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## PANVA GAS HOLDINGS LIMITED

(百江燃氣控股有限公司)\*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1083)

### Proposed Open Offer with an assured allotment of One Offer Share for Every 10 Existing Shares Held at HK\$4.00 per Offer Share

#### Underwriter of the Open Offer



The Company proposes to raise not less than approximately HK\$703.49 million, before expenses, by issuing not less than 175,873,502 new Shares and not more than 184,362,272 new Shares by way of Open Offer at a price of HK\$4.00 per Offer Share with an assured allotment of one Offer Share for every 10 existing Shares held on the Record Date. The Open Offer will be available only to the Qualifying Shareholders.

As at the date of this announcement, the Majority Shareholders are interested in, in aggregate, 1,309,718,316 Shares, representing approximately 74.47% of the existing issued share capital of the Company. The Majority Shareholders have irrevocably undertaken to the Company to apply (or procure application) for the entire number of the Offer Shares in the assured allotments in which they are beneficially interested. Save for those Offer Shares for which the Majority Shareholders have irrevocably undertaken to apply, the Open Offer is fully underwritten by the Underwriter.

The invitation to apply for the Offer Shares is not transferable or capable of renunciation and there will not be any trading of entitlements to apply for Offer Shares on the Stock Exchange.

**The Open Offer is conditional.** Details of the conditions of the Open Offer are set out in the section headed “Conditions of the Open Offer” in the full text of this announcement below. **Accordingly, the Open Offer may or may not proceed. Investors are advised to exercise caution when dealing in the Shares.**

To qualify for the Open Offer, a Shareholder (other than a Non-Qualifying Shareholder) must be registered as a member of the Company on the Record Date. Any transfers of Shares (with relevant certificates) must be lodged for registration by 4:30 p.m. on Friday, 25 May 2007 with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. The register of members of the Company will be closed from Monday, 28 May 2007 to Thursday, 31 May 2007 (both days inclusive). No transfer of Shares will be registered during this period. Existing Shares will be dealt in on an ex-entitlements basis from Wednesday, 23 May 2007.

The gross proceeds of the Open Offer are currently estimated to be approximately HK\$703.49 million (on the basis that 175,873,502 Offer Shares will be issued under the Open Offer) and is intended to be used for reduction of the indebtedness of the Group and for general working capital purpose.

The Prospectus containing, among others, further details of the proposed Open Offer is expected to be sent to the Shareholders on or about Friday, 1 June 2007.

## OPEN OFFER

### Issue Statistics

Basis of Open Offer	:	Assured allotments of one Offer Share for every 10 existing Shares held on the Record Date
Number of existing Shares in issue	:	1,758,735,026 Shares
Number of Offer Shares to be issued under the Open Offer	:	Not less than 175,873,502 Offer Shares and not more than 184,362,272 Offer Shares, representing approximately 10% to 10.48% of the existing issued share capital of the Company and approximately 9.09% to 9.49% of the issued share capital of the Company as enlarged by the issue of the Offer Shares respectively
Subscription Price for the Offer Shares	:	HK\$4.00 per Offer Share
Underwriter	:	CITIC Securities Corporate Finance (HK) Limited, which is independent of any members of the Group, the directors, the chief executives, the controlling shareholders, the substantial shareholders of the Company or its subsidiaries, and their respective associates (as defined in the Listing Rules)

As at the date of the Underwriting Agreement, there were 19,370,000 outstanding Options granted under the Share Option Schemes, which are currently exercisable and there were Convertible Bonds in the outstanding amount of US\$31,955,000 which were convertible into a maximum of 65,517,703 Shares based on the current conversion price. If all the subscription rights attaching to those outstanding Options which are exercisable are exercised on or before the Record Date and all the conversion rights attaching to those outstanding convertible bonds are exercised on or before the Record Date, the number of total issued Shares will be increased to 1,843,622,729 and the number of Offer Shares proposed to be issued pursuant to the Open Offer will be increased from 175,873,502 Offer Shares to 184,362,272 Offer Shares.

