

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re: : Chapter 11 Case
: :
SK GLOBAL AMERICA, INC., : No. 03-14625 [CB]
: :
Debtor. :
: :
-----X

DEBTOR'S CHAPTER 11 PLAN OF LIQUIDATION

TOGUT, SEGAL & SEGAL LLP
Attorneys for SK Global America, Inc.
Debtor and Debtor-in-Possession
One Penn Plaza
Suite 3335
New York, New York 10119
(212) 594-5000
Attn: Albert Togut
Scott E. Ratner
Gerard DiConza

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TABLE OF EXHIBITS

- Exhibit 1: Creditor Trust Agreement
(TO BE FILED AT LEAST 10 DAYS
PRIOR TO CONFIRMAITON HEARING)
- Exhibit 2: Foreign Unsecured Bank Claims
- Exhibit 3: FRN Unsecured Claims
- Exhibit 4: Korean Unsecured Bank Claims
- Exhibit 5: SK Group Trade Claims
- Exhibit 6: SKN Affiliate Trade Claims
- Exhibit 7: SKN Trade Claims

SK Global America, Inc., as debtor and debtor-in-possession in the above-captioned Chapter 11 case, proposes the following Plan of Liquidation dated as of June 23, 2004 pursuant to the provisions of Chapter 11 of title 11 of the United States Code:

ARTICLE I
DEFINITIONS

The following terms, when used in this Plan or any subsequent amendments or modifications thereof, shall have the meanings defined below:

1.1 "Administrative Bar Date" means the date established by the Bankruptcy Court that shall constitute the final date by which any Administrative Expense Claim must be asserted against the Debtor; provided, however, that the Confirmation Order shall fix a separate date by which applications by Professionals for the allowance of compensation and reimbursement of expenses pursuant to sections 330 and 331 of the Bankruptcy Code must be filed.

1.2 "Administrative Expense Claim" means any right to payment constituting a cost or expense of administration of the Case allowed under sections 503(b), 507(a)(1), 507(b) or 1114(e)(2) of the Bankruptcy Code, including (a) any actual and necessary costs and expenses of preserving the estate of the Debtor, (b) any actual and necessary costs and expenses of operating the business of the Debtor, (c) any indebtedness or obligations incurred or assumed by the Debtor in connection with the conduct of its business, (d) any allowances of compensation and reimbursement of expenses to the extent allowed by Final Order under sections 330 or 331 of the Bankruptcy Code, whether fixed before or after the Effective Date, and (e) any fees or charges assessed against the estate of the Debtor under section 1930, Chapter 123, title 28, United States Code, including post-Confirmation Date and post-Effective Date fees and charges.

1.3 "Allowed" means, with reference to any Claim or Equity Interest, (a) any Claim against or Equity Interest in the Debtor, proof of which was filed in a liquidated amount within the applicable period of limitation fixed by the Bankruptcy Court in accordance with Rule 3003(c)(3) of the Bankruptcy Rules (i) as to which no objection to the allowance thereof has been interposed within the applicable period of limitation fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules or a Final Order, or (ii) as to which no action has been commenced to avoid such Claim or Equity Interest within the applicable period of limitation fixed by this Plan, or (iii) as to which an objection has been interposed, only to the extent such Claim or Equity Interest has been allowed (whether in whole or in part) by a Final Order, (b) if no proof of Claim was so filed, any Claim against or Equity Interest in the Debtor which has been listed by the Debtor in its Schedules, as such Schedules may be amended from time to time in accordance with Rule 1009 of the Bankruptcy Rules, as liquidated in amount and not disputed or contingent, (c) any Claim arising from the recovery of property under

sections 550 or 553 of the Bankruptcy Code and allowed in accordance with section 502(h) of the Bankruptcy Code or (d) any Claim deemed as allowed by the Plan.

1.4 "Available Cash" means, as of any date, the amount of Cash or Cash equivalents available as of such date to make Distributions to holders of Allowed Claims in accordance with (and to the extent required by) this Plan.

1.5 "Avoidance Actions" means rights, claims and causes of action of the bankruptcy estate of the Debtor arising under Chapter 5 of the Bankruptcy Code.

1.6 "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended and as codified at title 11, United States Code.

1.7 "Bankruptcy Court" means the United States District Court for the Southern District of New York having jurisdiction over the Case and, to the extent of any reference under section 157, title 28, United States Code, the unit of such District Court constituted under section 151, title 28, United States Code.

1.8 "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075, title 28, United States Code, and the Local Rules of the Bankruptcy Court.

1.9 "Business Day" means any day other than a Saturday, a Sunday or "legal holiday" as such term is defined in Bankruptcy Rule 9006(a).

1.10 "Case" means the case commenced on the Petition Date under Chapter 11 of the Bankruptcy Code by the Debtor before the Bankruptcy Court, as referenced by Case No. 03-14625 (CB).

1.11 "Cash" means legal tender of the United States of America.

1.12 "Causes of Action" means any and all rights, claims, causes of action, liabilities, obligations, rights, suits, debts, sums of money, damages, judgments, and demands whatsoever, whether known or unknown, in law, equity or otherwise, excluding, however, Avoidance Actions.

1.13 "Cho Hung" means Cho Hung Bank, a bank formed under the laws of the Republic of Korea.

1.14 "Cho Hung Financing Documents" means those loan and financing documents between the Debtor and Cho Hung annexed to the Proof of Claim filed by Cho Hung against the Debtor on or about November 21, 2003.

1.15 "Cho Hung Senior Secured Claims" means the Secured Claims asserted by Cho Hung against the Debtor arising under the Cho Hung Financing Documents.

1.16 "Claim" means (a) any right to payment from the Debtor, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from the Debtor, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

1.17 "Class" means a group of Claims or Equity Interests as classified in Article IV under the Plan.

1.18 "Class [] Claim" means a Claim in the particular Class of Claims identified and described in Article IV of the Plan.

1.19 "Collateral" means any property, or interest in property, of the estate of the Debtor subject to a Lien to secure the payment or performance of an Allowed Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

1.20 "Confirmation Date" means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

1.21 "Confirmation Hearing" means the hearing held by the Bankruptcy Court to consider confirmation of this Plan pursuant to sections 1128 and 1129 of the Bankruptcy Code, as it may be adjourned or continued from time to time.

1.22 "Confirmation Order" means the order of the Bankruptcy Court confirming this Plan, together with any subsequent orders, if any, approving modifications to the Plan.

1.23 "Creditor Trust" means the trust to be created on the Effective Date, in accordance with Article VII of the Plan, and governed by the Creditor Trust Agreement.

1.24 "Creditor Trust Agreement" means the agreement to be dated as of the Effective Date establishing and delineating the terms and conditions of the Creditor Trust, substantially in the form annexed hereto as Exhibit "1," which is incorporated in full into, and made part of, the Plan as if set forth in full.

1.25 "Creditor Trust Assets" means any and all of the Debtor's right, title and interest in all receivables, inventory and other assets of the Debtor, including sufficient Cash to fund the Disputed Claims Reserve established by the Creditor Trustee, not required to fund Distributions to be made by the Debtor.

1.26 "Creditor Trustee" means the Person appointed in accordance with the Creditor Trust Agreement to administer the Creditor Trust.

1.27 "Debtor" means SK Global America, Inc., a New York corporation.

1.28 "Debtor-in-Possession" means the Debtor in its capacity as debtor-in-possession under sections 1107(a) and 1108 of the Bankruptcy Code.

1.29 "Disclosure Statement" means the disclosure statement relating to this Plan, including the exhibits and schedules thereto, as the same may be amended, modified or supplemented from time to time.

