

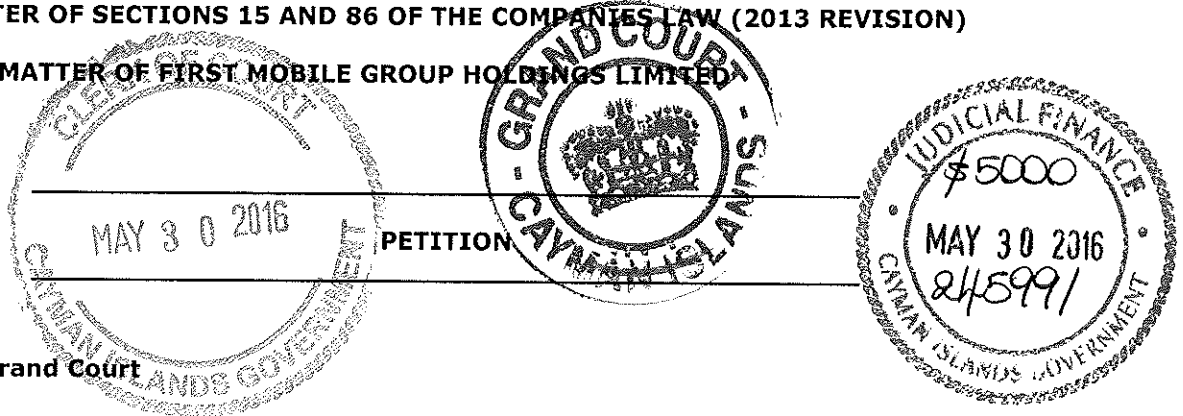
IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO: FSD 074 OF 2016

IN THE MATTER OF SECTIONS 15 AND 86 OF THE COMPANIES LAW (2013 REVISION)

AND IN THE MATTER OF FIRST MOBILE GROUP HOLDINGS LIMITED



To: The Grand Court

THE HUMBLE PETITION of First Mobile Group Holdings Limited c/o International Corporation Services Ltd, P.O. Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands (the **Company**) **SHOWS THAT:**

1. The object of this Petition is to seek:
 - (1) The sanction of the Court for a scheme of arrangement pursuant to Section 86 the Companies Law (2013 Revision) (the **Companies Law**) (the **Scheme**); and
 - (2) An order, pursuant to Section 16 of the Companies Law, confirming a reduction of the Company's capital (the **Capital Reduction**).

Background

2. The Company was incorporated in the Cayman Islands on 5 May 2000 as an exempted company limited by shares with the name First Telecom International Holdings Limited, and on 31 October 2000 it changed its name to First Mobile Group Holdings Limited.
3. The Company is also registered as a foreign company in Hong Kong and its shares are listed for trading on the Main Board of the Hong Kong Stock Exchange (the **HKEx**) (Stock Code 865). It is an investment holding company and it has a number of subsidiaries whose main business is the trading and distribution of mobile phones and related activities.
4. The Company's current authorised share capital is HK\$300,000,000.00, divided into 3,000,000,000 shares of HK\$0.10 each. Of these, 1,945,996,565 have been issued and are fully paid or credited as fully paid.

5. The operations and cash position of the Company and its subsidiaries were severely affected by the global financial crisis in 2008. Trade credit facilities of over US\$70,000,000 were withdrawn and the Company experienced significant cash flow problems – the consolidated financial statements as of 31 December 2009 indicated that the Company had assets of HK\$192,863,000.00 and liabilities of HK\$1,387,345,000.00.
6. Trading in the Company's shares on the HKEx was suspended on 27 November 2009 and the Company's major shareholders began considering a corporate and financial restructuring. Deloitte Touch Tohmatsu (**Deloitte**) were retained as independent financial advisers for that purpose.
7. On 18 August 2010, following consultation with creditors, the Company announced that the restructuring would be carried out by way of a scheme of arrangement (the **Original Scheme**) in conjunction with a capital reorganisation. An investor, Jinwu Limited (**Jinwu**), agreed to provide the Company with HK\$162 million for distribution under the scheme, in return for shares in the Company following the reorganisation. Pursuant to that agreement it paid a deposit of HK\$16.2 million, which continues to be held by Mayer Brown JSM in escrow.
8. The Company also entered into a Standstill Agreement with creditors representing at least 75% of the total debts of the Company.
9. The Original Scheme was unanimously approved by those creditors who voted at a creditors' meeting held on 21 December 2010, and was then sanctioned by the High Court of Hong Kong on 8 February 2011 and by the Cayman Islands Grand Court on 28 April 2011. However, the Original Scheme never became effective as the HKEx did not approve the resumption of trading on the basis of the restructuring.
10. Between 2011 and 2014 a number of unsuccessful attempts were made to procure a resumption of trading in the Company's shares on the HKEx, first on the basis of the group's pre-existing operations and then through the proposed acquisition of a Chinese power company.
11. The Company continued to seek viable acquisition targets and in 2014 identified China General (HK) Company Limited (**China General**), a Hong Kong company principally engaged in property development in China's Fujian and Jiangsu provinces. A listing application, based on the proposed restructuring outlined below, was submitted to the HKEx on 30 October 2014 and received in-principle approval on 26 February 2016.

The Restructuring

12. The Company's acquisition of China General (the **Acquisition**) is one of a number of elements of the proposed restructuring, in addition to the Scheme and the Capital Reduction. The Company has agreed to acquire the entire issued share capital of China General from its joint owners, Mr Shie Tak Chung and Mr Tsoi Kin Sze (the **Vendors**). The agreed consideration of approximately HK\$817 million shall be satisfied by the issue to the Vendors of shares in the Company following a reorganisation of the Company's capital, at a price of HK\$0.20 each.
13. Jinwu shall subscribe for 954,694,714 shares in the Company at HK\$0.155 per share, making an investment of approximately HK\$148 million (less than the HK\$162 million proposed under the Original Scheme). That figure shall include the deposit of HK\$16.2 million already paid.
14. In addition, two companies have been given options to subscribe for shares in the Company to reflect loans they have made to the Company:
 - (1) Time Boomer Limited (**Time Boomer**), a BVI company, shall be entitled to subscribe for 83,870,968 shares in the Company at a total exercise price of HK\$13 million, or HK\$0.155 per share; and
 - (2) First Apex Investments Limited (**First Apex**), a Hong Kong company, shall be entitled to subscribe for 129,032,258 shares at a total exercise price of HK\$20 million, or HK\$0.155 per share.
15. This proposed issue of shares to Jinwu, Time Boomer and First Apex shall be described as the **Subscription**.
16. Existing shareholders of the Company shall be offered two shares in the Company for every share already held, at a price of HK\$0.13 per share (the **Open Offer**). A total of 389,199,312 shares shall be allotted in this way, such that the gross proceeds are expected to be approximately HK\$50.6 million. The Open Offer is being underwritten by Asian Capital (Corporate Finance) Limited.
17. The total net proceeds from the Subscription and the Open Offer are therefore expected to be approximately ~~HK\$198.6 million, being HK\$148 million from Jinwu and HK\$50.6 from the~~ Open Offer. It is proposed that that sum be distributed as follows:
 - (1) HK\$162 million shall be made available for distribution amongst the Company's creditors on a *pari passu* basis, as part of the Scheme;
 - (2) the remainder shall be retained as the working capital of the Company (after professional fees and expenses have been deducted).

18. As part of the restructuring the Company intends to dispose of certain of its subsidiaries which are carrying substantial debt (the **Disposal**). The entire issued share capital of Marzo Holdings Limited, Mobile Distribution Limited and Value Day Limited (the **Disposed Group**) shall be transferred to a BVI company, Simply Divine Global Limited. (Those of the Company's subsidiaries not subject to the Disposal shall be described as the **Scheme Subsidiaries**.) Given the Disposed Group's financial position, which as at 30 June 2015 reflected net liabilities of approximately HK\$84.5 million, the consideration for the Disposal shall be HK\$1.00.
19. The overarching aim of the restructuring is to preserve the Company so that it may (a) continue in business as a going concern; (b) remain listed on the HKEx; (c) apply for the resumption of trading in its shares, and (d) attract new investment.

The Scheme

20. A printed copy of a composite document containing the information relevant to the Scheme marked "A" is annexed to the Petition herein as Annexure 1.
21. The Scheme involves the following key elements:
- (1) Mr Lai Kar Yan (Derek), Mr Yeung Lui Ming (Edmund) and Mr Darach E. Haughey, each a Partner of Deloitte, shall be appointed by the Company as administrators to implement the Scheme (the **Administrators**);
 - (2) HK\$162 million from the proceeds of the Subscription and the Open Offer shall be paid by the Company to a company incorporated for the purposes of the Scheme (the **SchemeCo**);
 - (3) The Scheme Subsidiaries shall be transferred to the SchemeCo for consideration of HK\$1.00, for realisation by the Administrators;
 - (4) Scheme funds shall be held in a trust account with a licensed bank in Hong Kong for the benefit of Scheme creditors, subject to the payment of any sums due to governmental and regulatory bodies, the costs associated with the Scheme and preferential claims;
 - (5) A creditors' committee shall be responsible for reviewing and approving any costs to be paid out of the Scheme funds and shall also provide a forum for the Administrators to seek advice and guidance on questions of strategy regarding the administration of the Scheme;

- (6) Any claims of the Company or the Disposed Group against the Scheme Subsidiaries shall, on the date upon which the Scheme becomes effective (the **Effective Date**), be assigned, transferred or novated (as the case may be) to the SchemeCo or the Administrators for the purposes of the Scheme;
- (7) Any claims made or to be made by the Scheme creditors against the Company in respect of transactions or events up to the Effective Date shall be assigned, transferred or novated (as the case may be) to the SchemeCo for settlement in the manner stipulated under the Scheme;
- (8) From the Effective Date all creditors' claims against the Company will be discharged and waived by virtue of the implementation of the Scheme; the SchemeCo will accept and assume an equivalent liability in place of the Company for all such claims on a non-recourse basis; and in addition, the Scheme creditors will be entitled to receive dividends pursuant to the Scheme in full and final satisfaction of their claims against the SchemeCo;
- (9) The Scheme costs shall be paid in priority to the payment of dividends to creditors;
- (10) The claims of the Scheme creditors shall be settled by the Administrators paying dividends to each creditor whose claim has been admitted on a *pari passu* basis in accordance with the priority set forth under Paragraph 18.4 of the Explanatory Statement to be sent to creditors in advance of the Scheme meeting. The Administrators shall have power to make interim distributions provided they leave in reserve sufficient funds for any claims not yet admitted or adjudicated upon;
- (11) Proceeds from future disposal of assets or businesses of the Scheme Subsidiaries after settlement of their debts (whether secured or unsecured) and thereafter all related costs and expenses shall either be distributed as dividends to an intermediate holding company for settlement of its debts, or if there is no intermediate holding company, made available for distribution to the Scheme creditors;
- (12) Nothing in the Scheme shall affect the right of any person arising from any security given by a Scheme Subsidiary in favour of that person, or any of the undertakings and obligations of a Scheme Subsidiary under any such security.

Conditions Precedent to the Scheme

22. For the Scheme to be effective, certain conditions must be complied with. These conditions are set out at pages 34-39 of the Explanatory Statement.

23. The Scheme will become effective and binding on the Company and its creditors under Hong Kong law and Cayman law if the following conditions are satisfied:
- (1) a majority in number representing at least 75% in value of the creditors present and voting in person or by proxy at the Scheme meeting voting in favour of the Scheme;
 - (2) the delivery of a copy of the order of the High Court of Hong Kong sanctioning the Scheme to the Registrar of Companies in Hong Kong;
 - (3) the delivery of a copy of the order of the Grand Court sanctioning the Scheme to the Registrar of Companies in the Cayman Islands for registration; and
 - (4) all of the conditions precedent to the Subscription being fulfilled (except for a condition relating to consents, approvals, sanctions, despatch and filing of documents, including the Scheme document, necessary to make the Scheme effective) or, where applicable, waived.
24. As it is a condition precedent to both the Subscription and the Acquisition that the Capital Reduction be approved by this Honourable Court, the Scheme is therefore also conditional upon such approval.
25. The Company proposes to hold Court meetings pursuant to orders made on the Summons for Directions filed simultaneously with this Petition and to advertise those meetings pursuant to the orders of this Honourable Court and the High Court of Hong Kong.

The Capital Reduction

26. The Company shall undergo a capital reorganisation, including the Capital Reduction, the net result of which will be that its share capital (which as stated above is currently HK\$300,000,000.00, divided into 3,000,000,000 shares of HK\$0.10 each) will be increased to HK\$500,000,000, divided into 100,000,000,000 shares of HK\$0.005 each (the **Capital Reorganisation**).
27. The Capital Reorganisation shall involve the following steps:
- (1) The par value of each of the Company's existing issued shares shall be reduced from HK\$0.10 to HK\$0.0005, such that the total issued share capital shall be reduced from HK\$194,599,656.50 to HK\$972,998.28;
 - (2) The entire amount standing to the credit of the Company's share premium account shall be cancelled;

- (3) Every ten issued shares of HK\$0.0005 each shall be consolidated into one share of HK\$0.005, such that the authorised share capital of the Company shall be HK\$972,998.28 divided into 194,599,656 shares with a par value of HK\$0.005 each;
- (4) All unissued shares of HK\$0.10 each in the authorised share capital of the Company shall be cancelled; and
- (5) The authorised share capital of the Company shall be increased from HK\$300,000,000 to HK\$500,000,000, divided into 100,000,000,000 shares each with a par value of HK\$0.005. After the Capital Reorganisation these shares shall be identical and rank *pari passu* in all respects with each other.
28. Article 63 of the Company's Articles of Association provides that the Company may by ordinary resolution consolidate and divide any or all of its shares, cancel any of its shares or subdivide its shares and that the Company may by special resolution reduce its share capital, its capital redemption reserve account or its share premium account.
29. At an Extraordinary General Meeting (**EGM**) of the Company on 18 April 2016 the following was passed as a special resolution of the Company:

"THAT conditional upon:- (i) approval of the Capital Reduction (as defined below) by the Grand Court of the Cayman Islands (the "Cayman Islands Court"); (ii) registration by the Registrar of Companies of the Cayman Islands of the order of the Cayman Islands Court confirming the Capital Reduction (as defined below) and the minute approved by the Cayman Islands Court containing the particulars required under the Companies Law in respect of the Capital Reduction (as defined below) and compliance with any condition as may be imposed by the Cayman Islands Court in relation to the Capital Reduction (as defined below); and (iii) the Listing Committee granting the listing of, and permission to deal in, the New Shares in issue, upon the date on which the Capital Reduction (as defined below) becomes effective (the "Effective Date"):

- (a) the par value of each issued Share be reduced from HK\$0.10 to HK\$0.0005 by cancelling paid up share capital to the extent of HK\$0.0995 per Share in issue as at the Effective Date by way of a reduction of capital (the "Capital Reduction");*
- (b) immediately following the Capital Reduction, all remaining authorised but unissued shares of the Company as at the Effective Date be cancelled (the "Authorised Share Capital Cancellation");*

- (c) upon the Capital Reduction and the Authorised Share Capital Cancellation becoming effective, every 10 Shares of HK\$0.0005 each in the Company be consolidated into one New Share with a par value of HK\$0.005 each (the "Share Consolidation"), and any fractions of New Shares arising on the Share Consolidation shall not be allocated to the holders of the existing Shares otherwise entitled thereto but such fractions shall be aggregated and sold for the benefit of the Company in such manner, on such terms and subject to such conditions as the Directors may, in their sole and absolute discretion, think fit;
- (d) the entire amount standing to the credit of the share premium account of the Company as at 30 June 2015 amounting to approximately HK\$127.54 be cancelled (the "Share Premium Cancellation");
- (e) the authorised share capital of the Company be increased to HK\$500,000,000 divided into 100,000,000,000 New Shares of HK\$0.005 each by the creation of New Shares (the "Authorised Share Capital Increase" and together with the Capital Reduction, the Authorised Share Capital Cancellation, the Share Consolidation and the Share Premium Cancellation, "Capital Reorganisation");
- (f) the credit which arises as a result of the Capital Reduction and the Share Premium Cancellation be transferred to the distributable reserve of the Company and be applied to cancel the accumulated losses of the Company as at 30 June 2015, and any one or more of the Director(s) be and is/are hereby authorised to apply the balance in the distributable reserve of the Company (if any) in any manner permitted by the Companies Law; and
- (g) any one or more of the Director(s) be and is/are hereby authorised to do all such acts and things, to sign and execute all such further documents or agreements or deeds on behalf of the Company (including the affixation of the common seal of the Company where execution under seal is required) and to do such acts and things, to sign and execute all such further documents and to take such steps as he/she/they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the implementation of and giving effect to any matter relating to the Capital Reorganisation and the transactions contemplated thereunder."

30. The Capital Reduction shall involve neither the diminution of liability in respect of any unpaid share capital nor the payment to any shareholder of any paid-up capital. Nor will it prejudice the interests of the creditors of the Company as, following the implementation of the Scheme, the Company will have a significant surplus of available assets over current liabilities.

31. The proposed Capital Reduction is for a discernible purpose, namely (together with the Scheme and corporate restructuring), to regularise the financial position and capital needs of the Company and its subsidiaries. The terms and effect of the Capital Reduction were properly explained to the shareholders within sufficient time prior to the EGM to ensure that shareholders were treated equitably.
32. The form of minute proposed to be registered is as follows:

"The issued share capital of First Mobile Group Limited was by virtue of a special resolution of the Company dated 18 April 2016 and with the confirmation of an order of the Grand Court of the Cayman Islands dated [] reduced from HK\$194,599,656.50 represented by an authorised share capital of HK\$300,000,000 divided into 3,000,000,000 shares of HK\$0.10 each (of which 1,945,996,565 shares had been issued and fully paid) to HK\$972,998.28 represented by an authorised share capital of HK\$300,000,000 divided into 3,000,000,000 shares of HK\$0.0005 each.

Pursuant to special resolutions dated 18 April 2016, and subject to and immediately upon the capital reduction taking effect: (a) all unissued shares of the Company of HK\$0.10 are to be cancelled; (b) every ten (10) issued shares are to be consolidated into one (1) new share with a par value HK\$0.0005; and (c) the authorised share capital is to be increased to HK\$500,000,000, divided into 100,000,000,000 shares of HK\$0.0005 each.

The capital of the Company at the time of the registration of this minute is accordingly HK\$500,000,000 divided into 100,000,000,000 shares of HK\$0.0005 each."

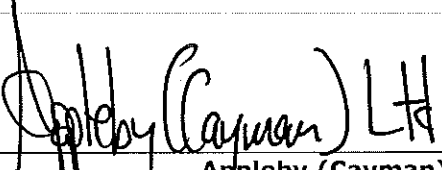
The Proposed Sequence of Events

33. The following sequence of events is proposed as between the Scheme and the Capital Reduction:
- (1) The Scheme be sanctioned by the High Court of Hong Kong and this Honourable Court, conditional upon implementation of the Capital Reorganisation;
 - (2) The Capital Reduction be approved by this Honourable Court and implemented together with the rest of the Capital Reorganisation; and
 - (3) The Acquisition, the Subscription and the Open Offer, each of which involves the issue of shares in the Company following the Capital Reorganisation, be completed and the Scheme be registered with the Hong Kong and Cayman Islands Registrars of Companies.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

1. The said scheme of arrangement in the form of the document marked "A" annexed hereto be sanctioned by this Honourable Court so as to be binding on the Company and its shareholders and creditors.
2. The resolutions of the Company for the reduction of capital, being part of the reorganisation of the Company's capital structure, be confirmed by the Court.
3. Such Court meetings be held as this Honourable Court shall see fit to order on the Summons for Directions filed in this matter.
4. Such further orders as to the Court seem fit.

Dated the 30th May 2016


Appleby (Cayman) Ltd.
Attorneys-at-Law for the Petitioner

Note: This petition is not intended to be served

THIS PETITION was filed by Appleby (Cayman) Ltd., Attorneys-at-Law for the Petitioner, whose address for service is Clifton House, 71 Fort Street, PO Box 190, KY1-1104, George Town, Grand Cayman, Cayman Islands. (Ref: THW/ES/428798.0002)

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman on the day of at am/pm.

Any correspondence or communication with the Court relating to the hearing of this petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, Cayman Islands, KY1-1106 telephone (+1 345) 949 4296.

" A "

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you should consult your bank manager, solicitors, professional accountant, or other professional advisors without delay.

**EXPLANATORY STATEMENT
AND
SCHEME OF ARRANGEMENT**

Pursuant to Section 86 of the Companies Law (2013 Revision) of the Cayman Islands and pursuant to Sections 670, 671, 673 and 674 of the Companies Ordinance (Chapter 622) of Hong Kong, each as amended from time to time

BETWEEN



FIRST MOBILE GROUP HOLDINGS LIMITED
(第一電訊集團有限公司)*
(incorporated in the Cayman Islands with limited liability)

and

its **CREDITORS**

(as defined in this Scheme Document)

Whether or not you intend to be present at the Scheme Meeting for First Mobile Group Holdings Limited convened at the direction of the High Court of the Hong Kong Special Administrative Region and the Grand Court of the Cayman Islands, you are requested to complete and return the form of proxy set out in Appendix 4 to this Scheme Document as soon as possible in accordance with the instructions set out herein.

Notice of the Scheme Meeting to approve the Scheme, which is to be held at [*] (Hong Kong time) on [*] at [*], is set out in Appendix 2 in this Scheme Document.

This Explanatory Statement and the Scheme of Arrangement are dated [*].

** For identification purposes only*

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DEFINITIONS

In this Scheme Document, unless otherwise indicated, the following expressions shall have the respective meanings set opposite them:

“acting in concert”	has the same meaning ascribed to such term under the Takeovers Code
“Acquisition”	the sale and purchase of the Sale Equity Interest pursuant to the Acquisition Agreement
“Acquisition Agreement”	the acquisition agreement dated 31 March 2014 (as supplemented by a supplemental agreement dated 27 October 2014 and a second supplemental agreement dated 30 April 2015) entered into between, inter alia, the Company and the Vendors in respect of the sale and purchase of the Sale Equity Interest, as varied, amended, certified or supplemented in writing by the parties thereto from time to time.
“Adjudicator”	such independent person with experience in the adjudication of creditors’ claims in a liquidation as the Administrators, in their absolute discretion, shall appoint from a pool of five nominees with such experience nominated by the President of the Hong Kong Institute of Certified Public Accounts
“ADM”	Asia Debt Management Hong Kong Limited, a firm of investment advisors established under the laws of Hong Kong and licensed by the SFC to carry on type 9 (asset management) regulated activity as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the potential investor as defined in the announcements of the Company dated 30 April 2010 and 4 June 2010
“Administrators”	Mr Lai Kar Yan (Derek), Mr Yeung Lui Ming (Edmund) and Mr Darach E. Haughey jointly and severally or their successors appointed pursuant to the terms of the Amended Scheme
“Admitted Claims”	all Claims (and, where the Creditor has a Claim which is in part a Preferential Claim, then only to the extent of the non-preferential part; and where the Creditor has a Claim which is secured by Security Interest, then only to the extent of the unsecured part) against the Company which would be provable in a winding up of the Company if an order for the winding up of the Company were made on the Effective Date and which have been admitted by the Administrators or the Adjudicator (as the case may be) in accordance with Clause 4 of the Amended Scheme
“Amended Scheme” or “Scheme” or “Scheme of Arrangement”	the scheme of arrangement, appearing on pages 55 to 105 of this Scheme Document, proposed by the Company to its Creditors pursuant to Section 86 of the Cayman Companies Law and Sections 670, 671, 673 and 674 of the Companies Ordinance to modify the Original Scheme, together with or subject to any modification of it, any addition to it or any condition approved or imposed by either of the Courts
“Amended Subscription Agreement”	the Original Subscription Agreement as supplemented by a second supplemental agreement dated 27 October 2014 and a third supplemental agreement dated 30 April 2015, as varied, amended, modified or supplemented in writing by the parties thereto from time to time

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“Amended TB Option Agreement”	the TB Option Agreement as supplemented by a supplemental option deed dated 27 October 2014 and a second supplemental option deed dated 30 April 2015, as varied, amended, modified or supplemented in writing by the parties thereto from time to time
“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday and a Sunday and a day on which a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours
“Capital Reduction”	the reduction of the par value of each issued Share from HK\$0.10 to HK\$0.00025 and the cancellation of the issued share capital of the Company to the extent of HK\$0.09975 of each Share in issue, and the cancellation of the entire amount of the authorised but unissued share capital of the Company
“Capital Reorganisation”	the proposed capital reorganisation to be conducted in the manner as described in Paragraph 5 of the Explanatory Statement
“Cayman Companies Law”	the Companies Law (2013 Revision) of the Cayman Islands (as amended from time to time)
“Cayman Court”	the Grand Court of the Cayman Islands
“China General” or “Target Company”	China General (HK) Company Limited (中總(香港)有限公司), a company incorporated under the laws of Hong Kong on 1 September 1992, which is owned as to 50% each by Mr. Shie and Mr. Tsoi
“Claim(s)”	any debt, liability or obligation of the Company which arose on or before the Effective Date, whether known or unknown, whether certain or contingent, whether present, future or prospective, whether liquidated or unliquidated, ascertained or sounding only in damages, whether arising at common law, in equity or by statute, in Dubai, France, Hong Kong, India, Macau, Malaysia, the Philippines, Singapore, Taiwan, the Cayman Islands, the British Virgin Islands, the United States of America, Vietnam, the United Kingdom or in any other jurisdiction or in any manner whatsoever which would be admissible to proof in a compulsory winding up of the Company under the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Cayman Companies Law 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, any liability arising out of an obligation to make restitution, and any liability arising out of any legal claims, whether certain or contingent
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time.
“Companies (Winding	the Companies (Winding Up and Miscellaneous Provisions) Ordinance

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Up and Miscellaneous Provisions) Ordinance”	(Chapter 32 of the Laws of Hong Kong) as amended from time to time.
“Company”	First Mobile Group Holdings Limited (Stock Code: 865), a company with limited liability incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Proposed Restructuring
“Concert Group”	Fame Build, Talent Connect, the Vendors and any parties acting in concert with it
“Condition(s) Precedent”	the condition(s) precedent to Completion as set out in Subscription Agreements, the Acquisition Agreement, the Underwriting Agreement and the Disposal Agreement
“Connected Person(s)”	the meaning ascribed to it under the Listing Rules
“Courts”	the Cayman Court and the Hong Kong Court
“Creditor(s)”	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)
“Cut-Off Date”	the date to be determined by the Administrators which shall be at least 21 days after the date of the notices and advertisements referred to in Clause 4.1 of the Amended Scheme
“Deposit”	the sum of HK\$16,200,000 paid by Jinwu to the Escrow Agent on 25 June 2010 pursuant to the terms of the Exclusivity Agreement and being held by the Escrow Agent pursuant to the terms of the Escrow Agreement dated 25 June 2010, together with interest accrued thereon
“Directors”	the directors of the Company
“Disposal Agreement”	the sale and purchase agreement dated 27 October 2014 (as supplemented by a supplemental agreement dated 30 April 2015) entered into between the Company and Simply Divine Global Limited, a company incorporated in the British Virgin Islands, which is solely and beneficially owned by Mr. Ng Kok Hong, the chairman of the Company in relation to the disposal of the Disposed Companies, as varied amended, modified or supplemented in writing by the parties thereto from time to time
“Disposed Companies”	Marzo Holdings Limited, Value Day Limited and Mobile Distribution Limited
“Disposed Group”	the Disposed Companies and their subsidiaries, including eTouch Mobile Private Limited, PT Comworks Indonesia, Multi Brand Telecom Services Trade Company Limited, Calibro Global Limited, Distinct Elite Limited and Matrix Star Limited

