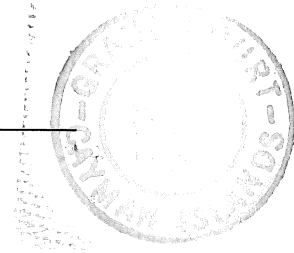
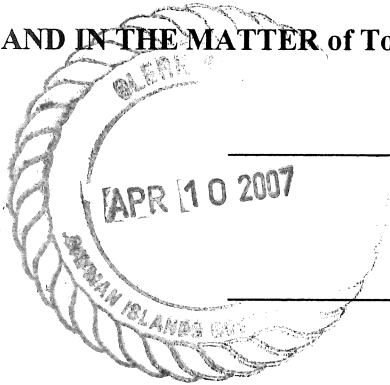


IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 143 OF 2007

IN THE MATTER of The Companies Law (2004 Revision)

AND IN THE MATTER of Tom Online Inc.



**PETITION**

TO: The Grand Court

**THE HUMBLE PETITION** of Tom Online Inc. c/o Maples and Calder, PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands (hereinafter called the "**Company**") SHEWETH as follows:

- 1 The objects of this petition are to seek:
  - (a) the sanction of the Court pursuant to section 86 of the Companies Law (2004 Revision) to a proposed Scheme of Arrangement (the "**Scheme**") between the Company and the holders of the Scheme Shares, as defined in the Scheme and as set out at paragraphs 10 and 11 below; and
  - (b) the confirmation of the Court, pursuant to section 16 of the Companies Law (2004 Revision), of the intended resolution of the Company's shareholders to reduce the Company's share capital to give effect to the Scheme, which is intended to be passed by the Company's shareholders as a special resolution on or about 8 June 2007, as further set out at paragraph 15 below.

A copy of the Scheme is annexed to this Petition by way of Schedule.

- 2 On 28 August 2001 the Company was incorporated with the name PC Rock Industry Limited as an exempted company limited by shares pursuant to the Companies Law (2001 Revision). On 21 August 2003 the Company changed its name from PC Rock Industry Limited to its current name. The registered office of the Company is and has always been situate at PO Box 309GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands. The Company's principal place of business in Hong Kong is 48<sup>th</sup> Floor, The Center, 99 Queen's Road Central, Central, Hong Kong, and its principal place of business in the People's Republic of China is 8<sup>th</sup> Floor, Tower W3, Oriental Plaza, No. 1 Dong Chang An Avenue, Dong Cheng District, Beijing 100738, People's Republic of China.
- 3 The objects for which the Company was established are unrestricted, and generally to carry out the objects more particularly described in its Restated Memorandum of Association. The Company's principal business activity is the provision of wireless value-added multi-media products and services in the People's Republic of China.
- 4 The authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 ordinary shares of a par value of HK\$0.01 each. As at the date hereof 4,259,654,528 shares have been issued and are fully paid or credited as fully paid. Since March 2004 the issued shares in the Company have been listed and traded on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "**HK Stock Exchange**") and quoted on NASDAQ Stock Market in the form of American depository shares (the "**ADSs**") issued by Citibank N.A., a U.S. national banking association and the depository of the ADSs.
- 5 As at the date hereof, there are no outstanding warrants to subscribe for shares in the Company. There is, however, a large number of outstanding share options in issue, which are (or will be when they have been vested) convertible into shares in the Company (the "**Outstanding Share Options**"). The Outstanding Share Options do not form part of the Scheme, as explained further at paragraph 9 below.