1.30 "Disclosure Statement Order" means the order of the Bankruptcy Court approving the Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code.

1.31 "Disputed Claim" means a Claim, or a portion of a Claim against the Disputed Priority Tax Claims, Administrative Expense Claims and Rejection Claims against which said persons are responsible for prosecuting objections and making Distributions, each Debtor: (a) to the extent that allowance of such Claim is the subject of an objection or a motion to estimate interposed by the Debtor, (b) which is scheduled by the Debtor as disputed, contingent or unliquidated, (c) which has been filed as unliquidated or contingent, or (d) prior to the time that an objection has been or may be timely filed, that portion of a filed Claim in excess of the amount of the Claim as scheduled by the Debtor other than as disputed, contingent or unliquidated.

1.32 "Disputed Claims Reserve" means such Cash reserves established on the Effective Date by each of the Debtor and the Creditor Trustee with respect to any Disputed Claim in Classes 1 and 4, Disputed Priority Tax Claims, Administrative Expense Claims and Rejection Claims against which said Persons are responsible for prosecuting objections and making Distributions, each which reserve shall be set aside in separate interest-bearing accounts in (a) an amount sufficient to make Distributions on account of up to the Face Amount of each Disputed Claim in Classes 1 and 4 or each applicable Disputed Priority Tax Claim in the event such Disputed Claim becomes an Allowed Claim and (b) an additional portion of \$4,200,000, which is the Debtor's estimate for the maximum aggregate value of all Administrative Expense Claims and Rejection Claims, with such portion sufficient to make Distributions on account of up to the Face Amount of each applicable Administrative Expense Claim and Rejection Claim in the event such Claims becomes an Allowed Claim.

1.33 "Distribution" means a payment and/or distribution of Cash or other consideration to be made to holders of Allowed Claims in accordance with the terms and conditions of this Plan.

1.34 "Effective Date" means the date that is at least eleven (11) days (calculated under Bankruptcy Rule 9006) after the Confirmation Date, if no stay of the

Confirmation Order is then in effect, which date shall be fixed after the Confirmation Date by the Debtor by filing a notice thereof with the Bankruptcy Court, and on which date the transactions and distributions contemplated to be made under the Plan are to be effected.

1.35 "Entity" has the meaning assigned to such term in section 101(15) of the Bankruptcy Code.

1.36 "Equity Interests" means any interest in the Debtor represented by duly authorized, validly issued and outstanding shares of stock.

1.37 "Estate" means the bankruptcy estate of the Debtor created as of the Petition Date pursuant to section 541 of the Bankruptcy Code and being comprised of all property, rights and interests of the Debtor, whether existing as of the Petition Date or acquired thereafter.

1.38 "Executory Contract" means contracts and leases, which had not expired, or were not terminated, prior to the Petition Date and under which performance by the parties thereto remains due to some extent.

1.39 "Face Amount" means, with respect to any Disputed Claim, the lesser of (i) the liquidated amount, if any, set forth in the Filed Claim; (ii) the amount as estimated by the Bankruptcy Court in accordance with section 502(a) of the Bankruptcy Code; or (iii) such amount as may be agreed to by the holder of the Disputed Claim for purposes of establishing the Disputed Claims Reserve.

1.40 "Final Order" means (a) an order of the Bankruptcy Court as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari or other proceedings for reargument or rehearing shall then be pending, or (b) if an appeal, writ of certiorari, reargument or rehearing thereof has been filed or sought, such order of the Bankruptcy Court shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied or reargument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not cause such order not to be a Final Order.

1.41 "Foreign Unsecured Banks" means those financial institutions identified on Exhibit "2" hereto.

1.42 "Foreign Unsecured Bank Claims" means the Claims against the Debtor by the Foreign Unsecured Banks held as of the Petition Date, which Claims were acquired by the Parent and are identified on Exhibit "2" hereto.

1.43 “FRN Unsecured Claims” means the Claims acquired by the Parent against the Debtor, arising from the Debtor’s issuance of “floating rate notes,” which Claims are identified on Exhibit “3” hereto.

1.44 “General Unsecured Claims” means those Claims (including, without limitation, Rejection Claims) against the Debtor that are not Administrative Expense Claims, Priority Claims, the Cho Hung Senior Secured Claims, the KEB Junior Secured Claims, FRN Unsecured Claims, Unsecured Bank Claims, SK Group Trade Claims, SKN Trade Claims, or SKN Affiliate Trade Claims.

1.45 “KEB” means, collectively, Korea Exchange Bank, Korea Exchange Bank New York Branch, Korea Exchange Bank Los Angeles Branch and Korea Exchange Bank Chicago Branch.

1.46 “KEB Account” means an account established by either the Debtor or the Creditor Trustee for the exclusive benefit of KEB containing sufficient Cash to satisfy all remaining distributions to KEB under Section 5.2.3 of this Plan.

1.47 “KEB Junior Secured Claims” means the Secured Claims asserted by KEB against the Debtor arising under the loan and financing agreements between the Debtor and KEB annexed to the Proof of Claim filed by KEB against the Debtor on or about November 14, 2003.

1.48 “Korean Unsecured Banks” means those financial institutions identified on Exhibit “4” hereto.

1.49 “Korean Unsecured Bank Claims” means the Claims held against the Debtor by the Korean Unsecured Banks as of the Petition Date, which Claims have been or are contemplated to be purchased by the Parent prior to the Effective Date and are identified on Exhibit “4” hereto.

1.50 “Liabilities” means any and all costs, expenses, actions, causes of action, suits, controversies, damages, claims, liabilities or demands of any nature, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, liquidated or unliquidated, matured or not matured, contingent or direct, whether arising at common law, in equity, or under any statute, based in whole or in part on any act or omission or other occurrence taking place on or prior to the Effective Date.

1.51 “Lien” has the meaning assigned to such term in section 101(37) of the Bankruptcy Code (but a lien that has been avoided in accordance with sections 544, 545, 546, 547, 548 or 549 of the Bankruptcy Code shall not constitute a Lien).

1.52 “Parent” means SK Networks, Co., Ltd., formerly known as SK Global, Co., Ltd., a corporation formed under the laws of the Republic of Korea.

1.53 "Person" means an individual, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, association, joint venture, trust, estate, unincorporated organization, or a government or any agency or political subdivision thereof.

1.54 "Petition Date" means July 21, 2003, the date on which the Debtor filed its petition under Chapter 11 of the Bankruptcy Code.

1.55 "Plan" means this chapter 11 plan of liquidation, including any schedules and exhibits hereto, as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof.

1.56 "Priority Claims" means all Priority Non-Tax Claims and Priority Tax Claims.

1.57 "Priority Non-Tax Claim" means any Claim of a kind specified in sections 507(a)(3), (4), (5), (6), (7) or (9) of the Bankruptcy Code.

1.58 "Priority Tax Claim" means any Claim of a governmental unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

1.59 "Professionals" means the attorneys, accountants and other professionals whose retention has been approved by the Bankruptcy Court in the Case.

1.60 "Rejection Bar Date" means the date thirty (30) days after the earlier to occur of (a) the Effective Date and (b) the entry of an order by the Bankruptcy Court authorizing rejection of a particular Executory Contract.

1.61 "Rejection Claim" means a Claim arising from the rejection of an Executory Contract.

1.62 "Schedules" means the schedules of assets and liabilities and the statement of financial affairs filed by the Debtor under section 521 of the Bankruptcy Code and the Official Bankruptcy Forms of the Bankruptcy Rules, as such have been or may be supplemented or amended from time to time.

1.63 "Secured Claim" means a Claim secured by a Lien on Collateral to the extent of the value of the Collateral, as determined in accordance with section 506(a) of the Bankruptcy Code.

