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**APTUS HOLDINGS LIMITED**

**( 問 博 控 股 有 限 公 司 )**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8212)**



**眾 彩 科 技 股 份 有 限 公 司\***

**CHINA VANGUARD GROUP LTD.**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8156)**

**AMENDMENTS TO THE HK\$234,000,000 ZERO COUPON SECURED  
CONVERTIBLE BONDS DUE 2011  
WITH A STEP-UP CASH COUPON IN 2008**

**RESUMPTION OF TRADING**

This announcement is made by Aptus and CVG pursuant to Rule 17.10 of the GEM Listing Rules.

Reference is made to the Announcements.

On 22 November 2006, the Trust Deed constituting the Bonds was entered into by Aptus, the Trustee and the Security Trustee.

After close of trade on 22 October 2008, Aptus executed and delivered the Deed of Waiver pursuant to which Aptus agreed to waive its right under Condition 8E of the terms and conditions of the Bonds set out in Schedule 1 to the Trust Deed to require the Bondholder to complete, sign and deposit the Put Exercise Notice not earlier than 60 days and not later than 30 days prior to the Relevant Date, and as a result of the Deed of Waiver, the Bondholder may do so by not earlier than 60 days and not later than the third Business Day prior to the Relevant Date.

On 23 October 2008, Aptus, the Trustee and the Security Trustee entered into the Amendment Deed pursuant to which the parties agreed to amend Condition 8E of the terms and conditions of the Bonds set out in Schedule 1 to the Trust Deed. The provisions of the Amendment Deed, though not inconsistent with the provisions of the Deed of Waiver, effectively override the provisions of the Deed of Waiver. The principal amendment of the Amendment Deed is to replace the first Put Option Date of 21 November 2008 with 21 February 2009.

Aptus has entered into preliminary negotiations with Evolution in respect of the Bonds with a view to amending the terms of the Bonds such that Evolution will not require Aptus to redeem the Bonds (in whole) on the first Put Option Date, being 21 November 2008. The Deed of Waiver and the Amendment Deed have been entered into such that the parties will have more time to conclude such negotiations.

At the request of Aptus and CVG, trading in Aptus' shares and CVG's shares and warrants (stock code: 8357) was suspended with effect from 9:30 a.m. on 23 October 2008 pending the release of this announcement. Applications have been made by Aptus and CVG to the Stock Exchange for resumption of trading in Aptus' shares and CVG's shares and warrants with effect from 9:30 a.m. on 24 October 2008.

## **BACKGROUND**

This announcement is made by Aptus and CVG pursuant to Rule 17.10 of the GEM Listing Rules.

Reference is made to the Announcements with respect to the issue to Evolution of the HK\$234,000,000 zero coupon secured convertible bonds due 2011 with a step-up cash coupon in 2008.

On 22 November 2006, the Trust Deed constituting the Bonds was entered into by Aptus, the Trustee and the Security Trustee.

Details of the Bonds were set out in the Announcements.

Unless the context herein requires otherwise, terms used in this announcement shall have the same meanings as in Aptus' announcement dated 9 November 2006.

## **THE DEED OF WAIVER**

After close of trade on 22 October 2008, Aptus executed and delivered the Deed of Waiver pursuant to which Aptus agreed to waive its right under Condition 8E of the terms and conditions of the Bonds set out in Schedule 1 to the Trust Deed to require the Bondholder to complete, sign and deposit the Put Exercise Notice not earlier than 60 days and not later than 30 days prior to the first Put Option Date, which was 21 November 2008 ("**Relevant Date**") prior to the entering into the Amendment Deed, and as a result of the Deed of Waiver, the Bondholder may do so by not earlier than 60 days and not later than the third Business Day prior to the Relevant Date.

## **THE AMENDMENT DEED**

On 23 October 2008, Aptus, the Trustee and the Security Trustee entered into the Amendment Deed pursuant to which the parties agreed that the text contained in Condition 8E of the terms and conditions of the Bonds set out in Schedule 1 to the Trust Deed, which was:

“On each of 21 November 2008, 21 November 2009 and 21 November 2010 (each, a “**Put Option Date**”), the holder of each Bond will have the right at such holder’s option, to require the Issuer to redeem all or some only of the Bonds of such holder on the Put Option Date at their Early Redemption Amount together with interest accrued to the Put Option Date. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the then current form obtainable from the specified office of any Paying Agent (“**Put Exercise Notice**”) together with the Certificate evidencing the Bonds to be redeemed not earlier than 60 days and not later than 30 days prior to the relevant Put Option Date.

