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Smart Union

SMART UNION GROUP (HOLDINGS) LIMITED

(Provisional Liquidators Appointed)

合俊集團（控股）有限公司

(已委任臨時清盤人)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2700)

RESULTS OF CAPITAL RESTRUCTURING AND UPDATED TIMETABLE FOR THE PROPOSED RESTRUCTURING

Financial Advisor to the Company



ASIAN CAPITAL

(CORPORATE FINANCE) LIMITED

卓亞(企業融資)有限公司

Reference is made to the circular of the Company dated 24 August 2011 (the “**Circular**”) and the announcement of the Company dated 17 October 2011 (the “**Announcement**”) in relation to, among other things, the Proposed Restructuring. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Circular.

RESULTS OF CAPITAL RESTRUCTURING

The Provisional Liquidators are pleased to announce that at the Grand Court hearing held on 27 October 2011 (Cayman Islands time), the Grand Court sanctioned the Capital Reduction. As set out in the Announcement, the Capital Restructuring and the Change in Board Lot Size is expected to be effective after 9:00 p.m., 31 October 2011.

REVISED EXPECTED TIMETABLE

As set out in the Announcement, the High Court hearing sanctioning the Scheme is scheduled to be held on 31 October 2011.

The Provisional Liquidators also announce that the High Court has agreed to re-schedule the hearing for the winding-up petition in respect of Company from 14 November 2011 to 7 November 2011. Accordingly, the dismissal of the winding-up petition and discharge of the Provisional Liquidators, if sanctioned by the High Court, and the events thereafter will be moved forward as follows:

| Event | Expected time/date |
|---|-----------------------------|
| The dismissal of the winding-up petition and discharge of the Provisional Liquidators. | 7 November 2011 |
| Completion and implementation of the Scheme | 7 November 2011 |
| Despatch of the new share certificates (in green colour) for the New Shares, which include the Subscription Shares, Creditors Shares and Placing Shares and the issue of the Convertible Bonds certificate(s) | 7 November 2011 |
| Expected time and date of the resumption of trading in the Shares. | 9:00 a.m., 11 November 2011 |

Unless otherwise stated, all times and dates in this announcement refer to Hong Kong local times and dates.

Certificates for the Existing Shares, which are blue in colour, will be automatically void upon the despatch of the new share certificates.

The expected timetable is subject to change, and any changes will be announced in a separate announcement by the Company as and when appropriate. In particular (but without limitation), the timetable may be affected by the timing of receipt of orders from the Grand Court in respect of the Capital Reduction and the High Court in respect of Scheme sanction and compliance with any conditions or directions as may be imposed by the High Court and/or the Grand Court.

ARRANGEMENT ON ODD LOT TRADING

In order to alleviate the difficulties arising from the existence of odd lots of New Shares, the Company has appointed Goldride Securities Limited to match the purchase and sale of odd lots of the New Shares arising from the Share Consolidation and Change in Board Lot at the relevant market price per New Share for the period from 11 November 2011 to 24 November 2011 (both days inclusive). Holders of odd lots of the New Shares who wish to take advantage of this arrangement, either to dispose of their odd lots of the New Shares or to top up to a full board lot, may contact Ms. Lonlie Hung or Ms. Crystal Fung of Goldride Securities Limited at 3414-3415, 34/F, Jardine House, 1 Connaught Place, Hong Kong (Tel: 852-2869 9500; Fax: 852-2877 1694) during the aforesaid period. Holders of odd lots of the New Shares should note that matching of the sale and purchase of odd lots of the New Shares is not guaranteed.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Trading in the Shares has been suspended since 9:44 a.m. on 15 October 2008 and will remain suspended until further notice. Resumption of trading in the Shares is subject to a number of conditions and may or may not take place. The release of this announcement is not an indication that the Restructuring Agreement will be successfully implemented and does not necessarily indicate that the trading in the Shares will be resumed.

Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

For and on behalf of
Smart Union Group (Holdings) Limited
(Provisional Liquidators Appointed)
John Robert Lees
Mat Ng
Joint and Several Provisional Liquidators
acting as agents for and on behalf of the Company
without personal liability

Hong Kong, 28 October 2011

As at the date of this announcement, the board of Directors comprises three executive Directors: Mr. Wu Kam Bun, Mr. Ho Wai Wah and Mr. Wong Wai Chuen.

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, save for the information relating to the Provisional Liquidators and the Proposed Restructuring (collectively, the “**Excluded Information**”). The Directors confirm, having made all reasonable enquiries, that to the best of their knowledge, the opinions expressed in this announcement, other than those expressed by the Provisional Liquidators, have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement not relating to the Excluded Information in this announcement misleading.*

The Provisional Liquidators jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, the opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.