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JINHENG AUTOMOTIVE SAFETY TECHNOLOGY HOLDINGS LIMITED
錦恆汽車安全技術控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8293)

**(1) DISCLOSEABLE TRANSACTION
FOR ACQUISITION OF 66.67% EQUITY INTEREST IN
TAI TONG INVESTMENTS LIMITED;
(2) DISCLOSEABLE AND CONNECTED TRANSACTION
FOR ACQUISITION OF THE ENTIRE EQUITY INTEREST IN
WINNER INVESTMENT LIMITED;
AND
(3) RESUMPTION OF TRADING**

TAI TONG ACQUISITION

On 24 November 2007, the Company entered into the Tai Tong SP Agreement pursuant to which the Company has agreed to purchase and Mr. Li has agreed to sell approximately 66.67% equity interest of Tai Tong at a consideration of RMB18,000,000 (equivalent to approximately HK\$18,950,000).

Tai Tong is an investment holding company and effectively owns 30% equity interests in YanTai through Harvest Full, its wholly-owned subsidiary.

The Tai Tong Acquisition constitutes a discloseable transaction on the part of the Company pursuant to Chapter 19 of the GEM Listing Rules.

WINNER ACQUISITION

On 24 November 2007, the Group also entered into the Winner SP Agreement with Mr Xing and Mr Zhao pursuant to which the Group has agreed to acquire the entire issued share capital of Winner Investment at a consideration of HK\$13,696,000. The consideration will be satisfied by the Company allotting and issuing to the Vendor the Consideration Shares at the Issue Price, credited as fully paid.

The Winner Acquisition constitutes a discloseable transaction on the part of the Company pursuant to Chapter 19 of the GEM Listing Rules. The Winner Acquisition also constitutes

a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Winner Acquisition is subject to the approval of the Independent Shareholders at the EGM. In accordance with the GEM Listing Rules, Mr Xing and Mr Zhao and their respective associates will abstain from voting on the resolution to approve the Winner Acquisition and any vote exercised by the Independent Shareholders at the EGM shall be taken by poll.

An independent board committee of the Company will be established to consider the Winner Acquisition and to advise the Independent Shareholders as to whether the terms of the Winner SP Agreement are fair and reasonable, whether the Winner Acquisition is in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders regarding the Winner Acquisition.

A circular containing, among other things, further information in respect of the Tai Tong Acquisition and the Winner Acquisition, the recommendation of the independent board committee of the Company to the Independent Shareholders in relation to the Winner Acquisition, the advice of the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in relation to the Winner Acquisition and a notice convening the EGM, will be despatched to the Shareholders in accordance with the GEM Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on GEM was suspended with effect from 9:30 a.m. on 26 November 2007 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on GEM with effect from 9:30 a.m. on 29 November 2007.

INTRODUCTION

The Board announces that on 24 November 2007, the Company entered into the Tai Tong SP Agreement and the Winner SP Agreement. Further details of the Tai Tong Acquisition and the Winner Acquisition are set out below:

(A) TAI TONG ACQUISITION

TAI TONG SP AGREEMENT

Date : 24 November 2007

Parties : (1) Vendor : Mr. Li

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Mr. Li is an Independent Third Party.

(2) Purchaser : The Company

Assets to be acquired

Pursuant to the Tai Tong SP Agreement, the Company has conditionally agreed to acquire approximately 66.67% equity interests of Tai Tong. Tai Tong is an investment holding company and effectively owns 30% equity interests in YanTai through Harvest Full, its wholly-owned subsidiary.

Consideration

The consideration for the Tai Tong Acquisition is RMB18,000,000 (equivalent to approximately HK\$18,950,000) payable by the Company to Mr. Li in cash upon completion. It is expected that the consideration shall be satisfied by the internal resources of the Group.

