

**THIS SUPPLEMENTAL DEED** is made on 9 April 2010

**BETWEEN:**

- (1) **TACK FAT GROUP INTERNATIONAL LIMITED** (Provisional Liquidators Appointed), a company incorporated under the laws of the Cayman Islands with limited liability whose principal place of business in Hong Kong is at 14<sup>th</sup> Floor, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong (the "**Company**");
- (2) **MR. FOK HEI YU** and **MR. RODERICK JOHN SUTTON**, the joint and several provisional liquidators of the Company, both of Ferrier Hodgson Limited at 14<sup>th</sup> Floor, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong (the "**Provisional Liquidators**");
- (3) **FOREFRONT FINANCE CO., LIMITED**, a company incorporated under the laws of Hong Kong with limited liability and having its registered office at Rm. 1103, 11<sup>th</sup> Floor, China United Centre, 28 Marble Road, North Point, Hong Kong (the "**Lender**");
- (4) **MERRIER LIMITED**, a company incorporated under the laws of the British Virgin Islands with limited liability and having its registered office at P. O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands ("**Merrier**");
- (5) **HANSOM FINANCE LIMITED**, a company incorporated under the laws of Hong Kong with limited liability and having its registered office at 8<sup>th</sup> Floor, China United Centre, 28 Marble Road, North Point, Hong Kong ("**Hansom**");  
and
- (6) **RADFORD DEVELOPMENTS LIMITED**, a company incorporated under the laws of the British Virgin Islands and having its registered office at Sea Meadow House, Blackbourne Highway, P. O. Box 116, Road Town, Tortola, British Virgin Islands (the "**Investor**")

(together the "**Parties**" and each a "**Party**")

and is supplemental to the Settlement Deed (as defined below).

**WHEREAS:-**

- (A) The Parties entered into a settlement deed dated 3 April 2009 by which legal title to the Shares was transferred to the Company to facilitate the Restructuring (the **Settlement Deed**).
- (B) Under the terms of the Settlement Deed the Parties agreed that if the Restructuring was not completed within 12 months from the date of the Settlement Deed, the Lender and Hansom would be entitled to exercise their respective rights under (i) the Loan Agreement, the Hansom First Loan Agreement, the Hansom Second Loan Agreement and/or (ii) Share Charges, as the case may be.
- (C) Notwithstanding that 12 months have passed since the date of the Settlement Deed neither the Lender nor Hansom has exercised such rights as of the date of this Supplemental Deed and each has agreed to be restricted from exercising its rights for a further period in accordance with the terms of the Settlement Deed as amended by this Supplemental Deed.
- (D) The Provisional Liquidators and the Investor continue to pursue the Restructuring and, to facilitate this, the Parties have agreed that the amendments set out below be made to the Settlement Deed.

**THIS SUPPLEMENTAL DEED WITNESSES** as follows:

**1. DEFINITIONS**

Capitalised terms defined in the Settlement Deed have, unless expressly defined in this Supplemental Deed, the same meaning in this Supplemental Deed.

**2. INTERPRETATION**

Unless otherwise stated, references to Clauses are to the Clauses of this Supplemental Deed.

**3. AMENDMENTS**

3.1 The Parties agree to amend the Settlement Deed as set out below:

(i) Clause 2.2 of the Settlement Deed be replaced in its entirety as follows:

"2.2 Subject to Clauses 3.1 and 3.2 or if the Restructuring fails to complete for whatever reasons, it is expressly agreed and acknowledged by the Company and the Provisional Liquidators that the transfers of the Shares by Merrier under Clause 2.1 shall not be prejudicial or detrimental to the respective rights of:

- (i) the Lender under the Loan Agreement and/or the Share Charge; or
- (ii) Hansom under the Hansom First Loan Agreement, the Hansom Second Loan Agreement and/or the Hansom Share Charge,

including but not limited to the respective rights of the Lender and Hansom to make a claim for the repayment of any outstanding indebtedness (or any part thereof) under the terms of each of their Loans as secured creditors. For the avoidance of doubt, the Company and the Provisional Liquidators agree and acknowledge that if the Restructuring completes within 24 months from the date of this Deed, this Deed will not prejudice any rights of the Lender and Hansom to make any claim in respect of any outstanding indebtedness (or any part thereof) under the terms of each of their Loans in a scheme of arrangement entered into for the Restructuring."