6 The profile of the Company's shareholders, as at the date hereof, is as follows:

- (a) TOM Group Limited ("**TOM**") is the majority shareholder and the legal owner of 2,800,000,000 shares, representing approximately 65.733% of the Company's issued shares.
- (b) Cranwood Company Limited, a company incorporated in the Republic of Liberia and wholly-owned by Ms. Chau Hoi Shuen ("**Cranwood**"), is the legal and/or beneficial owner of 203,984,001 shares, representing approximately 4.7887% of the Company's issued shares. Ms. Chau, through Cranwood, also controls Handel International Limited ("**Handel**") and Schumann International Limited ("**Schumann**"), both of which are incorporated in the British Virgin Islands, and, collectively, are the beneficial owners of 8,974,117 shares, representing approximately 0.2107% of the Company's issued shares.
- (c) Devine Gem Management Limited, a company incorporated in the British Virgin Islands and indirectly wholly-owned by Ms. Chau Hoi Shuen ("**Devine Gem**"), is the legal and/or beneficial owner of 212,930,335 shares, representing approximately 4.999% of the Company's issued shares.
- (d) Romefield Limited, a company incorporated in the British Virgin Islands ("**Romefield**"), is the legal owner of 4,763,411 shares, representing approximately 0.112% of the Company's issued shares.
- (e) Easterhouse Limited, a company incorporated in the British Virgin Islands ("**Easterhouse**"), is the legal owner of 9,526,833 shares, representing approximately 0.224% of the Company's issued shares.
- (f) Ms. Angela Mak is an executive director of TOM and a non-executive director of the Company. Ms. Mak is the legal and/or beneficial owner of 2,508 shares, representing approximately 0.0000006% of the Company's issued shares. Ms. Mak will be donating all of her shares to a charitable body prior to the Court Meeting to approve the Scheme.

- (g) Aside from the shares that the entities listed above are interested in, as at the date hereof there are an additional 1,019,473,323 shares in the Company registered in the names of 2,674 independent shareholders, representing 23.928% of the Company's issued shares.
- (h) HKSCC Nominees Limited ("**HKSCC**") has 1,031,943,838 shares registered in its name. HKSCC acts as a common nominee in respect of securities held through the Central Clearing and Settlement System depository in Hong Kong.
- (i) Citibank N.A., as the depository of the ADSs, is beneficially entitled to certain shares registered in HKSCC's name. The ultimate beneficial owners of these shares are the entities in whose name the ADSs have been issued. Each ADS represents a beneficial interest in 80 shares in the Company.
- (j) If any Outstanding Share Options are exercised between the date hereof and the date the Scheme is sanctioned, the number of shareholders and the number of issued shares in the Company will increase accordingly.

7 Under The Code on Takeovers and Mergers of Hong Kong (the "**Takeovers Code**"), each of Cranwood, Handel, Schumann, Devine Gem, Romefield, Easterhouse and Ms. Mak are deemed to be parties acting in concert with TOM in connection with the implementation of the Scheme (the "**Concert Parties**"). The Takeovers Code prevents such Concert Parties from voting at the Court Meeting to approve the Scheme should they be included within the class of shareholders affected by the Scheme. TOM, Cranwood, Handel, Schumann and Devine Gem do not hold Scheme Shares.

8 In addition to the Concert Parties named in paragraph 7 herein, Mr. Wang Lei Lei, a non executive director of TOM and an executive director of the Company, being the holder of Outstanding Share Options that, if exercised in their entirety (to the extent that they have been vested), would result in him becoming the registered holder of shares representing approximately 2.044% of the Company's issued share capital, will be added to the list of Concert Parties should he exercise any of his Outstanding Share Options prior to the sanction of the Scheme.

