

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 advisers without delay.

**EXPLANATORY STATEMENT
AND
SCHEMES OF ARRANGEMENT**

Pursuant to Section 166 of the Companies Ordinance (Cap. 32) of Hong Kong

BETWEEN

**3D-GOLD JEWELLERY HOLDINGS LIMITED
(FORMERLY KNOWN AS
HANG FUNG GOLD TECHNOLOGY LIMITED)**

*(Provisional Liquidators Appointed
(incorporated in Bermuda with limited liability))*

and its

CREDITORS

(as defined in the Scheme)

**AND BETWEEN RESPECTIVE CREDITORS OF/AND
THE FOLLOWING SUBSIDIARIES:**

1. 3D-GOLD COMPANY LIMITED
2. LA MILKY WAY INTERNATIONAL COMPANY LIMITED
3. 3D-GOLD INTERNATIONAL COMPANY LIMITED.

Scheme Meetings of Creditors of the Company and the Hong Kong Scheme Subsidiaries to consider and, if thought fit, approve the Schemes will be held on 4 May 2009 at The Boys' & Girls' Clubs Association of Hong Kong, Room 502, 3 Lockhart Road, Hong Kong. Notices of the Scheme Meetings are set out at Appendix 2 in this Document.

The action required to be taken by you is set out on page 45 of this Document. Whether or not you intend to be present at the relevant Scheme Meeting(s) of the Company and the Hong Kong Scheme Subsidiaries convened by direction of the Hong Kong Court you are requested to complete and return the requisite Notice(s) of Claim for Voting Purposes set out at Appendix 3 and the form(s) of proxy set out at Appendix 4 to this Document as soon as possible in accordance with the instructions set out herein.

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9 April 2009

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IMPORTANT NOTICE

Capitalised words or phrases used in this Document have the same meanings attributed to them in the Scheme at pages 64 to 80.

This Document has been prepared in relation to the proposed Schemes of Arrangement pursuant to the Companies Ordinance, between the Company and the Hong Kong Scheme Subsidiaries on the one hand and their respective several Creditors on the other hand.

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

The statements, opinions and information contained in this Document are made, held or given respectively as at the date of this Document unless another time is specified and such statements, opinions and information are made, held or given solely by or on behalf of the Company and/or the Hong Kong Scheme Subsidiaries unless expressly attributed to another party. Publication of this 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 Document shall constitute any admission of any fact or liability on the part of the Company or any Hong Kong Scheme Subsidiary with respect to any claim against it. No estimate of the amount of a claim against the Company or any Hong Kong Scheme Subsidiary specified in any Notice of Claim for Voting Purposes or form of proxy returned to the Provisional Liquidators or otherwise provided to or the admission by the chairman of the relevant Scheme Meeting of such amount or part of it for voting purposes shall be admissible against the Company or the relevant Hong Kong Scheme Subsidiary in any proceedings or be taken into account in the determination of the Claims by the Scheme Administrators or the Adjudicator, as the case may be. Any such estimate or admission by the chairman of the relevant Scheme Meeting shall only be used for voting purposes by the Creditors at the relevant Scheme Meeting convened in accordance with the direction of the Hong Kong Court for the purpose of approving the Scheme.

The summary of the principal provisions of the Scheme and the related matters contained herein is qualified in its entirety by reference to the Scheme itself, the full text of which is set out in the section of this Document titled "Scheme of Arrangement". Creditors entitled to vote and otherwise participate in the relevant Scheme are advised to read in full and consider carefully the text of the Scheme itself.

No Person other than the Provisional Liquidators has been authorised by the Company, the Hong Kong Scheme Subsidiaries or the Provisional Liquidators to make any representation concerning the Schemes of Arrangement which is inconsistent with the statement contained in this Document and, if made, such representation shall not be relied upon as having been so authorised.

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

LETTER FROM THE PROVISIONAL LIQUIDATORS

To the Creditors of both the Company and the Hong Kong Scheme Subsidiaries

Dear Sirs and Mesdames,

Introduction

The Provisional Liquidators are writing to you on behalf of the Company and also the Hong Kong Scheme Subsidiaries in connection with the Schemes into which the Company and the Hong Kong Scheme Subsidiaries propose to enter with their respective Creditors. The purposes of this letter and the Explanatory Statement, which follows, are to:

- (i) provide background information in relation to the Company and the Hong Kong Scheme Subsidiaries and the current status of their operations;
- (ii) explain the advantages and disadvantages of the Schemes; and
- (iii) explain the main provisions of the Schemes,

in order to assist Creditors to reach an informed decision on whether to vote in favour of the Schemes which affect them at the relevant forthcoming Scheme Meeting(s). This letter and the Explanatory Statement make no recommendation on whether Creditors so entitled should or should not vote for the relevant Scheme(s); and no reliance may be placed on the views expressed by the Provisional Liquidators in that regard. You are advised to consult your independent adviser, legal or otherwise, on whether to vote for the Scheme(s).

The Scheme itself is set out in the separate section of this Document titled “Scheme of Arrangement”. Please note that the Explanatory Statement should not be relied upon as a substitute for reading the Scheme provisions themselves.

Current status

As you may be aware, in view of (amongst other things) the suspension of trading in shares of the Company since 30 September 2008, events of default occurred under certain of the financing arrangements of the Company and certain of its Subsidiaries. On 17 October 2008, The Hongkong and Shanghai Banking Corporation Limited presented winding-up petitions to the Hong Kong Court against each of the Company and Hang Fung Jewellery Company Ltd. for the appointment of provisional liquidators, in order to protect the assets of those companies and to safeguard the interests of the creditors of the Company and its Subsidiaries. As a result of such application, Mr. Yeung Lui Ming (Edmund), Mr. Edmond Ching Wah Bon and Mr. Darach E. Haughey were appointed as Provisional Liquidators of each of the Company and Hang Fung Jewellery Company Ltd. by the Hong Kong Court.

In order to facilitate the implementation of the Schemes, a Restructuring Agreement was entered into on 23 December 2008 between the Company, the Provisional Liquidators and the Investor.

On 3 April 2009, the Hong Kong Court ordered that Scheme Meetings of all Creditors of the Company and the Hong Kong Scheme Subsidiaries other than Creditors whose claims would be treated as preferential in a winding up of such companies, be convened for the purposes of considering the Schemes and, if appropriate, approving them. Copies of the relevant draft orders are attached as Appendix 1 to this Document and the formal notices of the meetings

LETTER FROM THE PROVISIONAL LIQUIDATORS

in respect of the Company and the Hong Kong Scheme Subsidiaries are attached as Appendix 2 to this Document.

The background to the convening of the Scheme Meetings is set out in Section 2 of the Explanatory Statement (pages 10 to 38 and following of this Document).

Schemes of Arrangement

A scheme of arrangement in Hong Kong, such as proposed here, is an arrangement entered into between a company and its creditors or any class of its creditors under Section 166 of the Companies Ordinance. It becomes legally binding on all creditors, including those voting against the scheme and those not voting, if:

- (i) the requisite majority representing:
 - (a) more than 50% in number; and
 - (b) not less than 75% in valueof the claims of creditors or any class of them, present and voting in person or by proxy, vote in favour of the scheme of arrangement at a specially convened meeting held pursuant to the directions of the Hong Kong Court;
- (ii) the Hong Kong Court subsequently makes an order sanctioning the scheme of arrangement; and
- (iii) an office copy of that order of the Hong Kong Court is filed with the Registrar of Companies in Hong Kong for registration.

Having considered the rights of Creditors and the effect of the Schemes on those rights, the Company (by the Provisional Liquidators) and the Hong Kong Scheme Subsidiaries have formed the view that Creditors fall into one "class" in each case for the purpose of voting on each Scheme, such that at each Scheme Meeting there will therefore be a single class voting.

Why have you been sent this Document?

A copy of this Document has been sent to those parties in respect of whom the records of the Company and the Hong Kong Scheme Subsidiaries indicate that they have or may have a Claim against the Company and/or any of the Hong Kong Scheme Subsidiaries. However, receipt of this Document does not necessarily mean that you are a creditor or potential creditor of the Company and/or any of the Hong Kong Scheme Subsidiaries.

Why have Schemes been proposed?

Implementing the proposed Schemes would bring about the injection of additional cash by the Investor, through facilitating the sale of certain companies in and businesses of the Group as a going concern. In addition, certain assets of the Group will remain under the control of the administrators of the Schemes for additional realisation for the benefit of Creditors. Accordingly, it is believed that Schemes of Arrangement with Creditors will be the most efficient and effective method of making as high a level of payment as possible to Scheme Creditors in the shortest practicable time.

Further information

Further information in relation to the proposed Schemes is set out in the Explanatory Statement following in this Document for the consideration of Creditors, as well as in the Scheme document itself. It is impossible, however, to address each Creditor's individual circumstances with the result that 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 relevant Scheme would affect its own interests.

Initial action required to be taken now

All Creditors of the Company and the Hong Kong Scheme Subsidiaries are requested in the first instance to complete and return the relevant enclosed Notice(s) of Claim for Voting Purposes (Appendix 3) and form(s) of proxy (Appendix 4) to the Provisional Liquidators, at 35/F One Pacific Place, 88 Queensway, Hong Kong (Attention: The Provisional Liquidators : 3D-GOLD). The Notice(s) of Claim for Voting Purposes should be returned by 24 April 2009. The form(s) of proxy should be delivered as soon as possible but not later than 10:00 a.m. on 29 April 2009. A proxy need not be a Creditor.

Creditors of the Company and the Hong Kong Scheme Subsidiaries should note that they should complete a Notice of Claim for Voting Purposes and form of proxy in respect of each of those of the Company and the Hong Kong Scheme Subsidiaries of which they consider themselves to be Creditors.

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

The Provisional Liquidators' views

In the Provisional Liquidators' view, the proposal set out in the Explanatory Statement is the most attractive option available to the Company and the Hong Kong Scheme Subsidiaries and is in the interests of the Company and the Hong Kong Scheme Subsidiaries and their respective Creditors. If the Schemes of Arrangement are implemented, an amount will be paid from the cash injected by the Investor to the Scheme Administrators which, together with the proceeds of sale of certain assets of the Group will be available for distribution to Scheme Creditors, subject to prior payment of certain costs and preferential claims, at Completion of the Restructuring Agreement.

If the Schemes of Arrangement are not approved and implemented, the Consideration payable by the Investor will not become available. It is also likely that the Company and the Hong Kong Scheme Subsidiaries will be placed into insolvent liquidation, resulting in a lower return to Creditors of the Company and the Hong Kong Scheme Subsidiaries in the Provisional Liquidators' professional view.

Accordingly, it is the Provisional Liquidators' opinion that it is in the interests of the Creditors of the Company and the Hong Kong Scheme Subsidiaries to approve the Schemes of Arrangement.

LETTER FROM THE PROVISIONAL LIQUIDATORS

Effective Date

Upon the prescribed majority of Creditors of the Company and the Hong Kong Scheme Subsidiaries respectively voting in favour of the Schemes of Arrangement, the Schemes will become effective and legally binding on all Creditors, regardless of whether all the relevant Creditors voted in favour of the relevant Scheme or not, when orders of the Hong Kong Court sanctioning the Schemes pursuant to Section 166 of the Companies Ordinance are filed with the Registrar of Companies in Hong Kong.

Yours faithfully,

Darach E. Haughey
Joint and Several Provisional Liquidator of
3D-GOLD Jewellery Holdings Limited
(formerly known as Hang Fung Gold Technology Limited)
(Provisional Liquidators Appointed)
acting as agent without personal liability

for and on behalf of:

- 3D-GOLD Jewellery Holdings Limited (Provisional Liquidators Appointed)
- 3D-GOLD Company Limited
- La Milky Way International Company Limited
- 3D-GOLD International Company Limited.

EXPECTED TIMETABLE

Delivery of Notice(s) of Claim for Voting Purposes not later than	-	10:00 a.m., 24 April 2009
Form(s) of proxy for the Scheme Meeting(s) to be lodged in respect of the Scheme Meeting(s) (<i>Note 1</i>) not later than	-	10:00 a.m., 29 April 2009
Scheme Meeting(s)	-	4 May 2009

Individual Meeting Times

<u>Name of Company</u>	-	<u>Time</u>
3D-GOLD Jewellery Holdings Limited (Provisional Liquidators Appointed)	-	10:00 a.m.
3D-GOLD Company Limited	-	10:30 a.m.
3D-GOLD International Company Limited.	-	10:45 a.m.
La Milky Way International Company Limited	-	11:00 a.m.
The Hong Kong Court hearing of petition(s) to sanction the Scheme(s) (<i>Note 2</i>)	-	To be determined
Effective Date of the Scheme(s) (<i>Note 2</i>)	-	To be determined

Notes:

1. Completion and return of the form(s) of proxy will not preclude a Creditor of the Company and/or the Hong Kong Scheme Subsidiaries from attending and voting in person at the relevant Scheme Meeting. In such event, that form of proxy will be deemed to have been revoked.
2. The actual date of the Hong Kong Court hearing for sanction of each Scheme and the Effective Date of each Scheme will depend on the availability of the Hong Kong Court, which will itself depend on the length or scope of the hearing(s) for sanction.

Unless otherwise indicated all references to time are references to Hong Kong time.

EXPLANATORY STATEMENT

SECTION 1. INTRODUCTION – THE SCHEMES OF ARRANGEMENT

This Explanatory Statement sets out the background to and the likely effect of transactions proposed in the Schemes of Arrangement; and explains why the Provisional Liquidators are of the view that it is in the interest of the Creditors to vote for the Scheme(s) relevant to them at the relevant Scheme Meeting(s).

You should note that the Schemes of Arrangement aim to achieve a global arrangement involving the participation of the Company and the Hong Kong Scheme Subsidiaries and their Creditors. The terms of the Scheme of Arrangement proposed in this Document within the section titled "Scheme of Arrangement" are identical to the terms of the Schemes of Arrangement proposed in respect of each of the Hong Kong Scheme Subsidiaries and their respective Creditors. Accordingly, the terms set out therein (and considered in this Explanatory Statement) comprise the consolidated provisions of the several Schemes proposed between each of the Company and the Hong Kong Scheme Subsidiaries on the one hand and their respective Creditors on the other.

The Excluded Companies will ultimately be placed into formal liquidation and creditors of those companies will be required to prove for their debts against the relevant company or companies in the ordinary course. Creditors may therefore, when determining their overall position, also consider the potential returns from the subsequent liquidation of members of the Group not the subject of Schemes.

If you have a Claim against the Company and/or the Hong Kong Scheme Subsidiaries which would not be preferential in a liquidation of the Company and/or the Hong Kong Scheme Subsidiaries, you are an Ordinary Creditor. Preferential Claims include certain employee claims and other claims referred to in Section 265 of the Companies Ordinance.

If your Claim is preferential only as to part, you will be an Ordinary Creditor for the non-preferential part of your Claim. It is proposed that any Preferential Claims be satisfied in full, recognizing the priority which they would have in a liquidation of the Company. All Creditors of the Company and the Hong Kong Scheme Subsidiaries, whether or not they consider that all or part of their Claim is preferential, should submit (a) Notice(s) of Claim for Voting Purposes to the Provisional Liquidators (see Section 6(b) on page 40 of this 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 Provisional Liquidators and the Scheme Administrators determine that all or part of your Claim is a Preferential Claim.

Creditors will be asked to consider the proposals for The Boys' & Girls' Clubs Association of Hong Kong, Schemes and vote at the relevant meeting(s) of Creditors to be held on 4 May 2009 at Room 502, 3 Lockhart Road, Hong Kong at the time for each such meeting shown on page 8 of this Document.

In this Explanatory Statement:

- (a) references to clauses are references to clauses of the Scheme;
- (b) references to a statute or statutory provision include the same as amended or re-enacted from time to time;

EXPLANATORY STATEMENT

- (c) the singular includes the plural and vice versa and the masculine and neuter include each other and the feminine;
- (d) headings to clauses are for ease of reference only and shall not affect the interpretation of the Scheme; and
- (e) references to time of day are references to time of day in Hong Kong.

SECTION 2. BACKGROUND TO AND REASONS FOR THE SCHEMES

The Company

The Company was incorporated in Bermuda on 4 December 1997 under the Companies Act 1981 of Bermuda with limited liability and on 21 September 1998 was registered in Hong Kong under Part XI of the Companies Ordinance and its shares are listed on the main board of the Stock Exchange.

The Company is an investment holding company whose Subsidiaries are principally engaged in the manufacturing, wholesale, trading and retail of gold products, other precious metal products and jewellery products. Such products are retailed in the Mainland, Hong Kong and Macau.

The Group's business

The wholesale business of the Group is principally carried out by a Hong Kong Subsidiary of the Company, Hang Fung Jewellery Company Limited (Provisional Liquidators Appointed).

The retail business of the Group is principally carried out by one of the Company's Hong Kong Subsidiaries, Hang Fung Jewellery (International) Co. Limited, operating 11 retail shops in Hong Kong on a stock consignment basis; a Macau Subsidiary of the Company, Gold Ocean Jewellery Company Limited, operating two retail shops in Macau; and a Mainland Subsidiary, 3D-GOLD Enterprise Development (Shenzhen) Co. Limited, operating over 200 retail outlets in the Mainland.

Of the Hong Kong Scheme Subsidiaries:

- 3D-GOLD Company Limited principally acts as the holding company of the Mainland retail operator, 3D-GOLD Enterprise Development (Shenzhen) Co. Limited; and
- both La Milky Way International Company Limited and 3D-GOLD International Co. Limited are holders of certain trademarks.

Winding-up Petitions and appointment of Provisional Liquidators

On 17 October 2008, The Hongkong and Shanghai Banking Corporation Limited presented petitions for the winding up of each of the Company and Hang Fung Jewellery Company Limited in Hong Kong. Upon the application of The Hongkong and Shanghai Banking Corporation Limited, Mr. Yeung Lui Ming (Edmund), Mr. Edmond Ching Wah Bon and Mr. Darach Haughey, of Deloitte Touche Tohmatsu, were appointed as joint and several provisional liquidators to each of the Company and Hang Fung Jewellery Company Limited pursuant to orders made by the Hong Kong Court on the same day. The winding up proceedings have been adjourned in each case to 4 May 2009.

EXPLANATORY STATEMENT

Listed status of the Company

The shares of the Company are listed on the Stock Exchange. Trading in the shares of the Company has been suspended since 30 September 2008.

Major liabilities of the Group

Notes

In October 2007, the Company issued 9.25 per cent. guaranteed notes with an aggregate principal amount of USD170,000,000 which were to mature in 2014 and are guaranteed by 19 Subsidiaries of the Company.

The Notes are general obligations of the Company, guaranteed unconditionally by the 19 Subsidiaries and to rank at least *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Company.

Events of default have occurred, pursuant to which the principal and accrued interest may be declared immediately due and payable.

The total liability (being principal plus accrued interest) as at 30 September 2008 was approximately HK\$1,382.6 million.

Convertible Bonds

In November 2006, the Company issued 3 per cent. guaranteed convertible bonds with an aggregate principal amount of HK\$240,000,000 convertible up to 2011 and guaranteed by Hang Fung Jewellery Company Limited (Provisional Liquidators Appointed), an indirectly wholly owned Subsidiary of the Company.

The Bonds constitute direct, unconditional and unsecured obligations of the Company.

Events of default have occurred and upon notice given by the Bondholders, the Bonds could be declared immediately due and payable together with accrued interest.

The outstanding amount as at 30 September 2008 was approximately HK\$60,000,000.

Bank Indebtedness

The bank indebtedness of the Group as at 30 September 2008 was approximately HK\$890,000,000, some of which is secured over certain assets of the Group.

Restructuring

As a result of (amongst other things) the suspension of trading in the shares of the Company, events of default occurred under certain of the financing arrangements of the Company and its Subsidiaries. Based on the information currently available, the Company and its Subsidiaries are insolvent, except for 3D-GOLD Enterprise Development (Shenzhen) Co. Limited.

EXPLANATORY STATEMENT

After carrying out their investigations, the Provisional Liquidators are of the view that the best way in which to maximize recoveries for Creditors of the Company and its relevant Subsidiaries is by means of a restructuring which might realise value from the status and operation of the Group. The Provisional Liquidators considered it necessary to find an investor who was prepared to put forward a rescue proposal under which it would acquire a controlling interest in the Company and offer a return to Creditors of the Company and its relevant Subsidiaries in return for the Creditors discharging and releasing their respective claims against the Company and its relevant Subsidiaries pursuant to schemes of arrangement in Hong Kong.

Tendering Process

Accordingly, the Provisional Liquidators took steps to contact various industry players, corporate finance houses and other potentially interested parties to identify investors who would be prepared to put forward a rescue proposal. In addition, the Provisional Liquidators placed advertisements in four Hong Kong newspapers and a newspaper with an international circulation for the period between 24 and 31 October 2008. The Provisional Liquidators were approached by over 10 interested parties, including companies in the jewellery retail industry, financial investors and other industries.

Preliminary discussions took place between the Provisional Liquidators and those potential investors who wished to pursue their initial interest.

On 3 November 2008, the Provisional Liquidators established a data room where relevant interested parties could review information on the Group collated by staff of the Provisional Liquidators.

By 24 November 2008, six potential investors had submitted to the Provisional Liquidators indications of possible restructuring proposals.

On 27 November 2008, the most promising four were selected to participate in the final round of discussions and due diligence which was to lead to the submission of definitive binding proposals.

A provisional deadline of 15 December 2008 was set by the Provisional Liquidators for the submission of proposals for the acquisition of that part of the Group which was to be acquired and restructured and by that date, written responses were received from the four remaining potential investors.

After careful consideration, the Provisional Liquidators came to the view that the offer by the Investor, a subsidiary of Hong Kong Resources Holdings Company Limited (formerly known as Ocean Grand Chemicals Holdings Limited), a company listed on the Stock Exchange, provided the best approach for the Group at this time.

The Provisional Liquidators held informal meetings with bank creditors, Noteholders and Bondholders so as to present and discuss the tender result.

The Provisional Liquidators indicated to the respective meetings with bank creditors and Noteholders and Bondholders that, in their view the proposal submitted by the Investor offered the best prospects and timing for a restructuring and an estimated return to the creditors of the Company that would be higher than the return estimated to be available on a

EXPLANATORY STATEMENT

liquidation scenario bearing in mind the uncertainties and length of time involved in a liquidation, particularly under the prevailing economic situation. As there was no contrary view voiced by those attending such meetings, the Provisional Liquidators stated that they intended to proceed with further negotiations with the Investor with a view to entering into a binding conditional restructuring agreement.

Accordingly, the Provisional Liquidators negotiated with representatives of the Investor (whilst maintaining discussions with other potential investors) and on 23 December 2008 entered into the Restructuring Agreement with the Investor for the restructuring of the Group, setting out the terms on which, in exchange for the Investor providing funds, the debts and liabilities of the Company and certain of its Subsidiaries would be settled through the Scheme(s) of Arrangement. Completion of the Restructuring Agreement is conditional on, among other things, the Hong Kong Court approving the Provisional Liquidators entering into the Restructuring Agreement and effecting its terms; and accordingly separate applications in this regard will (as and if required) be made to the Hong Kong Court.

Summary of Proposals

The terms of the Scheme of Arrangement being proposed by each of the Company and the Hong Kong Scheme Subsidiaries listed at the front of this Document are contained in the part of this Document headed "Scheme of Arrangement" and to be found between pages 46 and 80. Creditors are advised to consult that part of the Document in order to acquaint themselves with the effect and details of the Proposals. The following is a summary in broad outline of the main features of the proposed Schemes of Arrangement. It is subject to and not in substitution for the material contained in the remainder of this Explanatory Statement and to the terms of the Schemes of Arrangement themselves and any conflict between this summary and the remainder of this Explanatory Statement or between this summary and the terms of the Schemes of Arrangement is to be resolved in favour of the remainder of this Explanatory Statement and/or of the actual terms of the Schemes of Arrangement. In this summary expressions may not at all times be used in precise accordance with the definitions contained in the Scheme of Arrangement and should be understood in the sense required by the context in order to assist a general understanding.

The Creditors of each of the Company and of the Hong Kong Scheme Subsidiaries will be asked to consider and, if thought fit, approve the terms of a Scheme of Arrangement between themselves and the Company and/or the relevant Hong Kong Scheme Subsidiary. Where the Schemes of Arrangement are approved by the required majority of Creditors in each case, then the sanction of the Hong Kong Court will be sought for the Schemes.

The Schemes of Arrangement are identical in structure and in broad terms propose that certain assets of each of the companies the subject of a Scheme of Arrangement will ultimately be allocated to funds for the Creditors of each of such companies for the payment of Claims against them.

The schemes of arrangement proposed by each of the Company (both in Hong Kong and Bermuda) and the Hong Kong Scheme Subsidiaries are conditional upon one another's implementation and accordingly, if any one of such Schemes is not approved by the requisite majority of its Creditors or is not sanctioned by the Hong Kong Court (or, in the case of the Company's scheme of arrangement in Bermuda, the Bermuda Court), none of the proposed Schemes will be implemented.

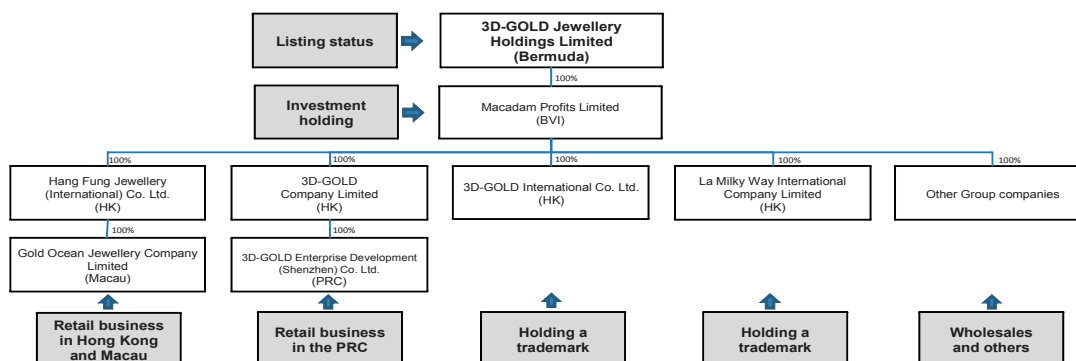
EXPLANATORY STATEMENT

The Preferential Creditors of those companies subject to the Schemes will be paid the full amount of their Preferential Claims and will be treated in line with the general Unsecured Creditors for any balance of their Claims.

The general Unsecured Creditors of those companies subject to the Schemes will receive Dividends comprising cash.

Current structure of the Group

The Investor intends to utilise the existing retail network and production bases and continue the principal businesses of the Group. Set out below is a simplified Group chart showing the principal activities of the Group.



The Investor considers the retail business of the Group to be of primary interest. The retail business of the Group is principally carried out by Hang Fung Jewellery (International) Co. Limited on a stock consignment basis with Hang Fung Jewellery Company Limited, Gold Ocean Jewellery Company Limited, and 3D-GOLD Enterprise Development (Shenzhen) Co. Ltd. The principal trademarks used for the retail business are currently held by 3D-GOLD International Company Limited. and La Milky Way International Company Ltd.

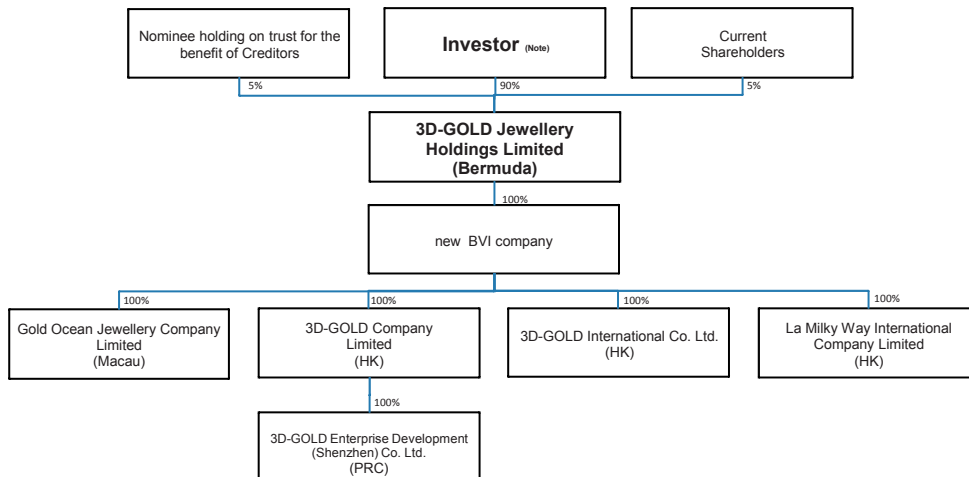
The existing Group would on implementation of the Schemes, be divided into:

- the Restructured Group (comprising those companies shown below), which will be maintained by the Investor following Closing; and
- the Excluded Companies (comprising the remaining companies of the Group), which will form part of the Schemes Assets to be realised for the benefit of creditors of the Group.

Details of the two possible mechanisms for implementing the restructuring are detailed further below in this Explanatory Statement. The following are diagrammatical representations for ease of reference.

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After restructuring - Completion With Share Issue:

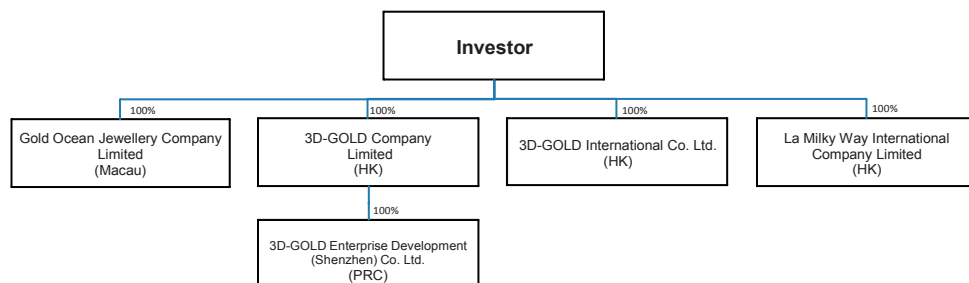


Note : The Investor will be obliged to place down an amount of its shares in order to maintain the Public Float level for listing purposes.

On the assumption that the restructuring is completed by way of Completion With Share Issue, the Restructured Group will be indirectly owned by the Investor, a nominee designated by the Provisional Liquidators/Scheme Administrators for the benefit of the Company's Creditors and the current Shareholders in the percentages 90%: 5%: 5%, respectively.

If Completion takes place by way of Completion With Share Issue, Macadam Profits Limited (the current BVI incorporated intermediate holding company) will transfer its holding of the relevant companies within the Restructured Group to a new BVI incorporated subsidiary of the Company for a nominal consideration, given that there are no material inter-company receivables owing to Macadam Profits Limited and that the relevant companies within the Restructured Group are, pending implementation of the Schemes, insolvent.

After restructuring - Completion With Share Transfer:



If the restructuring is completed by way of Completion With Share Transfer, the Restructured Group (excluding the Company) will be wholly owned by the Investor.