1.64 "SK Group" means all direct and indirect affiliates and subsidiaries of the Parent.

1.65 "SK Group Trade Claims" means all Claims held against the Debtor by members and affiliates of the SK Group, other than the Parent and its subsidiaries,

arising from the provision of goods and/or services to the Debtor prior to the Petition Date, which Claims are identified on Exhibit “5” hereto.

1.66 “SKN Affiliate Trade Claims” means all Claims held against the Debtor by subsidiaries of the Parent arising from the provision of goods and/or services to the Debtor prior to the Petition Date, which Claims are identified on Exhibit “6” hereto.

1.67 “SKN Trade Claims” means all Claims held against the Debtor by the Parent arising from the provision of goods and/or services to the Debtor prior to the Petition Date, which Claims are identified on Exhibit “7” hereto.

1.68 “Unsecured Bank Claims” means the Foreign Unsecured Bank Claims and the Korean Unsecured Bank Claims.

1.69 “Unsecured Liquidating Trust Claims” means the FRN Unsecured Claims, Foreign Unsecured Bank Claims, Korean Unsecured Bank Claims, SK Group Trade Claims and SKN Trade Claims.

ARTICLE II

INTERPRETATION; APPLICATION OF DEFINITIONS AND RULES OF CONSTRUCTION

Unless otherwise specified, all article, section, schedule or exhibit references in this Plan are to the respective article or section of, or schedule or exhibit to, this Plan. The words "herein," "hereof," "hereto," "hereunder," and other words of similar meaning refer to this Plan as a whole and not to any particular article, section, subsection or clause contained in this Plan. A term used herein that is not defined herein shall have the meaning assigned to that term in the Bankruptcy Code. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of this Plan. The headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of this Plan. Unless otherwise indicated herein, all references to dollars means United States dollars.

ARTICLE III

PAYMENT OF ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS

3.1 Administrative Expense Claims.

Subject to the Administrative Bar Date and except to the extent the Debtor or the Creditor Trustee, as the case may be, and the holder of an Allowed Administrative

Expense Claim agree to a different treatment, the Debtor shall pay each holder of an Allowed Administrative Expense Claim, in full satisfaction, settlement, release and discharge of such Allowed Administrative Expense Claim, an amount, in Cash, equal to the amount of such Allowed Administrative Expense Claim upon the later of (i) the Effective Date, or (ii) the date that is ten (10) Business Days after the date on which such Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable.

To the extent that the Administrative Bar Date applies, failure to file a request for payment of an Administrative Expense Claim prior to the Administrative Bar Date shall result in such Administrative Expense Claim being forever barred and discharged.

3.2 Priority Tax Claims.

On the Effective Date, or as soon as practicable after such Claim becomes an Allowed Claim if the date of allowance is later than the Effective Date, each holder of an Allowed Priority Tax Claim, in full satisfaction, settlement, release and discharge of such Allowed Priority Tax Claim, will be paid in Cash, in full, or in such amounts and on such terms either as may be agreed on by the holder of such Allowed Claim and the Debtor.

ARTICLE IV

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

Except for Administrative Expense Claims and Priority Tax Claims, Claims against and Equity Interests in the Debtor are classified as follows:

4.1 Claims Against and Equity Interests in the Debtor.

4.1.1 Class 1: Priority Non-Tax Claims. Class 1 consists of all Priority Non-Tax Claims against the Debtor.

4.1.2 Class 2: Cho Hung Senior Secured Claims. Class 2 consists of all Cho Hung Senior Secured Claims against the Debtor.

4.1.3 Class 3: KEB Junior Secured Claims. Class 3 consists of all KEB Junior Secured Claims against the Debtor.

4.1.4 Class 4: General Unsecured Claims. Class 4 consists of all General Unsecured Claims against the Debtor.

4.1.5 Class 5: FRN Unsecured Claims. Class 5 consists of all FRN Unsecured Claims against the Debtor.

4.1.6 Class 6: Unsecured Bank Claims. Class 6 consists of all Unsecured Bank Claims against the Debtor.

4.1.6.a. Class 6A: Foreign Unsecured Bank Claims. Class 6A consists of all Foreign Unsecured Bank Claims against the Debtor.

4.1.6.b. Class 6B: Korean Unsecured Bank Claims. Class 6B consists of all Korean Unsecured Bank Claims against the Debtor.

4.1.7 Class 7: SK Group Trade Claims. Class 7 consists of all SK Group Trade Claims against the Debtor.

4.1.8 Class 8: SKN Trade Claims Group. Class 8 consists of all SKN Trade Claims against the Debtor.

4.1.9 Class 9: SKN Affiliate Trade Claims. Class 9 consists of all SKN Affiliate Trade Claims against the Debtor.

4.1.10 Class 10: Equity Interest. Class 10 consists of all Equity Interest in and against the Debtor.

ARTICLE V

TREATMENT OF CLAIMS AND EQUITY INTERESTS UNDER THE PLAN

5.1 Designation of Treatment. The following treatment set forth in this Article V shall be accorded, in full final and complete satisfaction thereof, to Claims against, and Equity Interests in, the Debtor designated by Class. No Claim shall entitle the holder thereof to any Distribution pursuant to this Plan unless, and only to the extent that, such Claim is an Allowed Claim.

5.2 Claims Against and Equity Interests in the Debtor.

5.2.1 Class 1: Priority Non-Tax Claims.

On the Effective Date, or as soon as practicable after such Claims become Allowed Claims if the date of allowance is later than the Effective Date, each holder of an Allowed Priority Non-Tax Claim, in full settlement, release and discharge of its Class 1 Claim, shall receive a payment, in Cash, equal to the amount of such holder's Allowed Priority Non-Tax Claim.

Class 1 Priority Non-Tax Claims are not impaired.

5.2.2 Class 2: Cho Hung Senior Secured Claims.

The Cho Hung Senior Secured Claims are deemed Allowed Claims in the amount of \$88,993,908 and in full settlement, release and discharge of the Cho Hung Senior Secured Claims, Cho Hung will receive, on the Effective Date, Cash in the amount of Eighty-Eight Million, Nine Hundred Ninety-Three Thousand, Nine Hundred and Eight Dollars (\$88,993,908), plus interest on such sum at the non-default rate set forth in the Cho Hung Financing Documents for the period commencing on the Petition Date through and including the Effective Date; provided, however, any interest, including pre-Petition Date interest, paid prior to the Effective Date to Cho Hung by the Parent on account of the Cho Hung Senior Secured Claims shall be paid in reimbursement in Cash directly by the Debtor to the Parent on the Effective Date. The Debtor will discharge and release Cho Hung from Liabilities arising from or related to Avoidance Actions or Causes of Action held by the Debtor or its Estate.

The Class 2 Claims are not impaired.

5.2.3 Class 3: KEB Junior Secured Claims.

The KEB Junior Secured Claims are deemed Allowed Claims in the amount of \$55,119,837 and in full settlement, release and discharge of the KEB Junior Secured Claims, KEB will receive Cash in the amount of Fifty-Five Million, One Hundred and Nineteen Thousand, Eight Hundred and Thirty-Seven Dollars (\$55,119,837), payable in three equal installments in the amount of Eighteen Million Three Hundred Seventy-Three Thousand, Two Hundred and Seventy-Nine Dollars (\$18,373,279) each, on July 31, 2004, September 30, 2004 and December 31, 2004. If any such installment payments are made by the Parent on behalf of the Debtor, such installment payment shall be paid in reimbursement in Cash directly by the Debtor and/or the Creditor Trustee to the Parent on the later of (a) the Effective Date and (b) the date that such installment payment is made. The Debtor will discharge and release KEB from Liabilities arising from or related to Avoidance Actions or Causes of Action held by the Debtor or its Estate.