- 9 The Outstanding Share Options will be dealt with by a related offer to be made to the holders thereof, which will be made in accordance with the Takeovers Code and the terms of issue of the Outstanding Share Options, and therefore they do not form part of the Scheme. Any Outstanding Share Options that are exercised before the designated date for the purpose of determining the entitlements of Scheme Shareholders and holders of Outstanding Share Options (the "**Record Date**") will result in the issue of shares in the Company that will be subject to the Scheme, and any Outstanding Share Options that are not exercised before the Record Date, subject to the Scheme becoming effective, will lapse in accordance with their terms of issue. If the Scheme is not sanctioned, any Outstanding Share Options will remain unaffected and will continue to be dealt with by the Company and the holders of such securities in accordance with their terms of issue.
- 10 The object of the Scheme is for the Company to become wholly owned by TOM, Cranwood, Handel, Schumann and Devine Gem, following which the Company will apply to the HK Stock Exchange for the withdrawal of the listing of its shares, and the withdrawal of the listing of the ADSs on NASDAQ. This will be achieved by:
- (a) the Company reducing its share capital by the cancellation and extinguishment of all its issued shares other than those of which that are legally and/or beneficially owned by TOM, Cranwood, Handel, Schumann and Devine Gem (the "**Scheme Shares**");
  - (b) the Company, forthwith upon the said share capital reduction taking effect, increasing its share capital to its former amount by the issue of the same number of new shares to TOM (or to a subsidiary of TOM as TOM may direct) as the number of Scheme Shares cancelled and extinguished; and
  - (c) the Company applying the credit arising in its books of account as a result of the share capital reduction in paying up in full at par the newly issued shares.
- 11 In consideration for the cancellation and extinguishment of the Scheme Shares, TOM will pay or cause to be paid to holders of Scheme Shares HK\$1.52 for each Scheme Share.

12 The Company intends to make an application for directions herein for an order that, amongst other things:

- (a) the Company be at liberty to convene a meeting of the holders of the Scheme Shares (the "**Court Meeting**") for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;
- (b) directions as to the mode of delivery of an explanatory memorandum and proxy form to the holders of Scheme Shares; and
- (c) the appointment of a chairman of the Court Meeting, and for directions that the chairman should report the result of such Court Meeting to the Court.

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

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

14 Article 63(b) of the Company's Articles of Association provides that the Company may, by special resolution, reduce its share capital in any manner authorised and subject to any conditions prescribed by the Companies Law (as revised from time to time).

15 The Company intends to convene an Extraordinary General Meeting ("**EGM**") to take place immediately after the Court Meeting. The special resolution intended to be submitted to the EGM is as follows:

*"THAT:*

- (A) *the scheme of arrangement dated [ ] (the "Scheme") between the Company and the holders of Scheme Shares (as defined in the Scheme) in the form of the print thereof which has been produced to this meeting and, for the purposes of identification, signed by the chairman of this meeting, subject to any modifications, additions or conditions as may be approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved;*
- (B) *for the purpose of giving effect to the Scheme, on the Effective Date (as defined in the Scheme):*
  - (i) *the issued share capital of the Company shall be reduced by canceling and extinguishing the Scheme Shares;*

(ii) *subject to and forthwith upon such reduction of capital taking effect, the share capital of the Company will be increased to its former amount by the issue of the same number of ordinary shares of HK\$0.01 each in the capital of the Company as is equal to the number of Scheme Shares cancelled and extinguished; and*

(iii) *the Company shall apply the credit arising in its books of account as a result of such capital reduction in paying up in full at par the new ordinary shares of HK\$0.01 each in the capital of the Company issued, and credited as fully paid, to TOM Group Limited ("TOM") or to a subsidiary of TOM as TOM may direct.*

(C) *the directors of the Company be and are hereby authorised to do all acts and things considered by them to be necessary or desirable in connection with the implementation of the Scheme, including (without limitation) the giving of consent to any modification of, or addition to, the Scheme, which the Grand Court of the Cayman Islands may see fit to impose."*

16 The reduction of the Company's share capital intended to be effected by the said special resolution would neither involve the diminution of liability in respect of any unpaid share capital nor the payment to any shareholder of any paid up capital.

