

DATED 8 September 2010

POLYARD PETROLEUM INTERNATIONAL GROUP LIMITED

SUPPLEMENTAL INSTRUMENT

to

INSTRUMENT

dated 10 October 2007

relating to the

HK\$276,352,231.22 three (3) per cent.
Convertible Bonds due 10 October 2010

HONG KONG

SUPPLEMENTAL INSTRUMENT

THIS SUPPLEMENTAL INSTRUMENT is executed by way of deed poll on the 8th day of September 2010

BY:

POLYARD PETROLEUM INTERNATIONAL GROUP LIMITED (previously known as Kanstar Environmental Paper Products Holdings Limited), a company incorporated under the laws of the Cayman Islands whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and having its principal place of business in Hong Kong at Room 2602, 26th Floor, China Merchants Tower, Shun Tak Center, 200 Connaught Road Central, Hong Kong (the **"Company"**).

WHEREAS:

- (A) By the resolutions of the board of directors of the Company passed on 10 October 2007, the Company was authorised to issue the HK\$276,352,231.22 three (3) per cent. convertible bonds due 10 October 2010 (the **"Bonds"**). The Bonds were constituted by a deed poll (the **"Instrument"**) dated 10 October 2007 executed by the Company. Pursuant to the terms of the Bonds, the maturity date of the Bonds is 10 October 2010.
- (B) Pursuant to the provisions of the Instrument, any modification of the Instrument may only be effect by deed poll, executed by the Company and expressed to be supplemental thereto, and only if it shall first have been approved by the holders of the Bonds. On 7 September 2010, Mr. LAM Nam, being a holder of the Bonds holding 100% of the outstanding principal amount of the Bonds passed a resolution pursuant to which condition on:
- (i) the Company having convened an extraordinary general meeting at which resolutions shall have been duly passed by the independent shareholders of the Company to approve and ratify this Supplemental Instrument;
 - (ii) The Stock Exchange of Hong Kong Limited having approved the alterations in the terms of the Bonds; and
 - (iii) all necessary consents and approvals required to be obtained on the part of the Company in respect of the alterations in the terms of the Bonds having been obtained,

the maturity date of the Bonds shall be extended for one year to 10 October 2011 and the conversion period shall accordingly be extended for one year to 10 October 2011.

- (C) The Company is entering into this Supplemental Instrument by way of deed poll in order to alter certain terms of the Bonds, namely, to extend the maturity date for one year to 10 October 2011 and the conversion period will accordingly be extended for one year to 10 October 2011 (the **"Extension"**). By the resolutions of the board of directors of the Company passed on 6 September 2010, the Company was authorised to execute this

Supplemental Instrument.

- (D) This Supplemental Instrument shall be supplemental to the Instrument.

NOW THIS INSTRUMENT WITNESSES and the Company hereby declares as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Supplemental Instrument, words and expressions defined in the Instrument shall, unless the context otherwise requires, have the same meanings when used in this Supplemental Instrument.
- 1.2 The provisions of clauses 1.2 and 1.3 of the Instrument shall apply in construing this Supplemental Instrument.

2. CONDITIONS

This Supplemental Instrument shall only become effective upon all the following conditions having been fulfilled:

- (a) the Company having convened an extraordinary general meeting at which resolutions shall have been duly passed by the independent shareholders of the Company to approve and ratify this Supplemental Instrument;
- (b) The Stock Exchange of Hong Kong Limited having approved the Extension pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited; and
- (c) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Extension having been obtained.

3. ALTERATIONS

With effect from the Business Day immediately following the day on which all the conditions set out in clause 2 above having been fulfilled, the definition of "Maturity Date" in clause 1.1 of the Instrument shall be deleted in its entirety and replaced by the following:

"Maturity Date" 10 October 2011"

4. MISCELLANEOUS

- 4.1 Save as expressly amended or altered by this Supplemental Instrument, the Instrument shall continue in full force and effect and upon the same terms and conditions.
- 4.2 The headings of the clauses of this Supplemental Instrument are inserted for convenience

only and shall not in any way affect the meaning or construction of any provision of this Supplemental Instrument.

- 4.3 In the event of any conflict between the provisions of the Instrument and this Supplemental Instrument, the provisions of this Supplemental Instrument shall prevail.
- 4.4 This Supplemental Instrument is supplemental to the Instrument; and this Supplemental Instrument and the Instrument constitute the entire and only instrument constituting the Bonds.
- 4.5 Clause 14 (Governing Law) of the Instrument shall be incorporated herein by reference and shall apply *mutatis mutandis* to this Supplemental Instrument.

[Intentionally left blank]

IN WITNESS whereof this Supplemental Instrument has been executed as a deed poll on the date stated at the beginning.

Under the
**POLYARD PETROLEUM
INTERNATIONAL GROUP
LIMITED**
was hereunto affixed
in the presence of:

CHAN FRANCIS PING KUEN



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KUAI Wei, director



LIN Zhang, director