The Class 3 Claims are impaired and shall be compromised and settled under the Plan.

5.2.4 Class 4: General Unsecured Claims.

On or as soon as practicable after the later of the Effective Date and the date on which a Disputed General Unsecured Claim becomes an Allowed Claim, the holder of an Allowed General Unsecured Claim, in full settlement, release and discharge of its Class 4 Claim, shall receive a Cash payment equal to 100% of the Allowed General Unsecured Claim.

Class 4 Claims are impaired.

5.2.5 Class 5: FRN Unsecured Claims.

As soon as practicable after the later of the Effective Date and the date on which the final installment of the Distribution on the Allowed KEB Junior Secured Claims is either made pursuant to Section 5.2.3 or set aside in the KEB Account, the holders of Allowed FRN Unsecured Claims, in full settlement, release and discharge of their Class 5 Claims, shall receive periodic Distributions from the Creditor Trust, on a *pari passu* basis as the holders of other Unsecured Liquidating Trust Claims, in an aggregate amount of up to 100% of the Allowed FRN Unsecured Claims.

Class 5 Claims are impaired.

5.2.6 Class 6: Unsecured Bank Claims.

As soon as practicable after the later of the Effective Date and the date on which the final installment of the Distribution on the Allowed KEB Junior Secured Claims is either made pursuant to Section 5.2.3 or set aside in the KEB Account, the holders of Allowed Unsecured Bank Claims, in full settlement, release and discharge of their Class 6 Claims, shall receive periodic Distributions from the Creditor Trust, on a *pari passu* basis as the holders of other Unsecured Liquidating Trust Claims, in an aggregate amount up to 100% of the Allowed Unsecured Bank Claims.

The Class 6 Claims are impaired.

5.2.7 Class 7: SK Group Trade Claims.

As soon as practicable after the later of the Effective Date and the date on which the final installment of the Distribution on the Allowed KEB Junior Secured Claims is either made pursuant to Section 5.2.3 or set aside in the KEB Account, each holder of an Allowed SK Group Trade Claim, in full settlement, release and discharge of their Class 7 Claims, shall receive periodic Distributions from the Creditor Trust, on a *pari passu* basis as the holders of other Unsecured Liquidating Trust Claims, in an aggregate amount up to 100% of the Allowed SK Group Trade Claims.

The Class 7 Claims are impaired.

5.2.8 Class 8: SKN Trade Claims.

As soon as practicable after the later of the Effective Date and the date on which the final installment of the Distribution on the Allowed KEB Junior Secured Claims is either made pursuant to Section 5.2.3 or set aside in the KEB Account, each holder of an Allowed SKN Trade Claim, in full settlement, release and discharge of their Class 8 Claims, shall receive periodic Distributions from the Liquidating Creditor Trust,

on a *pari passu* basis as the holders of other Unsecured Liquidating Trust Claims, in an aggregate amount up to 100% of the Allowed SKN Trade Claims.

The Class 8 Claims are impaired.

5.2.9 Class 9: SKN Affiliate Trade Claims.

Holders of SKN Affiliate Trade Claims will receive no Distributions or other value on account of such Claims; provided, however, that the holders of SKN Affiliate Trade Claims shall not be prejudiced or limited with respect to any legal rights any such holder may have to recover the amount of its Allowed Claim against an obligation due and owing to the Debtor.

The Class 9 Claims are impaired.

5.2.10 Class 10: Equity Interests.

Holders of Equity Interests in the Debtor shall receive no Distribution or retain any property on account of their respective Equity Interests, and, as of the Effective Date, all Equity Interests shall be deemed canceled, null and void and of no force and effect without further act or action under any applicable law, regulation, order, rule or agreement.

Class 10 Equity Interests are impaired.

ARTICLE VI

**IMPAIRED AND UNIMPAIRED CLASSES OF CLAIMS
AND EQUITY INTERESTS UNDER THE PLAN;
ACCEPTANCE OR REJECTION OF THE PLAN**

6.1 Holders of Claims and Equity Interests Entitled to Vote.

(a) Each holder of an Allowed Claim, or the holder of a Claim that has been temporarily allowed for voting purposes only under Bankruptcy Rule 3018(a), in an impaired Class of Claims against the Debtor, shall be entitled to vote separately to accept or reject this Plan.

(b) Holders of Claims in Classes 3, 4, 5, 6, 7 and 8 are impaired hereunder and the holders of Allowed Claims in such Classes are entitled to vote on this Plan. In accordance with section 1126(g) of the Bankruptcy Code, holders of SKN Affiliate Trade Claims in Class 9 and Equity Interests in Class 10 are receiving no Distributions under the Plan and, accordingly, holders of Claims and/or Equity Interests in Classes 9 and 10 are conclusively deemed to have rejected this Plan.

(c) Each of Classes 1 and 2 are not impaired hereunder. In accordance with section 1126(f) of the Bankruptcy Code, holders of Claims in Classes 1 and 2 are conclusively deemed to have accepted this Plan.

6.2 Elimination of Classes.

Any Class of Claims that is not occupied by an Allowed Claim as of the date of the commencement of the Confirmation Hearing, or a Claim temporarily Allowed under Bankruptcy Rule 3018, shall be deemed deleted from this Plan for purposes of voting on acceptance or rejection of this Plan, and for purposes of determining acceptance or rejection of this Plan by such Class under section 1129(a)(8) of the Bankruptcy Code.

6.3 Non-consensual Confirmation.

If any impaired Class of Claims or Equity Interests shall not have accepted this Plan by the requisite statutory majorities provided in sections 1126(c) or 1126(d) of the Bankruptcy Code, as applicable, the Debtor may (a) request the Bankruptcy Court to confirm this Plan in accordance with section 1129(b) of the Bankruptcy Code, or (b) modify this Plan in accordance with Section 14.4 hereof to provide treatment sufficient to assure that this Plan does not discriminate unfairly, and is fair and equitable, with respect to the Class or Classes not accepting this Plan, and, in particular, the treatment necessary to meet the requirements of subsections 1129(a) or (b) of the Bankruptcy Code with respect to the rejecting Classes and any other Classes affected by such modifications.

6.4 Revocation of the Plan.

The Debtor reserves the right to revoke and withdraw this Plan at any time prior to entry of the Confirmation Order. If this Plan is so revoked or withdrawn, then it shall be deemed null and void.

ARTICLE VII

**ESTABLISHMENT OF THE CREDITOR TRUST;
FUNDING AND IMPLEMENTATION OF THE PLAN**

7.1 The Creditor Trust.

(a) Establishment of the Creditor Trust. On the Effective Date, the Debtor, on its own behalf and on behalf of holders of Allowed Claims in Classes 5, 6, 7 and 8 (and, to the extent applicable, Classes 1, 3 and 4) and holders of all applicable Allowed Administrative Expense Claims and Priority Tax Claims, will execute the Creditor Trust Agreement and take all steps necessary to establish the Creditor Trust. The Creditor Trust Agreement will contain provisions customarily found in trust

agreements utilized in comparable circumstances, including provisions regarding the rights, powers, obligations and appointment and removal of the Creditor Trustee and to ensure that the Creditor Trust is treated as a liquidating trust for federal income tax purposes. On the Effective Date, the Debtor will transfer to the Creditor Trust all of its right, title, and interest in all of the Creditor Trust Assets, free and clear of any Lien, Claim or interest in such property of any other Person, as well as Claims, Liabilities or legal obligations accrued up to the Effective Date that could necessitate payment by the Creditor Trust, except as provided in the Plan. Title to all Creditor Trust Assets shall vest in the Creditor Trust on the Effective Date.