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Investor's offer

In order to provide, in the Provisional Liquidators' view, the best chances of recovery for Creditors, three possible mechanisms were proposed and could be implemented through the Schemes on Completion of the Restructuring Agreement. All such mechanisms (set out below) are, however, subject to all requisite approvals (including those of relevant Creditors) having been obtained in relation to the Schemes. If the Creditors do not approve the Schemes, it is likely that the Company and its Subsidiaries will be placed into insolvent liquidation (or in the case of 3D-GOLD Enterprise Development (Shenzhen) Co. Limited, liquidation), resulting in (it is estimated) lower returns to Creditors.

(1) *Completion With Share Issue*

Subject to fulfilment of certain regulatory and procedural requirements pursuant to the Restructuring Agreement (comprising the "Further Conditions" set out in paragraph 2 of Appendix 9 to this Document) the Investor may, on payment of the requisite subscription monies, acquire certain ordinary and convertible preference shares in the Company by way of subscription. This mechanism is referred to in this Document as "Completion With Share Issue".

If Completion With Share Issue is to take place, the Investor has agreed to subscribe for new ordinary shares in the Company (i.e. the Subscription Shares) for an aggregate amount of HK\$200,000,000 in cash and to subscribe for preference shares in the Company (i.e. the Subscription Preference Shares) for an aggregate amount of HK\$300,000,000 in cash, totalling HK\$500,000,000 in cash as Subscription Proceeds.

(2) *Completion With Share Transfer*

If any one or more of the Further Conditions contained in the Restructuring Agreement cannot be fulfilled on or before 31 December 2009 (or, at the Provisional Liquidators' direction, not more than six months after such date), the Investor has agreed to acquire the shareholding interests in those companies comprising the Restructured Group, **other than** the Company. This mechanism is referred to in this Document as "Completion With Share Transfer".

If Completion With Share Transfer (i.e. transfer of the Transfer Companies to the Investor) is to take place, in accordance with the terms of the Restructuring Agreement, the Investor will not pay the Listing Value.

(3) *Provisional Liquidators' discretion*

Notwithstanding that all Conditions Precedent have been fulfilled and that mechanism 1 can be implemented by way of Completion With Share Issue, the Provisional Liquidators have the absolute discretion to require implementation of mechanism 2 (Completion With Share Transfer).

The Scheme Administrators may seek to pursue claims which the Company and its relevant Subsidiaries may have against third parties and which, if realised, might improve the return for the Scheme Creditors over the estimated net realisable value of the Company's assets and those of its relevant Subsidiaries.

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Accordingly, the Provisional Liquidators might require Completion With Share Transfer, notwithstanding satisfaction of all the Conditions Precedent, if in their view there remain any Rights Against Third Parties which (i) cannot be effectively assigned by the Company to a nominee directed by the Provisional Liquidators; and (ii) are likely to produce a return to creditors of the relevant members of the Group of an amount not less than, and in their view likely to exceed, the Listing Value.

Capital Restructuring

Conditionally upon Completion taking place by way of Completion With Share Issue, the Company will implement a capital restructuring as follows:

- (a) the reduction of the nominal value of each Existing Share on such composition and basis as the Provisional Liquidators and the Investor may determine as being appropriate to the Company (provided that if such parties cannot agree on the composition or basis, it shall be on such composition and basis as the Provisional Liquidators shall in their absolute discretion determine), for the purpose of setting off the accumulated losses of the Company;
- (b) immediately after the Capital Reduction has become effective, the consolidation of such number of Existing Shares (as reduced by the Capital Reduction) into such number of New Shares as determined on such composition and basis as the Provisional Liquidators and the Investor may determine as being appropriate to the Company (provided that if such parties cannot agree on the composition or basis, it shall be on such composition and basis as the Provisional Liquidators shall in their absolute discretion determine);
- (c) subject to the Capital Reduction and the Consolidation becoming effective, a cancellation of the unissued share capital of the Company in its entirety;
- (d) an increase of the share capital of the Company with such composition determined in the same manner referred to in paragraphs (a) and (b) above, pursuant to which the authorised share capital of the Company as increased shall comprise authorised New Shares and Preference Shares.

The Capital Restructuring will require shareholder approval, certain filings to be made, consents to be obtained and prior written notice published. Thereafter certain filings have to be made with the Registrar of Companies in Bermuda relating to the Capital Reduction and the issue of the New Shares may require the prior written consent of the Bermuda Monetary Authority.

If the Capital Restructuring is implemented upon Completion With Share Issue, holders of Existing Shares will be crammed down to hold in aggregate five per cent. of the issued ordinary capital of the Company following the Capital Restructuring and issue of the Subscription Shares to the Investor.

If Completion With Share Issue takes place, the Investor will own more than 30 per cent. of the voting rights of the Company and there would be an obligation on the part of the Investor to make a general offer to the current Shareholders of the Company pursuant to the Hong Kong Code on Takeovers and Mergers. It is one of the conditions of the Restructuring Agreement for Completion With Share Issue that a Whitewash Waiver be

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granted by the SFC so that such a general offer need not be made. That Whitewash Waiver would itself be subject to the approval of the independent current Shareholders at a Special General Meeting by way of poll. As an incentive to give such approval, the Shareholders would on Completion With Share Issue end up holding in aggregate five per cent. of the Company's issued ordinary share capital following the Capital Restructuring (as opposed to receiving a nil return on a liquidation).

If Completion With Share Transfer takes place, the Capital Restructuring will not be effected; and the current Shareholders would have no residual economic interest.

Relationship of the Company's Scheme with the Other Schemes and allocation of Consideration and Schemes Assets Proceeds

In order for the Investor to agree to provide funds in consideration of acquiring the Business, Assets, Goodwill, Stock and (if applicable) the value attributable to resuming the listed status of the Company, it is necessary for the Investor to be reasonably satisfied that it will not be assuming responsibility for certain of the liabilities attaching to the Restructured Group and its operations.

Accordingly, it has been agreed that the Hong Kong Subsidiary Schemes be implemented contemporaneously with the Company's Scheme and the Bermuda Scheme. Creditors of the Hong Kong Scheme Subsidiaries will also therefore be offered a return in consideration of their discharging and releasing their respective Claims against the relevant Hong Kong Scheme Subsidiaries of the Company pursuant to the Hong Kong Subsidiary Schemes.

The respective Scheme Trust Accounts opened for the benefit of entitled Creditors of each of the Company and the Hong Kong Scheme Subsidiaries will each receive a proportion of the Proceeds for distribution to its admitted creditors, based upon the values attributable to those companies.

Consideration payable by the Investor

The cash Consideration to be injected by the Investor was determined by a number of factors including, among others, the value provisionally attributed to the Business, Assets and Goodwill of the companies comprising the Restructured Group; the value of the Group's Stock as at 8 December 2008 (subject to adjustments for variation); and the value provisionally attributed to the listed status of the Company.

Accordingly, the Consideration payable by the Investor for the acquisition of the equity interests in the Restructured Group and the listed status of the Company will be in the order of HK\$500,000,000 (subject to the Adjustment). Pursuant to the Restructuring Agreement, the Investor will make payments to be applied in satisfaction of the relevant Consideration as follows:

- (a) **Deposit** - Payment by the Investor of HK\$100,000,000 in cash as Deposit received and currently held in escrow, subject to the terms of the Restructuring Agreement.
- (b) **Balance Payment** - A further amount of HK\$330,000,000 (subject to the Adjustment) will be paid by the Investor in cash on the date falling five Business Days after satisfaction of the Initial Condition (whereby the Scheme(s) become effective). This amount is referred to as the "Balance Payment" and, together with the amount of the Deposit, is principally attributable to the provisional values placed upon the Business,

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Assets and Goodwill of the Restructured Group and the Stock (as adjusted by reference to items of stock sold and new stock acquired, in each case, between the date of the Restructuring Agreement and implementation of the Scheme(s) on Closing). For reasons set out below under the section titled "Payment for Stock", only a portion of the Balance Payment attributable to the stock owned by the Restructured Group to be determined by the Scheme Administrators on Closing will be directly available for distribution to certain of the Scheme Creditors.

- (c) **Listing Value** - If Completion With Share Issue is to take place, such that the Company's listed status can be retained and the Investor will acquire certain shares in the Company, the Listing Value of HK\$70,000,000 will be added to the amount of Consideration on Closing.

If Completion With Share Transfer is to take place, the Investor will not pay the Listing Value and the total cash Consideration will be of the order of HK\$430,000,000 (subject to the Adjustment).

Transfer of New Shares for the benefit of Scheme Creditors

In addition to the above cash Consideration, on Completion With Share Issue only, the Investor will also transfer five per cent. of its holding of ordinary shares in the Company (i.e. the Creditor Shares) to the relevant nominee notified by the Scheme Administrators, whereupon they shall form part of the Schemes Assets for realisation for the benefit of Scheme Creditors.

Payment for Stock

In the Provisional Liquidators' view, it was considered very likely that any offer for the inventory of the Group would be at a significant discount to the book and/or market value, given the significant difficulties in terms of time and cost in realising such inventory other than through a bulk disposal.

The formula for calculating the amount payable by the Investor pursuant to the terms of the Restructuring Agreement was designed in an attempt to (i) ensure that meaningful value would be attributed to the Listing Value and the Business; and (ii) mitigate the impact of a discount offer for the Stock, which was felt to be inevitable.

The Investor (in common with all other bidders) offered a discount to the amount appraised as the value of the Stock as at 8 December 2008. In essence, the Investor will pay an amount of HK\$330,000,000 from which will be deducted the cost price of items of stock sold (as recorded on the Stock List) and then to which will be added the cost price actually paid for any new stock acquired which has not yet been sold. In the Provisional Liquidators' view, this was a suitable means to attempt to reduce the inherent risk of fluctuations in the price of gold and other precious metals relevant to the Group's operations.

With regard to the above, it is the view of the Group's management that:

- the Chinese New Year season provided a good platform for sales (such that discounted "old" Stock was disposed of and the "new" stock should be paid for by the Investor at cost price); and

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- the Group currently has sufficient working capital for replenishment of stock,

so that it is expected that the value of the Group's stock as at Closing will not be less than the Stock Value as at 8 December 2008.

The Stock comprises stock-in-trade owned by Hang Fung Jewellery Company Ltd. (Provisional Liquidators Appointed) and stock-in-trade owned by 3D-GOLD Enterprise Development (Shenzhen) Co. Ltd.

As at the Stock Balance Date, the proportions of the stock owned by each of Hang Fung Jewellery Company Ltd. (Provisional Liquidators Appointed) and 3D-GOLD Enterprise Development (Shenzhen) Co. Limited. was approximately one third and two thirds respectively.

As regards allocation in favour of the Schemes:

(1) The portion of the Balance Payment to be made by the Investor attributable to the stock-in-trade owned by Hang Fung Jewellery Company Ltd. shall be consideration paid for the stock-in-trade owned by Hang Fung Jewellery Company Ltd. Hang Fung Jewellery Company Ltd. is not proposed to be subject to a scheme of arrangement, but will instead be formally liquidated. Consequently, the proportion of the Balance Payment attributed to Hang Fung Gold Jewellery Company Ltd. as consideration for its stock shall be distributed *pari passu* amongst its creditors in the ordinary course of its liquidation.

(2) The proportion of the Balance Payment attributed to 3D-GOLD Enterprise Development (Shenzhen) Co. Limited (i.e. the "Shenzhen Balance Payment") will then be applied for the benefit of the Scheme Creditors of 3D-GOLD Company Limited, the immediate parent company of 3D-GOLD Enterprise Development (Shenzhen) Co. Limited.

Excluded Items and allocation of Schemes Assets Proceeds

On or before Closing, the Company and the Hong Kong Scheme Subsidiaries shall transfer or procure the transfer of (i) the Excluded Companies out of the Group (to be separated from the Restructured Group); and (ii) all the Excluded Items to the Excluded Companies or relevant nominee at the direction of the Provisional Liquidators or the Scheme Administrators (as the case may be), to form part of the Schemes Assets.

In addition to the Consideration from the Investor, there will be Schemes Assets which will comprise:

- the Excluded Companies;
- the Excluded Items (including but not limited to the Excluded Companies); and
- (if Completion With Share Issue takes place) the Creditor Shares.

As well as the various Subsidiaries of the Company (i.e. the Excluded Companies) to be transferred out of the Group, the Excluded Items will comprise:

- cash and cash equivalents held by any member of the Group;
- certain Receivables;

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- rights and claims against third parties;
- all payments by way of rent deposits and prepayments to secure lease arrangements and utilities for any premises from which the Business operates and to which the Restructured Group is entitled on termination of the relevant lease arrangements to which such payments relate; and
- certain gold display items.

Following Closing, the Scheme Administrators will endeavour to realise the Schemes Assets Proceeds to the highest return reasonably practicable in the circumstances.

The Proceeds, being the aggregate of the Consideration and the Schemes Assets Proceeds (before deduction of the Provisional Liquidators' Costs), available for the Scheme Creditors, are summarised in the table below:

	Completion With Share Issue	Completion With Share Transfer
	HK\$'million	HK\$'million
1. Listing status	70.0	-
2. Excluded Items	Various	Various
3. Stock (Subject to Adjustment)	330.0	330.0
4. Business Network		
- the Company	98.0	98.0
- La Milky Way International Company Limited	1.0	1.0
- 3D-GOLD International Company Limited	1.0	1.0
	500.0	430.0
	plus Adjustment & ERV on Excluded Items	plus Adjustment & ERV on Excluded Items

Note: "ERV" stands for estimated realisable value.

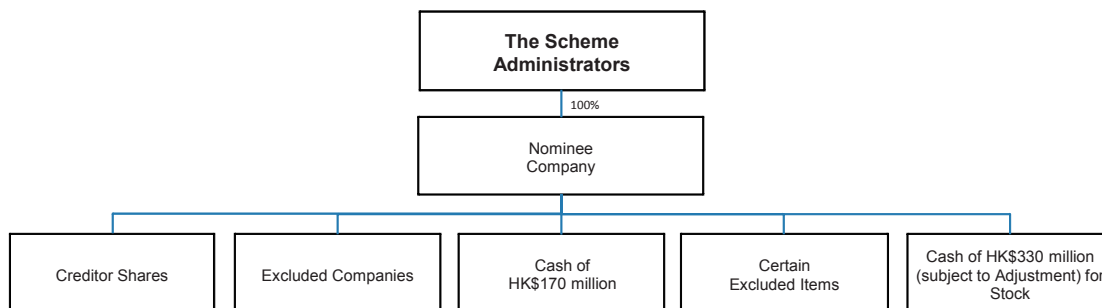
The proportion of the Schemes Assets Proceeds allocated for distribution to the Creditors of the Company and/or the Hong Kong Scheme Subsidiaries shall be entirely at the reasonable decision of the Scheme Administrators, whose decision shall be final and binding, based upon their determination of the values attributable to each of them.

It should be noted that the balance of the Proceeds (subject to payment of agreed costs) will be allocated to the Excluded Companies where appropriate (i.e. where the Proceeds are derived from an Excluded Company's assets) for distribution to their creditors on their liquidation.

Returns to Creditors under Completion With Share Issue

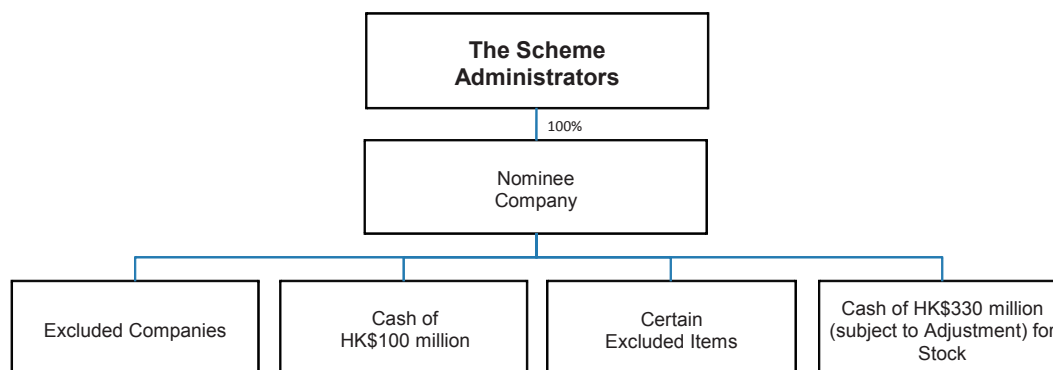
The Scheme Administrators will, through a nominee company, control the Excluded Companies, cash estimated to be HK\$500 million (being subject to adjustment pursuant to the terms of the Restructuring Agreement), certain of the Excluded Items and the Creditor Shares.

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Returns to Creditors under Completion With Share Transfer

The Scheme Administrators will, through their nominee company, control the Excluded Companies, cash estimated to be HK\$430 million (being subject to adjustment pursuant to the terms of the Restructuring Agreement) and certain of the other Excluded Items.



On Completion With Share Transfer, the Scheme Creditors of the Company will not be entitled to participate immediately in the Proceeds from the Scheme attributable to the Company. Such Proceeds will be allocated to an Excluded Company Trust Account for the benefit of the Company's Scheme Creditors.

Creditors of the Company should therefore submit a Notice of Claim for Dividend Purposes as required under the Scheme and, if Completion With Share Transfer occurs, any such Claim that is agreed will be applied in such Creditors' participation in the Company's subsequent liquidation in the ordinary course.

In this way, the Company's Scheme Creditors will be entitled to the same level of Proceeds as they would otherwise have been if receiving payments pursuant to the Company's Scheme; but will retain the benefit from and control of the insolvent Company, which would otherwise return to the hands of its Shareholders were the Company restored to a solvent state on discharge of its liabilities under its Scheme.

Estimated recovery under restructuring scenario

Based on the unaudited financial statements of the Group as at 30 September 2008 (with adjustments) and based on discussions with management, the Provisional Liquidators estimate realisable values and recovery by unsecured creditors of the Company, 3D-GOLD Company Limited, La Milky Way International Company Limited and 3D-GOLD

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International Company Limited., according to the terms and conditions of the Restructuring Agreement, to be as follows:

HK\$ million	3D-GOLD Jewellery Holdings Limited		3D-GOLD Company Limited		La Milky Way International Company Limited		3D-GOLD International Co. Ltd.	
	(Est. Realizable Val.)		(Est. Realizable Val.)		(Est. Realizable Val.)		(Est. Realizable Val.)	
	Note 1	Note 2	Note 1	Note 2	Note 1	Note 2	Note 1	Note 2
Estimated recoveries from assets realization:								
Non-current Assets	203.8	133.8	207.4	207.4	1.0	1.0	1.0	1.0
Current Assets	0.7	0.7	0.1	0.1	-	-	-	-
	204.5	134.5	207.5	207.5	1.0	1.0	1.0	1.0
Less: Professional fees, costs & Preferential Claims	(5.0)	(5.0)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Funds Reserved for Litigation against third parties	(20.0)	(20.0)	-	-	-	-	-	-
Funds available for Unsecured Creditors	<A> 179.5	109.5	207.3	207.3	0.8	0.8	0.8	0.8
Liabilities								
Bank creditors		-		-		-		-
Noteholders		1,382.6		-		-		-
Bondholders		60.0		-		-		-
Other creditors		57.8		795.5		-		-
Guarantee		962.2		1,382.6		1,382.6		1,382.6
Total creditors		2,462.6		2,178.1		1,382.6		1,382.6
Estimated recoveries by Unsecured Creditors	=<A/B>	7.3%	4.4%	9.5%	9.5%	0.1%	0.1%	0.1%

Note 1 : Being estimated recoveries by Unsecured Creditors under Completion With Share Issue.
Note 2 : Being estimated recoveries by Unsecured Creditors under Completion With Share Transfer.
The above table has been prepared based on information presently available to the Provisional Liquidators and on the assumptions set out in Appendix 11.

The estimated recovery of the Creditors of each of the above companies is summarised as follows:

	Noteholders		Bondholders		Other Unsecured Creditors	
	Note 1	Note 2	Note 1	Note 2	Note 1	Note 2
Estimated recoveries from:						
3D-GOLD Jewellery Holdings Limited	7.3%	4.4%	7.3%	4.4%	7.3%*	4.4%*
3D-GOLD International Co. Ltd.	0.1%	0.1%	-	-	0.1%	0.1%
3D-GOLD Company Limited	9.5%	9.5%	-	-	9.5%	9.5%
La Milky Way International Company Limited	0.1%	0.1%	-	-	0.1%	0.1%
Others (Note 3)	2.5%	2.5%	1.9%	1.9%		
Total estimated recoveries	19.4%	16.6%	9.2%	6.3%		

Note 1 : Being estimated recoveries by Unsecured Creditors under Completion With Share Issue.
Note 2 : Being estimated recoveries by Unsecured Creditors under Completion With Share Transfer.
Note 3 : "Others" refers to the estimated recoveries from those Excluded Companies which act as guarantors for the Notes/Bonds.
* : Estimated recoveries by Unsecured Creditors (including bank creditors of Hang Fung Jewellery Company Limited since the Company acts as guarantor for such loans)
The above table has been prepared based on information presently available to the Provisional Liquidators and on the assumptions set out in Appendix 11.

If the Schemes of Arrangement are not approved and implemented, it is likely that the Company and the Hong Kong Scheme Subsidiaries will be placed into insolvent liquidation (referred to as "liquidation scenario").

Alternatively, if conditions allow, the Company may restructure the Group and realise its assets in an orderly manner (referred to as "orderly wind-down scenario").

The estimated recoveries by the Unsecured Creditors under a liquidation scenario and orderly wind-down scenario are set out in the sections next following.

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Estimated recovery under a liquidation scenario

The Provisional Liquidators consider that if the Company and the Hong Kong Scheme Subsidiaries are placed into insolvent liquidation, it will result in significantly lower return to Creditors of the Company and the Hong Kong Scheme Subsidiaries.

The Provisional Liquidators believe that under the liquidation scenario, the Company and the Hong Kong Scheme Subsidiaries would have no opportunity to carry out proper business arrangements with the customers to preserve and realise the value of the retail business network, customer base, brand name and goodwill of the Company and/or the Hong Kong Scheme Subsidiaries. Hence, all the existing inventory of the Company and the Hong Kong Scheme Subsidiaries would likely be disposed of at a low residual value.

Liquidation scenario

In a liquidation scenario, there will be less of an opportunity to support customers, thereby increasing the risk of contingent liabilities being crystallised while reducing the opportunity for maximum recovery to Creditors.

A statement of estimated realisable assets of the Company and the Hong Kong Scheme Subsidiaries under a liquidation scenario is summarised as follows:

HK\$'million	3D-GOLD Jewellery Holdings Limited		3D-GOLD Company Limited		La Milky Way International Company Limited		3D-GOLD International Co. Ltd.	
	(Liq. Val.)		(Liq. Val.)		(Liq. Val.)		(Liq. Val.)	
	High case	Low case	High case	Low case	High case	Low case	High case	Low case
Estimated recoveries from assets realization:								
Non-current Assets	70.2	41.7	98.8	24.3	-	-	-	-
Current Assets	0.7	0.7	0.1	0.1	-	-	-	-
	70.9	42.4	98.9	24.4	-	-	-	-
Less: Prof. fees, Costs & Preferential Claims	(8.0)	(8.0)	(0.2)	(0.2)	-	-	-	-
Funds available for Unsecured Creditors	<A> 62.9	34.4	98.7	24.2	-	-	-	-
Liabilities								
Bank creditors		-	-			-		-
Noteholders		1,382.6	-			-		-
Bondholders		60.0	-			-		-
Other creditors		57.8	795.5			-		-
Guarantee		962.2	1,382.6			1,382.6		1,382.6
Total creditors	 2,462.6		2,178.1			1,382.6		1,382.6
Estimated recoveries by Unsecured Creditors	=<A/B> 2.6%	1.4%	4.5%	1.1%	0.0%	0.0%	0.0%	0.0%
The above table has been prepared based on information presently available to the Provisional Liquidators and on the assumptions set out in Appendix 11.								

As shown above, the above companies are insolvent in the sense that their liabilities exceed their estimated realisable assets.

Under the liquidation scenario, the estimated recovery of creditors of each of the above companies is summarised as follows:

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	Noteholders		Bondholders		Other Unsecured Creditors	
	High case	Low case	High case	Low case	High case	Low case
Estimated recoveries from:						
3D-GOLD Jewellery Holdings Limited	2.6%	1.4%	2.6%	1.4%	2.6%*	1.4%*
3D-GOLD International Co. Ltd.	0.0%	0.0%	-	-	0.0%	0.0%
3D-GOLD Company Limited	4.5%	1.1%	-	-	4.5%	1.1%
La Milky Way International Company Limited	0.0%	0.0%	-	-	0.0%	0.0%
Others (Note)	1.7%	0.2%	1.3%	0.1%		
Total estimated recoveries	8.8%	2.7%	3.9%	1.5%		
Note : "Others" refers to the estimated recoveries from those Excluded Companies which act as guarantors for the Notes/Bonds. * : Estimated recoveries by Unsecured Creditors (including bank creditors of Hang Fung Jewellery Company Limited since the Company acts as guarantor for such loans)						
The above table has been prepared based on information presently available to the Provisional Liquidators and on the out in Appendix 11 to the Proposed Scheme.						

Orderly wind-down scenario

Under the orderly wind-down scenario, it is assumed that the Company would have necessary funding to restructure the Group and to realise the Group's assets in an orderly manner so as to achieve the best estimated net realisable values for all its stakeholders.

The Provisional Liquidators would take all reasonable steps with the aim of packaging the assets of the Group for sale in a systematic manner, safeguarding their assets and minimising business loss. In this way, the Company and the Hong Kong Scheme Subsidiaries would have a better chance to maximise recovery of receivables from customers and achieve a mutually beneficial business arrangement.

A statement of estimated realisable assets of the Company and the Hong Kong Scheme Subsidiaries under orderly wind-down scenario is summarised as follows:

HK\$'million	3D-GOLD Jewellery Holdings Limited		3D-GOLD Company Limited		La Milky Way International Company Limited		3D-GOLD International Co. Ltd.	
	(Est. Realizable Val.)		(Est. Realizable Val.)		(Est. Realizable Val.)		(Est. Realizable Val.)	
	High case	Low case	High case	Low case	High case	Low case	High case	Low case
Recovery from assets realization:								
Non-current Assets	98.7	84.4	173.3	136.1	-	-	-	-
Current Assets	0.7	0.7	0.1	0.1	-	-	-	-
	99.4	85.1	173.4	136.2	-	-	-	-
Less: Prof. fees, Costs & Preferential Claims	(8.0)	(8.0)	(0.2)	(0.2)	-	-	-	-
Funds available for Unsecured Creditors <A>	91.4	77.1	173.2	136.0	-	-	-	-
Liabilities								
Bank creditors	-	-	-	-	-	-	-	-
Noteholders	1,382.6	-	-	-	-	-	-	-
Bondholders	60.0	-	-	-	-	-	-	-
Other creditors	57.8	-	795.5	-	-	-	-	-
Guarantee	962.2	-	1,382.6	-	1,382.6	-	1,382.6	-
Total creditors 	2,462.6	-	2,178.1	-	1,382.6	-	1,382.6	-
Estimated recoveries by Unsecured Creditors =<A/B>	3.7%	3.1%	8.0%	6.2%	0.0%	0.0%	0.0%	0.0%
The above table has been prepared based on information presently available to the Provisional Liquidators and on the assumptions set out in Appendix 11.								

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As shown above, the above companies are insolvent in the sense that their liabilities exceed their estimated realisable assets.

Under the orderly wind-down scenario, the estimated recovery of the Creditors of each of the above companies is summarised as follows:

	Noteholders		Bondholders		Other Unsecured Creditors	
	High case	Low case	High case	Low case	High case	Low case
Estimated recoveries from:						
3D-GOLD Jewellery Holdings Limited	3.7%	3.1%	3.7%	3.1%	3.7%*	3.1%*
3D-GOLD International Co. Ltd.	0.0%	0.0%	-	-	0.0%	0.0%
3D-GOLD Company Limited	8.0%	6.2%	-	-	8.0%	6.2%
La Milky Way International Company Limited	0.0%	0.0%	-	-	0.0%	0.0%
Others (Note)	3.3%	2.5%	2.7%	2.1%		
Total estimated recoveries	15.0%	11.8%	6.4%	5.2%		
Note : "Others" refers to the estimated recoveries from those Excluded Companies which act as guarantors for the Notes/Bonds. * : Estimated recoveries by Unsecured Creditors (including bank creditors of Hang Fung Jewellery Company Limited since the Company acts as guarantor for such loans) The above table has been prepared based on information presently available to the Provisional Liquidators and on the assumptions set out in Appendix 11 to the Proposed Scheme.						

Comparison of the estimated recovery to Unsecured Creditors under the different scenarios

Estimated recoveries by creditors of 3D-GOLD Jewellery Holdings Limited						
	Liquidation scenario		Orderly wind-down scenario		Restructuring scenario	
	Low case	High case	Low case	High case	Note 2	Note 1
Other Unsecured Creditors	1.4%*	2.6%*	3.1%*	3.7%*	4.4%*	7.3%*
Noteholders	1.4%	2.6%	3.1%	3.7%	4.4%	7.3%
Bondholders	1.4%	2.6%	3.1%	3.7%	4.4%	7.3%
Estimated recoveries by creditors of 3D-GOLD International Co. Ltd.						
	Liquidation scenario		Orderly wind-down scenario		Restructuring scenario	
	Low case	High case	Low case	High case	Note 2	Note 1
Unsecured Creditors	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Noteholders	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Estimated recoveries by creditors of 3D-GOLD Company Limited						
	Liquidation scenario		Orderly wind-down scenario		Restructuring scenario	
	Low case	High case	Low case	High case	Note 2	Note 1
Unsecured Creditors	1.1%	4.5%	6.2%	8.0%	9.5%	9.5%
Noteholders	1.1%	4.5%	6.2%	8.0%	9.5%	9.5%
Estimated recoveries by creditors of La Milky Way International Company Limited						
	Liquidation scenario		Orderly wind-down scenario		Restructuring scenario	
	Low case	High case	Low case	High case	Note 2	Note 1
Unsecured Creditors	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Noteholders	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Note 1 : Being estimated recoveries by Unsecured Creditors under Completion With Share Issue. Note 2 : Being estimated recoveries by Unsecured Creditors under Completion With Share Transfer. * : Estimated recoveries by Unsecured Creditors (including bank creditors of Hang Fung Jewellery Company Limited since the Company acts as guarantor for such loans) The above table has been prepared based on information presently available to the Provisional Liquidators and on the assumptions set out in Appendix 11.						

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Factors assumed likely to affect the liquidation or the orderly wind-down of the Company and the Hong Kong Scheme Subsidiaries

Liquidation scenario

- (a) The recovery rate on liquidation of stock will follow a market supply and demand basis and it is not possible to set a fixed market value. Rushing to sell the inventory of the Group is likely to over supply the market. Even though gold, diamonds, precious gems and other precious metals can generally be assumed to have intrinsic value, a quick sale would very likely be at a large discount, thus reducing the recovery for the Creditors.
- (b) A reduced level of accountability and responsibility during a period of rushed sales in a liquidation scenario will have a negative impact on the internal control of the Group.
- (c) At the end of the liquidation, the relevant companies would be liable for payment of employee severance, which action is not necessary in the restructuring scenario (as the responsibility would pass to the Investor).
- (d) Liquidation costs would be incurred.