(ii) Clauses 3.1 and 3.2 of the Settlement Deed be replaced in their entirety as follows:

"3.1 If the Restructuring is not completed within 24 months from the date of this Deed (or such other date as agreed in writing between the Lender, the Company and the Provisional Liquidators) and the Lender wishes to enforce the Share Charge, the Lender undertakes to give two weeks notice to the Company and the Provisional Liquidators before taking any action to transfer the Shares. If the notice for transfer of the Shares has not been withdrawn by the Lender within such two week period, the Company and the Provisional Liquidators shall not raise any objection to and undertake to provide all reasonable assistance to the Lender to transfer the Shares to the Lender.

3.2 If the Restructuring is not completed within 24 months from the date of this Deed (or such other date as agreed in writing between Hansom, the

Company and the Provisional Liquidators) and Hansom wishes to enforce the Hansom Share Charge, Hansom undertakes to give two weeks notice to the Company and the Provisional Liquidators before taking any action to transfer the Shares. If the notice for transfer of the Shares has not been withdrawn by Hansom within such two week period, the Company and the Provisional Liquidators shall not raise any objection to and undertake to provide all reasonable assistance to transfer the Shares to Hansom."

3.2 The Parties agree that:

- (i) the amendments set out above take effect on the date of this Supplemental Deed such that on and from the date of this Supplemental Deed, the Settlement Deed and this Supplemental Deed are read and construed as one document; and
- (ii) Save for the amendments made in this Supplemental Deed, all of the terms of the Settlement Deed remain in full force and effect.

#### **4. THE PROVISIONAL LIQUIDATORS**

Each Party to this Supplemental Deed acknowledges and agrees that:

- (i) the Provisional Liquidators are Parties to this Supplemental Deed solely for the purpose of obtaining the benefit of each provision of this Supplemental Deed in their favour;
- (ii) the Provisional Liquidators act as agents of the Company and shall incur no personal liability from acting in the capacity of agents or otherwise, nor shall any claim arise against any of them;
- (iii) the Provisional Liquidators, and their employers, employees, solicitors, advisers, agents, partners or representatives do not have any personal liability of any kind under, or by virtue of, this Supplemental Deed, nor in relation to any related matter or claim, whether in contract, tort or restitution or by reference to any other remedy or right, in any jurisdiction or forum in respect of any of the transactions contemplated in this Supplemental Deed;
- (iv) the Lender, Merrier, Hansom or the Investor are not relying on any representation, conduct, statement or silence on the part of the Provisional Liquidators or any of their employees, solicitors, advisers, agents, partners

or representatives in relation to any matter or circumstance and whether or not arising out of or under this Supplemental Deed or any of the transactions contemplated by this Supplemental Deed; and

- (v) all acknowledgements or agreements as to, or provisions of, exclusions of liability or indemnity in favour of the Provisional Liquidators shall continue to be effective notwithstanding the Provisional Liquidators resigning from or otherwise ceasing to hold office and (where the context permits) shall mean and include their present and future firm or firms, partners and employees, and any legal entity or partnership using in its name the words, any successor or merged firm and the partners, shareholders, officers and employees of the entity or partnership.

#### **5. COUNTERPARTS**

This Supplemental Deed may be executed in any number of counterparts and by any Party on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts together shall constitute one and the same instrument.

#### **6. GOVERNING LAW**

This Supplemental Deed shall be governed by and construed in all respects in accordance with the laws of Hong Kong Special Administrative Region.