The consideration was arrived at after arm's length negotiation between the parties to the Tai Tong SP Agreement with reference to the historical earnings of YanTai up to 30 September 2007. The consideration represents a price earning ratio of about 8.8 times based on the attributable annualized net profit before tax of YanTai for the nine months ended 30 September 2007 and represents about 1.5 times of the attributable net asset value of YanTai as at 30 September 2007.

Conditions

The Tai Tong SP Agreement is conditional upon the following conditions having been fulfilled within 180 days from the date of the Tai Tong SP Agreement or such later date as may be agreed by the parties in writing:

- (i) Mr. Li and the Company having obtained all necessary consents and approvals in relation to the Tai Tong Acquisition and the transactions contemplated thereunder;
- (ii) no event having occurred which constitute material breach of the warranties given by Mr. Li under the Tai Tong SP Agreement; and
- (iii) the Company having satisfied with the results of the due diligence exercise to be carried out by it on Tai Tong and its group (including YanTai).

Completion

Completion is expected to take place on the fifth business day after the fulfillment of all the conditions of Tai Tong SP Agreement (or such later date as may be agreed by the parties to the Tai Tong SP Agreement in writing).

Upon completion of Tai Tong SP Agreement, the Company will hold 50% equity interests in YanTai of which 20% is owned through its wholly-owned subsidiaries Jinheng Engine and its investment in Auto Full and 30% is owned through its wholly-owned subsidiary Tai Tong and its investment in Harvest Full. Upon completion of Tai Tong SP Agreement, YanTai will become a jointly controlled entity of the Group and its results will not be consolidated into those of the Group.

INFORMATION OF TAI TONG, HARVEST FULL AND YANTAI

Tai Tong is a company incorporated in the British Virgin Islands on 8 July 2005 for investment holding purpose and effectively owned 30% equity interests in YanTai through its wholly-owned subsidiary, Harvest Full. Other than its investment in Harvest Full, Tai Tong has no other major asset or liabilities.

Harvest Full is a company incorporated in Hong Kong on 20 July 2005 for investment holding purpose and is wholly-owned by Tai Tong. Other than its investment in YanTai, Harvest Full has no other major asset or liabilities.

YanTai is a company established in the PRC in March 1993 and is principally engaged in manufacturing and sale of cylinder liners and spare parts of automobile engines. Before the Tai Tong Acquisition, YanTai is owned as to 30% by Harvest Full and 20% by Auto Full respectively. The Company effectively hold 30% equity interest in YanTai of which (i) 20% through its wholly-owned subsidiaries Jinheng Engine and Jinheng Engine's investment in Auto Full and (ii) 10% through 33.33% owned Tai Tong and Tai Tong's investment in Harvest Full. After the Tai Tong Acquisition, the Company will indirectly hold another 20% effective interest of YanTai through holding the entire equity interest in Tai Tong, which wholly-owned Harvest Full and Harvest Full owned 30% equity interest in YanTai.

The following tables show the turnover, net profit before tax, net profit after tax, the net asset value and the total asset value of YanTai (prepared under Hong Kong Financial Reporting Standards) based on its audited financial statements:

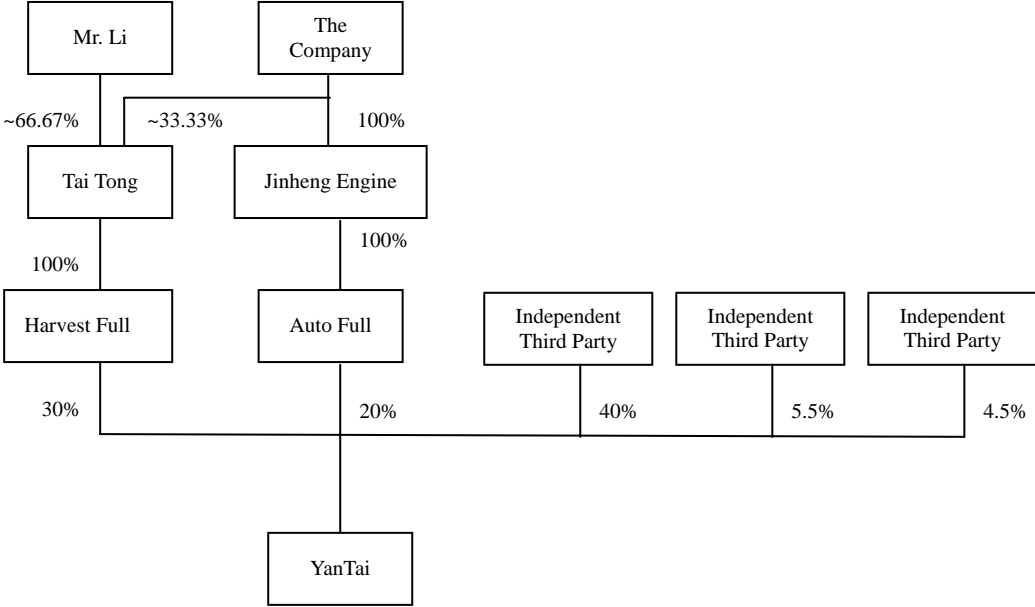
	For the year ended 31 December 2005			As at 31 December 2005	
	Turnover	Net profit before tax	Net profit after tax	Net asset value	Total asset value
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
YanTai	97,068	8,816	7,751	20,058	163,081

	For the year ended 31 December 2006			As at 31 December 2006	
	Turnover	Net profit before tax	Net profit after tax	Net asset value	Total asset value
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
YanTai	110,189	13,703	12,058	56,614	171,463

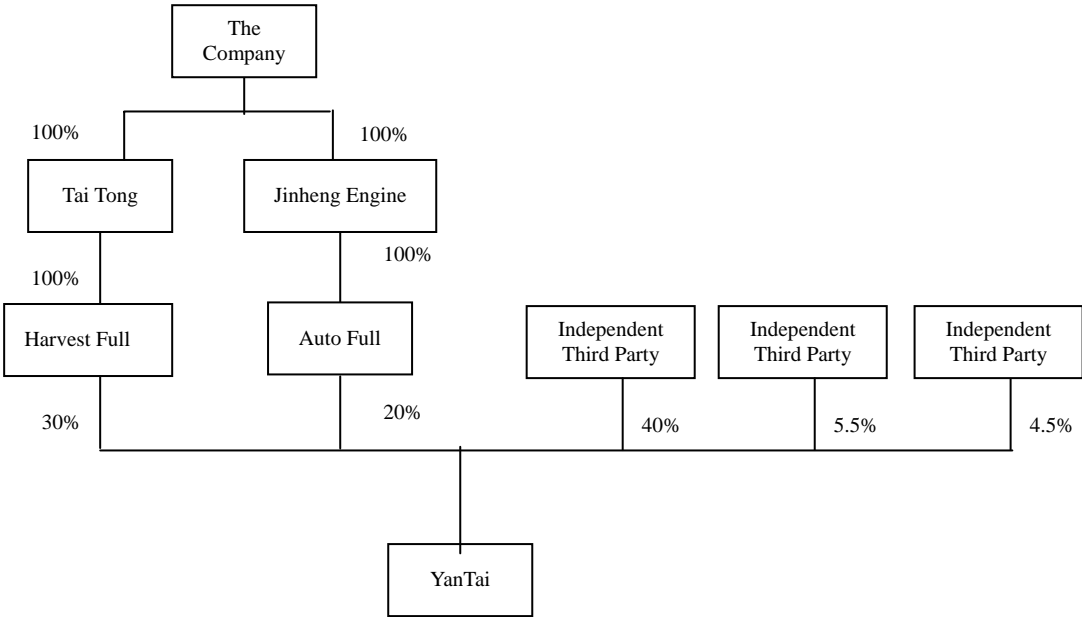
The following table shows the turnover, net profit before tax, net profit after tax, the net asset value and the total asset value of YanTai (prepared under Hong Kong Financial Reporting Standards) based on its unaudited management accounts for the nine months up to 30 September 2007:

	For the nine months ended 30 September 2007			As at 30 September 2007	
	Turnover	Net profit before tax	Net profit after tax	Net asset value	Total asset value
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
YanTai	77,200	7,648	6,630	58,515	189,731

The diagram below shows the shareholdings structure of the relevant entities immediately before completion of the Tai Tong Acquisition:



The diagram below shows the shareholdings structure of the relevant entities immediately after completion of the Tai Tong Acquisition:



REASONS FOR THE TAI TONG ACQUISITION

In view of the Group’s competitive advantages and the enormous opportunities brought by the rapid growth of the automobile industry in the PRC, the Tai Tong Acquisition is part of the Group’s business strategies to expand its product range to capture the opportunities offered in the automobile market in the PRC. As YanTai is a well known company in automotive engine business with technical knowhow and existing established distribution and customers networks, the Directors (including the independent non-executive Directors) consider that the terms of

the Tai Tong SP Agreement are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the relevant percentage ratios as referred to in rule 19.04(9) of the GEM Listing Rules are more than 5% but less than 25%, the Tai Tong Acquisition constitutes a discloseable transaction on the part of Company under Chapter 19 of the GEM Listing Rules.

(B) WINNER ACQUISITION

WINNER SP AGREEMENT

Date : 24 November 2007

Parties : (1) Vendor : Mr. Xing and Mr. Zhao
(2) Purchaser : Smooth Ever Limited, a wholly-owned subsidiary of the Company

Both Mr Xing and Mr Zhao are the Directors of the Company and are therefore connected persons of the Company under the GEM Listing Rules

Assets to be acquired

Pursuant to the Winner SP Agreement, Smooth Ever has conditionally agreed to acquire the entire issued capital of Winner Investment.

Consideration

The consideration for the Winner Acquisition is HK\$13,696,000 and shall be satisfied by Smooth Ever procuring the Company to allot and issue to Mr. Xing and Mr. Zhao at Completion the Consideration Shares, credited as fully paid at the Issue Price. Mr Xing and Mr Zhao will each receive 6,420,000 and 4,280,000 Consideration Shares respectively.

The consideration was arrived at after arm's length negotiation between the parties to the Winner SP Agreement with reference to the Net Asset Value of Winner Group. The consideration represents a price earning ratio of about 4.0 times based on the attributable annualized net profit before tax of Shanxi for the nine months ended 30 September 2007 and equals to approximately 94.3% of the Net Asset Value of Winner Group. The Net Asset Value of Winner Group was about HK\$14,519,000. The aggregate market value of the Consideration Shares is HK\$13,268,000 with reference to the closing price of HK\$1.24 per Share as quoted on the Stock Exchange on 23 November 2007.

The Issue Price represents (i) a premium of about 3.2% to the closing price of HK\$1.24 per Share as quoted on the Stock Exchange on 23 November 2007, being last trading day prior to the date of the Agreement; (ii) equals to the average of the closing prices of approximately HK\$1.28 per Share for the last five consecutive trading days ended 23 November 2007 up to and including 23 November 2007, being last trading day prior to the date of the Agreement; (iii)

a discount of about 10.5% to the average of the closing prices of approximately HK\$1.43 per Share for the last 20 consecutive trading days ended 23 November 2007 up to and including 23 November 2007, being last trading day prior to the date of the Agreement; and (iv) a premium of approximately 95.7% over the net asset value per Share of HK\$0.65 based on the audited consolidated financial statements of the Group as of 31 December 2006.

The Issue Price was determined by Smooth Ever and Mr. Xing and Mr. Zhao on an arm's length basis with reference to the current market price of the Shares. The Directors (including the independent non-executive Directors) consider the Issue Price to be fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

The Consideration Shares will be allotted and issued under the general mandate granted to the Directors pursuant to a resolution passed by the Shareholders at the annual general meeting of the Company held on 21 June 2007. Pursuant to such general mandate, the Company would be allowed to allot and issue up to a maximum of 78,024,000 Shares. As at the date of Winner SP Agreement, the said general mandate had been utilised as to 60,600,000 Shares.

