Hoifu Energy Group Limited
凱富能源集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 7)

VERY SUBSTANTIAL ACQUISITION CHANGE IN USE OF PROCEEDS FROM THE SUBSCRIPTION AND RESUMPTION OF TRADING

THE ACQUISITION

On 3 July 2013 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with, among others, the Vendor in respect of the purchase of the Equity Interest, which represents 51% equity interest in the Target, for a consideration of RMB102.0 million (equivalent to approximately HK$129.1 million), which will be satisfied as to RMB45.0 million (equivalent to approximately HK$57.0 million) in cash and RMB57.0 million (equivalent to approximately HK$72.1 million) by the issue of the Convertible Notes at an initial conversion price of HK$1.3 per Conversion Share.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a very substantial acquisition for the Company under the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. Since no Shareholders have any material interest in the Acquisition which is different from other Shareholders and none of the Vendor and its associates holds any Share as at the date of this announcement, no Shareholders are required to abstain from voting at the SGM to approve the Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, inter alia, further details of the Acquisition, other disclosures required under the Listing Rules and a notice of the SGM is expected to be despatched to the Shareholders on or before 31 August 2013 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

CHANGE IN USE OF PROCEEDS FROM THE SUBSCRIPTION

In view of the new development of the Group's trading business and its progress on investments in oil and gas industry, the Company has decided to change the use of proceeds from the Subscription by allocating a larger portion of the proceeds from the Subscription for general working capital of the Group. Accordingly, the net proceeds from the Subscription will be applied as to (i) approximately HK$60.4 million for further development of Block 2; (ii) approximately HK$92.6 million for investments in oil and gas related businesses; and (iii) approximately HK$50.0 million for general working capital of the Group.

RESUMPTION OF TRADING OF THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 4 July 2013, pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 22 July 2013.

The Board is pleased to announce that the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with, among others, the Vendor on 3 July 2013 (after trading hours) to acquire the Equity Interest, being 51% equity interest in the registered capital of the Target. Details of the Acquisition are set out as follows:

THE AGREEMENT

Date

3 July 2013

Parties to the Agreement

Purchaser: 廣東凱富能源有限公司 (Guangdong Hoifu Energy Limited*), a company established under the laws of the PRC and is wholly-owned by the Company.

Vendor: 南寧端豐貿易有限公司 (Nanning Duanfeng Trading Co., Ltd.*), a limited liability company established under the laws of the PRC. It is principally engaged in trading business and was interested in 88% of the equity interest of the Target as at the date of the Agreement.

* *for identification purpose only*

	To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.
Target:	廣西欽州泰興石油化工有限公司 (Guangxi Qinzhou Taixing Petrochemical Co., Ltd.*), a limited liability company established under the laws of the PRC
Issuer:	the Company

Assets to be acquired

The asset to be acquired under the Agreement is the Equity Interest, being 51% equity interest in the registered capital of the Target, which is a limited liability company incorporated under the laws of the PRC.

Consideration

The consideration for the Acquisition is RMB102.0 million (equivalent to approximately HK$129.1 million), which will be satisfied upon completion of the Acquisition as to RMB45.0 million (equivalent to approximately HK$57.0 million) in cash and RMB57.0 million (equivalent to approximately HK$72.1 million) by the issue of the Convertible Notes. The cash consideration will be financed by proceeds raised in the Subscription.

The consideration of the Acquisition was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the net asset value of the Target. The Directors consider that the terms of the Agreement are fair and reasonable and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

Principal terms of the Convertible Notes

The principal terms of the Convertible Notes, which were negotiated on an arm's length basis, are summarized below:

Issuer:	the Company
Principal amount:	HK$72,151,898 (equivalent to RMB57.0 million)
Interest:	nil
Maturity date:	the first anniversary of the date of issue of the Convertible Notes
Conversion period:	The period commencing on the date which is 30 days prior to the maturity date of the Convertible Notes up to and including the maturity date of the Convertible Notes.