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“Dividend(s)”	the proportion, expressed as a percentage, of Admitted Claims payable to the Scheme Creditors as determined under Clause 5 of the Amended Scheme
“Effective Date”	the date on which the Amended Scheme becomes effective by virtue of (i) the delivery of a copy of the order of the Hong Kong Court sanctioning the Amended Scheme to the Registrar of Companies in Hong Kong; (ii) the delivery of a copy of the order of the Cayman Court sanctioning the Amended Scheme to the Registrar of Companies in the Cayman Islands for registration; and (iii) all Conditions Precedent have been fulfilled (save and except for any conditions precedent in respect of the consents, approvals, sanctions, despatch and filing of documents (including the Scheme Document) necessary for the purpose of making the Amended Scheme effective) or, where applicable, waived
“EGM”	the extraordinary general meeting of the Company held on 18 April 2016, at which the Capital Reorganisation, the Open Offer, the Subscription, the Acquisition, the Special Deal, the appointment of the proposed Directors, the New Memorandum and Articles and the Whitewash Waiver were approved
“Escrow Agent”	Mayer Brown JSM
“Escrow Agreement”	the escrow agreement dated 25 June 2010 entered into among the Escrow Agent, the Company and Jinwu in relation to the Deposit paid by Jinwu as amended, varied, supplemented from time to time
“E-Tech Resources”	E-Tech Resources Limited, a company incorporated in the British Virgin Islands with limited liability
“Excluded Assets”	save and except for the investment in and the assets of the Disposed Group, all assets of the Company as at the Effective Date (whether tangible or intangible) including without limiting the generality of the aforesaid, all cash and cash equivalents, receivables (trade or otherwise) and Rights against Third Parties
“Exclusivity Agreement”	the agreement dated 25 June 2010 entered into among ADM, Jinwu, the major shareholders of the Company (being Mr. Ng Kok Hong, Ms. Tan Sook Kiang, Mr. Ng Kok Yang and NKT Holdings Sdn. Bhd.), the Company and Deloitte Touche Tohmatsu in relation to the proposed restructuring of the indebtedness owing by the Company’s subsidiaries which are guaranteed by the Company (as detailed in the Schedule 1 of the Exclusivity Agreement)
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time or any of his delegates
“Explanatory Statement”	the explanatory statement issued in compliance with Section 671 of the Companies Ordinance and Order 102, rule 21(4)(e) of the Rules of the Grand Court of the Cayman Islands 1995 (Revised Edition), appearing on pages 20 to 54 of this Scheme Document

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“FA Option”	the option granted by the Company to First Apex under the FA Option Agreement to subscribe for convertible preference shares convertible into ordinary shares of HK\$0.01 each in the capital of the Company
“FA Option Agreement”	the option deed dated 3 February 2012 entered into between First Apex and the Company in relation to the issue of the FA Option and as terminated by a termination deed entered into between the Company and First Apex dated 27 October 2014
“Fame Build”	Fame Build Holdings Limited, a company incorporated in the British Virgin Islands with limited liability on 16 June 2014 and is solely and beneficially owned by Mr. Shie
“First Apex”	First Apex Investments Limited, a limited liability company incorporated in Hong Kong on 11 March 2010 and is wholly and beneficially owned by Mr. Benjamin Kumar Sharma, which will become one of the Shareholders of the Company upon completion of the Subscription
“Group”	the Company and all its subsidiaries immediately before implementation of the Group Reorganisation
“Group Reorganisation”	the proposed group reorganisation to be conducted in such manner as described under Paragraph 3 of the Explanatory Statement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Court”	the Court of First Instance of the High Court of Hong Kong
“Independent Shareholder(s)”	the Shareholder(s) who are not members of the Concert Group and/or not involved or interested in (other than solely as a Shareholder) the Capital Reorganisation, the Scheme, the transactions contemplated under the Subscription Agreements, the Acquisition Agreement, the Open Offer, the Disposal Agreement and/or the Whitewash Waiver and therefore permitted to vote in respect of the resolution(s) to approve the Capital Reorganisation, the Scheme, the Subscription, the Acquisition, the Open Offer, the Whitewash Waiver and/or the Special Deal at the EGM
“Independent Third Party(ies)”	third party(ies) independent of the Company and Connected Persons of the Company
“In-principle Letter”	the letter issued by the Stock Exchange granting in principle approval to the Resumption Proposal
“Jinwu”	Jinwu Limited, a special purpose investment company owned by Daxin Investment Fund, being a collective investment fund established under the laws of the Cayman Islands on 26 May 2010, managed by Greater China Capital Limited, which will become one of the Shareholders of

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	the Company upon completion of the Subscription
“Latest Practicable Date”	29 February 2016, being the latest practicable date prior to the printing of this Scheme Document for the purpose of ascertaining certain information contained in this Scheme Document
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing (Review) Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2016 or such other date as may be extended in writing between the Company, the Vendors and the Subscribers
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of growth enterprise market (“GEM”) (excluding the options market) which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM.
“Mr. Shie”	Mr. Shie Tak Chung, being one of the Vendors, who was interested in 50% of equity interest of China General
“Mr. Tsoi”	Mr. Tsoi Kin Sze, being one of the Vendors, who was interested in 50% of equity interest of China General
“New FA Option”	the option granted by the Company to First Apex under the New FA Option Agreement to subscribe for the New FA Subscription Shares
“New FA Option Agreement”	the option deed dated 27 October 2014 (as supplemented by a supplemental option deed dated 30 April 2015) entered into between First Apex and the Company in relation to the issue of the New FA Option, as varied, amended, modified or supplemented in writing by the parties thereto from time to time
“New FA Subscription Shares”	129,032,258 New Shares to be allotted and issued as fully paid by the Company to First Apex under the New FA Option Agreement
“New Share(s)”	the ordinary share(s) of HK\$0.005 each in the capital of the Company immediately following the Capital Reorganisation becoming effective
“New TB Option”	the option granted by the Company to Time Boomer under the Amended TB Option Agreement to subscribe for the New TB Subscription Shares
“New TB Subscription Shares”	83,870,968 New Shares to be allotted and issued as fully paid by the Company to Time Boomer under the Amended TB Option Agreement
“Non-qualifying Shareholder(s)”	the Shareholder(s), whose addresses as shown on the register of members of the Company on the Open Offer Record Date are in places outside Hong Kong where based on the legal opinions provided

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	by the relevant overseas legal advisors to the Company, the Directors are of the opinion that it is necessary or expedient to exclude such Shareholder(s) from the Open Offer on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in such places
“Notice of Claim for Dividend Purposes”	a notice of claim in written form submitted to the Administrators in accordance with Clause 4 of the Amended Scheme, by any Person claiming to be a Creditor, substantially in the form set out in Appendix 5 to this Scheme Document
“Notice of Claim for Voting Purposes”	a notice of claim in written form submitted to the Company in accordance with Paragraph 18.1 of the Explanatory Statement by any Person claiming to be a Creditor, substantially in the form set out in Appendix 3 to this Scheme Document
“Offer Share(s)”	New Shares to be allotted and issued under the Open Offer, being 389,199,312 New Shares
“Open Offer”	the proposed issue of the Offer Shares on the basis of two (2) Offer Shares for every one (1) New Share held by that Qualifying Shareholder on the Open Offer Record Date at the Open Offer Price
“Open Offer Price”	HK\$0.13, the price at which the Offer Shares are offered to the Qualifying Shareholders
“Open Offer Record Date”	the date by reference to which entitlements under the Open Offer are to be determined
“Original Scheme”	the scheme of arrangement proposed by the Company to its Creditors pursuant to Section 86 of the Cayman Companies Law and Section 166 of the Predecessor Companies Ordinance, approved by the requisite majority of the Creditors on 21 December 2010 and sanctioned by the Hong Kong Court on 8 February 2011 and by the Cayman Court on 28 April 2011
“Original Subscription”	the allotment and issue of the new shares to Jinwu pursuant to the Original Subscription Agreement
“Original Subscription Agreement”	the subscription agreement dated 27 August 2010 (as supplemented by side letters dated 15 September 2010, 23 December 2010, 31 March 2011, 7 July 2011, 2 November 2011, 30 March 2012, 4 December 2012 and 6 February 2013 respectively and supplemented by a supplemental agreement dated 28 September 2010) entered into between the Company (as issuer) and Jinwu (as subscriber) in relation to the subscription of ordinary shares of HK\$0.01 each in the capital of the Company
“Original Target”	Chongqing Fuling Julong Electric Power Co., Ltd
“Person”	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

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“Predecessor Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as in force from time to time before 3 March 2014
“Preferential Claim”	a Claim (or part of a Claim) which, if the Company was wound up on the Effective Date, would be treated as a preferential claim pursuant to Section 265 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance and be payable out of the assets of the Company in priority to the claims of the general unsecured creditors of the Company
“Preferential Creditors”	Persons with Preferential Claim
“Proposed Restructuring”	the proposed restructuring of the Company as set out in its circular dated 29 February 2016, involving, among other things, the Capital Reorganisation, the Amended Scheme, the Subscription, the Open Offer, the Acquisition and the Disposal
“PRC”	the People’s Republic of China and for the sole purpose of this Scheme Document shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Qualifying Shareholder(s)”	the Shareholders, other than the Non-qualifying Shareholders, whose names appear on the register of members of the Company as at the close of business on the Open Offer Record Date
“Record Date”	the record date as determined by the Administrators in their sole discretion for the purpose of determining entitlements to any residual value of the Scheme Assets (if any)
“Resumption Proposal”	the resumption proposal dated 4 December 2012 (as supplemented by subsequent submissions by the Company) which includes, among other things, the Capital Reorganisation, the Amended Scheme, the Subscription, the Open Offer and the Original Acquisition, submitted by the Company to the Stock Exchange
“Rights against Third Parties”	all rights, claims or causes of action of the Company against any Person and the benefit of all sums to which the Company are entitled from such Persons (whether known or unknown to the Company), subsisting on or before the Effective Date
“Sale Equity Interest”	the entire issued share capital of China General
“Scheme Assets”	properties/assets of SchemeCo from time to time, including but not limited to: (1) HK\$162,000,000; (2) shares in the Scheme Subsidiaries (and all assets of the Scheme Subsidiaries);

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	(3) inter-company debts owing by the Scheme Subsidiaries to the Disposed Group (if any);
	(4) the Excluded Assets
“SchemeCo”	a company newly incorporated or to be incorporated, held and controlled by the Administrators for the purpose of the Amended Scheme
“Scheme Costs”	all costs, charges, expenses and disbursements properly incurred after the Effective Date, to the extent approved by the Scheme Creditors’ Committee, in connection with the administration and implementation of the Amended Scheme including the fees and remuneration of the Administrators and the Adjudicator, and each of their agents and advisors
“Scheme Creditors”	all Creditors with Admitted Claims
“Scheme Creditors’ Committee”	the committee of Scheme Creditors to be formed pursuant to the Amended Scheme
“Scheme Document”	this scheme document containing the Explanatory Statement, the Scheme of Arrangement including its appendices
“Scheme Funds”	all funds from time to time credited to the Scheme Trust Account, including any interest accrued thereon
“Scheme Meeting”	a meeting of Creditors directed to be held by each of the Courts which shall be held at [*] p.m. (Hong Kong time) on [*] at [*] for the purpose of considering and, if thought fit, approving the Amended Scheme
“Scheme Subsidiaries”	the subsidiaries of the Company as listed out in Part 2 of Appendix 6 of this Scheme Document
“Scheme Trust Account”	the trust account held by the SchemeCo with a licensed bank in Hong Kong for the purposes of and for the benefit of those entitled under the Amended Scheme
“Secured Creditors”	Creditors with the benefit of any Security Interest that secures their Claims
“Security Interest”	any mortgage, charge, assignment, hire-purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement, pledge, lien, hypothecation, encumbrance or security interest of whatsoever kind or any other agreement having the effect of conferring security over the assets of the Company or any of its subsidiaries
“SFC”	the Securities and Futures Commission of Hong Kong
“Shareholder(s)”	shareholder(s) of the Company
“Share(s)”	ordinary share(s) of par value HK\$0.10 in the existing share capital of the Company prior to the Capital Reorganisation becoming effective

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“Standstill Agreement”	the agreement entered into between the Company and its Creditors whose aggregate indebtedness represents not less than 75% in value of the total indebtedness due and owing by the Group and guaranteed by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	Jinwu, Time Boomer and First Apex
“Subscription”	the allotment and issue of the Subscription Shares to the Subscribers pursuant to the Subscription Agreements
“Subscription Agreements”	the Amended Subscription Agreement, the Amended TB Option Agreement and the New FA Option Agreement
“Subscription Price”	HK\$0.155, the price at which the Subscription Shares are to be allotted and issued to the Subscribers pursuant to the Subscription Agreements
“Subscription Shares”	the New Shares to be allotted and issued by the Company to the Subscribers under the Subscription Agreements
“Talent Connect”	Talent Connect Investments Limited, a company incorporated in the British Virgin Islands with limited liability on 13 June 2014 and is solely and beneficially owned by Mr. Tsoi
“Target Group”	China General and its subsidiaries
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“TB Option”	the option granted by the Company to Time Boomer dated 7 July 2011 to subscribe for ordinary shares of HK\$0.01 each in the capital of the Company
“TB Option Agreement”	the option deed dated 7 July 2011 entered into between Time Boomer and the Company in relation to the issue of the TB Option
“Time Boomer”	Time Boomer Limited, a limited liability company incorporated in the British Virgin Islands on 26 May 2011 and is wholly and beneficially owned by Mr. Tai Kai Hing, which will become one of the Shareholders of the Company upon completion of the Subscription
“Transfer Agreement”	the agreement to be entered into between the Company and the SchemeCo in relation to the transfer of the entire issued share capital of each of the Scheme Subsidiaries to the SchemeCo or its nominee, at a nominal consideration, such agreement shall contain the principal terms set out in Paragraph 3 of the Explanatory Statement
“Unadmitted Claims”	any Claim (or part thereof) which at the relevant time, is the subject of a Notice of Claim for Dividend Purposes but which (a) has not yet been admitted by the Administrators pursuant to Clause 4 of the Amended Scheme; or (b) has been rejected pursuant to Clause 4 of the Amended Scheme; or (c) has been rejected and is, subject to adjudication under

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	Clause 4.11 of the Amended Scheme; or (d) has been adjudicated and rejected under Clause 4.11 of the Amended Scheme
“Underwriting Agreement”	the underwriting agreement dated 26 February 2016 entered into between the Company and the underwriter, Asian Capital (Corporate Finance) Limited, in relation to the Open Offer
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendors”	Mr. Shie and Mr. Tsoi
“Voting Claim”	the Claim of a Creditor calculated as at the date of the Scheme Meeting and admitted for the purpose of voting at such meeting
“Whitewash Waiver”	the whitewash waiver pursuant to Note 1 of the Notes on Dispensations from Rule 26 of the Takeovers Code in respect of any obligation of the Concert Group to make a mandatory general offer for all the issued shares of the Company not already owned by them or agreed to be acquired by the Concert Group upon completion of the Subscription
“%”	per cent

IMPORTANT NOTICE

This Scheme Document is prepared for the purposes of the proposed Amended Scheme pursuant to Section 86 of the Cayman Companies Law and Sections 670, 671, 673 and 674 of the Companies Ordinance, between the Company and its Creditors.

This Scheme Document is intended to modify and replace the terms of the Original Scheme proposed by the Company as approved by the requisite majority of the Creditors on 21 December 2010 and sanctioned by the Hong Kong Court on 8 February 2011 and by the Cayman Court on 28 April 2011.

The information contained in this Scheme Document has been prepared by the Company, acting by the Directors, based upon information available to them.

The statements, opinions and information contained in this Scheme Document are made, held or given respectively as at the Latest Practicable Date unless another time is specified and such statements, opinions and information are made, held or given solely by or on behalf of the Company unless expressly attributed to another party. Publication of this Scheme Document shall not give rise to any implication that the facts set out in it since the date of publication remain unchanged.

Nothing contained in this Scheme Document shall constitute any admission of any fact or liability on the part of the Company with respect to any Claim made against it. No estimate of the amount of a Claim against the Company specified in any form of proxy returned to the Administrators or otherwise provided to the Company or the Administrators, or the admission by the chairman of the Scheme Meeting of such amount or part of it for voting purposes, shall be admissible against the Company in any proceedings or be taken into account in the determination of the Claims by the Administrators. Any such estimate or admission by the chairman of the Scheme Meeting shall only be used for voting purposes at the Scheme Meeting convened in accordance with the directions of the Courts for the purpose of approving the Amended Scheme.

The summary of the proposed modifications to the Original Scheme and the related matter contained herein is qualified in its entirety by reference to the Amended Scheme itself, the full text which is set out in the section of this Scheme Document titled "Scheme of Arrangement". Creditors are advised to read in full and consider carefully the text of the Amended Scheme and all appendices to this Scheme Document.

The Amended Scheme has been proposed by the Company and no other Person has been authorised by the Company to make any representation concerning the Amended Scheme which is inconsistent with the statement contained in this Scheme Document and, if made, such representations shall not be relied upon as having been so authorised.

The contents of this Scheme Document should not be taken as legal, tax or financial advice. Creditors should consult their own professional advisors in relation to the legal, tax, financial or other matters relevant to the action which they should take in connection with the Amended Scheme.

FIRST MOBILE GROUP HOLDINGS LIMITED

To all Creditors of the Company

Dear Sirs and Madams,

INTRODUCTION

The Board is writing to you on behalf of the Company in connection with the modifications proposed to be made to the Original Scheme as contained in the Amended Scheme proposed as between the Company and its Creditors pursuant to Section 86 of the Cayman Companies Law and Sections 670, 671, 673 and 674 of the Companies Ordinance. The purposes of this letter and the Explanatory Statement which follows, are to:

- (i) provide background information in relation to the Company and the Group, and the current status of its restructuring;
- (ii) set out and explain the proposed modifications to be made to the Original Scheme and the reasons for such modifications; and
- (iii) explain the main provisions of the Amended Scheme,

in order to assist Creditors in reaching an informed decision on whether to vote in favour of the Amended Scheme at the relevant forthcoming Scheme Meeting. This letter and the Explanatory Statement make no recommendation as to whether Creditors so entitled should or should not vote for the Scheme; and no reliance may be placed on the views expressed by the Board in that regard. You are advised to consult your independent advisor, legal or otherwise, on whether to vote for the Amended Scheme.

The terms of the Amended Scheme are set out in the separate section of this Scheme Document titled "Scheme of Arrangement". Please note that the Explanatory Statement should not be relied upon as a substitute for reading the provisions of the Amended Scheme or for consulting your professional advisors as to its effect.

BACKGROUND OF THE COMPANY, THE GROUP, AND THE GROUP'S RESTRUCTURING

The Company and the Group

The Company was incorporated in the Cayman Islands with limited liability on 5 May 2000 and its shares have been listed on the Stock Exchange since 29 December 2000.

The principal activity of the Company is investment holding. The subsidiaries of the Company were principally engaged in the trading and distribution of mobile phones as well as other related accessories and have minimal operations since 2013.

The Group's Restructuring

LETTER FROM THE BOARD

Since the global financial crisis in 2008, the Group's operations and cash position had been adversely affected. Coupled with the unanticipated withdrawal of trade credit facilities of over US\$70 million by various financial institutions, the Group's working capital shrunk substantially which resulted in breaches and default on payment of amounts due under certain trade and banking facilities.

To resolve its financial difficulties, the Group had been in discussion and negotiation with its creditors to restructure and regularise its financial position by new funds to be injected by a potential investor into the Group through implementation of a proposed restructuring plan. On 18 August 2010, the Company announced that the proposed restructuring would be carried out by way of the Scheme in accordance with the Exclusivity Agreement as determined by the indication of preference received from the relevant creditors.

Accordingly, the Board considered that it was in the best interest of the stakeholders for a restructuring of the Company be carried out, via implementation of a scheme of arrangement in Hong Kong and in Cayman Islands to maximise their returns. On 21 October 2010, the Board resolved to apply to the Courts to propose the Original Scheme for the Creditors to consider.

In order to facilitate the debt restructuring exercise, the Board, on behalf of the Company entered into the Original Subscription Agreement with Jinwu on 27 August 2010 for the subscription of the Company's new shares.

On 21 December 2010, the Original Scheme was unanimously approved by the Creditors attending and voting at the creditors' meeting (either in person or by proxy), and was sanctioned by the Hong Kong Court on 8 February 2011 and by the Cayman Court on 28 April 2011. The Original Scheme, however, did not come into effect since completion of the Original Subscription did not take place.

In order to proceed with the restructuring and for the Original Subscription to complete, on 31 March 2011 and 8 November 2011, the Company submitted two resumption proposals respectively to the Stock Exchange based on the pre-existing operations of the Group and the Original Subscription. However, the Stock Exchange did not consider the Company's resumption proposals to be viable.

On 4 December 2012, the Company submitted a new resumption proposal, which comprised, among other things, the subscription by Jinwu (on revised terms) and the acquisition of the Original Target, which is a PRC-based company principally engaged in power generation, power supply and sales of electricity. The transactions contemplated under the new resumption proposal constituted a reverse takeover under the Listing Rules and the Company was required by the Stock Exchange to submit a new listing application by 19 April 2013 (which was subsequently extended to 31 March 2014).

The Company, however, was unable to submit the new listing application of the Original Target by 31 March 2014, due to certain regulatory issues identified during the course of preparing for the new listing application.

In this regard, to continue with the restructuring, the Company identified the Target Group as a new acquisition target, which is principally engaged in property development in Quanzhou, Fujian Province and Yangzhou, Jiangsu Province in the PRC. Pursuant to the Acquisition Agreement, the Company will carry out the Proposed Restructuring which will now comprise, amongst other

LETTER FROM THE BOARD

matters, the Capital Reorganisation, the Open Offer, the Subscription (in place of the Original Subscription), the Disposal and the Acquisition (of the Target Group). A new listing application encompassing the Proposed Restructuring was submitted to the Stock Exchange on 30 October 2014.

On 26 February 2016, the Stock Exchange approved in principle the said new listing application of the Target Group.

In view of the developments of the restructuring of the Company since the Courts first sanctioned the Original Scheme in 2011, the Company is putting forward this Amended Scheme in order to align the terms of the Original Scheme with the Proposed Restructuring as approved by the Listing (Review) Committee and as disclosed in the shareholders' circular of the Company dated 29 February 2016.

On [*] and [*], the Cayman Court and the Hong Kong Court respectively ordered that a Scheme Meeting be convened for the purposes of considering the Amended Scheme and if thought fit, approve it. The form of the relevant order of the Courts is set out in Appendix 1 and the formal notice of the Scheme Meeting is set out in Appendix 2.

Details of the background and reasons for propounding the Amended Scheme are set out in Section 2 of the Explanatory Statement (pages 20 to 54 of this Scheme Document).

WHAT IS A SCHEME OF ARRANGEMENT?

A scheme of arrangement, such as one proposed here, is an arrangement entered into between a company and its creditors or any class of its creditors under Sections 670, 671, 673 and 674 of the Companies Ordinance of Hong Kong and under Section 86 of the Cayman Companies Law. In accordance with the laws of both Hong Kong and the Cayman Islands, the Amended Scheme will become legally binding on the Company and its Creditors, including those voting against the Scheme and those not voting, if:

- (i) the requisite majority (representing more than 50% in number and also not less than 75% in value of the claims of the creditors who, either in person or by proxy, attend a meeting of creditors convened with the leave of each of the Courts) vote in favour of the Amended Scheme;
- (ii) both of the Courts sanction the Amended Scheme; and
- (iii) the orders of the Courts are delivered and filed with the Registrar of Companies in Hong Kong or the Registrar of Companies in the Cayman Islands (as the case may be) for registration.

The taking effect of the Amended Scheme and completion of the Proposed Restructuring are inter-conditional such that once the Amended Scheme has been sanctioned by the Courts and all Conditions Precedent have been fulfilled or, where applicable, waived, the proceeds from the Subscription by Jinwu and part of the proceeds from the Open Offer are to be paid for the purpose of the Amended Scheme.

WHY HAVE YOU BEEN SENT THIS SCHEME DOCUMENT?

LETTER FROM THE BOARD

A copy of this Scheme Document has been sent to those parties in respect of whom the records of the Company indicate that they have or may have a Claim against the Company. However, receipt of this Scheme Document does not necessarily mean that you are a Creditor or potential Creditor of the Company. Nothing in this Scheme Document shall constitute any admission of any fact or liability on the part of the Company with respect to any claim against it. You are advised to seek legal advice if you are unsure as to whether you have a Claim or what you should do with respect of the Amended Scheme proposed in this Scheme Document.

WHY HAS THE AMENDED SCHEME BEEN PROPOSED?

The Amended Scheme is necessary to modify certain terms of the Original Scheme in order to align the terms of the Original Scheme with the Proposed Restructuring as approved by the Listing (Review) Committee and as disclosed in the shareholders' circular of the Company dated 29 February 2016. The modifications mainly concern (i) the source of the sum of HK\$162,000,000, which forms part of the Scheme Assets, (ii) the conditions for the Amended Scheme to become effective.

As part of the transactions contemplated under the Proposed Restructuring, the Amended Scheme is proposed to ensure that the Proposed Restructuring can proceed further and that the Company will not be put into liquidation.

Pursuant to the terms of the Subscription Agreements, the Acquisition Agreement and the Underwriting Agreement, the Subscription, the Acquisition and the Open Offer are conditional upon, among others, the Amended Scheme taking effect. The amount of HK\$162,000,000 (consisting of HK\$148,000,000 to be paid by Jinwu for the Subscription Shares under the Amended Subscription Agreement and HK\$14,000,000, being part of the proceeds from the Open Offer) to be received upon Completion will be applied to finance the payments to the Scheme Creditors under the Amended Scheme. In addition, shares in and assets of the Scheme Subsidiaries will also be transferred to the SchemeCo for realisation to firstly settle the claims of respective creditors of the Scheme Subsidiaries. The remaining balance of such realisation proceeds, if any, will be held by SchemeCo for the benefit of the Scheme Creditors. In addition, the Excluded Assets, including the Rights against Third Parties, will also be transferred and/or assigned to the SchemeCo or the Administrators (or their nominees) for the purpose of the Amended Scheme.

Accordingly, the Board believes that the Amended Scheme will be the most efficient and effective method of making as high a level of repayment as possible to the Scheme Creditors, as compared to what Creditors are likely to receive in the event of a liquidation.