17 The form of minute proposed to be registered is as follows:

*"The share capital of TOM Online Inc. was by virtue of a special resolution of the Company dated [ ] 2007 (the "Special Resolution") and with the confirmation of an order of the Grand Court of the Cayman Islands dated [ ] 2007 (the "Order") reduced from HK\$[ ] represented by an authorised share capital of HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each (of which [ ] shares had been issued and fully paid) to HK\$[ ] represented by an authorised share capital of HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each (of which [ ] have been issued and fully paid). The Special Resolution further provides that subject to and forthwith upon such reduction of capital taking effect, the share capital of the Company be increased to its former amount of HK\$[ ] by the issue of [ ] shares of HK\$0.01 each.*

*By virtue of a Scheme of Arrangement sanctioned by an order of the Grand Court of the Cayman Islands dated [ ] 2007, the Order and the Special Resolution, the capital of the Company at the time of the registration of this minute is accordingly HK\$[ ] divided into [ ] shares of HK\$0.01 each."*

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

1 That the Scheme be sanctioned by the Court so as to be binding on the Company and the holders of the Scheme Shares.

- 2 That the reduction of the share capital of the Company proposed to be affected by special resolution set out in paragraph 15 above may be confirmed and that the abovementioned minute may be approved by the Court.
- 3 That, to this end, all necessary inquiries may be made and directions may be made and given.
- 4 Such further or other relief as the Court shall see fit.

And your Petitioner will pray etc.

Dated this 10<sup>th</sup> day of April 2007

  
\_\_\_\_\_  
MAPLES and CALDER

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

#### **ENDORSEMENT**

This Petition has been presented to the Grand Court of the Cayman Islands on the 10<sup>th</sup> day of April 2007 and will be heard by the Grand Court of the Cayman Islands on the 27<sup>th</sup> day of June 2007 at            o'clock in the fore/after noon (or as soon thereafter as the Petition can be heard).

This Petition was presented by Maples and Calder whose address for service is PO Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, Attorney for the Petitioner. (CDM/303552/11396903)

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**SCHEME OF ARRANGEMENT**

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**IN THE GRAND COURT OF THE CAYMAN ISLANDS**

**CAUSE NO: [•] OF 2007**

**IN THE MATTER OF**

**TOM ONLINE INC.**

**and**

**IN THE MATTER OF SECTION 86 OF  
THE COMPANIES LAW CAP. 22 (LAW 3 OF 1961)  
as consolidated and revised of the Cayman Islands**

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**SCHEME OF ARRANGEMENT**

**between**

**TOM ONLINE INC.**

**and**

**THE HOLDERS OF THE SCHEME SHARES (as defined herein)**

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**PRELIMINARY**

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(A) In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the meanings respectively set opposite them:

"ADSs"	the American depository shares of the Company, which are issued by Citibank N.A. and quoted on NASDAQ, each representing ownership of 80 Shares;
"Companies Law"	the Companies Law Cap. 22 (Law 3 of 1961), as consolidated and revised of the Cayman Islands;
"Company"	TOM Online Inc., a company incorporated in the Cayman Islands with limited liability, the shares of which are currently listed on GEM;
"Court Meeting"	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme will be voted upon (or any adjournments thereof);
"Cranwood"	Cranwood Company Limited, a company incorporated in the Republic of Liberia and wholly-owned by Ms. Chau Hoi Shuen;

