013 ("**the Amended Summons**");
  - (b) from 22 August 2013 to 22 September 2013 by way of the Amended Summons;
  - (c) from 23 September 2013 to 31 October 2013; and
  - (d) from 1 November 2013 to 30 November 2013,
- ("the Remuneration Approval Applications").

AND UPON reading the Second Affidavit of Edward Middleton sworn on 23 October 2013 and filed on behalf of the JPLs, the Third Affidavit of Wing Sze Tiffany Wong sworn on 27 November 2013 and filed on behalf of the JPLs, the Second Affidavit of Chih Chien Wang sworn on 15 January 2014 and filed on behalf of the Petitioner and the Fifth Affidavit of Wing Sze Tiffany Wong sworn on 20 January 2014 and filed on behalf of the JPLs

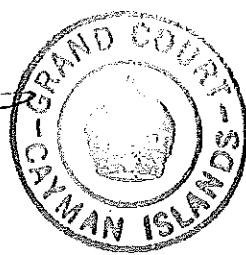
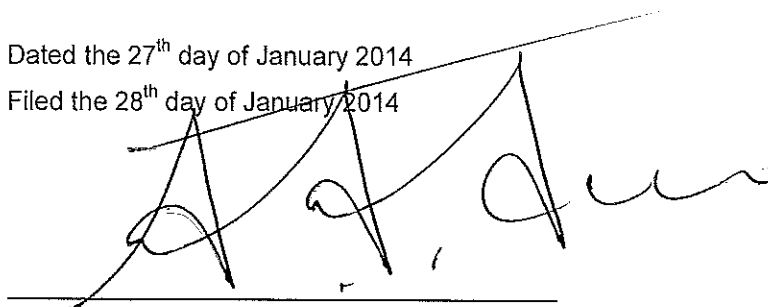
AND UPON reading the Petitioner's subsequent written submission dated 23 January and the JPLs' written submission in reply dated 24 January 2014

**IT IS ORDERED that:**

1. The remuneration agreement in the form annexed to this Order as Annexure "A" is hereby approved ("**the Remuneration Agreement**").
2. The remuneration and expenses of the JPLs in the amounts of US\$2,260,720.75 and US\$76,789.28 respectively for the period from inception to 21 August 2013 are hereby approved and shall be paid out of the assets of the Company as an expense of the provisional liquidation, subject to the undertaking of the Petitioner recorded in the Order of the Court dated 7 June 2013 made herein.
3. The remuneration and expenses of the JPLs in the amounts of US\$505,565.00 and US\$32,412.32 respectively for the period from 22 August 2013 to 22 September 2013 are hereby approved and shall be paid out of the assets of the Company as an expense of the provisional liquidation.
4. The remuneration and expenses of the JPLs in the amounts of US\$432,107.00 and US\$28,681.85 respectively for the period from 23 September 2013 to 31 October 2013 are hereby approved and shall be paid out of the assets of the Company as an expense of the provisional liquidation.
5. The remuneration and expenses of the JPLs in the amounts of US\$230,392.50 and US\$16,786.06 respectively for the period from 1 November 2013 to 30 November 2013 are hereby approved and shall be paid out of the assets of the Company as an expense of the provisional liquidation.
6. The JPLs' costs of and incidental to the Remuneration Approval Applications be costs in the winding up.

Dated the 27<sup>th</sup> day of January 2014

Filed the 28<sup>th</sup> day of January 2014

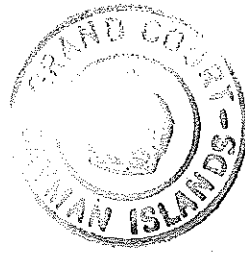


**The Hon. Mr. Justice Andrew J. Jones Q.C.**

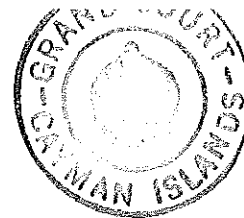
**JUDGE OF THE GRAND COURT**

This Order is filed by Walkers, Attorneys at Law for the JPLs whose address for service is that of their said attorneys, 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands.