FURTHER INFORMATION

Further information in relation to the proposed Amended Scheme is set out in the Explanatory Statement following in this Scheme Document for the consideration of Creditors, as well as in the section headed "Scheme of Arrangement". It is impossible, however, to address each Creditor's individual circumstances, so the Explanatory Statement should not be regarded as an exhaustive summary of the information to be considered. Each Creditor must therefore make its own assessment of how the Amended Scheme would affect its own interests.

IMMEDIATE ACTION REQUIRED TO BE TAKEN

LETTER FROM THE BOARD

All Creditors are requested to complete and return the enclosed Notice of Claim for Voting Purposes (Appendix 3 to this Scheme Document) and form of proxy (Appendix 4 to this Scheme Document) to First Mobile Group Holdings Limited c/o Deloitte Touche Tohmatsu at 32/F., One Pacific Place, 88 Queensway, Hong Kong (Attention: Ms. SC Wong / Mr. Adrian Chan / Ms. Yvonne Lung) (Email: siowwong@deloitte.com.cn / adrchan@deloitte.com.hk / ylung@deloitte.com.hk)(Fax: +852 2850 8362). The Notice of Claim for Voting Purposes should be returned by [*] (Hong Kong time) on [*]. The form of proxy should be delivered as soon as possible but not later than [*] (Hong Kong time) on [*]. A proxy need not be a Creditor.

Completion and return of the Creditor's form of proxy will not preclude a Creditor from attending and voting in person at the Scheme Meeting. In such event, that Creditor's form of proxy will be deemed to have been revoked.

THE BOARD'S RECOMMENDATION

Based on the information currently available (which is summarised in this Letter and the Explanatory Statement), it is the Board's opinion that the Amended Scheme proposed in this Scheme Document is the most practical and realistic option available to the Company and is in the interests of the Company and its Creditors.

Further, the terms of the Amended Scheme remain substantially the same as the Original Scheme approved by Creditors and sanctioned by the Courts in 2011, including the composition of the Scheme Assets (save and except for the conditions for the Amended Scheme to become effective and that, under the Amended Scheme, the HK\$162,000,000 is to be financed partly by the subscription money from Jinwu and part of the proceeds from the Open Offer, instead of solely by the subscription money from Jinwu under the Original Scheme).

In this regard, if the Amended Scheme is implemented, (a) the same amount of HK\$162,000,000 (consisting of HK\$148,000,000 to be paid by Jinwu for the Subscription Shares under the Amended Subscription Agreement and HK\$14,000,000, being part of the proceeds from the Open Offer) is to be made available to the Administrators, (b) shares in and assets of the Scheme Subsidiaries will be put under the control of the Administrators for realisation to firstly, settle the claims of respective creditors of the Scheme Subsidiaries. The remaining balance of such realisation proceeds, if any, will be held by SchemeCo for the purpose of the Scheme, and (c) the Excluded Assets will be transferred and/or assigned to the SchemeCo or the Administrators (or their nominees) for the purpose of the Amended Scheme.

However, if the Amended Scheme is not approved and implemented, the Proposed Restructuring will not be able to proceed further and it is likely that the Company will be placed into insolvent liquidation, resulting in significantly lower return to the Creditors.

Accordingly, it is the Board's opinion that it is in the interests of the Creditors to approve the Amended Scheme, and it is recommended that you attend the Scheme Meeting in person or by proxy and vote in favour of the Amended Scheme.

EFFECTIVE DATE

The Effective Date is the date on which the terms of the Amended Scheme will become effective and legally binding on the Company and its Creditors, being the date on which (a) the order of the Hong Kong Court sanctioning the Scheme is filed with the Registrar of Companies in Hong Kong

LETTER FROM THE BOARD

for registration; (b) the order of the Cayman Court sanctioning the Scheme is filed with the Registrar of Companies in the Cayman Islands for registration; and (c) all Conditions Precedent have been fulfilled (save and except for any conditions precedent in respect of the consents, approvals, sanctions, despatch and filing of documents (including the Scheme Document) necessary for the purpose of making the Amended Scheme effective) or, where applicable, waived.

Yours faithfully,

Ng Kok Hong
Director
For and on behalf of
First Mobile Group Holdings Limited

EXPECTED TIMETABLE

Deadline for delivery of Notice of Claim
for Voting Purposes.....not later than [*]

Deadline for form of proxy to be lodged
in respect of the Scheme Meeting (*Notes 1 & 2*).....not later than [*]

Scheme Meeting of the Company commencing at.....not later than [*]

Court hearing of petition to sanction the Amended Scheme
determined
in the Cayman Islands (*Notes 3 & 4*)

To be

Court hearing of petition to sanction the Amended Scheme
determined
in Hong Kong (*Note 4*)

To be

Effective Date of the Amended Scheme

To be determined

Notes:

1. Creditors are requested to return the enclosed forms of proxy to First Mobile Group Holdings Limited c/o Deloitte Touche Tohmatsu at 32/F., One Pacific Place, 88 Queensway, Hong Kong (Attention: Ms. SC Wong / Mr. Adrian Chan / Ms. Yvonne Lung) as soon as possible but not later than the time mentioned above. The Company will then pass the proxy forms to the chairman of the Scheme Meeting. A proxy holder need not be a Creditor.
2. Completion and return of the form of proxy will not preclude a Creditor from attending and voting in person at the Scheme Meeting. In such event, that form of proxy will be deemed to have been revoked.
3. Under the Cayman Islands law, creditors will have the right to attend and be heard on the hearing of the petition in the Cayman Islands which will be heard by a Judge of the Financial Services Division of the Grand Court of the Cayman Islands at Edward Street, George Town, Grand Cayman, Cayman Islands.
4. The actual date of the court hearings for sanction of the Amended Scheme will depend on the availability of the Hong Kong Court and the Cayman Court, which will depend on the length or scope of the hearing for sanction.
5. Unless otherwise indicated all references to times are references to Hong Kong local time.

EXPLANATORY STATEMENT

This Explanatory Statement constitutes the statement required under Section 671 of the Companies Ordinance and under Order 102, rule 21(4)(e) of the Rules of the Grand Court of the Cayman Islands 1995 (revised).

1. INTRODUCTION

The purpose of the Explanatory Statement is to set out the background to, and the likely effect of, the transactions proposed in the Amended Scheme. In particular, the Explanatory Statement seeks to:

- (a) provide background information in relation to the Company and the Group and the current status of its restructuring;
- (b) explain the proposed modifications to be made to the Original Scheme and the reasons for such modifications; and
- (c) explain the main terms of the Amended Scheme,

in order to assist Creditors to reach an informed decision on whether to vote in favour of the Amended Scheme at the forthcoming Scheme Meeting to be held on [*] at [*] commencing at [*] (Hong Kong time).

You are a Scheme Creditor if you have an Admitted Claim.

If you have a Preferential Claim against the Company, you are a Preferential Creditor. Preferential Claims include certain employee claims and other claims referred to in Section 265 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If your Claim is preferential only as to part, you may be a Scheme Creditor for only the non-preferential part of your Admitted Claim. It is proposed that all Preferential Claims be satisfied in full, recognizing the priority which they would have in a liquidation of the Company. All Creditors, whether or not they consider that all or part of their Claims is/are preferential, should submit a Notice of Claim for Voting Purposes to the Company (see Paragraph 18 of the Explanatory Statement). Submission of a Notice of Claim for Voting Purposes will not prejudice your rights, if any, to be treated as a Preferential Creditor if the Administrators determine in accordance with the Amended Scheme that all or part of your Claim is a Preferential Claim.

If you are a Secured Creditor, you are not bound by the Amended Scheme in respect of and to the extent of the Security Interest held by you. You are, however, bound by the Amended Scheme in respect of the unsecured portion of your Claim admitted by the Administrators or the Adjudicator or to the extent that your Security Interest is released. You may agree with the Administrators an appraised value for your Security Interest, which agreed value shall be deducted from your Claim for the purpose of determining the amount of your Admitted Claim. You may release your Security Interest in which case no deduction on account of your Security Interest shall be made from your Claim for the purpose of calculating the amount of your Admitted Claim. If you fail to agree with the Administrators on an appraised value of your Security Interest and refuse to release your Security Interest, the Administrators are empowered to determine the amount of your Admitted Claim by deducting the value of such Security Interest from your Claim. Any of the Company's property being the subject of a Security Interest which is released shall form part of the Scheme Assets to be realised by the Administrators pursuant to the

EXPLANATORY STATEMENT

Amended Scheme, the net proceeds of which will be applied in accordance with Clause 2 and Clause 5 of the Amended Scheme.

The terms of the Amended Scheme are set out in the separate section of this Scheme Document titled "Scheme of Arrangement". Please note that the Explanatory Statement should not be relied upon as a substitute for reading the terms of the Amended Scheme in its entirety.

In this Scheme Document:

- (a) references to Clauses are references to clauses of the Amended Scheme and references to Paragraphs are references to paragraphs of the Explanatory Statement, unless otherwise provided;
- (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;
- (d) the words "other", "including" and "in particular" do not limit the generality of any preceding words and are not to be construed as being limited to the same class as the preceding words where a wider construction is possible;
- (e) headings to Clauses and Paragraphs are for ease of reference only and shall not affect the interpretation of this Scheme; and
- (f) references to time are references to time of Hong Kong.

2. BACKGROUND TO AND REASONS FOR THE MODIFICATIONS TO THE ORIGINAL SCHEME AND THE AMENDED SCHEME TO BE SANCTIONED PURSUANT TO HONG KONG AND CAYMAN COMPANIES LAW

2.1 The Company and the Group

The Company was incorporated in the Cayman Islands with limited liability on 5 May 2000 and its shares have been listed on the Stock Exchange since 29 December 2000.

The principal activity of the Company is investment holding. The subsidiaries of the Company were principally engaged in the trading and distribution of mobile phones as well as other related accessories and have minimal operations since 2013.

2.2 Background of the Original Scheme and Amended Scheme

Financial Difficulties and Suspension of Trading

Since the global financial crisis in 2008, the Group's operations and cash position had been adversely affected. Coupled with the unanticipated withdrawal of trade credit facilities by various financial institutions of over US\$70 million, the Group's working

capital shrunk substantially which resulted in breaches and default on payment of amounts due under certain trade and banking facilities.

At the request of the Company, trading in the Company's shares has been suspended since 27 November 2009.

Initial Restructuring Plan leading to the Original Scheme

On 26 November 2009, the Company announced that the Board received an expression of interest from a potential investor in relation to the acquisition of a strategic interest in the Group. The Company subsequently received further expressions of interest from other interested parties. There had been numerous discussions and negotiations with the potential investors, including ADM, and separate discussions with the major Creditors in relation to the debt restructuring.

On 26 November 2009, the Company announced that it had appointed Ferrier Hodgson Limited as independent financial advisor to review the operational, financial and business position of the Group and to prepare report(s) in this regard to the Company and the major Creditors.

Since December 2009, the Board engaged in active discussions with its major Creditors with a view to restructuring the Group's financial position, and to taking steps to scale down the Group's operations and dispose of non-core assets.

On 17 December 2009, the Company appointed Deloitte Touche Tohmatsu as independent financial advisor to the Company in place of Ferrier Hodgson Limited, to perform an independent financial assessment of the Group and facilitate the implementation of an appropriate debt and capital restructuring scheme.

After careful consideration and analysis of the commercial and other aspects of such proposal, including the recovery to the Creditors, the returns to the Shareholders and the time and cost required to complete the proposal, the Board took the then view that ADM's proposal represented the best option available to the Company, the Creditors and the Shareholders.

On 25 June 2010, the Company, ADM, Jinwu (as nominee of ADM), the major Shareholders (Mr. Ng Kok Hong, Ms. Tan Sook Kiang, Mr. Ng Kok Yang and NKT Holdings Sdn. Bhd. who together hold approximately 69.36% of the issued Shares) and Deloitte Touche Tohmatsu entered into the Exclusivity Agreement.

Pursuant to the Exclusivity Agreement, it was proposed that the debt and capital restructuring exercise be effected by way of either (i) an acquisition by Jinwu of certain indebtedness owing by the Company's subsidiaries which are guaranteed by the Company; or (ii) an injection of capital into the Company by ADM and/or its nominee by a share subscription which would allow the Company to offer a return to the creditors pursuant to a scheme of arrangement, depending on the preference of the Creditors.

It was also agreed under the Exclusivity Agreement that the Investor, ADM or such nominee designated by ADM would provide a stand-by working capital facility of an amount not less than HK\$50 million to the Company to support the continued operations

of the Group. Such stand-by working capital facility should be applied in such manner to be agreed between the Company and the Investor, ADM or such nominee designated by ADM.

In accordance with the terms of the Exclusivity Agreement, it was determined by the Creditors on 12 August 2010 that the proposed restructuring would be carried out by way of a share subscription and a scheme of arrangement.

Consequently, on 27 August 2010, the Company entered into the Original Subscription Agreement with Jinwu with respect to a subscription of the majority shareholding of the Company for a consideration of HK\$162,000,000, which should be made available to the Administrators for distribution to the Scheme Creditors pursuant to the terms of the Original Scheme. The completion of the Original Subscription and the taking effect of the Original Scheme were proposed to be inter-conditional to each other. Other key features of the Original Scheme are summarised in the section headed "Summary of the Proposed Modifications and the Amended Scheme – Comparison between the Original and Amended Schemes"

The Stock Exchange placed the Company in the first delisting stage pursuant to the relevant provisions under the Listing Rules on 2 November 2010, and the Company was required to submit a resumption proposal to the Stock Exchange by 1 May 2011 to demonstrate that the Company had:

- (a) sufficient level of operations or assets of sufficient value required;
- (b) adequate internal controls to meet obligations under the Listing Rules; and
- (c) sufficient working capital for at least twelve months from resumption date.

On 21 December 2010, the Original Scheme was unanimously approved by the Creditors attending and voting at the creditors' meeting (either in person or by proxy), and was sanctioned by the Hong Kong Court on 8 February 2011 and by the Cayman Court on 28 April 2011. The Original Scheme, however, did not come into effect since completion of the Original Subscription did not take place.

Submission of Resumption Proposals to the Stock Exchange

In order to proceed with the restructuring and for the Original Subscription to complete, on 31 March 2011, the Company submitted a resumption proposal to the Stock Exchange based on the then operations of the Group and the Original Subscription.

On 26 May 2011, the Stock Exchange informed the Company that the resumption proposal submitted had not satisfactorily demonstrated sufficiency of operations or asset and had therefore decided to place the Company in the second delisting stage. The Company was required to submit a viable resumption proposal by 10 November 2011.

On 8 November 2011, the Company submitted an updated resumption proposal (based on the latest development of the Group's then operations and the Original Subscription), for the Stock Exchange's consideration.

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On 20 June 2012, the Stock Exchange informed the Company that it considered the Company still had not provided a viable resumption proposal and decided to place the Company in the third delisting stage, requiring the Company to submit a viable resumption proposal by 4 December 2012.

New Listing Application of the Original Target

On 4 December 2012, the Company submitted a new resumption proposal, which comprised, among other things, the subscription by Jinwu (on revised terms) and the acquisition of the Original Target, which is a PRC-based company principally engaged in power generation, power supply and sales of electricity. The transactions contemplated under the new resumption proposal constituted a reverse takeover under the Listing Rules and the Company would be required to submit a new listing application in this regard.

On 13 December 2012, the Stock Exchange informed the Company that it was allowed to lodge a new listing application for the transactions under the aforementioned resumption proposal by 19 April 2013.

During the course of preparing for the new listing application, certain regulatory issues were identified and further time was considered necessary to complete the new listing application. Several time extensions were therefore sought by the Company, and granted by the Stock Exchange. On 27 September 2013, the Listing Committee granted a final extension to 31 March 2014 for the Company to submit the new listing application comprising of the Original Target.

Since the regulatory issues had yet to be resolved, the Company was not able to submit the new listing application of the Original Target by 31 March 2014.

Given the substantial effort already spent in resolving those regulatory issues regarding the acquisition of the Original Target and the lack of results, the Directors considered that it was not in the interests of the Company and the Shareholders as a whole to continue with the acquisition of the Original Target for the purpose of seeking a resumption of trading of the Shares. Accordingly, on 31 March 2014, the Company terminated the relevant agreements in relation to the acquisition of the Original Target.

Change of Acquisition Target and New Listing Application of the Target Group

To continue with the restructuring, the Company identified the Target Group as a new acquisition target, and entered into the Acquisition Agreement on 31 March 2014 with the Vendors for the acquisition of the Target Group, which is principally engaged in property development in Quanzhou, Fujian Province and Yangzhou, Jiangsu Province in the PRC.

Pursuant to the Acquisition Agreement, the Company will carry out the Proposed Restructuring which will now comprise, amongst other matters, the Capital Reorganisation, the Open Offer, the Subscription (in place of the Original Subscription), the Disposal and the Acquisition (of the Target Group).

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As such, the Company made a submission to the Stock Exchange on 31 March 2014 to seek its permission to proceed with the restructuring with the Acquisition in place of the acquisition of the Original Target.

On 11 April 2014, the Listing Committee issued a letter to the Company stating that the third delisting stage had expired on 19 December 2012 and the Company had failed to submit the new listing application within the final deadline imposed by the Listing Committee. Accordingly, the Listing Committee decided to cancel the listing of the Shares on the Stock Exchange.

In view of the decision of the Listing Committee, on 24 April 2014, the Company submitted a request for review of the decision of the Listing Committee. A review hearing by the Listing (Review) Committee was held on 2 September 2014.

The Company received a letter dated 11 September 2014 from the Listing (Review) Committee, which stated that the Listing (Review) Committee had decided to grant a final extension to 31 October 2014 for the Company to submit a new listing application relating to the Target Group, and not any other proposal.

On 30 October 2014, the Company submitted to the Stock Exchange a new listing application relating to the Target Group, which was approved in-principle by the Stock Exchange on 26 February 2016, following review by the Stock Exchange and the hearing by the Listing (Review) Committee.

Details of the Capital Reorganisation, the Open Offer, the Subscription, the Disposal and the Acquisition are set out in the sections headed "The Capital Reorganisation", "The Open Offer", "The Subscription", "The Disposal" and "The Acquisition", respectively.

2.3 Reasons for the Proposed Modifications

In view of the development of the restructuring, the Amended Scheme is therefore proposed to modify certain terms of the Original Scheme in order to align the terms of the Original Scheme with the Proposed Restructuring as approved by the Listing (Review) Committee and as disclosed in the shareholders' circular of the Company dated 29 February 2016.

A summary of the proposed modifications and a comparison between the Amended and Original Schemes are set out in section 3 below.

3. SUMMARY OF THE PROPOSED MODIFICATIONS AND THE AMENDED SCHEME

3.1 Summary of Proposed Modifications

The terms of the Amended Scheme (which replaces the Original Scheme) are contained in the section of this Scheme Document headed "Scheme of Arrangement" and to be found between pages 55 and 105 of this Scheme Document. The following is a summary in broad outline of the main terms of the Amended Scheme. It is subject to and not in

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substitution for the material contained in the remainder of this Explanatory Statement and the terms of the Amended Scheme itself. Any conflict between this summary and the terms of the Amended Scheme is to be resolved in favour of the remainder of this Explanatory Statement and the actual terms of the Amended Scheme. In the event of any inconsistencies between this summary and the terms of the Amended Scheme, the Amended Scheme shall prevail.

From the Effective Date, each of the Scheme Creditors agrees that the Original Scheme shall be modified and replaced by the Amended Scheme.

The terms of the Amended Scheme are proposed to remain substantially the same as the Original Scheme approved by Creditors and sanctioned by the Courts in 2011. The key modifications proposed to be made to the Original Scheme are summarised as follows:

- (a) the source of the sum of HK\$162,000,000, which forms part of the Scheme Assets, shall now consist of:
 - (i) HK\$148,000,000 to be paid by Jinwu for the Subscription Shares under the Amended Subscription Agreement; and
 - (ii) HK\$14,000,000, being part of the proceeds from the Open Offer,
instead of solely from the consideration of the Original Subscription in the sum of HK\$162,000,000 under the Original Scheme; and
- (b) the definitions of "Conditions Precedent" and "Completion" shall be expanded to cover all transactions contemplated under the Proposed Restructuring, instead of solely the Original Subscription Agreement under the Original Scheme. As a result of such modifications in the definitions, the Amended Scheme shall become effective and binding on the Company and the Scheme Creditors as and when the following conditions are satisfied:
 - (a) over 50% in number, representing at least 75% in value of the Creditors present and voting in person or by proxy at the Scheme Meeting, vote in favour of the Amended Scheme;
 - (b) the Hong Kong Court sanctions the Amended Scheme and a copy of the order of the Hong Kong Court sanctioning of the Amended Scheme is delivered to the Registrar of Companies in Hong Kong for registration;
 - (c) the Cayman Court sanctions the Amended Scheme and a copy of the order of the Cayman Court sanctioning of the Amended Scheme is delivered to the Registrar of Companies in the Cayman Islands for registration; and
 - (d) all conditions precedent to completion of the Proposed Restructuring (instead of only the Original Subscription under the Original Scheme) have been fulfilled (save and except for any conditions precedent in respect of the consents, approvals, sanctions, despatch and filing of documents (including the Scheme Document) necessary for the purpose of making the Amended Scheme effective) or, where applicable, waived.

The key features of the Amended Scheme are summarised in Paragraph 3.2 below.

3.2 Summary of the Amended Scheme

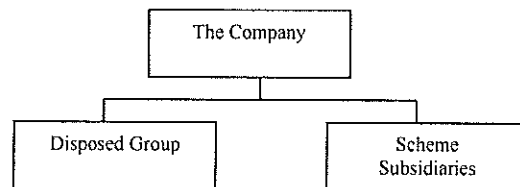
Group Reorganisation

As part of the Original Scheme, the Group shall undertake a Group Reorganisation, whereby the existing Group shall be divided into the Disposed Group (formerly known as the “Retained Group” in the Original Scheme) and the Scheme Subsidiaries.

The Group Reorganisation shall remain unchanged in the Amended Scheme and is described as follows:

Before the Group Reorganisation

Set out below is a simplified diagram of the current structure of the Group.



The existing Group would on completion of the Group Reorganisation, be divided into:

- (a) the Disposed Group; and
- (b) the Scheme Subsidiaries.

Details of the mechanisms for implementing the Group Reorganisation are detailed in Clause 2.8 of the Amended Scheme.

The Disposed Group:

The Company has no intention to continue the existing businesses of the Group (other than the businesses operated by the Target Group) and therefore, has entered into the Disposal Agreement to dispose of the entire issued share capital of each of the Disposed Companies at a nominal consideration of HK\$1.00, which was arrived at after arm’s length negotiations between the parties and was determined by reference to the unaudited net tangible liabilities value of approximately HK\$84.5 million of the Disposed Group as at 30 June 2015.

The Scheme Subsidiaries immediately following completion of the Group Reorganisation:

The Group Reorganisation would also involve the Company transferring or having to procure for the transfer of the entire equity interest in the Scheme Subsidiaries to the SchemeCo by entering into a Transfer Agreement.

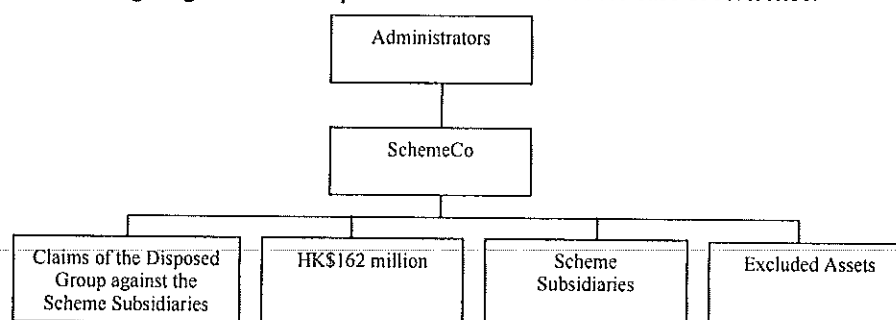
The Transfer Agreement would also contain the following principal terms:

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- (a) The transfer of the Company's entire equity interest in E-Tech Resources to the SchemeCo at the consideration of HK\$1.00.
- (b) All and any of the rights, causes of action or claims of the Company and Disposed Group against the Scheme Subsidiaries in respect of transactions or events incurred up to the Effective Date shall be assigned and transferred by the Company and Disposed Group (as the case may be) to the SchemeCo or the Administrators (or their nominees) for the purpose of the Amended Scheme on the Effective Date.
- (c) The Company shall retain no residual legal obligations in respect of the Scheme Subsidiaries whether as past shareholder or otherwise, following the completion of the Transfer Agreement. All rights, benefits and assets of the Scheme Subsidiaries (tangible and intangible) will be effectively under the control of the SchemeCo or the Administrator.

The Scheme Assets Immediately after the Amended Scheme becomes effective

The following diagrammatical representations are set out for ease of reference.



Scheme Assets

The Scheme Assets under the Amended Scheme shall remain the same as those under the Original Scheme and comprise the following:

- (a) HK\$162,000,000;
- (b) Shares in and assets of the Scheme Subsidiaries (to the extent recoverable by and available to the Administrators);
- (c) the Excluded Assets; and
- (d) all and any of the rights, causes of action or claims of the Company and Disposed Group against the Scheme Subsidiaries in respect of transactions or events incurred up to the Effective Date shall be assigned by and transferred and/or novated (as the case may be) from the Company and Disposed Group (as the case may be) to the SchemeCo or the Administrators (or their nominees) for the purpose of the Amended Scheme on the Effective Date.

Subject to the discretion of the relevant regulatory authorities, the transfer of the shareholding of E-Tech Resources from the Company to SchemeCo may be subject to,

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among other requirements under the Listing Rules, the approval of the Shareholders of the Company.

Key features of the Amended Scheme

The proposed Amended Scheme has the following key features which will be implemented on the Effective Date:

- (a) all Claims will be released and discharged as against the Company;
- (b) a sum of HK\$162,000,000 will be made available to the Administrators for distribution under the Amended Scheme;
- (c) proceeds from future disposal of assets or businesses of the Scheme Subsidiaries, after settlement of their debts whether secured or unsecured and thereafter all related costs and expenses, will be distributed as dividends either to the intermediate holding company for settlement of its debts, or if there is no intermediate holding company, will be made available for distribution to the Scheme Creditors in accordance with the Amended Scheme;
- (d) the Excluded Assets will be made available for distribution to the Scheme Creditors in accordance with the Amended Scheme;
- (e) all and any of the rights, causes of action or claims of the Company and Disposed Group against the Scheme Subsidiaries in respect of transactions or events incurred up to the Effective Date shall be assigned by and/or transferred and/or novated (as the case may be) from the Company and Disposed Group (as the case may be) to the SchemeCo or the Administrators (or their nominees) for the purpose of the Amended Scheme on the Effective Date; and
- (f) all and any of the Claims made or to be made by the Creditors against the Company in respect of transactions or events incurred up to the Effective Date shall be assigned and/or transferred and/or novated (as the case may be) to the SchemeCo for settlement in the manner stipulated under the Amended Scheme.