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## SCHEME OF ARRANGEMENT

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"Devine Gem"	Devine Gem Management Limited, a company incorporated in the British Virgin Islands which is indirectly wholly-owned by Ms. Chau Hoi Shuen;
"Easterhouse"	Easterhouse Limited, a company incorporated in the British Virgin Islands;
"Effective Date"	the date on which this Scheme becomes effective in accordance with Clause 6 of this Scheme;
"Excluded Party"/ "Excluded Parties"	Scheme Shareholder(s) who are presumed to be parties acting in concert with TOM in relation to the Share Proposal under the Takeovers Code, which at the Latest Practicable Date were Romefield, Easterhouse and Mr Wang Lei Lei (if he exercises any Outstanding Share Options and becomes a Scheme Shareholder);
"Explanatory Memorandum"	an explanatory memorandum set out in Part VIII of the Scheme Document and issued in compliance with the Rules of the Grand Court;
"GEM"	the Growth Enterprise Market of the Stock Exchange;
"Grand Court"	Grand Court of the Cayman Islands;
"Handel"	Handel International Limited, a company incorporated in the British Virgin Islands which is owned as to 95% by Cranwood;
"HK\$"	Hong Kong dollar(s), the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Latest Practicable Date"	[●], being the latest practicable date for the purposes of ascertaining certain information contained therein;
"NASDAQ"	The NASDAQ Stock Market, Inc. in the United States of America;
"Outstanding Share Options"	the outstanding share options granted under the Pre-IPO Share Option Plan and Share Option Scheme;
"PRC"	the People's Republic of China;
"Pre-IPO Share Option Plan"	the Pre-IPO Share Option Plan adopted by the Company on 12 February 2004;
"Record Date"	[●] a.m./p.m. (Hong Kong time) on [●], 2007, or such other time and date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders and the holders of Outstanding Share Options;

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## SCHEME OF ARRANGEMENT

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"Register"	the register of members of the Company;
"Romefield"	Romefield Limited, a company incorporated in the British Virgin Islands;
"Scheme"	this scheme of arrangement between the Company and the Scheme Shareholders in its present form or with or subject to any modifications, additions or conditions which the Grand Court may approve or impose;
"Scheme Document"	the document dated [●] April 2007 sent by the Company to the Shareholders in connection with this Scheme and the Proposal;
"Scheme Shareholder(s)"	Shareholder(s) of the Company other than TOM, Cranwood, Handel, Schumann and Devine Gem;
"Scheme Shares"	all the Shares held by the Scheme Shareholders as at the Record Date;
"Schumann"	Schumann International Limited, a company incorporated in the British Virgin Islands which is owned as to 95% by Cranwood;
"Shareholder(s)"	registered holder(s) of Shares;
"Share(s)"	share(s) of HK\$0.01 each in the share capital of the Company;
"Share Option Scheme"	the Share Option Scheme adopted by the Company on 12 February 2004;
"Share Proposal"	the proposal for the privatisation of the Company by TOM by way of the Scheme;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Takeovers Code"	The Code on Takeovers and Mergers of Hong Kong;
"TOM"	TOM Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are currently listed on the Main Board of the Stock Exchange;
"United States" or "US"	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia; and
"US\$" or "US dollars"	US dollars, the lawful currency of the United States.

- (B) The Company was incorporated as an exempted company on 28 August 2001 in the Cayman Islands under the Companies Law. The authorised share capital of the Company as at the Latest Practicable

## SCHEME OF ARRANGEMENT

Date was HK\$100,000,000 divided into 10,000,000,000 Shares of par value HK\$0.01, of which 4,259,654,528 Shares were issued and fully paid.

- (C) TOM has proposed the privatisation of the Company by way of the Scheme.
- (D) On the Latest Practicable Date, the Shares held by TOM, Cranwood (directly and, through non wholly-owned subsidiaries Handel and Schumann) and Devine Gem are set out as follows:

Shareholders	Name of registered shareholder	Number of Shares	%
TOM	TOM	2,800,000,000	65.733
Cranwood (directly and, through non wholly-owned subsidiaries, Handel and Schumann)	Cranwood is registered holder of 197,585,168 Shares. Balance of its Shares are held by HKSCC Nominees Limited. All the Shares held by Handel and Schumann are held through HKSCC Nominees Limited	212,958,118	4.999
Devine Gem	Devine Gem as to 202,770,335 and HKSCC Nominees Limited as to the balance.	212,930,335	4.999

Such Shares will not form part of the Scheme Shares and will not be cancelled upon the Scheme becoming effective.