Apart from the Options granted under the Share Option Schemes and the Convertible Bonds, the Company has no outstanding options, convertible securities or warrants which confer the right to subscribe for the Shares.

### Qualifying Shareholders:

The Company will send the Prospectus Documents to the Qualifying Shareholders only.

### To qualify for the Open Offer, a Shareholder must on the Record Date:

- be registered as a member of the Company; and
- not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificate(s)) with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. (Hong Kong time) on Friday, 25 May 2007.

### Closure of Register of Members

The register of members of the Company will be closed from Monday, 28 May 2007 to Thursday, 31 May 2007 (both days inclusive) for determination of entitlements under the Open Offer. No transfer of Shares will be registered during this period.

## TERMS OF THE OPEN OFFER

### Subscription price

HK\$4.00 per Offer Share, payable in full when a Qualifying Shareholder applies for the Offer Shares.

The Subscription Price was determined with reference to the then market environment and the prevailing Share prices and represents (i) a discount of approximately 5.2% to the closing price of HK\$4.22 per Share quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 4.8% to the theoretical entitlement price of HK\$4.20 per Share based on the closing price per Share on the Last Trading Day; (iii) a discount of approximately 3.7% to the average closing price of HK\$4.155 per Share for the last ten full trading days up to and including the Last Trading Day; and (iv) the theoretical ex-entitlement price of HK\$4.20 per Share on the Last Trading Day.

The theoretical ex-entitlement price is calculated by adding the market value of all outstanding Shares (based on the closing price on the Last Trading Day) with the total amount expected to be received from the Open Offer (assuming 175,873,502 Offer Shares will be issued), and then divided by the total number of outstanding Shares after the Open Offer.

The Directors consider the terms of the Open Offer and the Subscription Price to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

#### **Basis of assured allotment**

##### **One Offer Share for every 10 existing Shares held by a Qualifying Shareholder on the Record Date**

Fractions of assured allotments will not be issued and will be aggregated and made available for application by the Qualifying Shareholders who wish to apply for Shares in excess of their own assured allotments.

#### **Status of the Offer Shares**

When allotted, issued and fully-paid, the Offer Shares will rank equally in all respects with the existing Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all dividends and distributions which are declared, made or paid after the date of issue and allotment of the fully-paid Offer Shares.

#### **Rights of Non-Qualifying Shareholders**

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong. The Company will make enquiries as to whether the offer or issue of Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory bodies or stock exchanges pursuant to Rule 13.36(2)(a) of the Listing Rules. If after making such enquiry the Board is of the opinion that it would be necessary or expedient not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders. Accordingly the Offer Shares will not be offered to the Non-Qualifying Shareholders and no application for Offer Shares will be accepted from the Non-Qualifying Shareholders. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send the Application Forms to them.

Any Offer Shares which would otherwise have been in assured allotments of the Non-Qualifying Shareholders will be available for application by the Qualifying Shareholders who wish to apply for Shares in excess of their own assured allotments. The Company would inform the Shareholders the results of enquiries regarding the issue of Offer Shares to the Overseas Shareholders by way of announcement.

#### **Application for Offer Shares in excess of assured allotments**

Qualifying Shareholders will have the right to apply for any Offer Shares in excess of their own assured allotments under the Application Forms but are not assured of being allocated any Shares in excess of those in their assured allotments.

The Directors will allocate the Offer Shares in excess of assured allotments at their discretion, but on a fair and equitable basis, and will give preference to topping-up odd lots to whole board lots.

Any Offer Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter.

The Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee as a single shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to topping-up odd lots for allocation of excess Offer Shares will not be extended to beneficial owners individually. Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

#### **Share Certificates**

Subject to the fulfilment of the conditions of the Open Offer, certificates for fully-paid Offer Shares are expected to be posted to successful applicants at their own risk on or before Monday, 25 June 2007. Refund cheques in respect of wholly or partially unsuccessful applications for Offer Shares in excess of assured allotments are also expected to be posted on or before Monday, 25 June 2007 by ordinary post to the applicants at their own risk.

#### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares.

Dealings in Offer Shares on the Stock Exchange will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

## UNDERWRITING ARRANGEMENTS

### Underwriting Agreement:

Date	:	11 May 2007
Underwriter	:	CITIC Securities Corporate Finance (HK) Limited
Number of Offer Shares underwritten	:	All Offer Shares other than those undertaken to be applied for by the Majority Shareholders

The Majority Shareholders are interested in aggregate in 1,309,718,316 Shares, representing approximately 74.47% of the issued share capital of the Company. The Majority Shareholders have irrevocably undertaken to apply or procure application for the entire number of the Offer shares in the assured allotments in which they are beneficially interested.

Assuming that (a) the Open Offer proceeds and is completed; (b) the Majority Shareholders' assured allotments under the Open Offer are applied for in full; and (c) there is no change in the shareholding structure of the Company from the date of the Underwriting Agreement to immediately before completion of the Open Offer (including there being no exercise of Options and no conversion of the Convertible Bonds), set out below is the shareholding structure of the Company as at the date of the Underwriting Agreement and immediately after completion of the Open Offer:

Beneficial owners of Shares	As at the date of the Underwriting Agreement		Immediately after completion of the Open Offer and assuming that all Offer Shares are taken up by Qualifying Shareholders		Immediately after completion of the Open Offer and assuming only assured allotments of the Majority Shareholders are applied for	
	Shares	approx. %	Shares	approx. %	Shares	approx. %
Hong Kong & China Gas (China) Limited	772,911,729	43.95	850,202,901	43.95	850,202,901	43.95
Supreme All Investments Limited	169,491,525	9.64	186,440,677	9.64	186,440,677	9.64
Kenson Investment Limited	367,315,062	20.88	404,046,568	20.88	404,046,568	20.88
The Underwriter	0	0	0	0	44,901,671	2.32
Public	449,016,710	25.53	493,918,381	25.53	449,016,710	23.21
<b>Total</b>	<b>1,758,735,026</b>	<b>100</b>	<b>1,934,608,527</b>	<b>100</b>	<b>1,934,608,527</b>	<b>100</b>

### Termination of the Underwriting Agreement

**The Underwriter may terminate the Underwriting Agreement by notice in writing to the Company at any time prior to 6:00 p.m. on the Settlement Date, if at any time prior to 6:00 p.m. on the Settlement Date:**

- (a) there develops, occurs, exists or comes into force any event whereby in the reasonable opinion of the Underwriter, the success of the Open Offer or the business or financial condition and/or prospects of the Group would, might be or is likely to be adversely affected or which makes it inadvisable or inexpedient to proceed with the Open Offer, including:-
- (i) the introduction of any new law or regulation or any change in existing laws or regulations (or any prospective change in the judicial interpretation thereof) whether in Hong Kong or elsewhere; or
  - (ii) any change or deterioration (whether or not permanent) in local, national, regional or international, economic, financial, political or military industrial, monetary conditions or any event beyond the control of the Company (including, without limitation, acts of government, strikes, wars, acts of violence, acts of terrorism, sabotage, raids, attacks, explosion, flooding, civil commotion, terrorist attack, acts of God or accident); or
  - (iii) any change or deterioration (whether or not permanent) in local, national, regional or international securities market conditions; or