Orderly wind-down scenario

- (a) Uncertainty over the length of the orderly wind-down period would be a significant issue. It may take a long time for the Company to be wound-down. During such prolonged period, Creditors' recovery will remain subject to (amongst other things) the risks of general continued economic down-turn and the uncertainty of sustaining the Group's operations with existing customers.
- (b) Orderly wind-down will prolong the recovery payment period for the Creditors. This may incur additional management costs for the Creditors.
- (c) In an orderly wind-down scenario, shortage of working capital will occur because revenue levels will not be maintained, while overhead costs will remain. This would mean a reduced ability for the Group to service customers and maintain relationships during the wind-down period.
- (d) Retention of employees over the full period of the orderly wind-down of the business is an important issue. As the outlook on employment is uncertain, existing employees, including management, are likely to be inclined to look for alternative career opportunities. On a winding down of the Company, it would be difficult to recruit replacements. Normal operations of the business would be disrupted. Indeed, as at the date of this Document, some of the senior management have already resigned. The Provisional Liquidators consider that suitable replacement would be essential to maintain the business.
- (e) Internal control is a major issue. In an orderly wind-down, employees may believe that they will not be held liable for mistakes incurred during the orderly wind-down period. A reduced level of accountability and responsibility will have a negative impact

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on the internal control of the Group. An accumulation of smaller mistakes may lead to significant operational problems.

- (f) Following on from the above, there would be a concern that the retail personnel may be tempted to misappropriate inventory as there may be a perception that there is a reduced chance of being held accountable.
- (g) As the Company is not producing new designs or adding new inventory, it will be difficult to attract recurring consumers.
- (h) With a reduced and decreasing level of custom, it is anticipated that the Group may lose rights to many of its retail points. Lacking good points of sale will reduce revenue, and thus the recovery for the Creditors.
- (i) So long as the Company remains subject to a winding up petition, its reputation and creditability would be in doubt among its customers, suppliers or other trade creditors. Hence, sales and liquidity could be adversely affected.
- (j) Similar to the liquidation scenario, at the end of the orderly wind-down, the Company would be liable for payment of employee severance, which action is not necessary in the restructuring scenario; as the responsibility would pass to the Investor.
- (k) With the injection of a new principal shareholder, new capital and new business plan, the above risks could be reduced.

In this way, it is believed that the restructuring scenario will preserve higher value than the orderly wind-down scenario.

Qualitative factors

The main difference in the assumptions adopted in the three scenarios is the recovery rate on disposal of the stock. Under the liquidation scenario, it is assumed that the high and low recovery rates of the stock (i.e. the major asset of the Group) are 20% and 40% respectively. Under the orderly wind-down scenario, it is assumed that the high and low recovery rates of the stock are 50% and 60%, respectively. The basis of such assumptions is exhibited in Appendix 11.

In summary, Unsecured Creditors could get nearly zero recovery from La Milky Way International Company Limited and 3D-GOLD International Company Limited, because the realisable value of these companies is minimal.

Noteholders, Bondholders and other Unsecured Creditors are also ranked *pari passu* in Claims against the Company and the relevant Hong Kong Scheme Subsidiaries, and could recover in the same rate. However, among the Unsecured Creditors, Noteholders will have the highest recovery since the Notes are guaranteed by each of the Hong Kong Scheme Subsidiaries.

In addition, it should be noted that the Provisional Liquidators took control of the day to day business operations of the Group and took steps to preserve its assets to the extent possible in the circumstances. In the course of their investigations into the debts of the Group, they became concerned over the legitimacy of certain sales and trade receivables, including those related to the Group's wholesale business. From the information and records currently

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available to them, the Provisional Liquidators were of the view that the Group's operations have been substantially smaller and less profitable than previously reported, prior to their appointment as Provisional Liquidators of the Company.

The above qualitative analysis illustrates that among all companies within those proposed to be subject to schemes of arrangement and the three scenarios, recovery rate of the Noteholders, Bondholders and other Unsecured Creditors are highest under the restructuring scenario. In view of the above, the Provisional Liquidators consider that the proposal received from the Investor represented the best option available to the Creditors, the Company and the Hong Kong Scheme Subsidiaries.

Financial position of the Excluded Companies

For the purposes of this section, reference to "Excluded Companies" is taken to exclude the Company, although on Completion With Share Transfer, the Company will be an Excluded Company.

Persons whose Claims are admitted against both a company the subject of a Scheme and one or more members of the Group not subject to a Scheme will receive respectively payment (i) out of Scheme Funds; and (ii) through the liquidation of the relevant company in the ordinary course. The purpose of implementing schemes of arrangement is to induce the Investor to acquire an interest in the Group, by removing the current liabilities of the relevant companies prior to transfer. Creditors will, where entitled, benefit from the additional cash injected by the Investor, but conversely returns are not intended ultimately to be prejudiced in claiming against a company the subject of a scheme or not.

Liquidation scenario: the Excluded Companies being put into liquidation involuntarily.

A statement of estimated realisable assets of the Excluded Companies under a liquidation scenario is summarised as follows. Considering most of the Excluded Companies have been dormant for a long period of time, and the assets and business operation will be disposed of with no customer support nor marketing activities, the estimated returns by Creditors from the Excluded Companies are considered relatively low.

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HK\$'million	Excluded Companies*							
	Hang Fung Jewellery Co., Ltd. (Est. Liq. Val.)		Note	Other Excluded Companies* (Est. Liq. Val.)		Note	Total (Est. Liq. Val.)	
	High case	Low case		High case	Low case		High case	Low case
Estimated recovery from encumbered assets realization:	144.6	144.6		10.7	10.7	3	155.3	155.3
Less: secured Liabilities (Deficiency)/Surplus	712.2	712.2	1	-	-		712.2	712.2
	(567.6)	(567.6)		10.7	10.7		(556.9)	(556.9)
Estimated recovery from unencumbered assets realization:								
Non-current Assets	42.9	29.1		9.0	1.3		51.9	30.4
Current Assets	141.9	88.9		6.6	6.5		148.5	95.4
	184.8	118.0		15.6	7.8		200.4	125.8
Less: Prof. fees, Costs & Preferential Claims	(114.9)	(114.1)		(10.5)	(10.5)		(125.4)	(124.6)
Funds available for Unsecured Creditors	69.9	3.9		5.1	-		75.0	3.9
Liabilities								
Bank creditors		312.2			-			312.2
Noteholders		-			-			-
Bondholders		-			-			-
Other creditors#		3,297.8			1,180.4			4,478.2
Guarantee		1,442.6	2		19,355.8	4		20,798.4
Total creditors		5,052.6			20,536.2			25,588.8

Note:

1. Part of the liabilities is secured over a property owned by other Excluded Companies with est. realizable value HK\$10.7 million.
 2. Guarantee over
 - (i) Bonds: HK\$60 million;
 - (ii) Notes: HK\$1,382.6 million
 3. The property is security for part of the liabilities referred in Note 1.
 4. The 14 other Excluded Companies were guarantors over the Notes of HK\$1,382.6 million (including accrued interest).
 5. The above table has been prepared based on information presently available to the Provisional Liquidators and on the assumptions set out in Appendix 11.
- * 3D-GOLD Jewellery Holdings Limited is not included as an Excluded Company.
 # Included secured creditors (for net claims after deduction of the estimated realizable value of their securities)

Orderly Wind-down scenario: The assets and businesses of Excluded Companies will be disposed of in an orderly manner.

A statement of estimated realisable assets of the Restructured Group under orderly wind-down scenario is summarised as follows. Assuming that the Provisional Liquidators could dispose of the assets and businesses of the Excluded Companies in an orderly manner, the estimated recovery from receivables and inventories is likely to be better than that under a liquidation scenario.

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HK\$ million	Excluded Companies*							
	Hang Fung Jewellery Co. Ltd.		Note	Other Excluded Companies*		Note	Total	
	(Est. Realizable Val.)			(Est. Realizable Val.)			(Est. Realizable Val.)	
	High case	Low case		High case	Low case		High case	Low case
Estimated recovery from encumbered assets realization	144.6	144.6		10.7	10.7	3	155.3	155.3
Less: secured Liabilities (Deficiency)/Surplus	712.2	712.2	1	-	-		712.2	712.2
	(567.6)	(567.6)		10.7	10.7		(556.9)	(556.9)
Estimated recovery from unencumbered assets realization:								
Non-current Assets	56.8	49.9		16.7	12.9		73.5	62.8
Current Assets	194.8	168.3		6.7	6.7		201.5	175.0
	251.6	218.2		23.4	19.6		275.0	237.7
Less: Prof. fees, Costs & Preferential Claims	(115.7)	(115.3)		(10.5)	(10.5)		(126.2)	(125.8)
Funds available for Unsecured Creditors	135.9	102.9		12.9	9.1		148.8	111.9
Liabilities								
Bank creditors		312.2			-			312.2
Noteholders		-			-			-
Bondholders		-			-			-
Other creditors#		3,297.8			1,180.4			4,478.2
Guarantee		1,442.6	2		19,355.8	4		20,798.4
Total creditors		5,052.6			20,536.2			25,588.8

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 5. The above table has been prepared based on information presently available to the Provisional Liquidators and on the assumptions set out in Appendix 11.
- * 3D-GOLD Jewellery Holdings Limited is not included as an Excluded Company.
Included secured creditors (for net claims after deduction of the estimated realizable value of their securities)

Mechanics of dealing with Excluded Items

As a term of the Restructuring Agreement, it was commercially agreed that certain Accounts Payables would be paid by the Schemes and certain Receivables would be collected for the benefit of the Schemes.

Payment of Accounts Payable

Prior to Closing, the Accounts Payables shall be paid out of the Receivables Account using payments received from all the Trade Receivables owing to 3D-GOLD Enterprise Development (Shenzhen) Co. Limited as at the First Payment Date in respect of goods or services supplied in the usual or ordinary course of business.

Such Accounts Payables will only be payable out of the Receivables Account to the extent that there are payments received from such Trade Receivables sufficient to discharge them and after Closing, to the extent that there are insufficient or no funds in the Receivables Account representing payments received from such Trade Receivables to pay all Accounts Payables then any such shortfall shall be solely borne by the Restructured Group controlled by the Investor.

Excluded Items

Pursuant to the Restructuring Agreement and to the extent possible under applicable laws and regulations, the Excluded Items shall be assigned and/or transferred and/or novated (as the case may be) from the relevant members of the Restructured Group to a nominee of the Provisional Liquidators or the Scheme Administrators (as the case may be) for the benefit of the Scheme Creditors and, if applicable, creditors of the Excluded Companies through their liquidations, and shall not form part of the assets or liabilities of the Restructured Group. If it

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is impossible for any reason to assign and/or transfer and/or novate (as the case may be) any Excluded Items from the relevant members of the Restructured Group to a nominee of the Provisional Liquidators or the Scheme Administrators (as the case may be) as aforesaid, such Excluded Items shall be held on trust for the Excluded Companies (or relevant nominee notified by the Provisional Liquidators to the Investor) and the Investor, the Company or the Restructured Group (as the case may be) shall take such action as the Provisional Liquidators or the Scheme Administrators (as the case may be) may reasonably require upon indemnification by them as to the costs of so doing.

Receivables

To the extent that any Receivables are not assigned or transferred to such a nominee, the Investor shall use all reasonable endeavours to collect, or otherwise assist the Provisional Liquidators or the Scheme Administrators (as the case may be) in their efforts to collect, the Receivables, and shall take such action as may be necessary to collect the Receivables if required by the Provisional Liquidators and if it is impossible for any reason to assign and/or transfer (as the case may be) any Receivables from the relevant members of the Restructured Group to a nominee as aforesaid, such Receivables shall be held on trust for the Excluded Companies.

Any money received by any member of the Restructured Group after Closing from a debtor owing any Receivable(s) shall be deemed to have been paid in or towards the discharge of the Receivable(s) (or any part thereof) and shall not be applied in settlement of new debts owed to the Restructured Group but incurred after the relevant Receivable(s) until the Receivable due from such debtor has been discharged in full.

Within ten Business Days of the end of each month, commencing after Closing, the Investor shall provide the Scheme Administrators with a statement of the Receivables collected in that month (or, in the case of the first such month, the period between Closing and the end of such month) and shall (subject to the position described below) remit to the Scheme Administrators, for payment into the Receivables Account, the amounts received during that period.

Pursuant to the Restructuring Agreement, the obligations of the Investor to collect Receivables described above shall cease absolutely twelve months after the Effective Date provided that the Investor has used its best endeavours to assign the benefit of any Receivables remaining with the Restructured Group to the nominee as designated by the Scheme Administrators and save that if thereafter any payments are made to the Restructured Group in respect of any Receivables the Investor shall remit the same in Hong Kong dollars to the Provisional Liquidators less the Investor's reasonable costs and expenses incurred for collection and remittance of the relevant Receivables (including any applicable bank charges).

Mainland Receivables

Receivables due and received in the Mainland by members of the Restructured Group incorporated in or otherwise subject to the laws of the Mainland (i.e. 3D-GOLD Enterprise Development (Shenzhen) Co. Limited) shall be retained by such companies in the Mainland, in accordance with Mainland laws. Accordingly, and given the potential difficulty in both collecting Receivables in the Mainland and remitting them to Hong Kong, the Provisional Liquidators have agreed with the Investor that it shall remit to the Provisional Liquidators on

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the last Business Day of each month following Closing an amount in Hong Kong dollars equivalent to any payments received and retained by the Restructured Group in respect of such Receivables, at an exchange rate being the average of the mid-rates of exchange between the official buying and selling rates of Renminbi vis-a-vis HK\$ as quoted by PBOC as published on PBOC's website (www.pbc.gov.cn) on each of the five Business Days immediately preceding the date of payment of the Receivables, less any applicable bank charges.

The amounts received in respect of Receivables due to 3D-GOLD Enterprise Development (Shenzhen) Co. Limited will be applied for the benefit of the Scheme Creditors of 3D-GOLD Company Limited, the immediate parent company of 3D-GOLD Enterprise Development (Shenzhen) Co. Limited.

Collection of Receivables

Receivables collected (whether by the Investor or Provisional Liquidators/Scheme Administrators) shall be paid to the Receivables Account set up by the Provisional Liquidators as soon as reasonably practicable on receipt.

Balance in Receivables Account

Any positive balance standing to the credit of the Receivables Account following payment of all Accounts Payables shall be transferred, at the Provisional Liquidators' (or following their discharge, Scheme Administrators') direction, to the Proceeds Account.

Thereafter, such balance of Receivables shall be allocated to the relevant Scheme Trust Account(s) and/or Excluded Company Trust Account(s), based on the relevant companies' entitlements to their Receivables as determined by the Scheme Administrators.

Determination of Accounts Payables and Receivables

In the event of any dispute, the Accounts Payables and Receivables shall be such amount as is determined by the Independent Party in such manner as they shall in their absolute discretion think fit and in determining the relevant resultant sum, the Independent Party shall act as experts and not as arbitrators and their decision shall be final and binding upon the parties save in the event of manifest error, and the cost of the Independent Party's determination shall be borne equally by the parties (and, in the case of such costs of the Provisional Liquidators or Scheme Administrators, shall be funded from the Proceeds Account).

Period between First Payment Date and Closing

- (a) All trade and other debts and amounts owing to the Company and its Subsidiaries (other than in respect of inter-company debts between members of the Group) referable to the period from (but excluding) the First Payment Date shall belong to and be paid to the Restructured Group.
- (b) All trade debts owing by the Restructured Group to trade creditors of the Restructured Group in the ordinary course of the Business from (but excluding) the First Payment Date shall be for the account of the Restructured Group.

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- (c) The Investor shall, with effect from the date immediately following the First Payment Date, assume responsibility for and unconditionally and irrevocably indemnify on demand the Excluded Companies, the Provisional Liquidators, or their respective directors, officers, employees, agents or advisers from and against all and any losses, costs, claims, liabilities, damages, demands and expenses suffered or incurred by the Company and the Provisional Liquidators/Scheme Administrators, or their respective directors, officers, employees, agents or advisers arising from any failure of the Restructured Group to comply with any of its obligations or discharge any of its liabilities in respect of payment and performance of the amounts owing pursuant to paragraph (b) above and shall otherwise enjoy the benefits of the amounts to be received by the Restructured Group pursuant to paragraph (a) above.

Cost of recovery

In relation to each successful recovery of a Receivable or part thereof the Company and/or the relevant Hong Kong Scheme Subsidiary shall be entitled to be reimbursed first out of the Schemes Assets Proceeds realised from such recovery to the extent of the amount incurred by such Company or relevant Hong Kong Scheme Subsidiary, whether before or after the Effective Date, for the costs of such recovery and only the balance of the Schemes Assets Proceeds from such recovery shall be remitted and transferred to the Receivables Account.

If the Scheme Administrators consider it to be in the best interest of the Scheme Creditors as a whole, they may use part of the Scheme Funds to finance the recovery referred to above.

Inter-Company debts

No debts owed by members of the Group to any other member of the Group will be automatically waived for the purposes of the Schemes or otherwise. Each member of the Group that is also a Creditor will therefore prove for any Claim pursuant to the relevant Scheme(s); and will also continue to be owed any outstanding liabilities from any relevant member of the Group where such member is not the subject of a Scheme. All Claims of those companies in the Restructured Group against other members of the Group and/or third parties as at Closing will be assigned to nominees directed by the Scheme Administrators for the benefit of the relevant Scheme Trust Account(s) and Excluded Company Trust Account(s).

In the Provisional Liquidators' view, this is the best way to ensure as far as possible that such funds as should be attributed to a member of the Group for settlement of liabilities owed to its creditors will be appropriately applied without materially prejudicing the entitlements of creditors as against certain of the relevant companies had such companies' debts been waived. Given the negative cost/benefit and timing implications of drawing up forensic accounts to establish definitive inter-company balances, the amounts ascribed to inter-company debts of the Group will be based upon the information reasonably available to the Scheme Administrators as at the time of their determination.

Secured Scheme Creditors

Any Secured Scheme Creditor who has submitted notice of a Claim or Claims may:

- (a) agree the appraised value of its Security Interest with the Scheme Administrators and participate in the Scheme as a Scheme Creditor for the unsecured portion of

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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 Schemes Assets to be realised and thereafter applied in accordance with Clause 7 of the Scheme.

If a Secured Scheme Creditor cannot agree a value for its Security Interest with the Scheme Administrators or the Secured Scheme Creditor is unwilling to release its Security Interest, then that Secured Scheme Creditor's Claim will be treated as an Unadmitted Claim for which appropriate reserves will be made by the Scheme Administrators out of the Scheme Funds, pending the Secured Scheme Creditor notifying the Scheme Administrators that it has realised its Security Interest and providing details of its unsecured Claim (if any), or, if earlier, releasing or agreeing with the Scheme Administrators a value for its Security Interest.

Guarantee Claims

A Scheme Creditor may claim in full in respect of any guarantee(s) given by the Company and/or the Hong Kong Scheme Subsidiaries except that the amount of its Admitted Claim will be reduced by the amount of its receipts from the primary obligor or any co-surety prior to the First Distribution Date.

To the extent that a Scheme Creditor's aggregate receipts from its participation in the Scheme and from the primary obligor, or any co-surety exceed the total amount owed to the Scheme Creditor by the primary obligor the Scheme Creditor will repay such amount to the Scheme Administrators.

All guarantees forming the basis for or part of any Admitted Claims shall be unconditionally satisfied and discharged in full upon implementation of the Scheme and requisite payments being made in respect of such Admitted Claims.

Outstanding liabilities in respect of guarantees given in relation to the Bonds and the Notes will be taken into account in determining the amounts of the Claims of creditors of the relevant Excluded Companies in their liquidation in the ordinary course.

Preferential Claims

The Investor shall assume all liabilities, contingent or otherwise, relating to the employees of the Restructured Group, including (without limitation) in respect of termination of any such employees' employment on or after execution of the Restructuring Agreement.

Except for the liabilities relating to the employees of the Restructured Group as mentioned above, it is expected that Persons with Preferential Claims will be paid in full to the extent of their respective Preferential Claim amounts out of the Scheme Funds (recognizing the priority which it would have in a winding-up of the Company and/or the Hong Kong Scheme Subsidiaries). As at the Latest Practicable Date, based on the books and records of the Company and the Hong Kong Scheme Subsidiaries, the estimated amount of Preferential Claims, except for the liabilities relating to the employees of the Restructured Group, for which the Investor will be responsible, is nil.

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Each Person that has both a Preferential Claim and a Claim that is not preferential will (to the extent applicable pursuant to the Scheme) be entitled to receive Cash Dividend for the non-preferential part of its Claim to the extent that such monies are available and in proportion to their entitlement in relation to those of other Creditors.

Non-preferential Claims

A Cash Dividend from the Proceeds, subject to prior payment of Costs and Preferential Claims will be distributed to Scheme Creditors in respect of their respective Admitted Claims on a pari passu basis.

Costs and duties

The Investor undertakes with each of the Provisional Liquidators and the Company that it shall be responsible for the Transaction Costs and Expenses in connection with the transactions contemplated under the Restructuring Agreement. The Investor shall bear the Transaction Costs and Expenses in addition to any other monies payable by the Investor in accordance with the terms of the Restructuring Agreement, up to a maximum aggregate amount of HK\$20,000,000, irrespective of whether the Schemes become effective.

The Investor shall be responsible for all taxes and duties payable on implementation of the matters contained in or contemplated by the Proposals.

Scheme Trust Account

Under the terms of each Scheme, the Scheme Administrators will open a Scheme Trust Account to hold the Scheme Funds. This will be an interest bearing trust account controlled by the Scheme Administrators held with a licensed bank in Hong Kong. Once the Scheme has come into effect, the Company or the Provisional Liquidators will be instructed by the Scheme Administrators to transfer the relevant proportions of HK\$100,000,000 or, if Completion has taken place by way of Completion With Share Issue, HK\$170,000,000, and in both cases together with the portion of the Balance Payment attributable to stock to be determined by the Scheme Administrators on Closing to the relevant Scheme Trust Account(s) from the Proceeds Account. All monies from time to time credited to each Scheme Trust Account will be held for the benefit of the Scheme Creditors under the relevant Scheme, subject to the payment of Costs and Preferential Claims.

From the Effective Date, each of the Creditors discharges and waives all its Claims against the Company and/or the Hong Kong Scheme Subsidiaries in consideration of the right to participate with each other Scheme Creditor in the distribution of the Scheme Funds on the terms of the Scheme.

The Admitted Claims of Scheme Creditors will be settled by the Scheme Administrators paying to each Scheme Creditor in respect of their respective Admitted Claims on a pari passu basis, from the funds from time to time credited to the Scheme Trust Account. The Scheme Administrators have power to make interim distributions provided that they reserve in full for Unadmitted Claims.

As at 30 September 2008, the estimated aggregate Claims of Creditors against the relevant companies (which include Claims pursuant to the relevant guarantees) were as follows:

The Company – HK\$2,462.6 million

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3D-GOLD Company Limited - HK\$2,178.1 million

La Milky Way International Company Limited - HK\$1,382.6 million

3D-GOLD International Company Limited. - HK\$1,382.6 million

Excluded Company Trust Account

Under the terms of each Scheme, the Scheme Administrators will open an Excluded Company Trust Account for each Excluded Company to hold the proceeds from their respective liquidations and amounts of the Proceeds otherwise attributable to them. This will be an interest bearing trust account controlled by the Scheme Administrators held with a licensed bank in Hong Kong. All monies from time to time credited to each Excluded Company Trust Account will be held for the benefit of the creditors of the relevant Excluded Company.

The Claims of creditors (including, for the avoidance of doubt, other members of the Group) of the relevant Excluded Company will be settled by participation in the funds credited to the relevant Excluded Company Trust Account in the ordinary course of the relevant Excluded Company's liquidation.

Dividend Distribution

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

- (a) first, to pay the Provisional Liquidators' Costs;
- (b) secondly, to pay the Petition Costs;
- (c) thirdly, to pay Preferential Claims;
- (d) fourthly, to pay the Scheme Costs; and
- (e) fifthly, to pay Cash Dividend in respect of the Admitted Claims.

Subject to the admission of a Claim of a Proving Creditor, the Scheme Creditor concerned shall be entitled to be paid in full in respect of the preferential parts of such Admitted Claim and to receive Cash Dividend in respect of the non-preferential part of such Admitted Claim of an amount to be determined and distributed from time to time by the Scheme Administrators under the relevant Scheme, having regard to:

- (a) the amount of Scheme Funds then available;
- (b) the current aggregate amount of Unadmitted Claims; and
- (c) any sum to be retained out of the Scheme Funds for the Scheme Costs and Claims Reserve as may be approved by the Scheme Administrators under the Schemes.

The Scheme Administrators shall have the power to make interim distributions out of the Cash Dividend to Scheme Creditors with Admitted Claims. The Scheme Administrators shall make such distributions at a level which will enable the Scheme Administrators to pay a

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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 Scheme Administrators will review the interim payment percentage on a regular basis. As soon as practicable after an Unadmitted Claim becomes an Admitted Claim, the Scheme Administrators will distribute to the Scheme Creditor whose Claim has become an Admitted Claim the proportion of that Admitted Claim equal to the proportion paid to all other Scheme Creditors with Admitted Claims.

After payment of the Provisional Liquidators' Costs, Petition Costs and Preferential Claims (if any), the Scheme Administrators shall reserve sufficient sum in the Scheme Funds for the payment of all Scheme Costs (including anticipated Scheme Costs) together with an amount not exceeding HK\$20,000,000 which is to be reserved in order to fund any proceedings arising from outstanding Rights Against Third Parties (i.e. the "Claims Reserve").

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

The distribution of the Proceeds attributable to the Company and the Hong Kong Scheme Subsidiaries (being the requisite proportion of the aggregate of the Consideration paid by the Investor, the sums realised from disposal of the Schemes Assets and the Rent Deposits Return) to their Creditors shall be in full and final satisfaction of Creditors' Claims against the Company and the Hong Kong Scheme Subsidiaries.

SECTION 3. ENTRY INTO FORCE OF THE SCHEMES OF ARRANGEMENT AND CONDITIONS PRECEDENT

The Scheme of Arrangement proposed by the Company and each Hong Kong Scheme Subsidiary respectively will become effective and binding on each of them and their respective Creditors under Hong Kong 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 relevant Scheme Meeting, vote in favour of the Scheme;
- (b) the Hong Kong Court sanctions the Scheme and an office copy of the order of the Hong Kong Court sanctioning the Scheme is delivered to the Registrar of Companies in Hong Kong for registration.

The Schemes form part of the restructuring set out in the Restructuring Agreement. In order for the restructuring and the Schemes to be implemented, each of the Conditions Precedent must be satisfied as necessary or waived in accordance with the terms of the Restructuring Agreement.

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It is a term of the Restructuring Agreement that if (i) the Hong Kong Court does not approve the entry by the Provisional Liquidators into the Restructuring Agreement and/or sanction the Schemes; and (ii) the Initial Condition has not been satisfied by the First Long Stop Date or the extension period of not more than six months from (and including) the First Long Stop Date, the Restructuring Agreement will lapse and the Deposit received as part payment for the Subscription Proceeds or the Transfer Shares (as the case may be) shall be returned to the Investor.

However, if (i) the Hong Kong Court approves the entry by the Provisional Liquidators into the Restructuring Agreement and/or sanctions the Schemes; but (ii) not all Conditions Precedent have been satisfied by the Second Long Stop Date or the extension period of not more than six months from (and including) the Second Long Stop Date, the Restructuring Agreement will complete by way of Completion With Share Transfer.

SECTION 4. INFORMATION ON THE INVESTOR

The information in this section has been provided to the Provisional Liquidators by the Investor.

The Investor is a company incorporated in the British Virgin Islands, which company is currently owned as to two-thirds by HKRH and owned as to one-third by Mr. Liu. The principal business of the Investor is investment holding. It has not undertaken any other activity except entering into the Restructuring Documents and matters relating thereto.

The Investor is an independent third party not connected with and not acting in concert with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective Associates or concert parties within the meanings prescribed by the Listing Rules and the Code.

The Company and the Provisional Liquidators are independent of, not connected with and not acting in concert with, the Investor, the directors, chief executive or substantial shareholders of the Investor or any of its subsidiaries or their respective Associates or concert parties within the meanings prescribed by the Listing Rules and the Code.

SECTION 5. INTERESTS OF DIRECTORS

Pursuant to section 166A(1)(a) of the Companies Ordinance, the Provisional Liquidators have asked each director of the Company and the Hong Kong Scheme Subsidiaries whether he has any material interest, whether as a director or a shareholder or a creditor of the relevant company of which he/she is a director, 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.

The Provisional Liquidators have received responses from the directors of the Company (Chan Yam Fai, Ng Yee Mei, Yeung Hon Yuen and Kuang Hao Kun) who have been actively assisting the Provisional Liquidators in their functions during this period, and have advised that they do not have a material interest the effect of which on the compromise or arrangement will be different from the effect on the like interests of other Persons.

As at the Latest Practicable Date, the Provisional Liquidators are not aware of any other directors of the Company and/or the directors of the Hong Kong Scheme Subsidiaries (being the Provisional Liquidators) having any material interest, whether as a director, shareholder or creditor of the Company and/or Hong Kong Scheme Subsidiaries in relation to this matter.

SECTION 6. PROCEDURE AND MISCELLANEOUS MATTERS

Based on the information currently available to the Provisional Liquidators, a list of the possible Creditors of the Company and the Hong Kong Scheme Subsidiaries can be found in Appendix 7 to this Document. The inclusion in the list at Appendix 7 of a Creditor shall not be treated as an admission by the Company or the Hong Kong Scheme Subsidiaries that he is a Scheme Creditor entitled to distribution or of the amount of his Claim, whether for the purposes of adjudication under the relevant Scheme or for the purposes of voting at the relevant Scheme Meeting(s) or otherwise.

(a) Creditor classes

The Provisional Liquidators are of the view that the rights of Unsecured Creditors are sufficiently similar that they can consult together with a view to their common interest. They further hold the view that the rights which are to be released and/or varied under the Schemes and/or the new rights which the Schemes give in their place are, as between Unsecured Creditors inter se, not so different that the Schemes must each respectively be treated as a compromise or arrangement with more than one class of Creditor. As the effect of each of the Schemes on implementation would be to extinguish the conversion rights attaching to any Existing Convertibles, Unsecured Creditors will in effect receive the same treatment under the relevant Schemes, whether or not they hold any conversion rights attaching to Existing Convertibles.

Preferential Claims are to be paid in full and in preference to the Claims of ordinary Unsecured Creditors, but the non-preferential part of Preferential Creditors' Claims are to be treated in the same way as the Claims of other Creditors. In that respect, Preferential Creditors are essentially in the same position as every other Creditor and can consult with them as to their common interest.

The Company (by the Provisional Liquidators) and the Hong Kong Scheme Subsidiaries have accordingly formed the view that Creditors fall into one "class" in each case for the purpose of voting on each Scheme, such that at each Scheme Meeting there will therefore be a single class voting.