IN WITNESS of which this Supplemental Deed has been executed by the Parties (or their duly authorised representatives) and has been delivered on the date stated at the beginning of this Supplemental Deed.

SIGNED as a Deed by Tack Fat Group )  
 International Limited (Provisional )  
 Liquidators Appointed) acting by its Joint )  
 and Several Provisional Liquidator, Fok )  
 Hei Yu (as agent and without personal )  
 liability), in the presence of:- )

*[Handwritten signature]*  
 Lo Kwok Kit.

*[Handwritten signature]*

Tack Fat Group International Limited  
 (Provisional Liquidators Appointed)  
 By its Joint and Several Provisional  
 Liquidator, Fok Hei Yu

SIGNED as a Deed by Fok Hei Yu without )  
 personal liability and solely for the purpose )  
 of receiving the benefit of the provisions of )  
 this Deed in the Joint and Several )  
 Provisional Liquidator's favour in the )  
 presence of:- )

*[Handwritten signature]*  
 Lo Kwok Kit.

*[Handwritten signature]*

Joint and Several Provisional Liquidator

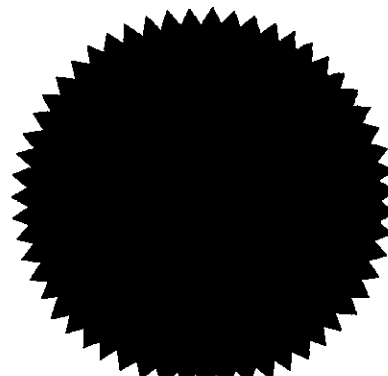
**Signed as a Deed**

The Common Seal of  
 FOREFRONT FINANCE CO., LIMITED  
 and signed by:  
 Affixed hereto in the presence of:-

*[Handwritten initials]*

LEE KA YIN

) For and on behalf of  
 ) 福方財務有限公司  
 ) FOREFRONT FINANCE CO., LIMITED  
 )  
 ) *[Handwritten signature]*  
 ) .....  
 ) Authorized Signature(s)  
 )



**Signed as a Deed**

The Common Seal of  
MERRIER LIMITED

and signed by:

Affixed hereto in the presence of:-

*Lee*

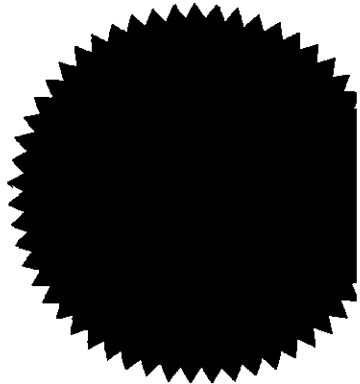
LEE KA YIN

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For and on behalf of  
**MERRIER LIMITED**

*[Signature]*

.....  
Authorized Signature(s)



**Signed as a Deed**

The Common Seal of  
HANSOM FINANCE LIMITED

and signed by: Lo Kan Sun (Director)

Affixed hereto in the presence of:-

*[Signature]*

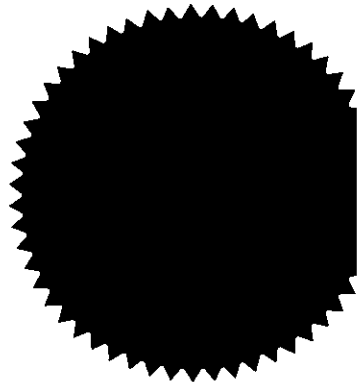
Sit Po Ling

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For and on behalf of  
HANSOM FINANCE LIMITED  
恒盛財務有限公司

*[Signature]*

.....  
Authorized Signature(s)



**Signed as a Deed**

The Common Seal of  
RADFORD DEVELOPMENTS LIMITED

and signed by

Affixed hereto in the presence of:-

*[Signature]*  
Tsu Wing Yin.

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)  
)

For and on behalf of  
RADFORD DEVELOPMENTS LIMITED

*[Signature]*

.....  
Authorized Signature(s)