ANNEXURE "A"



## REMUNERATION AGREEMENT



Whereas:

- (1) On 7 June 2013, Kris Beighton of KPMG, P.O. Box 493, Century Yard, Cricket Square, Grand Cayman KY1-1106, and Edward Middleton and Wing Sze Tiffany Wong of KPMG, 8th Floor, Prince's Building, 10 Chater Road Central, Hong Kong, were appointed as Joint Provisional Liquidators of Ambow Education Holding Ltd. (in Provisional Liquidation) ("the Company") by Order of the Grand Court of the Cayman Islands ("the Court").
- (2) By Order of the Court dated 22 August 2013, the Court directed the JPLs to establish a stakeholder committee comprising of both creditors and shareholders of the Company and its subsidiaries and affiliates. The stakeholder committee was subsequently established on 23 September 2013 ("the Stakeholder Committee").
- (3) The Insolvency Practitioner's Regulations 2008 (as amended) ("the IPR") require the JPLs to enter into a remuneration agreement setting out the basis upon which the remuneration of the JPLs is calculated.
- (4) The JPLs and the Stakeholder Committee failed to agree upon the terms of a remuneration agreement. The JPLs therefore made an application to the Court pursuant to Regulations 13 and 15(4) of the IPR seeking approval of a remuneration agreement.
- (5) It is proposed that the JPLs and their staff be remunerated on a time spent basis.
- (6) The IPR prescribe the following minimum and maximum hourly rates for the JPLs and their staff with effect from 1 January 2013:

	<b>Grade of Staff</b>	<b>Minimum</b>	<b>Maximum</b>
1.	Official Liquidator and any Partner	US\$500	US\$945
2.	Consultant	US\$290	US\$945
3.	Director or Principal	US\$445	US\$715
4.	Senior Manager	US\$370	US\$600
5.	Manager or Assistant Manager	US\$290	US\$500
6.	Senior or Senior Accountant	US\$210	US\$365
7.	Administrator	US\$50	US\$210

- (7) By Order of the Court dated 27<sup>th</sup> January 2014, the terms of this remuneration agreement were approved.

A handwritten signature in black ink, appearing to be "A. A. A.", written over the text of paragraph (7).

It is now agreed as follows:

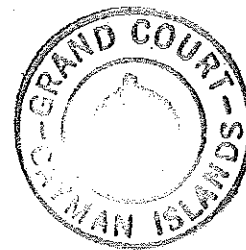
1. The JPLs and their staff shall be remunerated on a time spent basis.
2. For the period from 1 January 2013 to 31 December 2014, the applicable hourly rates to be charged by the JPLs and their staff shall be as follows:

<b>Grade of Staff</b>	<b>Cayman Rate</b>	<b>Hong Kong Rate</b>
1. Official Liquidator and any Partner	US\$745	US\$850
2. Consultant	Not applicable	US\$260 - US\$850
3. Director or Principal	US\$610	US\$645
4. Senior Manager	US\$520	US\$540
5. Manager	US\$385-US\$430	US\$450
6. Assistant Manager	US\$315-US\$360	US\$385
7. Senior or Supervisor	US\$315	US\$330
8. Administrator	US\$45 - US\$190	US\$60 - US\$190

3. The JPLs be permitted to utilise the following individuals as 'Consultants' during the conduct of the provisional liquidation of the Company whose applicable hourly rates shall be as follows:

(a) In-House Legal Counsel

<b>Staff Name</b>	<b>Rate</b>
Sarah Bower	US\$850
Jonty Lim	US\$700
Davyd Wong	US\$700
Anita Chiu	US\$700



(b) Corporate Finance

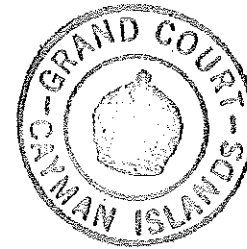
<b>Staff Name</b>	<b>Rate</b>
Raymond Shuai	US\$850
Florence Cheung	US\$630*
Christopher Lai	US\$485

Wilson Chan	US\$115
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\*Note that Florence Cheung's hourly rate until 31 October 2013 was US\$485 following which her rate increased to US\$630 due to promotion.

(c) Valuations

Staff Name	Rate
Janet Cheung	US\$850
Vivien Chan	US\$805
Winston Wang	US\$725
Wiley Pun	US\$505
Lynn Wang	US\$385
Deepak Arora	US\$320
Samuel Chan	US\$320
Chris Kwok	US\$320
Vijay Gumber	US\$155
Katrina Tsoi	US\$155



(d) Tax

Staff Name	Rate
Christopher Xing	US\$850

(e) IT Advisory

Staff Name	Rate
Sidney Kwong	US\$385
Bin Ramli	US\$345

(f) Forensic

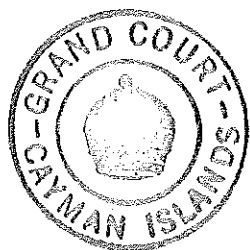
Staff Name	Rate
Allen Chen	US\$850
Matthew Chen	US\$175