(b) Valuation of Claims for Voting Purposes

Proving Creditors are asked to complete a Notice of Claim for Voting Purposes and deliver it to the Provisional Liquidators as soon as practicable and in any event by 10:00 am on 24 April 2009. For the purpose of voting at the Scheme Meeting, the chairman of the Scheme Meeting will estimate the amounts of Creditors' Claims as at the date of the Scheme Meeting which will be admitted for voting purposes based on the records of the Company and/or the relevant Hong Kong Scheme Subsidiaries in their possession and on any other relevant information, including details received from the Proving Creditors in the Notices of Claim for Voting Purposes, if any. These estimates will be the Voting Claims.

In determining Voting Claims, the chairman of the Scheme Meeting, in his sole discretion, may admit or reject any Proving 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 rate for the purchase of the relevant currency offered by The Hongkong and 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

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manifest error or non-publication, the relevant offered rate of such other licensed bank in Hong Kong as the Provisional Liquidators shall determine.

The decision of the chairman of the Scheme Meeting as to the value to be placed on a Claim for voting purposes is final. The chairman shall not be a Creditor, shareholder or director of the Company or the relevant Hong Kong Scheme Subsidiaries. His remuneration, costs and expenses shall not be dependent upon the level at which Claims are agreed and/or admitted under the Scheme.

Such estimates of Voting Claims are for voting purposes only and will not constitute any admission on the part of the Company, the Hong Kong Scheme Subsidiaries or the Scheme Administrators of the amount comprised therein or will not be relevant for the purpose of calculating entitlement of Scheme Creditors under the Scheme. Accordingly, the admission of a Creditor or his proxy for the purpose of voting at the Scheme Meeting is without prejudice to the Scheme Administrators' right to reject his Notice of Claim for Dividend Purposes in whole or in part when adjudicating on the Proving Creditor's entitlement to Cash Dividend out of the Proving Creditor's right to submit a Notice of Claim for Dividend Purpose in a different amount, at any time up to 5:00 p.m. on the Cut-off Date.

(c) Voting

Creditors may vote on the relevant Scheme by attending the relevant Scheme Meeting in person or by proxy. A proxy need not be a Creditor of the Company or the relevant Hong Kong Scheme Subsidiaries but must attend the Scheme Meeting personally. In the event that a Creditor of the Company or the relevant Hong Kong Scheme Subsidiaries 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 Proving 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.

Proving Creditors must return the Notice of Claim for Voting Purposes to the Provisional Liquidators at 35/F, One Pacific Place, 88 Queensway, Hong Kong (Fax: +852 2850 8362) (Attention: Mr. Edmund Yeung : 3D-GOLD) by no later than 10:00 am on 24 April 2009 being 10 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 no later than 10:00 am on 29 April 2009, being two Business Days prior to the date of the Scheme Meeting.

(d) Determination of Claims

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

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

If the Scheme Administrators reject a Claim in whole or in part, the relevant Proving 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 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 Company and the Proving Creditor. If the Adjudicator varies or reverses the Scheme Administrators' decision, the Adjudicator's cost will be paid out of Scheme Funds. Otherwise the relevant Proving Creditor must, in addition to the payment on account referred to above, reimburse Scheme Funds for any further Adjudicator's cost relating to that Proving Creditors' application for review.

Claims that are admitted by the Scheme Administrators or Adjudicator will constitute Admitted Claims, qualifying such Claims for distribution of Cash Dividend at the Closing of the Restructuring Agreement under the Schemes.

Any Claim which is not the subject of a Notice of Claim for Dividend Purposes on or prior to the Cut-off Date (or, in exceptional circumstances, the First Distribution Date) or which is rejected by the Scheme Administrators or the Adjudicator in accordance with the procedure set out in Clause 5 of the 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.

(e) 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 Closing 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 Scheme Administrators shall determine and shall, for the purpose of the Schemes, be due in Hong Kong Dollars.

(f) Bar to Proceedings

The Schemes bar Creditors from the Closing Date from taking any action or proceedings against or for the winding up of the Company and/or Hong Kong Scheme Subsidiaries, their property or assets or for the winding up of the Company and/or Hong Kong Scheme Subsidiaries or for the purposes of exercising any right of set-off against the Company and/or Hong Kong Scheme Subsidiaries or obtaining any payment, property or security from them in relation to any Claim and the payments to be made to Scheme Creditors will be in full and final settlement and discharge of the Admitted Claims.

Pursuant to Hong Kong law, 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 Hong Kong law. Therefore, even though the Schemes are intended to bind all creditors, they may not prevent creditors from instituting legal action against the Company or the Hong Kong Scheme Subsidiaries in jurisdictions other than Hong Kong. These creditors may not be able to enforce any foreign judgment in respect of any claim(s) against the Company in Hong Kong after the Closing Date. Creditors

EXPLANATORY STATEMENT

in other jurisdictions may attempt to enforce a foreign judgement in other jurisdictions where the assets of the Company or the Hong Kong Scheme Subsidiaries are located. Further, a Creditor whose indebtedness was incurred under contracts governed by the laws of any jurisdiction other than Hong Kong may apply to wind up the Company in the jurisdiction (other than Hong Kong) in which it is incorporated, notwithstanding that its Scheme is approved by the Hong Kong Court.

(g) Termination of the Schemes of Arrangement

The Schemes will cease to have effect if the Scheme Administrators, with the consent of the relevant Scheme Creditors' Committee, give notice to the Scheme Creditors that they are satisfied that the Cash Dividend has been distributed to the Scheme Creditors and the continuation of the Scheme is no longer beneficial to the general body of Scheme Creditors and the Scheme is terminated from the date of giving such notice. The duties and responsibilities of the Scheme Administrators and the members of the Scheme Creditors' Committee under the Scheme will cease upon the giving of such notice.

(h) Costs and Expenses

The Transaction Costs and Expenses under the terms of the Restructuring Agreement, are payable by the Investor up to a maximum aggregate amount of HK\$20,000,000.

The Provisional Liquidators' Costs, the Petition Costs, any Preferential Claims and Scheme Costs are to be paid out from the Scheme Funds on the basis that these would have priority in a liquidation of the Company and the Hong Kong Scheme Subsidiaries. The amount of Petition Costs to be paid will be determined by the Scheme Administrators. The amount of Preferential Claims at present, except for the liabilities relating to employees of the Restructured Group, which the Investor shall be responsible for, is estimated to be nil.

All costs charges, expenses and disbursements properly incurred in connection with the administration and implementation of the Schemes, including the fees and remuneration of the Scheme Administrators and the Adjudicator, shall be paid in full out of the Scheme Funds in priority to the payment of Cash Dividend to Scheme Creditors.

(i) Notice of Scheme Meetings

In accordance with the directions of the Hong Kong Court, the Scheme Meetings will be convened for the purpose of considering the approval of the Schemes. The notices convening the relevant Scheme Meeting are attached at Appendix 2 to this Document.

(j) 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 Scheme Administrators in connection with the administration and implementation of the Schemes.

The Scheme Creditors' Committees will also each provide a forum for the Scheme Administrators to turn to for advice and guidance on questions of strategy regarding the administration of the Schemes. If the Scheme Administrators disagree with the advice and guidance of the Scheme Creditors' Committee on any matter they may refer the matter to

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Scheme Creditors (either in writing or by general meeting). Alternatively, the Scheme Administrators can apply to the Hong Kong Court for direction and for the purposes only of providing guidance regarding the administration of the relevant Scheme.

The Scheme Creditors' Committee shall comprise of three members. The members will be appointed at the meeting of Scheme Creditors. 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.

(k) Modification to the Schemes

Prior to the Effective Date, the Company acting by the Provisional Liquidators may consent, for and on behalf of all parties concerned, to any modifications or additions to the Schemes or any condition which the Hong Kong Court may see fit to approve or impose and agreed by the Investor in writing, whose agreement shall not be unreasonably withheld.

On or after the Effective Date, the Scheme 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 Hong Kong Court for the purpose of modifying the provision of the Scheme or obtaining direction from the Hong Kong Court on how to deal with any matters or disputes which may arise in respect of the administration of the Scheme. If the Hong Kong Court approves a modification to the Scheme or gives a direction in relation to any matter or dispute which may arise in respect of the Schemes, it shall be binding on the Company and/or the relevant Hong Kong Scheme Subsidiaries and their respective Creditors provided that no further obligations or liabilities should be imposed on the Company and/or the relevant Hong Kong Scheme Subsidiaries and that the Company and/or the relevant Hong Kong Scheme Subsidiaries should not be adversely affected by reason of such modification or direction.

SECTION 7. CHAIRMAN OF THE SCHEME MEETINGS

At the direction of the Hong Kong Court, Mr. Darach E. Haughey, or failing him, Mr. Edmond Ching Wah Bon, or failing him, Mr. Yeung Lui Ming (Edmund) each being one of the Provisional Liquidators, will be appointed to act as chairman of the relevant Scheme Meeting.

SECTION 8. CAPACITY OF THE PROVISIONAL LIQUIDATORS AND SCHEME ADMINISTRATORS

The involvement of the Provisional Liquidators and the Scheme Administrators in the Schemes is solely for the purpose of receiving and enforcing the obligations and undertakings made by the Company pursuant to, inter alia, the Scheme and the Restructuring Documents. None of the Provisional Liquidators, the Scheme Administrators and their advisers nor any of their representatives, partners, staff or agents shall incur any personal liability under the terms of the Schemes, the Restructuring Documents or otherwise.

SECTION 9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the documents listed below are available for inspection by Creditors upon reasonable prior notice to the Company through the Provisional Liquidators at 35/F One

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Pacific Place, 88 Queensway, Hong Kong (Fax: +852 2850 8362) between the hours of 10:00 am and 4:00 pm on weekdays (excluding public holidays) up to the Business Day before the date scheduled for the Scheme Meeting.

- (1) Memorandum of Association and Bye-laws of the Company.
- (2) Documents containing, inter alia, the Schemes and the Explanatory Statement of the Schemes.
- (3) The Restructuring Agreement.
- (4) The audited financial statements of the Group for the year ended 31 March 2008.
- (5) Orders of the Hong Kong Court dated 3 April 2009 directing the convening of the Scheme Meetings.

SECTION 10. WHAT SHOULD CREDITORS DO NOW?

If you are a Creditor, you may be entitled to attend and vote at the relevant Scheme Meeting(s). The Scheme Meetings are being convened at the direction of the Hong Kong Court for the purpose of considering and, if thought fit, approving the Schemes.

Formal notices of the Scheme Meetings of the Company and the Hong Kong Scheme Subsidiaries are given in Appendix 2 of this Document. Scheme Creditors may attend the Scheme Meetings in person (or, if a corporation, by a duly authorised representative) or may vote by proxy.

Form of proxy

Enclosed with this Document are forms of proxy, to be used for voting at the relevant Scheme Meeting. Whether or not Creditors intend to be present in person at the relevant Scheme Meeting, they are requested to complete and sign the requisite Form of Proxy in accordance with the instructions printed on the form.

Notice of Claim for Voting Purposes

Also enclosed with this Document is a Notice of Claim for Voting Purposes in respect of the Company and the Hong Kong Scheme Subsidiaries. If a Person wishes to request to be considered a Scheme Creditor, they must complete and return as soon as practicable a Notice of Claim for Voting Purposes in respect of each of the relevant companies to the Provisional Liquidators.

Directions for returning documents

The Notice of Claim for Voting Purposes must be returned to 35/F, One Pacific Place, 88 Queensway, Hong Kong (Fax: +852 2850 8362) (Attention: The Provisional Liquidators : 3D-GOLD) by no later than 10:00 am on 24 April 2009 being 10 days prior to the date of the relevant Scheme Meeting.

The completed form of proxy should be returned to the same address and reference by no later than 10:00 am on 29 April 2009, being two Business Days prior to the date of the relevant Scheme Meeting.

SCHEME OF ARRANGEMENT

(under section 166 of the Companies Ordinance (Cap. 32) of Hong Kong)

BETWEEN

**3D-GOLD JEWELLERY HOLDINGS LIMITED
(FORMERLY KNOWN AS
HANG FUNG GOLD TECHNOLOGY LIMITED)**

(Provisional Liquidators Appointed)
(incorporated in Bermuda with limited liability)

and its

CREDITORS

(as defined in the Scheme)

AND BETWEEN RESPECTIVE CREDITORS OF/AND
THE FOLLOWING SUBSIDIARIES:

1. 3D-GOLD COMPANY LIMITED
2. LA MILKY WAY INTERNATIONAL COMPANY LIMITED
3. 3D-GOLD INTERNATIONAL COMPANY LIMITED.

1. Preliminary

Interpretation

- 1.1. In this Scheme of Arrangement, the definitions and rules of interpretation to be applied are as set out in Clause 13 below.

Inter-relationship of Schemes

- 1.2. The terms of this Scheme of Arrangement are identical to the terms of the Schemes of Arrangement proposed in respect of each of the Hong Kong Scheme Subsidiaries and their respective Creditors. Accordingly, the terms set out herein comprise the consolidated provisions of the several Schemes of Arrangement proposed between each of the Company and the Hong Kong Scheme Subsidiaries on the one hand and their respective Creditors on the other.
- 1.3. Each several Scheme of Arrangement shall be construed and have effect in accordance with the provisions herein as if those provisions were providing in each case for the terms of a Scheme of Arrangement in respect of the Company and each Hong Kong Scheme Subsidiary separately and such modifications of language (if any) as may be required to give effect thereto shall be deemed to be included herein in respect of the Company and each Hong Kong Scheme Subsidiary accordingly.

The Group

- 1.4. The Company, 3D-GOLD Jewellery Holdings Limited, was incorporated with limited liability in Bermuda on 4 December 1997 under the Companies Act under the name of Hang Fung Gold Technology Limited. On 4 September 2008, its name changed to 3D-GOLD Jewellery Holdings Limited.
- 1.5. The Company was registered in Hong Kong on 21 September 1998 under Part XI of the Companies Ordinance.
- 1.6. The shares of the Company are listed on the Stock Exchange. Trading in the shares of the Company has been suspended since 30 September 2008.
- 1.7. The Company is an investment holding company whose Subsidiaries are principally engaged in the manufacturing, wholesale, trading and retail of gold products, other precious metal products and jewellery products. Such products are retailed in the Mainland, Hong Kong and Macau.
- 1.8. On 17 October 2008, The Hongkong and Shanghai Banking Corporation Limited presented petitions for the winding up of each of the Company and Hang Fung Jewellery Company Ltd. in Hong Kong. Upon application of The Hongkong and Shanghai Banking Corporation Limited, Mr. Yeung Lui Ming (Edmund), Mr. Edmond Ching Wah Bon and Mr. Darach Haughey, each of Deloitte Touche Tohmatsu, were appointed as joint and several provisional liquidators to the Company pursuant to orders made by the Hong Kong Court on the same day. The winding up proceedings have in each case been adjourned to 4 May 2009.

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Application and purposes of the Scheme

- 1.9. The relevant Scheme shall apply to Creditors and the purposes of the Scheme are to:
- (a) determine the extent of Admitted Claims;
 - (b) pay to each Scheme Creditor the Admitted Claim(s) owing to it in the proportion available, such that on receipt of such sums each Scheme Creditor shall discharge, waive and release their respective Claims against the Company and/or relevant Hong Kong Scheme Subsidiary absolutely in full and final satisfaction of the same; and
 - (c) extinguish the rights attaching to any Existing Convertibles.

Implementation of the Scheme

- 1.10. Each Scheme of Arrangement shall come into effect on the Effective Date and shall be implemented on and from the Closing Date.

Other Schemes

- 1.11. Closing shall take place contemporaneously with and conditional upon implementation of the Other Schemes.
- 1.12. The Scheme proposes to involve:
- (a) the participation of the Company and the Hong Kong Scheme Subsidiaries; and
 - (b) the realisation of the Schemes Assets, the payment in full of Preferential Claims and the distribution of the remaining Proceeds attributable to the Company and/or the Hong Kong Scheme Subsidiaries (less Costs) to the Ordinary Creditors in full and final satisfaction of their Claims against the Company and/or Hong Kong Scheme Subsidiaries.

Scheme Administrators and Scheme Creditors' Committee

- 1.13. Mr. Yeung Lui Ming (Edmund), Mr. Edmond Ching Wah Bon and Mr. Darach Haughey are appointed as initial Scheme Administrators of the Schemes, with power to act jointly and severally. If at any time any Scheme Administrator wishes to resign or is incapable of acting, he shall be replaced as Scheme Administrator by such other Person as the Scheme Creditors' Committee shall nominate or, if there is no such Scheme Creditors' Committee, as shall be nominated by the president for the time being of the Hong Kong Institute of Certified Public Accountants. Any Scheme Administrator so appointed shall as soon as practicable following his appointment, give written notice of his appointment to all Scheme Creditors.
- 1.14. Each Scheme Administrator (in his capacity as such):
- (a) shall have only those duties and responsibilities expressly specified in the Scheme and shall not have any implied duties or responsibilities whatsoever; and

SCHEME OF ARRANGEMENT

- (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 Scheme Administrator shall not be liable for any loss occasioned thereby.
- 1.15. The Scheme Administrators shall be entitled to exercise such rights and powers as are necessary or desirable to give effect to the provisions of the 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 Hong Kong Court, save that, (except for the appointment of a solicitor in the relevant jurisdiction to assist them in the performance of their duties which the Scheme Administrators may appoint in their absolute discretion deemed necessary) any power which would be exercisable by such a liquidator only with the sanction of the Hong Kong Court or of a committee of inspection shall be exercisable with the sanction of the Scheme Creditors' Committee (which sanction shall not be unreasonably withheld, conditioned or delayed).
- 1.16. A Scheme Creditors' Committee shall be formed in respect of each Scheme as soon as practicable after the Effective Date. Each Scheme Creditors' Committee shall comprise of three members. The members will be appointed at the relevant meeting of Creditors. The quorum for the meeting of each Scheme Creditors' Committee shall be two members of the relevant 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 shall hold a casting vote.
- 1.17. Each Scheme Creditors' Committee shall act in the best interests of its Scheme Creditors.
- 1.18. Each corporate member of a Scheme Creditors' Committee shall be represented by a nominated representative. The relevant Scheme Creditor shall notify the Scheme Administrators in writing as soon as practicable after any change of the identity of any nominated representative.
- 1.19. Each Scheme Creditors' Committee shall receive oral or written reports from and meet with the Scheme Administrators as often as deemed necessary by the Scheme Administrators and shall consider requests, if any, by the Scheme Administrators for approval for matters concerning administration of the Scheme, which approval may not be unreasonably withheld or delayed. The Scheme 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.
- 1.20. Each member of the Scheme Creditors' Committee (in its capacity as such):
- (a) shall have only those duties and responsibilities expressly specified in the Scheme and shall not have any implied duties or responsibilities whatsoever; and

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- (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.
- 1.21. Resignation procedures for a member of each Scheme Creditors' Committee are as follows:
- (a) A member of the Scheme Creditors' Committee may give seven days' prior notice in writing at any time to the Scheme Administrators that it wishes to resign from the Scheme Creditors' Committee.
 - (b) Upon receipt of such notice of intended resignation, the Scheme Administrators with the prior consent of the Scheme Creditors shall in writing appoint another Scheme Creditor to be the successor to the resigning Scheme Creditor.
 - (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 Scheme 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 Scheme.
 - (e) The 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. **Constitution of the Scheme Funds, transfer of other assets to Scheme Administrators and Excluded Items**

2.1. If the Scheme is implemented:

- (a) on Completion With Share Issue, the aggregate amount of the Deposit, Shenzhen Balance Payment (which remains subject to the Adjustment) and Listing Value; or
- (b) on Completion With Share Transfer, the aggregate amount of the Deposit and Shenzhen Balance Payment (which remains subject to the Adjustment),

will be paid to the Scheme Administrators and will be available for distribution to Scheme Creditors, subject to prior payment of Costs and Preferential Claims, on the terms of this Scheme of Arrangement. On Completion With Share Issue, the Investor will also transfer the Creditor Shares to the relevant nominee notified by the Scheme Administrators whereupon they shall form part of the Schemes Assets for realisation for the benefit of Scheme Creditors.

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- 2.2. The Scheme Administrators shall on, or as soon as reasonably practicable after the Effective Date, open the Scheme Trust Accounts for each of the Company and the Hong Kong Scheme Subsidiaries and shall deposit all monies paid to or realised by them in their capacity as Scheme Administrators into the relevant Scheme Trust Account.
- 2.3. Neither the Company nor the Hong Kong Scheme Subsidiaries shall have any liability for the Costs. All property received by the Scheme Administrators in their capacity as such, including the Scheme Funds, shall be held on trust to pay Costs, Preferential Claims, and Cash Dividend to the Scheme Creditors.
- 2.4. On the Closing Date, the Scheme Administrators shall instruct the Provisional Liquidators to transfer the relevant Completion Proceeds from the Proceeds Account to the relevant Scheme Trust Account.
- 2.5. The distribution of Cash Dividend to the Scheme Creditors under the Scheme shall be in full and final settlement of the Scheme Creditors' Claims.
- 2.6. With effect from the Effective Date, each of the Scheme Creditors discharges and waives all of its Claims against the Company in consideration of the right to participate with each other Scheme Creditor in the distribution of the Scheme Funds on the terms of the Scheme.
- 2.7. Notwithstanding any other term of the Scheme to the contrary, if the Scheme is implemented by way of Completion With Share Transfer:
- (a) the Company will be an Excluded Company and pursuant to Clauses 2.24. to 2.27. inclusive, the Company's Scheme Creditors will prove in the Proceeds as creditors in the Company's liquidation;
 - (b) the Company's Scheme Creditors will not in that instance receive Cash Dividend nor discharge and satisfy their Claims under the Company's Scheme, but will nevertheless receive the same level of Proceeds to which they would otherwise be entitled if receiving Cash Dividend from Scheme Funds; and the Admitted Claims of the Company's Scheme Creditors will on Completion With Share Transfer be deemed to be the Claims of the Company's Scheme Creditors admitted for participation in Company's liquidation in the ordinary course.

Reorganisation and realisation of Schemes Assets

- 2.8. If Completion takes place by way of Completion With Share Issue, Macadam Profits Limited (the current BVI incorporated intermediate holding company) will transfer its holding of the relevant companies within the Restructured Group to a new BVI incorporated subsidiary of the Company for a nominal consideration. On the Closing Date, the Company shall transfer its entire interests in, or procure the transfer of the entire interests in, the issued share capital of each of the Excluded Companies to the Scheme Administrators or their nominees for the nominal sum of HK\$1. The Scheme Administrators shall take such steps as are appropriate, having regard to the potential costs of and benefits from such steps, to recover any amounts to which the Company and/or the Hong Kong Scheme Subsidiaries is

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entitled and may be realised from such companies and their assets. Any such amounts so recovered shall constitute part of the Schemes Assets Proceeds and shall be paid into the Proceeds Account for allocation to the relevant Scheme Trust Account or Excluded Company Trust Account.

- 2.9. Any cash proceeds or other benefits derived from the Excluded Companies or their respective assets which are received by the Company and/or the Hong Kong Scheme Subsidiaries shall be held by the Company and/or the Hong Kong Scheme Subsidiaries on trust for the Scheme Administrators. Each of the Company and the Hong Kong Scheme Subsidiaries undertakes that if it receives any such proceeds or benefits it shall promptly notify the Scheme Administrators of such receipt and deliver the same to the Scheme Administrators.
- 2.10. To the extent possible under applicable laws and regulations, the Excluded Items shall be assigned and/or transferred and/or novated (as the case may be) from the relevant members of the Restructured Group to a nominee of the Scheme Administrators for the benefit of the Scheme Creditors and, if applicable, creditors of the Excluded Companies through their respective liquidations and shall not form part of the assets/liabilities of the Restructured Group and if it is impossible for any reason to assign and/or transfer and/or novate (as the case may be) any Excluded Items from the relevant members of the Restructured Group to a nominee of the Scheme Administrators as aforesaid, such Excluded Items shall be held on trust for the Excluded Companies (or relevant nominee) and the Investor, the Company or the Restructured Group (as the case may be) shall take such action as the Scheme Administrators may reasonably require subject to indemnification by the Scheme Administrators out of the Scheme Funds as to the costs of so doing.
- 2.11. To the extent that any Receivables are not assigned or transferred to a nominee of the Scheme Administrators, the Investor shall use all reasonable endeavours to collect, or otherwise assist the Scheme Administrators in their efforts to collect, the Receivables, and shall take such action as necessary to collect the Receivables if required by the Scheme Administrators and if it is impossible for any reason to assign and/or transfer (as the case may be) any Receivables from the relevant members of the Restructured Group to a nominee as aforesaid, such Receivables shall be held on trust for the Excluded Companies (or relevant nominee).
- 2.12. Any money received by any member of the Restructured Group after Closing from a debtor owing any Receivable(s) shall be deemed to have been paid in or towards the discharge of the Receivable(s) (or any part thereof) and shall not be applied in settlement of new debts owed to the Restructured Group but incurred after the relevant Receivable(s) until the Receivable due from such debtor has been discharged in full.
- 2.13. Within ten Business Days of the end of each month, commencing after Closing, the Investor shall provide the Scheme Administrators with a statement of the Receivables collected in that month (or, in the case of the first such month, the period between Completion and the end of such month) and shall (subject to Clause 2.15) remit to the Scheme Administrators the amounts received during that period.

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- 2.14. Pursuant to the terms of the Restructuring Agreement, the obligations of the Investor to collect Receivables described in Clauses 2.11 to 2.13 inclusive shall cease absolutely twelve months after the Effective Date provided that the Investor has used its best endeavours to assign the benefit of any Receivables remaining with the Restructured Group to a nominee as designated by the Scheme Administrators and save that if thereafter any payments are made to the Restructured Group in respect of any Receivables the Investor shall remit the same in Hong Kong dollars to the Scheme Administrators less the Investor's reasonable costs and expenses incurred for collection and remittance of the relevant Receivables (including any applicable bank charges).

Mainland Receivables

- 2.15. Receivables due and received in the Mainland by members of the Restructured Group incorporated in or otherwise subject to the laws of the Mainland (i.e. 3D-GOLD Enterprise Development (Shenzhen) Co. Limited) shall be retained by such companies in the Mainland, in accordance with Mainland laws. Accordingly, the Investor shall remit to the Scheme Administrators on the last Business Day of each month following Closing an amount in Hong Kong dollars equivalent to any payments received and retained by the Restructured Group in respect of such Receivables, at an exchange rate being the average of the mid-rates of exchange between the official buying and selling rates of Renminbi vis-a-vis HK\$ as quoted by PBOC as published on PBOC's website (www.pbc.gov.cn) on each of the five Business Days immediately preceding the date of payment of the Receivables, less any applicable bank charges. The amounts received in respect of Receivables due to 3D-GOLD Enterprise Development (Shenzhen) Co. Limited shall be applied for the benefit of the Scheme Creditors of 3D-GOLD Company Limited, the immediate parent company of 3D-GOLD Enterprise Development (Shenzhen) Co. Limited.

Collection of Receivables

- 2.16. Receivables collected (whether by the Investor or Scheme Administrators) shall be paid to the Receivables Account as soon as reasonably practicable on receipt.

Payment of Accounts Payables

- 2.17. Prior to Closing, Accounts Payables shall be paid out of the Receivables Account using payments received from all the Trade Receivables owing to 3D-GOLD Enterprise Development (Shenzhen) Co. Limited as at the First Payment Date in respect of goods or services supplied in the usual or ordinary course of business. Such Accounts Payables will only be payable to the extent that there are payments received from such Trade Receivables sufficient to discharge them and after Closing, to the extent that there are insufficient or no funds in the Receivables Account representing payments received from such Trade Receivables to pay all Accounts Payables then any such shortfall shall be solely borne by the Restructured Group.

Balance in Receivables Account

- 2.18. Any positive balance standing to the credit of the Receivables Account following payment of all Accounts Payables shall be transferred, at the Scheme

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Administrators' direction, to the Proceeds Account. Thereafter, such balance of Receivables shall be allocated to the relevant Scheme Trust Account(s) and/or Excluded Company Trust Account(s), based on the relevant companies' entitlements to their Receivables as determined by the Scheme Administrators in their absolute discretion, whose decision shall be final and binding.

Determination of Accounts Payables and Receivables

- 2.19. In the event of any dispute, the Accounts Payables and Receivables shall be such amount as is determined by the Independent Party in such manner as they shall in their absolute discretion think fit and in determining the relevant resultant sum, the Independent Party shall act as experts and not as arbitrators and their decision shall be final and binding upon the relevant parties save in the event of manifest error, and the cost of the Independent Party's determination shall be borne equally by those parties (and, in the case of such costs of the Scheme Administrators, shall be funded from the Proceeds Account).

Period between First Payment Date and Completion

- 2.20. Pursuant to the terms of the Restructuring Agreement:
- (a) All trade and other debts and amounts owing to the Company and its Subsidiaries (other than in respect of inter-company debts between members of the Group) referable to the period from (but excluding) the First Payment Date shall belong to and be paid to the Restructured Group.
 - (b) All trade debts owing by the Restructured Group to trade creditors of the Restructured Group in the ordinary course of the Business from (but excluding) the First Payment Date shall be for the account of the Restructured Group.
 - (c) The Investor shall, with effect from the date immediately following the First Payment Date, assume responsibility for and unconditionally and irrevocably indemnify on demand the Excluded Companies, the Scheme Administrators, or their respective directors, officers, employees, agents or advisers from and against all and any losses, costs, claims, liabilities, damages, demands and expenses suffered or incurred by the Company and the Scheme Administrators, or their respective directors, officers, employees, agents or advisers arising from any failure of the Restructured Group to comply with any of its obligations or discharge any of its liabilities in respect of payment and performance of the amounts owing pursuant to Clause 2.20(b) and shall otherwise enjoy the benefits of the amounts to be received by the Restructured Group pursuant to Clause 2.20(a).

Cost of recovery

- 2.21. In relation to each successful recovery of a Receivable or part thereof the Company and/or the relevant Hong Kong Scheme Subsidiary shall be entitled to be reimbursed first out of the Schemes Assets Proceeds realised from such recovery to the extent of the amount incurred by such Company or relevant Hong Kong Scheme Subsidiary, whether before or after the Effective Date, for the costs of such

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recovery and only the balance of the Schemes Assets Proceeds from such recovery shall be remitted and transferred to the Receivables Account.

If the Scheme Administrators consider it to be in the best interest of the Scheme Creditors as a whole, they may use part of the Scheme Funds to finance the recovery referred to above.

Creditor Shares

- 2.22. Where Creditor Shares are held by the nominee(s) of the Scheme Administrators pursuant to the terms of the Restructuring Agreement, the Scheme Administrators shall sell them for the benefit of the Scheme Creditors and shall in their absolute discretion determine the manner (including, without limitation, as to timing, price and purchaser) in which the Creditor Shares shall be sold and the proceeds of any such sale shall be paid as soon as reasonably practicable into the Proceeds Account for allocation to the relevant Scheme Trust Account.
- 2.23. Reference in Clauses 2.10 to 2.22 to “Scheme Administrators” shall be deemed to refer to the Provisional Liquidators in respect of any actions referred to in such Clauses as are undertaken in part or in full prior to Closing.