Upon the Amended Scheme becoming effective and all the Conditions Precedent being satisfied, the Administrators will have the power, among other things, to conduct a realisation of the Scheme Assets and distribute, *pari passu*, any funds received by SchemeCo amongst the Scheme Creditors in respect of their Admitted Claims within such time period and manner as the Administrators may reasonably determine. Such funds may include, without limitation, (a) proceeds from the Subscription by Jinwu in the sum of HK\$148,000,000; (b) part of the proceeds from the Open Offer in the sum of HK\$14,000,000; (c) money received through the realisation of the Scheme Subsidiaries' assets or their shares or as a shareholder through a winding up of the Scheme Subsidiaries; and (d) money received through the realisation or recovery of the Excluded Assets.

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3.3 Comparison between the Original and Amended Schemes

The key features of the Original and Amended Schemes are set out below, for comparison:

	Original Scheme	Amended Scheme
1.	All Claims will be released and discharged as against the Company	
2.	A sum of HK\$162,000,000, being the proceeds from the Original Subscription, shall be made available to the Administrators for distribution under the Original Scheme	<p>A sum of HK\$162,000,000, consisting of:</p> <p>(i) HK\$148,000,000 to be paid by Jinwu for the Subscription Shares under the Amended Subscription Agreement; and</p> <p>(ii) HK\$14,000,000, being part of the proceeds from the Open Offer</p> <p>will be made available to the Administrators for distribution under the Amended Scheme</p>
3.	Proceeds from future disposal of assets or businesses of the Scheme Subsidiaries, after settlement of their debts whether secured or unsecured and thereafter all related costs and expenses, will be distributed as dividends either to the intermediate holding company for settlement of its debts, or if there is no intermediate holding company, will be made available for distribution to the Scheme Creditors in accordance with the Original Scheme or the Amended Scheme (as the case may be)	
4.	The Excluded Assets will be made available for distribution to the Scheme Creditors in accordance with the Original Scheme or the Amended Scheme (as the case may be)	
5.	All and any of the rights, causes of action or claims of the Company and Disposed Group against the Scheme Subsidiaries in respect of transactions or events incurred up to the Effective Date shall be assigned by and/or transferred and/or novated (as the case may be) from the Company and Disposed Group (as the case may be) to the SchemeCo or the Administrators (or their nominees) for the purpose of the Original Scheme or the Amended Scheme (as the case may be) on the Effective Date	
6.	All and any of the Claims made or to be made by the Creditors against the Company in respect of transactions or events incurred up to the Effective Date shall be assigned and/or transferred and/or novated (as the case may be) to the SchemeCo for settlement in the manner stipulated under the Original Scheme or the Amended Scheme (as the case may be)	

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<p>7. The Original Scheme shall become effective and binding on the Company and the Scheme Creditors as and when the following conditions are satisfied:</p> <p>(a) over 50% in number, representing at least 75% in value of the Creditors present and voting in person or by proxy at the Scheme Meeting, vote in favour of the Original Scheme;</p> <p>(b) the Hong Kong Court sanctions the Original Scheme and a copy of the order of the Hong Kong Court sanctioning of the Original Scheme is delivered to the Registrar of Companies in Hong Kong for registration;</p> <p>(c) the Cayman Court sanctions the Original Scheme and a copy of the order of the Cayman Court sanctioning of the Original Scheme is delivered to the Registrar of Companies in the Cayman Islands for registration; and</p> <p>(d) all conditions precedent to <u>completion of the Original Subscription</u> have been fulfilled (save and except for the condition precedent in respect of the consents, approvals, sanctions, despatch and filing of documents (including the Scheme Document) necessary for the purpose of making the Amended Scheme effective) or, where applicable, waived.</p>	<p>The Amended Scheme shall become effective and binding on the Company and the Scheme Creditors as and when the following conditions are satisfied:</p> <p>(a) over 50% in number, representing at least 75% in value of the Creditors present and voting in person or by proxy at the Scheme Meeting, vote in favour of the Amended Scheme;</p> <p>(b) the Hong Kong Court sanctions the Amended Scheme and a copy of the order of the Hong Kong Court sanctioning of the Amended Scheme is delivered to the Registrar of Companies in Hong Kong for registration;</p> <p>(c) the Cayman Court sanctions the Amended Scheme and a copy of the order of the Cayman Court sanctioning of the Amended Scheme is delivered to the Registrar of Companies in the Cayman Islands for registration; and</p> <p>(d) all conditions precedent to <u>completion of the Proposed Restructuring</u> have been fulfilled (save and except for any conditions precedent in respect of the consents, approvals, sanctions, despatch and filing of documents (including the Scheme Document) necessary for the purpose of making the Amended Scheme effective) or, where applicable, waived.</p>
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A comparison of the expected recovery for the Scheme Creditors in a liquidation scenario and a restructuring scenario (as defined hereafter) under the Amended Scheme is set out in section 4 below.

4. RETURN COMPARISON

If the Amended Scheme is not approved and implemented, the Proposed Restructuring will not be able to proceed further and it is likely that the Group (including the Company) would be placed into insolvent liquidation (referred to as "liquidation scenario").

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Alternatively, if the Amended Scheme becomes effective, HK\$162,000,000 (among other things) would be made available to the Scheme Creditors. In addition, the Group (including the Company) will be restructured and the Administrators may realise the assets of the Scheme Subsidiaries in an orderly manner while enabling the Company to continue as a going concern (referred to as “restructuring scenario”). Indicative analysis of the estimated returns to the Scheme Creditors (in respect of their Admitted Claims) is set out below on the following two scenarios:

(a) Restructuring Scenario

Under the restructuring scenario, subject to the Completion, a sum of HK\$162,000,000 (consisting of HK\$148,000,000 to be paid by Jinwu for the Subscription Shares under the Amended Subscription Agreement and HK\$14,000,000, being part of the proceeds from the Open Offer) will be made available for the benefit of the Scheme Creditors. It is assumed that the Administrators would have necessary funding to realise the other Scheme Assets (other than the Subscription Price) in an orderly manner so as to achieve the best values for the Amended Scheme.

(b) Liquidation Scenario

The Board believes that under a liquidation scenario, the Group (including the Company) would have no opportunity to carry out a proper business arrangement with its customers to preserve and realise the value of the business network, customer base, brand name and goodwill of the Company. Hence, all the Group’s assets would be scrapped or disposed of at a very low residual value. In a liquidation scenario, there will be minimal opportunity to support customers with the result that there would be an increased risk of contingent liabilities being crystallized while reducing the opportunity for maximising recovery to the Creditors.

Recovery Analysis of the Company

Based on the management accounts as at 29 February 2016

HK\$'million

	Restructuring Scenario	Liquidation Scenario
Current Assets		
Cash and bank	0.0	0.0
Other current asset	0.0	0.0
Proceeds from the Subscription and part of the Open Offer to be made available for distribution to Scheme Creditors	162.0	-
Less:		
Secured Creditors and Preferential Creditors	-	-
Scheme Costs	3.0	-
Liquidators' fees and expenses	-	5.0

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Funds available to unsecured creditors	159.0	N/A
Unsecured Creditors		
Accruals and payables	20.1	20.1
Inter-company debts	5.9	5.9
Guarantee claims by creditors	1,377.3	1,377.3
	1,403.3	1,403.3
Estimated recovery (%) for Unsecured Creditors	11.3%	N/A

Note:

**Excluding restructuring costs that will be borne by Jimwu and the Vendors, respectively.*

It is apparent to the Company that the value of the Company's assets from which recoveries may be made by a liquidator for the benefit of the Creditors is highly uncertain and is likely to be significantly less than those in a restructuring scenario through realisation of the assets of the Company, as shown in above table.

Based on the information currently available, more than 90% of the Scheme Creditors are also the creditors (secured or unsecured) of the Scheme Subsidiaries ("**Common Creditors**") since the indebtedness of the Company mainly arose out of its provision of corporate guarantees for the indebtedness of its subsidiaries ("**Common Indebtedness**").

As a result and in theory, any Common Indebtedness discharged directly by any of the Scheme Subsidiaries on or after the Effective Date will result in a corresponding reduction in the aggregate outstanding Admitted Claims, and may therefore improve the overall recovery percentage of the Scheme Creditors, although the actual recovery amount depends on the amount actually available to the Administrators for distribution at the relevant point in time.

As explained above, in a restructuring scenario rather than in a liquidation scenario, there are better opportunities to maximise the realisable values of the Scheme Subsidiaries, which will be applied, among other things, for the settlement of the Common Indebtedness and therefore improve the overall recovery percentage of the Scheme Creditors as a whole. If any Scheme Subsidiary was able to settle all its indebtedness (including the Common Indebtedness and other indebtedness owed by such Scheme Subsidiary), any surplus amount (after deducting all costs and expenses) may become available to the Administrators for distribution and therefore improve the actual recovery amount to the Scheme Creditors.

However, given the financial position of the Scheme Subsidiaries, the Board does not expect the Administrators to be able to recover any material surplus from the Scheme Subsidiaries and therefore the estimated recovery amount for the

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Scheme Creditors from the Amended Scheme in respect of their Admitted Claims is not expected to be substantially greater than that stated in the above table.

In the circumstances, the Board is of the view that it is in the best interest of the Creditors for the Amended Scheme to be implemented so as to maximise their returns by, inter alia, an orderly realisation of the Company's receivables and assets held by the Scheme Subsidiaries. In order to safeguard the Company's assets, to minimise business loss, to package the Company's assets for sale in a systematic and tax-efficient manner and to maximise recovery of receivables from customers, the Board has put forward the Amended Scheme under the laws in Hong Kong and the Cayman Islands for the consideration of the Creditors of the Company in a Scheme Meeting.

In summary, in respect of their Admitted Claims, Scheme Creditors of the Company could get approximately nil and 11.3% recovery from the Company under the liquidation scenario and the restructuring scenario respectively.

5. THE CAPITAL REORGANISATION

5.1 Effects of the Capital Reorganisation and Capital Reduction

As at the Latest Practicable Date, the authorised share capital of the Company amounted to HK\$300,000,000 divided into 3,000,000,000 Shares, of which 1,945,996,565 Shares had been issued and haven been fully paid or credited as fully paid.

The Board proposes to implement, subject to the approval by the Shareholders, the Capital Reorganisation. The Capital Reorganisation comprises:

- (i) the Capital Reduction — the par value of the existing issued Shares will be reduced from HK\$0.10 to HK\$0.0005 each subject to an order having been granted by the Cayman Court confirming the Capital Reduction;
- (ii) the Share Premium Cancellation — upon the Capital Reduction becoming effective, the entire amount standing to the credit of the share premium account of the Company will be cancelled;
- (iii) the Share Consolidation — upon the Share Premium Cancellation becoming effective, every ten (10) issued Shares of HK\$0.0005 each will be consolidated into one (1) New Share of HK\$0.005 each;
- (iv) the Authorised Share Capital Cancellation — upon the Share Consolidation becoming effective, all the authorised but un-issued Shares will be cancelled in their entirety; and
- (v) the Authorised Share Capital Increase — upon the Authorised Share Capital Cancellation becoming effective, the Company's authorised share capital will be increased to HK\$500,000,000, divided into 100,000,000,000 New Shares of HK\$0.005 each.

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Fractional New Shares will be disregarded and not be issued to the Shareholders but all such fractional New Shares will be aggregated and, if possible, sold for the benefit of the Company.

Effects of the Capital Reorganisation

Other than the relevant expenses incurred, the implementation of the Capital Reorganisation will not, by itself, alter the underlying assets, liabilities, businesses, operations, management or financial position of the Company and the Group or the rights of the Shareholders.

The following table sets out the effect of the Capital Reorganisation on the share capital of the Company, that is, before and after completion of the Capital Reorganisation:

	Immediately before the Capital Reorganisation	Immediately after the Capital Reorganisation
Nominal value	HK\$0.10	HK\$0.005
Authorised share capital	HK\$300,000,000 divided into 3,000,000,000 Shares	HK\$500,000,000 divided into 100,000,000,000 New Shares
Issued and paid-up capital	HK\$194,599,656.50 divided into 1,945,996,565 Shares	HK\$972,998.28 divided into 194,599,656 New Shares

Status of the New Shares after the Capital Reorganisation

The New Shares upon the Capital Reorganisation becoming effective will be identical and rank pari passu in all respects with each other.

5.2 Conditions to the Capital Reorganisation

The implementation of the Capital Reorganisation and the listing of the New Shares are conditional upon:

- (a) the passing of a special resolution by the Shareholders by way of poll at the EGM to approve the Capital Reorganisation;
- (b) the Grand Court of the Cayman Islands granting an order confirming the Capital Reduction;
- (c) the registration by the Registrar of Companies in the Cayman Islands of a copy of the Cayman Court order and the minutes containing the particulars required under the Cayman Companies Law;

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- (d) compliance with any conditions imposed by the Cayman Court; and
- (e) the Listing Committee granting the listing of, and permission to deal in, the New Shares in issue upon the Capital Reorganisation becoming effective.

6. THE OPEN OFFER

To enable the existing Shareholders to participate in the Proposed Restructuring, the Company proposes to undertake the Open Offer on the basis of two Offer shares for every one New share held by the Qualifying Shareholders. A total of 389,199,312 Offer Shares will be allotted and issued by the Company to the Qualifying Shareholders and/or the underwriter of the Open Offer at the offer price of HK\$0.13 for each offer share. The Open Offer will be conditional upon Completion.

The terms of the proposed Open Offer are set out below:

Issue statistics

Basis of the Open Offer	:	Two (2) Offer Shares for every one (1) New Share held by the Qualifying Shareholders
Open offer price	:	HK\$0.13 per Offer Share payable in full upon application
Number of New Shares expected to be in issue on the record date	:	194,599,656 New Shares
Number of offer shares	:	389,199,312 Offer Shares
Gross proceeds from the Open Offer	:	Approximately HK\$50.6 million

Use of Proceeds from the Subscription and the Open Offer

The total gross proceeds from the Open Offer and the Subscription, amounts to approximately HK\$231.6 million, and, after excluding a working capital facility of HK\$33.0 million provided to the Group, the net proceeds from the Open Offer and the Subscription amount to approximately HK\$198.6 million. The net proceeds in the sum of HK\$162.0 million will be paid into the Amended Scheme and, after deducting the professional fees and expenses, the balance, if any, shall be retained as the working capital of the Company after the Completion.

7. THE SUBSCRIPTION

According to the Original Subscription Agreement, Jinwu agreed to subscribe for ordinary shares of HK\$0.01 each in the capital of the Company at a total subscription price of HK\$162 million.

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Pursuant to the Stand-by Facility, Time Boomer and First Apex have provided working capital facilities of HK\$13 million and HK\$20 million to the Group respectively. Pursuant to the TB Option Agreement and the FA Option Agreement entered into between the Company, Time Boomer and First Apex, respectively, the Company agreed to grant: (1) Time Boomer the TB Option; and (2) First Apex the FA Option.

Taking into consideration the Acquisition, the Company has entered into the Amended Subscription Agreement, the Amended TB Option Agreement and the New FA Option Agreement (to supplement or replace (as the case may be) the Original Subscription Agreement, the TB Option Agreement and the FA Option Agreement) respectively so that:

- (a) Jinwu will subscribe for 954,694,714 New Shares (instead of 9,257,142,857 New Shares) at a subscription price of HK\$0.155 per New Share for a total subscription amount of approximately HK\$148.0 million (instead of HK\$162 million);
- (b) Time Boomer shall be entitled to subscribe for 83,870,968 New Shares at a total exercise price of HK\$13 million, or HK\$0.155 per New Share; and
- (c) First Apex shall be entitled to subscribe for 129,032,258 New Shares at a total exercise price of HK\$20 million, or HK\$0.155 per New Share.

Pursuant to the Subscription Agreements, the Subscription Price will be paid by Jinwu in the following manner:

- (a) the deposit in the amount of HK\$16,200,000 which had been paid on 25 June 2010 and held by the Escrow Agent; and
- (b) the balance payment, being the total subscription amount of approximately HK\$148.0 million less the Deposit, which will be paid by Jinwu on Completion.

Conditions precedent

The conditions precedent to the subscription by Jinwu remains unchanged and the completion of the Amended Subscription Agreement shall be conditional upon the following conditions precedent being fulfilled or, where applicable, waived:

- (a) passing of the resolutions at the EGM by way of poll by the Shareholders or Independent Shareholders;
- (b) the granting of the Whitewash Waiver by the Executive; and such Whitewash Waiver not having been revoked by the Executive;
- (c) listing of and permission to deal in all of the New Shares and the Subscription Shares having been granted by the Listing Committee of the Stock Exchange (either unconditionally or subject to conditions);

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- (d) all consents, approvals, sanctions, despatch and filing of documents (including the scheme document necessary for the purpose of making the scheme effective having been obtained and done in accordance with the applicable laws and regulations, including but not limited to the approval of the scheme by a majority in number representing three-fourths in value of the creditors of the Company present and voting in person or by proxy at the scheme meeting, the sanction by the Hong Kong Court and the Cayman Court of the scheme and submission of a copy of the relevant court order sanctioning the scheme to the Registrar of Companies in Hong Kong and the Registrar of Companies in the Cayman Islands;
- (e) the Capital Reorganisation becoming effective;
- (f) submission of the resumption proposal to the Stock Exchange and the receipt of the in-principle letter by the Company;
- (g) fulfilment of each of the conditions (save as the condition relating to the Completion) contained in the in-principle letter;
- (h) the warranties given by the Company under the Subscription Agreements being true and accurate in all respect as at Completion;
- (i) any other waivers, consents, authorisations, clearances and approvals which are required from the relevant courts, governmental or regulatory authorities in Hong Kong and the Cayman Islands, and any confirmations, declarations and certificates of any kind, for the Subscription Agreements and the transactions contemplated herein (including without limitation the Capital Reorganisation, the Group Reorganisation and to the issue and allotment and free transferability of the Subscription Shares) having been granted, fulfilled or given (as applicable); and
- (j) no proceeding or action shall have been initiated by any of the Disposed Group companies which is not within the ordinary course of business, and no proceeding or action shall have been initiated against any of the Disposed Group companies under any applicable bankruptcy, reorganisation or insolvency law or in any court of competent jurisdiction which has not been settled, dismissed or struck out within 30 days from the date when such proceeding or action was initiated and there being no material adverse change in the financial position, business or property, results or operations of any member of the Disposed Group companies as at Completion.

Any or all of the conditions precedent may be varied, waived or deferred upon consent of both parties to the Subscription Agreements in writing. Jinwu and the Company have confirmed that they will not waive the condition precedent set out in (b) above.

The completion of the Amended TB Option Agreement and New FA Option Agreement is conditional upon fulfilment of, among other things, the Shareholders passing the ordinary resolutions at the EGM approving the granting of the New TB Option and New FA Option respectively and the allotment and issue of the New FA Subscription Shares and New TB Subscription Share respectively; the Listing Committee granting approval

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for the listing of, and permission to deal in the New TB Subscription Shares and New FA Subscription Shares respectively; and the fulfillment of all the conditions (unless the same is waived by Jinwu) under the Amended Subscription Agreement.

The long stop date

If the aforesaid conditions have not been fulfilled or, where applicable, waived on or before 31 December 2016 (or such other date as may be agreed in writing between the Company and the Subscribers) or if any condition precedent is shown to have been breached or not fulfilled or, where applicable, waived prior to completion of the Subscription, the Subscription Agreements shall be deemed to have been terminated.

8. THE DISPOSAL

Following completion of the transactions, the Company has no intention to continue the existing businesses of the Group (other than the businesses operated by the Target Group) and therefore, has entered into the Disposal Agreement to dispose of the Disposed Group.

The Disposal Agreement

Date 27 October 2014 (as supplemented by a supplemental agreement dated 30 April 2015)

Parties

- (i) the Company, being the vendor; and
- (ii) Simply Divine Global Limited, being the purchaser which is solely and beneficially owned by Mr. Ng.

Assets to be disposed of

Pursuant to the Disposal Agreement, Simply Divine Global Limited has conditionally agreed to acquire and the Company has conditionally agreed to sell the entire issued share capital of each of the Disposed Companies. The Disposed Companies, together with their subsidiaries, are the Disposed Group which will be disposed of under the Proposed Restructuring. Upon completion of the Disposal, the Company will no longer be interested in the Disposed Group.

The consideration

The Disposed Group will be transferred to Simply Divine Global Limited at a nominal consideration of HK\$1.00, which was arrived at after arm's length negotiations between the parties and was determined by reference to the unaudited net tangible liabilities value of the Disposed Group as at 30 June 2015, which amounts to approximately HK\$84.5 million, by reference to the management account of the Disposed Group.

The consideration shall be satisfied in cash upon completion of the Disposal.

Conditions precedent

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Completion of the Disposal shall be subject to and conditional upon the fulfilments of the following conditions:

- (1) the passing by the Independent Shareholders at an extraordinary general meeting of the Company resolutions approving the transactions contemplated in the Disposal Agreement in accordance with all applicable requirements under the Listing Rules and the Takeovers Code;
- (2) consent from the Executive Director of the Corporate Finance Division of the Securities and Futures Commission in Hong Kong or any of his delegate in relation to the transactions contemplated in the Disposal Agreement, which constitute a special deal in accordance with Rule 25 of the Takeovers Code being obtained;
- (3) all necessary authorisations of all relevant governmental or regulatory authorities, agencies or bodies, or any other third party (including banks), required for the implementation of the transactions contemplated in the Disposal Agreement being obtained and maintained;
- (4) no matter, event, circumstance or change having occurred which has caused, causes or is likely to cause any material adverse effect on the ability of the Company to perform or observe any of its obligations, undertakings or covenants under the Disposal Agreement;
- (5) there being no applicable law which prohibits, restricts or imposes conditions or limitations on, or is reasonably expected to operate to prohibit, restrict or impose conditions or limitations on, the consummation of any of the transactions contemplated in the Disposal Agreement;
- (6) there being no bona fide or other proceedings in effect, pending or genuinely threatened as at completion of the Disposal before any court, tribunal or arbitrator of a competent jurisdiction or by any governmental authority which seeks to prohibit, restrict, impose condition or limitation on or otherwise challenge any of the transactions contemplated in the Disposal Agreement; and
- (7) the fulfilment of the conditions under the Acquisition Agreement other than the condition relating to the fulfilment or waiver of the conditions precedent under the Disposal Agreement.

Save and except for the conditions precedent set out in paragraphs (1) and (2) above which cannot be waived in any circumstance, the Purchaser shall be entitled to waive any of the conditions precedent. In the event that the above conditions are not fulfilled on or before 31 December 2016 (or such earlier or later date as may be agreed by the Company and Simply Divine Global Limited in writing), the Disposal Agreement shall lapse and the Company does not need to proceed with the Disposal.

Completion

Completion of the Disposal shall take place within five business days from the date on which all the conditions precedent as set out above are fulfilled (or such earlier or later date as may be agreed by the parties in writing). As the completion of the Disposal is conditional on the fulfillment of the conditions under the Acquisition Agreement, it is anticipated that the completions of the Disposal, the Acquisition, the Open Offer and the Subscription will take place on the same day.

9. THE ACQUISITION

Under the Acquisition Agreement, the Company will purchase from the Vendors the Sale Equity Interest. Set out below are the salient terms of the Acquisition Agreement:

Date 31 March 2014 (as supplemented by a supplemental agreement dated 27 October 2014 and a second supplemental agreement dated 30 April 2015)

Parties to the Acquisition Agreement

- (i) the Company, being the purchaser;
- (ii) the Vendors (namely, Mr. Shie and Mr. Tsoi), being the vendors; and
- (iii) Mr. Ng Kok Hong, being the purchaser's guarantor.

Asset to be acquired

The asset to be acquired under the Acquisition Agreement is the Sale Equity Interest, being the entire equity interest in China General. The entire equity interest of China General is owned as to 50% by Mr. Shie and 50% by Mr. Tsoi respectively. Upon completion of the Acquisition, the Target Group will become wholly-owned subsidiaries of the Company.

The consideration

The consideration is approximately HK\$817.0 million and was arrived at after arm's length negotiations between the parties to the Acquisition Agreement and was determined by reference to (i) the unaudited combined net asset value of the Target Group as at 31 December 2013, being approximately RMB480.0 million (equivalent to approximately HK\$573.6 million) assuming the related capitalisation of debts having been completed; (ii) the development prospects of the Target Group; and (iii) the management's assessment on the value of the property interests held by the Target Group, based on publicly available information as well as information provided by the Vendors.

The consideration shall be satisfied by the allotment and issue of new shares of the Company at a price of HK\$0.20 each upon completion of the Acquisition.

Conditions precedent

Conditions precedent to the Acquisition Agreement include, among others, the following which cannot be waived by parties to the Acquisition Agreement:

- (a) the Scheme becoming effective no later than completion of the Acquisition;
- (b) the entering into of the agreements to amend the terms of the Original Subscription Agreement, the FA Option Agreement and the TB Option Agreement;

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- (c) signed written consents from the Subscribers having been obtained for the Company to enter into the Acquisition Agreement and the transactions contemplated thereunder;
- (d) written consent from Deloitte Touche Tohmatsu as agent to the participating creditors having been obtained for the Company to enter into the Acquisition Agreement and the transactions contemplated thereunder, if applicable;
- (e) passing of resolutions of the Independent Shareholders at the EGM by way of poll approving (i) the Capital Reorganisation; (ii) the Open Offer; (iii) the Acquisition; (iv) the Whitewash Waiver; (v) the Subscription; and (vi) the Special Deal;
- (f) the Whitewash Waiver having been granted by the Executive to the Vendors and the Whitewash Waiver not subsequently being revoked or withdrawn;
- (g) the Special Deal having been consented to by the Executive and the conditions attached (if any) to such consent having been satisfied;
- (h) the Cayman Court granting an order confirming the Capital Reduction;
- (i) all consents from, and filings with, any government authority or any court or judicial body and other relevant third parties which are required or appropriate necessary for the implementation of the Proposed Restructuring;
- (j) the Company having completed the due diligence review of the legal, financial and business affairs of the Target Group and the results of such review being reasonably satisfactory to the Company;
- (k) the Vendors having completed the due diligence review of the legal, financial and business affairs of the Company and the results of such review being reasonably satisfactory to the Vendors;
- (l) the listing of and permission to deal in all of the New Shares upon completion of the Capital Reorganisation and the New Shares allotted and issued pursuant to the Subscription, the Acquisition and the Open Offer, having been granted by the Listing Committee and such permission not subsequently being revoked or withdrawn;
- (m) submission of a new listing application in respect of the Target Group to the Stock Exchange by the Company and the receipt of the approval in principle from the Listing Committee by the Company and such approval not being subsequently revoked or withdrawn;
- (n) the Shares or the New Shares remain to be listed on the main board of the Stock Exchange;
- (o) the entering into of the Disposal Agreement and the fulfilment or waiver of all the conditions precedent set out therein;
- (p) where applicable, the Company having received from the Stock Exchange the in-principle approval letter in respect of the amendments to the Proposed Restructuring submitted to the Stock Exchange on 31 March 2014; and

- (q) the Vendors having completed the reorganisation in respect of the Target Group to the satisfaction of the Company; and the Target Group shall have the full legal ownership of The Cullinan Bay Project and the Binjiang International Project.

Completion of the Acquisition and the allotment and issue for the Consideration Shares, Subscription Shares and Offer Shares will take place simultaneously on the date falling after 5 Business Days upon the fulfilment or waiver of the conditions described above or such other date as agreed between the parties in writing.