- (iv) without prejudice to sub-paragraphs (ii) and (iii) above, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial or political circumstances or otherwise; or
  - (v) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict (whether or not war is or has been declared or other state of emergency or calamity or crisis in Hong Kong or elsewhere); or
  - (vi) any suspension in the trading of Shares on the Stock Exchange for a continuous period of four Business Days (save and except for any temporary suspension of trading of Shares which is temporary or routine in nature, including the suspension of trading of Shares for a period not exceeding ten consecutive Business Days pending the publication of this announcement or any other public announcement by the Company as may be required by the Stock Exchange and/or the Securities and Futures Commission); or
  - (vii) a change or development involving a prospective change in taxation or exchange control in Hong Kong or elsewhere which will or may affect the Group or the present or prospective shareholders of the Company in their capacity as such; or
  - (viii) any change in the circumstances of the Company or any member of the Group (including, without limitation, the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up (other than for the purposes of a group reorganisation or reconstruction) or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group); or
  - (ix) there shall have occurred a general moratorium on commercial activities in Hong Kong or where the Group has operations or investment; or
- (b) there comes to the notice of the Underwriter or the Underwriter shall have reasonable cause to believe that any of the undertakings or other obligations expressed to be assumed by or imposed on the Company under the Underwriting Agreement have not been complied with in any material respect; or
- (c) there comes to the notice of the Underwriter or the Underwriter shall have reasonable cause to believe that any of the representations or warranties given by the Company under the Underwriting Agreement was untrue, incorrect, misleading or inaccurate in any material respect which adversely affect the success of the Open Offer

which in the reasonable opinion of the Underwriter:

- (i) is or may or will be or is likely to be adverse to, or prejudicially affects, the business or financial or trading position or prospects of the Group taken as a whole; or
- (ii) is or may or will be or is likely to adversely affect the success of the Open Offer and/or makes it impracticable, inexpedient or inadvisable for any part of the Underwriting Agreement, the Open Offer to be performed or implemented as envisaged; or
- (iii) make or will or is likely to make it impracticable, inexpedient or inadvisable to proceed with the Open Offer or the delivery of the Offer Shares on the terms and in the manner contemplated by the Offer Documents or the Underwriting Agreement.

**If the Underwriter terminates the Underwriting Agreement, the Open Offer will not proceed. A further announcement will be made if the Underwriting Agreement is terminated by the Underwriter.**

It is expected that the subscribers procured by the Underwriter will be third parties independent of the Group and not connected persons (as defined in the Listing Rules) of the Group, and it is expected that no subscribers procured by the Underwriter will become substantial Shareholders (as defined in the Listing Rules) as a result of the Open Offer.

#### **CONDITIONS OF THE OPEN OFFER**

The Open Offer is conditional upon each of the following events happening:

- (i) the passing of a resolution by the Shareholders to approve the increase of the authorised share capital of the Company at the annual general meeting of the Company to be held on 23 May 2007;

- (ii) the signing by or on behalf of two Directors on or before the Prospectus Posting Date of four copies of the Prospectus Documents certified in accordance with Section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
- (iii) the filing and registration on or prior to the Prospectus Posting Date of one such signed copy of each of the Prospectus Documents (and all other documents required to be attached thereto) with the Registrar of Companies in Hong Kong, and otherwise complying with the requirements of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
- (iv) the posting of the Prospectus Documents to the Qualifying Shareholders and of the Prospectus marked “For information only” to the Non-Qualifying Shareholders (if any), in each case on the Prospectus Posting Date;
- (v) compliance by the Company with all its obligations under Clause 3 of the Underwriting Agreement relating to the offer of the Offer Shares under the Open Offer;
- (vi) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Offer Shares either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) by no later than the dates specified in such approval and not having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the Settlement Date;
- (vii) the delivery by the Company to the Underwriter of the documents referred to in Clause 5 of the Underwriting Agreement, including (a) the resolution approving this announcement, the Underwriting Agreement, the Open Offer and the printing and the posting of the Prospectus Documents; and (b) the undertaking letters from the Majority Shareholders referred to above;
- (viii) all necessary consents and approvals being obtained from the Shareholders and the regulatory authorities (if any) as the case may be required in connection with the Open Offer not later than the Final Application Date; and
- (ix) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof.