Excluded Companies

- 2.24. Certain of the Proceeds will be allocated to the relevant Excluded Companies where appropriate (i.e. where the Proceeds are derived from an Excluded Company's assets) for distribution to their creditors on their liquidation.
- 2.25. The Scheme Administrators will open an Excluded Company Trust Account for each Excluded Company to hold the proceeds from their respective liquidations and amounts of the Proceeds otherwise attributable to them. This shall be an interest bearing trust account controlled by the Scheme Administrators held with a licensed bank in Hong Kong. All monies from time to time credited to each Excluded Company Trust Account will be held for the benefit of the creditors of the relevant Excluded Company.
- 2.26. The Claims of creditors (including, for the avoidance of doubt, other members of the Group) of the relevant Excluded Company will be settled by participation in the funds credited to the relevant Excluded Company Trust Account in the ordinary course of the relevant Excluded Company's liquidation.
- 2.27. The proportion of the Proceeds allocated to the Company and/or its relevant Subsidiaries shall be entirely at the reasonable decision of the Scheme Administrators for the purposes of the Scheme, whose decision shall be final and binding, based upon their determination of the amounts owing between Persons and the relevant Claims to be settled.

3. Inter-company debts

- 3.1 No debts owed by members of the Group to any other member of the Group will automatically be waived for the purposes of the Schemes or otherwise. Each member of the Group that is also a Creditor will therefore prove for any Claim pursuant to the relevant Scheme(s); and will also continue to be owed any outstanding liabilities from any relevant member of the Group where such member

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is not the subject of a Scheme. All Claims of those companies in the Restructured Group against other members of the Group and/or third parties as at Closing will be assigned to nominees directed by the Scheme Administrators for the benefit of the relevant Scheme Trust Account(s) and Excluded Company Trust Account(s).

- 3.2. Given the negative cost/benefit and timing implications of drawing up forensic accounts to establish definitive inter-company balances, the amounts ascribed to inter-company debts of the Group will be based upon the information reasonably available to the Scheme Administrators as at the time of their determination.

4. Preferential Claims, Guarantee Claims and non-preferential Claims

Preferential Claims

- 4.1. The Investor shall assume all liabilities, contingent or otherwise, relating to the employees of the Restructured Group, including (without limitation) in respect of termination of any such employees' employment on or after execution of the Restructuring Agreement.
- 4.2. Except for the liabilities relating to the employees of the Restructured Group, the Scheme Administrators shall discharge all Preferential Claims against the Company and the Hong Kong Scheme Subsidiaries out of the Scheme Funds in priority to the distribution(s) in respect of Admitted Claims of Ordinary Creditors but subject to payment of the Costs.
- 4.3. All Preferential Creditors shall claim the non-preferential balance (if any) of their Claims against the Company and/or any of the Hong Kong Scheme Subsidiaries as unsecured Creditors under this Scheme of Arrangement.

Guarantee Claims

- 4.4. A Scheme Creditor may claim in full in respect of any guarantee(s) given by the Company and/or the Hong Kong Scheme Subsidiaries except that the amount of its Admitted Claim will be reduced by the amount of its receipts from the primary obligor or any co-surety prior to the First Distribution Date.
- 4.5. To the extent that a Scheme Creditor's aggregate receipts from its participation in the Scheme and from the primary obligor, or any co-surety exceed the total amount owed to the Scheme Creditor by the primary obligor the Scheme Creditor will repay such amount to the Scheme Administrators.
- 4.6. All guarantees (including, without limitation, and for avoidance of doubt those given in relation to the Bonds and the Notes) (i) forming the basis for or part of any Admitted Claims and/or (ii) giving rise to any Claims against Gold Ocean Jewellery Company Limited shall be unconditionally satisfied and discharged in full upon implementation of the Scheme and requisite payments being made in respect of such Admitted Claims.
- 4.7. Outstanding liabilities in respect of guarantees given in relation to the Bonds and Notes will be taken into account in determining the amounts of the Claims of creditors of the relevant Excluded Companies in their liquidation in the ordinary course.

Non-preferential Claims

4.8. Save as provided in Clause 2.7 in respect of the Company, Cash Dividend from the Proceeds, subject to prior payment of Costs and Preferential Claims will be distributed to Scheme Creditors in respect of their respective Admitted Claims on a *pari passu* basis.

5. Proof and determination of Claims

5.1. As soon as practicable after the Effective Date, the Scheme Administrators shall give notice to all Proving Creditors of whom they are aware by letter and by advertisement in one English language newspaper and one Chinese language newspaper in Hong Kong 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 Scheme Administrators shall also send to the Proving Creditors Notices of Claim for Dividend Purposes substantially in the form set out in the Appendix 5 to this Document.

5.2. No later than 5:00 p.m. on the Cut-Off Date, each Proving Creditor shall deliver to the Scheme Administrators at its own expense:

- (a) a Notice or Notices of Claim for Dividend Purposes in respect of the amount of the indebtedness claimed to be owed to it by the Company and/or any of the Hong Kong Scheme Subsidiaries as at the Effective Date, completed substantially in accordance with the instructions printed on such Notice(s); and
- (b) such documents or other evidence necessary or as the Scheme Administrators shall reasonably require for the purpose of substantiating the whole or any part of its Claim.

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

5.3. The Scheme 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 Scheme Administrators shall send to each Proving Creditor notice in writing of their decision relating to that Proving Creditor's Claim. Where the decision is to reject the Claim in whole or in part, the Scheme Administrators' notice of decision is to be accompanied by written reasons for the decision.

5.4. 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 rate for the purchase of the relevant currency offered by The Hongkong and Shanghai Banking Corporation Limited at the close of business on the Effective 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 Scheme

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- Administrators shall select and shall, for the purpose of the Scheme, be due in Hong Kong dollars.
- 5.5. 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.
- 5.6. In respect of Secured Scheme Creditors:
- (a) Save as expressly stated in Clause 5.6(b) and (c) below, a Secured Scheme Creditor is not bound by the Scheme in respect of any Security Interest it holds over any assets of the Company and/or Hong Kong Scheme Subsidiaries. Unless a Secured Scheme Creditor has agreed an appraised value for its Security Interest pursuant to Clause 5.6(b) below or released its Security Interest pursuant to Clause 5.6(c) below, then that Secured Scheme Creditor's Claim will be treated as an Unadmitted Claim for which appropriate reserves will be made by the Scheme Administrators out of the Scheme Funds, pending the Secured Scheme Creditor notifying the Scheme Administrators that it has realized its Security Interest and providing details of its unsecured Claim (if any), or, if earlier, releasing or agreeing with the Scheme Administrators a value for its Security Interest.
 - (b) A Secured Scheme Creditor may agree with the Scheme 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 Scheme 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 being the property of the Company or relevant Hong Kong Scheme Subsidiary, shall become Scheme Assets and to be applied in accordance with Clause 7 of the Scheme.
 - (d) A Secured Scheme Creditor shall pay to the Scheme Administrators any amount received in excess of its Claim from the net proceeds of realisation of its Security Interest and distributions received by it under the Scheme.
- 5.7. Each Creditor will:
- (a) in completing its Notice of Claim for Dividend Purposes (as a Proving Creditor) take into account any amount received from the primary obligor or any surety or co-surety prior to the date on which it submits or is deemed to have submitted its Notice of Claim for Dividend Purposes pursuant to Clause 5.2 hereinabove; and
 - (b) pay to the Scheme Administrators any amounts received from the primary obligor or any surety or co-surety if and to the extent the aggregate value of

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the Scheme Creditor's receipts under the 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.

5.8. Adjudication

- (a) If a Proving Creditor is dissatisfied with the Scheme 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 5.3 above, apply in writing (with a copy to the Scheme Administrators) to the Adjudicator for a review of such decision. The Proving 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 Proving 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, provided that the Adjudicator shall not be entitled to rely on any information provided to him by the relevant Proving Creditor that was not provided to the Scheme Administrators for the purposes of their determination. The Scheme Administrators will use reasonable endeavours to procure that the Adjudicator delivers notice of his decision to the relevant Proving Creditor and the Scheme Administrators as soon as practicable after the Proving Creditor's application for review. The Adjudicator's decision shall be final, conclusive and binding on the Proving Creditors.
- (c) If no valid application for a review of the Scheme Administrators' decision is served on the Adjudicator by the Proving Creditor to whose Claim that decision relates within twenty-one days of service of notice of the Scheme Administrators' decision, that decision will be binding on the Creditors.
- (d) Any Adjudicator's costs which exceed the payment on account referred to in Clause 5.8(a) above shall be paid out of Scheme Funds as Scheme Costs subject to approval under Clause 1.19 of the Scheme.
- (e) If the Adjudicator upholds the Scheme Administrators' decision in full the relevant Proving Creditors shall pay to the Scheme Administrators an amount equal to any payment made under Clause 5.8(d) above.
- (f) If the Adjudicator decides to vary or reverse the Scheme Administrators' decision, the Scheme Administrators will pay to the relevant Proving Creditor out of Scheme Funds an amount equal to the payment on account under Clause 5.8(a) above.

5.9. A Notice of Claim for Dividend Purposes may be withdrawn or varied at any time with the prior written agreement of the Scheme Administrators.

5.10. The Scheme Administrators may accept a Notice of Claim for Dividend Purposes received after the Cut-Off Date but before the First Distribution 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.

- 5.11. For the avoidance of doubt, any Claim or part of a Claim which is not proved in accordance with this Clause 5 or which is rejected by the Scheme 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 been wholly and irrevocably discharged and released and no Proving Creditor shall be entitled to payment thereof or make any claim or initiate any proceedings against the Company or any relevant Hong Kong Scheme Subsidiary in relation thereto.

6. Bar to further proceedings

- 6.1. From the Effective Date, none of the Creditors shall be entitled to demand or exercise any right of set-off against the Company in respect of its Claim, nor be able to seek to recover from the Company or any of the Hong Kong Scheme Subsidiaries by legal process or otherwise, or to take any step or proceedings against the Company or any of the Hong Kong Scheme Subsidiaries or their 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 or any of the Hong Kong Scheme Subsidiaries based upon its Claim.

- 6.2. In the event that a Scheme of Arrangement is implemented by way of Completion With Share Issue, The Hong Kong and Shanghai Banking Corporation Limited shall, on or before such implementation, apply to the Hong Kong Court for the dismissal of the relevant Petition, the costs of which shall form part of the Petition Costs.

7. Distribution of Scheme Funds in the Scheme Trust Account

- 7.1. The Scheme Funds whilst controlled by the Scheme Administrators shall be applied in or towards payment of (in the following order); first, the Provisional Liquidators' Costs; secondly, the Petition Costs; thirdly, Preferential Claims, if any; fourthly the Scheme Costs, and thereafter, the balance shall be applied toward payment of Cash Dividend to Scheme Creditors ranking *pari passu* and rateably amongst them in respect of Admitted Claims as determined by the Scheme Administrators pursuant to Clauses 7.3 and 7.4 below.

- 7.2. Subject to the admission of a Claim of a Proving Creditor, the Scheme Creditor concerned shall be entitled to be paid in full in respect of the preferential parts of such Admitted Claim and to receive Cash Dividend in respect of the non-preferential part of such Admitted Claim of an amount to be determined and distributed from time to time by the Scheme Administrators under the Scheme, having regard to:

- (a) the amount of Scheme Funds then available;
- (b) the current aggregate amount of Unadmitted Claims; and

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- (c) any sum to be retained out of the Scheme Funds for the Scheme Costs and the Claims Reserve as may be approved by the Scheme Administrators under the Scheme.
- 7.3. After payment of the Provisional Liquidators' Costs, Petition Costs and Preferential Claims (if any), the Scheme Administrators shall reserve sufficient sum in the Scheme Funds for the payment of all Scheme Costs (including anticipated Scheme Costs) together with an amount not exceeding HK\$20,000,000 which is to be reserved in order to fund any proceedings arising from outstanding Rights Against Third Parties (the "**Claims Reserve**"). As soon as practicable after the Closing Date, and from time to time during their administration of the Scheme, the Scheme Administrators shall determine the amount of Scheme Funds available for distribution having regard to the reserve required for payment of Scheme Costs the aggregate amount of Unadmitted Claims and the Claims Reserve. The Scheme Administrators shall then pay interim Cash Dividend to Scheme Creditors with Admitted Claims in amounts determined in accordance with Clause 7.4 herein below.
- 7.4. The Scheme Administrators shall set the interim Cash Dividend 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 Cash Dividend 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 Scheme Administrators shall distribute to the Creditors whose Claim has become an Admitted Claim the proportion of the Admitted Claim equal to the proportion paid to all other Scheme Creditors with Admitted Claims.
- 7.5. The Scheme Administrators shall procure that the relevant Company Proceeds are allocated to the relevant Scheme Trust Account opened for each of the Company and the Hong Kong Scheme Subsidiaries, such allocation being at the absolute discretion of the Scheme Administrators pursuant to such criteria as they shall see fit and (save for manifest error) shall be final and binding.
- 7.6. From the Effective Date, each of the Creditors discharges and waives all its Claims against the Company and/or the Hong Kong Scheme Subsidiaries in consideration of the right to participate with each other Scheme Creditor in the distribution of the Scheme Funds on the terms of the Scheme.
- 8. Payment and delivery of Dividends and discharge**
- 8.1. All Cash Dividend 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 Scheme Administrators' discretion by ordinary airmail if posted to an address outside Hong Kong) in either case at the relevant Scheme Creditor's sole risk.
- 8.2. Neither the Company nor the Scheme Administrators shall be liable to a Scheme Creditor for any loss in transmission of a cheque drawn and sent in accordance with Clause 8.1 above. If a cheque drawn in favour of a Scheme Creditor which is dispatched in accordance with Clause 8.1 above is not encashed within six months of the date the issuance of the cheque, the Scheme Creditor's entitlement under the

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Scheme in the amount of such cheque shall cease and determine and the amount thereof shall become Scheme Funds.

- 8.3. Each Preferential Creditor shall accept payment of the amount of his Preferential Claim as admitted to proof by the Scheme Administrators or, as the case may be, by the Adjudicator, in full and final satisfaction and discharge of such Preferential Claim; and each Ordinary Creditor (and/or each Preferential Creditor to the extent of any Claim of theirs is non-preferential) shall accept payment of Dividend in accordance with the provisions of this Scheme of Arrangement in full and final satisfaction and discharge of his non-preferential Claim.

9. Termination of the Scheme of Arrangement

- 9.1. The Scheme shall cease to have effect if the Scheme Administrators, with consent of the Scheme Creditors' Committee, give notice that they are satisfied that the Cash Dividend has been distributed to the Scheme Creditors and the continuation of the Scheme is no longer beneficial to the Scheme Creditors and that accordingly the Scheme be terminated. The Scheme is terminated from the date of giving such notice. The duties and responsibilities of the Scheme Administrators and the members of the Scheme Creditors' Committee under the Scheme will cease upon the giving of such notice.
- 9.2. The Scheme Administrators shall give notice of the date of termination of the Scheme to the Scheme Creditors as soon as practicable after such termination.

10. Liability and indemnity

- 10.1. None of the Provisional Liquidators and their representatives, partners, staff, agents and advisers (including legal advisers) shall have or incur any liability for actions taken or omitted to be taken in good faith under, or in connection with the negotiation and preparation of, the Scheme or otherwise.
- 10.2. None of the Scheme Administrators or any of their representatives, partners, staff, agents and advisers (including legal advisers) shall incur any personal liability under the terms of the Scheme or otherwise.
- 10.3. None of the Creditors or the Company or any Hong Kong Scheme Subsidiary shall be entitled to challenge the validity of any act done or omitted to be done in good faith by the Scheme Administrators or by any member of the Scheme Creditors' Committee or nominated representatives in accordance with and to implement the provisions of the Scheme or the exercise by any such Person in good faith of any power conferred upon it or him for the purpose of the 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 willful default, fraud, dishonesty or willful breach of duty or trust.
- 10.4. The Company, the Hong Kong Scheme Subsidiaries and the Scheme Creditors shall, out of the Scheme Funds only, indemnify the Scheme Administrators 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 Scheme Administrators in good faith and commensurate with the standard of a reasonable Scheme Administrator in the performance of their role.

11. Modification to the Scheme

- 11.1 Prior to the Effective Date, the Company acting by the Provisional Liquidators and/or the Hong Kong Scheme Subsidiaries may consent, for and on behalf of all parties concerned, to any modifications or additions to the Scheme or any condition which the Hong Kong Court may see fit to approve or impose and agreed by the Investor in writing whose agreement shall not be unreasonably withheld.
- 11.2 On or after the Effective Date, the Scheme 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 Hong Kong Court for the purpose of modifying the provision of the Scheme or obtaining direction from the Hong Kong Court on how to deal with any matters or disputes which may arise in respect of the administration of the Scheme. If the Hong Kong Court approve a modification to the Scheme or give a direction in relation to any matter or dispute which may arise in respect of the Scheme, it shall be binding on the Company and the Hong Kong Scheme Subsidiaries and the Scheme Creditors provided that no further obligations or liabilities should be imposed on the Company or the Hong Kong Scheme Subsidiaries and that the Company and the Hong Kong Scheme Subsidiaries 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 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 Scheme Administrators, the offices of Deloitte Touche Tohmatsu at 35/F One Pacific Place, 88 Queensway, Hong Kong (Fax: +852 2850 8362) Attention: Mr. Edmund Yeung;
 - (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.
- (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 that 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 that 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 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. on a Business Day in the

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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. on the next Business Day in such territory and proof that 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. 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 Closing 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 Scheme Administrators shall determine and shall, for the purpose of the Scheme, be due in Hong Kong dollars.

12.3. Legality, validity and enforceability

If any administrative provision of the Scheme is held to be illegal, invalid or unenforceable under Hong Kong law then the offending provision shall (insofar as it is illegal, invalid or unenforceable) be deemed to have no effect but will not affect or impair the remaining provisions of the Scheme.

12.4. Governing law and jurisdiction

The Scheme shall be subject to the laws of Hong Kong and the Creditors shall submit to the non-exclusive jurisdiction of the Hong Kong Court in respect thereof.

13. Definitions

13.1 In the Scheme:

- (a) references to clauses are, unless otherwise indicated, references to clauses of the Scheme;
- (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) headings to clauses are for ease of reference only and shall not affect the interpretation of this Scheme; and
- (e) references to time of day are references to time of day of Hong Kong.

13.2 In the Scheme of Arrangement the following expressions shall, unless the context otherwise requires, have the meanings respectively set opposite such expressions:

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“Accounts Payables”	means all trade debts owing by 3D-GOLD Enterprise Development (Shenzhen) Co. Limited to the trade creditors of 3D-GOLD Enterprise Development (Shenzhen) Co. Limited in the ordinary course of the Business as at the First Payment Date and agreed between the Investor and the Provisional Liquidators but for the avoidance of doubt shall not include any contingent and/or bona fide unrecorded liabilities arising from the Business carried out by 3D-GOLD Enterprise Development (Shenzhen) Co. Limited.
“Adjudicator”	such person with experience in the adjudication of creditors' claims in a liquidation as the Scheme Administrators, in their absolute discretion, shall nominate.
“Adjustment”	the adjustment to the Balance Payment calculated in accordance with clause 5.2 of the Restructuring Agreement and illustrated in Appendix 10 of this Document.
“Admitted Claims”	all Claims of Scheme Creditors against the Company and/or the Hong Kong Scheme Subsidiaries which would be provable in a winding up of the Company and/or the Hong Kong Scheme Subsidiaries if an order for the winding up of the Company and/or the Hong Kong Scheme Subsidiaries were made on the Effective Date and which have been admitted by the Scheme Administrators in accordance with the Scheme.
“Assets”	such property, rights and title in the assets of the Business including (without limitation) the intellectual property rights as are held by any member of the Restructured Group in, or in connection with, the Business at the Effective Date, but excluding the Excluded Items.
“Associate(s)”	has the meaning ascribed to it under the Listing Rules.
“Balance Payment”	the amount payable by the Investor to the Provisional Liquidators on the First Payment Date as part of the consideration for either the Subscription Shares or the Transfer Shares (as the case may be) or for other purposes, being the amount calculated in accordance with clause 5.2 of the Restructuring Agreement.
“Bermuda Court”	The Supreme Court of The Bermuda Islands.
“Bermuda Scheme”	the proposed scheme of arrangement to be made (at the option of the Provisional Liquidators) between the Company and the Creditors pursuant to section 99 of the Companies Act subject to any condition approved or imposed by the Bermuda Court.

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“Bonds”	the HK\$240,000,000 3 per cent. guaranteed convertible bonds due 2011 issued by the Company or, as the case may be, the principal amount thereof for the time being issued and outstanding.
“Bondholders”	the persons appearing at the relevant time on the Company’s register of bondholders as the holder of Bonds and in respect of which a certificate or certificates has or have been issued and remain outstanding.
“Business”	the business of manufacturing, trading and retail of gold products, other precious metal products and jewellery products carried on by the Restructured Group in the Mainland and, if any, in Hong Kong as at the Effective Date but, for the avoidance of doubt, excluding any wholesale business.
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open for business in Hong Kong throughout their normal business hours.
“Business and Assets Value”	the value attributed to the Business, Assets and Goodwill (but for the avoidance of doubt excluding the Stock) for the purposes of the Restructuring Agreement, being HK\$100,000,000.
“BVI”	means the British Virgin Islands.
“Capital Cancellation”	the proposed cancellation of the unissued share capital of the Company in its entirety upon the Capital Reduction becoming effective.
“Capital Increase”	the proposed increase of the share capital of the Company with such composition as determined in accordance with the terms of the Restructuring Agreement, pursuant to which the authorised share capital as increased shall comprise authorised New Shares and Preference Shares.
“Capital Reduction”	the proposed reduction of the nominal value of each Existing Share on such basis as determined in accordance with the terms of the Restructuring Agreement.
“Capital Restructuring”	the proposed restructuring of the capital of the Company comprising the Capital Reduction, the Capital Cancellation, the Consolidation and the Capital Increase.

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“Cash Dividend”	the amount of cash available to be paid to Scheme Creditors as Dividends from the Scheme Funds after deducting 1) the Provisional Liquidators’ Costs, 2) the Petition Costs, 3) the Preferential Claims and the Scheme Costs, which amount shall be paid in full and final settlement of the Admitted Claims.
“Claim”	any debt, liability or obligation as at the Effective Date, whether known or unknown, whether certain or contingent, whether present, future or prospective, whether liquidated or unliquidated, whether arising at common law, in equity or by statute, in Hong Kong, Bermuda, the BVI, PRC, Macau or in any other jurisdiction or in any manner whatsoever 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.
“Claims Reserve”	has the meaning attributed to it in Clause 7.2 of the Scheme.
“Closing”	the completion of the transactions contemplated by the Restructuring Agreement and implementation of the Scheme.
“Closing Date”	the date of Completion.
“Code”	the Hong Kong Code on Takeovers and Mergers.
“Companies Act”	means the Companies Act 1981 of Bermuda.
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).
“Company”	3D-GOLD Jewellery Holdings Limited (formerly known as Hang Fung Gold Technology Limited) (Provisional Liquidators Appointed), a company incorporated in Bermuda.
“Company Proceeds”	the proportion of the Proceeds attributable and payable to the Scheme Trust Accounts of the Company and the Hong Kong Scheme Subsidiaries pursuant to their respective Schemes for distribution to Scheme Creditors, including the Completion Proceeds.
“Completion”	completion of the Restructuring Agreement and the transactions contemplated thereunder in accordance with its terms.

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“Completion Proceeds”	the proportion of the Consideration attributable and payable respectively to the Scheme Trust Accounts of the Company and/or the Hong Kong Scheme Subsidiaries (if any) for distribution to Scheme Creditors.
“Completion With Share Issue”	the Completion that requires the issue of the Subscription Shares and Subscription Preference Shares of the Company to the Investor in accordance with the terms of the Restructuring Agreement.
“Completion With Share Transfer”	the Completion that requires the transfers of shares of the members of the Restructured Group (other than the Company) to the Investor in accordance with the terms of the Restructuring Agreement.
“Conditions Precedent”	the conditions precedent to Completion stipulated in the Restructuring Agreement.
“Consideration”	the aggregate sum payable by the Investor as the Deposit, the Balance Payment and (if applicable) the Listing Value.
“Consolidated Shares”	the New Shares deriving from the Existing Shares following the Consolidation.
“Consolidation”	the consolidation of such number of Existing Shares (as reduced by the Capital Reduction) into such number of New Shares immediately upon the Capital Reduction becoming effective on such basis as determined in accordance with the terms of the Restructuring Agreement.
“Conversion Shares”	ordinary shares in the Company to be issued upon the exercise of the Subscription Preference Shares.
“Cost Price”	the cost price for an item of stock of the Business, calculated: (i) in relation to items acquired by direct purchase from suppliers and subcontractors, as the cost of finished products as invoiced by such suppliers and subcontractors in respect of each item and (ii) in relation to items produced by members of the Group, as the base acquisition cost of raw materials for the item together with the production costs incurred in the ordinary course of business including (without limitation) labour and overhead costs such as utilities and rental payments.
“Costs”	Provisional Liquidators' Costs, Petition Costs and Scheme Costs.

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“Creditors”	means collectively the Ordinary Creditors and the Preferential Creditors of the Company and/or the Hong Kong Scheme Subsidiaries.
“Creditor Shares”	where Completion With Share Issue takes place, the number of New Shares equal to five per cent. of the enlarged ordinary share capital of the Company following the Capital Restructuring and the issue and allotment of the Subscription Shares, and transferred to a nominee notified by the Scheme Administrators for the benefit of Scheme Creditors.
“Cut-Off Date”	the date to be determined by the Scheme Administrators which is at least 21 days after the date of the notices and advertisements referred to in Clause 5.1 of the Scheme and by which Claims are to be proved in accordance with Clause 5 of this Scheme of Arrangement.
“Deposit”	means the sum of HK\$100,000,000 received by the Company from the Investor as initial deposit for the subscription for the Subscription Shares or payment for the Transfer Shares as the case may be.
“Dividends”	the proportion, expressed as a percentage, of Admitted Claims payable to the Scheme Creditors determined under Clause 7 of the Scheme.
“Document”	this document comprising the Explanatory Statement, the Scheme of Arrangement and their appendices.
“Effective Date”	the date on which the Scheme becomes effective by virtue of the delivery of an office copy of the order of the Hong Kong Court sanctioning the Company's Scheme to the Registrar of Companies in Hong Kong for registration; and the delivery to the Registrar of Companies in Bermuda for registration of a copy of the order of the Bermuda Court sanctioning the Bermuda Scheme; and the delivery of copies of the orders of the Hong Kong Court sanctioning the Hong Kong Subsidiary Schemes to the Registrar of Companies in Hong Kong.
“Excluded Companies”	those Subsidiaries of the Company listed in Part 2 of Appendix 6 of this Document and shall include the Company if Completion With Share Transfer takes place (and “Scheme Company” shall mean any one of such Excluded Companies).

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“Excluded Company Trust Account”	the interest bearing trust account controlled by the Scheme Administrators with a licensed bank in Hong Kong for the purposes of and for the benefit of the Persons entitled pursuant to the liquidation of the relevant Excluded Company.
“Excluded Items”	<p>the items to be left with the Excluded Companies or otherwise transferred out of the Restructured Group at the direction of the Provisional Liquidators and/or the Scheme Administrators upon implementation of the Proposals, comprising the following items:</p> <ul style="list-style-type: none">• the Excluded Companies• cash and cash equivalents held by any member of the Group as at First Payment Date• Receivables• Rights Against Third Parties as at Completion• Rent Deposits Return as at Completion• Accounts Payables• all gold display items listed under “Property Plant and Equipment” in the published audited accounts of the Group for the financial year ended 31 March 2008 (which include but are not limited to those gold display items pledged to certain of the Creditors) as at Completion• such other items as may be agreed between the Company and/or the Hong Kong Scheme Subsidiaries and the Investor as at Completion.
“Existing Shares”	ordinary shares of HK\$0.10 each in the issued capital of the Company as at the Record Date.
“Existing Convertibles”	all the convertible bonds, options and all other securities issued by the Company which are convertible into shares of the Company or confer on the holder thereof the rights to subscribe for any shares in the Company.
“Existing Convertibles Holders”	grantees or holders of Existing Convertibles.
“Explanatory Statement”	the statement dated 9 April 2009 explaining the effect of the Schemes to Creditors as required by section 166A of the Companies Ordinance.
“First Distribution Date”	the date falling seven days before (but including) the date fixed by Scheme Administrators for the first distribution of Cash Dividends to Scheme Creditors with Admitted Claims, or if such date is not a Business Day the succeeding Business Day.

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“First Long Stop Date”	30 September 2009.
“First Payment Date”	the date falling five Business Days after (and including) the date on which the Initial Condition is satisfied.
“First Payment Date Stock Value”	the aggregate value of Stock and New Stock at the First Payment Date, taking into account deduction of Sold Stock and application of the Stock Price Percentage to remaining Stock as at such date.
“Further Conditions”	the Conditions Precedent in the Restructuring Agreement which are also set out in paragraph 2 of Appendix 9 of this Scheme document.
“Goodwill”	the goodwill, custom and connection of the Restructured Group in relation to the Business, together with the exclusive right for the Restructured Group to carry on the Business under the "Hang Fung Gold", "La Milky Way" and "3D-GOLD" brands and all other names associated with the Business.
“Group”	the Company and its Subsidiaries.
“HKRH”	Hong Kong Resources Holdings Company Limited (formerly known as Ocean Grand Chemicals Holdings Limited), a company incorporated in Bermuda and registered in Hong Kong with registration number F0012173, having a place of business at 1402-3, 14th Floor Admiralty Centre Tower II 18 Harcourt Road Hong Kong, being the holder of two thirds of the issued share capital of the Investor.
“HKSCC”	Hong Kong Securities Clearing Company Limited.
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC.
“Hong Kong Court”	the Court of First Instance of the High Court of Hong Kong.
“HK\$” and “Hong Kong dollars ”	the lawful currency for the time being of Hong Kong.
“Hong Kong Scheme Subsidiaries”	3D-GOLD Company Limited, La Milky Way International Company Limited and 3D-GOLD International Company Limited. (all such companies being at the date hereof Subsidiaries of the Company) and “Hong Kong Scheme Subsidiary” means any one of them.

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“Hong Kong Subsidiary Schemes”	the schemes of arrangement to be made between each of the Hong Kong Scheme Subsidiaries (all such companies being at the date hereof Subsidiaries of the Company) and their respective Creditors, pursuant to section 166 of the Companies Ordinance.
“Independent Party”	is a person appointed to resolve a dispute arising in relation to calculation of the Accounts Payables and/or Receivables for the purposes of this Scheme, being an independent firm of accountants agreed by the Company, the Provisional Liquidators or Scheme Administrators (as the case may be) and the Investor or if such parties fail to agree, appointed by the President for the time being of the Hong Kong Institute of Certified Public Accountants.
“Initial Condition”	the Condition Precedent in the Restructuring Agreement which is also set out in paragraph 1 of Appendix 9 to this Document.
“Investor”	China Gold Silver Group Company Limited, a company incorporated under the laws of the British Virgin Islands, having a place of business in Hong Kong, and being a subsidiary of HKRH.
“Latest Practicable Date”	5 April 2009, being the latest practicable date prior to the printing of this Document for ascertaining certain information to be included in this Document.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange.
“Listing Value”	the value attributed to the listed status of the Company to be retained on its successful resumption (in the event the Resumption Proposal is conditionally or unconditionally acceptable or approved by the Stock Exchange) for the purposes of the Restructuring Agreement, such value being equal to HK\$70,000,000.
“Macau”	means the Macau Special Administrative Region of the PRC.
“Mainland”	PRC excluding Hong Kong and Macau.
“Mr. Liu”	劉旺枝, with PRC identity card no. 441900196103203513 and with residential address at 廣東省東莞市厚街鎮育才街 1 號, being the holder of one third of the issued share capital of the Investor.
“New Shares”	the new shares in the capital of the Company following the Capital Restructuring.