10. INFORMATION ON JINWU AND THE TARGET GROUP

10.1 Information on Jinwu

Jinwu is a special purpose investment company owned by Daxin Investment Fund, being a collective investment fund established under the laws of the Cayman Islands, managed by Greater China Capital Limited. Greater China Capital Limited is an investment advisory firm established under the laws of Hong Kong.

Each of Investor and its beneficial owner are third parties independent of the Company and its Connected Persons.

10.2 Information on the Target Group

Business review of the Target Group

The Target Group is a residential property developer primarily focusing on the development and sale of residential properties in Quanzhou, Fujian Province and Yangzhou, Jiangsu Province of the PRC through its two project companies, namely Hui An China General Real Estate Development Company Limited (惠安中總房地產開發有限公司) and Yangzhou Detai Property Services Company Limited (揚州德泰物業服務有限公司). The Target Group devotes its operational focus on identifying and acquiring suitable locations and sites for development, planning and design of property development projects and formulating sales and marketing strategy. The Target Group engages qualified contractors, construction supervision companies, sales agencies and property management companies to provide design, construction, sales and marketing and property management services and supervises their performance.

Property development projects held by the Target Group

As at the Latest Practicable Date, the property portfolio of the Target Group comprises two property development projects in Quanzhou and Yangzhou, namely (i) the Binjiang International Project (濱江國際項目) and (ii) The Cullinan Bay Project (天璽灣項目). The Target Group only completed and generated revenue from the sales of properties of the Binjiang International Project for the period from the 1 January 2012 to 31 October 2015. All the construction work of the Binjiang International Project has been completed and only a small portion of the project remains unsold. The Target Group is developing Stage 2 of Phase 1 of The Cullinan Bay Project and in March 2016 started developing

Phase 2 of The Cullinan Bay Project. The Target Group will significantly rely on the development and sale of The Cullinan Bay Project in the future.

Binjiang International Project

The Binjiang International Project is a residential project located in the intersection of 324 National Highway and Xibin Park (溪濱公園) in Huian County, Quanzhou, Fujian Province, the PRC with a completed GFA of approximately 394,701 sq.m.. It consists primarily of highrise residential buildings and includes ancillary retail shops, kindergarten, clubhouse, swimming pool and car parking spaces. The greening rate and plot ratio of the properties are 43% and 3.89 respectively. The Target Group developed the project in four phases comprising 18 blocks of high-rise residential buildings with an aggregate GFA of approximately 394,701 sq.m.. It comprises a residential area of approximately 308,781 sq.m., retail shops area of approximately 16,334 sq.m., kindergarten of approximately 2,833 sq.m., clubhouse of approximately 1,121 sq.m. and aboveground and underground ancillary area (comprising car parking space and area for ancillary facilities) of approximately 65,631 sq.m.

The Cullinan Bay Project

The Cullinan Bay Project is a residential project located in the west of Wangjiang Road, north of Dingxing Road and east of Linjiang Road in Yangzhou, Jiangsu Province, the PRC. It consists primarily of high-rise residential buildings and ancillary retail shops and clubhouse facilities. The planned greening rate and plot ratio of the properties are 35% and 2.30 respectively. The Target Group is developing the project in two phases comprising 15 blocks of high-rise residential buildings with an aggregate GFA of approximately 40,295 sq.m. of completed properties, an aggregate GFA of approximately 112,214 sq.m. held under development and an aggregate planned GFA of approximately 105,890 sq.m. held for future development. It will comprise residential area of approximately 181,255 sq.m., retail shops of approximately 3,843 sq.m. and above-ground and underground ancillary area (comprising car parking space, clubhouse and area for ancillary facilities) of approximately 73,301 sq.m..

Future plans

The Target Group will continue to identify potential land parcels suitable for its development projects and expand its land reserves in Fujian Province and Jiangsu Province and other cities with high economic growth potential, in particular the third and fourth tier cities in the PRC in order to sustain its growth. It will also continue to acquire land through various means, such as public tender, auction and listing-for-sale organised by the relevant PRC governmental authorities or acquisitions of controlling equity interests in entities that hold land use rights. As at the Latest Practicable Date, the Target Group had yet to identify land for extending its market foothold but will strive to look for suitable land in cities with high economic growth potential at a competitive cost to sustain its long-term growth. The Target Group expect to fund its expansion plans with internal resources and bank borrowings.

Management profile of the Target Group

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The Target Group has experienced management teams with an average of about seven years of experience in the real estate industry. The Company believes that the Target Group's experienced and stable management team has contributed to the success of the Target Group and will further enhance the Target Group's execution capabilities.

Financial information of the Target Group

The audited consolidated net asset value of the Target Group was approximately RMB521.9 million as at 31 October 2015, assuming the related capitalisation of debts having been completed.

11 Secured Creditors

Secured Creditors are not bound by the Amended Scheme in respect of and to the extent of the Security Interest held by them. They are, however, bound by the Scheme in respect of the unsecured portion of their Claims. Any Secured Creditor who has submitted a Notice of Claim for Dividend Purposes may:

- (a) agree the appraised value of the underlying property of its Security Interest with the Administrators and participate in the Amended Scheme as a Scheme Creditor for the unsecured portion of its Admitted Claim (which will be determined after deducting the appraised value of the Security Interest being appraised by independent professional valuers); or
- (b) release its Security Interest and participate in the Scheme as a Scheme Creditor for its entire Admitted Claim which will be treated as unsecured. The Security Interest so released, in so far as being the Company's property, shall become Scheme Assets to be applied in accordance with Clause 5 of the Scheme.
- (c) if a Secured Creditor fails to agree with the Administrators on an appraised value of its Security Interest and also refuses to release its Security Interest, the Administrators are empowered to determine the amount of its Admitted Claim by deducting the value of such Security Interest from its Claim.
- (d) A Secured Creditor is a Scheme Creditor only to the extent of the unsecured portion of its Claims as admitted by the Administrators in accordance with Paragraphs 11(a), (b) or (c) above.

12 Preferential Claims

Preferential Creditors are to be paid in priority to Scheme Creditors to the extent of their respective Preferential Claims amounts out of the Scheme Funds (recognizing the priority which they would have in a winding-up of the Company). Each Creditor which has both a Preferential Claim and an Admitted Claim that is not preferential will be entitled to receive Dividends on a pari passu basis in respect of the non-Preferential Claims only.

13 Qualifications and Warnings

- (a) The information contained in this Scheme Document is prepared based on the audited consolidated financial statements of the Group as at 31 December 2014 which is the latest consolidated audited financial statement of the Group available as at the Latest Practicable Date, together with the information available to the Directors up to the Latest Practicable Date. It is assumed that all material or contingent liabilities as at 31 December 2014 were provided for in such financial statements.
- (b) The estimates provided in this Scheme Document are indicative only. There are factors that are beyond the control of the Company that can affect these estimates.

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Events or circumstances could occur that may give rise to either an improvement or deterioration of these estimates and they should therefore be treated with caution in arriving at any decisions or actions based upon them. Variations in estimates could be material in substance.

- (c) The ultimate net realisation values of the Scheme Assets may be different from the estimations stated in Paragraph 4 above. There will usually be differences between estimations and actual results, because events and circumstances often do not occur as expected, and those differences may be material.
- (d) Nothing herein is to be taken as an admission of liability by the Company or the Administrators. Creditors should not construe the contents herein as legal, tax, financial or other professional advice. Each Creditor should take its own advice from professional advisors before taking any action in connection with the Amended Scheme.
- (e) The realisable values of assets and repatriation of proceeds (if any) to Hong Kong depend on tax and customs clearance, and the approval to be granted by the relevant government regulatory bodies and authorities.
- (f) It is assumed that the Subscription Price will be received by the Company upon Completion, and is to be made available to the SchemeCo at Completion for distribution by the Administrators to the Scheme Creditors in accordance with the Amended Scheme.
- (g) Pursuant to the laws of Hong Kong and laws of the Cayman Islands, a scheme of arrangement may not preclude overseas creditors from taking action against a debtor company in any other jurisdiction in the event that the proper law of the contract governing the debt is not the laws of Hong Kong or laws of the Cayman Islands. Therefore, even though the Amended Scheme is intended to bind all Creditors, it may not prevent Creditors from instituting legal action against the Company in jurisdictions other than Hong Kong or the Cayman Islands and this may in turn affect the values of the Scheme Assets. Nevertheless, Creditors may encounter difficulties in attempting to enforce any foreign judgment in respect of any Claim(s) against the Company in Hong Kong or the Cayman Islands after the Effective Date.
- (h) Nothing in the Amended Scheme debars the Creditors from asserting their claims against any of the subsidiaries of the Company before or after the Group Reorganisation and this may in turn affect the values of the Scheme Assets.

14. EFFECT OF THE AMENDED SCHEME

On the Effective Date and subject to receipt of the Subscription Price from Jinwu and the proceeds from the Open Offer, the Company will transfer a sum of HK\$162,000,000 to the Scheme Trust Account. In case the Scheme Trust Account has not yet been opened on the Effective Date, the Company shall issue a cashier order in the amount of HK\$162,000,000 with a licensed bank in Hong Kong payable to the SchemeCo. All moneys from time to time credited to the Scheme Trust Account will be held for the benefit of the Scheme Creditors under the Amended Scheme, subject to the payment of

money due to governmental and regulatory bodies, Scheme Costs and the Preferential Claims.

The Amended Scheme will, become effective by virtue of (i) the delivery and registration of a copy of the order of the Hong Kong Court sanctioning the Amended Scheme to the Registrar of Companies in Hong Kong; and (ii) the delivery and registration a copy of the order of the Cayman Court sanctioning the Amended Scheme to the Registrar of Companies in the Cayman Islands; and (iii) all Conditions Precedent have been fulfilled (save and except for any conditions precedent in respect of the consents, approvals, sanctions, despatch and filing of documents (including the Scheme Document) necessary for the purpose of making the Amended Scheme effective) or, where applicable, waived; and be binding on the Company and each of its Creditors and will be administered by the Administrators.

From the Effective Date, all Creditors' Claims against the Company will be discharged and waived by virtue of the implementation of the Amended Scheme. In summary, the SchemeCo, will accept and assume an equivalent liability in place of the Company for all of the Creditors' Claims on a non-recourse basis. In addition, the Scheme Creditors will be entitled to receive Dividends pursuant to this Amended Scheme in full and final satisfaction of the Scheme Creditors' Claims against the SchemeCo. Save for their entitlement to receive Dividends pursuant to the Amended Scheme, the Creditors/Scheme Creditors shall have no rights of recourse against the SchemeCo in other respect of the Creditors' Claim accepted or assumed by SchemeCo in place of the Company.

15. THE SCHEME OF ARRANGEMENT

- 15.1 A sum of HK\$162,000,000 is to be made available to the SchemeCo subject to receipt of the Subscription Price by the Company and proceeds from the Open Offer at Completion for distribution to the Scheme Creditors under the Amended Scheme.
- 15.2 A Scheme Creditors' Committee will be formed, it will be responsible for reviewing and approving any Scheme Costs to be paid out the Scheme Funds, which approval should not be unreasonably withheld. It will also provide a forum to the Administrators to seek advice and guidance on the on questions of strategy regarding the administration of the Amended Scheme.
- 15.3 The Administrators will be appointed by the Company to implement the Amended Scheme.
- 15.4 Scheme Costs will be paid out of the Scheme Funds and in priority to Dividends. The Scheme Costs to be paid out of the Scheme Funds is roughly estimated at HK\$3 million. The estimate is indicative only, and there are factors that are beyond the control of the Company that can easily affect the estimate substantially.
- 15.5 Under the terms of the Amended Scheme, the Administrators will open the Scheme Trust Account to hold the Scheme Funds. This will be an interest bearing trust account held by the SchemeCo with a licensed bank in Hong Kong. All monies from time to time credited to the Scheme Trust Account will be held for the benefit of the Scheme Creditors under of the Amended Scheme, subject to the payment of money due to governmental and regulatory bodies, Scheme Costs and Preferential Claims.

EXPLANATORY STATEMENT

- 15.6 The Claims of the Scheme Creditors against the SchemeCo will be settled by the Administrators paying Dividends to each Scheme Creditor in respect of their respective Admitted Claims on a pari passu basis in accordance with the priority set forth under Paragraph 18.4 of the Explanatory Statement and from the Scheme Funds. The Administrators will have power to make interim distributions provided that they reserve in full for Unadmitted Claims, if necessary. As soon as practicable after an Unadmitted Claim becomes an Admitted Claim, the Administrators shall distribute to that Scheme Creditor the proportion of the Admitted Claim equal to the proportion paid to all other Scheme Creditors.
- 15.7 Nothing in the Amended Scheme shall affect, modify or vary (a) any of the rights of any Person arising out of any security created by any Scheme Subsidiary in favour of such Person or (b) any of the undertakings and obligations of such Scheme Subsidiary under any such security created.

16. ENTRY INTO FORCE OF THE SCHEME OF ARRANGEMENT AND CONDITIONS PRECEDENT

The Amended Scheme will become effective and binding on the Company and its Creditors under Hong Kong law and Cayman Islands law if the following conditions are satisfied:

- (a) over 50% in number, representing at least 75% in value of the Creditors present and voting in person or by proxy at the Scheme Meeting, vote in favour of the Scheme;
- (b) the Hong Kong Court sanctions the Amended Scheme and a copy of the order of the Hong Kong Court sanctioning of the Amended Scheme is delivered to the Registrar of Companies in Hong Kong for registration;
- (c) the Cayman Court sanctions the Amended Scheme and a copy of the order of the Cayman Court sanctioning of the Amended Scheme is delivered to the Registrar of Companies in the Cayman Islands for registration; and
- (d) all Conditions Precedent to the Completion of the Proposed Restructuring have been fulfilled or, where applicable, waived.

17. INTERESTS OF DIRECTORS

Pursuant to Section 671 of the Companies Ordinance, the Company has asked each Director whether he has any material interest, whether as a Director or a Shareholder or a Creditor of the Company or otherwise under the Amended Scheme, and the effect thereon of the compromise or arrangement in so far as it is different from the effect on the like interests of other Persons.

As at the Latest Practicable Date, the Company has not received any notice and was not aware that any of the Directors will, on the Effective Date, have any material interest, whether as a Director or a Shareholder or a Creditor of the Company in relation to the Amended Scheme.

18. PROCEDURE AND MISCELLANEOUS MATTERS

18.1 Valuation of Claims for Voting Purposes

Creditors are asked to complete a Notice of Claim for Voting Purposes and deliver it to the Company as soon as practicable and in any event by [*] p.m. (Hong Kong time) on [*]. The chairman of the Scheme Meeting will estimate the amounts of the Creditors' Claims as at the date of the Scheme Meeting, which will be admitted for voting purposes based on the Company's records in his possession and on any other relevant information, including details received from the Creditors in the Notices of Claim for Voting Purposes, if any. These estimates, after deducting any known set-off, or estimated value of any Security Interest the Creditors hold from any Person, will be the Voting Claims.

If requested, the Company will endeavour to inform each Creditor of its Voting Claim three days prior to the Scheme Meeting. In determining the Voting Claims, the Company may admit or reject any Creditor's Claim in whole or in part. If Voting Claims are denominated in currencies other than Hong Kong Dollars, they shall, for voting purposes, be converted to Hong Kong Dollars based on the ask rate for the purchase of the relevant currency offered by The Hongkong & Shanghai Banking Corporation Limited at close of business on the Business Day immediately preceding the date of the Scheme Meeting or, in the case of manifest error or non-publication, the relevant offered rate of such other licensed bank in Hong Kong as the Company shall determine.

Such estimates of the Voting Claims are for voting purposes only and will not constitute any admission on the part of the Company or the Administrators of the amount comprised therein or be relevant for the purpose of calculating entitlement of the Creditors under the Amended Scheme. Accordingly, the admission of a Creditor or his proxy for the purpose of voting at the Scheme Meeting is without prejudice to the Administrators' right to reject his Notice of Claim for Dividend Purposes in whole or in part when adjudicating the Creditor's entitlement to Dividends.

18.2 Voting

Creditors whose Claims have been admitted for voting purposes may vote on the Amended Scheme by attending the Scheme Meeting in person or by proxy. A proxy need not be a Creditor but must attend the Scheme Meeting personally. In the event that a Creditor who has lodged a form of proxy attends the Scheme Meeting, his form of proxy will be deemed to have been revoked.

In the case of a Creditor being a corporation, it must appoint an individual to attend the Scheme Meeting as its representative. To attend and vote at the Scheme Meeting, the representative must produce at the Scheme Meeting, to the satisfaction of the chairman of the Scheme Meeting, an appropriately certified copy of the resolution of the board of directors or other governing body of the corporation evidencing that he is authorised to act as its representative for such purpose.

Creditors should return the Notice of Claim for Voting Purposes to First Mobile Group Holdings Limited, c/o Deloitte Touche Tohmatsu at 32/F., One Pacific Place, 88 Queensway, Hong Kong (Attention: Ms. SC Wong / Mr. Adrian Chan / Ms. Yvonne Lung) (Email: siowwong@deloitte.com.cn / adrchan@deloitte.com.hk / ylung@deloitte.com.hk) (Fax: +852 2850 8362) by not later than [*] p.m. (Hong Kong

time) on [*], being 7 Business Days prior to the date of the Scheme Meeting, and the completed form of proxy should be returned to the same address and reference by not later than [*] p.m. (Hong Kong time) of [*], being 2 Business Days prior to the date of the Scheme Meeting.

18.3 Determination of Claims for Distribution

As soon as possible after the Effective Date, the Administrators will issue notices to all Creditors of whom they have knowledge, notifying them of the Cut-Off Date, being the date by which Creditors must deliver a Notice of Claim for Dividend Purposes to the Administrators. Notices to this effect will also be published in one English language newspaper and one Chinese language newspaper in Hong Kong.

In order to be entitled to participate in distribution from the Scheme Funds, a Creditor must lodge a Notice of Claim for Dividend Purposes no later than 5:00 p.m. (Hong Kong time) on the Cut-Off Date. Failure to do so will, save in exceptional circumstances, disqualify the Creditor from receiving any Dividend.

If the Administrators reject a Claim in whole or in part, the relevant Creditor may within 21 days of the date of service of the notice of rejection refer the matter to the Adjudicator for further consideration, subject to the relevant Creditor's payment of HK\$50,000 on account of the Adjudicator's costs. The decision of the Adjudicator, acting as an expert and not as an arbitrator, shall be final and binding on the Administrators and the Creditor. If the Adjudicator varies or reverses the Administrators' decision, the Adjudicator's cost will be paid out of Scheme Funds. Otherwise the relevant Creditor must, in addition to the payment on account referred to above, reimburse the Scheme Funds for any further Adjudicator's cost relating to that Creditors' application for review.

Claims that are admitted by the Administrators or Adjudicator will constitute Admitted Claims, and will be eligible for distribution under the Amended Scheme.

Any Claim which is not the subject of a Notice of Claim for Dividend Purposes on or prior to the Cut-Off Date or which is rejected by the Administrators or the Adjudicator in accordance with the procedure set out in Clause 4 of the Amended Scheme will be treated (and if rejected in part, as to that part only) for all purposes as being wholly and irrevocably discharged and released as against the Company.

18.4 Dividend Distribution

The Scheme Funds will be dealt with by the Administrators in the following order of priority:

- (a) firstly, to pay money due by the Company to governmental and regulatory authorities;
- (b) secondly, to pay Preferential Claims other than those in (a);
- (c) thirdly, to pay the Scheme Costs; and
- (d) fourthly, to pay Dividends in respect of the Admitted Claims.

The Administrators shall have the power to make interim distributions of Dividends to the Scheme Creditors. The Administrators shall make such distributions at a level which will enable the Administrators to pay a percentage distribution to those Scheme 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 Administrators will review the interim payment percentage on a regular basis. As soon as practicable after an Unadmitted Claim becomes an Admitted Claim, the Administrators will distribute to that Scheme Creditor the proportion of that Admitted Claim equal to the proportion paid to all other Scheme Creditors.

Dividends under the Amended Scheme will be paid by cheque posted to the address of each Scheme Creditor as appears in that Scheme Creditor's Notice of Claim for Dividend Purposes or as provided by each Scheme Creditor to the Administrators under the Amended Scheme. The encashment of the cheque shall be good discharge to the Company and the Administrators. Cheques shall be posted at the risk of the addressee and neither the Company nor the Administrators shall be responsible for any loss or delay in transmission. Scheme Creditors will not be entitled to any Dividend which remains unclaimed for more than six months after the date of the cheque to which such Dividend relates.

18.5 Currency Conversion

Admitted Claims in currencies 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 as offered by The Hongkong and Shanghai Banking Corporation Limited at close of business on the Cut-off Date or, in the case of manifest error or non-publication, the relevant offered rate of such other licensed bank in Hong Kong as the Administrators shall determine and shall, for the purpose of the Amended Scheme, be due in Hong Kong Dollars.

18.6 Costs and Expenses

The costs, charges, expenses and disbursements incurred up to and including the Effective Date in connection with the negotiation, preparation and implementation of the Amended Scheme, including the costs of holding the Scheme Meeting and the costs of obtaining the sanction of the Courts, are estimated to be approximately HK\$3 million. Such costs, charges, expenses and disbursements will be settled by the Company through the proceeds from the Open Offer.

All Scheme Costs (i.e. costs charges, expenses and disbursements properly incurred after the Effective Date in connection with the administration and implementation of the Scheme, including the fees and remuneration of the Administrators and the Adjudicator), shall be paid in full out of the Scheme Funds in priority to the payment of Dividends to Scheme Creditors. It is estimated that the Scheme Costs to be paid out of the Scheme Funds would be very roughly in the sum of HK\$3 million. The estimate is indicative only, and there are factors that are beyond the control of the Company that can easily affect the estimate substantially.

18.7 Set-offs

The Amended Scheme provides for the set-off of the cross-claims between the Company and a Scheme Creditor as at the Effective Date if they arise out of mutual dealings between the Company and the Scheme Creditor before the Effective Date.

18.8 Bar to Proceedings

Upon the Effective Date, the Creditors are barred from making any demand on or taking any action or proceedings in Hong Kong or the Cayman Islands against or for the winding up of the Company, its property or assets or for the purposes of exercising any right against the Company or obtaining any payment, property or security from the Company in relation to any Claim, except as permitted by law.

Pursuant to the laws of Hong Kong and the laws of the Cayman Islands, a scheme of arrangement may not preclude creditors from taking action against a debtor company in any other jurisdiction in the event that the proper law of the contract governing the claim is not the laws of Hong Kong or the laws of the Cayman Islands. Therefore, even though the Amended Scheme is intended to bind all Creditors, it may not prevent Creditors from instituting legal action against the Company in jurisdictions other than Hong Kong or the Cayman Islands.

Nevertheless, Creditors may encounter difficulties in attempting to enforce any foreign judgment in respect of any Claim(s) against the Company in Hong Kong or the Cayman Islands after the Effective Date.

18.9 Scheme Creditors' Committee

The Scheme Creditors' Committee will be responsible for reviewing and approving any Scheme Costs to be paid out of the Scheme Funds. The Scheme Creditors' Committee will not unreasonably withhold their approval to the payment of Scheme Costs properly incurred by the Administrators in connection with the administration and implementation of the Amended Scheme.

The Scheme Creditors' Committee will also provide a forum for the Administrators to turn to for advice and guidance on matters regarding the administration of the Amended Scheme. If the Administrators disagree with the advice and guidance of the Scheme Creditors' Committee on any matter, they may refer the matter to the Scheme Creditors (either in writing or by general meeting). Alternatively, the Administrators can apply to the Hong Kong Court or the Cayman Court for directions and for the purposes only of providing guidance regarding the administration of the Amended Scheme.

The Scheme Creditors' Committee shall comprise not more than five members. The members of the first Scheme Creditors' Committee will be nominated and approved at a meeting of the Scheme Creditors to be convened by the Administrators. The quorum for meeting of the Scheme Creditors' Committee shall be two members present in person or by proxy.

Scheme Creditors will not be entitled to challenge the conduct of members of the Scheme Creditors' Committee provided they have acted in good faith.

18.10 Termination of the Scheme

The Amended Scheme will terminate if the Administrators, (i) distribute to Scheme Creditors proceeds realised from all Scheme Assets; and (ii) with the consent of the Scheme Creditors' Committee, give notice to the Scheme Creditors that they are satisfied that the Dividends have been distributed to the Scheme Creditors as appropriate and that the continuation of the Amended Scheme is no longer beneficial to the general body of the Scheme Creditors; and the Amended Scheme shall terminate on the date of the Scheme Creditors' Committee's approval or such later date as the Courts may allow on the application of the Company or the Administrators. The duties and responsibilities of the Administrators and the members of the Scheme Creditors' Committee under the Amended Scheme will cease on the date of such notice.

18.11 Notice of Scheme Meeting

In accordance with the directions of the Courts, the Scheme Meeting will be convened for the purpose of considering and approving the Amended Scheme. The Scheme Meeting will be held at [*] (Hong Kong time) on [*]. The notice convening the Scheme Meeting for the Amended Scheme is attached at Appendix [*] to this Scheme Document.

18.12 Modification to the Amended Scheme

~~Prior to the Effective Date, the Vendors, the Subscribers and the Company may by consent make any modifications or additions to the Amended Scheme or any condition which the Courts may see fit to approve or impose.~~

On or after the Effective Date, the Administrators may at any time, if they consider it expedient and in the interests of the Scheme Creditors to do so and subject to consultation and with the consent of Scheme Creditors' Committee, apply to the Courts for the purpose of modifying the provision of the Amended Scheme or obtaining direction from the Courts on how to deal with any matters or disputes which may arise in respect of the administration of the Amended Scheme. If the Courts approve a modification to the Amended Scheme or gives a direction in relation to any matter or dispute which may arise in respect of the Amended Scheme, it shall be binding on the Company, the Administrators and the Scheme Creditors, provided that no further obligations or liabilities should be imposed on the Company and/or the Scheme Subsidiaries and/or the Scheme Creditors and that the Company and/or the Scheme Subsidiaries and/or the Scheme Creditors should not be adversely affected by reason of such modification or direction.

19. CHAIRMAN OF THE SCHEME MEETING

At the direction of the Courts, Mr. Ng Kok Hong, or failing him, Mr. Ng Kok Yang, directors of the Company, will be appointed to act as chairman of the Scheme Meeting.

20. CAPACITY OF THE ADMINISTRATORS

The involvement of the Administrators in the Amended Scheme is solely for the purpose of administering the terms of the Amended Scheme and realizing the Scheme Assets. None of the Administrators and their advisors, nor any of their representatives, partners, staff or agents, shall incur any personal liability under the terms of the Amended Scheme or otherwise.

21. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the documents listed below will be available for inspection by the Creditors upon reasonable prior notice at Deloitte Touche Tohmatsu at 32/F., One Pacific Place, 88 Queensway, Hong Kong, between the hours of [*] and [*] (Hong Kong time) on weekdays (excluding Saturdays, Sundays and public holidays in Hong Kong) up to the Business Day before the date scheduled for the Scheme Meeting.

