

## **Winsway Enterprises Holdings Limited**

### **Calculation of Scheme Consideration / Consent Fee Allocations**

This note has been prepared to accompany, and explain the underlying calculations reflected in, the Scheme Consideration & Success Fee Calculator produced by the Information Agent, Bondholder Communications Group.

This note, and the calculator, are provided to Noteholders on a strictly non-reliance basis and neither the Company nor any of its advisers make any representations with respect to, nor shall accept any liability in relation to, their contents or outputs. Noteholders are reminded that the terms of the Schemes and the RSA are determinative of their entitlements and that they should seek their own independent financial, legal and/or tax advice in the event of any uncertainty.

Unless otherwise defined herein, all capitalised terms in this note have the meanings ascribed to them in the Explanatory Statement relating to the Schemes.

#### **(1) Elective Scheme Consideration**

The Elective Scheme Consideration comprises the Cash Consideration and the Scheme Shares.

The Cash Consideration is in a total amount of US\$41,703,334. The Scheme Shares comprise 18.75% of the post-restructuring share capital of the Company, equating to 565,979,778 Shares. As outlined in section 10.3.3 of the Explanatory Statement, a value of US\$12,500,000 was allocated to those Scheme Shares.

As such, the total value of the Elective Scheme Consideration is US\$54,203,334.

Each Initial Scheme Creditor was entitled to an amount of Elective Scheme Consideration equal to the Minimum Return, calculated on the following basis:

$$(54,203,334 \div 309,310,000) \times \text{Principal amount of its Notes}$$

Whether an Initial Scheme Creditor received that amount of Elective Scheme Consideration in cash or Scheme Shares depended on whether and how it completed an Election Form (and made a corresponding submission of its Notes through DTC's ATOP system).

The Minimum Return equates to a return of approximately 17.52395138% of the principal amount<sup>1</sup> of an Initial Scheme Creditor's Notes.

#### **A. Cash Consideration**

Initial Scheme Creditors made elections to receive Cash Consideration in relation to Notes in an aggregate principal amount of US\$261,143,000 (together, the "**Cash-Elected Notes**").

The aggregate Minimum Return in respect of the Cash-Elected Notes amounted to US\$45,762,572.34. As this exceeded the amount of Cash Consideration available, there was a Cash Shortfall in respect of each such Initial Scheme Creditor.

The following amount of Cash Consideration was remitted on the Initial Distribution Date to each Initial Scheme Creditor in respect of its Cash-Elected Notes:

$$(\text{Principal amount of its Cash-Elected Notes} \div 261,143,000) \times 41,703,334$$

This equates to a distribution in cash of approximately 15.969539295% of the principal amount of the Cash-Elected Notes.

The Cash Shortfall for each such Initial Scheme Creditor (i.e. the difference between the Minimum Return in respect of its Cash-Elected Notes and the amount paid to it in cash) was satisfied in Scheme Shares.

Each Initial Scheme Creditor was therefore issued on the Initial Distribution Date with the following number of Scheme Shares in respect of its Cash-Elected Notes:

$$(\text{Amount of its Cash Shortfall} \div 12,500,000) \times 565,979,778$$

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<sup>1</sup> Under the Schemes, the total amount (including principal and accrued but unpaid interest) of each Noteholder's claim in respect of its Notes (i.e. its Scheme Claim) has been compromised. For ease of reference (and in line with DTC reporting practices), the calculations in this note relating to the Scheme Consideration are expressed by reference to principal only. However, this does not affect the absolute amount of Scheme Consideration that has been distributed to each Noteholder.

In accordance with clause 26 of the Schemes, fractional entitlements have been rounded down to the nearest whole number.

**B. Scheme Shares**

Initial Scheme Creditors made elections to receive Scheme Shares in relation to Notes in an aggregate principal amount of US\$17,507,000 (together, the "**Share-Elected Notes**").

Each Initial Scheme Creditor was issued on the Initial Distribution Date with the following number of Scheme Shares in respect of its Share-Elected Notes:

$$(\text{Minimum Return in respect of its Share-Elected Notes} \div 12,500,000) \times 565,979,778$$

In accordance with clause 26 of the Schemes, fractional entitlements have been rounded down to the nearest whole number.

In total, 322,706,001 Scheme Shares have been issued to the Initial Scheme Creditors. 243,273,777 Scheme Shares remain for distribution on the Final Distribution Date.

**(2) Contingent Value Rights**

The Contingent Value Rights have a total face value of US\$10,000,000.

Each Initial Scheme Creditor was issued on the Initial Distribution Date with a pro rata share of the Contingent Value Rights in the following amount:

$$(\text{Principal amount of its Notes} \div 309,310,000) \times 10,000,000$$

In accordance with clause 26 of the Schemes, fractional entitlements have been rounded down to the nearest whole number.

In total, Contingent Value Rights with a face value of US\$9,008,740 have been issued to the Initial Scheme Creditors. Contingent Value Rights with a face value of US\$991,260 remain for distribution on the Final Distribution Date.

**(3) Consent Fee**

The total Consent Fee is equal to 2% of the outstanding principal and accrued but unpaid interest on the Notes as at 25 November 2015. This amounts to US\$6,796,666.

In accordance with the RSA, the total Consent Fee has been divided pro rata between the Consent Fee Recipients, each of which was entitled to receive a share in the proportion that the principal amount of its Locked-Up Notes (as defined in the RSA) bore to the aggregate principal amount of all of the Locked-Up Notes (as defined in the RSA) held by the Consent Fee Recipients as at 23 December 2015.

Notes in an aggregate principal amount of US\$257,745,000 were ultimately "Locked-Up". Each Consent Fee Recipient is therefore entitled to receive an amount of the Consent Fee equal to:

$$(\text{Principal amount of Consent Fee Recipient's Locked-Up Notes} \div 257,745,000) \times 6,796,666$$