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“New Stock”	items of stock acquired by the Group after the Stock Balance Date that have not been sold as at and including the First Payment Date.
“Noteholders”	the Person(s) in whose name(s) a Note or Notes are registered in the register of holders of Notes maintained by the Company.
“Notes”	USD170 million aggregate principal amount 9.25 per cent. guaranteed senior notes due 2014 issued by the Company or, as the case may be, the principal amount thereof for the time being issued and outstanding.
“Notice of Claim for Dividend Purposes”	a claim in writing submitted to the Scheme Administrators in accordance with Clause 3 of the Scheme by any Person claiming to be a Creditor substantially in the form set out at Appendix 5 to this Document.
“Notice of Claim for Voting Purposes”	a claim in writing submitted to the Provisional Liquidators in accordance with Section 7 of the Explanatory Statement by any Person claiming to be a Creditor substantially in the form set out at Appendix 3 to this Document.
“Offered Stock Price”	the price offered by the Investor as payable for the Stock, being HK\$330,000,000 (which shall for the purposes of the Balance Payment be subject to the Adjustment).
“Ordinary Creditors”	means those creditors of the Company and/or the Hong Kong Scheme Subsidiaries as at the Effective Date other than the Preferential Creditors.
“Other Schemes”	collectively the Bermuda Scheme and the Hong Kong Subsidiary Schemes.
“PBOC”	the People’s Bank of China.
“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.
“Petitions”	the winding-up petition in HCCW 502 of 2008 presented against the Company and the winding up petition in HCCW 503 of 2008 presented against Hang Fung Jewellery Company Limited, both on 17 October 2008 in Hong Kong.
“Petition Costs”	the legal costs in relation to the Petitions in an amount to be agreed by the Scheme Administrators.

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“Preference Shares”	means convertible, non-redeemable preference shares of HK\$0.01 each in the capital of the Company following the Capital Restructuring in such term as the Company may determine, each of which carries (among other rights and restrictions) the right to a fixed cumulative preferential dividend of 5% per annum on its nominal value and the right, subject to other terms attaching, to convert into New Shares on a one-to-one basis.
“Preferential Claim”	a Claim which would, if the Company and/or the Hong Kong Scheme Subsidiaries had commenced to be wound up on the Effective Date, have been payable out of the assets of the Company and/or the Hong Kong Scheme Subsidiaries pursuant to the Companies Ordinance in priority to the claims of the general Unsecured Creditors of the Company and/or the Hong Kong Scheme Subsidiaries and which is notified to the Scheme Administrators prior to the Cut-Off Date.
“Preferential Creditors”	Persons with Preferential Claims.
“Proceeds”	means the aggregate sum to be provided to the Scheme Administrators and allocated by the Scheme Administrators as appropriate to (i) the Scheme Creditors pursuant to the terms of their power under the Schemes to settle the Admitted Claims and (ii) creditors proving in the liquidation of the Excluded Companies, being the aggregate of the Consideration and the Schemes Assets Proceeds.
“Proceeds Account”	a designated bank account opened by the Company with a bank licensed in Hong Kong for receipt of the Proceeds.
“Proposals”	means the proposals to effect the Schemes and the matters detailed thereunder.
“Proving Creditors”	Creditors whose Claims have yet to be proved and determined in accordance with the provisions of Clause 5 of this Scheme.
“Provisional Liquidators”	Mr. Yeung Lui Ming (Edmund), Mr. Edmond Ching Wah Bon and Mr. Darach E. Haughey in their capacity as joint and several provisional liquidators of the Company pursuant to an order of the Hong Kong Court dated 17 October 2008.

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“Provisional Liquidators’ Costs”	any outstanding taxed costs, fees and expenses of the Provisional Liquidators including legal fees and any other payments for which the Company or the Provisional Liquidators have become liable whilst the Provisional Liquidators have acted as provisional liquidators of the Company.
“PRC”	the People’s Republic of China.
“Public Float”	has the meaning ascribed to it under Rule 8.08 of the Listing Rules and as applicable to the Company.
“Receivables”	all the trade and other debts and amounts owing to the Company and its Subsidiaries as at the First Payment Date in respect of goods or services supplied by the Company and/or the Group in the usual or ordinary course of carrying on the Group’s business (whether or not invoiced) or otherwise but net of any value added tax due and payable on such amounts.
“Receivables Account”	the designated bank account opened by the Scheme Administrators with a bank licensed in Hong Kong for receipt of the Receivables.
“Record Date”	the date for determining the entitlement of the holders of the Existing Shares to Consolidated Shares.
“Renminbi”	the lawful currency of the Mainland for the time being.
“Rent Deposits”	all payments made by members of the Restructured Group by way of rent deposits and prepayments to secure lease arrangements and utilities for any premises from which the Business or any of such companies otherwise operates.
“Rent Deposits Return”	the sum equal to all Rent Deposits to which the Restructured Group is entitled on termination of the relevant lease arrangements to which such Rent Deposits relate.
“Resolutions”	(i) the resolutions to be proposed at the Scheme Meeting; and (ii) the resolutions to be proposed at the Special General Meeting.
“Restoration of Public Float”	the sale and/or transfer of such number of New Shares by the Investor so as to procure the Company complying with the requirement of Public Float.
“Restructured Group”	the Company together with those of its Subsidiaries listed in Part 1 of Appendix 6 of this Document but shall not include the Company if Completion With Share Transfer takes place.

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“Restructuring Agreement”	the agreement dated 23 December 2008 made between the Company, the Provisional Liquidators and the Investor in relation to the implementation of the restructuring of the Company and its Subsidiaries and any supplemental agreement thereto.
“Restructuring Documents”	collectively the Restructuring Agreement, the Scheme, the Explanatory Statement and all other documents necessary to implement the terms of the Restructuring Agreement including, without limitation, those necessary for the purposes of the Scheme.
“Resumption Proposal”	the resumption proposal to be submitted to the Stock Exchange (as supplemented or amended from time to time) together with all necessary applications for the resumption of trading of the Shares on the Stock Exchange as referred to in the Listing Rules.
“Rights Against Third Parties”	the rights and claims against third parties and the benefit of all sums to which the Group is entitled from third parties and/or insurers in respect of loss or damage to the assets of the Group, subsisting on or before the Effective Date.
“Schemes Assets”	the Excluded Companies, the Excluded Items and, if applicable, the Creditor Shares.
“Schemes Assets Proceeds”	the Rent Deposits Return and the proceeds realised from the disposal of the Schemes Assets.
“Scheme Administrators”	Mr. Yeung Lui Ming (Edmund), Mr. Edmond Ching Wah Bon and Mr. Darach E. Haughey jointly and severally or their successors appointed pursuant to the Schemes.
“Scheme Costs”	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 relevant Scheme including the fees and remuneration of the Scheme Administrators and the Adjudicator.
“Scheme Creditor”	any Person including (without limitation) the Existing Convertibles Holders, other than the Investor, with the benefit of a Claim against the Company and/or any of the Hong Kong Scheme Subsidiaries that arose on or before the Effective Date and such Claim has been admitted by the Scheme Administrators in accordance with the Scheme and “Scheme Creditors” shall be construed accordingly.

SCHEME OF ARRANGEMENT

“Scheme Creditors’ Committee”	the committee of Scheme Creditors to be formed pursuant to the Scheme.
“Scheme Funds”	all funds from time to time credited to the Scheme Trust Account, including any interest thereon.
“Scheme Meeting”	the meeting of the Creditors to be convened at the direction of the Hong Kong Court for the purpose of considering and, if thought fit, approving the Scheme.
“Scheme of Arrangement” or “Scheme”	each of the schemes of arrangement pursuant to Section 166 of the Companies Ordinance comprised within pages 46 to 80 of this Document and proposed to be made between each of the Company and the Hong Kong Scheme Subsidiaries on the one hand and their respective Creditors on the other hand.
“Scheme Trust Account”	the interest bearing trust account controlled by the Scheme Administrators with a licensed bank in Hong Kong for the purposes of and for the benefit of those entitled under the relevant Scheme.
“Second Long Stop Date”	31 December 2009.
“Second Payment Date”	the date for Completion pursuant to clause 7.1(a) or clause 7.1(b), as the case may be, of the Restructuring Agreement.
“Secured Scheme Creditors”	Scheme Creditors with the benefit of any valid Security Interest in respect of 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.
“SFC”	the Securities and Futures Commission of Hong Kong.
“Shareholder”	a holder of Share(s).
“Shares”	the ordinary shares of the Company which are listed on the main board of the Stock Exchange from time to time.
“Shenzhen Balance Payment”	the appropriate proportion of the Balance Payment attributed as payable by the Investor in respect of the stock-in-trade of 3D-GOLD Enterprise Development (Shenzhen) Co. Limited, as determined in their absolute discretion by the Scheme Administrators.

SCHEME OF ARRANGEMENT

“Sold Stock”	items of Stock that are sold between the Stock Balance Date and the First Payment Date (both dates inclusive).
“Special General Meeting”	<p>the special general meeting of the Shareholders to be held to consider all the resolutions of the Company necessary or appropriate in relation to the Proposals, including, <i>inter alia</i>:</p> <ul style="list-style-type: none">(i) for the implementation of the Schemes (other than the resolution(s) to be proposed at the Scheme Meeting);(ii) for the approval required for the Whitewash Waiver in terms stipulated by the Code;(iii) for the approval of the issue of the Subscription Shares and the Subscription Preference Shares; and(iv) for the approval of the Capital Increase.
“Stock”	stock-in-trade including raw materials, goods and other assets for re-sale, component parts and work-in-progress, together with packaging owned by the Group as at the Stock Balance Date.
“Stock Appraisers”	the third party appraisers, Asian Gemmological Institute and Laboratory Limited of 7/F., No. 11 Lock Road, Tsimshatsui, Kowloon, Hong Kong assisting in Hong Kong and Zhong Hengyu Asset Appraisal Co. Ltd. of 19 Xiaohuangzhuang Road, Andingmenwai Street, Beijing, PRC assisting in the Mainland, previously notified to the Investor and appointed by the Provisional Liquidators to assist in producing the Stock List and Stock Value.
“Stock Balance Date”	8 December 2008, being the date by reference to which the Stock List and Stock Value were determined.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“Stock List”	the list of Stock as at the Stock Balance Date finalised by the Appraisers and signed for the purposes of identification by the Provisional Liquidators or their representative(s).
“Stock Price Percentage”	<p>the percentage derived from the calculation of:</p> $\frac{\text{Offered Stock Price} \times 100}{\text{Stock Value}}$

SCHEME OF ARRANGEMENT

“Stock Value”	the aggregate Cost Prices for the Stock set out in the Stock List being HK\$692,021,440-45 (six hundred and ninety two million twenty one thousand four hundred and forty Hong Kong dollars and forty five Hong Kong cents).
“Subscription Agreement”	the subscription agreement (in form and substance satisfactory to the Company) to be entered into between the Company and the Investor for the purpose of the issue of the Subscription Shares and the Subscription Preference Shares by the Company to the Investor or such other persons as nominated by it, as the case may be, on and subject to the terms and conditions contained therein.
“Subscription Preference Shares”	such number of Preference Shares to be subscribed by the Investor pursuant to the Subscription Agreement representing 100% of the issued Preference Shares (as enlarged by the issue thereof).
“Subscription Proceeds”	HK\$500,000,000, being the amount to be paid by the Investor as consideration for the issue of the Subscription Shares and Subscription Preference Shares pursuant to the Restructuring Agreement.
“Subscription Shares”	such number of New Shares to be issued by the Company to the Investor pursuant to the Subscription Agreement representing approximately (but not more than) 95% of the issued ordinary share capital of the Company as enlarged by the issue of such Subscription Shares.
“Subsidiary”	has the meaning ascribed to it in the Companies Ordinance, and “Subsidiaries” shall be construed accordingly.
“Trade Receivables”	those Receivables specifically arising as trade debts owing to 3D-GOLD Enterprise Development (Shenzhen) Co. Limited.
“Transaction Costs and Expenses”	the costs and expenses incurred or to be incurred for and on behalf of the Company and the Hong Kong Scheme Subsidiaries in relation to the Proposals, the Schemes, Restructuring Agreement, the Subscription Agreement and matters incidental thereto, including without limitation, fees to be paid to the Company’s auditors, financial advisers and the Provisional Liquidators and the legal advisers of the Provisional Liquidators.
“Transfer Companies”	the companies (together with any newly incorporated holding company of such companies) constituting the Restructured Group other than the Company.

SCHEME OF ARRANGEMENT

“Transfer Shares”	the shares in each of the Transfer Companies.
“Unadmitted Claims”	any Claim which has not been admitted or which has been rejected by the Scheme Administrators.
“Unsecured Creditors”	Creditors of the Company or the Hong Kong Scheme Subsidiaries or any of them other than Secured Scheme Creditors and Preferential Creditors (but including, to the extent of their non-Preferential Claims, Persons who, while they have Preferential Claims against the Company or a Hong Kong Scheme Subsidiary, also have unsecured non-Preferential Claims against the Company or such Hong Kong Scheme Subsidiary).
“USD”	the lawful currency for the time being of the United States of America.
“Voting Claim”	the Claim of a Creditor calculated as at the date of a Scheme Meeting and admitted for the purposes of voting at such meeting.
“Voting Deed”	the voting deed executed by Perfect Ace Investments Limited, a company incorporated in the BVI and having a place of business at 23 Floor Admiralty Centre Tower II 18 Harcourt Road Hong Kong, being the majority shareholder in the Investor's holding company, HKRH, and delivered by the Investor to the Company contemporaneously with the Restructuring Agreement.
“Whitewash Waiver”	a waiver granted by the Executive Director of the Corporate Finance Division of the SFC (or any delegate of such Executive Director) to waive the obligation of the Investor and parties acting in concert with it to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by them as a result of the Completion With Share Issue pursuant to Note 1 on dispensations from Rule 26 of the Code.

HCMP 519 / 2009

**IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 519 OF 2009**

**IN THE MATTER of 3D-GOLD Jewellery
Holdings Limited (金至尊珠寶控股有限公
司) (formerly known as Hang Fung Gold
Technology Limited) (Provisional
Liquidators Appointed)**

and

**IN THE MATTER of Section 166 of the
Companies Ordinance, Chapter 32 of the
Laws of The Hong Kong Special
Administrative Region**

Before the Honourable Mr. Justice Barma in Chambers

ORDER

UPON the application of the Applicants by way of Originating Summons filed herein on 19 March 2009,

AND UPON reading the affidavit of Darach Eoghan Haughey together with the exhibits referred thereto filed herein on 19 March 2009,

AND UPON hearing counsel for the Applicants,

IT IS ORDERED that:-

1. Pursuant to section 166 of the *Companies Ordinance*, 3D-GOLD Jewellery Holdings Limited (金至尊珠寶控股有限公司) (formerly known as Hang Fung Gold Technology Limited) (Provisional Liquidators Appointed) ("**Company**") do, at 10:00AM on 4 May 2009 at The Boys' & Girls' Clubs Association of Hong Kong, 3 Lockhart Road, Wanchai, Hong Kong, convene a meeting ("**Creditors' Meeting**") to be held in Hong Kong of the creditors to whom unsecured debts are owed by the Company (other than those whose claims would be preferential in a liquidation to the extent of their preferential claims) (the "Scheme Creditors") for the purpose of considering and, if thought fit, approving, with or without modification, a scheme of arrangement proposed to be made between the Company and its Scheme Creditors ("**Scheme of Arrangement**");
2. At least twenty one (21) clear days before the day appointed for the Creditors' Meeting, a NOTICE (in the form of Appendix 2 of the Scheme of Arrangement) shall be published giving notice of the convening of the Creditors' Meeting and stating that, upon reasonable prior notice to the Company through the Applicants at 35/F One Pacific Place, 88 Queensway, Hong Kong, copies of a printed composite document containing the Scheme of Arrangement and an explanatory statement together with a form of proxy, as required under Section 166 and Section 166A of the Companies Ordinance, will be furnished to any person entitled to attend the Creditors' Meeting, between the hours of 10:00 a.m. and 4:00 p.m. on weekdays (excluding public holidays) prior to the business day appointed for the Creditors' Meeting at 10:00 a.m. at a venue to be nominated by the Applicants. The NOTICE will be placed in one English language newspaper in Hong Kong namely "The South China Morning Post", and one Chinese language newspaper in Hong Kong namely the "Hong Kong Economic Times".

3. At least twenty one (21) clear days before the day appointed for the Creditors' Meeting, a copy of the printed composite document containing a notice convening the Creditors' Meeting, the Scheme of Arrangement and the explanatory statement and enclosing a form of proxy to be mail posted to each of the Scheme Creditors of which the Applicants are aware, as follows:
 - (a) as to creditors (other than noteholders) having an address in Hong Kong or Macau, by prepaid ordinary post sent to such address;
 - (b) as to noteholders, through the clearing system (Euroclear/Clearstream);
and
 - (c) as to creditors (other than noteholders) including bondholders having an address outside Hong Kong and Macau, by prepaid airmail sent to such address.
4. Mr. Darach Eoghan Haughey, or failing him, Mr. Edmond Ching Wah Bon or failing him, Mr. Yeung Lui Ming (Edmund), being the provisional liquidators of the Company, be appointed to act as chairman of the Creditors' Meeting and directed to report the result of the Creditors' Meeting to the Court;
5. The Applicants' execution of the restructuring agreement dated 23 December 2008 (as amended by the supplemental deed dated 16 March 2009) be ratified;
6. There shall be liberty to apply generally; and

APPENDIX 1 - ORDERS ON ORIGINATING SUMMONS

7. Costs of this application be costs in the Scheme of Arrangement of the Company.

Dated the 3rd day of April 2009.

Registrar

HCMP 520 / 2009

**IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 520 OF 2009**

**IN THE MATTER of 3D-GOLD
COMPANY LIMITED (金至尊有限公司)**

and

**IN THE MATTER of Section 166 of the
Companies Ordinance, Chapter 32 of the
Laws of The Hong Kong Special
Administrative Region**

Before the Honourable Mr. Justice Barma in Chambers

ORDER

UPON the application of the Applicants by way of Originating Summons filed herein on 19 March 2009,

AND UPON reading the affidavit of Darach Eoghan Haughey together with the exhibits referred thereto filed herein on 19 March 2009,

AND UPON hearing counsel for the Applicants,

IT IS ORDERED that:-

1. Pursuant to section 166 of the *Companies Ordinance*, 3D-GOLD Company Limited (金至尊有限公司) ("**Company**") do, at 10:30AM on 4 May 2009 at The Boys' & Girls' Clubs Association of Hong Kong, 3 Lockhart Road, Wanchai, Hong Kong, convene a meeting ("**Creditors' Meeting**") to be held in Hong Kong of the creditors to whom unsecured debts are owed by the Company (other than those whose claims would be preferential in a liquidation to the extent of their preferential claims) (the "Scheme Creditors") for the purpose of considering and, if thought fit, approving, with or without modification, a scheme of arrangement proposed to be made between the Company and its Scheme Creditors ("**Scheme of Arrangement**");
2. At least twenty one (21) clear days before the day appointed for the Creditors' Meeting, a NOTICE (in the form of Appendix 2 of the Scheme of Arrangement) shall be published giving notice of the convening of the Creditors' Meeting and stating that, upon reasonable prior notice to the Company through the Applicants at 35/F One Pacific Place, 88 Queensway, Hong Kong, copies of a printed composite document containing the Scheme of Arrangement and an explanatory statement together with a form of proxy, as required under Section 166 and Section 166A of the Companies Ordinance, will be furnished to any person entitled to attend the Creditors' Meeting, between the hours of 10:00 a.m. and 4:00 p.m. on weekdays (excluding public holidays) prior to the business day appointed for the Creditors' Meeting at 10:00 a.m. at a venue to be nominated by the Applicants. The NOTICE will be placed in one English language newspaper in Hong Kong namely "The South China Morning Post", and one Chinese language newspaper in Hong Kong namely the "Hong Kong Economic Times".
3. At least twenty one (21) clear days before the day appointed for the Creditors' Meeting, a copy of the printed composite document containing a notice convening the Creditors' Meeting, the Scheme of Arrangement and the explanatory statement

and enclosing a form of proxy to be mail posted to each of the Scheme Creditors of which the Applicants are aware, as follows:

- (a) as to creditors (other than noteholders) having an address in Hong Kong or Macau, by prepaid ordinary post sent to such address;
 - (b) as to noteholders, through the clearing system (Euroclear/Clearstream);
and
 - (c) as to creditors (other than noteholders) including bondholders having an address outside Hong Kong and Macau, by prepaid airmail sent to such address.
4. Mr. Darach Eoghan Haughey, or failing him, Mr. Edmond Ching Wah Bon or failing him, Mr. Yeung Lui Ming (Edmund), being the directors of the Company, be appointed to act as chairman of the Creditors' Meeting and directed to report the result of the Creditors' Meeting to the Court;
5. There shall be liberty to apply generally; and
6. Costs of this application be costs in the Scheme of Arrangement of the Company.

Dated the 3rd day of April 2009.

Registrar

HCMP 522 / 2009

**IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 522 OF 2009**

**IN THE MATTER of LA MILKY WAY
INTERNATIONAL COMPANY
LIMITED (銀河明星國際有限公司)**

and

**IN THE MATTER of Section 166 of the
Companies Ordinance, Chapter 32 of the
Laws of The Hong Kong Special
Administrative Region**

Before the Honourable Mr. Justice Barma in Chambers

ORDER

UPON the application of the Applicants by way of Originating Summons filed herein on 19 March 2009,

AND UPON reading the affidavit of Darach Eoghan Haughey together with the exhibits referred thereto filed herein on 19 March 2009,

AND UPON hearing counsel for the Applicants,

IT IS ORDERED that:-

1. Pursuant to section 166 of the *Companies Ordinance*, La Milky Way International Company Limited (銀河明星國際有限公司) ("**Company**") do, at 11:00AM on 4 May 2009 at The Boys' & Girls' Clubs Association of Hong Kong, 3 Lockhart Road, Wanchai, Hong Kong, convene a meeting ("**Creditors' Meeting**") to be held in Hong Kong of the creditors to whom unsecured debts are owed by the Company (other than those whose claims would be preferential in a liquidation to the extent of their preferential claims) (the "Scheme Creditors") for the purpose of considering and, if thought fit, approving, with or without modification, a scheme of arrangement proposed to be made between the Company and its Scheme Creditors ("**Scheme of Arrangement**");
2. At least twenty one (21) clear days before the day appointed for the Creditors' Meeting, a NOTICE (in the form of Appendix 2 of the Scheme of Arrangement) shall be published giving notice of the convening of the Creditors' Meeting and stating that, upon reasonable prior notice to the Company through the Applicants at 35/F One Pacific Place, 88 Queensway, Hong Kong, copies of a printed composite document containing the Scheme of Arrangement and an explanatory statement together with a form of proxy, as required under Section 166 and Section 166A of the Companies Ordinance, will be furnished to any person entitled to attend the Creditors' Meeting, between the hours of 10:00 a.m. and 4:00 p.m. on weekdays (excluding public holidays) prior to the business day appointed for the Creditors' Meeting at 10:00 a.m. at a venue to be nominated by the Applicants. The NOTICE will be placed in one English language newspaper in Hong Kong namely "The South China Morning Post", and one Chinese language newspaper in Hong Kong namely the "Hong Kong Economic Times".
3. At least twenty one (21) clear days before the day appointed for the Creditors' Meeting, a copy of the printed composite document containing a notice convening the Creditors' Meeting, the Scheme of Arrangement and the explanatory statement

APPENDIX 1 - ORDERS ON ORIGINATING SUMMONS

and enclosing a form of proxy to be mail posted to each of the Scheme Creditors of which the Applicants are aware, as follows:

- (a) as to creditors (other than noteholders) having an address in Hong Kong or Macau, by prepaid ordinary post sent to such address;
 - (b) as to noteholders, through the clearing system (Euroclear/Clearstream);
and
 - (c) as to creditors (other than noteholders) including bondholders having an address outside Hong Kong and Macau, by prepaid airmail sent to such address.
4. Mr. Darach Eoghan Haughey, or failing him, Mr. Edmond Ching Wah Bon or failing him, Mr. Yeung Lui Ming (Edmund), being the directors of the Company, be appointed to act as chairman of the Creditors' Meeting and directed to report the result of the Creditors' Meeting to the Court;
5. There shall be liberty to apply generally; and
6. Costs of this application be costs in the Scheme of Arrangement of the Company.

Dated the 3rd day of April 2009.

Registrar

HCMP 521 / 2009

**IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 521 OF 2009**

**IN THE MATTER of 3D-GOLD
INTERNATIONAL COMPANY
LIMITED. (金至尊國際有限公司)**

and

**IN THE MATTER of Section 166 of the
Companies Ordinance, Chapter 32 of the
Laws of The Hong Kong Special
Administrative Region**

Before the Honourable Mr. Justice Barma in Chambers

ORDER

UPON the application of the Applicants by way of Originating Summons filed herein on 19 March 2009,

AND UPON reading the affidavit of Darach Eoghan Haughey together with the exhibits referred thereto filed herein on 19 March 2009,

AND UPON hearing counsel for the Applicants,

IT IS ORDERED that:-

1. Pursuant to section 166 of the *Companies Ordinance*, 3D-GOLD International Company Limited. (金至尊國際有限公司) ("**Company**") do, at 10:45AM on 4 May 2009 at The Boys' & Girls' Clubs Association of Hong Kong, 3 Lockhart Road, Wanchai, Hong Kong, convene a meeting ("**Creditors' Meeting**") to be held in Hong Kong of the creditors to whom unsecured debts are owed by the Company (other than those whose claims would be preferential in a liquidation to the extent of their preferential claims) (the "Scheme Creditors") for the purpose of considering and, if thought fit, approving, with or without modification, a scheme of arrangement proposed to be made between the Company and its Scheme Creditors ("**Scheme of Arrangement**");
2. At least twenty one (21) clear days before the day appointed for the Creditors' Meeting, a NOTICE (in the form of Appendix 2 of the Scheme of Arrangement) shall be published giving notice of the convening of the Creditors' Meeting and stating that, upon reasonable prior notice to the Company through the Applicants at 35/F One Pacific Place, 88 Queensway, Hong Kong, copies of a printed composite document containing the Scheme of Arrangement and an explanatory statement together with a form of proxy, as required under Section 166 and Section 166A of the Companies Ordinance, will be furnished to any person entitled to attend the Creditors' Meeting, between the hours of 10:00 a.m. and 4:00 p.m. on weekdays (excluding public holidays) prior to the business day appointed for the Creditors' Meeting at 10:00 a.m. at a venue to be nominated by the Applicants. The NOTICE will be placed in one English language newspaper in Hong Kong namely "The South China Morning Post", and one Chinese language newspaper in Hong Kong namely the "Hong Kong Economic Times".
3. At least twenty one (21) clear days before the day appointed for the Creditors' Meeting, a copy of the printed composite document containing a notice convening

the Creditors' Meeting, the Scheme of Arrangement and the explanatory statement and enclosing a form of proxy to be mail posted to each of the Scheme Creditors of which the Applicants are aware, as follows:

- (a) as to creditors (other than noteholders) having an address in Hong Kong or Macau, by prepaid ordinary post sent to such address;
 - (b) as to noteholders, through the clearing system (Euroclear/Clearstream);
and
 - (c) as to creditors (other than noteholders) including bondholders having an address outside Hong Kong and Macau, by prepaid airmail sent to such address.
4. Mr. Darach Eoghan Haughey, or failing him, Mr. Edmond Ching Wah Bon or failing him, Mr. Yeung Lui Ming (Edmund), being the directors of the Company, be appointed to act as chairman of the Creditors' Meeting and directed to report the result of the Creditors' Meeting to the Court;
5. There shall be liberty to apply generally; and
6. Costs of this application be costs in the Scheme of Arrangement of the Company.

Dated the 3rd day of April 2009.

Registrar

Appendix 2 – Notices of Scheme Meeting

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

MISCELLANEOUS PROCEEDINGS NO. 519 OF 2009

IN THE MATTER OF

3D-GOLD JEWELLERY HOLDINGS LIMITED
(formerly known as Hang Fung Gold Technology Limited)
(PROVISIONAL LIQUIDATORS APPOINTED)

and

IN THE MATTER OF SECTION 166 OF THE COMPANIES ORDINANCE

NOTICE OF CREDITORS' MEETING

NOTICE IS HEREBY GIVEN that, by an Order dated 3 April 2009, the Court has directed that a meeting (the "Creditors' Meeting") be convened for the Creditors (as defined in the Scheme of Arrangement hereinafter mentioned) of the above-mentioned company (the "Company") for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme of Arrangement proposed to be made between the Company and its Creditors. The Creditors' Meeting will be held at The Boys' & Girls' Clubs Association of Hong Kong, Room 502, 3 Lockhart Road, Hong Kong on 4 May 2009 at 10:00 a.m. at which place and time all Creditors are requested to attend.

A copy of the Scheme of Arrangement and a copy of the Explanatory Statement required to be furnished pursuant to section 166A of the Companies Ordinance (Cap.32) are available from the office of Yeung Lui Ming (Edmund), Edmond Ching Wah Bon and Darach E. Haughey, the joint and several provisional liquidators (the "Provisional Liquidators") of the Company acting without personal liability, of 35/F One Pacific Place, 88 Queensway, Hong Kong. These documents are available free of charge between the hours of 10:00 a.m. and 4:00 p.m. on weekdays (excluding public holidays) prior to the day appointed for the Creditors' Meeting to any person entitled to attend the Creditors' Meeting.

Creditors may vote in person at the Creditors' Meeting or they may appoint another person, whether a Creditor or not, as their proxy to attend and vote in their place. The form of proxy for use at the Creditors' Meeting is available from the Provisional Liquidators at the above address and during the same business hours referred to above. The form of proxy must be lodged with the Provisional Liquidators by no later than 10:00 a.m. on 29 April 2009 being two (2) business days prior to the date of the Creditors' Meeting.

By the same Order, the Court has appointed Darach E. Haughey, or failing him, Edmond Ching Wah Bon or failing him, Yeung Lui Ming (Edmund), being one of the Provisional Liquidators, to act as chairman of the Creditors' Meeting and has directed the chairman to report the results thereof to the Court.

Appendix 2 – Notices of Scheme Meeting

The Scheme of Arrangement will be subject to the subsequent approval of the Court.