The Consideration Shares represent approximately (i) 2.49% of the existing issued share capital of the Company; and (ii) 2.43% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

Conditions

The Winner SP Agreement is conditional upon the following conditions having been fulfilled within 180 days from the date of the Winner SP Agreement or such later date as may be agreed by the parties in writing:

- (i) Mr. Xing and Mr. Zhao and the Company having obtained all necessary consents and approvals in relation to the Winner Acquisition and the transactions contemplated thereunder;
- (ii) no event having occurred which constitute material breach of the warranties given by Mr. Xing and Mr. Zhao under the Winner SP Agreement;
- (iii) the Company having satisfied with the results of the due diligence exercise to be carried out by it on Winner Investment and its group (including Shanxi); and
- (iv) the GEM Listing Committee of the Stock Exchange having granted listing of and permission to deal in the Consideration Shares.

Completion

Completion is expected to take place on the fifth business day after the fulfillment of all the conditions of Winner SP Agreement (or such later date as may be agreed by the parties to the Winner SP Agreement in writing).

Before the Winner Acquisition, Shanxi was owned as to 35% and 25% by Jinzhou Jinheng and

Winner Investments respectively. The remaining 40% was owned by one Independent Third Party. Upon completion of Winner SP Agreement, the Company will effectively hold 35% of equity interest in Shanxi through its indirect wholly-owned subsidiary Jinzhou Jinheng and the Company would hold another 25% effective interest of Shanxi through holding the entire equity interest in Smooth Ever. The shareholding structure of Shanxi will be the same after the Winner Acquisition, and Shanxi will become a subsidiary of the Company and its results will be consolidated into those of the Group. Completion of Winner SP Agreement is not inter-conditional on the completion of Tai Tong SP Agreement.

INFORMATION OF WINNER INVESTMENT AND SHANXI

Winner Investment is a company incorporated in Hong Kong on 18 December 2002 for investment holding purpose and effectively owned 25% equity interests in Shanxi. Other than its investment in Shanxi, Winner Investment has no other major asset or liabilities. Mr Xing and Mr Zhao each owned 60% and 40% equity interest in Winner Investment before the Winner Acquisition. After the Winner Acquisition, both Mr Xing and Mr Zhao have no interest in Winner Investment except through their interest in the Company and Applaud Group Limited.

Shanxi is a company established in the PRC with limited liability in March 2003. Shanxi is principally engaged in design, manufacturing and sale of inflators and other related spare parts of automotive safety airbag system and other automotive spare parts. The investment cost of Mr. Xing and Mr. Zhao in Shanxi and Winner Investment was about HK\$4,731,000, of which HK\$4,721,000 was invested through Winner Investment in Shanxi as the initial capital investment cost when Shanxi was incorporated in 2003.

The following tables show the turnover, net profit before tax, net profit after tax, the net asset value and the total asset value of Shanxi (prepared under Hong Kong Financial Reporting Standards) based on its audited financial statements:

	For the year ended 31 December 2005			As at 31 December 2005	
	Turnover	Net profit before tax	Net profit after tax	Net asset value	Total asset value
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Shanxi	42,224	781	781	29,475	52,418

	For the year ended 31 December 2006			As at 31 December 2006	
	Turnover	Net profit before tax	Net profit after tax	Net asset value	Total asset value
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Shanxi	47,759	7,953	7,953	37,427	68,972

The following table shows the turnover, net profit before tax, net profit after tax, the net asset value and the total asset value of Shanxi (prepared under Hong Kong Financial Reporting Standards) based on its unaudited management accounts for the nine months up to 30 September 2007:

	For the nine months ended 30 September 2007			As at 30 September 2007	
	Turnover	Net profit before tax	Net profit after tax	Net asset value	Total asset value
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Shanxi	50,294	9,711	9,460	54,299	91,684

EFFECT ON SHAREHOLDING STRUCTURE

Assuming no Shares will be issued and/or repurchased by the Company between the date of this announcement and the date of Completion and the Consideration Shares will be issued under the Winner SP Agreement, the shareholding structure of the Company immediately before and after Completion will be as follows:

Shareholder	Notes	Immediately before Completion		Immediately after the Completion	
		No. of Shares	%	No. of Shares	%
Applaud Group Limited	1	228,620,000	53.15	228,620,000	51.86
Mr Li Feng	2	2,080,000	0.48	2,080,000	0.47
Mr Xing	2	1,600,000	0.37	8,020,000	1.82
Mr Foo Tin Chung, Victor	2	640,000	0.15	640,000	0.15
Mr Zhao	2	-	-	4,280,000	0.97
Other public Shareholders		197,180,000	45.85	197,180,000	44.73
		<u>430,120,000</u>	<u>100.00</u>	<u>440,820,000</u>	<u>100.00</u>

Notes:

1. A controlling group of shareholders comprising Li Feng, Mr Xing and Yang Donglin, all being executive Directors; , Li Hong being non-executive Directors and Xu Jianzhong together holds 52.69% of the equity interests in Applaud Group Limited. Mr Zhao, an executive Director holds 18.27% equity interests in Applaud Group Limited. The other shareholders of Applaud Group Limited are third parties independent of the Company and its connected persons.
2. Mr Xing, Mr Zhao, Mr Li Feng and Mr Foo Tin Chung, Victor are all executive Directors.

REASONS FOR THE WINNER ACQUISITION

In view of the Group's large demand of inflators in its ordinary course of business, and there is a substantial cost saving from the procurement from Shanxi, the Directors (including the independent non-executive Directors) believe that the Winner Acquisition may strengthen the

Group's position by the contribution from Shanxi's localized operation. The Board considers that the terms of the Winner SP Agreement are fair and reasonable and of normal commercial terms and the Winner Acquisition is in the interests of the Company and the Shareholders as a whole.

IMPLICATION UNDER THE GEM LISTING RULES

As the relevant percentage ratios as referred to in rule 19.04(9) of the GEM Listing Rules are more than 5% but less than 25%, the Winner Acquisition constitutes a discloseable transaction on the part of Company under Chapter 19 of the GEM Listing Rules. The Winner Acquisition also constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Winner Acquisition is subject to the approval of the Independent Shareholders at the EGM. In accordance with the GEM Listing Rules, Mr Xing and Mr Zhao and their respective associates will abstain from voting on the resolution to approve the Winner Acquisition and any vote exercised by the Independent Shareholders at the EGM shall be taken by poll.

An independent board committee of the Company will be established to consider the Winner Acquisition and to advise the Independent Shareholders as to whether the terms of the Winner SP Agreement are fair and reasonable, whether the Winner Acquisition is in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders regarding the Winner Acquisition.

(C) INFORMATION ON THE GROUP

The Group is principally engaged in the design, research and development, manufacture and sale of automotive safety systems. The Group's major product includes safety airbag systems used in automobiles.

(D) GENERAL INFORMATION

The Directors (including the independent non-executive Directors) consider that the Tai Tong SP Agreement and the Winner SP Agreement are entered into upon normal commercial terms following arm's length negotiations between the parties to the Tai Tong SP Agreement and to the Winner SP Agreement and that the terms of the Tai Tong SP Agreement and the Winner SP Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

(E) SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in Shares on GEM was suspended with effect from 9:30 a.m. on 26 November 2007 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on GEM with effect from 9:30 a.m. on 29 November 2007.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall

have the following meanings:

“associates”	has the meaning ascribed to this term under the GEM Listing Rules
“Auto Full”	Auto Full International Limited, a company incorporated in Hong Kong and is owned as to 100% by Jinheng Engine
“Board”	the Board of Directors
“Company”	Jinheng Automotive Safety Technology Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Completion”	completion of the Tai Tong SP Agreement or the Winner SP Agreement, as the case may be
“connected persons”	has the meaning ascribed to this term under the GEM Listing Rules
“Consideration Shares”	a total of 10,700,000 Shares to be allotted and issued by the Company to Mr Xing and Mr Zhao to satisfy the consideration under the Winner SP Agreement
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Winner Acquisition and the transactions contemplated thereunder
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Harvest Full”	Harvest Full International Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of Tai Tong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than the Mr Xing and Mr Zhao and their respective associates

“Independent Party(ies)”	Third any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with any directors, chief executive or substantial Shareholders of the Company and its subsidiaries or any of their respective associate
“Issue Price”	the price of HK\$1.28 per Consideration Share
“Jinheng Engine”	Jinheng Engine Limited (formerly known as Devon Fair Investments Limited), a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by the Company
“Mr. Li”	Mr. Li Sai-keung, the vendor under the Tai Tong SP Agreement
“Mr Xing”	Mr Xing Zhanwu, being one of the vendors under the Winner SP Agreement
“Mr Zhao”	Mr Zhao Qingjie, being one of the vendors under the Winner SP Agreement
“Net Asset Value of Winner Group”	the net asset value of Winner Investment (excluding the investment cost of Shanxi), including 25% share of total net asset value of Shanxi, based on unaudited management accounts of Winner Investment and Shanxi for the nine months up to 30 September 2007
“PRC”	the People’s Republic of China, and for the purposes for this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Shanxi”	Shanxi Winner Auto-Parts Co., Limited, a company established in the PRC with limited liability and owned as to 25% by Winner Investment
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Smooth Ever”	Smooth Ever Limited, a company incorporated in the British Virgin Inlands and wholly-owned by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tai Tong”	Tai Tong Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is owned as to 66.67% by Mr. Li and 33.33% by the Company before the Completion of the Tai Tong SP Agreement
“Tai Tong Acquisition”	the acquisition by the Company of approximately 66.67% equity interest in Tai Tong from Mr. Li subject to and upon the terms and conditions of the Tai Tong SP Agreement
“Tai Tong SP Agreement”	a conditional agreement dated 24 November 2007 and entered into between Mr. Li and the Company in respect of the Tai Tong Acquisition
“Winner Acquisition”	the acquisition by the Group of the entire equity interest in Winner Investment from Mr. Xing and Mr. Zhao subject to and upon the terms and conditions of the Winner SP Agreement
“Winner Investment”	Winner Investment Limited, a company incorporated in Hong Kong and wholly- owned by Mr. Xing and Mr. Zhao
“Winner SP Agreement”	an agreement dated 24 November 2007 and entered into between Mr. Xing and Mr. Zhao in respect of the Winner Acquisition
“YanTai”	YanTai Vast Co., Ltd., a company established in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“RMB”	Renminbi, the lawful currency for the time being of the PRC
“%”	per cent.

By order of the Board
**JINHENG AUTOMOTIVE SAFETY
TECHNOLOGY HOLDINGS LIMITED**
Li Feng
Chairman

Hong Kong, 28 November 2007

For the purpose of this announcement, unless otherwise specified, conversion of RMB into HK\$ is based on the approximate exchange rate of HK\$100 to RMB95. The exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been or may be exchanged at this or any other rates at all.

As at the date of this announcement, the Board comprises Mr. Li Feng, Mr. Xing Zhanwu, Mr. Zhao Qingjie, Mr. Yang Dongli, Mr. Foo Tin Chung, Victor who are executive Directors, Mr. Li Hong and Mr. Zeng Qingdong who are non-executive Directors and Mr. Chan Wai Dune, Mr. Huang Shilin and Mr. Zhu Tong who are independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least seven days from the day of its posting and on the website of the Company at www.jinhengairbag.com .