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**PLUS HOLDINGS LIMITED**

**(Provisional Liquidators Appointed)**

**( 普納集團有限公司 )**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1013)**

**WAI CHUN VENTURES LIMITED**

*(Incorporated in British Virgin Islands with limited liability)*

**APPROVAL IN PRINCIPLE GRANTED TO THE PROPOSAL FOR  
RESUMPTION OF TRADING IN THE SHARES OF THE COMPANY ON  
THE STOCK EXCHANGE OF HONG KONG LIMITED**

**PROPOSED RESTRUCTURING INVOLVING DEBT RESTRUCTURING AND  
CAPITAL REORGANIZATION**

**APPOINTMENT OF MEMBERS OF AUDIT COMMITTEE, REMUNERATION COMMITTEE  
AND NOMINATION COMMITTEE**

**AND**

**DELAY IN PUBLICATION OF INTERIM RESULTS/REPORTS AND  
FINAL RESULTS/ANNUAL REPORT**

**(1) In Principle Approval Letter**

The Provisional Liquidators are pleased to announce that on 23 November 2007, the Listing Committee has in principle approved the Resumption Proposal. The Listing Committee decided to allow the Company to implement the Resumption Proposal, subject to certain conditions as set out in the paragraph headed “In principle approval granted by the Stock Exchange”.

**(2) Resumption Proposal**

On 12 September 2007 and 19 November 2007, the Company submitted a Resumption Proposal and a supplement to the Resumption Proposal to the Stock Exchange demonstrating that, upon implementation of the Resumption Proposal, amongst others, the Company will have a sufficient level of operations or will have tangible assets of sufficient value and/or intangible assets for which a sufficient value can be demonstrated to the Stock Exchange to warrant the continued listing of the Company’s shares on the Stock Exchange. Brief details of the Resumption Proposal are set out in the paragraph headed “Resumption Proposal”.

### **(3) Proposed Restructuring**

The proposed restructuring contemplated under the Resumption Proposal will include, *inter alia*, Capital Reorganization, Debt Restructuring involving schemes of arrangement with creditors under section 166 of the Companies Ordinance and section 99 of the Companies Act 1981 of Bermuda (as amended), subscription of New Shares, Convertible Preference Shares, Options and Whitewash Waiver. Brief summary of the proposed Restructuring is set out in the paragraph headed “Proposed Restructuring”.

### **(4) Appointment of members of audit committee, remuneration committee and nomination committee**

The Provisional Liquidators announce that on 4 December 2007, a Board meeting was held to approve, amongst others, the appointment of members of audit committee, remuneration committee and nomination committee comprising the three independent non-executive directors, namely Mr. Choi Man On (who will also act as the chairman of the audit committee), Mr. Young Meng Cheung Andrew and Mr. Chan Kin Sang. Please refer to the sub-paragraph headed “Publication of all outstanding financial results of the Group as required under the Listing Rules”.

### **(5) Delay in publication of interim results/reports and final results/report**

The Provisional Liquidators announce that the publication of the interim results/reports for the six months ended 30 September 2006 and 2007 respectively and the financial results/report for the year ended 31 March 2007 will be postponed. The delay in publication of the aforesaid financial results constitute breaches of Rule 13.46, Rule 13.48 and Rule 13.49 respectively of the Listing Rules. Further announcement will be made as to the timing of publication of the aforesaid financial results.

**The release of this announcement and the issue of the in principle approval letter do not necessarily mean that the Resumption Proposal, the Restructuring Agreement and each of the Schemes will be successfully implemented and completed as the conditions to the in principle approval letter and the Restructuring Agreement to be entered into may or may not be fulfilled or otherwise waived. Further announcement(s) will be made on the progress of the Restructuring.**

**Trading in the shares of the Company has been suspended at the request of the Company since 9:30 a.m. on 17 December 2004 and will remain suspended until further announcement. Shareholders should exercise extreme caution when dealing in the shares of the Company.**

Reference is made to the announcements of the Company dated 23 August 2007, 29 August 2007, 9 November 2007 and the announcement made by the Stock Exchange dated 29 March 2007 respectively (the “Announcements”). Unless otherwise expressly defined, terms and expressions used in the Announcements shall have the same meanings herein.

## **(1) In principle approval granted by the Stock Exchange**

On 12 September 2007 and 19 November 2007, the Company submitted a Resumption Proposal and a supplement to the Resumption Proposal respectively (the “Submissions”) to the Stock Exchange in relation to the Restructuring. At a meeting held on 22 November 2007, the Listing Committee decided to allow the Company to proceed with the Resumption Proposal, subject to the fulfillment of the following conditions to the satisfaction of the Stock Exchange on or before 22 May 2008, being six months from the date of the approval in principle letter:

- (i) disclosing details of the Resumption Proposal and the actions taken by the Company to remedy those matters that gave rise to the Stock Exchange’s proposal to cancel the listing of the Company by way of announcement(s);
- (ii) obtaining approval for the schemes of arrangement under section 166 of the Companies Ordinance and/or section 99 of the Companies Act 1981 of Bermuda (as amended) for restructuring the Company’s indebtedness from the shareholders and creditors of the Company and the Courts of Hong Kong and Bermuda (as the case may be);
- (iii) complying with the relevant requirements, including shareholders’ approval requirement, under the Listing Rules for the transactions and arrangements contemplated under the Restructuring;
- (iv) completion of the Restructuring;
- (v) publication of all outstanding financial results of the Group required under the Listing Rules, and should there be any other issues raised by the Company’s auditors, such issues must be investigated and addressed by the Company to the satisfaction of the Stock Exchange;
- (vi) reinstatement of the Company’s status by the Registrar of Companies in Bermuda; and
- (vii) the Company’s undertaking to make subsequent disclosure of the relevant details of the conversion of the Convertible Preference Shares and the exercise of the subscription rights attaching to the Options in the manner described below:-
  - (a) the Company will make a monthly announcement (the “Monthly Announcement”) on or before the fifth business day following the end of each calendar month which will include the following details in a table form:
    - whether there is any conversion of the Convertible Preference Shares and/or exercise of the subscription rights attaching to the Options during the relevant month. If there is a conversion of the Convertible Preference Shares/exercise of the subscription rights attaching to the Options, details thereof including the conversion/subscription date, the number of New Shares issued and the conversion/subscription price for each conversion/subscription. If there is no conversion/subscription during the relevant month, a negative statement to that effect;

- the amount of the proceeds from any exercise of the subscription rights attaching to the Options and the proposed use of proceeds;
  - the amount of outstanding Convertible Preference Shares after the conversion of the Convertible Preference Shares, if any;
  - the amount of outstanding Options after the exercise of the subscription rights attaching to the Options, if any;
  - the public float of the Company after the conversion of the Convertible Preference Shares and the exercise of the subscription rights attaching to the Options;
  - the total number of New Shares issued pursuant to other transactions during the relevant month, including New Shares issued pursuant to exercise of options under any share option scheme(s) of the Company; and
  - the total issued share capital of the Company as at the commencement and the last day of the relevant months;
- (b) in addition to the Monthly Announcement, if the cumulative amount of the New Shares issued pursuant to the conversion of the Convertible Preference Shares and the exercise of the subscription rights attaching to the Options reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Preference Shares and/or the Options (and thereafter in a multiple of such 5% threshold), the Company will make an announcement including details as stated in (i) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Preference Shares and/or the Options up to the date on which the total amount of New Shares issued pursuant to the conversion the Convertible Preference Shares and the exercise of subscription rights attaching to the Options amounted to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Preference Shares and/or the Options; and
- (c) if the Company forms the view that any issue of New Shares upon conversion of the Convertible Preference Shares or exercise of the subscription rights attaching to the Options will trigger the disclosure requirements under Rule 13.09 of the Listing Rules, then the Company is obliged to make such disclosure regardless of the issue of any announcements in relation to the Convertible Preference Shares and the Options as mentioned in (a) and (b) above.

## **(2) Resumption Proposal**

The Submissions made by the Company demonstrated to the Stock Exchange that upon successful implementation of the Restructuring Proposal, the Company will be able to comply with, among others, Rule 13.24 of the Listing Rules. In addition, the Submissions also set out the proposed actions and action taken for (i) publication of all outstanding financial results of the Group as required under the Listing Rules; (ii) addressing the concerns raised by the auditors of the Company through the qualification of their audit report on the financial statements of the Group previously published; and (iii) putting in place adequate financial reporting system and internal control procedures to enable the Company to meet its obligations under the Listing Rules. Details of the Resumption Proposal will be announced in due course.

The Provisional Liquidators have taken actions to remedy the situation and the following has been taken by the Provisional Liquidators in order to fully comply with the Listing Rules:

### *(i) Publication of all outstanding financial results of the Group as required under the Listing Rules*

It was stated in the Resumption Proposal dated 12 September 2007 that a draft report and financial statements of the Group for the year ended 31 March 2007 was duly prepared by the auditors and is substantially finalized for approval by the Board. However, due to the uncooperative attitude of the current Directors, the Provisional Liquidators have not been able to secure the approval of the aforesaid accounts by the Board. Since under the terms of the current court order, the Provisional Liquidators do not have the power to approve the accounts for the year ended 31 March 2007, to remedy the situation, the Provisional Liquidators have instructed their legal advisers to make an application to the Hong Kong Court for a further order to approve, sign and publish the Group's unaudited interim accounts for the six months period ended 30 September 2006 and the audited accounts for the year ended 31 March 2007.

Subsequent to the submission of the Resumption Proposal, on 4 December 2007, a Board meeting was held to authorise and approve the Provisional Liquidators to approve the interim results/reports for the six months ended 30 September 2006 and 2007 respectively and the annual results/report for the year ended 31 March 2007 and to take any other action required in connection with the issue and publication of the aforesaid results and reports. Further announcements will be made as to the publication of the interim results/reports for the six months ended 30 September 2006 and 2007 respectively and the annual results/report of the Company for the year ended 31 March 2007.

### *(ii) Address concerns raised by the auditors of the Company through the qualification of their audit report on the financial statements of the Group published after the suspension*

In the Resumption Proposal, the Company and the Provisional Liquidators have set out the issues concerning audit qualifications for the years 2005 and 2006, and the remedial actions taken by the Company in respect of these audit qualifications. Details of the audit qualifications

for the years 2005 and 2006, the remedial actions taken and adopted by the Company and other qualifications in respect of 2007 will be disclosed in the forthcoming Reports and/or announcement. The Reports are expected to be published in January 2008.

*(iii) Demonstrate that it had in place adequate financial reporting system and internal control procedures to enable the Company to meet its obligations under the Listing Rules*

The Company had engaged Graham H.Y. Chan & Co. (“GHYC”) to issue an independent assurance report on the Group’s internal control system. In the report dated 10 September 2007 (a summary of which is set out below), GHYC drew a conclusion that after the adoption of advice and except that the Company should appoint independent non-executive directors (“INED”) and form an audit committee of the Company, nothing has come to their attention that causes them to believe that the reviewed system in respect of the Company, Beijing HollyBridge and Plus Financial Management Services Limited is not effective, in all material respects, based as the Internal Control and Risk Management – a Basic Framework issued by the Hong Kong Institute of Certified Public Accountants. Three INEDs have since been appointed to the Company and the appointment of which had been announced by the Provisional Liquidators on 9 November 2007 while the audit committee has been resumed at the Board meeting held on 4 December 2007.

In the report of GHYC dated 10 September 2007, they have, amongst others, made the following remarks and recommendations to the Company in terms of cash handling procedures and cash management, revenue, inventory and equipments, financial reporting and disclosure and human resources (details of the report of GHYC will be announced in due course):

- (a) In terms of cash handling procedures and cash management, risks involving payments being made to unauthorized payee and excessive amount might be advanced to staff are anticipated, GHYC recommended that the Company should take remedial actions by cross checking the payee’s name and amount with supporting documents before adding company chop to execute payment, and to obtain approval from management for cash advancement with supporting documents. The Company has adopted the advice from GHYC and assign personnel in possession of the company payment chop to cross check the payee’s name and the amount to the supporting documents before adding company chop to execute payment.
- (b) In terms of monitoring revenue, risks involving the absence of written record for potential projects and contracts entered into by the subsidiaries will result in the binding of the Company into those contracts without proper approval or authorization. GHYC recommended that the Company should prepare a register of all chops of the company and kept by an authorized person and to keep a register of contracts and for the potential projects. The Company has adopted the advice from GHYC and a register of contracts and projects and register of company chops have been prepared.