The JPLs will use their reasonable endeavours to ensure that only the above individuals are charged as 'Consultants' during the provisional liquidation of the Company. To the extent that an additional person is required to be added as a 'Consultant' during the provisional liquidation of the Company, the JPLs will ensure that such person's hourly rate is commensurate with the hourly rate being charged by an individual with a similar level of expertise and experience in the 'Consultant' grade and the JPLs will give notice to the Stakeholder Committee of that person's involvement within 10 days of the end of the month of that person commencing work, as part of the reporting process outlined in paragraph 6(a) below. Similar notice will be provided if any of the individuals involved are promoted.

4. The hourly rates shall apply up until 31 December 2014. The hourly rates shall then be reviewed and re-negotiated annually with effect from the first day of January each year. The JPLs and KPMG shall not be obliged to accept less than the minimum hourly rates prescribed in the IPR (set out above). The Stakeholder Committee shall not be authorised to agree to pay more than the maximum hourly rates prescribed in the IPR (set out above).
5. The JPLs and staff of KPMG may charge for travel time at their applicable hourly rates subject to the following:
  - (a) the maximum time permitted to be charged for travel between Hong Kong and Beijing is 3.5 hours;
  - (b) the maximum time permitted to be charged for travel between the Cayman Islands and Hong Kong is 8 hours;
  - (c) the JPLs will give reasonable consideration to reducing by a similar proportion travel time between other destinations not referred to in paragraphs 5(a) and 5(b) above; and
  - (d) the JPLs shall not charge for commute time to/from an airport, checking in, lost time at airports (due to flight delay or otherwise), waiting at airports and disembarking time (for example, to pass through government immigration and/or customs processes).

6. That:

- (a) within ten days of the first working day of each month the JPLs provide to the Stakeholder Committee the following:
  - (i) a forecast of the estimated remuneration and work streams of the JPLs for that month;
  - (ii) a comparison of the previous month's actual remuneration incurred to the forecasted amounts previously provided; and
  - (iii) detailed daily narratives of the work performed for the previous month for the JPLs and their staff, a schedule showing an allocation of the hours worked by each of the JPLs and their staff for each work stream, and a summary of the work completed for each work stream;
- (b) the Stakeholder Committee (or any constituent member of it) shall, if it wishes, provide the JPLs with any reasonable queries concerning the information provided pursuant to paragraph 6(a) above within seven days of receipt;



- (c) the JPLs shall provide their response to any queries received pursuant to paragraph 6(b) above within seven days of receipt or alternatively convene (that is, send notice of) a meeting of the Stakeholder's Committee to respond to any queries received pursuant to paragraph 6(b) above within seven days of receipt; and
- (d) the JPLs shall apply to the Court for approval of their fees on a quarterly basis, with the first application to be brought during March 2014 for the months of December 2013 to February 2014, unless an earlier application to seek approval is necessary.

7. That, with respect to reporting:

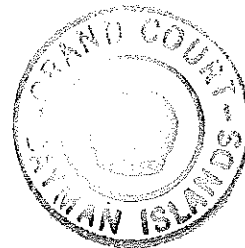
- (a) in accordance with paragraph 4 of the Order of the Court dated 22 August 2013, the JPLs shall report to the Stakeholder Committee when they think fit and, in any, event, not less than twice a month;
- (b) unless the JPLs and the Stakeholder Committee agree that a meeting is not necessary, at least one report to the Stakeholder Committee per month will be undertaken by way of a meeting of the Stakeholder Committee by way of teleconference or in person if considered necessary by the JPLs;
- (c) the Stakeholder Committee may request additional meetings of the Stakeholder Committee which the JPLs shall reasonably consider and convene where appropriate; and
- (d) in advance of any meeting of the Stakeholder Committee, the JPLs shall provide to the Stakeholder Committee all information that the JPLs consider is reasonable and appropriate for the Stakeholder Committee to be able to discuss those matters on the agenda for any such meeting.

8. This Agreement shall be governed by and construed in accordance with Cayman Islands law. The Cayman Islands courts shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement and the parties submit to the exclusive jurisdiction of the Cayman Islands courts.

Kris Beighton )  
 as Joint Provisional Liquidator )  
 (without personal liability) )

Date:

Edward Middleton )  
 as Joint Provisional Liquidator )  
 (without personal liability) )



Date:

Wing Sze Tiffany Wong )  
as Joint Provisional Liquidator )  
(without personal liability) )

Date:

