

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement



NewOcean Energy Holdings Limited

(新海能源集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 342)

MAJOR ACQUISITION AND ADVANCE TO AN ENTITY AND RESUMPTION OF TRADING

THE FRAMEWORK AGREEMENT

On 21 October 2010, the First Purchaser, the Second Purchaser, Senneng and Wangtong entered into the Framework Agreement which provided for the Senneng Equity Acquisition and the Wangtong Equity Acquisition by the First Purchaser and the Second Purchaser respectively as follows:

- (a) Subject to fulfillment of the Senneng Equity Acquisition Conditions, the First Purchaser shall purchase the Senneng Equity from Senneng at the consideration of RMB3,000,000 (equivalent to approximately HK\$3,474,000).
- (b) Subject to fulfillment of the Entrusted Loan Conditions and following completion of the Senneng Equity Acquisition, the Second Purchaser shall, by way of the Entrusted Loan, advance to Wangtong a loan in the principal sum of not more than RMB580,000,000 (equivalent to approximately HK\$671,640,000) for a term of 12 months, which may be extended as agreed between the Second Purchaser and Wangtong. Proceeds from the Entrusted Loan shall be used for the Financial Restructuring, which shall be completed during the tenure of the Entrusted Loan (and any extension thereof as the Second Purchaser may reasonably decide).
- (c) As a further condition for the Entrusted Loan, Wangtong shall grant to the Second Purchaser the Wangtong Option to purchase the Wangtong Equity at the Exercise Price which shall be equal to the principal sum advanced under the Entrusted Loan.

* *for identification purposes only*

- (d) The Wangtong Option may be exercised by the Second Purchaser during an exercise period of one month that immediately follows the expiry of the term of the Entrusted Loan (and any extension thereof). Completion of the Wangtong Equity Acquisition will be subject to fulfillment of the Wangtong Equity Acquisition Conditions. On completion of the Wangtong Equity Acquisition, the entire principal sum owing by Wangtong under the Entrusted Loan will be set off against the Exercise Price.
- (e) As one of the Wangtong Equity Acquisition Conditions, a special audit shall be conducted on the financial conditions of Lianxin Energy as at the date of completion of the Financial Restructuring, and the report of the special audit shall show that the Financial Requirements have been met. If the above Wangtong Equity Acquisition Condition is not met, the Second Purchaser may, at its election, proceed with the Wangtong Equity Acquisition. However, in such a case, Wangtong is required to pay to the Second Purchaser an adjustment payment not later than 7 days after completion of the Wangtong Equity Acquisition.

Upon completion of the Acquisitions, the First Purchaser and the Second Purchaser will together own 100% equity interest in Lianxin Energy, and the entire principal sum owing under the Entrusted Loan will be set off against the Exercise Price.

LISTING RULES IMPLICATIONS

The Acquisitions together constitute a major transaction for the Company under Chapter 14 of the Listing Rules and are therefore conditional on the Shareholders' approval at the Special General Meeting.

Further, the advance of the Entrusted Loan constitutes an advance to an entity under the Listing Rules. Given that the assets ratio (as defined under Rule 14.07(1) of the Listing Rules) of the Entrusted Loan exceeds 8%, the Company is required to make the relevant disclosures under Rule 13.13 of the Listing Rules in this announcement.

A circular containing, among other things, details of the Framework Agreement and a notice convening the Special General Meeting will be despatched to the Shareholders on or before 15 November 2010.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 22 October 2010 pending the release of this announcement regarding the Framework Agreement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 26 October 2010.

1. THE FRAMEWORK AGREEMENT

1.1 Date

21 October 2010

1.2 Parties

- (i) The First Purchaser, an indirect subsidiary of the Company incorporated in the PRC, the registered capital of which is ultimately owned as to 90% by the Company;
- (ii) The Second Purchaser, an indirect subsidiary of the Company incorporated in the PRC, the registered capital of which is wholly-owned by the Company;
- (iii) Senneng, a company incorporated in the PRC, being the owner of the Senneng Equity; and
- (iv) Wangtong, a company incorporated in the PRC, being the owner of the Wangtong Equity.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendors and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

1.3 Senneng Equity Acquisition

1.3.1 The Senneng Equity Acquisition

Subject to fulfillment of the Senneng Equity Acquisition Conditions, the First Purchaser shall purchase from Senneng the Senneng Equity, being 5% of the registered and paid-up capital of Lianxin Energy beneficially owned by Senneng.

1.3.2 Consideration

The consideration for the Senneng Equity Acquisition is the sum of RMB3,000,000 (equivalent to approximately HK\$3,474,000) to be paid in cash on the day immediately following completion of the Senneng Equity Acquisition and registration of the transfer of the Senneng Equity with the relevant PRC authority. The consideration was arrived at after arms length negotiation and represents 5% of the amount of the registered and paid-up capital of RMB60,000,000 (equivalent to approximately HK\$69,480,000) of Lianxin Energy.

1.3.3 The Senneng Equity Acquisition Conditions

Completion of the Senneng Equity Acquisition is conditional, among other things, on:

- (a) the receipt by the Purchasers of a PRC legal opinion to their satisfaction on the enforceability and legal effect of the Framework Agreement and the transactions thereunder;
- (b) the First Purchaser completing a legal due diligence review and asset evaluation of Lianxin Energy and being satisfied with the results;
- (c) the auditor approved by the First Purchaser completing an audit of the accounts of Lianxin Energy as at the First Accounts Date and delivering to the First Purchaser an unqualified audit report;
- (d) a resolution being passed by the Shareholders approving the Framework Agreement and the transactions thereunder; and
- (e) a resolution being passed by shareholders of Lianxin Energy approving the Senneng Equity Acquisition and such amendments to the articles of association of Lianxin Energy as the First Purchaser may require.

If the Senneng Equity Acquisition Conditions are not all fulfilled within 60 days (or such other date as the parties may agree in writing) of the signing of the Framework Agreement, the Framework Agreement will cease to take effect and the parties will be released of their respective obligations thereunder without liability, save for any antecedent breach.

1.4 Entrusted Loan

1.4.1 The Entrusted Loan

Following completion of the Senneng Equity Acquisition, the Second Purchaser shall, subject to fulfillment of the Entrusted Loan Conditions, make available to Wangtong the Entrusted Loan in the principal sum of not more than RMB580,000,000 (equivalent to approximately HK\$671,640,000) by way of a loan advanced through an entrusted bank.

1.4.2 Tenure

12 months commencing on the date of advance, subject to such extension as the Second Purchaser may reasonably decide to enable the Financial Restructuring to be completed.

1.4.3 Financial Restructuring

Wangtong shall apply the proceeds of the Entrusted Loan principally for the settlement of the borrowings of Lianxin Energy of not more than RMB523,000,000 (equivalent to approximately HK\$605,634,000) by way of financial restructuring (the “**Financial Restructuring**”), which shall be completed within the tenure (and any extension thereof) of the Entrusted Loan.

Wangtong undertakes that on completion of, and resulting from, the Financial Restructuring, Lianxin Energy shall meet all the following financial requirements (the “**Financial Requirements**”):

- (a) Lianxin Energy shall have fixed assets at book value of not less than RMB100,000,000 (the shortfall, if any, is designated as “A” for the purpose of the adjustment payment described in paragraph 1.6.4 headed “Right to proceed despite Financial Requirements not being met” below);
- (b) the value of the current assets of Lianxin Energy shall be equal to the value of its current liabilities; and
- (c) Lianxin Energy shall have no long term loans, i.e. loans repayable over one year from completion of the Financial Restructuring (the amount of such long term loans if any, is designated as “B” for the purpose of the adjustment payment described in paragraph 1.6.4 headed “Right to proceed despite Financial Requirements not being met” below).

1.4.4 Interest

Wangtong shall pay to the Second Purchaser:

- (a) in respect of the tenure of the Entrusted Loan — a fixed sum of HK\$120,000,000 or its equivalent in RMB in 12 equal monthly installments to be paid during the tenure of the Entrusted Loan; and
- (b) in respect of the extended period, if any, — HK\$10,000,000 or its equivalent in RMB per month.

1.4.5 The Entrusted Loan Conditions

The Entrusted Loan shall be subject to the following conditions:

- (a) the execution and registration with the relevant PRC authority of a mortgage by Wangtong in favour of the Second Purchaser over the Wangtong Equity; and
- (b) the opening and maintenance of a bank account to be jointly operated by Wangtong and the Second Purchaser for receipts of and payments from the Entrusted Loan.

1.4.6 Repayment and remedies for non-payment

Repayment of the Entrusted Loan shall be effected by setting off against the Exercise Price upon completion of the Wangtong Equity Acquisition.

In the event that for whatever reason the Wangtong Equity Acquisition is not completed (and hence the sum owing under the Entrusted Loan cannot be set off against the Exercise Price), the Second Purchaser shall be entitled to dispose of the Wangtong Equity subject to the following terms:

- (a) the disposal should be made in such a way as to reflect the commercial value of the Wangtong Equity at the time of the disposal, with a target price (the “**Target Price**”) as follows;

$$\text{Target Price} = X - Y + Z$$

Where:

X	=	the principal sum owing under the Entrusted Loan
Y	=	interest payment received by the Second Purchaser
Z	=	Lianxin Energy’s interest savings during the period of the Financial Restructuring arising from the Financial Restructuring

- (b) if the proceeds of disposal exceed the Target Price, the excess shall be refunded to Wangtong after deducting reasonable related expenses;
- (c) if the proceeds of disposal fall short of the Target Price, Wangtong shall pay the shortfall to the Second Purchaser.

1.4.7 Undertakings by the Second Purchaser

The Second Purchaser undertakes that not later than 60 days from the signing of a formal loan agreement for the Entrusted Loan, not less than 50% of the principal sum of the Entrusted Loan shall be provided to Lianxin Energy. Unless Wangtong otherwise agrees in writing, if a lesser amount is provided the Entrusted Loan shall be annulled and the Framework Agreement shall as a consequence be terminated. Upon the occurrence of such an event:

- (a) the Wangtong Equity shall be re-transferred to Senneng, and Senneng shall repay to the First Purchaser the consideration for the Senneng Equity; and
- (b) all advances made under the Entrusted Loan shall be returned to the Second Purchaser; and all interest received by the Second Purchaser in respect of the Entrusted Loan shall be returned to the original payer.

Following completion of the above matters the Framework Agreement shall be terminated without liability to any party.

1.5 Wangtong Option

1.5.1 The Wangtong Option

As an additional condition for the Entrusted Loan, Wangtong shall grant to the Second Purchaser the right exercisable at the option of the Second Purchaser to purchase the Wangtong Equity.

1.5.2 Exercise Period

One month commencing from the expiry of the tenure of the Entrusted Loan (and any extended period as agreed between the Second Purchaser and Wangtong).

Exercise of the Wangtong Option shall be made by written notice which shall be revoked if the Wangtong Equity Acquisition Conditions are not all fulfilled.

1.5.3 Exercise Price

A sum equal in amount to the principal sum advanced under the Entrusted Loan.

The Exercise Price was arrived at after arms length negotiation between the Company and Wangtong. Assuming a maximum amount of RMB580,000,000 (equivalent to approximately HK\$671,640,000) is advanced under the Entrusted Loan, the Exercise Price will be RMB580,000,000 (equivalent to approximately HK\$671,640,000).

1.6 Wangtong Equity Acquisition

1.6.1 The Wangtong Equity Acquisition

If the exercise notice of the Wangtong Option is not revoked and subject to fulfillment of the Wangtong Equity Acquisition Conditions, the Second Purchaser shall purchase from Wangtong the Wangtong Equity, being 95% of the registered and paid-up capital of Lianxin Energy beneficially owned by Wangtong.

1.6.2 Consideration

The consideration for the Wangtong Equity Acquisition is equal to the Exercise Price which was arrived at after arms length negotiation. Assuming a maximum amount of RMB580,000,000 (equivalent to approximately HK\$671,640,000) is advanced under the Entrusted Loan, the consideration for the Wangtong Equity Acquisition will be RMB580,000,000 (equivalent to approximately HK\$671,640,000). In this regard, the aggregate consideration for the Acquisitions is RMB583,000,000 (equivalent to approximately HK\$675,114,000), representing a slight premium of approximately 2.5% over a preliminary valuation of the business of Lianxin Energy

of RMB569,100,000 (equivalent to approximately HK\$659,018,000) as at 15 October 2010 by an independent professional firm of valuers appointed by the Company.

Based on the preliminary valuation and taking into consideration the Financial Requirements, which impose requirements on the financial position of Lianxing Energy on completion of the Financial Restructuring, the Directors consider that the consideration for the Acquisitions is fair and reasonable.

1.6.3 The Wangtong Equity Acquisition Conditions

Completion of the Wangtong Equity Acquisition is conditional, among other things, on:

- (a) a special audit being conducted on the financial conditions of Lianxin Energy as at the date of completion of the Financial Restructuring, and the report of the special audit shows that the Financial Requirements have been met;
- (b) Wangtong having paid all interests in respect of the Entrusted Loan; and
- (c) such directors of Lianxin Energy required by the Second Purchaser to resign having resigned.

Completion of the Wangtong Equity Acquisition shall take place within 45 days of the exercise notice and upon fulfillment of the Wangtong Equity Acquisition Conditions. Following completion of the Wangtong Equity Acquisition and the registration of the transfer of the Wangtong Equity with the relevant PRC authority, the Second Purchaser shall set off the entire principal sum owing by Wangtong under the Entrusted Loan against the Exercise Price.

If the Wangtong Equity Acquisition Conditions are not all fulfilled within 45 days of the date of the Second Purchaser's exercise notice, subject to the Second Purchaser's right to proceed with the Wangtong Equity Acquisition as described in the sub-paragraph 1.6.4 headed "Right to proceed despite Financial Requirements not being met", the exercise notice shall be revoked and the Wangtong Equity Acquisition will be terminated. Upon such termination, the Second Purchaser and Wangtong shall be released of their respective rights and obligations under the Framework Agreement save for the rights and remedies available to the Second Purchaser as described in paragraph 1.4.6 headed "Repayment and Remedies for Non-payment".

1.6.4 Right to proceed despite Financial Requirements not being met

The Second Purchaser may, at its election, proceed to complete the Wangtong Equity Acquisition even if the Financial Requirements are not met. Upon such completion, the Second Purchaser shall set off the entire principal sum owing by Wangtong under the Entrusted Loan against the Exercise Price, and in such a case, Wangtong is required within 7 days of completion:

- (a) to make an adjustment payment to the Second Purchaser equal to the shortfall designated as “A” in paragraph 1.4.3 headed “Financial Restructuring”; and
- (b) to settle on behalf of Lianxin Energy the long term loans outstanding, failing which to make an adjustment payment to the Second Purchaser equal to the amount of long term loans designated as “B” in paragraph 1.4.3 headed “Financial Restructuring”.

1.7 Non-Competition

The Vendors undertake with the Purchasers that neither of them shall, as the principal party or as partner, shareholder, agent, consultant or otherwise compete with Lianxin Energy in the business of auto gas refuelling station in Guangdong during a period of 5 years from the date of the Framework Agreement.

2. INFORMATION ON THE GROUP AND ITS LPG BUSINESSES

The principal businesses of the Group are the sale and distribution of LPG and sale of electronic products, being mainly mobile phones and electronic components.

The LPG businesses of the Group initially involved the retail sales of bottled LPG to domestic users in the PRC, which subsequently expanded to the import, re-export, wholesale and retail of LPG after its acquisition of the NewOcean Sea Terminal (a first class LPG Sea Terminal in Zhuhai) in 2004. Currently the retail network of the Group covers 11 cities in the Guangdong and Guangxi regions in the PRC as well as Macau, and the Group is in the process of setting up retail operations in Hong Kong. As a LPG importer, exporter and wholesaler, the NewOcean Sea Terminal has, in terms of through-put volume, ranked number one in the PRC since 2008.

3. INFORMATION ON LIANXIN ENERGY

Lianxin Energy was incorporated in the PRC on 9 April 1996 and its principal business activity is the sale of auto gas for use by public buses and taxis in the PRC. It currently owns and operates 17 auto gas refuelling stations in and around Guangzhou, which has the highest sales volume of auto gas in the PRC. The financial highlights and operating results of Lianxin Energy

for the two years ended 31 December 2009 and 2008, based on audited accounts prepared in accordance with PRC accounting standards obtained from the Vendors, are as follows:

	12 months ended 31 December 2009	12 months ended 31 December 2008
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)
Turnover	1,274,665	1,344,573
Net profit before tax and after tax (<i>Note</i>)	76,508	(38,508)
	As at	As at
	31 December 2009	31 December 2008
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)
Total Assets	474,011	478,866
Total Liabilities	478,666	560,030
Net Assets and Equity Attributable to Equity Holders	(4,655)	(81,164)

Note: Lianxin Energy does not have channels for direct import of auto gas from countries of origin or direct purchase from refineries. It relies on purchasing through dealers and wholesalers operating in the PRC. The fluctuations in profit were mainly the result of a volatile LPG market aggravated by price speculation of auto gas by these dealers and wholesalers, which in turn affected Lianxin Energy's purchase prices of auto gas during the periods.

Upon completion of the Acquisitions, the First Purchaser and the Second Purchaser will together own 100% equity interest in Lianxin Energy, and the entire principal sum owing under the Entrusted Loan will be set off against the Exercise Price.

4. FINANCIAL RESOURCES FOR THE ACQUISITIONS

Funds for the Acquisitions (including the Entrusted Loan) will be provided by internal resources of the Group as well as additional bank borrowings.

5. REASONS AND BENEFITS FOR THE ACQUISITIONS

Since 2009, the development focus for the Group's LPG business has been the downstream market, namely direct sales of LPG to end users, which have a higher gross profit margin. Lianxin Energy's auto gas business presents special attractions to the Group, amongst which are:

- (a) The Group has the infrastructure and channels for shipment of auto gas directly from countries of origin. Through the Acquisitions, Lianxin Energy will be freed from the speculative risk in the auto gas market and become a stable profit contributor for the Group.
- (b) Because of quality requirements, auto gas is heavily dependent on import. Lianxin Energy is one of the largest auto gas operators in the PRC whereas the Group has for several consecutive years ranked number one LPG importer (in terms of throughput) in the PRC. The Acquisitions are therefore expected to bring about a highly beneficial vertical integration of the Group's LPG business.
- (c) Since end users of auto gas are bus and taxi operators, stock turnaround rate is both high and constant. Retail sales of auto gas will provide a turnover buffer for the Group to reduce the effect of fluctuations in LPG demand on the Group's sales.

The Directors believe that the Acquisitions will bring about a further upturn in the Group's turnover from the existing rate, and a healthy increase in the Group's profitability. The Directors consider that the Acquisitions are in the interests of the Company and the Shareholders as a whole.

6. INFORMATION ON THE VENDORS

As far as the Directors are aware, Senneng is a limited liability company incorporated in the PRC and is engaged in the business of wholesale and retail of LPG and Wangtong is a limited liability company incorporated in the PRC which owns and operates a fleet of barges used in transporting LPG.

7. LISTING RULES IMPLICATIONS

The Acquisitions together constitute a major transaction for the Company under Chapter 14 of the Listing Rules and are therefore conditional on the Shareholders' approval at the Special General Meeting.

Further, the advance of the Entrusted Loan constitutes an advance to an entity under the Listing Rules. As the Entrusted Loan is up to a maximum amount of RMB580,000,000 (equivalent to approximately HK\$671,640,000), the assets ratio as defined under Rule 14.07(1) of the Listing Rules of the Entrusted Loan exceeds 8%. Therefore, the Company is required to make the relevant disclosures under Rule 13.13 of the Listing Rules as disclosed in this announcement.

A circular containing, among other things, details of the Framework Agreement and a notice convening the Special General Meeting will be despatched to the Shareholders on or before 15 November 2010.

8. RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 22 October 2010 pending the release of this announcement regarding the Framework Agreement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 26 October 2010.

9. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisitions” means the Senneng Equity Acquisition and the Wangtong Equity Acquisition

“auto gas” means LPG that meets the specification for use as fuel for motor vehicles

“Company” means NewOcean Energy Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange

“Directors” means directors of the Company

“Entrusted Loan” means a loan in the principal sum of not more than RMB580,000,000 (equivalent to approximately HK\$671,640,000) to be advanced by the Second Purchaser to Wangtong, the proceeds of which shall be applied for the Financial Restructuring

“Entrusted Loan Conditions” means the conditions for advance of the Entrusted Loan

“Exercise Price” mean the exercise price of the Wangtong Option and also the consideration for the acquisition of the Wangtong Equity

“Financial Requirements” has the meaning as described in paragraph 1.4.3 headed “Financial Restructuring”

“Financial Restructuring”	has the meaning as described in paragraph 1.4.3 headed “Financial Restructuring”
“First Accounts Date”	means 31 August 2010
“First Purchaser”	means 珠海新海能源科技有限公司 (Zhuhai NewOcean Energy Technology Company Limited), an indirect subsidiary of the Company incorporated in the PRC, the registered capital of which is ultimately owned as to 90% by the Company
“Framework Agreement”	means the framework agreement entered into between the Vendors and the Purchasers on 21 October 2010 relating, among other things, to the Acquisitions and the Entrusted Loan
“Group”	means the Company together with its subsidiaries and jointly controlled entities
“Hong Kong”	means The Hong Kong Special Administrative Region of the People’s Republic of China
“LPG”	means liquefied petroleum gas
“Lianxin Energy”	means 聯新能源發展有限公司 (Lianxin Energy Development Company Limited)
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	means The Macau Special Administrative Region of the PRC
“Purchasers”	means the First Purchaser and the Second Purchaser
“PRC”	means the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong and Macau
“Second Purchaser”	means 新海百富洋投資有限公司 (NewOcean Baifuyang Investment Company Limited), a wholly-owned subsidiary of the Company
“Senneng”	means 廣州森能燃氣有限公司 (Guangzhou Senneng LPG Company Limited)

“Senneng Equity”	means 5% of the registered and paid up capital of Lianxin Energy beneficially owned by Senneng
“Senneng Equity Acquisition”	means the acquisition of the Senneng Equity by the First Purchaser under the Framework Agreement
“Senneng Equity Acquisition Conditions”	means the conditions for completion of the Senneng Equity Acquisition as set out in the sub-paragraph headed “The Senneng Equity Acquisition Conditions”
“Shares”	means shares of HK\$0.10 each in the issued capital of the Company
“Shareholder(s)”	means holder(s) of the Shares
“Special General Meeting”	means a special general meeting of the Company to be convened for the Shareholders to consider, and if deemed fit, to approve the Framework Agreement and the transactions contemplated thereunder
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Vendors”	means Senneng and Wangtong
“Wangtong”	means 珠海市旺通船務有限公司 (Zhuhai City Wangtong Shipping Company Limited)
“Wangtong Equity”	means 95% of the registered and paid-up capital of Lianxin Energy beneficially owned by Wangtong as at the date of the Framework agreement together with any further capital contribution made by Wangtong after that date
“Wangtong Equity Acquisition”	means acquisition of the Wangtong Equity by the Second Purchaser pursuant to the Framework Agreement
“Wangtong Equity Acquisition Conditions”	means the conditions for completion of the Wangtong Equity Acquisition as set out in the sub-paragraph headed “The Wangtong Equity Acquisition Conditions”

“Wangtong Option”	means the option to be granted by Wangtong to the Second Purchaser to purchase the Wangtong Equity at the Exercise Price
“HK\$”	means Hong Kong Dollars, the lawful currency of Hong Kong
“RMB”	means Renminbi, the lawful currency of the PRC

By Order of the Board
Shum Siu Hung
Chairman

Hong Kong, 25 October 2010

For the purpose of this announcement, the conversion of RMB into HK\$ is based on an approximate rate of RMB1.00 = HK\$1.158. Such conversion should not be construed as a representation that the amount in question has been, could have been or could be converted at such particular rate or at all.

As at the date of this announcement, the Board of the Company comprises Mr. Shum Siu Hung, Mr. Lawrence Shum Chun, Mr. Cai Xikun, Mr. Cen Ziniu, Mr. Raymond Chiu Sing Chung, Mr. Brian Siu Ka Fai and Mr. Wang Jian, being the executive Directors, Mr. Anthony Cheung Kwan Hung, Mr. Benedict Chan Yuk Wai and Dr. Xu Mingshe being the independent non-executive Directors.