* *for identification purpose only*

Conversion price:	The initial conversion price is HK$1.3 per Conversion Share, subject to adjustments in accordance with the terms and conditions of the Convertible Notes. Events triggering adjustments on conversion price include share consolidation, share subdivision, share reclassification, capitalization of profits or reserves, capital distribution, rights issue, open offer and equity or equity derivatives issues. No adjustment involving an increase in the conversion price will be made, other than in the case of share consolidation or share reclassification. The initial conversion price of HK$1.3 per Conversion Share under the Convertible Notes represents (i) a premium of approximately 18.18% over the closing price of HK$1.1 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 22.64% over the average closing price of HK$1.06 per Share for the last five trading days immediately prior to and including the Last Trading Day; and (iii) a premium of approximately 27.08% over the average closing price of HK$1.023 per Share for the last ten trading days immediately prior to and including the Last Trading Day. The initial conversion price under the Convertible Notes was arrived at after arm's length negotiations between the Purchaser and the Vendor with reference to the trading price of the Shares during the period of negotiation.
Conversion Shares:	The Conversion Shares will rank pari passu in all respects with all other Shares in issue on the relevant conversion date and will entitle the holders to all dividends, and other distributions, rights or entitlements the record date for which falls after the relevant conversion date. Assuming that the Convertible Notes are fully converted into Conversion Shares at the initial conversion price of HK$1.3 per Conversion Share, a total of 55,501,460 Conversion Shares will be issued, which represent approximately 3.81% of the existing issued share capital of the Company and approximately 3.67% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the Convertible Notes. The Conversion Shares will be issued under a specific mandate, approval of which will be sought at the SGM. Application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.
Redemption:	The Company will redeem the Convertible Notes on the maturity date at the redemption amount representing 100% of the principal amount of the Convertible Notes then outstanding.
Application of listing:	No application will be made by the Company to the Stock Exchange or any other stock exchange for the listing of the Convertible Notes.

Transferability:	The Convertible Notes may be transferred to any person, provided that any assignment or transfer to a connected person of the Company is subject to prior written consent of the Company and approval of the Shareholders (if so required under, and in compliance with, the Listing Rules). Any assignment or transfer of the Convertible Notes is also subject to compliance with the relevant requirements and provisions under the Listing Rules for so long as the Shares are listed on the Stock Exchange (and the rules of any other stock exchange on which the Shares may be listed at the relevant time) and all applicable laws and regulations.
Voting:	The holder(s) of the Convertible Notes will not be entitled to receive notices of, attend or vote at, any meeting of the Company by reason only of it/them being the holder(s) of the Convertible Notes.
Ranking:	The Convertible Notes will rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.

Conditions precedent

Completion of the Acquisition is conditional upon, inter alia:

(a) the Shareholders, other than those required to abstain from voting under the Listing Rules, at the SGM having approved the transactions contemplated under the Agreement (including the acquisition of the Equity Interest, the issue of the Convertible Notes and the issue of the Conversion Shares);

(b) the Listing Committee of the Stock Exchange having granted an approval for the listing of, and permission to deal in, the Conversion Shares;

(c) the existence and usage of the existing loans of the Target of approximately RMB160 million having been verified and confirmed by an independent auditor or valuer appointed by the Purchaser;

(d) the Purchaser having been satisfied with the result of the valuation on the Target to be made by an independent valuer appointed by the Purchaser and the net asset value of the Target being not less than RMB200 million; and

(e) the Purchaser being satisfied with the results of the financial and legal due diligence on the Target to be carried out by independent auditors and lawyer appointed by the Purchaser.

Completion of the Acquisition shall take place on the first business day after the date on which all the conditions precedent of the Acquisition having been satisfied. If the conditions shall not have been fulfilled by 15 September 2013 or such later date as the parties to the Agreement may agree in writing, the Agreement shall terminate and of no effect.

Capital Injection

As at the date of the Agreement, the Target had a total registered capital of RMB80.0 million. Upon completion of the Acquisition, the Target will increase its registered capital by an amount of RMB40 million with additional capital contributions from the then shareholders of the Target in proportion to their respective equity interests in the Target. Accordingly, the Purchaser will inject RMB20.4 million while other shareholders of the Target will inject RMB19.6 million into the Target. Upon completion of the Capital Injection, the registered capital of the Target will be RMB120 million. The additional capital funding will be used for purchase, installation and testing of production facilities and as general working capital for purchases of raw materials.

Board composition of the Target

Upon completion of the Acquisition and the Capital Injection, the board of directors of the Target will comprise five members, three of which will be nominated by the Purchaser while the remaining two members will be nominated by the existing shareholders of the Target.

INFORMATION ON THE TARGET

The Target was established under the laws of the PRC on 18 May 2009 as a limited liability company with principal activities of production and sale of fine chemical products such as industrial white oil, hydrogenated lube base oil, transformer oil and non-aromatic solvent oil. As at the date of the Agreement, the Target was owned as to 88% by the Vendor and 12% by Maonan Yongsheng. The Vendor is principally engaged in trading business in the PRC. Its shareholders are entrepreneurs with diversified businesses such as property development, trading of non-ferrous metals, minerals, machineries and equipments, construction materials, decorative materials, office equipment, agricultural products and import and export of steel. Maonan Yongsheng is principally engaged in metal waste and scrap processing and sale of steel. The managing director of Maonan Yongsheng has extensive management experience in trading of petrochemical products and good access to the sales network for petrochemical products. The shareholders of the Vendor and Maonan Yongsheng have abundant experience in business management and extensive business networks in the PRC. They also have good relationship with the local government in Guangxi, where the Target is located. The Directors believe that the good relationship with the local business community and government bodies together with extensive experience in business management of the Vendor and Maonan Yongsheng and their respective shareholders can effectively facilitate the development and operation of the business of the Target. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Maonan Yongsheng and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

The Target acquired a land with total area of 150 mu in Qinzhou Port Jingu Chemical Industrial Park, Guangxi, the PRC in 2009 for the establishment of a manufacturing plant with an annual production capacity of 150,000 tones of lube base oil and 130,000 tones of non-aromatic solvent oil. According to the information provided by the Vendor, the total investment cost of the Target would be approximately RMB450 million, of which RMB350 million will be used for acquisition of production facilities and fixed assets while the balance will be used as general working capital. Up to the date of this announcement, the existing shareholders of the Target have invested a total of approximately RMB200 million, in form of capital and shareholders' loans, in the Target. An office building with total area of 3,685 square meters and a residential building with total area of 3,660 square meters have been built in the factory site. The Target is currently at the equipment installation and testing stage and it is expected that production will commence in around October 2013.

The Target will use hydrocracking unconverted oil and reformed raffinate oil, which are side products of oil and gas companies, as raw materials and apply hydrogenation technology to produce its fine chemical products such as Group III lube base oils. Such patented technology was developed by Fushun Petrochemical Research Institute of China Petrochemical and it has the advantages of short manufacturing process, low cost, high efficiency and environmental friendly. It also enables the Target to differentiate from other base oil manufacturers in the PRC, most of which can only produce Group I and Group II lube base oils which are used as raw materials for manufacturing of low quality lubricants. On the other hand, the Target can produce Group III lube base oils and high quality refined oil extraction, which can be used as raw materials for high quality lubricants and food manufacturing.

In 2011, Guangxi Qinzhou Municipal People's Government entered into a chemical supply framework agreement with one of the largest petroleum companies in the PRC. Pursuant to the framework agreement, the petroleum company agreed to supply chemical raw materials, including hydrocracking unconverted oil and reformed raffinate oil, to the production enterprises located at Qinzhou Port Jingu Chemical Industrial Park. Meanwhile, the Target has obtained a letter from the relevant authority of Guangxi Qinzhou Municipal People's Government confirming that it agreed to procure the supply of hydrocracking unconverted oil and reformed raffinate oil from the petroleum company to the Target. Furthermore, the Target may also source its raw materials from the surrounding areas of Guangxi such as Huizhou and Maoming, Guangdong Province and Hainan Province.

The target customers of the Target include trading companies, food manufacturers, lubricating oil manufacturers and other manufacturers located in the Southern part of the PRC. The occupants of Qinzhou Port Jingu Chemical Industrial Park where the Target is located, are mainly engaged in oil refining, ethylene producing, fine chemicals, energy, grain & oil processing, and phosphorus industry, etc. and they have significant demand on the Target's products. In addition, major lubricant producers in the PRC are mainly located in areas along the coast or close to oilfields. Guangdong Province, which is next to Guangxi, is one of the areas where major lubricant producers are located. The Directors consider that the convenient location of the Target can facilitate the sale of its products to the target customers.

Currently, the Target has 105 employees, 9 of which are members of the management team. The Company was given to understand that the management team of the Target has extensive expertise and experience relevant to business management and manufacturing and sale of fine chemical products. The Chief Engineer of the Target is a senior engineer with 32 years of experiences in chemical industry and was the deputy head of the expert team of Sinopec Maoming Company before joining the Target. In addition, all department heads of the Target possess more than 30 years of experiences in their respective professions. It is anticipated that additional manpower will be added to further strengthen the management team of the Target when such needs arise. However, the Company has no present intention to effect any material change to the existing management team of the Target after completion of the Acquisition. Following completion of the Acquisition, the Company will also conduct a detailed review on the business operations of the Target for the purpose of formulating business plans and strategies for the future business development of the Target.