**If any of the above conditions is not fulfilled, the Open Offer will not proceed.**

**As the Open Offer is subject to the above conditions, it may or may not proceed accordingly.**

Further details of the Open Offer will be contained in the Prospectus which is expected to be despatched to the Shareholders on or about 1 June 2007.

**WARNING OF THE RISKS OF DEALING IN SHARES**

**Existing Shares are expected to be dealt in on an ex-entitlements basis from Wednesday, 23 May 2007. If the Underwriter terminates the Underwriting Agreement (see the paragraph headed “Termination of the Underwriting Agreement” above), or if the conditions of the Open Offer (see the section headed “Conditions of the Open Offer” above) are not fulfilled, the Open Offer will not proceed.**

Shareholders and investors are recommended to obtain professional advice regarding dealings in Shares during these periods.

**REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS**

The Company’s current financing strategy is to improve financial liquidity in order to pursue future growth opportunities in the piped gas sector while retiring higher cost debt. The Open Offer is a step in improving the Company’s financial position. The Directors believe that the Open Offer will enable all Shareholders to participate in the future development of the Company on equal terms without diluting the interests of the Company’s Majority Shareholders.

The gross proceeds of the Open Offer are currently estimated to be approximately HK\$703.49 million (on the basis that 175,873,502 Offer Shares will be issued under the Open Offer). It is intended that more than half of the net proceeds of the Open Offer be applied towards reduction of the indebtedness of the Group and the rest for general working capital purpose.

## EXPECTED TIMETABLE OF THE OPEN OFFER

The expected timetable for the Open Offer is set out below:

2007

Last day of dealings in Shares on a cum-entitlements basis	Tuesday, 22 May
First day of dealings in Shares on an ex-entitlements basis	Wednesday, 23 May
Latest time for lodging transfers of Shares in order to qualify for the Open Offer	4:30 p.m. on Friday, 25 May
Book closure period (both days inclusive)	Monday, 28 May to Thursday, 31 May
Record Date	Thursday, 31 May
Prospectus Documents to be despatched on	Friday, 1 June
Latest time for acceptance of and payment for Offer Shares	4:30 p.m. on Monday, 18 June
Underwriting Agreement becomes unconditional	6:00 p. m. on Monday, 25 June
Announcement of results of the Open Offer and excess application	Monday, 25 June
Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares expected to be despatched on or before	Monday, 25 June
Certificates for Offer Shares expected to be despatched on or before	Monday, 25 June
Dealings in Offer Shares expected to commence on	Wednesday, 27 June

**Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Open Offer are indicative only and may be extended or varied by the Company. Any changes to the anticipated timetable for the Open Offer will be published or notified to Shareholders as appropriate.**

## ADJUSTMENTS TO SUBSCRIPTION PRICE AND NUMBER OF SHARES ISSUABLE UNDER OUTSTANDING OPTIONS

The issuance of the Offer Shares may cause an adjustment to the subscription price and number of Shares to be issued under the outstanding Options. The Company will instruct its auditors to review and certify the basis of such adjustments (if any) pursuant to the Share Option Schemes. Separate announcement(s) will be made by the Company when and where appropriate.

## ADJUSTMENTS TO CONVERSION PRICE OF THE CONVERTIBLE BONDS

The issuance of the Offer Shares may also cause an adjustment to the conversion price of the Convertible Bonds and the Company will instruct its auditors to review and certify the basis of such adjustments (if any) in accordance with the terms and conditions of the Convertible Bonds. Separate announcement(s) will be made by the Company when and where appropriate.

## PRINCIPAL ACTIVITIES OF THE GROUP

The principal activities of the Group are the sale and distribution of liquefied petroleum gas and natural gas in the PRC, including the sale of liquefied petroleum gas in bulk and in cylinders, the provision of piped gas and natural gas, construction of gas pipelines, the operation of city gas pipeline network, the operation of gas fuel automobile refilling stations, and the sale of liquefied petroleum gas and natural gas household appliances.