(b) Purpose of the Creditor Trust. The Creditor Trust is being established for the sole purpose of liquidating the Creditor Trust Assets and distributing the proceeds thereof to certain Creditors, as identified in, and as prescribed by, the Plan. The Creditor Trust will not continue or engage in the conduct of any trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Creditor Trust. Unless otherwise required by law, it is intended that all parties shall treat the Creditor Trust as a liquidating trust for all federal income tax purposes.

(c) Transfer of Assets.

(i) The transfer of the Creditor Trust Assets to the Creditor Trust is for the benefit of the holders of Allowed Claims in Classes 5, 6, 7 and 8 (and, to the extent applicable, Classes 1, 3 and 4) and holders of all applicable Allowed Administrative Expense Claims and Priority Tax Claims whether Allowed on or after the Effective Date. In this regard, the Creditor Trust Assets will be transferred to the Creditor Trust to be held for the benefit of such holders of Allowed Claims in Classes 5, 6, 7 and 8 (and, to the extent applicable, Classes 1, 3 and 4) and, in respect of any Disputed Claims and applicable Administrative Expense Claims and Rejection Claims, to the Disputed Claims Reserve established and maintained by the Creditor Trustee, to be held, in each case, by the Creditor Trustee. The Creditor Trustee shall then distribute the proceeds generated by the Creditor Trust to the holders of the Allowed Claims as provided by the Plan and subject to the conditions set forth in the Creditor Trust Agreement. Upon the transfer of the Creditor Trust Assets, the Debtor shall have no further interest in or with respect to the Creditor Trust Assets or the Creditor Trust. The Creditor Trust Assets to be transferred to the Creditor Trust will include, among other things, the Debtor's loans receivable, accounts receivable and inventory.

(ii) For all federal income tax purposes only, all parties, including, without limitation, the Debtor, the Creditor Trustee, and the holders of Allowed Claims in Classes 5, 6, 7 and 8 (and, to the extent applicable, Classes 1, 3 and 4) and holders of all applicable Allowed Administrative Expense Claims and Priority Tax Claims are to treat the transfer of the Creditor Trust Assets to the Creditor Trust, in accordance with the terms of the Plan, as a transfer to the holders of Allowed Claims in Classes 5, 6, 7 and 8 (and, to the extent applicable, Classes 1, 3 and 4) (and in respect of any Disputed Claims and applicable Administrative Expense Claims and Rejection

Claims, to the Disputed Claims Reserve) followed by a transfer by such holders to the Creditor Trust, and the beneficiaries of the Creditor Trust (or Disputed Claims Reserve) shall be treated as the grantors and owners thereof. The Creditor Trustee shall cause a valuation to be made of the Creditor Trust Assets and that valuation shall be used by the Creditor Trustee and the beneficiaries for U.S. federal income tax purposes.

(iii) On the Effective Date, the Debtor shall transfer to the Creditor Trust, in addition to the Creditor Trust Assets, \$100,000 from Available Cash to fund the administration and operations of the Creditor Trust.

(d) Termination. The Creditor Trust will terminate, at the discretion of the beneficiaries of the Creditor Trust on such date, no later than [], 2009; provided, however, that, within six (6) months of such termination, the Bankruptcy Court, upon motion by a party in interest, may extend the term of the Creditor Trust for one (1) year if it is in the best interests of the beneficiaries. Notwithstanding the foregoing, multiple extensions can be obtained so long as Bankruptcy Court approval is obtained within six (6) months of the expiration of each extended term; provided, however, that the aggregate of all such extensions shall not exceed three (3) years, unless the Creditor Trustee receives a favorable ruling from the IRS that any further extension would not adversely affect the status of the trust as a liquidating trust.

(e) Appointment of Creditor Trustee. On or prior to the Effective Date, the Debtor and the Parent shall appoint a Creditor Trustee or co-Creditor Trustees as provided in the Creditor Trust Agreement. The powers, responsibilities, duties, authority and compensation for the Creditor Trustee will be as prescribed by the Creditor Trust Agreement. For purposes of administering and liquidating the Creditor Trust Assets, the Creditor Trustee will be deemed the Estate's representative in accordance with section 1123 of the Bankruptcy Code and shall have all of the powers, authority and responsibilities specified in the Creditor Trust Agreement.

(f) Allocation of Liabilities. It is understood that the Creditor Trust shall not assume, pay or discharge, or in any respects be liable for any liability or obligation of the Debtor attributable to the Creditor Trust Assets, including any federal, state or local taxes, accrued up to the Effective Date. The Debtor will pay all taxes, levies or assessments as of the Effective Date, the non-payment of which would result in a Lien on the Creditor Trust Assets.

7.2 Funding of Distributions on the Effective Date.

Except as otherwise provided in this Section 7.2, Distributions required to be made by the Debtor on account of Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Non-Priority Tax Claims, Allowed Cho Hung Senior Secured Claims and Allowed General Unsecured Claims shall be made by the Debtor from Available Cash, including Available Cash held in the Debtor's Disputed Claims Reserve. Distributions required to be made under the Plan on account of Allowed KEB Junior Secured Claims shall be made, in the discretion of the Debtor, by the Debtor from

Available Cash and/or by the Creditor Trustee from the proceeds of the Creditor Trust. All Distributions to holders of Allowed Unsecured Liquidating Trust Claims shall be made from the Creditor Trust after either payment in full of the Allowed KEB Junior Secured Claims or establishment of the KEB Account. All Distributions on account of Allowed Administrative Expense Claims, Rejection Claims and Disputed Claims for which the Creditor Trustee has responsibility for prosecuting objections shall be made by the Creditor Trustee from Cash held in its Disputed Claims Reserve.

7.3 Substantial Consummation.

Substantial consummation of this Plan under section 1101(2) of the Bankruptcy Code shall not be deemed to occur, the Case shall remain open and not be deemed fully administered, and no final decree closing this Case shall be entered pursuant to section 350(a) of the Bankruptcy Code and Bankruptcy Rule 3022, until the Effective Date, at the earliest.

ARTICLE VIII

DISTRIBUTIONS UNDER THE PLAN

8.1 Date of Distributions.

Any Distributions and deliveries to be made under this Plan shall be made on the Effective Date or as soon as practicable thereafter, unless otherwise specifically provided for under this Plan. If any payment or act under this Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

8.2 Delivery of Distributions.

Subject to Rule 9010 of the Bankruptcy Rules, and except as otherwise provided herein, Distributions to holders of Allowed Claims shall be made at the address of each of such holders as set forth in the Schedules filed with the Bankruptcy Court unless superseded by the address set forth on proofs of Claim filed by such holders (or at the last known address of such holders if no proof of Claim is filed or if the Debtor has been notified in writing of a change of address). If any Distribution to any holder is returned as undeliverable, the Debtor or the Creditor Trustee, as the case may be, shall use reasonable efforts to determine the current address of such holder, but no Distribution to any such holder shall be made unless and until the Debtor or the Creditor Trustee, as the case may be, have determined the then current address of such holder, at which time such Distribution to such holder shall be made to such holder without interest. Amounts in respect of any undeliverable Distributions made by the Debtor or the Creditor Trustee shall be returned to the Debtor or the Creditor Trustee, as the case may be, until such Distributions are claimed. If such Distributions are not

claimed by the expiration of the later of (a) one year from the Effective Date or (b) one year from the actual date of the making of such Distribution (the “Unclaimed Distribution Date”), such Distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code. If no proofs of Claim are filed and the Schedules filed with the Bankruptcy Court fail to state addresses for holders of Allowed Claims, Distributions that would have been made on account of such Allowed Claims shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of the Unclaimed Distribution Date. After the Unclaimed Distribution Date, all unclaimed property shall be transferred to the Debtor or the Disbursing Agent, as the case may be, for Distribution to holders of Allowed Claims in each such Class and the Claim of any holder to such property shall be discharged and forever barred.

