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盛源控股有限公司

SHENG YUAN HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)
(Stock code: 851)

VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION

THE AGREEMENT

The Board is pleased to announce that after trading hours of the Stock Exchange on 31 October 2012, the Company, the Purchaser and Mr. Hu entered into the Agreement, pursuant to which the Company conditionally agreed to dispose of the Sale Share and the Sale Loan to the Purchaser and the Purchaser conditionally agreed to acquire the Sale Share and the Sale Loan from the Company. The consideration for (i) the Sale Share is US\$1; and (ii) the Sale Loan shall be its face value on the date of Completion on a dollar-for-dollar basis payable in cash. The Sale Share represents the entire issued share capital of GCIL, and as at the date of the Agreement, the Shareholder's Loan amounted to HK\$49,463,907.

LISTING RULES IMPLICATION

As one of the applicable percentage ratios in respect of the Disposal under Rule 14.07 of the Listing Rules exceeds 75%, the Disposal constitutes a very substantial disposal for the Company under the Listing Rules which is subject to the reporting, announcement and shareholders' approval requirements.

As the Purchaser is a company wholly owned by Mr. Hu, who is the ultimate controlling Shareholder and the spouse of the chairlady of the Company, the Purchaser is a connected person of the Company. As such, the transaction as contemplated under the Disposal also constitutes a connected transaction of the Company under Rule 14A.13(1)(a) of the Listing Rules, which is subject to approval from the Independent Shareholders. Accordingly, Mr. Hu and his associates will be required to abstain from voting in respect of the resolution approving the Agreement and the transactions contemplated thereunder at the SGM.

GENERAL

The Independent Board Committee comprising Mr. Cheung Kwok Keung, Mr. Lam Kam Tong and Mr. Qi Wenju has been established by the Company to provide recommendation to the Independent Shareholders on the terms of the Agreement. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further particulars of the Agreement and the Disposal; (ii) recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the letter from an independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required to be disclosed under the Listing Rules; and (v) the notice convening the SGM will be despatched to the Shareholders on or before 3 December 2012 so as to allow sufficient time for the preparation of the relevant information for the inclusion in the circular.

The Board is pleased to announce that on 31 October 2012, the Agreement was entered into between the Company, the Purchaser and Mr. Hu as the Purchaser's guarantor with regard to the disposal of the Sale Share and the Sale Loan. Set out below are the principal terms of the Agreement:

THE AGREEMENT

Date: 31 October 2012

Parties:

- (1) Morich International Investments Limited, as purchaser
- (2) the Company, as vendor
- (3) Mr. Hu, as guarantor to guarantee all obligations and liabilities of the Purchaser under the Agreement

The Purchaser is an investment holding company. As the Purchaser is a company wholly owned by Mr. Hu, who is the ultimate controlling Shareholder and the spouse of the chairlady of the Company, the Purchaser is a connected person of the Company.

Subjects of the Disposal

The subjects of the Disposal comprise the disposal of the Sale Share and the Sale Loan.

The Sale Share represents the entire issued share capital of GCIL, which shall be sold to the Purchaser free from any encumbrances together with all rights attaching thereto as at the date of Completion. The Sale Loan represents the shareholder's loan owing by GCIL to the Company as at Completion, which is interest-free and repayable on-demand. As at the date of the Agreement, the Shareholder's Loan amounted to HK\$49,463,907. It is expected that the amount of the Shareholder's Loan will remain unchanged at Completion.

GCIL is a direct wholly owned subsidiary of the Company. Its sole asset is its entire equity interest in Sun Profit (China) which in turn holds the entire paid-up capital of Sun Profit Trade. As at the date of the Agreement, approximately US\$6 million of the registered capital of Sun Profit Trade was paid up, and pursuant to the Agreement, the remaining registered capital of approximately US\$4 million shall be procured to be paid by the Purchaser in accordance with the terms of the Agreement.