A Put Exercise Notice, once delivered, shall be irrevocable (and may not be withdrawn unless the Issuer consents in writing to such withdrawal) and the Issuer shall redeem the Bonds the subject of Put Exercise Notices delivered as aforesaid on the Put Option Date.”

shall be deleted and replaced in its entirety by the following:

“On each of 21 February 2009, 21 November 2009 and 21 November 2010 (each, a “**Put Option Date**”), the holder of each Bond will have the right at such holder’s option, to require the Issuer to redeem all or some only of the Bonds of such holder on the Put Option Date at their Early Redemption Amount together with interest accrued to the Put Option Date.

To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the then current form obtainable from the specified office of any Paying Agent (“**Put Exercise Notice**”) together with the Certificate evidencing the Bonds to be redeemed in respect of the Put Option Date of 21 February 2009 not earlier than 60 days and not later than five business days prior to that Put Option Date and in respect of the other Put Option Dates of 21 November 2009 and 21 November 2010, not earlier than 60 days and not later than 30 days prior to the relevant Put Option Date.

For purposes of Condition 8E, “business day” means a day other than a Saturday or Sunday on which commercial banks are open for business in Hong Kong and London.

A Put Exercise Notice, once delivered, shall be irrevocable (and may not be withdrawn unless the Issuer consents in writing to such withdrawal) and the Issuer shall redeem the Bonds the subject of Put Exercise Notices delivered as aforesaid on the relevant Put Option Date.”

The provisions of the Amendment Deed, though not inconsistent with the provisions of the Deed of Waiver, effectively override the provisions of the Deed of Waiver. The principal amendment of the Amendment Deed is to replace the first Put Option Date of 21 November 2008 with 21 February 2009.

Other than as amended by the Amendment Deed, the Trust Deed shall remain in full force and effect and shall continue to be binding on the parties thereto.

Subsequent to the Deed of Waiver and the Amendment Deed, the Put Option Date and the period during which the relevant Put Exercise Notice can be served are effectively as follows:

<b>Put Option Date</b>	<b>The period during which the relevant Put Exercise Notice can be served</b>
21 February 2009	Not earlier than 60 days and not later than five Business Days prior to the relevant Put Option Date
21 November 2009	Not earlier than 60 days and not later than 30 days prior to the relevant Put Option Date
21 November 2010	Not earlier than 60 days and not later than 30 days prior to the relevant Put Option Date

## **REASONS FOR ENTERING INTO THE DEED OF WAIVER AND THE AMENDMENT DEED**

Pursuant to the terms of the Bonds, each Bondholder will have the right to require Aptus to redeem in whole or in part the Bonds of such Bondholder on the Put Option Date at their Early Redemption Amount together with interest accrued to the Put Option Date. Prior to the entering into of the Deed of Waiver, the first Put Option Date was 21 November 2008 and the relevant Put Exercise Notice must be served by the Bondholder on or before 22 October 2008.

In view of the current bearish debt and equity market, the directors of Aptus believe that it would be in the best interests of Aptus and its shareholders as a whole to conserve cash for the operations and growth of Aptus rather than utilising it to redeem the Bonds. As a result, Aptus has entered into preliminary negotiations with Evolution in respect of the Bonds with a view to amending the terms of the Bonds such that Evolution will not require Aptus to redeem the Bonds (in whole) on the first Put Option Date, being 21 November 2008. The Deed of Waiver has been entered into such that Evolution will have until the third Business Day before 21 November 2008 to serve the Put Exercise Notice. The Amendment Deed, though not inconsistent with the provisions of the Deed of Waiver, effectively override the provisions of the Deed of Waiver and has been entered into such that the parties will now have up until five Business Days before 21 February 2009 to conclude such negotiations.