8.3 Time Bar to Cash Payments.

Checks issued by the Debtor or the Creditor Trustee, as the case may be, on account of Allowed Claims shall be null and void if not negotiated within eighty (80) days after the date of issuance thereof. Requests for reissuance of any check shall be made in writing directly to the Debtor or the Creditor Trustee, as the case may be, by the holder of the Allowed Claim with respect to which such check originally was issued. Any Claim in respect of such a voided check shall be made in writing on or before the first anniversary of the Effective Date. After such date, all Claims in respect of void checks shall be discharged and forever barred.

8.4 Manner of Payment Under the Plan.

At the option of the Debtor or the Creditor Trustee, as the case may be, any Distribution of Cash to be made pursuant to this Plan may be made by a check or wire transfer or as otherwise required or provided in applicable agreements.

8.5 Distributions After Effective Date.

Distributions made after the Effective Date to holders of Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims shall be deemed to have been made on the Effective Date.

8.6 Disputed Claims Reserve.

On the Effective Date, each of the Debtor and the Creditor Trustee shall establish a Disputed Claims Reserve. If, and when, a Disputed Claim, Administrative Expense Claim or Rejection Claim for which the Debtor or the Creditor Trustee, as the case may be, has responsibility for prosecuting objections and making Distributions becomes an Allowed Claim, the Debtor or the Creditor Trustee, as the case may be, shall utilize funds in the appropriate Disputed Claims Reserve to make Distributions on account of such Allowed Claim.

In the event that, after a Disputed Claim, Administrative Expense Claim or Rejection Claim is resolved, there remain funds in the Disputed Claims Reserves attributable to such Claims, such funds shall be made available for Distribution in accordance with the Plan's treatment of Allowed Claims.

ARTICLE IX

DISPUTED CLAIMS UNDER THE PLAN

9.1 Prosecution of Objections.

The Debtor or the Creditor Trustee, as the Debtor determines on or prior to the Effective Date, shall be responsible for pursuing any objection to the allowance of any Disputed Claim, Rejection Claim and Administrative Expense Claim. The Debtor or Creditor Trustee, as the case may be, may compromise and settle any Disputed Claim (including Disputed Rejection Claims and Administrative Expense Claims). The Bankruptcy Court may approve any compromises and settlements in accordance with Bankruptcy Rule 9019(a). Unless otherwise provided herein or ordered by the Bankruptcy Court, all objections to Disputed Claims shall be served and filed no later than one hundred twenty (120) days after the Effective Date, except for objections to Administrative Expense Claims or Rejection Claims, which may be served and filed no later than one hundred twenty (120) days after the Administrative Bar Date or applicable Rejection Bar Date.

9.2 No Distributions Pending Allowance.

Notwithstanding any other provision of the Plan to the contrary, if any portion of a Claim is a Disputed Claim, Administrative Expense Claim or Rejection Claim, no payment or Distribution provided under the Plan shall be made on account of such Claim unless and until it becomes an Allowed Claim.

9.3 Distributions After Allowance.

Distributions to each holder of a Disputed Claim, to the extent that such Claim ultimately becomes an Allowed Claim, shall be made in accordance with the provisions of the Plan governing the Class of Claims in which such Claim is classified. Any Disputed Claim that becomes an Allowed Claim prior to the Effective Date shall receive such treatment as the Plan prescribes for Claims in the Class in which the Allowed Claim is classified. As for Disputed Claims, Administrative Expense Claims or Rejection Claims that become Allowed Claims subsequent to the Effective Date, as soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim, Administrative Expense Claim or Rejection Claim becomes a Final Order or that such Claim is otherwise Allowed, the Debtor or the Creditor Trustee, as the case may be, shall distribute to the holder of such Claim any payment that would have been distributed to such holder if the Claim had been Allowed on the Effective

Date, plus any payments that would have been made on account of such Allowed Claim after the Effective Date, without any interest thereon.

ARTICLE X

EXECUTORY CONTRACTS UNDER THIS PLAN

10.1 **General Treatment.**

This Plan constitutes a motion by the Debtor to reject, as of the Effective Date, all Executory Contracts to which the Debtor is a party, except for any Executory Contract that (a) has been assumed pursuant to an order of the Bankruptcy Court prior to the Effective Date, or (b) is the subject of a separate motion filed under section 365 of the Bankruptcy Code and pending on the Effective Date.

10.2 **Bar to Rejection Damages.**

If the rejection of any Executory Contract under this Plan or other pending objection results in damages to the other party or parties to such contract, a Claim for such damages, if not heretofore evidenced by a filed proof of Claim, shall be forever barred and shall not be enforceable against the Debtor or its properties or interests in property or agents, successors, or assigns, unless a proof of Claim is filed with the Bankruptcy Court and served upon the Debtor and the Creditor Trustee on or before the Rejection Bar Date.

ARTICLE XI

CONDITIONS PRECEDENT TO THE CONFIRMATION DATE AND THE EFFECTIVE DATE

11.1 **Conditions to Confirmation of the Plan.**

This Plan may not be confirmed unless each of the conditions set forth below is satisfied. Except as provided in Section 11.3 below, any one or more of the following conditions may be waived at any time by the Debtor:

- (a) The Disclosure Statement Order shall have been entered and become a Final Order;
- (b) The Confirmation Order shall be in a form reasonably acceptable to the Debtor, the Parent, Cho Hung and KEB; and
- (c) All provisions, terms and conditions of the Plan are approved in the Confirmation Order.

11.2 Conditions to Effective Date of the Plan.

The Effective Date for this Plan may not occur unless each of the conditions set forth below is satisfied. Except as provided in Section 11.3 below, any one or more of the following conditions may be waived at any time by the Debtor:

(a) The Confirmation Order shall have been entered and become a Final Order; and

(b) All actions and documents necessary to implement the provisions of this Plan shall have been effected or executed and delivered.

11.3 Waiver of Conditions Precedent.

Other than the requirements set forth in Sections 11.1(a) and 11.2(a) of this Plan, the requirement that a particular condition set forth in Sections 11.1 and 11.2 hereof be satisfied may be waived or modified, in whole or in part, upon the joint consent of the Debtor, the Parent, Cho Hung and KEB. Any such waiver or modification of a condition precedent in Sections 11.1 and 11.2 hereof may be effected at any time, without notice, without leave or order of the Bankruptcy Court and without any other formal action.

ARTICLE XII

EFFECT OF CONFIRMATION

12.1 Discharge.

Pursuant to section 1141(d)(3) of the Bankruptcy Code, occurrence of the Effective Date will not discharge the Claims against the Debtor; provided, however, that no holder of a Claim against the Debtor may, on account of such Claim, seek or receive any payment from, or seek recourse against, the Debtor, the Creditor Trust, the Parent, their property, successor and assigns, except as expressly provided in this Plan.

12.2 Binding Effect.

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, on and after the Effective Date, the provisions of this Plan shall bind all present and former holders of Claims against, or Equity Interests in, the Debtor and its successors and assigns, whether the Claim or Equity Interest of such holder is impaired under the Plan and whether such holder has filed a Proof of Claim or Equity Interest or accepted the Plan. The Confirmation Order shall provide that the terms and provisions of this Plan and the Confirmation Order shall survive and remain effective after entry of any order which may be entered converting the Case to a case under Chapter 7 of the

Bankruptcy Code, and the terms and provisions of this Plan shall continue to be effective in this or any superseding case under the Bankruptcy Code.