- (1) Memorandum of Association and Articles of Association of the Company;
- (2) This Scheme Document containing the Amended Scheme and the Explanatory Statement of the Amended Scheme;
- (3) Audited financial statements of the Group for the years ended 31 December 2012, 31 December 2013 and 31 December 2014 and unaudited financial statements for the half year ended 30 June 2015;
- (4) The Acquisition Agreement;
- (5) The Subscription Agreements;
- (6) Circular of the Company dated 29 February 2016; and
- (7) Court orders directing the convening of the Scheme Meeting under the Amended Scheme.

Dated this [*] day of [*]

SCHEME OF ARRANGEMENT

HCMP [*]/2016

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

MISCELLANEOUS PROCEEDINGS NO. [*] OF 2016

IN THE MATTER OF FIRST MOBILE GROUP HOLDINGS LIMITED

AND

**IN THE MATTER OF THE COMPANIES ORDINANCE
(CHAPTER 622 OF THE LAWS OF HONG KONG)**

AND

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CIVIL JURISDICTION

FINANCIAL SERVICES DIVISION

CAUSE NO. 248 OF 2010

IN THE MATTER OF FIRST MOBILE GROUP HOLDINGS LIMITED

AND

**IN THE MATTER OF THE COMPANIES LAW (2013 REVISION) OF
THE CAYMAN ISLANDS**

SCHEME OF ARRANGEMENT

**UNDER SECTIONS 670, 671, 673 and 674 OF THE COMPANIES ORDINANCE
(CHAPTER 622 OF THE LAWS OF HONG KONG)
AND UNDER SECTION 86 OF THE COMPANIES LAW (2013 REVISION) OF
THE CAYMAN ISLANDS**

BETWEEN

FIRST MOBILE GROUP HOLDINGS LIMITED

and

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SCHEME OF ARRANGEMENT

THE CREDITORS

(as defined in the Scheme Document)

In this Amended Scheme, unless otherwise indicated, capitalised words which are not defined below shall have the meaning given on pages 1 to 11 under the heading "Definitions" of this Scheme Document.

1. THE ADMINISTRATORS AND SCHEME CREDITORS' COMMITTEE

Administrators

- 1.1 Mr. Lai Kar Yan (Derek), Mr. Yeung Lui Ming (Edmund) and Mr. Darach E Haughey are appointed initial Administrators of the Amended Scheme with power to act jointly and severally. If at any time any Administrator wishes to resign or is incapable of acting, he shall be replaced as Administrator by another person qualified to act as liquidators of a company in Hong Kong and/or experience in restructuring or insolvency matters, who will be independent of the Company and of any Scheme Creditor, as may be nominated by the Scheme Creditor' Committee or, if there is no such Scheme Creditors' Committee, as may be nominated by the president for the time being of the Hong Kong Institute of Certified Public Accountants. The succeeding Administrator(s) will as soon as practicable after the replacement give written notice to all Scheme Creditors of such replacement.
- 1.2 In exercising their functions and powers under this Amended Scheme and carrying out their functions and duties arising under this Amended Scheme:
- (a) The Administrators shall act in good faith and with due care and diligence in the interest of the Scheme Creditors as a whole, and shall at all times exercise their powers under the Amended Scheme for the purpose of ensuring that it is implemented in accordance with its terms;
 - (b) The Administrators will act as agents for and on behalf of SchemeCo;
 - (c) Any function or power of the Administrators may be exercised or performed by them jointly or severally; and
 - (d) The rights, benefits and obligations of the Administrators under this Amended Scheme are conferred or imposed on them jointly and severally.
- 1.3 Each Administrator (in his capacity as such):
- (a) shall have only those duties and responsibilities expressly specified in the Amended Scheme and shall not have any implied duties or responsibilities whatsoever; and
 - (b) may refrain from doing anything which would or might in his opinion be contrary to any law, directive or regulation of any applicable jurisdiction and may do anything which is, in his opinion, necessary to comply with any such law, directive or regulation and such Administrator shall not be liable for any loss occasioned thereby.

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- 1.4 The Administrators shall be entitled to exercise such rights and powers as are necessary or desirable to give effect to the provisions of the Amended 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 Courts. In particular, the Administrators shall be entitled to exercise such rights and powers to give effect to the appointment of the directors of all Scheme Subsidiaries in such manner as the Administrators shall in their absolute discretion see fit.
- 1.5 Moreover, the Administrators shall also be entitled to negotiate and enter into, on behalf of the Scheme Subsidiaries, agreements or arrangements with the Disposed Group in such manner and on such terms as the relevant member(s) of the Disposed Group and the Administrators may agree (such authority of the Administrators being subject to the restrictions or requirements set out in any loan, facilities, security or guarantee agreement to which the Scheme Subsidiary is a party).
- 1.6 An Administrator may resign from his or her appointment at any time by giving not less than one month's notice in writing to the Scheme Creditors' Committee.
- 1.7 An Administrator may be removed by an ordinary resolution of the Scheme Creditors in a meeting of the Scheme Creditors, convened and held in accordance with Clause 7 of the Amended Scheme.

Scheme Creditors' Committee

- 1.8 The Scheme Creditors' Committee shall comprise not more than five members and each member of the Scheme Creditors' Committee must be a Scheme Creditor. The Scheme Creditors' Committee shall be formed as soon as practicable after the Effective Date and the members of the first Scheme Creditors' Committee will be nominated and approved at a meeting of the Scheme Creditors to be convened by the Administrators in accordance with the applicable provisions of Clause 7 of the Amended Scheme.
- 1.9 The Scheme Creditors' Committee shall be responsible for reviewing and approving any Scheme Costs to be paid out of the Scheme Funds. The Scheme Creditors' Committee will not unreasonably withhold their approval to the payment of Scheme Costs properly incurred by the Administrators in connection with the administration and implementation of the Amended Scheme.
- 1.10 The Scheme Creditors' Committee will also provide a forum for the Administrators to turn to for advice and guidance on questions of strategy regarding the administration of the Amended Scheme. If the Administrators disagree with the advice and guidance of the Scheme Creditors' Committee on any matter, they may refer the matter to the Scheme Creditors (either in writing or by general meeting). Alternatively, the Administrators can apply to the Hong Kong Court or the Cayman Court for directions and for the purposes only of providing guidance regarding the administration of the Amended Scheme.
- 1.11 Meeting of the Scheme Creditors' Committee may be convened by the Administrators or by any member of the Scheme Creditors' Committee by 7 days' notice prior to the proposed date of the meeting to be served on all relevant parties in accordance with Clause 12.1 of the Amended Scheme, which notice can be waived or abridged by written consent from the Administrators and all the members of the Scheme Creditors'

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Committee. The quorum for the meeting of each Scheme Creditors' Committee shall be two members of the Scheme Creditors' Committee present in person or by proxy. Any decision shall be by a majority of those present and in the case of an equality of votes the member with the highest value Admitted Claim or Voting Claim present in the meeting shall hold a casting vote.

- 1.12 The Scheme Creditors' Committee shall act in the best interests of the Scheme Creditors as a whole, and where applicable, decisions of the Scheme Creditors' Committee shall be binding on the Scheme Creditors.
- 1.13 Each corporate member of a Scheme Creditors' Committee shall be represented by a nominated representative. The relevant Scheme Creditor Committee member shall notify the Administrators in writing as soon as practicable after any change of the identity of any nominated representative.
- 1.14 To enable the Scheme Creditors' Committee to exercise their duties and powers under the Amended Scheme, the Scheme Creditors' Committee shall receive oral or written reports from and meet with the Administrators as often as deemed necessary by the Administrators. The Administrators shall provide to the Scheme Creditors' Committee such relevant information as they may from time to time reasonably require in relation to any decision that the Scheme Creditors' Committee is required to make.
- 1.15 In exercising their duties and powers under the Amended Scheme, the Scheme Creditors' Committee may request the Administrators to convene and hold a meeting of the Scheme Creditors in accordance with Clause 7 of the Amended Scheme for the purpose of ascertaining their wishes in such matters considered by the Scheme Creditors' Committee.
- 1.16 Each member of the Scheme Creditors' Committee (in its capacity as such):
- (a) shall have only those duties and responsibilities expressly specified in the Amended 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 Creditors' Committee member shall not be liable for any loss occasioned thereby.
- 1.17 Each member of the Scheme Creditors' Committee is not entitled to claim or receive from SchemeCo, the Amended Scheme, the Company, the Administrators or the Scheme Creditors any remuneration for acting as a member of the Scheme Creditors' Committee or reimbursement for any costs or expenses incurred in attending any meetings of the Scheme Creditors' Committee.
- 1.18 Resignation procedures for a member of each Scheme Creditors' Committee are as follows:

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- (a) A member of the Scheme Creditors' Committee may give seven days' prior notice in writing at any time to the Administrators that it wishes to resign from the Scheme Creditors' Committee.
- (b) Upon receipt of such notice of intended resignation, the Administrators with the prior consent of the remaining members of the Scheme Creditors' Committee shall in writing nominate and appoint another Scheme Creditor to fill the vacancy.
- (c) The resignation of any member of the Scheme Creditors' Committee and the appointment of any successor member will become effective only upon the successor member notifying the Administrators that it accepts its appointment.
- (d) Any Scheme Creditor so appointed to the Scheme Creditors' Committee shall, from the date of appointment, be bound by all of the duties and responsibilities of the Scheme Creditors' Committee expressly specified in the Amended Scheme.
- (e) A resigning member shall, at its own costs, 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 Creditors' Committee.

2. PRINCIPAL TERMS OF THE AMENDED SCHEME

2.1 Upon implementation of the Amended Scheme:

- (a) a sum of HK\$162,000,000 (consisting of HK\$148,000,000 to be paid by Jinwu for the Subscription Shares under the Amended Subscription Agreement and HK\$14,000,000, being part of the proceeds from the Open Offer) will be made available to the Administrators for distribution under the Amended Scheme; and
- (b) the Group Reorganisation will be completed such that the shares in and assets of the Scheme Subsidiaries will be transferred and/or assigned to and held by the SchemeCo for realisation; and
- (c) the Excluded Assets shall be transferred and/or assigned to the SchemeCo for the purpose of the Amended Scheme; and
- (d) any Claims made or to be made by the Creditors in respect of transactions or events incurred up to the Effective Date against any person (including but not limited to the Scheme Subsidiaries) shall be assigned and/or transferred and/or novated (as the case may be) from the Company to the SchemeCo or the Administrators (or their nominees) for settlement in the manner stipulated under the Amended Scheme; and
- (e) all and any of the rights, causes of action or claims of the Company and Disposed Group against the Scheme Subsidiaries in respect of transactions or events incurred up to the Effective Date shall be assigned and/or transferred by the Company and Disposed Group (as the case may be) to the SchemeCo or the Administrators (or their nominees) for the purpose of the Amended Scheme,

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in each case for distribution under the Amended Scheme, subject to prior payment of Scheme Costs and Preferential Claims in such order of priority as provided for in Clause 5 herein below.

Incorporation of SchemeCo and the Opening of the Scheme Trust Account

- 2.2 The Administrators shall incorporate SchemeCo on or before the Effective Date for the purpose of this Amended Scheme. The Administrators shall on, 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 (whether in their capacity as Administrators or on behalf of SchemeCo) into the Scheme Trust Account.
- 2.3 The Company shall not have any liability for the Scheme Costs. All property received by the Administrators in their capacity as such, including the Scheme Funds, shall be held on trust to pay Scheme Costs, Preferential Claims, and Dividends to the Scheme Creditors in such order of priority as provided for in Clause 5 herein below.
- 2.4 Upon Completion, the Company shall transfer a sum of HK\$162,000,000 to the Scheme Trust Account. In case the Scheme Trust Account has not yet been opened on the Completion Date, the Company shall issue a cashier order with amount of HK\$162,000,000 with a licensed bank in Hong Kong payable to the SchemeCo.
- 2.5 As soon as practicable after the Effective Date, the Administrators shall take steps to put the Scheme Subsidiaries into liquidation and/or to sell the shareholdings of the Scheme Subsidiaries and/or any of the assets of the Scheme Subsidiaries. Any funds which the SchemeCo receives in its capacity as shareholder, or as a creditor of the Scheme Subsidiary, or as vendor in a share sale or asset sale shall form part of the Scheme Funds for distribution in accordance with the terms of this Amended Scheme. Subject to the approval given by the Scheme Creditors' Committee under Clause 1.9 of the Amended Scheme, the Administrators will endeavour to sell or otherwise realise such of the Scheme Assets on such terms as to price, manner and timing of sale or realisation as the Administrators, in their absolute discretion, determine is in the best interest of the Scheme Creditors as a whole.
- 2.6 On the Effective Date, the following shall occur automatically:
- (a) All Creditors' Claims against the Company will be deemed to be fully and finally discharged and satisfied by virtue of the implementation of this Amended Scheme, but without prejudice to the rights of any Creditor to enforce any guarantee or security they hold from the Scheme Subsidiaries;
 - (b) ~~SchemeCo shall accept and assume an equivalent liability in place of the Company in respect of the Creditors' Claims;~~
 - (c) The Scheme Creditors will be entitled to receive Dividends pursuant to this Amended Scheme in full and final settlement to the Creditors' claims against the SchemeCo;
 - (d) Save for their entitlement to receive Dividends pursuant to the Amended Scheme, the Creditors shall have no other rights of recourse against SchemeCo in respect

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of the Creditors' Claims accepted or assumed by SchemeCo in place of the Company.

- 2.7 For the avoidance of doubt, and without prejudice to Clause 2.6(d) of the Amended Scheme, SchemeCo will be released and discharged from all Creditors' claims against it on and from the date on which the Administrators make a final distribution from the Scheme Fund in respect of Admitted Claims or on termination of the Amended Scheme.
- 2.8 After the Amended Scheme has been approved by the Creditors at the Scheme Meeting and Conditions Precedent (a) and (b) as set out Paragraph 7 of the Explanatory Statement has been satisfied (i.e. (a) passing of the relevant resolutions at the EGM by way of poll by the Shareholders or Independent Shareholders and (b) the granting of the Whitewash Waiver by the Executive; and such Whitewash Waiver not having been revoked by the Executive), the Company shall implement the Group Reorganisation before the Effective Date by taking the following steps:
- (a) execute all necessary transfer documentation, as may be reasonably requested by the Administrators, in order to transfer its entire equity interest in E-Tech Resources to the SchemeCo for a consideration of HK\$1; and
 - (b) take such other steps and execute such other documents as, in the opinion of the Board, are necessary to give full effect to the implementation of the Group Reorganisation.

At the same time, the Excluded Assets will be transferred and/or assigned on the Effective Date by the Company to the SchemeCo for the purpose of the Amended Scheme. The Company shall be liable for all stamp duty payable (in any jurisdiction) in respect of the Group Reorganisation.

- 2.9 With effect from the Effective Date, proceeds from future disposal of assets or businesses of the Scheme Subsidiaries, after settlement of their debts whether secured or not and thereafter all related costs and expenses, will be distributed as dividends either to the intermediate holding company for settlement of its debts, or if there is no intermediate holding company, will be transferred to the SchemeCo and be made available to the Administrators for distribution in accordance with the terms of the Scheme. In dealing with such proceeds, the Administrators shall not prejudice or otherwise interfere with the rights of the Persons in whose favour the then existing security over the assets or businesses were created.
- 2.10 Nothing in the Scheme shall affect, modify or vary (a) any rights of any Persons against any of the subsidiary of the Company, (b) any of the rights of any Person arising out of any security created by any subsidiary of the Company in favour of such Person or (c) any of the undertakings and obligations of such subsidiary under any such security created.

3. CONDITIONS OF THE AMENDED SCHEME

The Amended Scheme will become effective and binding on the Company and the Scheme Creditors as and when the following conditions are satisfied:

SCHEME OF ARRANGEMENT

- (a) over 50% in number, representing at least 75% in value of the Creditors present and voting in person or by proxy at the Scheme Meeting, vote in favour of the Amended Scheme;
- (b) the Hong Kong Court sanctions the Amended Scheme and a copy of the order of the Hong Kong Court sanctioning of the Amended Scheme is delivered to the Registrar of Companies in Hong Kong for registration;
- (c) the Cayman Court sanctions the Amended Scheme and a copy of the order of the Cayman Court sanctioning of the Amended Scheme is delivered to the Registrar of Companies in the Cayman Islands for registration; and
- (d) all Conditions Precedent (to the Completion of the Proposed Restructuring) have been fulfilled or, where applicable, waived.

4. PROOF AND DETERMINATION OF CLAIMS

4.1 As soon as practicable after the Effective Date, the 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 the Cayman Islands Gazette in the Cayman Islands, that Creditors must submit a Notice of Claim for Dividend Purposes on or before the Cut-Off Date. At the time of the notification by post, the Administrators shall also send to the Creditors a Notice of Claim for Dividend Purposes substantially in the form set out in the Appendix 5 to this Scheme Document.

4.2 Subject only to Clause 4.11 herein below, each Creditor shall no later than 5.00 p.m. (Hong Kong time) on the Cut-Off Date deliver to the Administrators at its own expense:

- (a) a Notice of Claim for Dividend Purposes 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 such notice; and
- (b) such documents or other evidence necessary for the purpose of substantiating its Claim.

Any further Notice of Claim for Dividend Purposes delivered to the Administrators in compliance with this Clause shall supersede any prior Notice of Claim for Dividend Purposes.

4.3 All costs and expenses incurred by a Person in seeking proof of their Claim will be borne by that Person and will not form part of the Person's Claim.

4.4 The Administrators shall examine every Notice of Claim for Dividend Purposes lodged with them and the related evidence, and shall, as soon as practicable, decide whether to admit or reject the Claim, in whole or in part, or require further evidence in support of it. The Administrators shall send to each Creditor 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 Administrators' notice of decision is to be accompanied by written reasons for the decision.

SCHEME OF ARRANGEMENT

- 4.5 For any Claim, which by reason of it being subject to any contingency or contingencies, or for any other reason, does not bear certain value, the Administrators will make an estimate of the value of that Claim, and notify the Creditors of that estimate in the notice in writing of their decision relating to the Creditor's Claim.
- 4.6 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 ask rate for the purchase of the relevant currency offered by The Hongkong & Shanghai Banking Corporation Limited at the close of business on the Cut-off Date 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 Administrators shall select and shall, for the purpose of the Amended Scheme, be due in Hong Kong Dollars.
- 4.7 Interest on any amount of the indebtedness owing under a Claim which is payable at a certain time or otherwise shall not be provable or admissible as part of the Claim unless arising out of a contract or judgment and only for a period ending on or before the Effective Date.
- 4.8 Where there have been mutual credits, mutual debts or other mutual dealings between the Company and any Scheme Creditor before the Effective Date, set-off shall be provided for in the process of determining a Claim.
- 4.9 In respect of Secured Creditors:
- (a) A Secured Creditor is not bound by the Amended Scheme in respect of and to the extent of any Security Interest it holds over any assets of the Company.
 - (b) A Secured Creditor may agree with the Administrators an appraised value for its Security Interest for the purposes of determining the amount of its Admitted Claim, which agreed value shall be deducted from its Claim for the purposes of determining the amount of its Admitted Claim.
 - (c) A Secured Creditor may release its Security Interest in which case no deduction on account of its Security Interest shall be made from its Claim for the purpose of calculating the amount of its Admitted Claim. The Security Interest so released, in so far as it being the Company's property, shall become Scheme Assets and to be applied in accordance with Clause 5 of the Amended Scheme.
 - (d) If a Secured Creditor fails to agree with the Administrators on an appraised value of its Security Interest under Clause 4.9(b) of the Amended Scheme and refuses to release its Security Interest under Clause 4.9(c) of the Amended Scheme, the Administrators are empowered to determine the amount of its Admitted Claim by deducting the value of such Security Interest from its Claim.
 - (e) A Secured Creditor is a Scheme Creditor only to the extent of the unsecured portion its Claims as admitted by the Administrators in accordance with Clauses 4.9(b), (c) or (d) of the Amended Scheme.
- 4.10 Each Creditor will:

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- (a) in completing its Notice of Claim for Dividend Purposes take into account any amount received from the primary obligor or any surety or co-surety prior to the date on which it submits;
- (b) after submitting its Notice of Claim for Dividend Purposes, as soon as practicable inform the Administrators of any amount received by it from the primary obligor or any surety or co-surety; and
- (c) pay to the Administrators any amounts received from the primary obligor or any surety or co-surety if and to the extent the aggregate value of the Scheme Creditor's receipts under the Amended Scheme and from the primary obligor or any surety or co-surety exceed the total amount owed to the Scheme Creditor by the primary obligor, which payment will form part of the Scheme Funds to be distributed in accordance with Clause 5 herein below.

4.11 Adjudication

- (a) If a Creditor is dissatisfied with the Administrators' decision in respect of his Claim, he may within twenty-one days from the date of service of the notice of the decision as provided in Clause 4.4 of the Amended Scheme, apply in writing (with a copy to the 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 the sum of HK\$50,000, 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 him to decide whether the decision should be upheld, reversed or varied. The Administrators will use reasonable endeavours to procure that the Adjudicator delivers notice of his decision to the relevant Creditor as soon as practicable (but no later than sixty (60) days from the date the Adjudicator receives the Creditor's application for review, unless extended by the Adjudicator in his absolute discretion). The Adjudicator's notice of decision is to be accompanied by written reasons for the decision.
- (c) The Adjudicator's decision shall be final, conclusive and binding on the Creditors and the Administrators, save where a court finds there has been a manifest error of law upon a reference to a court from the Adjudicator's decision to be brought in such manner as provided in Clause 4.11(g) of the Amended Scheme.
- (d) ~~If no valid application for a review of the Administrators' decision is served on the Adjudicator by the Creditor to whose Claim that decision relates within twenty-one days of service of notice of the Administrators' decision, that decision will be binding on the Creditors.~~
- (e) Any Adjudicator's reasonable costs which exceed the payment on account referred to in Clause 4.11(a) above shall be paid out of Scheme Funds.

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- (f) If the Adjudicator upholds the Administrators' decision in full, the relevant Creditor shall pay to the Administrators an amount equal to any payment made under Clause 4.11(e) above.
 - (g) Subject to Clause 4.11(c) of the Amended Scheme, the Administrators and/or the relevant Creditor may within twenty-one days from the date of the Adjudicator's decision, refer the matter to either the Cayman Court or the Hong Kong Court for review upon satisfying the relevant court that there has been such manifest error of law. In no valid reference is made to either the Cayman Court or the Hong Kong Court within twenty-one days from the date of the Adjudicator's decision that decision will be binding on the Administrators and the relevant Creditor.
 - (h) In the event that the Adjudicator shall become aware that he has or may have a conflict of interest in respect of a matter referred to him under Clause 4.11(a) of the Amended Scheme, he shall forthwith inform the Administrators of such conflict or anticipated conflict, and the Administrators shall at their absolute discretion appoint an alternate Adjudicator for the sole purpose of adjudicating on the relevant matter.
- 4.12 A Notice of Claim for Dividend Purposes may be withdrawn or varied at any time with the prior written agreement of the Administrators.
- 4.13 The Administrators may accept a Notice of Claim for Dividend Purposes received after the Cut-Off Date only if they are satisfied, in their absolute discretion, that there is a reasonable explanation for the failure to deliver the Notice of Claim for Dividend Purposes by the Cut-Off Date.
- 4.14 For the avoidance of doubt, any Claim or part of a Claim which is not proved in accordance with this Clause 4 or which is rejected by the Administrators or the Adjudicator, as the case may be, shall be treated (and, if rejected in part, as to that part only) for all purposes as having being 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 or the SchemeCo in relation thereto, except as otherwise permitted by law.
- 5. DISTRIBUTION OF SCHEME FUNDS**
- 5.1 The Scheme Funds shall be applied in or towards payment of (in the following order); firstly, money due to governmental and regulatory bodies; secondly, Preferential Claims other than the money due to governmental and regulatory bodies, if any; thirdly, the Scheme Costs, and thereafter, the balance shall be applied toward payment of Dividends to Scheme Creditors ranking *pari passu* and rateably in proportion amongst them as determined by the Administrators pursuant to Clauses 5.3 and 5.4 below.
- 5.2 The Administrators may, in their absolute discretion, make a distribution by way of Dividends in specie.
- 5.3 After payment of the money due to governmental and regulatory bodies and the Preferential Claims (if any) in full, the Administrators shall reserve sufficient sum in the Scheme Funds for the payment of all Scheme Costs as approved by the Scheme Creditors' Committee (including anticipated Scheme Costs). As soon as practicable after the

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Effective Date, and from time to time during their administration of the Amended Scheme, the Administrators shall determine the amount of Scheme Funds available for distribution having regard to the reserve required for payment of Scheme Costs and the aggregate amount of Unadmitted Claims. The Administrators shall then pay interim Dividends to Scheme Creditors with Admitted Claims in amounts determined in accordance with Clause 5.4 below.

- 5.4 The Administrators shall set the interim Dividends at a level which will enable them to pay a percentage distribution to the Scheme Creditors with Admitted Claims and at the same time reserve in Scheme Funds an amount equal to the amount which would be required to pay the same Dividends to Creditors with Unadmitted Claims if their Claims were to be admitted in full. As soon as practicable after an Unadmitted Claim becomes an Admitted Claim, the Administrators will distribute to that Scheme Creditor the proportion of that Admitted Claim equal to the proportion paid to all other Scheme Creditors.

6. PAYMENT AND DELIVERY OF DIVIDENDS

- 6.1 All Dividends payable to the Scheme Creditors may be paid by cheque or other generally accepted banking method drawn or made in favour of the relevant Scheme Creditor and may be sent by post (or at the Administrators' discretion by ordinary airmail if posted to an address outside Hong Kong).
- 6.2 Neither the Company nor the Administrators shall be liable to a Scheme Creditor for any loss in transmission of a cheque drawn and sent in accordance with Clause 6.1 above. If a cheque drawn in favour of a Scheme Creditor which is dispatched in accordance with Clause 6.1 above is not encashed within six months of the date of the issuance of the cheque, the Scheme Creditor's entitlement under the Amended Scheme in the amount of such cheque shall cease and determine and the amount thereof shall become Scheme Funds.

7. MEETINGS OF SCHEME CREDITORS

- 7.1 The Administrators may at any time convene a meeting of Scheme Creditors.
- 7.2 The Administrators must convene a meeting of the Scheme Creditors, if requested in writing by either:
- (a) The Scheme Creditors' Committee; or
 - (b) Scheme Creditors, the value of whose Admitted Claims are not less than ten percent of the value of the total Admitted Claims as at the date of the request.
- 7.3 A meeting of the Scheme Creditors shall be deemed to be validly convened and summoned where the Administrators have served a seven days' notice on each of the Scheme Creditors prior to the proposed date of the meeting in accordance with Clause 12.1 of the Amended Scheme, which notice can be waived or abridged by written consent from all the Scheme Creditors.
- 7.4 Subject to Clause 7.3 of the Amended Scheme, and save where it is inconsistent with the terms of the Amended Scheme, meeting of Scheme Creditors pursuant to this Amended

SCHEME OF ARRANGEMENT

Scheme will be convened and held by the Administrators in the manner prescribed by the Hong Kong Companies (Winding-Up) Rules (Cap 32H) for meetings of creditors in a compulsory winding up with such alterations as necessary, including that references to "liquidator" or "Official Receiver" (as the case may be) be read as references to the Administrators.

