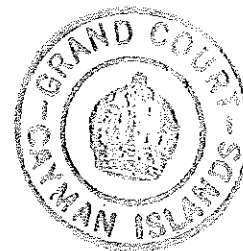


**IN THE GRAND court OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION**

**CAUSE NO: FSD 109 OF 2014 (AJJ)**

**Before the Hon Mr Justice Andrew J. Jones QC  
In Chambers, 14 October 2014**

**IN THE MATTER OF THE COMPANIES LAW (2013 REVISION)  
AND IN THE MATTER OF ACORN INTERNATIONAL, INC.**



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**ORDER**

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UPON hearing Leading Counsel for Acorn Composite Corporation (the "Petitioner"), Counsel for Acorn International, Inc. (the "Company") and Counsel for D.Y. Capital and SB Asia Investment Fund II L.P., shareholders of the Company (the "Minority Shareholders") in relation to the Petitioner's Summons for Directions dated 29 September 2014 (the "Summons") and the Company's summons dated 9 October 2014 pursuant to section 99 of the Companies Law (2013 Revision)

AND UPON reading the Winding Up Petition presented by the Petitioner in respect of the Company on 29 September 2014 (the "Petition") and the First, Second and Third Affidavits of Robert Walter Roche sworn 29 September, 9 October and 14 October 2014 respectively and the exhibits thereto filed by the Petitioner

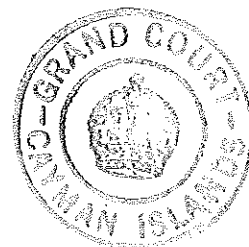
IT IS ORDERED AND DIRECTED that:

1. The Company be treated as the subject-matter of the Petition and shall be neutral giving such assistance to the Court as the Court shall direct.
2. The Petition shall be served on the Minority Shareholders forthwith. Service at the offices of the Minority Shareholders' Cayman Islands' attorneys shall constitute good service for the purposes of this Order.

3. The Petition be treated as an *inter partes* proceeding between the Petitioner and the Minority Shareholders and is not to be treated as a proceeding against the Company until further or other order.
4. The Petition shall be heard without the need for further advertisement. Any other shareholder of the Company wishing to be heard on the Petition shall give notice of his intention no later than 3 December 2014.
5. The Petitioner shall not be required to serve any further particulars of its claim.
6. The Minority Shareholders shall file and serve the affidavit evidence upon which they intend to rely on or before 7 November 2014.
7. Any application for specific discovery (including an application against the Company) shall be issued and served by 12 November and heard on 19 November 2014 (or such other date as may be agreed by the parties and the Court).
8. The Petitioner shall file and serve any reply affidavit evidence by 28 November 2014.
9. All evidence on the hearing of the Petition shall be given by affidavit with liberty to apply for leave to cross-examine any deponent.
10. A Case Management Conference shall be held by video link or telephone on 5 December 2014 at a time to be fixed.
11. The Petition be listed for hearing on Monday 5 January 2015 with a time estimate of three days.

AND IT IS FURTHER ORDERED that:

12. Any actions taken by the Company –
  - (a) to effect the issuance of any new share capital;
  - (b) to declare any dividends;
  - (c) to sell any of the assets of the Company or its subsidiaries;
  - (d) which result in a failure on the part of the Company or any of its subsidiaries to honour existing contracts or commercial arrangements currently in place;
  - (e) to enter into new contracts; and/or
  - (f) which materially impact the financial position and/or operations of the Company or its subsidiaries,



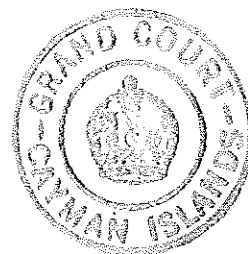
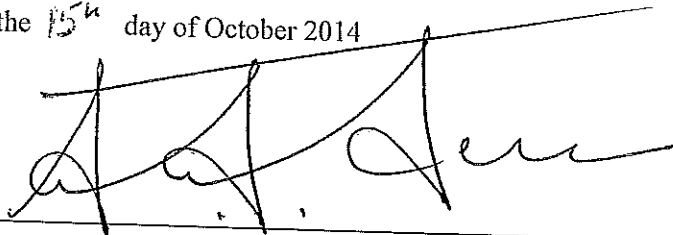
shall be void unless such actions are taken with the prior approval of (i) the Court or (ii) an ordinary resolution of the Company's shareholders passed at a duly convened general meeting.

13. Subject to the provisions of paragraph 12 of this Order, no payment made into or out of the bank accounts of the Company in the ordinary course of its business shall be void under section 99 of the Companies Law (2013 Revision).
14. The Company shall have liberty to apply to vary paragraphs 12 and 13 of this Order upon giving not less than 3 days' notice to the Petitioner and the Minority Shareholders.
15. The Company's costs of the Petition (up to and including today's hearing only) may be paid out of its assets as an expense incurred in the ordinary course of its business within the meaning of paragraph 13 of this Order.

AND IT IS FURTHER ORDERED that, as between the Petitioner and the Minority Shareholders, the costs of both Summonses shall be costs in the cause.

Dated the 14<sup>th</sup> day of October 2014

Filed the 15<sup>th</sup> day of October 2014



The Honourable Mr Justice Andrew J. Jones Q.C.

JUDGE OF THE GRAND COURT

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