12.3 Continued Existence of the Debtor.

From and after the Confirmation Date, the Debtor shall continue in existence solely for the purpose of (i) winding up its affairs as expeditiously as reasonably possible, (ii) liquidating, by conversion to Cash or other methods, of any remaining assets of the Estate, as expeditiously as reasonably possible, (iii) enforcing and prosecuting of claims, interests, rights and privileges of the Debtor, including, without limitation, the prosecution of pending Causes of Action in conjunction with the marshalling of the Debtor's assets, (iv) resolving those Disputed Claims, Administrative Expense Claims and Rejection Claims against which it has responsibility for prosecuting objections, (v) administering the Plan, (vi) filing appropriate tax returns; and (vii) making Distributions in accordance with this Plan.

From and after the Confirmation Date, the then current officers and directors of the Debtor shall continue to serve in their respective capacities through the earlier of the date the Debtor is dissolved under applicable state law and the date such officer or director resigns, is replaced or terminated. The officer and directors of the Debtor shall continue to serve in their respective capacities on the same terms, conditions and rights they are presently entitled to receive from the Debtor.

12.4 Dissolution.

Upon completion of its purposes detailed in Section 12.3, the Debtor shall be dissolved under applicable state law. Immediately prior to such dissolution, all remaining Available Cash shall be made available for Distribution in accordance with the Plan's treatment of Allowed Claims.

12.5 Vesting and Liens.

Except as otherwise provided in this Plan or the Confirmation Order, on the Effective Date, all Liens against any property of the Debtor shall be deemed extinguished and discharged, and the Debtor will be revested with the assets, if any, of the Debtor not distributed or otherwise transferred under this Plan, free and clear of all Liabilities and Liens.

ARTICLE XIII

EXCULPATION AND INJUNCTIONS

13.1 Exculpation.

As of the Effective Date, the Debtor, the Creditor Trustee, the Parent, Cho Hung, KEB and their respective officers, directors, members, attorneys or other professionals, employees or agents (collectively, the "Releasees") shall have no liability to any holder of a Claim or Equity Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys or affiliates, or any of their successors or assigns, for any actions taken or not taken in connection with or related to: (a) the Case; (b) the Plan; (c) the Disclosure Statement; (d) Distributions, payments or transfers made under the Plan; (e) acts performed pursuant to the Plan; (f) any contract, release, or other agreement or document created or entered into, or any other action taken or omitted to be taken, in connection with the Plan; or (g) any Claim settled or released under or pursuant to the Plan; provided, however, that the foregoing release shall not release the Releasees (i) from their obligations under the Plan, and (ii) for any acts, or omissions to act, evidencing and/or constituting gross negligence or willful misconduct.

13.2 Injunctions.

The Debtor shall seek the entry of a Confirmation Order that provides for an injunction to permanently enjoin and restrain all Entities from taking any actions against the Debtor, the Creditor Trustee, the Parent, or their respective property, assets, or interests in property that may interfere with the implementation or consummation of the Plan.

ARTICLE XIV

ADMINISTRATIVE PROVISIONS

14.1 Further Documents and Action.

The Debtor and the Creditor Trustee shall execute, deliver and are authorized to file with the Bankruptcy Court, such agreements and other documents, take or cause to be taken such action as may be necessary or appropriate to effect and further evidence the terms and conditions of this Plan and to consummate the transactions and transfers contemplated by this Plan. The Debtor and all other parties shall execute any and all documents and instruments that must be executed under or in connection with this Plan in order to implement the terms of this Plan or to effectuate the distributions under this Plan.

14.2 Avoidance and Recovery Actions.

As of the Effective Date, the Debtor shall transfer to the Creditor Trust the right to prosecute, on behalf of itself and the Estate, any avoidance or recovery action under sections 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code or any other Causes of Action, or rights to payment of claims, that belong to or could have been raised by or on behalf of the Debtor or the Estate; provided, however, that the Debtor expressly retains the right to assert such claims as defenses to, and setoffs against, Disputed Claims. The Debtor may retain the right to prosecute any such actions (if any) that may be pending on the Effective Date.

14.3 Other Causes of Action.

All Causes of Action, whether retained by the Debtor or transferred under the Plan to the Creditor Trust, and whether asserted or not as of the Effective Date, are specifically preserved by this Plan and will survive the occurrence of the Effective Date. Any Cause of Action asserted or commenced as of the Effective Date shall be prosecuted, settled, withdrawn or otherwise disposed of by the Debtor or the Creditor Trustee, as the case may be, in their sole discretion, subject, only to applicable judicial requirements or duties or requirements imposed under the Plan or the Creditor Trust Agreement.

14.4 Modification of the Plan.

At any time prior to substantial consummation of the Plan, modifications of the Plan may be proposed in writing by the Debtor, but shall not be effective without the consent of the Parent; provided, however, that the Plan, as modified, satisfies the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan as modified under section 1129 of the Bankruptcy Code and the circumstances warrant such modifications. A holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as modified in accordance with this Section 14.4 if the proposed modification does not materially and adversely change the treatment of the Claim of such holder.

ARTICLE XV

RETENTION OF JURISDICTION

15.1 Retention of Jurisdiction.

As of the Effective Date, the Bankruptcy Court shall retain jurisdiction, and if the Bankruptcy Court exercises its retained jurisdiction, shall have exclusive jurisdiction, of all matters arising out of, and relating to, the Case and this Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

- (a) To hear and determine pending applications for the assumption or rejection of executory contracts or unexpired leases, if any are pending, and the allowance of Claims resulting therefrom;
- (b) To determine any and all adversary proceedings, applications and contested matters;
- (c) To ensure that Distributions to holders of Allowed Claims are accomplished as provided herein;
- (d) To hear and determine any timely objections to Administrative Expense Claims, Priority Claims or to proofs of Claim filed, both before and after the Confirmation Date, including any objections to the classification of any Claim, and to allow or disallow any Disputed Claim, in whole or in part;
- (e) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;
- (f) To issue such orders in aid of execution of this Plan, in accordance with section 1142 of the Bankruptcy Code;
- (g) To consider any modifications of this Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order;
- (h) To hear and determine all applications for awards of compensation for services rendered and reimbursement of expenses relating to implementation and effectuation of this Plan;
- (i) To hear and determine disputes arising in connection with the interpretation, implementation or enforcement of this Plan;
- (j) To hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;
- (k) To compel the conveyance of property and other performance contemplated under this Plan and documents executed in connection herewith;
- (l) To enforce remedies upon any default under the Plan;

- (m) To enforce all orders, judgments and rulings entered in connection with the Case (whether or not the Case has been closed);
- (n) To resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of this Plan, or any person's or Entity's obligations incurred in connection herewith;
- (o) To issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any person or Entity with the occurrence of the Effective Date or enforcement of this Plan;
- (p) To determine any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement, or the Confirmation Order;
- (q) To determine all matters and disputes arising out of, or relating to, the conduct and operation of the Creditor Trust; and
- (r) To enter a final decree closing the Case.

ARTICLE XVI

COMPROMISES AND SETTLEMENTS

This Plan provides for the compromise and settlement of certain rights, claims and causes of action of, and against, the Debtor as set forth in Articles III, V, IX, X and XIII, including, without limitation, the Cho Hung Senior Secured Claims and the KEB Junior Secured Claims. To the extent Bankruptcy Rule 9019 is applicable to such compromises and settlements, this Plan shall be deemed a motion by the Debtor pursuant to Bankruptcy Rule 9019(a) for approval by the Bankruptcy Court thereof and notice of such motion as is required by said Rule and Bankruptcy Rule 2002 shall be deemed to have been provided by the Debtor, if it complies with the provisions of the Disclosure Statement Order concerning notice of the Confirmation Hearing. The entry of the Confirmation Order shall be deemed an approval by the Bankruptcy Court pursuant to Bankruptcy Rule 9019 of all compromises and settlements contained in this Plan.