- 7.5 Meeting of the Scheme Creditors will be convened for the purpose of enabling the Administrators and/or the Scheme Creditors' Committee to ascertain the wishes of the Scheme Creditors on matters concerning the administration of the Amended Scheme. All decisions made at meetings of the Scheme Creditors will only represent the wishes of the Scheme Creditors attending and voting at such meetings and they are not binding upon the Administrators or the Scheme Creditors' Committee in relation to the discharge of their duties or the exercise of their powers under the Amended Scheme.

8. BAR TO FURTHER PROCEEDINGS

- 8.1 All Claims will be discharged and released in full as against the Company as from the Effective Date, and the SchemeCo shall accept and assume an equivalent liability in place of the Company.
- 8.2 From the Effective Date, none of the Creditors shall be entitled to demand or exercise any right 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 property or 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 to wind up the Company based upon its Claim, except as permitted by law.
- 8.3 The transfer of the Scheme Assets to the SchemeCo shall constitute full and final satisfaction of all Claims the Creditors have against the Company and all obligations and liabilities of the Company under the Amended Scheme.

9. TERMINATION OF THE AMENDED SCHEME

- 9.1 The Amended Scheme will terminate and cease to have any effect immediately if Completion does not take place on or before the Long Stop Date. It is likely that the Company will be liquidated and its assets will be disposed of. In this situation, all Claims against the Company will be deemed not to have been released or discharged and all Admitted Claims will be deemed to be the Claims of the Scheme Creditors against the Company admitted for participation in the Company's liquidation in the ordinary course. The Administrators shall transfer the entire shareholding interest in SchemeCo to the liquidators of the Company. The Scheme Creditors will have no claim against SchemeCo and SchemeCo will continue to hold all Scheme Assets on trust for the Company and at the direction of the liquidators of the Company and those Scheme Assets will be available for realisation, the proceeds of which will be available for distribution to the Company's Creditors in the ordinary course of liquidation. Any Dividends or interim Dividends already received by the Scheme Creditors will be deemed to be dividend entitled to be received in the Company's liquidation and will be taken into account in any further dividend distribution in the Company's liquidation in the ordinary course.
- 9.2 If Completion takes place on or before the Long Stop Date, then after all Scheme Assets have been realised, all Dividends have been distributed in accordance with the provisions

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of this Amended Scheme and Administrators have given notice that they are satisfied acting reasonably that the continuation of the Amended Scheme is no longer beneficial to the general body of the Scheme Creditors and the Scheme Creditors' Committee has approved the termination, the Amended Scheme shall be terminated on the date of the Scheme Creditors' Committee's approval or such later date as the Courts may allow on the application of the Company or the Administrators.

- 9.3 The Administrators will give notice of the date of termination of the Amended Scheme to the Scheme Creditors, the Company and the Shareholders as at the Record Date as soon as practicable after its termination. Any residual value of the Amended Scheme shall be distributed to the Shareholders as at the Record Date on a pro-rata basis to their respective shareholdings in the Company as at the Record Date as soon as reasonably practicable following termination of the Amended Scheme.

10. LIABILITY AND INDEMNITY, SCHEME COSTS AND ADMINISTRATORS' REMUNERATION

- 10.1 None of the Administrators, Adjudicators, the members of the Scheme Creditors' Committee or any of their representatives, partners, staff or agents shall incur any personal liability under the terms of the Amended Scheme or otherwise and nothing in this Amended Scheme shall render them personally liable for any Claims or any obligations of SchemeCo.
- 10.2 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 Administrators, the Adjudicators or by any member of the Scheme Creditors' Committee or nominated representatives in accordance with and to implement the provisions of the Amended Scheme or the exercise by any such person in good faith of any power conferred upon it or him for the purposes of the Amended Scheme and no such person shall be liable for any loss of any kind whatsoever unless such loss is attributable to its or his own wilful default, fraud, dishonesty or wilful breach of duty or trust.
- 10.3 From the Effective Date, the Administrators shall be indemnified out of the Scheme Funds against all expenses and against all costs, claims, proceeding expenses, losses, damages and liabilities of any description which may be incurred or suffered by the Administrators in good faith in the performance of their role.
- 10.4 The Administrators are entitled to be remunerated, as Scheme Costs, in respect of any work done by them and any of their partners or employees in connection with the exercise by them of the Administrators' functions or powers or the performance of their duties, obligations and responsibilities under this Amended Scheme.
- 10.5 The Administrators shall be reimbursed, as Scheme Costs, for all expenses and disbursements incurred for the performance or exercise of any of the Administrators' functions and powers on a full indemnity basis, including those of any agents or professional advisors engaged by the Administrators in connection with the Amended Scheme.

SCHEME OF ARRANGEMENT

11. MODIFICATION OF THE AMENDED SCHEME

- 11.1 Prior to the Effective Date, the Vendors, the Subscribers and the Company may by consent make any modifications or additions to the Amended Scheme or any condition which the Courts may see fit to approve or impose.
- 11.2 On or after the Effective Date, the Administrators may at any time, if they consider it expedient and in the interests of the Scheme Creditors to do so and subject to consultation and with the consent of the Scheme Creditors' Committee, apply to the Courts for the purpose of modifying the provisions of the Amended Scheme or obtaining direction from one of the Courts on how to deal with any matters or disputes which may arise in respect of the administration of the Amended Scheme. If the Courts approves a modification to the Amended Scheme or gives a direction in relation to any matter or dispute which may arise in respect of the Amended Scheme, it shall be binding on the Company, the Administrators and the Creditors provided that no further obligations or liabilities should be imposed on the Company and/or the Scheme Subsidiaries and/or the Scheme Creditors and that the Company and/or the Scheme Subsidiaries and/or the Scheme Creditors should not be adversely affected by reason of such modification or direction.

12. GENERAL

12.1 Notice or demand

- (a) Save as otherwise provided in the Amended 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 Administrators, the offices of Deloitte Touche Tohmatsu at 32/F., One Pacific Place, 88 Queensway, Hong Kong (Attention: Ms. SC Wong / Mr. Adrian Chan / Ms. Yvonne Lung) (Email: siowwong@deloitte.com.cn / adrchan@deloitte.com.hk / ylung@deloitte.com.hk) (Fax: +852 2850 8362) or any other address as notified by the Administrators to all Creditors; and
 - (ii) in the case of any of the Scheme Creditors, the Scheme Creditor's address or its fax number as set out in its Notice of Claim for Dividend Purposes; or any other address as notified by the relevant Scheme Creditors.
- (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

SCHEME OF ARRANGEMENT

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. (Hong Kong time) 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. (Hong Kong time) 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.

- 12.2 The Scheme shall operate in accordance with Section 86 of the Cayman Companies Law, Sections 670, 671, 673 and 674 of the Companies Ordinance and such other relevant provisions of the laws of the Cayman Islands and Hong Kong so far as each law is applicable to the statutory implementation of the Amended Scheme. In respect of the administration of the Amended Scheme after the Effective Date, the Scheme Creditors shall submit to the non-exclusive jurisdiction of the Courts in respect of the resolution of their claims.

APPENDIX 1 – ORDERS OF ORIGINATING SUMMONS AND
INTERLOCUTORY SUMMONS

HCMP [*/2016

IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. [*/ OF 2016

IN THE MATTER OF FIRST MOBILE GROUP HOLDINGS LIMITED

IN THE MATTER OF SECTIONS 670, 671, 673 and 674 OF THE COMPANIES ORDINANCE

BEFORE THE HONOURABLE [*/ IN CHAMBERS

ORDER

UPON THE APPLICATION by Originating Summons dated [*/ of the abovenamed First Mobile Group Holdings Limited (the “**Company**”) whose registered office is situate at P.O. Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, KY1-1106, Grand Cayman, Cayman Islands and whose principal place of business is situated at Workshop 6, Level 1, Wah Yiu Industrial Centre, 30-32 Au Pui Wan Street, Fotan, Shatin, New Territories, Hong Kong.

AND UPON HEARING Counsel for the Company.

AND UPON READING the Affidavit of Ng Kok Hong filed herein on [*/ and the exhibits referred thereto respectively.

IT IS ORDERED that the Company DO CONVENE a meeting (the “**Scheme Meeting**”) of the Creditors (as defined in the Scheme of Arrangement hereinafter mentioned) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement under sections 670, 671, 673 and 674 of the Companies Ordinance (Cap. 622) proposed to be made between the Company and such Creditors (the “**Amended Scheme**”).

IT IS FURTHER ORDERED that at least twenty-one (21) clear days before the day appointed for the Scheme Meeting, a notice convening the same and stating that a copy of the printed composite document containing the Amended Scheme and an explanatory statement required to be furnished under section 671 of the Companies Ordinance (Cap. 622) (“**Explanatory Statement**”), together with a form of proxy, can be obtained by any person entitled to attend the Scheme Meeting during usual business hours on any day (other than a Saturday, a Sunday or a public holiday) prior to the day appointed for the Scheme Meeting from the Company (c/o Deloitte Touche Tohmatsu at 32/F., One Pacific Place, 88 Queensway, Hong Kong (Attention: Ms. SC Wong / Mr. Adrian Chan / Ms. Yvonne Lung)) BE INSERTED once in the English language in “[The Standard]” and once in Chinese language in the “[Hong Kong Economic Times]” in Hong Kong.

**APPENDIX 1 – ORDERS OF ORIGINATING SUMMONS AND
INTERLOCUTORY SUMMONS**

AND IT IS FURTHER ORDERED that at least twenty-one (21) clear days before the day appointed for the Scheme Meeting, a copy of the printed composite document containing the Amended Scheme and an Explanatory Statement and enclosing a form of proxy BE SERVED PERSONALLY on each of the Creditors or SENT BY MAIL posted in Hong Kong to each of them as follows:-

- (1) in the case of such Creditors having their last known addresses in Hong Kong or Macau, by prepaid surface mail posted to such addresses; and
- (2) in the case of such Creditors having their last known addresses elsewhere, by prepaid airmail posted to such addresses.

Provided that the accidental omission to serve any Creditor with notice of the Scheme Meeting, or the non-receipt by any Creditor of the notice of the Scheme Meeting shall not invalidate the proceedings at the Scheme Meeting or any resolutions passes thereat.

AND THE COURT HEREBY APPROVES the proposed notice of convening the Scheme Meeting enclosed in Appendix 1 of the Amended Scheme, Annexure 1, the proposed form of proxy (Appendix 1 of the Amended Scheme, Annexure 2) and the proposed notice of convening the Scheme Meeting to be advertised on newspapers in the aforesaid manner (Appendix 1 of the Amended Scheme, Annexure 3).

AND THE COURT HEREBY APPOINTS Mr. Ng Kok Hong, or failing him, Mr. Ng Kok Yang, to act as Chairman of the Scheme Meeting.

AND THE COURT ORDERS that the Chairman do report the results of the Scheme Meeting to the Court.

AND THAT there be liberty to apply generally.

Dated this [*] day of [*] 2016.

Registrar

APPENDIX 1 – ORDERS OF ORIGINATING SUMMONS AND
INTERLOCUTORY SUMMONS

HCMP [*/2016

IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. [*] OF 2016

FIRST MOBILE GROUP HOLDINGS LIMITED

and

IN THE MATTER OF Sections 670, 671, 673 and 674 of
the Companies Ordinance, Chapter 622 of the Laws of
Hong Kong

ORDER

Dated the [*] day of [*] 2016

Filed the [*] day of [*] 2016

[*]
Solicitors for the Company
[*]
Tel : [*]
Fax : [*]

APPENDIX 1 – ORDERS OF ORIGINATING SUMMONS AND
INTERLOCUTORY SUMMONS

Annexure 1

NOTICE OF SCHEME MEETING

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

MISCELLANEOUS PROCEEDINGS NO. [*] OF 2016

IN THE MATTER OF

FIRST MOBILE GROUP HOLDINGS LIMITED (the “Company”)

and

IN THE MATTER OF SECTIONS 670, 671, 673 and 674 OF THE COMPANIES ORDINANCE

and

IN THE GRAND COURT OF THE CAYMAN ISLANDS
CIVIL JURISDICTION
FINANCIAL SERVICES DIVISION
CAUSE NO. [*] OF 2016

IN THE MATTER OF FIRST MOBILE GROUP HOLDINGS LIMITED

and

IN THE MATTER OF SECTION 86 OF THE COMPANIES LAW (2013 REVISION) OF
THE CAYMAN ISLANDS

NOTICE OF SCHEME MEETING

NOTICE IS HEREBY GIVEN that, by an Order dated [*] and an Order dated [*] (together the “Orders”) made in the above matter, the High Court of the Hong Kong Special Administrative Region and the Grand Court of the Cayman Islands (the “Courts”) have directed that a meeting (the “Scheme Meeting”) be convened of the creditors of First Mobile Group Holdings Limited (the “Company”) in respect of their unsecured and non-preferential indebtedness (the “Creditors”) for the purpose of considering and, if thought fit, approving (with or without modification) a creditors’ scheme of arrangement (the “Amended Scheme”) proposed to be made between the Company and the Creditors and that the Scheme Meeting will be held at 35/F., One Pacific Place, 88 Queensway, Hong Kong on [*] at [*] (Hong Kong time) at which place and time all Creditors are requested to attend.

**APPENDIX 1 – ORDERS OF ORIGINATING SUMMONS AND
INTERLOCUTORY SUMMONS**

A copy of a printed composite document containing a copy of the Amended Scheme and a copy of the explanatory statement (the “**Explanatory Statement**”) required to be furnished pursuant to Section 671 of the Companies Ordinance (Chapter 622) of the Laws of Hong Kong and Order 102, rule 20(4)(e) of the Rules of the Grand Court of the Cayman Islands 1995 (Revised Edition), together with a form of proxy can be obtained by any person entitled to attend the Scheme Meeting between the hours of 10:00 a.m. and 4:00 p.m. (Hong Kong time) on any day (excluding Saturday, Sunday or public holiday in Hong Kong) prior to the day appointed for the Scheme Meeting at the office of Deloitte Touche Tohmatsu at 32/F., One Pacific Place, 88 Queensway, Hong Kong (Attention: Ms. SC Wong / Mr. Adrian Chan / Ms. Yvonne Lung) (Email: siowwong@deloitte.com.cn / adrchan@deloitte.com.hk / ylung@deloitte.com.hk) (Fax: + 852 2850 8362).

Each Creditor may vote in person at the Scheme Meeting or he may appoint another person, whether a Creditor of the Company or not, as his proxy to attend and vote in his stead. The form of proxy for use at the Scheme Meeting is available from the address stated above and during the same business hours referred to above. The form of proxy must be lodged with the Company at the address stated above by not later than [*] (Hong Kong time) on [*].

By the Orders, the Courts have appointed Mr. Ng Kok Hong or, failing him, Mr. Ng Kok Yang, a director of the Company, to act as chairman of the Scheme Meeting and have directed the chairman to report the result of the Scheme Meeting to the Courts.

The Amended Scheme will be subject to the subsequent approval of the Courts and to the fulfillment or waiver (as applicable) of the conditions of the Amended Scheme set out in the Explanatory Statement.

Creditors of the Company must submit details of any claim they have against the Company as at [*], in writing, to the address stated above before 2:30 p.m. (Hong Kong time) on [*]. Forms of notice of claim for voting purposes are available from the address stated above.

Dated this [*] day of [*] 2016

First Mobile Group Holdings Limited

**APPENDIX 1 – ORDERS OF ORIGINATING SUMMONS AND
INTERLOCUTORY SUMMONS**

[Chinese translation of Notice of Scheme Meeting which will be done, and certified by the Court Language Section once the English version has been approved by the Court]

**APPENDIX 1 – ORDERS OF ORIGINATING SUMMONS AND
INTERLOCUTORY SUMMONS**

Annexure 2

FORM OF PROXY

FIRST MOBILE GROUP HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

Form of proxy for use at the meeting (or at any adjournment thereof) (the “**Scheme Meeting**”) of creditors of the above mentioned company (the “**Company**”) convened by the direction of the Grand Court of the Cayman Islands and the High Court of the Hong Kong Special Administrative Region (the “**Courts**”) under Section 86 of the Companies Law (2013 Revision) of the Cayman Islands and Sections 670, 671, 673 and 674 of the Companies Ordinance (Chapter 622) of the Laws of Hong Kong.

IN THE MATTER OF

FIRST MOBILE GROUP HOLDINGS LIMITED

FORM OF PROXY

I/We (*Note 1*), _____ of

_____ being a creditor of the Company HEREBY APPOINT (*Note 2*) _____ of

as my/our proxy to act for me/us at the Scheme Meeting convened by direction of the Courts to be held at 35/F., One Pacific Place, 88 Queensway, Hong Kong on [*] at [*] (Hong Kong time) for the purpose of considering and, if thought fit, approving, with or without modification, the proposed scheme of arrangement (the “**Amended Scheme**”) referred to in the notice convening the Scheme Meeting and at such Scheme Meeting, or at any adjournment thereof, to vote for me/us and in my/our name(s) as hereunder indicated for the Amended Scheme either with or without modification (as may be approved/our proxy may approve) or against the Scheme and if no such indication is given, as my/our proxy thinks fit.

I/We confirm that the total amount of the debt claimed by me/us against the Company as at the date of the Scheme Meeting will be (*Note 3*) HK\$ _____.

I/We confirm that the amount claimed by me/us includes capitalised or outstanding uncapitalised interest of (*Note 3*) _____.

Particulars of the grounds upon which interest is claimed (i.e. contract or judgment) and the basis of calculation (e.g. rate of interest and period) are as follows:

Proxy vote (*Note 4*)

**APPENDIX 1 – ORDERS OF ORIGINATING SUMMONS AND
INTERLOCUTORY SUMMONS**

FOR the Amended Scheme		AGAINST the Amended Scheme	
---------------------------	--	-------------------------------	--

Signature _____ Dated _____
(Note 5)

For and on behalf of _____

Notes:

- (1) Full name and address to be inserted in BLOCK CAPITALS.
- (2) Insert the name and address of the proxy desired in the space provided. **Any alteration made to this form of proxy must be initialled by the person who signs it.** The proxy need not be a creditor of the Company but must attend the Scheme Meeting in person to represent you.
- (3) Insert the total amount of the Company's indebtedness to you and the interest thereon (if any) as appropriate as at the date of the Scheme Meeting in Hong Kong Dollars or the original currency of the debt or interest. In the case of a creditor holding any security from the Company, the total amount of the Company's indebtedness stated herein should be the full amount of claims of such creditor before deducting the estimated value of relevant security applying the proceeds of the realisation of such security.

IMPORTANT: The admission of an amount for which a creditor or his proxy can vote at the Scheme Meeting does not constitute the admission by the Administrators (as defined in the Amended Scheme) of the amount for the purposes of the Amended Scheme if approved.

- (4) **IMPORTANT:** If you wish to vote for the Amended Scheme, mark "X" in the box to the right of the box marked "FOR the Amended Scheme". If you wish to vote against the Amended Scheme, mark "X" in the box to the right of the box marked "AGAINST the Amended Scheme". Failure to mark in either box will entitle your proxy to cast your vote at his discretion or abstain. Your proxy will also be entitled to vote at his discretion or abstain on any resolution properly put to Scheme Meeting other than that referred to in the notice convening the Scheme Meeting.
- (5) This form of proxy must be signed by you or your attorney duly authorised in writing or in the case of a company must be either under its common seal or under the hand of an officer or attorney duly authorised.
- (6) You are requested to lodge this form of proxy, together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy thereof, to the Company c/o Deloitte Touche Tohmatsu at 32/F., One Pacific Place, 88 Queensway, Hong Kong (Attention: Ms. SC Wong / Mr. Adrian Chan / Ms. Yvonne Lung) (Email: siowwong@deloitte.com.cn / adrchan@deloitte.com.hk / ylung@deloitte.com.hk) (Fax:

**APPENDIX 1 – ORDERS OF ORIGINATING SUMMONS AND
INTERLOCUTORY SUMMONS**

+852 2850 8362) by not later than 2:30 p.m. (Hong Kong time) on [*], being two business days prior to the date of the Scheme Meeting. Completion and return of this form of proxy will not preclude you from attending the voting in person at the Scheme Meeting, but in such event this form of proxy will be deemed to have been revoked.

APPENDIX 1 – ORDERS OF ORIGINATING SUMMONS AND
INTERLOCUTORY SUMMONS

Annexure 3

FOR NEWSPAPER ADVERTISEMENT

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

MISCELLANEOUS PROCEEDINGS NO. [*] OF 2016

IN THE MATTER OF

FIRST MOBILE GROUP HOLDINGS LIMITED (the “Company”)

and

IN THE MATTER OF SECTIONS 670, 671, 673 and 674 OF THE COMPANIES ORDINANCE

and

IN THE GRAND COURT OF THE CAYMAN ISLANDS
CIVIL JURISDICTION
FINANCIAL SERVICES DIVISION
CAUSE NO. [*] OF 2016

IN THE MATTER OF FIRST MOBILE GROUP HOLDINGS LIMITED

and

IN THE MATTER OF SECTION 86 OF THE COMPANIES LAW (2013 REVISION) OF
THE CAYMAN ISLANDS

NOTICE OF SCHEME MEETING

NOTICE IS HEREBY GIVEN that, by an Order dated [*] and an Order dated [*] (together the “Orders”) made in the above matter, the High Court of the Hong Kong Special Administrative Region and the Grand Court of the Cayman Islands (the “Courts”) have directed that a meeting (the “Scheme Meeting”) be convened of the creditors of First Mobile Group Holdings Limited (the “Company”) in respect of their unsecured and non-preferential indebtedness (the “Creditors”) for the purpose of considering and, if thought fit, approving (with or without modification) a creditors’ scheme of arrangement (the “Amended Scheme”) proposed to be made between the Company and the Creditors and that the Scheme Meeting will be held at 35/F., One Pacific Place, 88 Queensway, Hong Kong on [*] at [*] (Hong Kong time) at which place and time all Creditors are requested to attend.

**APPENDIX 1 – ORDERS OF ORIGINATING SUMMONS AND
INTERLOCUTORY SUMMONS**

**APPENDIX 1 – ORDERS OF ORIGINATING SUMMONS AND
INTERLOCUTORY SUMMONS**

A copy of a printed composite document containing a copy of the Amended Scheme and a copy of the explanatory statement (the “**Explanatory Statement**”) required to be furnished pursuant to Section 671 of the Companies Ordinance (Chapter 622) of the Laws of Hong Kong and Order 102, rule 21(4)(e) of the Rules of the Grand Court of the Cayman Islands 1995 (Revised Edition), together with a form of proxy can be obtained by any person entitled to attend the Scheme Meeting between the hours of 10:00 a.m. and 4:00 p.m. (Hong Kong time) on any day (excluding Saturday, Sunday or public holiday in Hong Kong) prior to the day appointed for the Scheme Meeting at the office of Deloitte Touche Tohmatsu at 32/F., One Pacific Place, 88 Queensway, Hong Kong (Attention: Ms. SC Wong / Mr. Adrian Chan / Ms. Yvonne Lung) (Email: siowwong@deloitte.com.cn / adrchan@deloitte.com.hk / ylung@deloitte.com.hk) (Fax: + 852 2850 8362).

Each Creditor may vote in person at the Scheme Meeting or he may appoint another person, whether a Creditor of the Company or not, as his proxy to attend and vote in his stead. The form of proxy for use at the Scheme Meeting is available from the address stated above and during the same business hours referred to above. The form of proxy must be lodged with the Company at the address stated above by not later than 2:30 p.m. (Hong Kong time) on [*].

By the Orders, the Courts have appointed Mr. Ng Kok Hong or, failing him, Mr. Ng Kok Yang, a director of the Company, to act as chairman of the Scheme Meeting and have directed the chairman to report the result of the Scheme Meeting to the Courts.

The Amended Scheme will be subject to the subsequent approval of the Courts and to the fulfillment or waiver (as applicable) of the conditions of the Amended Scheme set out in the Explanatory Statement.

Creditors of the Company must submit details of any claim they have against the Company as at [*], in writing, to the address stated above before 2:30 p.m. (Hong Kong time) on [*]. Forms of notice of claim for voting purposes are available from the address stated above.

Dated this [*] day of [*] 2016

First Mobile Group Holdings Limited

**APPENDIX 1 – ORDERS OF ORIGINATING SUMMONS AND
INTERLOCUTORY SUMMONS**

Annexure 3

FOR NEWSPAPER ADVERTISEMENT

[Chinese translation of Notice of Scheme Meeting which will be done, and certified by the Court Language Section once the English version has been approved by the Court]

**APPENDIX 1 – ORDERS OF ORIGINATING SUMMONS AND
INTERLOCUTORY SUMMONS**

IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. [*] of 2016

IN THE MATTER OF SECTIONS 15 AND 86 OF THE COMPANIES LAW (2013 REVISION)

AND IN THE MATTER OF FIRST MOBILE GROUP HOLDINGS LIMITED

PETITIONER

**ORDER ON SUMMONS FOR DIRECTIONS
COURT MEETINGS**

UPON THE APPLICATION by Summons for Directions dated [*] issued by First Mobile Group Holdings Limited (the “Company”) whose registered office is situate at P.O. Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, KY1-1106, Grand Cayman, Cayman Islands being heard on [*].

AND UPON READING the Petition, the Summons for Directions, the Affidavit of [*] sworn [*], the Affidavit of [*] sworn [*] and the Affidavit of [*] sworn [*] and the exhibits referred to therein.

AND UPON HEARING [*], Counsel for the Company instructed by [*] of Appleby.

IT IS HEREBY DECLARED THAT:

1. The relevant class of creditors of the Petitioner affected by the proposed Scheme of Arrangement consists of those falling in the definition of “Creditor” in the Scheme Document (as defined below) (the “Scheme Creditors”).

AND IT IS HEREBY ORDERED THAT:

2. The Company be at liberty to convene a meeting of the Scheme Creditors (the “Scheme Meeting”) for the purpose of considering and if thought fit approving a Scheme of Arrangement under Section 86 of the Companies Law (2013 Revision), substantially in the form exhibited as [*] to the [*] Affidavit (the “Scheme Document”), proposed to be made between the Company and the Scheme Creditors (the “Amended Scheme”).
3. ~~The Scheme Meeting be held at a time, date and place in Hong Kong to be determined by the board of directors of the Company.~~
4. The form of notice of the Scheme Meeting in Appendix 2 to the Scheme Document (the “Notice”) be advertised once in English in the South China Morning Post, once in Chinese in the Hong Kong Economic Times and once in English in the Cayman Islands Government Gazette, in each case not less than twenty-one clear days before the Scheme Meeting.

**APPENDIX 1 – ORDERS OF ORIGINATING SUMMONS AND
INTERLOCUTORY SUMMONS**

5. At least twenty-one (21) clear days before the day appointed for the Scheme Meeting, the Company shall cause the Notice, the Scheme Document and a proxy form in substantially the same form as Appendix 4 to the Scheme Document to be served personally on each of the Scheme Creditors or sent by mail posted in Hong Kong to each of them as follows:
- (1) In the case of such Scheme Creditors having their last known addresses in Hong Kong or Macau, by prepaid surface mail posted to such addresses; and
 - (2) In the case of such Scheme Creditors having their last known addresses elsewhere, by prepaid airmail posted to such addresses
- Provided that the accidental omission to serve any Scheme Creditor with notice of the Scheme Meeting, or the non-receipt by any Scheme Creditor of notice of the Scheme Meeting shall not invalidate the proceedings at the Scheme Meeting or any resolutions passes thereat.
6. Mr. Ng Kok Hong or, failing him, Mr. Ng Kok Yang, be appointed Chairman of the Scheme Meeting.
7. The Chairman, within seven days of the Scheme Meeting, swear an affidavit reporting the result of the Scheme Meeting to the Court.
8. The Petition herein be listed to be heard on [*] at [*] or as soon thereafter as is practicable.
9. There be no order as to costs.
10. There be liberty to apply generally.