- (E) On the Latest Practicable Date, there were in aggregate 199,048,929 Outstanding Share Options, of which 131,248,929 have vested and which may be exercised in full or in part. If such options are exercised on or prior to the Record Date, the resulting Shares issued will form part of the Scheme Shares.
- (F) On the Latest Practicable Date, assuming none of the Outstanding Share Options are exercised as at the Record Date, the Scheme Shareholders were interested in 1,033,766,075 Shares representing approximately 24.269% of the issued share capital of the Company; and assuming all of the Outstanding Share Options are exercised as at the Record Date, the Scheme Shareholders were interested in 1,165,015,004 Shares, representing approximately 26.532% of the issued share capital of the Company.
- (G) Mr Wang Lei Lei, an Excluded Party, had 139,264,000 Outstanding Share Options as at 2 April 2007, of which 89,764,000 have been vested as at that date.

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## SCHEME OF ARRANGEMENT

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- (H) On the Latest Practicable Date, the Shares held by the Excluded Parties are set out as follows, assuming all of the Outstanding Share Options vested have been exercised prior to the Record Date:

<b>Shareholders</b>	<b>Name of registered shareholder</b>	<b>Number of Shares</b>	<b>%</b>
Romefield	Romefield	4,763,411	0.108
Easterhouse	Easterhouse	9,526,833	0.217
Mr. Wang Lei Lei (assuming he exercises all his Outstanding Share Options which have vested and becomes a Scheme Shareholder)	(Only applicable if Mr. Wang exercises any Outstanding Share Options)	89,764,000	2.044

While such Shares will form part of the Scheme Shares, they will not be represented nor voted at the Court Meeting of the Company. Such Shares will be cancelled upon the Scheme becoming effective.

- (I) Each of TOM, Cranwood, Handel, Schumann, Devine Gem, Romefield, Easterhouse and Mr. Wang Lei Lei (if he exercises any Outstanding Share Options), will undertake to the Court to be bound by the Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed and done by it for the purpose of giving effect to this Scheme.
- (J) In consideration of and exchange for the cancellation and extinguishment of each of the Scheme Shares on the Effective Date all holders of Scheme Shareholders shall be entitled to receive HK\$1.52 in cash for every Scheme Share held.
- (K) The primary purpose of this Scheme is for the Company to become a private company, owned by TOM as to approximately 90.002%, by Cranwood, Handel and Schumann collectively as to approximately 4.999% and by Devine Gem as to approximately 4.999% (on the assumption that no Outstanding Share Options are exercised).

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## SCHEME OF ARRANGEMENT

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### THE SCHEME

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#### PART I

#### CANCELLATION AND EXTINGUISHMENT OF THE SCHEME SHARES

1. On the Effective Date:
  - (a) the issued share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares;
  - (b) subject to and forthwith upon the reduction of capital referred to in Clause 1 (a) above taking effect, the issued share capital of the Company shall be increased to its former amount by the issue of such number of new Shares as is equal to the number of the Scheme Shares cancelled; and
  - (c) the Company shall apply the amount of the credit arising in its books of account as a result of the reduction of its share capital referred to in Clause 1 (a) above in paying up in full at par all the new Shares issued as aforesaid, credited as fully paid, to TOM or a subsidiary of TOM as TOM may direct.

#### PART II

#### CONSIDERATION FOR CANCELLATION AND EXTINGUISHMENT OF THE SCHEME SHARES

2. In consideration of the cancellation and extinguishment of the Scheme Shares (including the Scheme Shares underlying ADSs) pursuant to Clause 1(a) of this Scheme, TOM will pay or cause to be paid to each Scheme Shareholder appearing in the Register at the Record Date the sum of HK\$1.52 in cash for each Scheme Share held.