ARTICLE XVII

MISCELLANEOUS PROVISIONS

17.1 Payment of Statutory Fees.

All fees payable pursuant to section 1930, title 28, United States Code, shall be paid by the Debtor on the Effective Date.

17.2 Severability of Plan Provisions.

If, prior to the Confirmation Date, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, with the consent of the Debtor, shall have the power to interpret, modify or delete such term or provision (or portions thereof) to make it valid, enforceable or confirmable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as interpreted, modified or deleted. Notwithstanding any such interpretation, modification or deletion, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such interpretation, modification or deletion. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision, as it may have been interpreted, modified or deleted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

17.3 Governing Law.

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent a schedule or exhibit hereto provides otherwise, the rights, duties and obligations arising under this Plan, and the instruments, agreements and other documents executed in connection with the Plan, shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York.

17.4 Notices.

All notices, requests and demands to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

To the Debtor:

SK Global America, Inc.
One Parker Plaza
400 Kelby Street
Fort Lee, New Jersey 07024
Attn: Mr. Moon Ho Kim
Telephone: (201) 363-8200
Telecopier: (201) 363-8393

with copies to:

Togut, Segal & Segal LLP
One Penn Plaza
Suite 3335
New York, New York 10119
Attn: Scott E. Ratner, Esq.
Telephone: (212) 594-5000
Telecopier: (212) 967-4258

To the Parent:

Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, New York 10006
Attn: James Bromley, Esq.
Telephone: (212) 225-2000
Telecopier: (212) 225-3999

[To the Creditor Trust:]

Attn: _____, Esq.
Telephone: _____
Telecopier: _____

17.5 Controlling Documents.

To the extent this Plan is inconsistent with the Disclosure Statement, the provisions of this Plan shall be controlling. To the extent that this Plan is inconsistent with the terms of the Creditor Agreement, the Plan shall control.

17.6 Reservation of Rights.

If this Plan is not confirmed by the Bankruptcy Court or any other court of competent jurisdiction for any reason or if confirmed and if the Effective Date does not occur, the rights of all parties in interest in the Case are and will be reserved in full. Any concession, compromise or settlement reflected herein, if any, are made for purposes of this Plan only, and if the Effective Date does not occur, no party in interest in the Case shall be bound or deemed prejudiced by any such concession, compromise or settlement.

DATED: New York, New York
June 23, 2004

SK GLOBAL AMERICA, INC.

By: /s/ Moon Ho Kim
Moon Ho Kim
President and Treasurer

TOGUT, SEGAL & SEGAL LLP
Attorneys for SK Global America, Inc.,
Debtor and Debtor-in-Possession

By: /s/ Scott E. Ratner
ALBERT TOGUT (AT-9759)
SCOTT E. RATNER (SR-0015)
Members of the Firm
One Penn Plaza
Suite 3335
New York, New York 10119
Telephone (212) 594-5000

EXHIBIT 1

**SK GLOBAL AMERICA, INC.
PLAN OF LIQUIDATION**

CREDITOR TRUST AGREEMENT

[TO BE FILED WITHIN TEN DAYS OF CONFIRMATION HEARING]

EXHIBIT 2 TO PLAN OF LIQUIDATION

Unit: USD

Foreign Unsecured Bank Claims		
Claimant	Claim Type	Proof of Claim Amount*
Australian New Zealand Bank-NY	O/L	\$480,000.00
	O/L	272,719.20
	SUB-TTL	752,719.20
Bank of NY	O/L	20,000,000.00
	O/L	20,000,000.00
	SUB-TTL	40,000,000.00
Citibank-HK	T/L	20,000,000.00
	SUB-TTL	20,000,000.00
IntesaBCI-NY	O/L	334,800.00
	O/L	200,000.00
	STB L/C	100,000.00
	SUB-TTL	634,800.00
Mizuho-NY	B/A	20,000,000.00
	SUB-TTL	20,000,000.00
ICBA-TKY	C/P	5,000,000.00
Credit Lyonnais-HK	C/P	8,000,000.00
Naatexis-HK	C/P	10,000,000.00
Societe Generale-NY	C/P	22,000,000.00
	SUB-TTL	45,000,000.00
Union Bank of California	B/A	23,187,159.78
	B/A	3,000,000.00
	SUB-TTL	26,187,159.78
Foreign Banks Expense Claim		703,947.92
	SUB-TTL	703,947.92
	TOTAL	\$153,278,626.90

*As of June 21, 2004.

EXHIBIT 3 TO PLAN OF LIQUIDATION

FRN UNSECURED CLAIMS

Unit: USD

Creditor	Proof of Claim Amount*
Korea Development Bank-Shanghai Branch	\$5,158,750.00
Cho Hung Bank-London Branch	3,030,738.75
Oriental Fire & Marine Insurance Co., Ltd.	5,109,185.41
Koram Bank-London Branch	51,034,771.39
Woori Bank-Hong Kong Branch	5,051,231.25
Woori Bank-London Branch	2,020,492.50
TOTAL	\$71,405,169.30

*As of June 21, 2004.

EXHIBIT 4 TO PLAN OF LIQUIDATION

KOREAN UNSECURED BANK CLAIMS

Unit: USD

Creditor	Proof of Claim Amount*
Hana Bank-NY Branch	\$11,048,113.54
Industrial and Commerce Bank of China	8,024,055.99
Korea Development Bank-NY Branch	15,079,582.20
Korea Development Bank-Ireland Branch	3,009,555.00
Koram Bank-London Branch	15,191,904.02
The Import-Export Bank of Korea	15,036,277.77
Kookmin Bank-NY Branch	35,487,769.94
Shinhan Bank-NY Branch	51,927,782.44
Woori Bank	34,035,575.00
Woori Bank-LA Branch	5,039,625.00
TOTAL	\$193,880,240.90

*As of June 21, 2004.

EXHIBIT 5 TO PLAN OF LIQUIDATION**SK GROUP TRADE CLAIMS**

Unit: USD

Claimant	Account	Amount
SK Corporation	AP*	\$181,704,881.14
	Less AR	(451,042.86)
	Net Claim	\$181,253,838.28
SKEA	AP	\$311,855,513.23
	Less AR	(128,362,044.72)
	Net Claim*	\$183,493,468.51
SKEE	AP*	\$75,191,680.07
	Net Claim	\$75,191,680.07

*Proof of Claim amount as of June 21, 2004.

EXHIBIT 6 TO PLAN OF LIQUIDATION

SKN AFFILIATE TRADE CLAIMS

Unit: USD

Claimant	Proof of Claim Amount*
SKG Antwerp	\$46,088,695.95
SKG Singapore	44,042,285.00
SKG Sydney	417,524.66
SKG Japan	426,884,530.07
SKG Hong Kong**	422,190,059.00
TOTAL:	\$939,623,094.68

*As of June 21, 2004.

**The net amount of claim per Debtor's books and records is \$39,716,661.52

EXHIBIT 7 TO PLAN OF LIQUIDATION

SKN TRADE CLAIMS

Unit: USD

Claimant	Account	Amount
SKN	AP	\$1,276,081,181*
	Less AR	(68,818,675)
	Net Claim	\$1,207,262,507

*Proof of Claim amount as of June 21, 2004.