Dated the [*] day of [*] 2016

Judge of the Grand Court of the Cayman Islands

[*]

This Order was filed by Appleby, Attorneys-at-Law for the Petitioner, whose address for service is Clifton House, 75 Fort Street, P.O. Box 190, Grand Cayman, KY1-1104.

APPENDIX 2 – NOTICE OF SCHEME MEETING

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

MISCELLANEOUS PROCEEDINGS NO. [*] OF 2016

IN THE MATTER OF

FIRST MOBILE GROUP HOLDINGS LIMITED (the “Company”)

and

IN THE MATTER OF SECTIONS 670, 671, 673 and 674 OF THE COMPANIES ORDINANCE

and

IN THE GRAND COURT OF THE CAYMAN ISLANDS
CIVIL JURISDICTION
FINANCIAL SERVICES DIVISION
CAUSE NO. [*] OF 2016

IN THE MATTER OF FIRST MOBILE GROUP HOLDINGS LIMITED

and

IN THE MATTER OF SECTION 86 OF THE COMPANIES LAW (2013 REVISION) OF
THE CAYMAN ISLANDS

NOTICE OF SCHEME MEETING

NOTICE IS HEREBY GIVEN that, by an Order dated [*] and an Order dated [*] (together the “Orders”) made in the above matter, the High Court of the Hong Kong Special Administrative Region and the Grand Court of the Cayman Islands (the “Courts”) has directed that a meeting (the “Scheme Meeting”) be convened of the creditors of First Mobile Group Holdings Limited (the “Company”) in respect of their unsecured and non-preferential indebtedness (the “Creditors”) for the purpose of considering and, if thought fit, approving (with or without modification) a creditors’ scheme of arrangement (the “Amended Scheme”) proposed to be made between the Company and the Creditors and that the Scheme Meeting will be held at 35/F., One Pacific Place, 88 Queensway, Hong Kong on [*] at [*] (Hong Kong time) at which place and time all Creditors are requested to attend.

A copy of a printed composite document containing a copy of the Amended Scheme and a copy of the explanatory statement (the “Explanatory Statement”) required to be furnished pursuant to Section 671 of the Companies Ordinance (Chapter 622) of the Laws of Hong Kong and Order 102, rule 21(4)(e) of the Rules of the Grand Court of the Cayman Islands 1995 (Revised Edition), together with a form of proxy can be obtained by any person entitled to attend the Scheme Meeting between the hours of 10:00 a.m. and 4:00 p.m. (Hong Kong time) on any day (excluding Saturday, Sunday or public holiday in Hong Kong) prior to the day appointed for the Scheme Meeting at the office of Deloitte Touche Tohmatsu at 32/F., One Pacific Place, 88 Queensway,

APPENDIX 2 – NOTICE OF SCHEME MEETING

Hong Kong (Attention: Ms. SC Wong / Mr. Adrian Chan / Ms. Yvonne Lung) (Email: siowwong@deloitte.com.cn / adrchan@deloitte.com.hk / ylung@deloitte.com.hk) (Fax: + 852 2850 8362).

Each Creditor may vote in person at the Scheme Meeting or he may appoint another person, whether a Creditor of the Company or not, as his proxy to attend and vote in his stead. The form of proxy for use at the Scheme Meeting is available from the address stated above and during the same business hours referred to above. The form of proxy must be lodged with the Company at the address stated above by not later than 2:30 p.m. (Hong Kong time) on [*].

By the Orders, the Courts have appointed Mr. Ng Kok Hong or, failing him, Mr. Ng Kok Yang, a director of the Company, to act as chairman of the Scheme Meeting and have directed the chairman to report the result of the Scheme Meeting to the Courts.

The Amended Scheme will be subject to the subsequent approval of the Courts and to the fulfillment or waiver (as applicable) of the conditions of the Amended Scheme set out in the Explanatory Statement.

Creditors of the Company must submit details of any claim they have against the Company as at [*], in writing, to the address stated above before 2:30 p.m. (Hong Kong time) on [*]. Forms of notice of claim for voting purposes are available from the address stated above.

Dated this [*] day of [*] 2016

First Mobile Group Holdings Limited

APPENDIX 2 – NOTICE OF SCHEME MEETING

[Chinese translation of Notice of Scheme Meeting which will be done, and certified by the Court Language Section once the English version has been approved by the Court]

APPENDIX 3 – FORM OF NOTICE OF CLAIM FOR VOTING PURPOSES

IN THE MATTER OF

FIRST MOBILE GROUP HOLDINGS LIMITED

and

IN THE MATTER OF SECTIONS 670, 671, 673 and 674 OF THE COMPANIES
ORDINANCE

and

IN THE MATTER OF SECTION 86 OF THE COMPANIES LAW (2013 REVISION) OF
THE CAYMAN ISLANDS

NOTICE OF CLAIM FOR VOTING PURPOSES

(Note 1)

TO: First Mobile Group Holdings Limited (the “Company”) c/o Deloitte Touche Tohmatsu at 32/F., One Pacific Place, 88 Queensway, Hong Kong (Attention: Ms. SC Wong / Mr. Adrian Chan / Ms. Yvonne Lung) (Email: siowwong@deloitte.com.cn / adrchan@deloitte.com.hk / ylung@deloitte.com.hk)(Fax: 852 2850 8362).

1. Full name of Creditor (to be inserted in BLOCK CAPITALS):

2. Address of registered office of Creditor (to be inserted in BLOCK CAPITALS):

Contact Person: _____

Tel No.: _____ Fax No.: _____

E-mail: _____

3. Total amount of claim as at 29 February 2016 (Notes (2) and (5)):

4. If the total amount above includes capitalised or outstanding uncapitalised interest, please state (Notes (3) and (5)):

Total amount of interest claimed as at 29 February 2016: _____

Whether it is capitalised or uncapitalised: _____

Ground for claim of interest: _____

Basis of calculation: _____

5. Details of any document or facts by reference to which the claim (including interest, if any) can be substantiated and provide copies of relevant documents if not previously provided to the Administrators (Notes (4) and (5)):

APPENDIX 3 – FORM OF NOTICE OF CLAIM FOR VOTING PURPOSES

6. Particulars of any security held, the value of the security and the date on which it was given (*Notes (2) and (5)*):
-

Signature of Creditor or
person authorised to act on its behalf : _____

Name of Creditor in BLOCK LETTERS : _____

Relationship or position of person
authorised to act on behalf of Creditor : _____

Date : _____

Notes:

- (1) The words and expressions used in this Notice of Claim for Voting Purposes shall, except where the context otherwise requires, have the same meanings as ascribed thereto in the Explanatory Statement dated [*].
- (2) Please specify the original currency of the debt if not in Hong Kong Dollars. In the case of a Creditor holding any security or who has received any satisfaction from the Company, such amount should be the amount of the shortfall, if any, after applying the proceeds of the realisation of the security or the amount of such satisfaction or after deducting the estimated value of the security.
- (3) Please specify the original currency if not in Hong Kong Dollars. Please also state the ground on which interest is claimed (i.e. contract or judgment) and the basis of calculation.
- (4) The Company may call for any further document or evidence to substantiate the claim at its discretion.
- (5)
 - (a) Where the space provided for a particular purpose in this Notice of Claim for Voting Purpose is insufficient to contain all the required information in relation to a particular item, that information may be set out in annexure.
 - (b) An annexure to this Notice of Claim for Voting Purpose shall have an identifying mark and be endorsed with the words:-

"This is the annexure of [*] pages marked [*] referred to in the Notice of Claim for Voting Purpose signed by me/us and dated [*] in respect of the Amended Scheme between First Mobile Group Holdings Limited and its Creditors."
 - (c) The pages in an annexure shall be numbered consecutively.
 - (d) Where a document, copy of a document or other evidence is annexed to this Notice of Claim for Voting Purpose, reference made herein to the annexure shall

APPENDIX 3 – FORM OF NOTICE OF CLAIM FOR VOTING PURPOSES

be by its identifying mark, the number of pages in it and a brief description of the nature of the document and its contents.

- (e) Any reference to an annexure herein includes a document, copy of a document or other matter accompanying, attached to or annexed to this Notice of Claim for Voting Purpose.

You are requested to lodge this Notice of Claim for Voting Purpose to First Mobile Group Holdings Limited c/o Deloitte Touche Tohmatsu at 32/F., One Pacific Place, 88 Queensway, Hong Kong (Attention: Ms. SC Wong / Mr. Adrian Chan / Ms. Yvonne Lung) (Email: siowwong@deloitte.com.cn / adrchan@deloitte.com.hk / ylung@deloitte.com.hk) (Fax: +852 2850 8362) by no later than 2:30 p.m. (Hong Kong time) on [*].

APPENDIX 4 – FORM OF PROXY

FIRST MOBILE GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Form of proxy for use at the meeting (or at any adjournment thereof) (the “**Scheme Meeting**”) of creditors of the above mentioned company (the “**Company**”) convened by the direction of the Grand Court of the Cayman Islands and the High Court of the Hong Kong Special Administrative Region (the “**Courts**”) under Section 86 of the Companies Law (2013 Revision) of the Cayman Islands and Sections 670, 671, 673 and 674 of the Companies Ordinance (Chapter 622) of the Laws of Hong Kong.

IN THE MATTER OF

FIRST MOBILE GROUP HOLDINGS LIMITED

FORM OF PROXY

I/We (*Note 1*), _____ of

being a creditor of the Company HEREBY APPOINT (*Note 2*) _____

_____ of _____

as my/our proxy to act for me/us at the Scheme Meeting convened by direction of the Courts to be held at 35/F., One Pacific Place, 88 Queensway, Hong Kong on [*] at [*] (Hong Kong time) for the purpose of considering and, if thought fit, approving, with or without modification, the proposed scheme of arrangement (the “**Amended Scheme**”) referred to in the notice convening the Scheme Meeting and at such Scheme Meeting, or at any adjournment thereof, to vote for me/us and in my/our name(s) as hereunder indicated for the Amended Scheme either with or without modification (as may be approved/our proxy may approve) or against the Amended Scheme and if no such indication is given, as my/our proxy thinks fit.

I/We confirm that the total amount of the debt claimed by me/us against the Company as at the date of the Scheme Meeting will be (*Note 3*) HK\$ _____.

I/We confirm that the amount claimed by me/us includes capitalised or outstanding uncapitalised interest of (*Note 3*) _____.

Particulars of the grounds upon which interest is claimed (i.e. contract or judgment) and the basis of calculation (e.g. rate of interest and period) are as follows:

Proxy vote (*Note 4*)

APPENDIX 4 – FORM OF PROXY

FOR the Amended Scheme		AGAINST the Amended Scheme	
---------------------------	--	-------------------------------	--

Signature _____
(Note 5)

Dated _____

For and on behalf of _____

Notes:

- (1) Full name and address to be inserted in BLOCK CAPITALS.
- (2) Insert the name and address of the proxy desired in the space provided. **Any alteration made to this form of proxy must be initialled by the person who signs it.** The proxy need not be a creditor of the Company but must attend the Scheme Meeting in person to represent you.
- (3) Insert the total amount of the Company's indebtedness to you and the interest thereon (if any) as appropriate as at the date of the Scheme Meeting in Hong Kong Dollars or the original currency of the debt or interest. In the case of a creditor holding any security from the Company, the total amount of the Company's indebtedness stated herein should be the full amount of claims of such creditor before deducting the estimated value of relevant security applying the proceeds of the realisation of such security.

IMPORTANT: The admission of an amount for which a creditor or his proxy can vote at the Scheme Meeting does not constitute the admission by the Administrators (as defined in the Amended Scheme) of the amount for the purposes of the Amended Scheme if approved.

- (4) **IMPORTANT:** If you wish to vote for the Amended Scheme, mark "X" in the box to the right of the box marked "FOR the Amended Scheme". If you wish to vote against the Amended Scheme, mark "X" in the box to the right of the box marked "AGAINST the Amended Scheme". Failure to mark in either box will entitle your proxy to cast your vote at his discretion or abstain. Your proxy will also be entitled to vote at his discretion or abstain on any resolution properly put to Scheme Meeting other than that referred to in the notice convening the Scheme Meeting.
- (5) This form of proxy must be signed by you or your attorney duly authorised in writing or ~~in the case of a company must be either under its common seal or under the hand of an officer or attorney duly authorised.~~
- (6) You are requested to lodge this form of proxy, together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy thereof, to the Company c/o Deloitte Touche Tohmatsu at 32/F., One Pacific Place, 88 Queensway, Hong Kong (Attention: Ms. SC Wong / Mr. Adrian Chan / Ms. Yvonne Lung) (Email: siewwong@deloitte.com.cn / adrchan@deloitte.com.hk / ylung@deloitte.com.hk)(Fax:

APPENDIX 4 – FORM OF PROXY

+852 2850 8362) by not later than 2:30 p.m. (Hong Kong time) on [*], being two business days prior to the date of the Scheme Meeting. Completion and return of this form of proxy will not preclude you from attending the voting in person at the Scheme Meeting, but in such event this form of proxy will be deemed to have been revoked.

APPENDIX 5 – FORM OF NOTICE OF CLAIM FOR DIVIDEND PURPOSES

IN THE MATTER OF

FIRST MOBILE GROUP HOLDINGS LIMITED
and

IN THE MATTER OF SECTIONS 670, 671, 673 and 674 OF THE COMPANIES
ORDINANCE

and

IN THE MATTER OF SECTION 86 OF THE COMPANIES LAW (2013 REVISION) OF
THE CAYMAN ISLANDS

NOTICE OF CLAIM FOR DIVIDEND PURPOSES

(Note 1)

TO: The Administrators of First Mobile Group Holdings Limited (the "Company") c/o
Deloitte Touche Tohmatsu at 32/F., One Pacific Place, 88 Queensway, Hong Kong
(Attention: Ms. SC Wong / Mr. Adrian Chan / Ms. Yvonne Lung) (Email:
siowwong@deloitte.com.cn / adrchan@deloitte.com.hk / ylung@deloitte.com.hk)

1. Full name of Creditor (to be inserted in BLOCK CAPITAL):

2. Address of registered office of Creditor (to be inserted in BLOCK CAPITAL):

Contact Person: _____

Tel No.: _____ Fax No.: _____

E-mail: _____

3. Total amount of claim as at the Effective Date (i.e. [*]) (Notes (2) and (5)):

4. If the total amount above includes capitalised or outstanding uncapitalised interest, please
state (Notes (3) and (5)):

Total amount of interest claimed as at the Effective Date: _____

Whether it is capitalised or uncapitalised: _____

Ground for claim of interest: _____

Basis of calculation: _____

5. Details of any document or facts by reference to which the claim (including interest, if
any) can be substantiated and provide copies of relevant documents if not previously
provided to the Administrators (Notes (4) and (5)):

APPENDIX 5 – FORM OF NOTICE OF CLAIM FOR DIVIDEND PURPOSES

6. Particulars of any security held, the value of the security and the date on which it was given (Notes (2) and (5)):
-

Signature of Creditor or
person authorised to act on its behalf : _____

Name of Creditor in BLOCK LETTERS : _____

Relationship or position of person
authorised to act on behalf of Creditor : _____

Date : _____

Notes:

- (1) The words and expressions used in this Notice of Claim for Dividend Purposes shall, except where the context otherwise requires, have the same meanings as ascribed thereto in the Scheme of Arrangement attached to the Explanatory Statement dated [*].
- (2) Please specify the original currency of the debt if not in Hong Kong Dollars. In the case of a Creditor holding any security or who has received any satisfaction from the Company, such amount should be the amount of the shortfall, if any, after applying the proceeds of the realisation of the security or the amount of such satisfaction or after deducting the estimated value of the security.
- (3) Please specify the original currency if not in Hong Kong Dollars. Please also state the ground on which interest is claimed (i.e. contract or judgment) and the basis of calculation.
- (4) The Administrators may call for any further document or evidence to substantiate the claim at its discretion.
- (5)
 - (a) Where the space provided for a particular purpose in this Notice of Claim for Dividend Purpose is insufficient to contain all the required information in relation to a particular item, that information may be set out in annexure.
 - (b) An annexure to this Notice of Claim for Dividend Purpose shall have an identifying mark and be endorsed with the words:-

"This is the annexure of [*] pages marked [*] referred to in the Notice of Claim for Dividend Purpose signed by me/us and dated [*] in respect of the Amended Scheme of Arrangement between First Mobile Group Holdings Limited and its Creditors."
 - (c) The pages in an annexure shall be numbered consecutively.
 - (d) Where a document, copy of a document or other evidence is annexed to this Notice of Claim for Dividend Purpose, reference made herein to the annexure

APPENDIX 5 – FORM OF NOTICE OF CLAIM FOR DIVIDEND PURPOSES

shall be by its identifying mark, the number of pages in it and a brief description of the nature of the document and its contents.

- (e) Any reference to an annexure herein includes a document, copy of a document or other matter accompanying, attached to or annexed to this Notice of Claim for Dividend Purpose.

APPENDIX 6 – LISTS OF RETAINED SUBSIDIARIES AND SCHEME SUBSIDIARIES

Part 1**Disposed Group**

Name	Place of Incorporation
Mobile Distribution Limited	Hong Kong
eTouch Mobile Pvt. Ltd.	India
PT Comworks Indonesia	Indonesia
Multi Brand Telecom Services Trade Company Limited	Vietnam
Marzo Holdings Limited	British Virgin Islands
Distinct Elite Limited	British Virgin Islands
Matrix Star Limited	Hong Kong
Value Day Limited	British Virgin Islands
Calibro Global Limited	British Virgin Islands

APPENDIX 6 – LISTS OF RETAINED SUBSIDIARIES AND SCHEME SUBSIDIARIES

Part 2**Scheme Subsidiaries**

Name	Place of Incorporation
E-Tech Resources Limited	British Virgin Islands
First Telecom International Limited	Hong Kong
First Asia Mobile, Inc.	Philippines
Evertech (H.K.) Limited	Hong Kong
Starcom Pacific Limited	British Virgin Islands
First E-Pro Limited	Hong Kong
FirstNet.Com Limited	Hong Kong
Unitech Pacific Limited	British Virgin Islands
First Mobile Group Corporation Bhd.	Malaysia
First Mobile Group Sdn. Bhd.	Malaysia
Exquisite Model Sdn. Bhd.	Malaysia
Mobile Distribution (M) Sdn. Bhd.	Malaysia
3Tribes Sdn. Bhd.	Malaysia
Retail World Sdn. Bhd.	Malaysia
Asia Electronic Transaction (M) Sdn. Bhd.	Malaysia
Mobile Village Sdn. Bhd.	Malaysia
Digital Visage Sdn. Bhd.	Malaysia
Quick Palm (M) Sdn. Bhd.	Malaysia
Rembang Perangsang Sdn. Bhd.	Malaysia
Splendid Hitech Sdn. Bhd.	Malaysia
Seriwan Investments Limited	British Virgin Islands
Tristar Communication Sdn. Bhd.	Malaysia
Ascent Ever Investment Limited	British Virgin Islands
Domain Communication Sdn. Bhd.	Malaysia
Tradebest International Limited	British Virgin Islands

APPENDIX 6 – LISTS OF RETAINED SUBSIDIARIES AND SCHEME SUBSIDIARIES

Mobile City (Macau) Limited	Macau
Name	Place of Incorporation
3G Mobile City (Singapore) Pte. Ltd.	Singapore
3G Mobile City Limited	Hong Kong
First Telecom USA Corp.	United States
FirstCom FZE	Dubai
Powercom (Hong Kong) Ltd.	Hong Kong
Mobile Concept Limited	Hong Kong
Oriental Corp International Limited	Hong Kong
Com Works (Taiwan) Limited	Taiwan
First Advance Limited	Hong Kong
FT Distribution UK Ltd.	United Kingdom
First Mobile Limited	Hong Kong
FPX Asia Limited	Hong Kong
FMG Direct Limited	British Virgin Islands
FMG Investments Singapore Pte. Ltd.	Singapore
Contact Mobile Pte. Ltd.	Singapore
Generation Mobile Pte. Ltd.	Singapore
Starchoice Resources Pte. Ltd.	Singapore
Notting Hill Technology Limited	British Virgin Islands
Precision SARL	France
Mobileperformances SARL	France
Asia Electronics Financial Transaction Holdings Limited	Hong Kong
Mobile Concept International Limited	Taiwan
First Summit (Taiwan) Limited	Taiwan
Mobile Concept (Macau) Limited	Macau
East-Tel International Limited	Hong Kong

APPENDIX 6 – LISTS OF RETAINED SUBSIDIARIES AND SCHEME SUBSIDIARIES

First Mobile Electronic Solutions	Philippines
Mobile Distribution Inc.	Philippines
Name	Place of Incorporation
Lets Do Mobile Philippines Inc.	Philippines
Cellular Distributors and Connectivity, Inc.	Philippines
IQ Mobile Holdings Limited	British Virgin Island
Mobile Payment Solution Limited	Philippines
Totally Enhanced Mobile Solutions Corporation	Philippines
Chartpower Holdings Limited	British Virgin Island
Epsilon Investment Holdings Limited	Hong Kong
First Mobile India Private Limited	India
First Mobile Vietnam Co., Ltd.	Vietnam

APPENDIX 7 – LIST OF CREDITORS

List of Creditors who may be entitled to vote at the Scheme Meeting prepared on the basis of information available to the Company as at the Latest Practicable Date

Unsecured Creditors

Name of Creditors	Address
Affin Bank Berhad	Menara AFFIN 80, Jalan Raja Chulan 50200 Kuala Lumpur
Alliance Bank Malaysia Berhad	36 th Floor, Menara Multi-Purpose Capital Square 8 Jalan Munshi Abdullah 50100 Kuala Lumpur
AmBank (M) Berhad	Level 22, Bangunan Ambank Group Jalan Raja Chulan 50200 Kuala Lumpur
Bangkok Bank Public Company Limited, Hong Kong Branch	28 Des Voeux Road Central Hong Kong
Bank Muamalat Malaysia Berhad	4 th Floor, Menara Bumiputra 21 Jalan Melaka 50100 Kuala Lumpur
CIMB Bank Berhad	Level 14A, Main Office Tower Financial Park Labuan 87000 Labuan
CITIC Bank International Limited	18 th Floor, Somerset House Taikoo Place 979 King's Road Quarry Bay, Hong Kong
DBS Bank (Hong Kong) Limited	11 th Floor, the Center 99, Queen's Road Central, Hong Kong
EON Bank Berhad	Lot 43, Jalan USJ 10/1G 47500 Subang Jaya Malaysia
IFA Corporate Limited	15/F, 80 Gloucester Road, Wan Chai, Hong Kong
Korea Trade Insurance Corporation	136 Seorin-dong Jongno-gu Seoul 110-729 Korea

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Malayan Banking Berhad	Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur
Malayan Banking Berhad, Hong Kong Branch	21 st Floor, Man Yee Building 68 Des Voeux Road Central, Hong Kong
Maybank Philippines Inc.	Legaspi Towers 300 Roxas Boulevard Philippines
Maples & Calder	53 rd Floor, The Center 99 Queen's Road Central Hong Kong
OCBC Bank (Malaysia) Berhad	17 th Floor, Menara OCBC 18 Jalan Tun Perak 50050 Kuala Lumpur
PriceWaterhouseCoopers	20/F, Prince's Building Central, Hong Kong
Public Bank (Hong Kong) Limited	Public Bank Centre, 9/F 120 Des Voeux Rd. C. Central, Hong Kong
Raiffeisen Zentralbank Osterreich Aktiengesellschaft, Singapore Branch	One Raffles Quay #38-01 North Tower Singapore 048583
RHB Bank Berhad	Level 6, Tower Two RHB Centre Jalan Tun Razak 50400 Kuala Lumpur
Standard Chartered Bank Malaysia Berhad	Level 16 Menara Standard Chartered 30 Jalan Sultan Ismail 50250 Kuala Lumpur
The Hongkong and Shanghai Banking Corporation Limited	Level 31, HSBC Main Building 1 Queen's Road Central Hong Kong
Vigers Appraisal & Consulting Limited	10/F, The Grande Building 398 Kwun Tong Road Kwun Tong Kowloon, Hong Kong
Zhonghui Anda CPA Limited	Unit 701-3 & 8 Citicorp Centre

APPENDIX 7 – LIST OF CREDITORS

	18 Whitfield Road Causeway Bay, Hong Kong
Equity Financial Press Limited	2/F 100 QRC 100 Queen's Road Central Central, Hong Kong
GenNex Financial Media Limited	9/F Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong
Brandt Chan & Partners	Suite 3201 Jardine House 1 Connaught Place Central Hong Kong
International Corporation Services Limited	KY1-1106 2nd Flr Harbour Place 103 South Church St, George Town Grand Cayman Cayman Islands
OSK Capital Hong Kong Limited	11th Floor Hip Shing Hong Centre 55 Des Voeux Road Central Hong Kong
RBC Corporate Services Hong Kong Limited	51st floor Central Plaza 18 Harbour Road Wanchai, Hong Kong
Tricor Abacus Limited	Level 22 Hopewell Centre 183 Queen's Road East Hong Kong
Reorient Financial Markets Limited	Suites 3201-3204 One Exchange Square HK 8 Connaught Place, Central Hong Kong
Deheng Law Firm Shenzhen Office	Anlian Plaza No.4018 Jintian Road Futian District Shenzhen Guangdong Province People's Republic of China
CCID Consulting Co., Ltd.	10/F CCID Plaza No.66 Zizhuyuan Road Haidian District, Beijing People's Republic of China



DUPLICATE

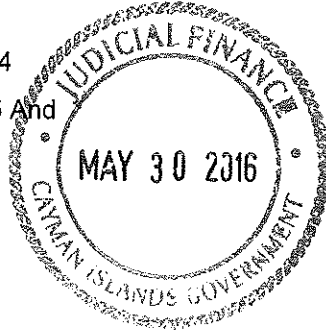
Cayman Islands Judicial Administration

Received From: Appleby
P.O. Box 190
George Town, GC KY1-1104

Date: 05/30/2016
Receipt #: 245991
Clerk: Bethany_ju

Paying for: In The Matter Of Section 15 And
Transaction Type: Payment
Payment Type: CI cheque 5,000.00
Total Paid: \$5,000.00

Reference #: BOB # 074395-US CK
Comment: Petition



Case #	Caption	Previous Balance	Amount Paid	Balance Due
FSD0074/2016	In The Matter Of Section 15 And 86 Of The Companies Law v. First Mobile Group Holding Limited	\$5,000.00	\$5,000.00	\$0.00
Total Cases:	1	\$5,000.00	\$5,000.00	\$0.00