Creditors of the Company must submit details of any claim they have against the Company as at 4 May 2009, in writing, to the Provisional Liquidators' office at c/o 35/F One Pacific Place, 88 Queensway, Hong Kong, before 10:00 a.m. on 24 April 2009. Forms of "Notice of Claim for Voting Purposes" (as defined and detailed in the Scheme of Arrangement, the Explanatory Statement and their appendices) are available from the Provisional Liquidators at the above address.

Dated this 9 April 2009

Darach E. Haughey
Joint and Several Provisional Liquidator
for and on behalf of
3D-GOLD Jewellery Holdings Limited
(formerly known as Hang Fung Gold Technology Limited)
(Provisional Liquidators Appointed)
acting as agent without personal liability

香港特別行政區
高等法院
原訟法庭
雜項案件 2009 年第 519 宗

有關

金至尊珠寶控股有限公司
(前稱恒豐金業科技有限公司)
(已委任臨時清盤人)

及

有關《公司條例》第 166 條

債權人會議之通告

茲通告，根據香港特別行政區高等法院（「法院」）於二零零九年四月三日頒佈之命令（「該命令」），法院指示召開上述公司（「本公司」）之債權人（定義見下文所述之該計劃）會議（「債權人會議」），以考慮及酌情批准（不論有否修訂）由本公司與債權人之間建議訂立之一項協議計劃（「該計劃」）。該債權人會議定於二零零九年五月四日上午十時正於香港駱克道三號香港小童群益會五〇二室舉行，所有債權人均需要參加。

根據香港法例第三十二章公司條例第 166A 條規定須予提供之該計劃及說明函件（「說明函件」）之副本可向本公司之共同及各別臨時清盤人楊磊明，程華邦和 Darach E. Haughey（「臨時清盤人」）（本公司之三位臨時清盤人毋需負任何個人責任）位於香港金鐘道八十八號太古廣場一座三十五樓之辦事處索取。任何有權參加該債權人會議之人士可於該債權人會議舉行之日期前任何一日（星期六、星期日及公眾假期除外）上午十時至下午四時免費索取一份上述文件之副本。

債權人可於該債權人會議上親身投票，或可委任其他人士（不論是否債權

Appendix 2 – Notices of Scheme Meeting

人) 為代表，代其出席會議並於會上投票。適用於該債權人會議之代表委任表格可於上述辦公時間到臨時清盤人之上述辦事處向臨時清盤人索取。代表委任表格需於該債權人會議舉行日期前兩(2)個工作日，即二零零九年四月二十九日香港時間上午十時前送達臨時清盤人之上述辦事處。

根據同一項命令，法院已委任一位臨時清盤人Darach E. Haughey，或倘其未克出席，則委任程華邦，或倘其未克出席，則委任楊磊明，擔任該債權人會議之主席，法院亦已指示會議主席向法院報告會議之結果。

該計劃將須待法院其後批准，方可作實。

本公司之債權人需於二零零九年四月二十四日香港時間上午十時前以書面形式向臨時清盤人辦事處提交向本公司作出截至二零零九年五月四日之任何申索之詳細資料。有關申索通告表格(定義見上文所述之該計劃，說明函件及其附錄)可於臨時清盤人之上述辦事處向臨時清盤人索取。

日期：二零零九年四月九日

Darach E. Haughey
共同及各別臨時清盤人
代表金至尊珠寶控股有限公司
(前稱恒豐金業科技有限公司)
(已委任臨時清盤人)
毋需承擔個人責任

Appendix 2 – Notices of Scheme Meeting

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

MISCELLANEOUS PROCEEDINGS NO. 520 OF 2009

IN THE MATTER OF

3D-GOLD COMPANY LIMITED

and

IN THE MATTER OF SECTION 166 OF THE COMPANIES ORDINANCE

NOTICE OF CREDITORS' MEETING

NOTICE IS HEREBY GIVEN that, by an Order dated 3 April 2009, the Court has directed that a meeting (the "Creditors' Meeting") be convened for the Creditors (as defined in the Scheme of Arrangement hereinafter mentioned) of the above-mentioned company (the "Company") for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme of Arrangement proposed to be made between the Company and its Creditors. The Creditors' Meeting will be held at The Boys' & Girls' Clubs Association of Hong Kong, Room 502, 3 Lockhart Road, Hong Kong on 4 May 2009 at 10:30 a.m. at which place and time all Creditors are requested to attend.

A copy of the Scheme of Arrangement and a copy of the Explanatory Statement required to be furnished pursuant to section 166A of the Companies Ordinance (Cap.32) are available from the office of Edmond Ching Wah Bon, Yeung Lui Ming (Edmund) and Darach E. Haughey, the Directors (the "Directors") of the Company acting without personal liability, of 35/F One Pacific Place, 88 Queensway, Hong Kong. These documents are available free of charge between the hours of 10:00 a.m. and 4:00 p.m. on weekdays (excluding public holidays) prior to the day appointed for the Creditors' Meeting to any person entitled to attend the Creditors' Meeting.

Creditors may vote in person at the Creditors' Meeting or they may appoint another person, whether a Creditor or not, as their proxy to attend and vote in their place. The form of proxy for use at the Creditors' Meeting is available from the Directors at the above address and during the same business hours referred to above. The form of proxy must be lodged with the Directors by no later than 10:00 a.m. on 29 April 2009 being two (2) business days prior to the date of the Creditors' Meeting.

By the same Order, the Court has appointed Darach E. Haughey, or failing him, Edmond Ching Wah Bon or failing him, Yeung Lui Ming (Edmund), being one of the Directors, to act as chairman of the Creditors' Meeting and has directed the chairman to report the results thereof to the Court.

The Scheme of Arrangement will be subject to the subsequent approval of the Court.

Appendix 2 – Notices of Scheme Meeting

Creditors of the Company must submit details of any claim they have against the Company as at 4 May 2009, in writing, to the Directors' office at c/o 35/F One Pacific Place, 88 Queensway, Hong Kong, before 10:00 a.m. on 24 April 2009. Forms of "Notice of Claim for Voting Purposes" (as defined and detailed in the Scheme of Arrangement, the Explanatory Statement and their appendices) are available from the Directors at the above address.

Dated this 9 April 2009

Darach E. Haughey
Director
for and on behalf of
3D-GOLD Company Limited
acting as agent without personal liability

香港特別行政區
高等法院
原訟法庭
雜項案件 2009 年第 520 宗

有關

金至尊有限公司

及

有關《公司條例》第 166 條

債權人會議之通告

茲通告，根據香港特別行政區高等法院（「法院」）於二零零九年四月三日頒佈之命令（「該命令」），法院指示召開上述公司（「本公司」）之債權人（定義見下文所述之該計劃）會議（「債權人會議」），以考慮及酌情批准（不論有否修訂）由本公司與債權人之間建議訂立之一項協議計劃（「該計劃」）。該債權人會議定於二零零九年五月四日上午十時三十分於香港駱克道三號香港小童群益會五〇二室舉行，所有債權人均需要參加。

根據香港法例第三十二章公司條例第 166A 條規定須予提供之該計劃及說明函件（「說明函件」）之副本可向本公司之董事楊磊明，程華邦和 Darach E. Haughey（「董事」）（本公司之三位董事毋需負任何個人責任）位於香港金鐘道八十八號太古廣場一座三十五樓之辦事處索取。任何有權參加該債權人會議之人士可於該債權人會議舉行之日期前任何一日（星期六、星期日及公眾假期除外）上午十時至下午四時免費索取一份上述文件之副本。

債權人可於該債權人會議上親身投票，或可委任其他人士（不論是否債權人）為代表，代其出席會議並於會上投票。適用於該債權人會議之代表委任表格可於上述辦公時間到董事之上述辦事處向臨時清盤人索取。代表委任表格需於該債權人會議舉行日期前兩（2）個工作日，即二零零九年四月二十九

Appendix 2 – Notices of Scheme Meeting

日香港時間上午十時前送達董事之上述辦事處。

根據同一項命令，法院已委任一位董事Darach E. Haughey，或倘其未克出席，則委任程華邦，或倘其未克出席，則委任楊磊明，擔任該債權人會議之主席，法院亦已指示會議主席向法院報告會議之結果。

該計劃將須待法院其後批准，方可作實。

本公司之債權人需於二零零九年四月二十四日香港時間上午十時前以書面形式向董事辦事處提交向本公司作出截至二零零九年五月四日之任何申索之詳細資料。有關申索通告表格(定義見上文所述之該計劃，說明函件及其附錄)可於臨時清盤人之上述辦事處向董事索取。

日期：二零零九年四月九日

Darach E. Haughey
董事
代表金至尊有限公司
毋需承擔個人責任

Appendix 2 – Notices of Scheme Meeting

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

MISCELLANEOUS PROCEEDINGS NO. 522 OF 2009

IN THE MATTER OF

LA MILKY WAY INTERNATIONAL COMPANY LIMITED

and

IN THE MATTER OF SECTION 166 OF THE COMPANIES ORDINANCE

NOTICE OF CREDITORS' MEETING

NOTICE IS HEREBY GIVEN that, by an Order dated 3 April 2009, the Court has directed that a meeting (the "Creditors' Meeting") be convened for the Creditors (as defined in the Scheme of Arrangement hereinafter mentioned) of the above-mentioned company (the "Company") for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme of Arrangement proposed to be made between the Company and its Creditors. The Creditors' Meeting will be held at The Boys' & Girls' Clubs Association of Hong Kong, Room 502, 3 Lockhart Road, Hong Kong on 4 May 2009 at 11:00 a.m. at which place and time all Creditors are requested to attend.

A copy of the Scheme of Arrangement and a copy of the Explanatory Statement required to be furnished pursuant to section 166A of the Companies Ordinance (Cap.32) are available from the office of Edmond Ching Wah Bon, Yeung Lui Ming (Edmund) and Darach E. Haughey, the Directors (the "Directors") of the Company acting without personal liability, of 35/F One Pacific Place, 88 Queensway, Hong Kong. These documents are available free of charge between the hours of 10:00 a.m. and 4:00 p.m. on weekdays (excluding public holidays) prior to the day appointed for the Creditors' Meeting to any person entitled to attend the Creditors' Meeting .

Creditors may vote in person at the Creditors' Meeting or they may appoint another person, whether a Creditor or not, as their proxy to attend and vote in their place. The form of proxy for use at the Creditors' Meeting is available from the Directors at the above address and during the same business hours referred to above. The form of proxy must be lodged with the Directors by no later than 10:00 a.m. on 29 April 2009 being two (2) business days prior to the date of the Creditors' Meeting.

By the same Order, the Court has appointed Darach E. Haughey, or failing him, Edmond Ching Wah Bon or failing him, Yeung Lui Ming (Edmund), being one of the Directors, to act as chairman of the Creditors' Meeting and has directed the chairman to report the results thereof to the Court.

The Scheme of Arrangement will be subject to the subsequent approval of the Court.

Appendix 2 – Notices of Scheme Meeting

Creditors of the Company must submit details of any claim they have against the Company as at 4 May 2009, in writing, to the Directors' office at c/o 35/F One Pacific Place, 88 Queensway, Hong Kong, before 10:00 a.m. on 24 April 2009. Forms of "Notice of Claim for Voting Purposes" (as defined and detailed in the Scheme of Arrangement, the Explanatory Statement and their appendices) are available from the Directors at the above address.

Dated this 9 April 2009

Darach E. Haughey
Director
for and on behalf of
La Milky Way International Company Limited
acting as agent without personal liability

香港特別行政區
高等法院
原訟法庭
雜項案件 2009 年第 522 宗

有關

銀河明星國際有限公司

及

有關《公司條例》第 166 條

債權人會議之通告

茲通告，根據香港特別行政區高等法院（「法院」）於二零零九年四月三日頒佈之命令（「該命令」），法院指示召開上述公司（「本公司」）之債權人（定義見下文所述之該計劃）會議（「債權人會議」），以考慮及酌情批准（不論有否修訂）由本公司與債權人之間建議訂立之一項協議計劃（「該計劃」）。該債權人會議定於二零零九年五月四日上午十一時正於香港駱克道三號香港小童群益會五〇二室舉行，所有債權人均需要參加。

根據香港法例第三十二章公司條例第 166A 條規定須予提供之該計劃及說明函件（「說明函件」）之副本可向本公司之董事楊磊明，程華邦和 Darach E. Haughey（「董事」）（本公司之三位董事毋需負任何個人責任）位於香港金鐘道八十八號太古廣場一座三十五樓之辦事處索取。任何有權參加該債權人會議之人士可於該債權人會議舉行之日期前任何一日（星期六、星期日及公眾假期除外）上午十時至下午四時免費索取一份上述文件之副本。

債權人可於該債權人會議上親身投票，或可委任其他人士（不論是否債權人）為代表，代其出席會議並於會上投票。適用於該債權人會議之代表委任表格可於上述辦公時間到董事之上述辦事處向臨時清盤人索取。代表委任表格需於該債權人會議舉行日期前兩（2）個工作日，即二零零九年四月二十九日香港時間上午十時前送達董事之上述辦事處。

Appendix 2 – Notices of Scheme Meeting

根據同一項命令，法院已委任一位董事Darach E. Haughey，或倘其未克出席，則委任程華邦，或倘其未克出席，則委任楊磊明，擔任該債權人會議之主席，法院亦已指示會議主席向法院報告會議之結果。

該計劃將須待法院其後批准，方可作實。

本公司之債權人需於二零零九年四月二十四日香港時間上午十時前以書面形式向董事辦事處提交向本公司作出截至二零零九年五月四日之任何申索之詳細資料。有關申索通告表格(定義見上文所述之該計劃，說明函件及其附錄)可於臨時清盤人之上述辦事處向董事索取。

日期：二零零九年四月九日

Darach E. Haughey

董事

代表銀河明星國際有限公司

毋需承擔個人責任

APPENDIX 2 – NOTICES OF SCHEME MEETING

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

MISCELLANEOUS PROCEEDINGS NO. 521 OF 2009

IN THE MATTER OF

3D-GOLD INTERNATIONAL COMPANY LIMITED.

and

IN THE MATTER OF SECTION 166 OF THE COMPANIES ORDINANCE

NOTICE OF CREDITORS' MEETING

NOTICE IS HEREBY GIVEN that, by an Order dated 3 April 2009, the Court has directed that a meeting (the "Creditors' Meeting") be convened for the Creditors (as defined in the Scheme of Arrangement hereinafter mentioned) of the above-mentioned company (the "Company") for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme of Arrangement proposed to be made between the Company and its Creditors. The Creditors' Meeting will be held at The Boys' & Girls' Clubs Association of Hong Kong, Room 502, 3 Lockhart Road, Hong Kong on 4 May 2009 at 10:45 a.m. at which place and time all Creditors are requested to attend.

A copy of the Scheme of Arrangement and a copy of the Explanatory Statement required to be furnished pursuant to section 166A of the Companies Ordinance (Cap.32) are available from the office of Edmond Ching Wah Bon, Yeung Lui Ming (Edmund) and Darach E. Haughey, the Directors (the "Directors") of the Company acting without personal liability, of 35/F One Pacific Place, 88 Queensway, Hong Kong. These documents are available free of charge between the hours of 10:00 a.m. and 4:00 p.m. on weekdays (excluding public holidays) prior to the day appointed for the Creditors' Meeting to any person entitled to attend the Creditors' Meeting.

Creditors may vote in person at the Creditors' Meeting or they may appoint another person, whether a Creditor or not, as their proxy to attend and vote in their place. The form of proxy for use at the Creditors' Meeting is available from the Directors at the above address and during the same business hours referred to above. The form of proxy must be lodged with the Directors by no later than 10:00 a.m. on 29 April 2009 being two (2) business days prior to the date of the Creditors' Meeting.

By the same Order, the Court has appointed Darach E. Haughey, or failing him, Edmond Ching Wah Bon or failing him, Yeung Lui Ming (Edmund), being one of the Directors, to act as chairman of the Creditors' Meeting and has directed the chairman to report the results thereof to the Court.

The Scheme of Arrangement will be subject to the subsequent approval of the Court.

APPENDIX 2 – NOTICES OF SCHEME MEETING

Creditors of the Company must submit details of any claim they have against the Company as at 4 May 2009, in writing, to the Directors' office at c/o 35/F One Pacific Place, 88 Queensway, Hong Kong, before 10:00 a.m. on 24 April 2009. Forms of "Notice of Claim for Voting Purposes" (as defined and detailed in the Scheme of Arrangement, the Explanatory Statement and their appendices) are available from the Directors at the above address.

Dated this 9 April 2009

Darach E. Haughey
Director
for and on behalf of
3D-GOLD International Company Limited.
acting as agent without personal liability

香港特別行政區
高等法院
原訟法庭
雜項案件 2009 年第 521 宗

有關

金至尊國際有限公司

及

有關《公司條例》第 166 條

債權人會議之通告

茲通告，根據香港特別行政區高等法院（「法院」）於二零零九年四月三日頒佈之命令（「該命令」），法院指示召開上述公司（「本公司」）之債權人（定義見下文所述之該計劃）會議（「債權人會議」），以考慮及酌情批准（不論有否修訂）由本公司與債權人之間建議訂立之一項協議計劃（「該計劃」）。該債權人會議定於二零零九年五月四日上午十時四十五分於香港駱克道三號香港小童群益會五〇二室舉行，所有債權人均需要參加。

根據香港法例第三十二章公司條例第 166A 條規定須予提供之該計劃及說明函件（「說明函件」）之副本可向本公司之董事楊磊明，程華邦和 Darach E. Haughey（「董事」）（本公司之三位董事毋需負任何個人責任）位於香港金鐘道八十八號太古廣場一座三十五樓之辦事處索取。任何有權參加該債權人會議之人士可於該債權人會議舉行之日期前任何一日（星期六、星期日及公眾假期除外）上午十時至下午四時免費索取一份上述文件之副本。

債權人可於該債權人會議上親身投票，或可委任其他人士（不論是否債權人）為代表，代其出席會議並於會上投票。適用於該債權人會議之代表委任表格可於上述辦公時間到董事之上述辦事處向臨時清盤人索取。代表委任表格需於該債權人會議舉行日期前兩（2）個工作日，即二零零九年四月二十九日香港時間上午十時前送達董事之上述辦事處。

根據同一項命令，法院已委任一位董事 Darach E. Haughey，或倘其未克出席，則委任程華邦，或倘其未克出席，則委任楊磊明，擔任該債權人會議之主席，法院亦已指示會議主席向法院報告會議之結果。

該計劃將須待法院其後批准，方可作實。

本公司之債權人需於二零零九年四月二十四日香港時間上午十時前以書面形式向董事辦事處提交向本公司作出截至二零零九年五月四日之任何申索之詳細資料。有關申索通告表格(定義見上文所述之該計劃，說明函件及其附錄)可於臨時清盤人之上述辦事處向董事索取。

日期：二零零九年四月九日

Darach E. Haughey
董事
代表金至尊國際有限公司
毋需承擔個人責任

IN THE MATTER OF

3D-GOLD JEWELLERY HOLDINGS LIMITED
(formerly known as Hang Fung Gold Technology Limited)
(PROVISIONAL LIQUIDATORS APPOINTED)

and

IN THE MATTER OF SECTION 166 OF THE COMPANIES ORDINANCE

NOTICE OF CLAIM FOR VOTING PURPOSES

(Note 1)

TO: 3D-Gold Jewellery Holdings Limited (formerly known as Hang Fung Gold Technology Limited) (Provisional Liquidators Appointed) (the “Company”) c/o 35/F One Pacific Place, 88 Queensway, Hong Kong (Fax: +852 2850 8362) (Attention: Mr. Edmund Yeung : 3D-GOLD)

1. Full name of Creditor:

2. Address of registered office of Creditor / residential address of Creditor:

Tel No.: _____ Fax No: _____

E-mail: _____

Contact Person: _____

3. Total amount of Claim as at the date of the Creditors’ Meeting (i.e. 4 May 2009) (*Notes (2) and (5)*):

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

Total amount of interest claimed as at 4 May 2009: _____

Whether it is capitalised or uncapitalised: _____

Ground for claim of interest: _____

Basis of calculation: _____

APPENDIX 3 – FORMS OF NOTICE OF CLAIM FOR VOTING PURPOSES

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 Provisional Liquidators (*Notes (4) and (5)*):

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 signatory 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 Purpose shall, except where the context otherwise requires, have the same meanings as ascribed thereto in the Explanatory Statement dated 9 April 2009.
- (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 Provisional Liquidators on behalf of 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 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 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 signed by me/us and dated [*] in respect of the Scheme of Arrangement between 3D-GOLD Jewellery Holdings Limited (formerly known as Hang Fung Gold Technology Limited) (Subject to Scheme of Arrangement) 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, reference made herein to the annexure 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.

APPENDIX 3 – FORMS OF NOTICE OF CLAIM FOR VOTING PURPOSES

- (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.

IN THE MATTER OF
3D-GOLD COMPANY LIMITED

and

IN THE MATTER OF SECTION 166 OF THE COMPANIES ORDINANCE

NOTICE OF CLAIM FOR VOTING PURPOSES

(Note 1)

TO: 3D-GOLD Company Limited (the “Company”) c/o 35/F One Pacific Place, 88
Queensway, Hong Kong (Fax: +852 2850 8362) (Attention: Mr. Edmund Yeung : 3D-
GOLD)

1. Full name of Creditor:

2. Address of registered office of Creditor / residential address of Creditor:

Tel No.: _____ Fax No: _____

E-mail: _____

Contact Person: _____

3. Total amount of Claim as at the date of the Creditors’ Meeting (i.e. 4 May 2009) (Notes
(2) and (5)):

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

Total amount of interest claimed as at 4 May 2009: _____

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 directors (Notes (4) and (5)):

APPENDIX 3 – FORMS 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 signatory 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 Purpose shall, except where the context otherwise requires, have the same meanings as ascribed thereto in the Explanatory Statement dated 9 April 2009.
- (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 directors on behalf of 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 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 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 signed by me/us and dated [*] in respect of the Scheme of Arrangement between 3D-GOLD Company Limited (Subject to Scheme of Arrangement) 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, reference made herein to the annexure 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.

IN THE MATTER OF
LA MILKY WAY INTERNATIONAL COMPANY LIMITED
and
IN THE MATTER OF SECTION 166 OF THE COMPANIES ORDINANCE

NOTICE OF CLAIM FOR VOTING PURPOSES

(Note 1)

TO: La Milky Way International Company Limited (the “Company”) c/o 35/F One Pacific Place, 88 Queensway, Hong Kong (Fax: +852 2850 8362) (Attention: Mr. Edmund Yeung : 3D-GOLD)

1. Full name of Creditor:

2. Address of registered office of Creditor / residential address of Creditor:

Tel No.: _____ Fax No: _____

E-mail: _____

Contact Person: _____

3. Total amount of Claim as at the date of the Creditors’ Meeting (i.e. 4 May 2009) (*Notes (2) and (5)*):

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

Total amount of interest claimed as at 4 May 2009: _____

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 directors (*Notes (4) and (5)*):

APPENDIX 3 – FORMS 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 signatory 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 Purpose shall, except where the context otherwise requires, have the same meanings as ascribed thereto in the Explanatory Statement dated 9 April 2009.
- (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 directors on behalf of 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 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 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 signed by me/us and dated [*] in respect of the Scheme of Arrangement between La Milky Way International Company Limited (Subject to Scheme of Arrangement) 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, reference made herein to the annexure 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.

IN THE MATTER OF

3D-GOLD INTERNATIONAL CO. LTD.

and

IN THE MATTER OF SECTION 166 OF THE COMPANIES ORDINANCE

NOTICE OF CLAIM FOR VOTING PURPOSES

(Note 1)

TO: 3D-GOLD International Company Limited. (the “Company”) c/o 35/F One Pacific Place, 88 Queensway, Hong Kong (Fax: +852 2850 8362) (Attention: Mr. Edmund Yeung : 3D-GOLD)

1. Full name of Creditor:

2. Address of registered office of Creditor / residential address of Creditor:

Tel No.: _____ Fax No: _____

E-mail: _____

Contact Person: _____

3. Total amount of Claim as at the date of the Creditors’ Meeting (i.e. 4 May 2009) (Notes (2) and (5)):

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

Total amount of interest claimed as at 4 May 2009: _____

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 directors (Notes (4) and (5)):

APPENDIX 3 – FORMS 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 signatory 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 Purpose shall, except where the context otherwise requires, have the same meanings as ascribed thereto in the Explanatory Statement dated 9 April 2009.
- (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 directors on behalf of 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 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 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 signed by me/us and dated [*] in respect of the Scheme of Arrangement between 3D-GOLD International Company Limited. (Subject to Scheme of Arrangement) 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, reference made herein to the annexure 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.

APPENDIX 4 – FORMS OF PROXY

3D-GOLD JEWELLERY HOLDINGS LIMITED
(formerly known as Hang Fung Gold Technology Limited)
(PROVISIONAL LIQUIDATORS APPOINTED)
(incorporated in Bermuda)

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 High Court of Hong Kong under Section 166 of the Companies Ordinance.

IN THE MATTER OF

3D-GOLD JEWELLERY HOLDINGS LIMITED
(formerly known as Hang Fung Gold Technology Limited)
(PROVISIONAL LIQUIDATORS APPOINTED)

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 High Court of Hong Kong to be held at The Boys’ & Girls’ Clubs Association of Hong Kong, Room 502, 3 Lockhart Road, Hong Kong on 4 May 2009 at 10:00 a.m. for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Arrangement referred to in the Notice convening the Creditors’ Meeting and at such Creditors’ Meeting, or at any adjournment thereof, to vote for me/us and in my/our name(s) as hereunder indicated for the Scheme of Arrangement either with or without modification (as may be approved/our proxy may approve) or against the Scheme of Arrangement 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 (ie. contract or judgment) and the basis of calculation (e.g. rate of interest and period) are as follows:

APPENDIX 4 – FORMS OF PROXY

Proxy vote (Note 4)

FOR the Scheme of Arrangement		AGAINST the Scheme of Arrangement	
-------------------------------------	--	---	--

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 if the original currency of the debt or interest is a currency other than Hong Kong dollars, that currency. 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 Scheme Administrators (as defined in the Scheme of Arrangement) of the amount for the purposes of the Scheme of Arrangement if approved.

- (4) IMPORTANT: If you wish to vote for the Scheme of Arrangement, mark “X” in the box to the right of the box marked “FOR the Scheme”. If you wish to vote against the Scheme of Arrangement, mark “X” in the box to the right of the box marked “AGAINST the 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 Provisional Liquidators, 35/F One Pacific Place, 88 Queensway, Hong Kong (Fax: +852 2850 8362) by no later than 10:00 am on 29 April 2009, 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 and voting in person at the Scheme Meeting, but in such event this form of proxy will be deemed to have been revoked.

APPENDIX 4 – FORMS OF PROXY

3D-GOLD COMPANY LIMITED

(incorporated in Hong Kong)

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 High Court of Hong Kong under Section 166 of the Companies Ordinance.

IN THE MATTER OF

3D-GOLD COMPANY 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 High Court of Hong Kong to be held at The Boys’ & Girls’ Clubs Association of Hong Kong, Room 502, 3 Lockhart Road, Hong Kong on 4 May 2009 at 10:30 a.m. for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Arrangement referred to in the Notice convening the Creditors’ Meeting and at such Creditors’ Meeting, or at any adjournment thereof, to vote for me/us and in my/our name(s) as hereunder indicated for the Scheme of Arrangement either with or without modification (as may be approved/our proxy may approve) or against the Scheme of Arrangement 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 (ie. contract or judgment) and the basis of calculation (e.g. rate of interest and period) are as follows:

APPENDIX 4 – FORMS OF PROXY

Proxy vote (Note 4)

FOR the Scheme of Arrangement		AGAINST the Scheme of Arrangement	
-------------------------------------	--	---	--

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 if the original currency of the debt or interest is a currency other than Hong Kong dollars, that currency. 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 Scheme Administrators (as defined in the Scheme of Arrangement) of the amount for the purposes of the Scheme of Arrangement if approved.

- (4) IMPORTANT: If you wish to vote for the Scheme of Arrangement, mark “X” in the box to the right of the box marked “FOR the Scheme”. If you wish to vote against the Scheme of Arrangement, mark “X” in the box to the right of the box marked “AGAINST the 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 directors, 35/F One Pacific Place, 88 Queensway, Hong Kong (Fax: +852 2850 8362) by no later than 10:00 am on 29 April 2009, 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 and voting in person at the Scheme Meeting, but in such event this form of proxy will be deemed to have been revoked.

APPENDIX 4 – FORMS OF PROXY

LA MILKY WAY INTERNATIONAL COMPANY LIMITED

(incorporated in Hong Kong)

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 High Court of Hong Kong under Section 166 of the Companies Ordinance.

IN THE MATTER OF

LA MILKY WAY INTERNATIONAL COMPANY 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 High Court of Hong Kong to be held at The Boys’ & Girls’ Clubs Association of Hong Kong, Room 502, 3 Lockhart Road, Hong Kong on 4 May 2009 at 11:00 a.m. for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Arrangement referred to in the Notice convening the Creditors’ Meeting and at such Creditors’ Meeting, or at any adjournment thereof, to vote for me/us and in my/our name(s) as hereunder indicated for the Scheme of Arrangement either with or without modification (as may be approved/our proxy may approve) or against the Scheme of Arrangement 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 (ie. contract or judgment) and the basis of calculation (e.g. rate of interest and period) are as follows:

_____ .

APPENDIX 4 – FORMS OF PROXY

Proxy vote (Note 4)

FOR the Scheme of Arrangement		AGAINST the Scheme of Arrangement	
-------------------------------------	--	---	--

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 if the original currency of the debt or interest is a currency other than Hong Kong dollars, that currency. 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 Scheme Administrators (as defined in the Scheme of Arrangement) of the amount for the purposes of the Scheme of Arrangement if approved.

- (4) IMPORTANT: If you wish to vote for the Scheme of Arrangement, mark “X” in the box to the right of the box marked “FOR the Scheme”. If you wish to vote against the Scheme of Arrangement, mark “X” in the box to the right of the box marked “AGAINST the 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 directors, 35/F One Pacific Place, 88 Queensway, Hong Kong (Fax: +852 2850 8362) by no later than 10:00 am on 29 April 2009, 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 and voting in person at the Scheme Meeting, but in such event this form of proxy will be deemed to have been revoked.

APPENDIX 4 – FORMS OF PROXY

3D-GOLD INTERNATIONAL COMPANY LIMITED
(incorporated in Hong Kong)

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 High Court of Hong Kong under Section 166 of the Companies Ordinance.

IN THE MATTER OF
3D-GOLD INTERNATIONAL COMPANY 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 High Court of Hong Kong to be held at The Boys’ & Girls Clubs Association of Hong Kong, Room 502, 3 Lockhart Road, Hong Kong on 4 May 2009 at 10:45 a.m. for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Arrangement referred to in the Notice convening the Creditors’ Meeting and at such Creditors’ Meeting, or at any adjournment thereof, to vote for me/us and in my/our name(s) as hereunder indicated for the Scheme of Arrangement either with or without modification (as may be approved/our proxy may approve) or against the Scheme of Arrangement 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 (ie. contract or judgment) and the basis of calculation (e.g. rate of interest and period) are as follows:

Proxy vote (*Note 4*)

FOR the Scheme of Arrangement		AGAINST the Scheme of Arrangement	
-------------------------------------	--	---	--

APPENDIX 4 – FORMS OF PROXY

--	--	--	--

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 if the original currency of the debt or interest is a currency other than Hong Kong dollars, that currency. 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 Scheme Administrators (as defined in the Scheme of Arrangement) of the amount for the purposes of the Scheme of Arrangement if approved.