Consideration

The consideration for the Sale Share is US\$1, which shall be payable in cash by the Purchaser to the Company at Completion. The consideration for the Sale Loan shall be its face value on the date of Completion on a dollar-for-dollar basis which is payable in cash. Assuming there being no change to the amount of the Shareholder's Loan from the date of the Agreement to the date of Completion, the total consideration to be received by the Company for the Disposal would be approximately HK\$49,463,915, which shall be payable by the Purchaser in the following manner:

- (i) a refundable deposit in the amount of HK\$20,000,000 (the "**Deposit**") shall be payable by the Purchaser to the Company in cash within three days after the signing of the Agreement; and
- (ii) the remaining balance of the consideration shall be payable by the Purchaser to the Company in cash on Completion.

The Company has confirmed that the Sale Loan shall be not less than the amount of the Shareholder's Loan on the date of the Agreement. According to the terms of the Agreement, the amount of the Shareholder's Loan may be increased with the consent of the Purchaser. In such event, the total consideration payable for the Sale Loan shall equal to the amount of the Shareholder's Loan as at Completion.

The consideration of the Disposal was determined after arm's length negotiations between the Purchaser and the Company, in particular, with reference to (i) the unaudited consolidated net liabilities position of the Disposal Group in the amount of approximately HK\$2.4 million as at 30 June 2012; and (ii) the face value of Shareholder's Loan, which amounted to HK\$49,463,907 as at the date of the Agreement.

In the event any of the conditions precedent as set out below is not satisfied or Completion does not take place in accordance with the terms of the Agreement, the Company shall refund the Deposit (without interest) to the Purchaser within 20 business days after receiving a written demand from the Purchaser.

Conditions of the Agreement

The Disposal shall be conditional upon:

- (i) the passing by the Independent Shareholders at the SGM approving the Agreement and the transactions contemplated thereunder;

- (ii) all necessary approvals, consents, authorisations and licences in relation to the sale and purchase of the Sale Share and the Sale Loan contemplated under the Agreement having been obtained; and
- (iii) the clearance by the relevant regulatory authority(ies) of the announcement to be published by the Company pursuant to the Listing Rules in relation to the transactions contemplated under the Agreement.

If the above conditions shall not have been fulfilled on or before 4:00 p.m. on 28 February 2013, all rights and obligations of the parties thereunder shall cease and terminate, and no party shall have any claim against the other for any costs or losses (save in respect of any antecedent breaches of the Agreement). None of the above conditions can be waived.

Completion

Completion shall take place on the third business day following the date on which the above conditions have been fulfilled (or such later date as the parties to the Agreement may agree in writing).

Upon Completion, the Company will cease to hold any issued share capital in GCIL and GCIL will cease to be a subsidiary of the Group.

INFORMATION ON THE DISPOSAL GROUP

GCIL is a direct wholly owned subsidiary of the Company. As at the date of the Agreement, the sole asset of GCIL is the holding of the 100% issued share capital in Sun Profit (China) which in turn holds the entire paid-up capital of Sun Profit Trade. Sun Profit Trade was established by the Group in August 2010 with an initial registered capital of US\$3 million.

Sun Profit Trade is principally engaged in trading of telecommunication equipment (including network equipment such as routers and modems, as well as other electronic products) in the PRC. In May 2011, the registered capital of Sun Profit Trade was increased to US\$10 million. As at the date of the Agreement, approximately US\$6 million of the registered capital of Sun Profit Trade has been paid up, which was funded by the Company through the provision of the Shareholder's Loan. As stated in the paragraph headed "Subjects of the Disposal" above, pursuant to the Agreement, the remaining registered capital of approximately US\$4 million shall be procured to be paid by the Purchaser in accordance with the terms of the Agreement.

According to the unaudited consolidated financial statements of the Disposal Group, which was prepared under Hong Kong Financial Reporting Standards, the Disposal Group recorded an unaudited net liabilities position of approximately HK\$2.4 million as at 30 June 2012. Following the change of the financial year end date from 30 April to 31 December as announced by the Company on 30 December 2011, the audited final results of the Company

for that year covered the financial results of the Group for the eight months ended 31 December 2011. Set out below is the consolidated financial information on the Disposal Group prepared under Hong Kong Financial Reporting Standards:

	For the year ended 30 April 2011	For the eight months ended 31 December 2011	For the six months ended 30 June 2012
	<i>HK\$'000</i> <i>(audited)</i>	<i>HK\$'000</i> <i>(audited)</i>	<i>HK\$'000</i> <i>(unaudited)</i>
Turnover	32,211 <i>(Note)</i>	45,794	39,887
Net loss before taxation	(306)	(2,216)	(913)
Net loss after taxation	(306)	(2,216)	(913)

Note: For the year ended 30 April 2011, during the initial stage of its current business operation of Sun Profit Trade, GCIL had also engaged in the trading of certain electronic products for the Group and recorded a turnover of approximately HK\$12.4 million for that year.

As at 30 June 2012, (i) the non-current assets of the Disposal Group mainly comprised investment properties of approximately HK\$11.4 million and property, plant and equipment of approximately HK\$4.4 million, and its current assets included trade receivables of approximately HK\$24.4 million, cash and bank balance of approximately HK\$18.7 million and other receivables of approximately HK\$4.7 million; and (ii) the liabilities of the Disposal Group comprised the Shareholder's Loan of approximately HK\$49.5 million, accounts payable of approximately HK\$16.1 million and other payable of approximately HK\$0.3 million.

REASONS FOR THE DISPOSAL

The principal activities of the Group are the trading of telecommunication equipment, provision of securities brokerage and financial services and asset management services.

The trading of telecommunication equipment business of the Group is carried out by the Disposal Group through Sun Profit Trade. The products traded by the Disposal Group are mainly end-user network equipment such as routers and modems for telecommunication companies in the PRC purchased in bulk and are in turn often bundled with relevant data services to be provided to the end-users. For the past two years since the establishment of the operating companies under the Disposal Group in 2010, the turnover recorded by the Disposal Group has gradually increased from approximately HK\$32.2 million for the year ended 30 April 2011, to approximately HK\$45.8 million for the eight months ended 31 December 2011 and approximately HK\$39.9 million for the six months ended 30 June 2012. The management of the Company has been diligently operating the trading of telecommunication equipment and products business in the PRC. Through their efforts, Sun Profit Trade has made to be awarded as an authorised dealer of certain of its telecommunication equipment and products and as a qualified supplier for certain telecommunication companies in the PRC. However, due to the

relatively low margin nature of the business caused by a competitive business environment and the business having yet to reach sufficient scale, the Disposal Group has been suffering losses since its establishment and has recorded net loss before and after taxation of approximately HK\$0.3 million for the year ended 30 April 2011, approximately HK\$2.2 million for the eight months ended 31 December 2011 and approximately HK\$0.9 million for the six months ended 30 June 2012.

On the other hand, in April 2011, the Group has moved into the financial services industry. Since then, the Group has been providing stock brokerage and securities advisory services to clients (which comprise both retail and professional investors) and it has commenced the provision of margin financing for clients in May 2011, which provides interest income to the Group and is also beneficial for attracting securities trading clients who require the added flexibility and leverage. Also, the Group has launched the asset management service arm in September 2011. For further details on the Remaining Group, please refer to the section headed “Business operation and prospects of the Remaining Group” below.

Although the telecommunication equipment and product business of the Disposal Group has been gradually improving since its inception, it remains a very competitive segment with low margins. The management of the Company estimates that a substantial amount of working capital would be required to support and further develop the business of the Disposal Group to reach economies of scale necessary for achieving a meaningful return for the Group, which would require significant further expansion of its business network and product roster, and undertake substantial marketing activities. Since the establishment of Sun Profit Trade and up to the date of the Agreement, the Company has invested a total of approximately HK\$49.5 million in the Disposal Group through the provision of the Shareholder’s Loan. Considering that (i) the Disposal Group has been loss making for the past two years and it recorded an unaudited net liabilities of approximately HK\$2.4 million as at 30 June 2012; and (ii) the consideration for the Disposal, being US\$1 for the Sale Share and the consideration of the Sale Loan will be the face value of the Shareholder’s Loan upon Completion, which would be able to recover the investment cost of the Group in the Disposal Group, the Directors consider that it is an opportune time to dispose of the Disposal Group and thus allow the Group to have more flexibility for further investment in the financial services fields or for any other potential investment that would help diversify the business scope and expand the income source of the Group.

The Directors, other than the independent non-executive Directors who will express their views on the transactions contemplated under the Agreement in the circular to be despatched to the Shareholders after receiving advice from the independent financial adviser, consider that the terms, including the consideration, of the Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

BUSINESS OPERATION AND PROSPECTS OF THE REMAINING GROUP

Upon Completion, the Remaining Group will principally be engaged in the provision of financial services, which include securities brokerage, margin financing and asset management services. It will discontinue the trading of telecommunication equipment business upon Completion.

The Group has been engaging in the securities brokerage and financial services since April 2011 upon completion of the acquisition of SYSL. SYSL is a licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities, which provides stock brokerage and securities advisory services to clients (which comprises both retail and professional investors), as well as an internet trading platform. SYSL generates turnover mainly from its securities business from brokerage commission received from its clients when the relevant securities transactions are executed. Securities brokerage clients of SYSL can place orders by phone or online. In May 2011, SYSL began providing margin financing for clients who would like to purchase securities with margin financing, through which securities financing income was generated. In August 2012, SYSL was further licensed to engage in type 2 (dealing in futures contracts) regulated activities, which has recently launched its futures contracts trading services and a new stream of commission income is anticipated. The margin financing business carried out by SYSL has been well received and the management of the Company also considers that it is beneficial for attracting securities trading clients who require the added flexibility and leverage. To cater for the funding demand for this margin financing business, SYSL has recently increased its share capital from its inception capital of HK\$20 million to HK\$65 million in February 2012. As at 30 June 2012, SYSL had a margin loan portfolio of approximately HK\$37.7 million. To complement the stock brokerage and securities advisory services, the Group has established its own asset management and investment advisory arm, SYAML, which was licensed to engage in type 4 (advising on securities) and type 9 (asset management) in June 2011. Subsequently, in September 2011, the Group has launched Sheng Yuan China Growth Fund, an open-ended equity fund with focus in the Greater China Region. The key source of revenue of SYAML is management fee income. During the past two years, the Group had established a concrete financial platform for development of its financial services businesses.

According to the information as extracted from Bloomberg, the average daily turnover value (the “**Average Daily Turnover Value**”) of all securities listed on the Main Board of the Stock Exchange in Hong Kong in 2011 was approximately HK\$69,473 million. For the first and second quarter of 2012, the Average Daily Turnover Value has decreased to approximately HK\$63,010 million and HK\$50,072 million respectively. As the share capital of SYSL was only increased to HK\$65 million in February 2012 and unavoidably being affected by the relevantly weak market sentiment, the financial performance of the financial services businesses of the Group during the past few months was not very satisfactory. For the six months ended 30 June 2012, the revenue contributed by the financial services (including stock brokerage, margin financing and asset management services) of the Group was approximately HK\$3.3 million and it recorded segment loss of approximately HK\$4.6 million. The stock market sentiment continued to be sluggish in July and August 2012, with the Average Daily Turnover Value for each of these two months further decreasing to approximately HK\$43,385 million and HK\$43,718 million respectively, with a low in July 2012 of approximately HK\$29,280 million. Until mid-September 2012, the United States Federal Reserve announced its decision to launch the third round of quantitative easing to bolster the economy. Although the global economy might continue to be unstable, the management of the Company believes that, with the implementation of the third round quantitative easing measures, the overall stock market in Hong Kong could be stimulated which in turn, would benefit the development of the stock brokerage and margin financing businesses of the Group. For the period from 14 September 2012 (being the trading day immediately after the announcement of the launch of the third round quantitative measures) to 31 October 2012, the Average Daily Turnover Value had increased to approximately HK\$52,543 million. As stated in the interim report of

the Company for the six months ended 30 June 2012, despite the overall economy was still unstable and timing of a significant recovery was yet certain, the Group would continue to enhance operations and performance of the securities brokerage business. The Remaining Group, including SYSL and SYAML, has more than 40 staff, serving the operations of the business units of the Remaining Group, as well as the support departments including finance, compliance, information technology and human resources and administration and etc. In the long run, the Group plans to provide a wide range of financial services with stock brokerage and margin financing as its core so as to capture the business opportunities of the financial market in Hong Kong. With the launch of the futures contracts trading business and the increase in capital assuming completion of the Disposal, trading activities in futures contracts and securities of SYSL are expected to increase, which will lead to increased commission income and financing income. Scale of margin financing shall also be expanded as and when capital permits to increase financing income and to encourage increased clients' trading turnover via providing added flexibility and leverage of margin financing. Also, looking forward, SYSL plans to provide financing for applications of shares in connection with initial public offerings and will develop its capability of participating in or undertaking small to medium scale of securities placement. SYAML, the Group's asset management arm, shall seek to achieve growth via the recruitment of further investment into the Sheng Yuan China Growth Fund and enlarging its client base for discretionary portfolio management services in the future should suitable opportunities arise. Based on the aforesaid, the Directors consider that the Remaining Group would continue to have sufficient level of operations to warrant the continued listing of the Shares as required under Rule 13.24 of the Listing Rules upon Completion.

PROPOSED USE OF PROCEEDS

The net proceeds from the Disposal (net of expenses) is estimated to be approximately HK\$47.1 million, assuming there being no change to the amount of the Shareholder's Loan from the date of the Agreement to the date of Completion. It is intended that, out of the net proceeds of the Disposal, (i) approximately HK\$25 million will be used for the development and operation of the securities and margin financing businesses of the Group; (ii) approximately HK\$10 million will be reserved for investment in new business propositions should suitable opportunities arise; and (iii) approximately HK\$12.1 million will be used for general working capital of the Remaining Group. As at the date of this announcement, the Company has not identified any acquisition or investment target and no agreement, understanding or arrangement has been entered into in relation to any new business propositions. As at the date of this announcement, the Board does not have any intention, negotiation or arrangement as regards the acquisition of any new business and assets. The Company will comply with the Listing Rules as and when required if any acquisition or investment target is identified for its new business propositions.

FINANCIAL EFFECT OF THE DISPOSAL

Based on the unaudited net liabilities of the Disposal Group as at 30 June 2012, the Group expects that it would realise a gain on the disposal of approximately HK\$1.1 million, which is calculated based on net consideration for disposing the Sale Share and the Sale Loan of approximately HK\$47.1 million in aggregate (after netting off the estimated direct expenses in relation to the Disposal) and after deducting the net liabilities of the Disposal Group of

approximately HK\$2.4 million and the amount of the Sale Loan of approximately HK\$49.5 million, and the realisation of foreign exchange reserve upon the Disposal of approximately HK\$1.1 million. Shareholders should note that the actual gain or loss from the Disposal to be recorded by the Company will depend on the financial position of the Disposal Group and the actual amount of the Sale Loan as at the date of Completion.

As at 30 June 2010, the bank balances and cash of the Group amounted to approximately HK\$50.0 million, of which approximately HK\$18.7 million was attributable by the Disposal Group, approximately HK\$17.6 million represented the capital designated and reserved for the operation of the Group's subsidiaries which carry out the regulated activities under the SFO, and the remaining HK\$13.7 million was the general working capital of the Group. Given the principal businesses of the Remaining Group upon Completion are securities brokerage and financial services and asset management services and the net proceeds from the Disposal has identified use by the Remaining Group mainly for its operations of securities brokerage and financial services, the Directors consider that the Remaining Group would not become a cash company upon Completion.

IMPLICATION UNDER THE LISTING RULES

As one of the applicable percentage ratios in respect of the Disposal under Rule 14.07 of the Listing Rules exceeds 75%, the Disposal constitutes a very substantial disposal for the Company under the Listing Rules which is subject to the reporting, announcement and shareholders' approval requirements.