## **GENERAL INFORMATION**

In Aptus' Annual Report 2008, the auditors of Aptus, without qualifying their opinion, draw the shareholders' attention to note 4 in the financial statements of the annual report which indicates that the possible early redemption request from the Bondholder to exercise their right on 21 November 2008. These conditions, along with other matters as set forth in note 4 regarding the Bonds, indicate the existence of a material uncertainty which may cast significant doubt about Aptus' ability to continue as a going concern.

Aptus, having sought confirmation from its auditors, confirmed that the modified opinion of its auditors as disclosed in Aptus' Annual Report 2008 will not be changed in light of the Amendment Deed. The directors of Aptus consider that the Amendment Deed would not have any adverse impact on the financial position and results of Aptus.

## SUSPENSION AND RESUMPTION OF TRADING

At the request of Aptus and CVG, trading in Aptus' shares and CVG's shares and warrants (stock code: 8357) was suspended with effect from 9:30 a.m. on 23 October 2008 pending the release of this announcement. Applications have been made by Aptus and CVG to the Stock Exchange for resumption of trading in Aptus' shares and CVG's shares and warrants with effect from 9:30 a.m. on 24 October 2008.

## DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Amendment Deed”	the amendment deed dated 23 October 2008 entered into between Aptus, the Trustee and the Security Trustee to amend the Trust Deed
“Announcements”	the announcements of Aptus dated 9 November 2006, 21 November 2006 and 22 November 2006
“Aptus”	Aptus Holdings Limited (問博控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM and is a subsidiary of CVG
“Bondholder”	holder(s) of the Bonds from time to time, and as at the date of this announcement, The Bank of New York Depositary (Nominees) Limited, being the registered holder of the outstanding principal amount of the Bonds
“Business Day”	a day other than a Saturday or Sunday on which commercial banks are open for business in Hong Kong and London
“CVG”	China Vanguard Group Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM
“Deed of Waiver”	the deed of waiver dated 22 October 2008 executed and delivered by Aptus
“Early Redemption Amount”	for each HK\$10,000 principal amount of the Bonds, is determined so that it represents for the Bondholder(s) a gross yield at 11% per annum, calculated on a semi-annual basis
“Evolution”	Evolution Master Fund Ltd. Spc, Segregated Portfolio M, an Asia-focused fund organised and existing under the laws of the Cayman Islands, the beneficial holder of the outstanding principal amount of the Bonds, and a third party which is independent of Aptus and its connected persons (as defined in the GEM Listing Rules)
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Put Option Date”	each of 21 February 2009, 21 November 2009 and 21 November 2010, as amended by the Amendment Deed
“Security Trustee”	BNY Corporate Trustee Services Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust Deed”	the trust deed constituting the Bonds entered into by Aptus, the Trustee and the Security Trustee dated 22 November 2006
“Trustee”	The Bank of New York Mellon (formerly known as The Bank of New York)

By Order of the Board  
**Aptus Holdings Limited**  
**FUNG King Him, Daniel**  
*Director*

By Order of the Board  
**China Vanguard Group Limited**  
**CHAN Ting**  
*Director*

Hong Kong, 23 October 2008

*As at the date of this announcement, the board of directors of Aptus comprises three executive directors, being Madam Cheung Kwai Lan, Mr. Chan Ting and Mr. Fung King Him, Daniel; and five independent non-executive directors being Mr. Tian He Nian, Mr. Zhang Xiu Fu, Mr. Zhao Zhi Ming, Mr. Zou Qi Jun and Mr. To Yan Ming, Edmond.*

*As at the date of this announcement, the board of directors of CVG comprises five executive directors being Madam Cheung Kwai Lan, Mr. Chan Tung Mei, Ms. Chan Siu, Sarah, Mr. Chan Ting and Mr. Lau Hin Kun; and four independent non-executive directors being Mr. Tian He Nian, Mr. Zhang Xiu Fu, Mr. Zhao Zhi Ming and Mr. To Yan Ming, Edmond.*

*This announcement, for which the directors of Aptus and CVG collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Aptus and CVG. 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 “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of 7 days from the date of its posting and on the websites of Aptus and CVG at [www.aptus.com.hk](http://www.aptus.com.hk) and [www.cvg.com.hk](http://www.cvg.com.hk), respectively.*

\* For identification purposes only