## GENERAL

The Prospectus containing, among others, further details of the proposed Open Offer are expected to be sent to the Shareholders on or about Friday, 1 June 2007. The Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

## DEFINITIONS

“Application Form(s)”	the form(s) of application in respect of the Open Offer to be issued to the Qualifying Shareholders
“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays, Sundays and public holidays in Hong Kong) on which licensed banks generally are open for business in Hong Kong
“Company”	Panva Gas Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Convertible Bonds”	the US\$50 million 2% convertible bonds due 2008 issued by the Company on 23 April 2003
“Directors”	the directors of the Company

“Final Application Date”	4:30 p.m. on 18 June 2007 or such other time or date as the Underwriter may agree in writing with the Company (subject, if required, to the approval of the Stock Exchange and taking into account any other timetable adjustments) as the latest time for application and payment for Offer Shares, provided that if on such date a Storm Warning is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m., then references to the “Final Application Date” shall mean 4:30 p.m. on the first Business Day thereafter on which no Storm Warning remains hoisted at any time between 9:00 a.m. and 4:00 p.m.
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	10 May 2007, being the last trading day prior to the date of the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Majority Shareholders”	Hong Kong & China Gas (China) Limited, Kenson Investment Limited and Supreme All Investments Limited
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Board, after making enquiry, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant overseas places or the requirements of the relevant regulatory bodies or stock exchanges in those places not to offer the Offer Shares to them
“Offer Share(s)”	the new Share(s) proposed to be issued under the Open Offer
“Open Offer”	the proposed issue by the Company of the Offer Shares by way of open offer to Qualifying Shareholders on the basis of an assured allotment of one Offer Share for every 10 existing Shares held on the Record Date at the Subscription Price
“Options”	the share options granted under the Share Option Schemes
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose address(es) as shown in the register of members of the Company on that date is/are outside Hong Kong
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Taiwan, Hong Kong and Macau Special Administrative Region
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus and the Application Forms
“Prospectus Posting Date”	1 June 2007 or such other date as the Underwriter may agree in writing with the Company, as the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	31 May 2007, being the record date for determining entitlements to participate in the Open Offer
“Settlement Date”	25 June 2007 (or such other time or date as the Underwriter and the Company may agree in writing)
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company

“Share Option Schemes”	the share option schemes of the Company adopted on 4 April 2001 and 28 November 2005 respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Storm Warning”	a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal
“Subscription Price”	the subscription price of HK\$4.00 per Offer Share
“Underwriter”	CITIC Securities Corporate Finance (HK) Limited
“Underwriting Agreement”	the underwriting agreement dated 11 May 2007 and entered into between the Company and the Underwriter in relation to the Open Offer
“US\$”	United States dollars
“%”	per cent.

By order of the Board  
**HO Hon Ming, John**  
*Executive Director and Company Secretary*

Hong Kong, 11 May 2007

*At the date of this announcement, the Board of Directors of the Company comprises:*

*Executive Directors: CHAN Wing Kin, Alfred (Chairman), WONG Wai Yee, Peter (Chief Executive Officer), OU Yaping, TANG Yui Man Francis (Alternate Director to OU Yaping), CHEN Wei, KWAN Yuk Choi, James, HO Hon Ming, John and SHEN Lian Jin*

*Independent non-executive Directors: CHEUNG Hon Kit, LI Xiao Ru, ZHANG Ke*

*In this announcement, US\$ has been translated to HK\$ at the rate of US\$1 = HK\$7.8 for illustration purpose only. No representation is made that any amounts in US\$ or HK\$ have been or could have been or could be converted at the above rate or at any other rates or at all.*

*\* For identification purpose only*

Please also refer to the published version of this announcement in South China Morning Post.