



SINO-ENVIRONMENT TECHNOLOGY GROUP LIMITED
(UNDER JUDICIAL MANAGEMENT)
(Incorporated in the Republic of Singapore on 2 October 2001)
Company Registration Number 200106480Z

**DESPATCH OF SCHEME DOCUMENT AND INFORMATION MEMORANDUM TO THE
SHAREHOLDERS AND CREDITORS OF SINO-ENVIRONMENT TECHNOLOGY GROUP LIMITED
(UNDER JUDICIAL MANAGEMENT) (THE “COMPANY”)**

1. Introduction

- 1.1 The judicial managers (the “**Judicial Managers**”) of the Company refer to announcements made on 7 January and 31 May 2011 in respect of the Company’s entry into the Implementation Agreement.
- 1.2 Further to the Prior Announcements, the Judicial Managers are pleased to announce that the Company has despatched a scheme document dated 10 August 2011 (the “**Scheme Document**”) and an information memorandum dated 10 August 2011 (the “**Information Memorandum**”) to the Shareholders and Creditors. Unless otherwise defined in this Announcement, all capitalised terms in this announcement shall have the same meanings given to them in the Scheme Document.
- 1.3 The Scheme Document contains, *inter alia*, an explanatory statement on the Scheme proposed to be made pursuant to Section 210 (read with Section 227X) of the Companies Act (Cap. 50), the notice of the Court Meeting of Shareholders and the Court Meeting of Creditors and the advice of the independent financial adviser to the Shareholders. The Information Memorandum contains information on AVIC Singapore.
- 1.4 A copy of the abovementioned notices, the Scheme Document and the Information Memorandum is available on the website of the Singapore Exchange Securities Trading Limited at <http://www.sgx.com>.

2. The Scheme

The details of the Scheme are set out below:

2.1.1 Share Distribution, Transfer of Shares and Debt Settlement

- 2.1.1 Pursuant to the Scheme, AVIC Kairong shall procure that AVIC Singapore allot and issue to the Scheme Administrators, on or before the Transfer Date, to hold on trust for and to distribute on the Vesting Date to the Shareholders and the Creditors with Approved Scheme Claims, in accordance with the terms of the Scheme, such number of Consideration Shares valued (by reference to the Compliance Placement Price) at the aggregate sum of S\$6,000,000.00 free from all Encumbrances.
- 2.1.2 The Share Distribution shall be apportioned as follows:
- a) Consideration Shares valued (by reference to the Compliance Placement Price) at the aggregate sum of S\$680,000.00 to be distributed to the Shareholders; and
 - b) Consideration Shares valued (by reference to the Compliance Placement Price) at the aggregate sum of S\$5,320,000.00 to be distributed to the Creditors with Approved Scheme Claims.

2.2.1 **Consideration for the Share Distribution**

2.2.1 As to the Shareholders:

- a) they will cease to be Shareholders of the Company and in consideration, they will receive a proportionate number of Consideration Shares with an aggregate value of S\$680,000.00 (calculated by reference to the Compliance Placement Price). It is estimated that Shareholders will receive 1 AVIC Share for every 250 Shares they hold based on a projected Compliance Placement Price of S\$0.50;
- b) all of their Shares shall be transferred to the Judicial Managers who shall receive full legal title to the Shares, fully paid, free from any Encumbrance, and who shall continue to hold the beneficial title to the Shares for and on behalf of the Shareholders; and
- c) on or shortly after the Transfer Date, all of the Shares shall be withdrawn from the Official List of the SGX-ST.

2.2.2 As to the Creditors with Approved Scheme Claims, they will receive a proportionate number of Consideration Shares with an aggregate value of S\$5,320,000.00 (calculated by reference to the Compliance Placement Price) and in consideration, the Company shall be completely and absolutely released and discharged to the aggregate value of the Consideration Shares received by each Creditor under this Scheme in satisfaction of that Creditor's Approved Scheme Claim.

2.3.1 **Further details on the Scheme**

Please refer to **Appendix E of the Scheme Document** for further details on the Scheme, including the conditions precedent.

3. **Important Notice as to Information**

Where any information has been extracted from published or publicly available sources or provided by AVIC Kairong, AVIC Singapore, CATIC Beijing, AVIC International, AVIC or any of their advisors or agents, the sole responsibility of the Judicial Managers in relation to this Announcement has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement. The Judicial Managers do not accept any responsibility for any information relating to or opinions expressed by AVIC Kairong, AVIC Singapore, CATIC Beijing, AVIC International or AVIC.

IN THE MEANTIME, SHAREHOLDERS AND CREDITORS ARE ADVISED TO REFRAIN FROM TAKING ANY ACTION IN RELATION TO THEIR SHARES OR DEBTS (AS THE CASE MAY BE) WHICH MAY BE PREJUDICIAL TO THEIR INTERESTS UNTIL THEY OR THEIR ADVISERS HAVE CONSIDERED THE INFORMATION AND THE RECOMMENDATION OF THE INDEPENDENT FINANCIAL ADVISER ON THE SCHEME AS WELL AS THE LETTER FROM THE INDEPENDENT FINANCIAL ADVISER SET OUT IN THE SCHEME DOCUMENT.

**Submitted by the Judicial Managers
For and on behalf of the Company**

11 August 2011