Based on the audit report of the Target for the year ended 31 December 2012, which have been prepared in accordance with accounting principles generally accepted in the PRC, the Target recorded zero net profit before and after taxation for the two years ended 31 December 2012 as all of the expenses of the Target incurred during the years were capitalized in accordance with the accounting principles generally accepted in the PRC. As at 31 December 2012, the net asset value of the Target was approximately RMB80.4 million (equivalent to approximately HK$101.8 million). The total assets of the Target as at 31 December 2012 were approximately RMB429.7 million (equivalent to approximately HK$543.9 million), which mainly comprised cash and bank balances of approximately RMB42.0 million (equivalent to approximately HK$53.1 million), prepayment and other receivables of approximately RMB191.6 million (equivalent to approximately HK$242.5 million), fixed assets of approximately RMB56.0 million (equivalent to approximately HK$70.9 million), construction in progress of approximately RMB101.5 million (equivalent to approximately HK$128.5 million), intangible assets of approximately RMB19.9 million (equivalent to approximately HK$25.2 million) and deferred expenses of approximately RMB18.4 million (equivalent to approximately HK$23.2 million). The Company was given to understand that loans in amount of approximately RMB128.7 owed by the Target to the existing shareholders and their associates would be transferred to a reserve account of the Target before completion of the Acquisition.

REASONS FOR THE ACQUISITION

The Company is an investment holding company and the Group is principally engaged in the provision of financial services (including stock broking, futures and options broking, mutual funds and insurance-linked investment plans and products advising, securities margin financing and corporate finance advisory services) and oil and gas exploration, exploitation, production and international trading business. Upon completion of the Acquisition, the Target will become a subsidiary of the Company and its results will be consolidated into the Group's accounts.

As disclosed in the annual report of the Company for the year ended 31 December 2012, the Directors intended to restructure the business mix of the Group in order to increase the portion of oil and gas related businesses. In June 2013, the Group announced that it has established a joint venture company and several subsidiaries in the PRC and Madagascar to conduct trading of petrochemical products and operation of petrol stations in the PRC and Madagascar. Currently, the Group's oil and gas businesses are still at an early development stage and those projects are located in Africa and the Middle East. The Directors consider that the Acquisition will broaden its income source and further allow the Company to internationalize its revenue base with a presence in the Greater China region. Furthermore, to diversify the business risk, the Company is actively seeking for investment opportunities in oil and gas exploration and exploitation projects in other countries, including the PRC. The Directors believe that the Acquisition can lay a foundation for the Group to further develop a vertically-integrated business model with operations along the value chain from oil and gas exploitation to manufacturing and trading of petrochemical products in the PRC in the long run. In addition, as the cost of the Target's chemical manufacturing business is highly dependent on the oil price, the Acquisition can diversify the business risk of the Group and facilitate the Group in hedging against oil price fluctuation. In light of the above, the Directors consider that the Acquisition is in line with the strategic development of the Group and can bring long-term and strategic benefits to the Company. While it is extending the business scope in the oil and gas industry, the Group has no present intention to scale down or terminate its existing business.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is a summary of the shareholding in the Company as at the date of this announcement and, for illustrative purposes only, upon full conversion of the Convertible Notes, assuming there being no other changes in the issued share capital and the shareholding structure of the Company after the date of this announcement.

	As at the date of this announcement		**Upon full conversion of the Convertible Notes**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*
Triumph Energy Group Limited *(Note 1)*	785,139,143	53.89	785,139,143	51.92
J&A Investment Limited *(Note 2)*	128,718,000	8.84	128,718,000	8.51
Simply Superb Holdings Limited *(Note 3)*	175,000,000	12.01	175,000,000	11.57
The Vendor	—	—	55,501,460	3.67
Other Public Shareholders	367,986,469	25.26	367,986,469	24.33
	1,456,843,612	100.00	1,512,345,072	100.00

Notes:

1. Triumph Energy Group Limited is owned as to 55% by Taiming Petroleum Group Limited, which is wholly-owned by Dr. Hui Chi Ming, a Director, and 45% by AMA Energy Group Limited, which is wholly-owned by Mr. Bush Neil, a Director.

2. J&A Investment Limited is owned as to 80% by Mr. Lam Kwok Hing, a Director, and 20% by Mr. Nam Kwok Lun, a Director.

3. Simply Superb Holdings Limited is wholly-owned by Mr. Zhao Ying.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a very substantial acquisition for the Company under the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. Since no Shareholders have any material interest in the Acquisition which is different from other Shareholders and none of the Vendor and its associates holds any Share as at the date of this announcement, no Shareholders are required to abstain from voting at the SGM to approve the Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, inter alia, further details of the Acquisition, other disclosures required under the Listing Rules and a notice of the SGM is expected to be despatched to the Shareholders on or before 31 August 2013 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

CHANGE IN USE OF PROCEEDS FROM THE SUBSCRIPTION

References are made to (i) the joint announcements issued by Triumph Energy Group Limited, J&A Investment Limited, Karfun Investments Limited and the Company dated 23 August 2012, 31 October 2012 and 8 November 2012; (ii) the circular of the Company dated 27 September 2012; and (iii) the announcement of the Company dated 27 October 2012.