As the Purchaser is a company wholly owned by Mr. Hu, who is the ultimate controlling Shareholder and the spouse of the chairlady of the Company, the Purchaser is a connected person of the Company. As such, the transaction as contemplated under the Disposal also constitutes a connected transaction of the Company under Rule 14A.13(1)(a) of the Listing Rules, which is subject to approval from the Independent Shareholders. Accordingly, Mr. Hu and his associates will be required to abstain from voting in respect of the resolution approving the Agreement and the transactions contemplated thereunder at the SGM.

Ms. Lin had abstained from voting on the board resolution approving the Disposal as Ms. Lin is considered to be interested in the Agreement by virtue of the fact that the Purchaser is a corporation controlled by Mr. Hu, the spouse of Ms. Lin.

GENERAL

The Independent Board Committee comprising Mr. Cheung Kwok Keung, Mr. Lam Kam Tong and Mr. Qi Wenju has been established by the Company to provide recommendation to the Independent Shareholders on the terms of the Agreement. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further particulars of the Agreement and the Disposal; (ii) recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the letter from an independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required to be disclosed under the Listing Rules; and (v) the notice convening the SGM will be despatched to the Shareholders on or before 3 December 2012 so as to allow sufficient time for the preparation of the relevant information for the inclusion in the circular.

DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 31 October 2012 entered into between Company, the Purchaser and Mr. Hu in respect of the Disposal
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“connected person(s)”	has the meaning ascribed thereto under Rule 1.01 and as extended under Rule 14A.11 of the Listing Rules
“Company”	Sheng Yuan Holdings Limited, a Company incorporated in Bermuda with limited liability and the issued Shares of which are listed in the Main Board of the Stock Exchange with stock code 851
“Completion”	completion of the Disposal
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Share and the Sale Loan pursuant to the Agreement
“Disposal Group”	GCIL and its subsidiaries
“GCIL”	Goodness Come Investments Limited, a company incorporated in the British Virgin Islands with limited liability, which is a direct wholly owned subsidiary of the Company
“Greater China Region”	the PRC, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Cheung Kwok Keung, Mr. Lam Kam Tong and Mr. Qi Wenju, established to provide recommendation to the Independent Shareholders on the terms of the Agreement
“Independent Shareholders”	Shareholders, other than Mr. Hu and his associates, who do not have any material interest in the transactions contemplated under the Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Hu”	Mr. Hu Yishi, the spouse of Ms. Lin and (through his shareholding interest in Front Riches Investments Limited) the controlling Shareholder
“Ms. Lin”	Ms. Lin Min, the chairlady of the Company and an executive Director
“percentage ratios”	has the meaning ascribed to it under Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	Morich International Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Remaining Group”	the Group other than the Disposal Group
“Sale Loan”	the total amount of the Shareholder’s Loan owing by the GCIL to the Company upon Completion, which shall be not less than HK\$49,463,907 upon Completion
“Sale Share”	the one issued share in GCIL, representing the entire issued share capital of GCIL
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting to be convened and held by the Company to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Shareholder’s Loan”	the shareholder’s loan due and owing by GCIL to the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sun Profit (China)”	Sun Profit (China) Limited, a company incorporated in Hong Kong with limited liability, which is a direct wholly owned subsidiary of GCIL
“Sun Profit Trade”	順盈貿易(上海)有限公司 (translated as Sun Profit Trade (Shanghai) Limited), a wholly foreign-owned enterprise established in the PRC, which is a direct wholly owned subsidiary of Sun Profit (China)
“SYAML”	Sheng Yuan Asset Management Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company, which is a licensed corporation under the SFO to carry on Type 4 (advising on securities) and Type 9 (Asset Management) regulated activities
“SYSL”	Sheng Yuan Securities Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company, which is a licensed corporation under the SFO to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	US dollars, the lawful currency of US
“%”	per cent.

By Order of the Board
Sheng Yuan Holdings Limited
Yip Kar Hang, Raymond
Executive Director and Chief Executive Officer

Hong Kong, 31 October 2012

As at the date of this announcement, the Board consists of Ms. Lin Min, Mr. Yip Kar Hang, Raymond and Ms. Kwong Wai Man, Karina (all being executive Directors), Mr. Cheung Kwok Keung, Mr. Lam Kam Tong and Mr. Qi Wenju, (all being independent non-executive Directors).