#### PART III

#### GENERAL

3.
  - (a) Not later than ten days after the Effective Date, TOM shall send or cause to be sent to the Scheme Shareholders (as appearing in the Register at the Record Date) cheques in respect of the sums payable to such Scheme Shareholders pursuant to Clause 2 of this Scheme.
  - (b) Unless indicated otherwise in writing to the branch share registrar of the Company in Hong Kong, (being Computershare Hong Kong Investor Services Limited of Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) all such cheques shall be sent by ordinary post (by airmail where appropriate) in pre-paid envelopes addressed to such Scheme Shareholders as follows:

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## SCHEME OF ARRANGEMENT

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- (i) in the case of each sole Scheme Shareholder, the registered address of such Scheme Shareholder as appearing in the Register at the Record Date; or
  - (ii) in the case of joint Scheme Shareholders, the registered address as appearing in the Register at the Record Date of the joint Scheme Shareholder whose name then stands first in the Register in respect of the relevant joint holding.
- (c) All cheques shall be made payable to the order of the person or persons to whom, in accordance with the provisions of Clause 3(b) of this Scheme, the envelope containing the same is addressed and the encashment of any such cheque shall be a good discharge to TOM and the Company for the monies expressed to be represented thereby.
- (d) All cheques and certificates shall be posted at the risk of the addressee and other persons entitled thereto and TOM, the Company and any other persons involved in the Scheme shall not be liable for any loss or delay in transmission.
- (e) On or after the day being six calendar months after the posting of the cheques pursuant to Clause 3(b) of this Scheme, TOM shall have the right to cancel or countermand payment of any such cheque which has not then been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the Company's name with a licensed bank in Hong Kong selected by the Company. The Company shall hold such monies on trust for those entitled under the terms of this Scheme until the expiration of six years from the Effective Date and shall prior to such date make payments thereout of the sums payable pursuant to Clause 2 of this Scheme to persons who satisfy the Company that they are respectively entitled thereto, and the cheques referred to in Clause 3(b) of this Scheme of which they are payees have not been cashed. Any payments made by the Company hereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to Clause 2 of this Scheme. The Company shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Company to the effect that any particular person is so entitled or not so entitled, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
- (f) On the expiration of six years from the Effective Date, TOM shall be released from any further obligation to make any payments under this Scheme and the Company shall thereafter transfer to TOM the balance (if any) of the sums standing to the credit of the deposit account referred to in Clause 3(e) of this Scheme including accrued interest subject, if applicable, to the deduction of interest tax or any withholding or other tax or any other deduction required by law and subject also to the deduction of any expenses.
- (g) The preceding sub-paragraphs of this Clause 3 shall take effect subject to any prohibition or condition imposed by law.
4. As from the Effective Date, each instrument of transfer and certificate existing at the Record Date in respect of a holding of any number of Scheme Shares shall cease to be valid for any purpose as an instrument of transfer or a certificate for such Scheme Shares and every holder of such certificate shall be bound on the request of the Company to deliver up to the Company the certificates for his or her existing shareholding in the Company for the cancellation thereof.
5. All mandates or other instructions to the Company in force at the Record Date relating to any of the Scheme Shares (including elections for the payment of dividends by way of scrip) shall cease to be valid as effective mandates or instructions.

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## SCHEME OF ARRANGEMENT

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6. This Scheme shall become effective on the date upon which all the conditions set out in the paragraph headed "Conditions of the Share Proposal and the Scheme" in the Explanatory Memorandum being fulfilled or (to the extent permitted) waived as the case may be.
7. TOM and the Company, by their duly authorised agent(s)/servant(s), may jointly consent for and on behalf of all parties concerned to any modification of or addition to this Scheme or to any condition which the Court may see fit to approve or impose.
8. Unless this Scheme shall have become effective on or before 31 December 2007 (or such later date, if any, as TOM and the Company may agree and the Court may allow), this Scheme shall lapse.
9. All costs, charges and expenses of and incidental to this Scheme and the costs of carrying this Scheme into effect will be borne by TOM, as more specifically set out in the Explanatory Memorandum.

Dated [●], 2007