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SUNLINK INTERNATIONAL HOLDINGS LIMITED

(Provisional Liquidators Appointed)

科浪國際控股有限公司

(已委任臨時清盤人)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2336)

EXCLUSIVITY AGREEMENT

Financial adviser



ASIAN CAPITAL
(CORPORATE FINANCE) LIMITED

卓亞(企業融資)有限公司

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

On 11 May 2009, the Investor, Mr. Suen, the Company and the Provisional Liquidators entered into the Exclusivity Agreement to grant the Investor an exclusivity period to prepare the Resumption Proposal; and to negotiate in good faith and enter into the Formal Agreement for the implementation of the Proposed Restructuring.

Trading in the shares of the Company has been suspended at the request of the Company since 9:30 a.m. on 2 December 2008 and will remain suspended until further notice.

INTRODUCTION

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

Reference is made to the announcement of the Company dated 23 February 2009 (the “**Announcement**”). Unless otherwise stated, terms used herein shall have the same meanings as those defined in the Announcement.

On 11 May 2009, an exclusivity agreement (the “**Exclusivity Agreement**”) was entered into amongst Brilliant Capital International Limited (the “**Investor**”), Mr. Paul Suen (“**Mr. Suen**”), the Company and the Provisional Liquidators to grant the Investor exclusivity to prepare a resumption proposal to be submitted to the Stock Exchange with a view to resume the trading in the shares of the Company (the “**Resumption Proposal**”), and to negotiate in good faith and enter into a legally binding formal agreement (the “**Formal Agreement**”) for the implementation of the restructuring proposal in connection with the restructuring of the Company (the “**Proposed Restructuring**”).

EXCLUSIVITY AGREEMENT

Date : 11 May 2009

Parties : (i) the Investor;
(ii) Mr. Suen;
(iii) the Company; and
(iv) the Provisional Liquidators

(collectively the “**Parties**”)

The Investor is a company incorporated in the British Virgin Islands and is indirectly wholly-owned by Mr. Suen who is a director of the Investor.

The Investor, its ultimate beneficial owner, their respective associates and parties acting in concert with any of them are not connected persons (as defined under the Listing Rules) of the Company and have not dealt in the shares of the Company within 6 months period prior to the date of the Exclusivity Agreement.

Mr. Suen undertakes to procure the performance of the Investor’s obligations under the Exclusivity Agreement.

Exclusivity

For a period of 12 months from the date of the Exclusivity Agreement (the “**Exclusivity Period**”), the Company and the Provisional Liquidators shall not contact, negotiate or discuss the Proposed Restructuring with any other third parties. The Exclusivity Period may be extended by the Parties pursuant to the terms of the Exclusivity Agreement.

Working Capital Loan

Subject to the funding requirements of the Group, the Investor agrees to advance an interim working capital of up to HK\$8 million (the “**Loan**”) to a special purpose vehicle company (the “**SPV**”) of the Group to continue the existing businesses of the Group prior to the completion of the Proposed Restructuring (the “**Completion**”). The Loan shall be repayable by the SPV in the event that Completion fails to take place, and will be secured by a debenture creating a floating charge over the assets of the SPV to be given by the SPV in favour of the Investor, as security for repayment of the Loan to the Investor. On Completion, the Loan will be repaid from the subscription money payable by the Investor (the “**Subscription Proceeds**”) for the subscriptions of ordinary shares and/or convertible preference shares of the Company (the “**Subscriptions**”).

Earnest Money

Pursuant to the Exclusivity Agreement, the Investor has deposited a down payment of HK\$5 million (the “**Earnest Money**”) with an escrow agent (the “**Escrow Agent**”) who shall have custody of the Earnest Money and place the same in an interest-bearing account in its name. If Completion fails to take place, the Provisional Liquidators are entitled to instruct the Escrow Agent to release the Earnest Money (together with all accrued interest thereon) to the Provisional Liquidators for the benefit of the creditors of the Company or return to the Investor, as the case may be, pursuant to the terms of the Exclusivity Agreement. On Completion, the Company shall apply the Earnest Money towards the Subscription Proceeds payable by the Investor for the Subscriptions.

Fee Contribution

Pursuant to the Exclusivity Agreement, the Investor has paid a total sum of HK\$5 million (the “**Initial Fee Contribution**”) to the Provisional Liquidators as an Initial Fee Contribution towards (i) the Provisional Liquidators’, their advisors’ and service providers’ costs and expenses incurred in relation to the implementation of the Proposed Restructuring; and (ii) the operating, routine and administrative costs and expenses to be incurred by the Group (other than that for the operation of the SPV) before Completion.

On Completion, the Initial Fee Contribution shall not be transferred or dealt with under any scheme of arrangement used to implement the Proposed Restructuring or any restructuring agreement and will remain as a debt owed by the Company to the Investor and the Company shall apply the Initial Fee Contribution towards the Subscription Proceeds payable by the Investor for the Subscriptions.

In the event that the Company is wound up or upon termination of the Exclusivity Agreement, the Investor, the Company and the Provisional Liquidators agree that the Initial Fee Contribution paid by the Investor shall be regarded as an unsecured debt against the Company and will rank pari passu with all the Company’s existing unsecured debts and liabilities as at the date of payment of the Initial Fee Contribution.

Termination

The Exclusivity Agreement shall terminate upon:

- (a) the expiry of the Exclusivity Period (as may be extended by the Parties pursuant to the terms of the Exclusivity Agreement);
- (b) the entering into the Formal Agreement; or
- (c) a reasonable opinion of the Investor and the Provisional Liquidators being formed that the Proposed Restructuring or the Resumption Proposal is unlikely to proceed further.

Each Party shall have the right to terminate the Exclusivity Agreement if any other Party shall be in material breach of any of the provisions of the Exclusivity Agreement.

SUSPENSION OF TRADING

Trading in the shares of the Company has been suspended at the request of the Company since 9:30 a.m. on 2 December 2008 and will remain suspended until further notice.

For and on behalf of
Sunlink International Holdings Limited
(Provisional Liquidators Appointed)
Stephen Liu Yiu Keung
David Yen Ching Wai
Joint and Several Provisional Liquidators
acting as agents for and on behalf of the Company
without personal liability

Hong Kong, 12 May 2009

As at the date of this announcement, the Company has only one executive director, namely Dr. Wong Shu Wing and no independent non-executive director.