According to the Company's circular dated 27 September 2012, the Company intended to apply the net proceeds from the Subscription of approximately HK$203.0 million as to (i) approximately HK$110.0 million for the drilling of four more wells and acquisition of additional seismic data in Block 2; (ii) approximately HK$90.0 million for investments in oil and gas projects; and (iii) approximately HK$3.0 million for general working capital of the Group.

In view of the new development of the Group's trading business and its progress on investments in oil and gas industry, the Directors wish to announce that the Company has decided to allocate a larger portion of the proceeds from the Subscription for general working capital of the Group. Accordingly, the net proceeds from the Subscription will be applied as to (i) approximately HK$60.4 million for further development of Block 2; (ii) approximately HK$92.6 million for investments in oil and gas related businesses; and (iii) approximately HK$50.0 million for general working capital of the Group.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 4 July 2013, pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 22 July 2013.

DEFINITIONS

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

"Acquisition"	the acquisition of the Equity Interest by the Purchaser in accordance with the terms and conditions of the Agreement
"Agreement"	the sale and purchase agreement dated 3 July 2013 entered into between the Purchaser, the Vendor, the Target and the Company in relation to the Acquisition
"associate(s)"	has the meaning ascribed to it under the Listing Rules

"Block 2"	an oilfield block located at West Esh El Mallaha in the Eastern Desert area in Egypt
"Board"	the board of Directors
"Capital Injection"	injection of additional capital of RMB40 million by the shareholders of the Target in proportion to their respective equity interests in the Target upon completion of the Acquisition
"Company"	Hoifu Energy Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Conversion Share(s)"	new Share(s) to be issued by the Company upon conversion of the Convertible Notes
"Convertible Notes"	the convertible notes of an aggregate principal amount of approximately HK$72,151,898 (equivalent to RMB57.0 million) with an initial conversion price of HK$1.3 per Conversion Share to be issued by the Company, as part of the consideration for the Acquisition, to the Vendor in accordance with the terms and conditions of the Agreement
"Director(s)"	the director(s) of the Company
"Equity Interest"	51% equity interest in the Target
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Last Trading Day"	3 July 2013, being the last trading day before the publication of this announcement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Maonan Yongsheng"	茂南永生金屬回收有限公司 (Maonan Yongsheng Metal Recycling Co., Ltd.*), a limited liability company established under the laws of the PRC
"PRC"	the People's Republic of China, and for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

* *for identification purpose only*

"Purchaser"	廣東凱富能源有限公司 (Guangdong Hoifu Energy Limited*), a company established under the laws of the PRC and is wholly-owned by the Company
"RMB"	Renminbi, the lawful currency of the PRC
"SGM"	the special general meeting of the Company to be convened for the purpose of considering, and if though fit, approving the Agreement and the transactions contemplated thereunder
"Share(s)"	ordinary share(s) of HK$0.1 each in the issued share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription of 820,000,000 new Shares by Triumph Energy Group Limited pursuant to the subscription agreement dated 2 July 2012 and the supplemental agreement dated 23 August 2012 entered into between Triumph Energy Group Limited and the Company, which was completed on 9 November 2012, details of which are set out in the circular of the Company dated 27 September 2012
"Target"	廣西欽州泰興石油化工有限公司 (Guangxi Qinzhou Taixing Petrochemical Co., Ltd.*), a limited liability company established under the laws of the PRC
"Vendor"	南寧端豐貿易有限公司 (Nanning Duanfeng Trading Co., Ltd.*), a limited liability company established under the laws of the PRC
"%"	per cent

By order of the Board
Hoifu Energy Group Limited
Dr. Hui Chi Ming, *G.B.S., J.P.*
Chairman

Hong Kong, 19 July 2013

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK$ is calculated at the exchange rate of RMB0.79 to HK$1. The exchange rate is for illustrative purpose only and do not constitute a representation that any amount has been, could have been, or may be exchanged at this or any other rate at all.

* *for identification purpose only*

As at the date of this announcement, the Honorary Chairman and Senior Consultant of the Company is Dr. Yukio Hatoyama; the Board comprises five executive Directors, namely, Dr. Hui Chi Ming, G.B.S., J.P., Mr. Neil Bush, Dr. Chui Say Hoe, Mr. Lam Kwok Hing and Mr. Nam Kwok Lun; and three independent non-executive Directors, namely, Mr. Chen Weiming, Eric, Mr. Kwan Wang Wai, Alan and Mr. Ng Chi Kin, David.