- (c) In terms of inventory and equipments, risks involving the absence of missing of the relevant forms and policy and procedures pertaining to the equipment borrowing, regular stock count, GHYC recommended that the borrowing forms to be serially numbered and cross check to stock register and investigation be carried out for any discrepancy found. The Company has adopted the advice from GHYC and a register for the equipment is in place and the relevant forms will be sequentially numbered.
- (d) In terms of financing reporting and disclosure, risks involving the absence of high calibre personnel to handle the accounting records prepared by the PRC staff is anticipated, GHYC recommended the recruitment of qualified person. The Provisional Liquidators have thereafter appointed a qualified accountant on 5 September 2007 to take up the role for financing reporting and disclosure.
- (e) In terms of human resources, risks involving the management of filling in vacancy positions and the absence of supporting staffs is anticipated, GHYC recommended the establishment of appropriate policy and procedures for filling in the relevant vacancies when any of the staffs are absent. The Company has adopted the advice from GHYC and device relevant staff leave policy and procedures for filling in vacancy of the staffs are maintained.

### **(3) Proposed Restructuring**

The proposed Restructuring contemplated under the Resumption Proposal will include, *inter alia*, the following:

#### **(A) Capital Reorganization**

This may involve:

- (i) **Capital Reduction:** a reduction of the share capital of the Company by reducing the nominal value of every issued Share from HK\$0.10 to HK\$0.01 which will give rise to a credit of HK\$125,204,623.47 on the basis of the existing issued share capital of the Company (1,391,162,483 Shares) and cancelling the amount standing to the credit of the share premium account of the Company as at 31 March 2007 of approximately HK\$383,117,000;
- (ii) **Authorized Share Capital Cancellation:** the cancellation of the unissued share capital in the authorized share capital of the Company in the sum of HK\$160,883,751.70 prior to the Capital Reduction together with the immediately available unissued share capital of the Company in the sum of HK\$125,204,613.47 created by the Capital Reduction, will be cancelled upon the Capital Reduction becoming effective; and
- (iii) **Authorized Share Capital Increase:** the proposed increase of the authorized share capital of the Company from HK\$13,911,624.83 to HK\$1,000,000,000 by the creation of an additional 98,608,837,517 New Shares.

## **(B) Debt Restructuring**

As at 17 May 2007, the date of the appointment of the Provisional Liquidators, the total indebtedness owed by the Company to its creditors was approximately HK\$77 million. The indebtedness figures are indicative only and the claims of the creditors will be subject to the Hong Kong Scheme. The indebtedness will be settled under the Schemes.

Indebtedness of the other members of the Group (other than the Company) which are not eligible under the Schemes comprises mostly amounts due to trade creditors, will be settled out of the trade receivables to be received by Beijing HollyBridge in its usual course of business and the working capital to be provided by the Investor under the Restructuring.

### *The Schemes*

Under both the Hong Kong Scheme and Bermuda Scheme, a sum of equivalent to the lower of (i) 30% of the aggregate of all indebtedness owed by the Company to its creditors; or (ii) HK\$25million will be paid to all creditors of the Company. Upon receipt of the payment under the Schemes, all indebtedness due to the creditors will be settled in full. At present, over 50% of the creditors eligible to claim under the Schemes have in principle indicated their acceptance of the Debt Restructuring and will vote in favour for the Schemes at the creditors' scheme meetings.

Each of the Hong Kong Scheme and Bermuda Scheme requires approval by a majority of the creditors representing more than 50% in number and not less than 75% in value of the total indebtedness. Upon obtaining approval of the creditors at the relevant court meeting, the Hong Kong Scheme and the Bermuda Scheme will become effective when they are sanctioned by the Hong Kong Court and Bermuda Court and an office copy of the relevant court order sanctioning of each of the Hong Kong Scheme and the Bermuda Scheme will be filed with the Registrar of Companies in Hong Kong and Bermuda respectively.

## **(C) Subscription of New Shares, Convertible Preference Shares and Options**

Under the proposed terms of the Supplemental Agreement, the Investor shall:

- (i) subscribe for 4,000,000,000 New Shares at the subscription price of HK\$0.01 each;
- (ii) subscribe for the 11,000,000,000 Convertible Preference Shares at the subscription price of HK\$0.01 each; and
- (iii) HK\$20million for the subscription of the Options at HK\$0.001 each.

Principal terms of the Convertible Preference Shares and the Options were set out in the announcement dated 29 August 2007.



It is intended that the Restructuring Agreement shall contain an undertaking that any conversion of the Convertible Preference Shares (including the mandatory conversion on the Maturity Date) and any exercise of the Options would not result in insufficient public float of the Company, in so far as the Convertible Preference Shares and the Options remained being held by the Investor. Detailed terms as to the New Shares, Convertible Preference Shares, the Options and related restrictions or prohibitions as to the transfer, mechanisms to ensure sufficient public float will be announced upon the execution of the Restructuring Agreement.

#### **(D) Whitewash Waiver**

Upon completion of the Restructuring Agreement (assuming that no further Shares, other than the New Shares to be subscribed by the Investor under the Restructuring Agreement, are issued by the Company and completion of the Restructuring Agreement), the beneficial shareholding interest of the Investor (and parties acting in concert with it) in the Company will increase from nil to approximately 74.20%. Accordingly, the Investor will be obliged to make an unconditional mandatory general offer for all the issued New Shares not already owned or agreed to be acquired by the Investor and parties acting in concert with it under Rule 26.1 of the Takeovers Code, unless a Whitewash Waiver is obtained from the Executive. In this regard, the Investor will make an application to the Executive for the Whitewash Waiver after the entering into of the Restructuring Agreement.

The Investor is a special purpose company incorporated in the British Virgin Islands with limited liability. The sole beneficial owner of the Investor is Mr. Lam Ching Kui. Further background information and biography of Mr. Lam Ching Kui will be set out in the announcement to be published by the Company in due course.

The Investor, its beneficial owner and their respective associates are independent third parties, not connected with or acting in concert with any of the creditors, the Company, chief executive, directors or substantial shareholders of the Company or any of its subsidiaries or their respective associates within the meaning of the Listing Rules and the Takeovers Code.

#### **(E) Shareholders' approval**

The Special General Meeting will be convened to approve, inter alia, the Restructuring, the Schemes, the Whitewash Waiver and other matters contemplated under the Restructuring by way of poll by the Independent Shareholders. Announcement will be made on the results of the Special General Meeting.

#### **(F) Reinstatement of the Company**

The Company was struck off by the Registrar of Companies in Bermuda on 20 October 2006 due to non-payment of its 2006 annual government fees and late penalties. The Company is in the process of applying for the reinstatement of the Company. Further announcement will be made as to the progress of such application.

#### **(4) Appointment of members of audit committee, remuneration committee and nomination committee**

The Provisional Liquidators announce that on 4 December 2007 and as set out above, a Board meeting was held to appoint Mr. Choi Man On (who will also act as the chairman of the audit committee), Mr. Young Meng Cheung Andrew and Mr. Chan Kin Sang as members of the audit committee, remuneration committee and nomination committee. Details of the personal particulars of the three INEDs were published in the announcement dated 9 November 2007. The audit committee will consider the Group's financial reporting and internal control and to maintain an appropriate relationship with the auditors of the Company. The Company has now fully complied with Rule 3.10 and Rule 3.21 of the Listing Rules.

#### **(5) Delay in publication of the interim results/report and final results/report**

As set out above, the publication of the interim results/report for the six months ended 30 September 2006 and 2007 and the final results for the year ended 31 March 2007 and annual report for the year 2007 will be postponed as the audit committee comprising the INEDs were only recently appointed on 4 December 2007 and the Board has authorized the Provisional Liquidators to sign, approve and publish the financial results and reports on 4 December 2007.

Failure to publish the aforesaid financial information constitutes breaches of Rules 13.46, Rule 13.48 and Rule 13.49 of the Listing Rules. Further announcements will be made by the Company as to the date of publication of the outstanding financial results.

#### **Restructuring Agreement**

Under the terms of the Heads of Agreement, the Restructuring Agreement is expected to be signed by the Company and the Investor within 30 days, or such other date as may be agreed between the Company and the Investor, from the date on which the in principle approval letter is granted by the Stock Exchange. Further announcement(s) on the details of the Resumption Proposal will be made as and further announcements will also be made as and when the Restructuring Agreement is executed and/or other conditions imposed by the Stock Exchange set out in the approval in principle letter as mentioned above have been fulfilled.

**The release of this announcement and the issue of the in principle approval letter do not necessarily mean that the Resumption Proposal, the Restructuring Agreement and each of the Schemes will be successfully implemented and completed as the conditions to the in principle approval letter and the Restructuring Agreement to be entered into may or may not be fulfilled or otherwise waived. Further announcements will be made on the progress of the Restructuring.**

**Trading of the shares of the Company has been suspended at the request of the Company since 9:30 a.m. on 17 December 2004 and will remain suspended until further announcement. Shareholders and the investing public should exercise extreme caution when dealing in the shares of the Company.**

## DEFINITIONS

Terms used in this announcement, unless otherwise defined, shall have the following meanings:

“Authorized Share Capital Cancellation”	the cancellation of the unissued share capital in the authorized share capital of the Company in the sum of HK\$160,883,751.70 prior to the Capital Reduction together with the immediately available issued share capital of HK\$125,204,613.47 created by Capital Reduction, will be cancelled upon the Capital Reduction becoming effective;
“Authorized Share Capital Increase”	the increase of authorized share capital of the Company from HK\$13,911,624.83 to HK\$1,000,000,000 by the creation of an additional 98,608,837,517 New Shares;
“Bermuda Court”	the Supreme Court of Bermuda;
“Bermuda Scheme”	the proposed scheme of arrangement to be effected under section 99 of the Companies Act 1981 of Bermuda (as amended);
“Board”	the current board of Directors of the Company, comprising six executive Directors, namely Mr. Zou Yishang, Mr. Hu Jian, Mr. Zou Yicheng, Mr. Cui Jingya, Mr. Liu Yiquan and Mr. Zhang Yi, one non-executive Director, namely, Mr. Weng Xianding, three independent non-executive Directors, namely Mr. Choi Man On, Mr. Young Meng Cheung Andrew and Mr. Chan Kin Sang;
“Capital Reduction”	Proposed reduction of the nominal value of each Share from HK\$0.10 to HK\$0.01 and the cancellation of each unissued Share (if any) in accordance with section 46 of the Companies Act 1981 of Bermuda (as amended);
“Capital Reorganization”	collectively, the proposed Capital Reduction, Authorized Share Capital Cancellation and Authorized Share Capital Increase;
“Companies Ordinance”	Companies Ordinance (Cap 32 of the Laws of Hong Kong);
“Debt Restructuring”	proposed restructuring to be implemented by the Company to settle the debt and be effected under the Schemes;
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director;
“Hong Kong Court”	the High Court of Hong Kong Court of First Instance;

“Hong Kong Scheme”	the proposed scheme of arrangement under section 166 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) between the Company and its creditors, with or subject to any modification thereof or addition thereto or condition to be imposed by the Stock Exchange;
“Independent Shareholders”	shareholders other than the Investor or parties acting in concert with it and any other Shareholders who are interested in or involved in the Restructuring Agreement;
“Investor”	Wai Chun Ventures Limited, a company incorporated in the British Virgin Islands with limited liability;
“Reports”	the interim results/reports for the six months ended 30 September 2006 and 2007 respectively and the annual results/report for the year ended 31 March 2007;
“Resumption Proposal”	the resumption proposal submitted by the Company to the Stock Exchange on 12 September 2007;
“Schemes”	proposed Hong Kong Scheme and Bermuda Scheme;
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company prior to the Capital Reorganization;
“Special General Meeting”	a special general meeting to be convened by the Company to approve, <i>inter alia</i> , the Restructuring, the Whitewash Waiver and other matters contemplated under the Restructuring;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers; and
“Whitewash Waiver”	a waiver by the Executive pursuant to Note 1 of the notes on dispensation from Rule 26 of the Takeovers Code from the obligation of the Investor and parties acting in concert with it to make a general offer for all the New Shares of the Company not already owned or agreed to be acquired by them upon completion of the Restructuring.

For and on behalf of  
**Plus Holdings Limited**  
**(Provisional Liquidators Appointed)**  
**Liu Yiu Keung Stephen**  
**Robert Armor Morris**  
*Joint and Several Provisional Liquidators*

For and on behalf of  
**Wai Chun Ventures Limited**

Hong Kong, 17 December, 2007

As at the date of this announcement, the Directors are:

*Executive Directors:*

Mr. Zou Yishang, Mr. Hu Jian, Mr. Zou Yicheng, Mr. Cui Jingya, Mr. Liu Yiquan and Mr. Zhang Yi

*Non-executive Director:*

Mr. Weng Xianding

*Independent Non-executive Directors:*

Mr. Choi Man On, Mr. Young Meng Cheung Andrew and Mr. Chan Kin Sang

*The Provisional Liquidators jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than that relating to the Investor and confirm, having made all reasonable inquiries, 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.*

*The sole director of the Investor accepts full responsibility for the accuracy of the information contained in this announcement other than that relating to the Company and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this announcement relating 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.*