- (4) IMPORTANT: If you wish to vote for the Scheme of Arrangement, mark "X" in the box to the right of the box marked "FOR the Scheme". If you wish to vote against the Scheme of Arrangement, mark "X" in the box to the right of the box marked "AGAINST the 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 directors, 35/F One Pacific Place, 88 Queensway, Hong Kong (Fax: +852 2850 8362) by no later than 10:00 am on 29 April 2009, 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 and voting in person at the Scheme Meeting, but in such event this form of proxy will be deemed to have been revoked.

IN THE MATTER OF

3D-GOLD JEWELLERY HOLDINGS LIMITED
(formerly known as Hang Fung Gold Technology Limited)
(PROVISIONAL LIQUIDATORS APPOINTED)

NOTICE OF CLAIM FOR DIVIDEND PURPOSES

(Note 1)

TO: The Scheme Administrators of 35/F One Pacific Place, 88 Queensway, Hong Kong
(Fax: +852 2850 8362) (Attention: The Provisional Liquidators : 3D-GOLD)

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

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

Tel No.: _____ Fax No: _____

E-mail: _____

Contact: _____

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 (*Note (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 Provisional Liquidators or Scheme Administrators (*Notes (4) and (5)*):

APPENDIX 5 – FORMS 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 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 9 April 2009.
- (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 realization 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 Scheme Administrators may call for any further document or evidence to substantiate the claim at its discretion.
- (5)
 - (a) Where the space provided for particular purposes in this Notice of Claim 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 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 signed by me/us and dated [***] in respect of the Scheme of Arrangement between 3D-GOLD Jewellery Holdings Limited (formerly known as Hang Fung Gold Technology Limited) (Subject to Scheme of Arrangement) 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, reference made herein to the annexure 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.

IN THE MATTER OF
3D-GOLD COMPANY LIMITED

NOTICE OF CLAIM FOR DIVIDEND PURPOSES
(Note 1)

TO: The Scheme Administrators of 35/F One Pacific Place, 88 Queensway, Hong Kong
(Fax: +852 2850 8362) (Attention: The directors : 3D-GOLD)

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

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

Tel No.: _____ Fax No: _____

E-mail: _____

Contact: _____

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 (Note (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 directors or Scheme Administrators (Notes (4) and (5)):

APPENDIX 5 – FORMS 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 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 9 April 2009.
- (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 realization 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 Scheme Administrators may call for any further document or evidence to substantiate the claim at its discretion.
- (5)
 - (a) Where the space provided for particular purposes in this Notice of Claim 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 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 signed by me/us and dated [***] in respect of the Scheme of Arrangement between 3D-GOLD Company Limited (Subject to Scheme of Arrangement) 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, reference made herein to the annexure 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.

IN THE MATTER OF
LA MILKY WAY INTERNATIONAL COMPANY LIMITED

NOTICE OF CLAIM FOR DIVIDEND PURPOSES

(Note 1)

TO: The Scheme Administrators of 35/F One Pacific Place, 88 Queensway, Hong Kong
(Fax: +852 2850 8362) (Attention: The directors : 3D-GOLD)

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

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

Tel No.: _____ Fax No: _____

E-mail: _____

Contact: _____

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 (*Note (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 directors or Scheme Administrators (*Notes (4) and (5)*):

APPENDIX 5 – FORMS 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 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 9 April 2009.
- (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 realization 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 Scheme Administrators may call for any further document or evidence to substantiate the claim at its discretion.
- (5) (a) Where the space provided for particular purposes in this Notice of Claim 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 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 signed by me/us and dated [***] in respect of the Scheme of Arrangement between La Milky Way International Company Limited (Subject to Scheme of Arrangement) 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, reference made herein to the annexure 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.

IN THE MATTER OF
3D-GOLD INTERNATIONAL COMPANY LIMITED.

NOTICE OF CLAIM FOR DIVIDEND PURPOSES
(Note 1)

TO: The Scheme Administrators of 35/F One Pacific Place, 88 Queensway, Hong Kong
(Fax: +852 2850 8362) (Attention: The directors : 3D-GOLD)

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

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

Tel No.: _____ Fax No: _____

E-mail: _____

Contact: _____

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 (Note (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 directors or Scheme Administrators (Notes (4) and (5)):

APPENDIX 5 – FORMS 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 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 9 April 2009.
- (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 realization 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 Scheme Administrators may call for any further document or evidence to substantiate the claim at its discretion.
- (5)
 - (a) Where the space provided for particular purposes in this Notice of Claim 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 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 signed by me/us and dated [***] in respect of the Scheme of Arrangement between 3D-GOLD International Company Limited (Subject to Scheme of Arrangement) 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, reference made herein to the annexure 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.

Part 1

Restructured Group

3D-GOLD Jewellery Holdings Limited (Provisional Liquidators Appointed)

3D-GOLD Company Limited

3D-GOLD Enterprise Development (Shenzhen) Co. Ltd.

La Milky Way International Company Limited

3D-GOLD International Company Limited.

Gold Ocean Jewellery Company Limited

Part 2

Excluded Companies

Macadam Profits Ltd.

Hang Fung Development International Co. Ltd.

Kai Hang Jewellery Company Ltd.

Hang Fung Jewellery Company Ltd. (Provisional Liquidators Appointed)

Shenzhen Kai Hang Jewellery Co., Ltd.

Hang Fung Jewellery (International) Co. Ltd.

Hang Fung Jewellery (Shenzhen) Co. Ltd.

Hang Fung Gold (International) Co. Ltd.

Hang Fung Enterprise International Co. Ltd.

Goldyear Development Limited

Forever Rich Media Limited

Geneva International Jewellery & Watch Limited

Expo Global Limited

International Standard Jewellery & Gems Laboratory Limited

Golden Winner Enterprises Limited

Best Excelsior Limited

Winder International Limited

Soycue Limited

3D-GOLD Jewellery International Company Limited

3D-GOLD Development Company Limited

3D-GOLD Enterprises Company Limited

3D-GOLD Group Limited

3D-GOLD JEWELLERY HOLDINGS LIMITED
(formerly known as Hang Fung Gold Technology Limited)
(PROVISIONAL LIQUIDATORS APPOINTED)

LIST OF CREDITORS WHO MAY BE ENTITLED
TO VOTE AT THE SCHEME MEETING OF THE CREDITORS
OF 3D-GOLD JEWELLERY HOLDINGS LIMITED
(formerly known as Hang Fung Gold Technology Limited)
(PROVISIONAL LIQUIDATORS APPOINTED)

UNSECURED CREDITORS

Shareholders (Dividend payable)
Noteholders
Bondholders
Public Bank (HK) Ltd
Bank of China (Hong Kong) Ltd
Banco De Oro Unibank, Inc.
Hang Seng Bank
The Hongkong and Shanghai Banking Corporation Ltd
The Bank of Tokyo-Mitsubishi UFJ, Ltd
Overseas-Chinese Banking Corporation
Wing Hang Bank
Dah Sing Bank, Ltd
Deutsche Bank
Malayan Banking Berhad
Standard Chartered Bank (HK) Ltd
Welko Hong Aquarium
Vigers Appraisal & Consulting Ltd
Sun Hung Kai Investment Services Limited
Standard & Poor's International, LLC
SNP Vite Limited
Sing Tao Ltd
Richards Butler
PricewaterhouseCoopers
Ping Man Florist
Moody's Investors Service
Hong Kong Brand Development Council Company Limited
Hill and Knowlton Asia Limited

APPENDIX 7 – LIST OF CREDITORS

Grant Thornton Specialist Services Limited
Equity Financial Press Limited
Dragon Express Co
David Lo & Partners
Conyers Dill & Pearman
Communion w limited
Computer Hong Kong Investor Services Limited
The Bank of Nova Scotia
Mitsui Bussan Precious Metals (H.K.) Ltd

3D-GOLD COMPANY LIMITED

LIST OF CREDITORS WHO MAY BE ENTITLED
TO VOTE AT THE SCHEME MEETING OF THE CREDITORS
OF 3D-GOLD COMPANY LIMITED

UNSECURED CREDITORS

Hang Fung Jewellery Company Limited (Provisional Liquidators Appointed)

Golden Winner Enterprises Ltd

Noteholders

The Hongkong and Shanghai Banking Corporation Limited

Macadam Profits Limited

3D-GOLD Jewellery Holdings Ltd. (Provisional Liquidators Appointed)

APPENDIX 7 – LIST OF CREDITORS

LA MILKY WAY INTERNATIONAL COMPANY LIMITED

LIST OF CREDITORS WHO MAY BE ENTITLED
TO VOTE AT THE SCHEME MEETING OF THE CREDITORS
OF LA MILKY WAY INTERNATIONAL COMPANY LIMITED

UNSECURED CREDITORS

Noteholders

Hang Fung Jewellery Company Limited (Provisional Liquidators Appointed)
Macadam Profits Limited
3D-GOLD Jewellery Holdings Ltd. (Provisional Liquidators Appointed)

3D-GOLD INTERNATIONAL COMPANY LIMITED.

LIST OF CREDITORS WHO MAY BE ENTITLED
TO VOTE AT THE SCHEME MEETING OF THE CREDITORS
OF 3D-GOLD INTERNATIONAL COMPANY LIMITED

UNSECURED CREDITORS

Hang Fung Jewellery Company Limited (Provisional Liquidators Appointed)
Noteholders
Prime Communications Ltd
Macadam Profits Limited
3D-GOLD Jewellery Holdings Ltd. (Provisional Liquidators Appointed)

APPENDIX 8 – ANALYSIS OF LIQUIDATION

3D-GOLD JEWELLERY HOLDINGS LIMITED
(formerly known as Hang Fung Gold Technology Limited)
(Provisional Liquidators Appointed)

HK\$'million	<u>Book Value</u>	<u>Estimated Liquidation Value</u>		<u>Estimated recovery in a Restructuring Scenario</u>	
		Low case	High case	Note 2	Note 1
Unencumbered assets					
Interest in subsidiaries	158.7	-	-	92.0	92.0
Cash and bank	0.7	0.7	0.7	0.7	0.7
Current account with group companies	2,173.1	1.7	30.2	41.8	41.8
	<u>2,332.5</u>	<u>2.4</u>	<u>30.9</u>	<u>134.5</u>	<u>134.5</u>
Add : Listing status	-	40.0	40.0	-	70.0
Less: Funds Reserved for Litigation against third parties	-	-	-	20.0	20.0
Less: Estimated liquidation fees and/or professional fees and disbursements	-	8.0	8.0	5.0	5.0
Funds available for Unsecured Creditors	<A> <u>2,332.5</u>	<u>34.4</u>	<u>62.9</u>	<u>109.5</u>	<u>179.5</u>
Unsecured Creditors					
- Notes	1,382.6	1,382.6	1,382.6	1,382.6	1,382.6
- Bonds	60.0	60.0	60.0	60.0	60.0
- Trade and other creditors	0.7	0.7	0.7	0.7	0.7
- Guarantees for Bank Creditors of HFJCL	-	962.2	962.2	962.2	962.2
- Dividend payable (Note 3)	57.1	57.1	57.1	57.1	57.1
	 <u>1,500.4</u>	<u>2,462.6</u>	<u>2,462.6</u>	<u>2,462.6</u>	<u>2,462.6</u>
Net Assets / (Liabilities)	=<A - B> 832.1	(2,428.2)	(2,399.7)	(2,353.1)	(2,283.1)
estimated recoveries by Unsecured Creditors	=<A / B> N/A	1.4%	2.6%	4.4%	7.3%

Remark:

Note 1 : Being estimated recoveries by Unsecured Creditors under Completion With Share Issue.

Note 2 : Being estimated recoveries by Unsecured Creditors under Completion With Share Transfer.

Note 3: Being final dividend and special dividend declared for 2007/2008 and was approved in the Annual General Meeting of the Company held on 29 August 2008 and payable in October 2008.

Note 4: "HFJCL" stands for Hang Fung Jewellery Company Limited (Provisional Liquidators Appointed).

The above table has been prepared based on information presently available to the Provisional Liquidators and on the assumptions set out in Appendix 11.

APPENDIX 8 – ANALYSIS OF LIQUIDATION

3D-GOLD COMPANY LIMITED

HK\$'million	<u>Book Value</u>	<u>Estimated Liquidation Value</u>		<u>Estimated recovery in a Restructuring Scenario</u>	
		Low case	High case	Note 2	Note 1
Unencumbered assets					
Investment in subsidiary 3DGSZ	405.8	24.3	98.8	207.4	207.4
Cash and bank	0.1	0.1	0.1	0.1	0.1
	<u>405.9</u>	<u>24.4</u>	<u>98.9</u>	<u>207.5</u>	<u>207.5</u>
Less: Estimated liquidation fees and/or professional fees and disbursements		0.2	0.2	0.2	0.2
Funds available for Unsecured Creditors	<A> <u>405.9</u>	<u>24.2</u>	<u>98.7</u>	<u>207.3</u>	<u>207.3</u>
Unsecured Creditors					
- Trade and other creditors	0.0	0.0	0.0	0.0	0.0
- Current account with group companies	405.5	405.5	405.5	405.5	405.5
- Guarantee for HFJCL's debt due to HSBC		390.0	390.0	390.0	390.0
- Guarantee for Senior Notes		1,382.6	1,382.6	1,382.6	1,382.6
	 <u>405.5</u>	<u>2,178.1</u>	<u>2,178.1</u>	<u>2,178.1</u>	<u>2,178.1</u>
Net Assets / (Liabilities)	=<A - B> 0.4	(2,153.9)	(2,079.4)	(1,970.8)	(1,970.8)
Estimated recoveries by Unsecured Creditors	=<A / B> N/A	1.1%	4.5%	9.5%	9.5%

Remark:

Note 1 : Being estimated recoveries by Unsecured Creditors under Completion With Share Issue.

Note 2 : Being estimated recoveries by Unsecured Creditors under Completion With Share Transfer.

The above table has been prepared based on information presently available to the Provisional Liquidators and on the assumptions set out in Appendix 11.

APPENDIX 8 – ANALYSIS OF LIQUIDATION

LA MILKY WAY INTERNATIONAL COMPANY LIMITED

HK\$'million	<u>Book Value</u>	<u>Estimated Liquidation Value</u>		<u>Estimated recovery in a Restructuring Scenario</u>	
		Low case	High case	Note 2	Note 1
Unencumbered assets					
Current account with group companies	0.0	-	-	-	-
Other assets	-	-	-	1.0	1.0
	<u>0.0</u>	<u>-</u>	<u>-</u>	<u>1.0</u>	<u>1.0</u>
Less: Estimated liquidation fees and/or professional fees and disbursements					
		-	-	0.2	0.2
		<u>-</u>	<u>-</u>	<u>0.2</u>	<u>0.2</u>
Funds available for Unsecured Creditors	<A> <u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.8</u>	<u>0.8</u>
Unsecured Creditors					
- Guarantee for Senior Notes		1,382.6	1,382.6	1,382.6	1,382.6
	 <u>0.0</u>	<u>1,382.6</u>	<u>1,382.6</u>	<u>1,382.6</u>	<u>1,382.6</u>
Net Liabilities	=<A - B>	0.0	(1,382.6)	(1,381.8)	(1,381.8)
Estimated recoveries by Unsecured Creditors	=<A / B>	N/A	0.0%	0.0%	0.1%

Remark:

Note 1 : Being estimated recoveries by Unsecured Creditors under Completion With Share Issue.

Note 2 : Being estimated recoveries by Unsecured Creditors under Completion With Share Transfer.

The above table has been prepared based on information presently available to the Provisional Liquidators and on the assumptions set out in Appendix 11.

APPENDIX 8 – ANALYSIS OF LIQUIDATION

3D-GOLD INTERNATIONAL COMPANY LIMITED

HK\$'million	<u>Book Value</u>	<u>Estimated Liquidation Value</u>		<u>Estimated recovery in a Restructuring Scenario</u>	
		Low case	High case	Note 2	Note 1
Unencumbered assets					
Current account with group companies	0.0	-	-	-	-
Other assets	-	-	-	1.0	1.0
	<u>0.0</u>	<u>-</u>	<u>-</u>	<u>1.0</u>	<u>1.0</u>
Less: Estimated liquidation fees and/or professional fees and disbursements					
		-	-	0.2	0.2
		<u>-</u>	<u>-</u>	<u>0.2</u>	<u>0.2</u>
Funds available for Unsecured Creditors	<A> 0.0	<u>0.0</u>	<u>0.0</u>	<u>0.8</u>	<u>0.8</u>
Unsecured Creditors					
- Current account with group companies	0.0	0.0	0.0	0.0	0.0
- Guarantee for Senior Notes		1,382.6	1,382.6	1,382.6	1,382.6
	 0.0	<u>1,382.6</u>	<u>1,382.6</u>	<u>1,382.6</u>	<u>1,382.6</u>
Net Liabilities	=<A - B>	0.0	(1,382.6)	(1,381.8)	(1,381.8)
Estimated recoveries by Unsecured Creditors	=<A / B>	0.0%	0.0%	0.0%	0.1%

Remark:

Note 1 : Being estimated recoveries by Unsecured Creditors under Completion With Share Issue.

Note 2 : Being estimated recoveries by Unsecured Creditors under Completion With Share Transfer.

The above table has been prepared based on information presently available to the Provisional Liquidators and on the assumptions set out in Appendix 11.

APPENDIX 9 – CONDITIONS PRECEDENT OF RESTRUCTURING AGREEMENT

Conditions Precedent	Document (<i>Note</i>)
<p>1. Completion (and Closing) are conditional upon the approval of the Hong Kong Court (and to the extent necessary the Bermuda Court and/or BVI Court) for the Provisional Liquidators to enter into the Restructuring Agreement and the condition that all necessary approvals, sanctions and filings have been obtained and completed and have not been revoked in relation to the Scheme including (but not limited to) the approval of the Scheme by the requisite majority of the Creditors, the sanction by the Hong Kong Court, and if the Provisional Liquidators determine necessary the Bermuda Court and BVI Court, of the relevant Schemes and registration of the relevant court orders sanctioning the Schemes with the relevant Registrar of Companies (or equivalent) on or before the First Long Stop Date. (the “Initial Condition”)</p>	<p>Court Orders</p>
<p>2. Completion With Share Issue shall also be conditional upon the following conditions being satisfied on or before the Second Long Stop Date (“Further Conditions”):</p> <ul style="list-style-type: none">a) all necessary Resolutions having been passed and approvals given by the requisite majorities of the holders of Existing Shares at the duly convened Special General Meeting and not having been revoked in relation to the Schemes, the Capital Restructuring and entry into the Restructuring Documents;b) subject to the Company’s receipt of the validly executed and binding Voting Deed on or before execution of the Restructuring Agreement, the shareholders of HKRH passing all the necessary resolutions for the approval of the entry by the Investor into the Restructuring Agreement as required under the Listing Rules;c) the independent holders (within the meaning of the Code) of the Existing Shares approving in general meeting the proposed Whitewash Waiver;d) the granting of the Whitewash Waiver by	<p>A record of passing of such Resolutions</p> <p>A record of passing of such Resolutions</p>

**APPENDIX 9 – CONDITIONS PRECEDENT OF RESTRUCTURING
AGREEMENT**

- the SFC;
- e) the obtaining of the approval in principle from the Stock Exchange for the listing and permission to deal in (i) the Subscription Shares, the Consolidated Shares and the Conversion Shares which may be issued upon the exercise of the conversion rights attaching to the Preference Shares, which may only be subject to (i) the formal issue and allotment of the Subscription Shares and the Conversion Shares; (ii) such other administrative conditions as are customarily stipulated by the Stock Exchange for resumption of trading or listing of the shares and (iii) (if applicable) Restoration of Public Float, and such approval not having been revoked; A notice or letter signed on behalf of the Listing Committee or other competent representative of the Stock Exchange
- f) the Stock Exchange having conditionally or unconditionally approved, or decided to allow the Company to proceed with, the Resumption Proposal, and all the conditions attached to such approval or decision (if any) having been fulfilled (other than those conditions relating to or in connection with Completion or Restoration of Public Float) or waived by the Stock Exchange; A notice or letter signed on behalf of the Listing Committee or other competent representative of the Stock Exchange
- g) all consents and approvals from all other governmental and regulatory authorities necessary for the implementation of the Proposals having been obtained;
- h) the removal and discharge of the Provisional Liquidators in Hong Kong; Hong Kong Court Order
- i) the Bermuda Court has sanctioned the Capital Reduction; Bermuda Court Order
- j) the obtaining of all necessary approval from the Bermuda Monetary Authority for the issue of the Subscription Shares; and Letter from Bermuda Monetary Authority

**APPENDIX 9 – CONDITIONS PRECEDENT OF RESTRUCTURING
AGREEMENT**

- k) the Bermuda Monetary Authority granting permission for the issue of the Subscription Preference Shares and the Conversion Shares (or the Company having received written legal opinion from the Investor's legal counsel that such permission is unnecessary). Letter from Bermuda Monetary Authority / Bermuda legal opinion

Note - for guidance purposes and not provided in the Restructuring Agreement

APPENDIX 10 – OFFERED STOCK PRICE ADJUSTMENT

The Balance Payment shall be the aggregate of (i) the Business and Assets Value and (ii) the Offered Stock Price plus the Adjustment, where the Adjustment is applied and calculated by:

- (a) deducting an amount equal to the aggregate Cost Prices of all Sold Stock (at the Cost Prices attributed to them on the Stock List) from the Stock Value;
- (b) multiplying the sum resulting from the calculation in (a) by the Stock Price Percentage;
- (c) adding to the sum resulting from the calculation in (b) an amount equal to the aggregate Cost Prices recorded in the books of the Group of all New Stock (if any); and
- (d) deducting the Offered Stock Price from the sum resulting from the calculation in (c), resulting in the “Adjustment”,

and, save for manifest error, the determination of the resulting Adjustment by the Provisional Liquidators shall be final and binding. An example calculation for illustration purposes only is as follows:

As at Stock Balance Date	HK\$	
A Stock Value	50	
B Offered Stock Price	25	
C Stock Price Percentage - 50%		$C = (B/A) \times 100$
As at First Payment Date	HK\$	
D Sold Stock	30	
E remaining Stock	20	$E = A - D$
F apply Stock Price Percentage	10	$F = E \times C$
G New Stock aggregate Cost Prices	30	
H First Payment Date Stock Value	40	$H = F + G$
I Offered Stock Price	25	$I = B$
J Adjustment	15	$J = H - I$

**APPENDIX 11 – ASSUMPTIONS FOR LIQUIDATION SCENARIO,
ORDERLY WIND-DOWN SCENARIO AND RESTRUCTURING SCENARIO**

Major Assumptions Adopted in the Liquidation Scenario		
Assets	Est. Realizable % (relative to book value)	Note
Fixed Assets		
Land and Building	83%	1
Leasehold improvements	0%	2
Furniture & Equipment	Variable	3
Prestigious Items	Variable	4
Plant & Machinery	20%	-
Motor Vehicles	20%	-
Current Assets		
Cash and bank balances	100%	5
Pledged deposit	0%	6
Receivables from credit card account	100%	-
Accounts receivables	Variable	7
Other receivables, prepayment & deposits	Variable	-
Other current assets	Variable	-
Stock	20%-40%	8
Other investment	100%	5
Unrecorded assets		
	Estimated realizable value (HK\$'million)	Note
Listing Status	40	9

Note:

1. Realizable value of properties are estimated at a discount of approximately 20% of their book value.
2. The liquidation value of leasehold improvement is assumed at nil in a liquidation scenario.
3. Liquidation value of furniture and equipment is estimated at 0 - 10% of their book value.
4. Liquidation value of prestigious items is estimated at 0 - 20% of their book value.
5. It is assumed that the cash balance and other investments can be fully recovered.
6. Based on information made available, banks creditors have set off the pledged deposit against loans.
7. Liquidation value of accounts receivables is estimated at 10% - 80%.
8. Recovery on inventory is estimated at 20% (low case) or 40% (high case) based on the stock take figure as at 17 Oct 2008.
9. The listing status is assumed to be HK\$40 million.

**APPENDIX 11 – ASSUMPTIONS FOR LIQUIDATION SCENARIO,
ORDERLY WIND-DOWN SCENARIO AND RESTRUCTURING SCENARIO**

Major Assumptions Adopted in the Orderly Wind-down Scenario		
Assets	Est. Realizable % (relative to book value)	Note
Fixed Assets		
Land and Building	83%	1
Leasehold improvements	0%	2
Furniture & Equipment	Variable	3
Prestigious Items	Variable	4
Plant & Machinery	20%	-
Motor Vehicles	20%	-
Current Assets		
Cash and bank balances	100%	5
Pledged deposit	0%	6
Receivables from credit card account	100%	-
Accounts receivables	Variable	7
Other receivables, prepayment & deposits	Variable	-
Other current assets	Variable	-
Stock	50%-60%	8
Other investment	100%	5
Unrecorded assets		
	Estimated realizable value (HK\$'million)	Note
Listing Status	40	9

Note:

1. Realizable value of properties is estimated at a discount of approximately 20% of their book value.
2. The estimated realizable value of leasehold improvement is assumed at nil in an orderly wind-down scenario.
3. The realizable value of furniture and equipment is estimated at 0 - 10% of their book value.
4. The realizable value of prestigious items is estimated at 0 - 20% of their book value.
5. It is assumed that the cash balance and other investments can be fully recovered.
6. Based on information made available, banks creditors have set off the pledged deposit against loans.
7. The realizable value of accounts receivables is estimated at 10% - 80%.
8. Recovery on inventory is estimated at 50% (low case) or 60% (high case) based on the stock take figure as at 17 Oct 2008.
9. The listing status is assumed to be HK\$40 million.

**APPENDIX 11 – ASSUMPTIONS FOR LIQUIDATION SCENARIO,
ORDERLY WIND-DOWN SCENARIO AND RESTRUCTURING SCENARIO**

Major Assumptions Adopted in the Restructuring Scenario		
Assets	Est. Realizable % (relative to book value)	Note
Fixed Assets		
Land and Building	83%	1
Leasehold improvements	0%	2
Furniture & Equipment	Variable	3
Prestigious Items	Variable	4
Plant & Machinery	20%	-
Motor Vehicles	20%	-
Current Assets		
Cash and bank balances	100%	5
Pledged deposit	0%	6
Receivables from credit card account	100%	-
Accounts receivables	Variable	7
Other receivables, prepayment & deposits	Variable	-
Other current assets	Variable	-
Stock	Variable	8
Other investment	100%	5
Unrecorded assets		
	Estimated realizable value (HK\$'million)	Note
Listing Status	Variable	9

Note:

- Realizable value of properties is estimated at a discount of approximately 20% of their book value.
- The estimated realizable value of leasehold improvement is assumed at nil in a restructuring scenario.
- The realizable value of furniture and equipment is estimated at 0 - 10% of their book value.
- The realizable value of prestigious items is estimated at 0 - 20% of their book value.
- It is assumed that the cash balance and other investments can be fully recovered.
- Based on information made available, banks creditors have set off the pledged deposit against loans.
- The realizable value of accounts receivables is estimated at 10% - 80%. According to the Schemes, the Receivables arising as trade debts owing to 3D-GOLD Enterprise (Shenzhen) Co. Limited will be pooled and used to settle the Accounts Payables owing by such company; and surplus will be transferred as Schemes Assets while deficit will be borne by the Restructured Group.
- Recovery on inventory is based on the offer of HK\$330 million (subject to Adjustment) from the Investor. It is assumed here that the Adjustment of the offer is zero and the offer will be divided among 3D-Gold Enterprise Development (Shenzhen) Company Limited and Hang Fung Jewellery Company Limited based on the proportion of stock owned by them as at the Stock Balance Date (i.e. 8 Dec 2008).
- The listing status is assumed to be nil for Completion With Share Transfer and HK\$70 million for Completion with Share Issue.
- If Completion With Share Issue takes place, there will be Creditor Shares included as Scheme Assets. It is assumed that the Creditor Shares have nil value.

APPENDIX 12 – ESTIMATED RECOVERIES FROM EXCLUDED COMPANIES UNDER LIQUIDATION SCENARIOS, ORDERLY WIND-DOWN SCENARIOS & RESTRUCTURING SCENARIOS

Estimated recoveries by Unsecured Creditors on Excluded Companies* under liquidation scenario	Unsecured Creditors	
	High case	Low case
Expo Global Limited	0.1%	0.0%
Geneva International Jewellery & Watch Limited	0.1%	0.0%
Hang Fung Jewellery (Shenzhen) Co., Limited	0.1%	0.0%
Hang Fung Jewellery Company Limited	1.4%	0.1%
Shenzhen Kai Hang Jewellery Co., Limited	3.7%	1.8%
Others	0.0%	0.0%
<p>* : 3D-GOLD Jewellery Holdings Limited is not included as an Excluded Company. <i>The above table has been prepared based on information presently available to the Provisional Liquidators and on the assumptions set out in Appendix 11.</i></p>		
Estimated recoveries by Unsecured Creditors on Excluded Companies* under orderly wind-down scenario	Unsecured Creditors	
	High case	Low case
Expo Global Limited	0.2%	0.2%
Geneva International Jewellery & Watch Limited	0.1%	0.1%
Hang Fung Jewellery (Shenzhen) Co., Limited	1.4%	0.8%
Hang Fung Jewellery Company Limited	2.7%	2.0%
Shenzhen Kai Hang Jewellery Co., Limited	5.6%	4.7%
Soycue Limited	0.1%	0.1%
Others	0.0%	0.0%
<p>* : 3D-GOLD Jewellery Holdings Limited is not included as an Excluded Company. <i>The above table has been prepared based on information presently available to the Provisional Liquidators and on the assumptions set out in Appendix 11.</i></p>		
Estimated recoveries by Unsecured Creditors on Excluded Companies* under restructuring scenario	Unsecured Creditors	
	Note 1	Note 2
3D-GOLD Jewellery Holdings Limited*	N/A	4.4%
Expo Global Limited	0.2%	0.2%
Geneva International Jewellery & Watch Limited	0.1%	0.1%
Hang Fung Jewellery (International) Company Limited	0.2%	0.2%
Hang Fung Jewellery (Shenzhen) Co., Limited	0.6%	0.6%
Hang Fung Jewellery Company Limited	1.9%	1.9%
Shenzhen Kai Hang Jewellery Co., Limited	5.6%	5.6%
Soycue Limited	0.1%	0.1%
Others	0.0%	0.0%
<p>Note 1 : Being estimated recoveries by Unsecured Creditors under Completion With Share Issue. Note 2 : Being estimated recoveries by Unsecured Creditors under Completion With Share Transfer. * : For Completion With Share Issue, 3D-GOLD Jewellery Holdings Limited will be acquired by the Investor and will not be an Excluded Company. <i>The above table has been prepared based on information presently available to the Provisional Liquidators and on the assumptions set out in Appendix 11.</i></p>		